A SELLER’S GUIDE WITH SPENCER

Seller’s Closing Costs Explained

What actually comes out of your sale proceeds – broken down line by line, with what’s typical in Missouri

With Spencer | Elevate Realty, LLC
St. Louis Metro - West County - St. Charles County

INTRODUCTION

Your Sale Price Isn't Your Payout

It's easy to picture your sale price as the number that lands in your bank account. In reality, a handful of costs come off the top before you see your final net proceeds — and knowing what those are ahead of time means no surprises at the closing table.

None of this needs to feel like a mystery. Once you understand what's typically deducted from a Missouri home sale, you can plan your next move with real numbers instead of guesswork.

What determines your net proceeds: Sale price, minus your remaining mortgage payoff, agent compensation, prorated tax and HOA dues, title and closing fees, and any negotiated buyer concessions or repair credits.

SECTION ONE

Real Estate Agent Compensation

Your listing agent is compensated for pricing strategy, marketing, negotiation, and managing the transaction from listing to closing. In their offer, a buyer will request compensation for their buyer's agent if they have one. This is negotiable, like every other term of the contract. Expect to see the buyer's agent compensation to be anywhere between 2.5% - 3%.

- Your listing agent's compensation is agreed on when the listing agreement is signed, before your home is put on the market
- Fees vary greatly from brokerage to brokerage, and even from agent to agent. Your agent should go over what their fee is and what it covers
- Since 2024, industry-wide changes to how buyer agent compensation is offered and negotiated mean these conversations look a little different than they used to — your agent should walk you through your current options clearly
- Compensation is calculated as a percentage of the final sale price, not your original list price

> This is a conversation worth having in detail with your agent up front — not something to assume based on what a friend paid on their sale. Ask for the specifics in writing before you sign a listing agreement.

SECTION TWO

Title and Closing Fees

The title company (or closing attorney, depending on how your transaction is handled) manages the paperwork, funds, and recording that make the sale official — and charges fees for that work.

- **Seller's closing/settlement fee —** the title company's charge for managing your side of the closing
- **Recording fees —** county charges to officially record the transfer of ownership
- **Real estate attorney fees —** using an attorney at closing is optional in Missouri; some sellers choose this for an added layer of review

Good to know: Missouri does not charge a statewide real estate transfer tax, which simplifies this part of the process compared to some other states. On average, you can expect to see a total of title fees on the seller's side to be about $700.

SECTION THREE

Prorations and Your Mortgage Payoff

A few line items on your closing statement aren't new costs — they're adjustments for things you've already been paying, settled up as of your closing date.

- **Mortgage payoff —** any remaining balance on your current mortgage is paid off directly from your sale proceeds at closing
- **Prorated property taxes —** you pay your share of the year's property taxes up through your closing date; the buyer covers the rest
- **Prorated HOA dues —** if applicable, you'll settle your share of dues for the current billing period
- **Payoff of any liens —** including home equity lines of credit or other liens tied to the property

> Ask your lender for a payoff quote as soon as you're seriously considering listing. Payoff amounts include per-day interest accrual, so the number changes slightly depending on your actual closing date. Typically, the tile company will receive a pay off for closing that has an additional 7-10 days on it to allow time for mail and processing.

* It's important to update your mortgage company with your new address when selling. Within 30 days of closing they should refund any money in your escrow account and any overage in payoff.

SECTION FOUR

Other Costs That May Come Up

Depending on how negotiations go, a few additional items sometimes appear on a seller's closing statement:

- **Buyer concessions —** some sellers agree to contribute toward the buyer's closing costs as part of the negotiated deal
- **Repair credits —** a credit given in place of completing repairs identified during the buyer's inspection
- **Home warranty —** occasionally offered by the seller as a buyer incentive, or requested as part of negotiations
- **Courier, wire, or notary fees —** small administrative charges from the title company for handling and transferring funds securely

> **Bottom line:** None of these are automatic. They only apply if they come up in your specific negotiation — but it helps to know they exist so nothing on your closing statement catches you off guard.

SECTION FIVE

Other Costs That May Come Up

You don't have to wait until closing day to get a realistic picture of what you'll walk away with. Here's how to build an early estimate:

1. Start with a realistic expected sale price, grounded in current comparable sales — not just your original purchase price plus appreciation guesses
2. Subtract your mortgage payoff, using an updated payoff quote from your lender
3. Subtract agent compensation, based on the specific terms in your listing agreement
4. Subtract estimated title, closing, and recording fees
5. Adjust for prorated property taxes and HOA dues based on your likely closing date
6. Leave room for any negotiated buyer concessions or repair credits, even if you don't know the exact number yet, and buyer agent compensation

> This is exactly what a net sheet is for — a side-by-side estimate that shows your likely proceeds at a few different possible sale prices, so you can make your next decision with real numbers instead of a guess.

* When you work With Spencer she will provide an estimated net sheet at the time of listing and with all of the offers to make an informed decision.

LET’S TALK

Want an Actual Net Sheet for Your Home?

I can put together a personalized net proceeds estimate based on your specific mortgage balance, your home's current market value, and today's closing cost norms — so you know exactly where you stand before you decide to list.

Call or text me at 314-947-3791 — I'd love to talk through your options.

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