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THE COST OF SELLING A HOME

By: Attorney Jonathan A. Wetmore

Over the last ten years of practicing real estate law I have closed thousands of transactions. I find that most seller angst and anxiety is caused by a lack of knowledge and understanding of the costs associated with selling their home. Most sellers focus on the sales price during the negotiation but do not analyze in depth the costs associated with the sale until after they accept an offer. Without this critical information, a seller will not be able to answer the most important question of all, “How much will I net from the sale of my home?”

A good rule of thumb is to multiple the sales price by 0.94 and then subtract the amount due to pay off any liens and an additional \$1,000 for other closing costs. This method does not take into account adjustments for taxes, assessments and oil, funds that you may receive back after the closing from your current escrow account, any interest due to your mortgage company for the current month, etc... As you can see, a rule of thumb is not an exact science and may not fit your particular situation. It will, however, give you a starting point. In addition, the below worksheet will help serve as a guide to your specific situation but will not account for the complicated items mentioned above.

Please feel free to contact Attorney Wetmore for a **FREE** comprehensive analysis of the costs associated with selling your home.

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WORKSHEET

I. CLOSING COSTS:

- a. Real Estate Commission
i. Sales price x _____% = \$ _____
- b. Conveyance Tax
i. State***
1. Sales price x 0.0075 \$ _____
ii. Local***
1. Sales price x 0.0025 \$ _____
- c. Attorney Fee & Costs \$ _____
- d. Payoff Mortgage & Liens
i. 1st Mortgage \$ _____
ii. 2nd Mortgage \$ _____
- e. Closing Cost Credit to Buyer + \$ _____
- f. **TOTAL CLOSING COSTS:** \$ _____

II. SUMMARY

- a. Sales Price \$ _____
b. Less Total Closing Costs - \$ _____
c. **Estimated Net Proceeds** \$ _____

***The state conveyance tax is .0075 (.75%) of the sales price up to \$800,000.00. Any amount above \$800,000 is taxed at .0125 (1.25%). The municipal conveyance tax is 0.0025 (.25%) for most towns. There are 18 eligible municipalities that are permitted to impose a tax of up to 0.005 (.5%).

DISCLAIMER:

This document is meant to provide general information and is not legal advice nor does it establish an attorney-client relationship. You should consult with an attorney immediately regarding your particular situation.