

## A Message from the President of the Youngstown Columbiana Association of REALTORS®

### CLOSING COSTS THAT MIGHT SURPRISE YOU

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Are you selling your home soon? As you look at your finances and list your home, it's probably tempting to focus on your potential earnings. However, every real estate transaction comes with closing costs for the buyer and the seller.

You probably already know you're responsible for the agents' commissions, but what about the rest of your closing costs?

Before selling your home, make sure you understand all the closing costs you'll be expected to cover. Here are some typical costs that may surprise you:

1. **Pro-Rated Property Taxes**

You're responsible for all property taxes up to the date of the sale. If you're selling in July, you need to pay your property tax for the first seven months of the year – not wait until next year to file. Make sure you're aware of the final number because you must provide this to the buyers. This is required because buyers will get a bill next year for the whole year, including the months you still owned the home.

2. **Transfer Taxes and Fees**

Real estate transactions are essentially title transfers from one owner to another. Before your sale is complete, you must pay state and county, or city fees in order to process this transfer. You may also need to pay transfer taxes. While most sellers are aware that it costs money to transfer a title, many are surprised by the final percentage, which can fluctuate wildly depending on your location. Make sure you're aware of the local requirement beforehand.

3. **Title Insurance**

Think again if you think buyers are always responsible for buying a title insurance policy. Many states now require sellers to cover the new homeowner's title insurance policy. This coverage is designed to protect the mortgage lender from future claims, and they won't approve the transaction without it. Find out now if you will be responsible for the buyer's title insurance coverage.

4. **Home Preparations**

Staging a home for market success is about more than just cleaning thoroughly and rearranging the furniture. Your real estate agent will know which services are the most valuable, especially to sellers who want to ask for more money or sell more quickly. For example, renting a storage unit will make it much easier to clear out a third of your clutter and personal possessions, leaving a more neutral and walkable space for potential buyers. Carpet cleaning, painting, lawn care, and professional photography services are also important investments for serious sellers.

Of course, your final closing costs before selling your home will depend on many different factors. These factors will help you figure out just how much to set aside for closing, from zip code and loan terms to the buyers' willingness to negotiate. Understand your responsibilities and prepare yourself for every possible expense.

County Totals:

Mahoning: 302 on the Market, 625 Sold, 208.33 Average Sold Each Month, 1.45 Months of Inventory left, 206.95% Chance of selling your home in 90 days

Columbiana: 165 on the Market, 188 Sold, 62.67 Average Sold Each Month, 2.63 Months of Inventory left, 113.94% Chance of selling your home in 90 days

Trumbull: 248 on the Market, 478 Sold, 159.33 Average Sold Each Month, 1.56 Months of Inventory left, 192.74% Chance of selling your home in 90 days

*Dennis Gonatas is the 2022 President of the Youngstown Columbiana Association of REALTORS®*