



THE COST OF SELLING YOUR HOME

Expenses to expect...

BOSLEY
REAL ESTATE

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The following is a list of expenses normally incurred by a Seller when completing the sale of an average residential property within Toronto.

PRE-SALE HOME INSPECTION REPORT

Getting a pre-home inspection on your existing house is optional. Some argue this exposes you and me to liabilities. We have a clause that explains that a home inspection is for information purposes. It's useful in this competitive market to provide professional information to those parties whose offers contain few conditions. However, if a house is a new build, covered by a Tarion warrantee, or if it is a tear-down, sold as-is, there is little need for an inspection.

Costs vary, for the inspection report but generally it's \$500-600 and normally it is a cost I bear.

TERMITE INSPECTION REPORT

If your property is in an active termite zone, it may be useful to have it inspected by a qualified termite inspector (they'll tell you every area is an active termite zone). The cost will be approximately \$250 and up depending on the size of the property. If this is a warrantee that is essential to the marketing of the property, I will bear this cost.

STAGING

I have a good eye. Most properties require decluttering and the removal of some family and personal items so buyers can imagine themselves in the house. Staging can be expensive and is best suited for nicely finished empty properties; In which case the cost can range b/n \$500-\$1,000 per room. However, often a hybrid approach - where the property is styled and furnishings are rented where necessary, - is the best solution.

Often I will bear some or all of the costs depending on the requirements and the sale price.

PREPERATION

Preparing your home for sale. As you can imagine this price can range. I am very good at finding the highest impact, lowest cost expenditures. Painting, cleaning, repairs and sometimes adding walls to close off another bedroom can have a massive affect. I will coordinate and manage all of the tasks but the cost is generally borne by the Seller. See the "Sellers Property Preparations" download. Price is dependant on scope. Start with \$500 though.



REAL ESTATE COMMISSION PLUS HST

The fees paid to the brokerages on a real estate transaction are usually a percentage of the purchase price - we call this a commission. Traditionally, fees are paid by the Seller to the Listing Brokerage. The Cooperating agent (Buyer's agent) involved in the transaction is paid through the Listing Broker. Each Brokerage "splits" the fee with the agent according to their contract. Bosley's policy is a 5% gross commission, wherein 2.5% is paid to the Cooperating Brokerage. Discount commission brokers tell you how much you'll save. But a reasonable commission is not an expense, rather an investment that protects the equity of your investment, the integrity of the process, and premium service.

MORTGAGE CANCELLATION PENALTY AND DISCHARGE FEE (IF APPLICABLE)

This one can sneak up on you. If you have a mortgage and your selling your home, you are most likely discharging your existing mortgage. Your bank (or mortgage broker) will likely waive this fee and hopefully legal and the appraisal, in order to keep your business and secure the next mortgage. But you need to get this in writing in advance so there are no surprises. It can significantly affect the affordability of the next property.

And if you're not getting another property, then prepare to pay the bill. Costs vary depending on the rate (sometimes the posted rate, not the contract rate) and the length of time remaining in your mortgage. If you are 1- year into a 5-year term, then it's going to be costly.

LEGAL FEES

Legal Fees range from \$1,250.00 and up plus HST. Lawyers may negotiate their fees and will provide individual quotes when requested. Probate, assignments, power of attorney, distant client, all will affect their cost.

LAND TRANSFER TAXES

Land Transfer taxes are not applicable for selling your property. But for buyers of residential properties the cost is between .25% and .5% of the purchase price, check out my calculators to figure it out. If you're a first time homebuyer then you will qualify for a rebate. There is also a \$75 filing fee because it's such a burden on the bureaucracy to take our money.

STATEMENT OF ADJUSTMENT ON CLOSING FOR PRORATED EXPENSES

Statement of adjustments on closing for prorated expenses, i.e. balance of fuel in the oil tank (if you have an oil tank, I hope we've talked about that!), prepaid taxes, utilities, rental income or last month's rent from a tenant the buyer is assuming, etc. This amount can vary dramatically. If you paid your property taxes for the entire year and sell in March, the Buyer will have to repay a good chunk of that cost, thus increasing your net.

After closing there are many other costs that you'll encounter including, but not limited to, moving, cleaning, updates to fixtures or window coverings, furniture, storage, time off work, extra child care.