



Estimates of Closing Costs a Buyer Can Expect in Sullivan County

Closing costs can vary widely, so its not possible to give a “fixed percentage” amount of the sale price that a buyer can expect. However, here are some ranges for pre-purchase due diligence and closing (settlement) items to help you estimate a range of costs for the property you are considering.

Home Inspection

The basic cost for a home inspection ranges from \$350 to \$600, which typically includes a water test for bacteria for homes with a well or spring water supply as well as a septic dye test for homes on a septic system. The higher amount is typically for a larger home, or a home with outbuildings that a buyer also wants inspected. More in-depth water testing, or testing for mold or radon is additional, and is typically recommended by the home inspector on a case by case basis.

Closing Attorney

In Sullivan County, you need an attorney to handle the contract and closing process for you. Generally this is quoted as a flat fee, and can range from \$800 to \$1,800. Fees can be higher for more complex transactions involving subdivision, rezoning or multiple purchasers.

Mortgage Costs

Mortgage costs also vary widely. Typically, mortgage application and processing fees range from \$500 to \$800, not including the property appraisal or any “points” paid to reduce the mortgage interest rate.

Appraisal

The property appraisal is ordered by your mortgage lender and is sometimes included in the application fee. An appraisal for single family residential property typically costs \$350 to \$400.

Survey

A survey of the property is generally required for title insurance and by your mortgage lender. If a property has been recently surveyed, typically within the last 7 years, and there have been no further improvements to the property (like a new driveway, addition to the residence, or construction of an outbuilding like a garage), the title insurer may accept a “recertification” of the existing survey. Recertification of an existing survey can range from \$350 to \$600. A new survey, if required, can range from \$600 for a smaller parcel in a subdivision to \$2,000 and up for a larger acreage property.

Title Insurance

Title insurance for the buyer is approximately .65% of the purchase price and paid at closing.

Mortgage Recording Tax

The mortgage recording tax is 1% of the amount borrowed, with .75% paid by the borrower and .25% paid by the lender.

Lender Closing Attorney

The lender requires an attorney or closing agent to represent them at the closing. The cost, paid by the borrower, is typically \$400 to \$600.

Transfer Taxes

The real estate transfer tax is paid by the seller.

Property Tax Adjustments

This is a huge variable and greatly dependent on exactly when during the year you close. Basically, the seller has already paid the property and school taxes due for the current period and the buyer is responsible for reimbursing the seller for the remainder of the tax period they will own the house that the seller has already paid. It's a bit complicated to calculate because in New York state there are 2 tax bills (school and property) with 2 tax periods. The school tax is due in September for the following 12 months, and the property tax is due in January for the following 12 months. So, for example's sake, consider a property with a total tax bill of \$6,000 split equally into \$3,000 for the school tax due in September and \$3,000 for the property tax due in January. If you close on the house on March 1, you would owe the seller for 10 months of property taxes (March through Dec), or \$2,500 plus 6 months of school taxes (\$1,500), or a total of \$4,000.

Title and Mortgage Recording Fees and Misc. Document Charges

Figure about \$300 for various fees for document shuffling and recording.

Property Insurance

You must have hazard insurance in place on the property as of the day of closing. Mortgage lenders typically want to see that the policy has been prepaid for a year. Depending on the house and the coverage you get, property insurance can run from \$700 to \$1,500 or more for a larger or luxury home.

Mortgage Prepays

This varies widely by lender as well as by the amount you are putting down. Your lender may ask you to prepay into an escrow account a number of months of property taxes, so they have enough on account to pay the next tax bill when it comes due.

Fuel Adjustment

If a house is heated by oil or propane, there will likely be oil or propane paid for by the seller remaining in the tanks. The buyer will be expected to reimburse the seller for any remaining fuel.

Homeowners Dues

If your home is in a community development with homeowners' fees, the buyer is expected to reimburse the seller for amounts already paid for the remainder of the current term, very similar to reimbursements for property taxes.