

Homeseller's Checklist: Expenses to Expect When Selling Your Home

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Everyone knows that buying a home is expensive -- but what about selling?

Talk to anyone who's just sold a home, and you'll probably see some eye-rolling as they recount how the supposed profits were undercut by one expense after another. But the results won't seem quite so shocking if you know what to expect.

In fact, if you start planning ahead of time, you may find ways to reduce some of the costs, perhaps by handling some tasks yourself or getting lots of competing bids for work.

Before the Sale: Expenses to Expect

Here are the typical upfront expenses. Some are a matter of choice, yet may be important investments in making sure your house sells for the highest amount possible -- or sells at all.

1. **Painting.** A new paint job is one of most cost-effective ways of freshening your house up, inside and out. If you've recently painted, this is less important -- though if your color choices were bold or unique, you might want to tone them down with some crowd-pleasing neutrals. Your stager, if you hire one (see below) can help advise on the best colors. You can save some money by doing some of the painting yourself -- hiring someone will quickly run into the thousands of dollars.
2. **Window washing.** When did you last wash them -- especially on the outside panes of upper floors? Sparkling windows make a surprisingly large difference to buyer perceptions. Hiring someone will cost a few hundred dollars, depending on the size and height of your home.
3. **Fixups.** Which fixups are necessary (such as replacing cracked windows or stained carpeting) and which (such as major remodels) should be left for the buyer to handle is a separate discussion in itself. But there's practically no house that couldn't use some quick maintenance to make sure it looks well-cared for and leaves fewer items for a home inspector to comment on.

4. **Staging.** It's de rigeur in some parts of the United States, and less known in others -- but staging your home, or having a decorator help declutter, reorganize, and in some cases refurnish it after you've moved your stuff out, can help impress buyers in a big way. In fact, studies show that buyers pay more for staged homes. Expect to pay a professional stager a few thousand dollars for their services (a bit less if some of your own furniture is usable.) For more on this topic, see Nolo's article [Is Hiring a Home Stager Worth the Cost?](#).
5. **Adding decorative or new items to your home (if you're not hiring a stager).** Even if you decide to save money by staging your own home, you're almost guaranteed to have to buy things like a new doormat, new plush towels for the bathroom, flowers for the showings, and more, depending on what your house needs. Other likely possibilities include new couch cushions, area rugs, a nice table runner, and artwork to replace your wall of kids' photos.
6. **Landscaping.** Buyers are increasingly interested in the state of your garden. If it's already fully planted, you'll want to hire someone (or put in some sweat equity) to get it raked, pruned, and otherwise tidied up. If the area hasn't already been landscaped, plan to add some new greenery and flowering plants. (By the way, if you plant in containers, you can take the containers with you when you move -- unless they're so big or incorporated into the property as to be considered "fixtures.") Many sellers simply put in new sod -- but do the buyers a favor and don't leave the plastic mesh backing on it, in case the buyers want to replace it with something more interesting and environmentally friendly.
7. **Pre-inspection reports.** Having a professional inspect your house for either termite/pest damage or other structural matters isn't required, nor expected in most parts of the United States. Buyers expect to pay for their own inspectors, and in fact will probably want to hire ones they know and trust regardless of whether you've had the property inspected first. Yet there are situations where you might want to have the house inspected before letting buyers in -- for example, if you've owned the property for many years and wonder whether any problems have arisen "below the hood" that you're oblivious to, and would perhaps prefer to fix before buyers have a chance to get upset about them. Inspections will run you upwards of \$200.
8. **Lights and heat while the house sits empty.** If you'll be moving out before putting your house on the market, expect to pay double utilities for a while. You'll want to leave the lights and heat on in the house for

sale, or program them to stay on during any hours that potential buyers and their agents may be stopping by the place. No one likes to enter a cold, dark house and fumble around for the light switches. Check your current bills for approximately what to expect.

9. **Extra homeowners' insurance for the vacancy period.** Check with your homeowners' carrier. Your insurance may not apply when the home is "vacant," which term will be defined in your policy. You can ask for a rider to cover any period of vacancy.

At Closing: More Expenses to Expect

The good news is, most of what you'll be paying out at closing will come out of the sale proceeds. The bad news is, you'll be saying goodbye to some big dollars.

1. **Real estate agent commissions.** You, as the seller, will likely be paying the entire 5% - 6% commission, to be split between the buyer's agent and yours.
2. **Other closing costs or credits to the buyer.** You might have agreed - based on local tradition or buyer negotiation -- to pay various of the standard costs associated with closing the deal, such as fees for the escrow company; the mortgage and home appraisal; recording and transfer of the property; homeowners' and title insurance; and more. If your local real estate market is sluggish, buyers may also ask you to pay all or a hefty portion of the closing costs, which typically add up to 2% to 4% of the selling price.
3. **Transfer tax.** Your city or state may require you to pay transfer taxes, as a small percentage of the sale price.
4. **Home warranty for the buyer.** Whether because the buyer requests it or to make the buyer feel secure about the home purchase, many sellers buy a home warranty on the buyer's behalf. This is a service contract that covers repairs to appliances and certain systems within the house for the first year of ownership. It will cost about \$500.
5. **Capital gains tax.** If you earn less than \$250,000 on your home sale (or \$500,000 if you're married and filing jointly), don't worry -- you won't owe a thing in the way of capital gains taxes. But if you earn more than that, you'll want to look further into the matter. Once you've subtracted things like the costs of preparing the property for sale from the supposed gains, you may not owe the tax. .

6. **Moving costs.** Asking your friends with pickup trucks to help can save you some dough -- but will take a lot more time. Sometimes it's worth paying for the deluxe treatment, where the company packs your boxes for you, transports them to the new location, and unpacks at the other end.