Your first-time sellers might be surprised by $15K in hidden costs

In its latest study, Zillow turned the spotlight onto sellers and found that homeowners spend, on average, $15,190 in extra or hidden costs to sell their home — a reality that may blindside the 63 percent of today's sellers who are putting their home on the market for the first time.

According to the study, these "hidden or extra" costs come from a lack of awareness about expenses related to closing, home prep, sales taxes and agent commissions.

"Sellers need to consider these additional, often necessary costs when planning to put their home on the market," said Thumbtack economist Lucas Puente, who contributed to the study.

"While it's clear these costs vary widely, often times the easiest way to ensure a home is fully prepared to be sold is to hire local, skilled professionals to help with basic home projects."

Zillow says that eight out of 10 homeowners make home improvements before putting their property on the market. Although some sellers decide to go the DIY route, others who hire professionals can expect to spend more than $2,650 to cover staging, carpet cleaning, interior painting, lawn care and house cleaning — five of the most popular improvements sellers make.

These costs do vary by region. A homeowner in Los Angeles can expect to spend almost $4,000, while a homeowner in Columbus would only shell out around $1,500.

Zillow + Thumbtack

TOP 10

Metros With the Highest Hidden Costs for Home Sellers

	Metro	Average Total Hidden Costs of Selling
1	San Francisco, CA	$55,105
2	Los Angeles, CA	$40,808
3	Seattle, WA	$37,629
4	San Diego, CA	$35,236
5	Boston, MA	$29,833
6	Washington, DC	$29,667
7	Sacramento, CA	$25,197
8	Denver, CO	$24,082
9	Portland, OR	$23,280
10	Riverside, CA	$21,223

Source: Zillow and Thumbtack analysis, April 2017.

Beyond beautification costs, newbie sellers can be taken aback by sales and transfer taxes.

The national average for these taxes is $12,532, but once again, location will determine how much more or less a seller will spend.

In San Francisco, one of the nation's most expensive markets, homeowners will spend $51,520 in sales and transfer taxes on a median-priced home. Meanwhile, a seller in Indianapolis will spend $8,238 — well below the national average.

Zillow Group Chief Marketing Officer Jeremy Wacksman says sellers can mitigate sticker shock by planning ahead of time and partnering with an agent who can give them sound advice based on their individual market.

"One of the biggest regrets sellers have is not starting the process early enough," said Wacksman. "For those planning to sell this year, take your time to research all the costs you could be responsible for and how they may affect your profit, or even budget for your next home.

"Partner with a great agent who can help you understand the nuances in your market — from what taxes or closing costs you should expect, to which home renovation projects can help attract the right buyer," he added.

Email Marian McPherson.

Source: click here