

Determine the profit on your Real Estate sale

By Maximus Mejo

Most people look to compromise in their area to come up with the listing price for their property. This is logical, but you also have to hub on the bottom line.

How Much Would You Make on The Sale of Your Property?

It happens more frequently than you might imagine. A homeowner decides to sell and goes about figuring the top price to sell. They might set a price off of the cuff or does study to ascertain the best price that will result in a sale within a specific time period. What many do not take into account, nevertheless, is the ultimate amount would get from the property. This could lead to brutal surprises when the eventual amount is much less than expected a concept known as seller's remorse.

In realism, the decision to sell your property must only be made after determining what you could objectively get out of it. Most people, however, lean to eyeball this amount. If you have a lot of justice in the property, it in fact is not an issue. If you don't, you better start calculating or you can be in for a bad shock.

The first place to start is the predictable price you would sell for minus the outstanding balance on your mortgage. This gives you a rough estimate of your equity, but must not be relied upon as the final cash out figure. Instead, you have to sit down and start calculating the other costs such as:

- * Mortgage pre-payment penalties,
- * Property taxes for the part of the related year in which you are selling.
- * Any costs connected with repairs to the property to get it in shape to sell.
- * Attorney's fees if a lawyer is necessary to be part of the process in your state.

Incidental costs connected with the sale as agreed to in the purchase agreement with the buyer. Items could include title insurance premiums, recording fees, examination fees, warranty insurance, escrow fees and so on.

One area people totally forget to factor in is, ironically, the main expense. If you use a real estate agent, you are going to pay an important commission. A typical 6 percent commission on the sale of a \$300,000 home is \$18,000. More and more sellers are bypassing this by selling their properties without agents, which makes brains given the money involved. Regardless, you require ascertaining how you would sell the home and the relevant cost of doing so as part of your overall calculation. Making the choice to sell is an emotional one. It should, however, also comprise a hard, cold look at the financials involved and whether doing so makes sense.