



COMMON COSTS WHEN PURCHASING A HOME IN THE LOWCOUNTRY

Below are most of the costs involved at closing when purchasing real estate in the lowcountry area.

- **Attorney Fees:** The South Carolina Supreme Court requires real estate closings to be handled by an attorney. Typical charges for these closings are between \$600 to \$800.
- **Title Search:** A title search is done to make sure there are not outstanding mortgages, liens or rights of third parties which affect the title and to verify the seller is the rightful owner. Typical charges are from \$250 - \$400.
- **Title Insurance:** This insures the title against any claims by other parties. If you are financing your home, a mortgage lender will require you to purchase title insurance, just in case anything comes up after the Title Search. Some examples include title forgery, back taxes, filing errors, unknown heirs to the estate that claim ownership, inconsistent or conflicting wills, liens commonly from unpaid equity lines of credit or contractor bills. Charges vary as they are dependent on the amount being borrowed. Your attorney will be able to give you an exact cost prior to closing.
- **Recording Fee:** This is the cost to record the deed and miscellaneous items. Typical charges are \$25-\$100.
- **Appraisal Fee:** If you are financing your purchase, your mortgage lender will require and order a current appraisal of the property to verify their loan-to-value. The appraisal is ordered by your closing attorney and the typical charge is approximately \$400.
- **Credit Report:** A mortgage lender will require a credit report which typically costs between \$50 to \$100.
- **Application Fee:** Some lenders require an application fee or upfront processing fee. You should inquire from any company about their fees for the loan. The typical charge is about \$400.
- **Origination Points:** Some loans require "points" at closing. These are a percentage of the loan amount (usually about 1%) which the lender requires to be paid up front. They are charged to buy down the interest rate or to get a special or specific type of loan. Be sure to ask the lender if points are necessary.
- **Pro-Rated Taxes:** You will pay the taxes from the day of closing until the end of the year. For example, if the annual taxes are \$1,200 and you move in June 1st, you will owe approximately \$600 for the remainder of the year.
- **Pro-Rated HOA Fees:** If you purchase a home that is part of a Home Owners Association, you will pay the HOA fees from the day of closing until the end of the year. For example, if the HOA fees are \$1,200 and you move in June 1st, you will owe approximately \$600 for the remainder of the year.
- **Transfer Fee:** Most Home Owner Associations in the area charge a transfer fee that is typically deposited into the Association's Reserve Account for upcoming capital repairs to the common area. Charges vary from community to community. Be sure to get this information from me prior to closing.
- **Home Inspections:** I always recommend having a property inspected prior to closing to verify its condition and let you know if there are any defects. These fees range from \$350 and up depending on the size of the home. This will be charged by the home inspection company and usually paid after service is rendered.

Your lender will provide you with an "estimate of closing cost" prior to closing so you will be prepared.



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