

The Complete Home Selling Costs Checklist for Alliston

A step-by-step guide to understanding commissions, legal fees, taxes, and your true net proceeds.

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30+ Years Experience in South-Central Ontario

Introduction: Avoiding Closing Day Surprises

Selling a home in Alliston is a major financial transaction, and if you only focus on the sale price, the closing costs can come as an unwelcome surprise. In my 30+ years of helping sellers in New Tecumseth, I've seen homeowners shocked by mortgage prepayment penalties or confused about who pays the land transfer tax.

In Ontario, home sellers typically pay between 4% and 7% of the final sale price in closing costs. The largest portion is real estate commission, but you also need to budget for legal fees, potential mortgage discharge penalties, and pre-listing preparations.

The Core Selling Expenses

Expense Type	Typical Cost Range
Real Estate Commission	4% to 5% of sale price (+ HST)
Legal Fees & Disbursements	\$1,200 to \$2,000 (+ HST)
Mortgage Discharge Fee	\$200 to \$400
Mortgage Prepayment Penalty	Varies (Can be \$0 to \$10,000+)
Moving Costs	\$1,000 to \$3,000+

1. Real Estate Commissions

Real estate commission is almost always the single largest expense when selling a home. In Ontario, the combined commission typically ranges from 4% to 5% of the final sale price, plus 13% HST.

The total commission you agree to is generally split between two brokerages: The Listing Brokerage (who markets your property) and the Buyer's Brokerage (who brings the buyer). It is crucial to remember that HST applies to real estate commissions.

2. Legal Fees and Disbursements

You must have a real estate lawyer to legally transfer property ownership in Ontario. Legal costs for sellers typically range from \$1,200 to \$2,000 plus HST.

This total is broken down into the lawyer's base rate for their professional time (usually \$800 to \$1,500) and disbursements, which are out-of-pocket expenses the lawyer pays on your behalf, such as title searches and bank wire charges.

Action Checklist: Legal & Agent Prep

- Interview agents and review their complete marketing plan.
- Confirm the exact commission split between listing and buyer agents.
- Hire a real estate lawyer in the Alliston/New Tecumseth area.
- Gather your property tax bills, utility bills, and existing survey (if you have one).

3. Mortgage Penalties and Discharge Fees

If you still owe money on your mortgage, discharging it can be inexpensive or surprisingly costly. A standard discharge fee is typically \$200 to \$400.

However, if you are breaking a closed mortgage before the term is up, you will face a prepayment penalty. For fixed-rate mortgages, this is usually the greater of three months' interest or the Interest Rate Differential (IRD). The IRD can run into the thousands of dollars.

4. Tax Considerations

Capital Gains: If the property was your principal residence for every year you owned it, you are exempt from capital gains tax. You must still report the sale on your tax return. If it was an investment property, you will owe capital gains tax.

Land Transfer Tax: The buyer pays the land transfer tax in Ontario. As a seller, you do not pay this tax.

Action Checklist: Mortgages & Taxes

- Call your mortgage lender and request a payout statement with penalty calculation.
- Ask your lender if you can "port" your mortgage to a new property to avoid penalties.
- Consult an accountant if the property is an investment or secondary residence.

5. Pre-Sale Preparation Costs

While not strictly 'closing costs,' preparing your home for the market requires an upfront investment to ensure top dollar.

Home Staging: Professional vacant home staging typically costs \$2,000 to \$5,000+ per month. However, my team utilizes technology to show rooms both with and without furniture during our Video Narrated VR Animated Online Showings, reducing the need for physical staging.

Rural Properties: If you are selling outside of town, budget \$300 to \$600 to have your septic tank pumped and inspected before listing. You should also ensure you have recent, clean well water tests.

Action Checklist: Home Prep

- Declutter and depersonalize all rooms (rent a storage unit if necessary).
- Complete minor repairs (leaky faucets, chipped paint, broken hardware).
- Consider a pre-listing home inspection (\$350-\$600) to build buyer trust.
- For rural homes: Pump and inspect the septic tank, and test the well water.

Net Proceeds Calculation Worksheet

Use this worksheet to estimate how much money you will keep after the sale closes.

1. Estimated Sale Price	\$ _____
Minus: Real Estate Commission	- \$ _____
Minus: HST on Commission (13%)	- \$ _____
Minus: Legal Fees & Disbursements (incl. HST)	- \$ _____
Minus: Mortgage Payout Balance	- \$ _____
Minus: Mortgage Discharge Fee / Penalty	- \$ _____
Minus: Pre-listing Prep / Staging / Moving	- \$ _____
ESTIMATED NET PROCEEDS:	\$ _____

Want a precise net proceeds calculation?

Contact Kevin Flaherty today for a free, no-obligation home evaluation.

Call: 226-270-6433 | Visit: flaherty.ca/homeeval