Costs of Selling a Home in Mount Forest

Your Complete Guide & Net Proceeds Worksheet

Know exactly what comes off your sale price -- from commission and legal fees to mortgage penalties and moving costs -- so there are no surprises at the closing table.

What's Inside:

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Pre-Listing Costs

These are optional investments you may choose to make before listing. They are not mandatory, but they often yield a strong return by increasing your sale price or preventing buyer objections.

Home Preparation

- [ ] Deep cleaning (entire home including windows): $300 - $800
- [ ] Decluttering and removal of excess furniture: $0 - $500
- [ ] Interior painting (neutral tones, main living areas): $1,000 - $3,000
- [ ] Minor repairs (leaky faucets, cracked caulking, loose handles): $200 - $800
- [ ] Landscaping refresh (mulch, trim shrubs, power wash): $200 - $600
- [ ] Professional staging (partial or full): $1,500 - $4,000
- [ ] Professional photography (often included with full-service agent): $0 - $500

Pre-Listing Inspections (Recommended for Rural Properties)

- [ ] General home inspection: $300 - $600
- [ ] Well water potability test: $50 - $150
- [ ] Septic system inspection and pump-out: $300 - $600
- [ ] WETT certificate (wood-burning stove/fireplace): $200 - $350
- [ ] Radon test (if applicable): $150 - $250

TIP:

Pre-listing inspections eliminate surprises. When buyers find issues during their own inspection, they use them as leverage to reduce the price -- often by more than the cost of the repair.

Commission & Marketing

The real estate commission is the single largest cost of selling. It covers the marketing, negotiation, and management of your sale. Understanding how it works helps you evaluate the value you receive.

Commission Structure in Ontario

- [ ] Total commission: typically 3.5% to 5% of the sale price
- [ ] Split between buyer's agent (often 2.5%) and seller's agent (1% to 2.5%)
- [ ] HST (13%) is charged on the commission amount, not the sale price
- [ ] Commission is deducted from proceeds by your lawyer at closing
- [ ] Commission is negotiable -- but cheapest is rarely best value

Example: Commission on a $556,000 Sale

- [ ] 5% commission: $27,800
- [ ] HST on commission (13%): $3,614
- [ ] Total commission cost: $31,414
- [ ] 4% commission: $22,240 + $2,891 HST = $25,131
- [ ] 3.5% commission: $19,460 + $2,530 HST = $21,990

TIP:

The goal is maximizing your NET proceeds, not minimizing commission. A full-service approach with aggressive marketing (like Video Narrated VR Animated Online Showings) creates competition that drives the sale price up -- often by more than the difference in commission rates.

Legal & Closing Fees

You must hire a real estate lawyer to close the sale. Your lawyer handles the transfer of funds, pays off your mortgage, deducts commission, and ensures all closing adjustments are settled correctly.

Lawyer Fees & Disbursements

- [ ] Real estate lawyer fee: $1,000 - $2,000
- [ ] Disbursements (title search, registration, courier): $300 - $600
- [ ] Status certificate (condos only, capped at $100 in Ontario)
- [ ] Discharge registration fee: $50 - $100
- [ ] Wire transfer / certified cheque fee: $25 - $75

Closing Adjustments (Statement of Adjustments)

- [ ] Property tax proration (credit or debit depending on prepayment)
- [ ] Heating fuel adjustment (propane tank credit if full at closing)
- [ ] Condo maintenance fee proration (if applicable)
- [ ] Utility deposits (hydro, water -- transferred or refunded)
- [ ] Rental equipment buyouts (hot water tank, furnace rental)

Tax Considerations

- [ ] Principal Residence Exemption (PRE) -- no capital gains if primary home
- [ ] If rural acreage exceeds 0.5 hectares, consult CPA about partial exemption
- [ ] Investment/rental properties: 50% of gain taxable at marginal rate
- [ ] Keep all renovation receipts -- they increase adjusted cost base
- [ ] HST does NOT apply to the sale of a resale residential home

TIP:

Land transfer tax is paid by the BUYER, not the seller. However, if you are buying your next home simultaneously, budget for land transfer tax on that purchase.

Mortgage & Financial

If you have an existing mortgage, it must be paid off from the sale proceeds. The discharge fee is modest, but the prepayment penalty can be significant -- especially on fixed-rate mortgages.

Mortgage Discharge Costs

- [ ] Mortgage discharge fee (administrative): $250 - $500
- [ ] Variable-rate penalty: typically 3 months of interest
- [ ] Fixed-rate penalty: GREATER of 3 months interest OR Interest Rate Differential (IRD)
- [ ] IRD can be thousands of dollars -- contact your lender EARLY for a payout statement
- [ ] Some lenders allow porting the mortgage to your next property (no penalty)

Bridge Financing (If Buying Before Selling)

- [ ] Bridge loan interest: typically prime + 2-3% for the overlap period
- [ ] Administrative/setup fee: $200 - $500
- [ ] Lawyer fee to register bridge loan: $200 - $400
- [ ] Only needed if your purchase closes BEFORE your sale closes
- [ ] Selling first eliminates bridge financing entirely

Other Financial Considerations

- [ ] Title insurance (usually paid by buyer, not seller): $200 - $500
- [ ] Survey or reference plan (not required, but buyer may request): $1,500 - $3,000 if new
- [ ] Home warranty (optional, to reassure buyers): $400 - $600
- [ ] Storage unit (if needed during transition): $100 - $300/month

TIP:

Contact your mortgage lender at least 30 days before listing to request a payout statement. The IRD penalty on a fixed-rate mortgage is the most common 'surprise' cost sellers face.

Moving & Transition Costs

Moving Expenses

- ☐ Packing supplies (boxes, tape, bubble wrap): $100 - $300
- ☐ DIY truck rental (local move): $200 - $500
- ☐ Professional movers (full-service, local): $1,500 - $4,000
- ☐ Long-distance move: $3,000 - $8,000+
- ☐ Temporary storage: $100 - $300/month
- ☐ Cleaning service (move-out clean): $200 - $500

Net Proceeds Worksheet

Use this worksheet to estimate your take-home amount. Fill in your numbers:

Expected Sale Price	$________________
Minus: Mortgage Balance	- $________________
Minus: Commission + HST	- $________________
Minus: Legal Fees + Disbursements	- $________________
Minus: Mortgage Discharge + Penalty	- $________________
Minus: Pre-Listing Costs	- $________________
Minus: Moving Costs	- $________________
Plus/Minus: Closing Adjustments	+/- $________________
YOUR ESTIMATED NET PROCEEDS	**= $________________**

Get Your Free, No-Obligation Home Evaluation

Call or Text Kevin: 226-270-6433

Book online: flaherty.ca/homeeval

Costs breakdown: flaherty.ca/costs-of-selling-a-home-in-mount-forest