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FREE GUIDE

CALIFORNIA HOMEOWNERS

Cash offer or list it? How to compare what you'd actually take home

Costs and the money. Plain English, every fact sourced and dated.

INSIDE

1. The short answer
2. What does each line mean?
3. Example (made-up numbers)
4. What about taxes on the gain?
5. What does the state warn about cash offers?



Questions? Talk with Fadi.
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Cash offer or list it? How to compare what you'd actually take home

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QUICK ANSWER

Compare what lands in your account, not the headline price. Put both paths on one net sheet, fill in every line, and see which number is bigger for you. A cash offer is usually below full market value, so the price alone isn't the question. Listing has costs of its own, and its timing depends on how long it takes to sell.

At a glance

Line	Cash offer	List it
Price	The offer	Your likely sale price
Agent commission	Ask the buyer	Negotiable
Repairs	Ask the buyer	Whatever you agree to
Transfer tax	Set by law and local custom	Same
Escrow and title	Customary split, negotiable	Same
Holding costs	Ask how long to close	Depends on how long it takes to sell
Taxes on gain	Same rules	Same rules

What does each line mean?

Price. For a cash offer, it's the number on the paper. For listing, it's an estimate until a buyer signs. The DRE says to "take the time to have a professional help you determine the value of the property."

Commission. Commissions are not set by law. Buyer agreements must carry "a conspicuous statement that broker fees and commissions are fully negotiable and not set by law." Since August 17, 2024, offers to pay the buyer's agent can't be posted on the MLS (the agents' shared listing database), but sellers can still offer them off the MLS. Ask each agent exactly what you'd owe.

Repairs. Listing may mean repairs before the sale, or credits to the buyer after an inspection. You can also list the house as-is, with no repairs, and let buyers price that in. Ask any cash buyer whether the offer is for the house as it sits. Either way, you still must disclose what you know. See our as-is guide.

Transfer tax. California counties may charge $0.55 per $500 of value, about $1.10 per $1,000, when the value is over $100, not counting loans that stay on the property. General-law cities may add half the county rate, credited against the county tax. The City of Los Angeles adds $2.25 per $500 (0.45%), and its Measure ULA adds more on sales above its thresholds, which change every year. Check the city's page instead of relying on a number here. Who pays is set by contract and local custom, not by state law.

Escrow and title. Escrow fees "are not fixed by law or regulated by the State." Splitting them is customary, customs differ by region and county, and buyer and seller can agree to anything in writing. The DRE-hosted escrow pamphlet we read is from 2010, so ask your escrow company for today's fees.

Holding costs. While the home is listed, you keep paying the mortgage, property taxes, insurance, utilities, HOA dues and upkeep. That's common sense, not an official figure. Estimate your own monthly total and multiply by the months you think listing could take.

Loan payoff and prorations. Any loans or liens come out at closing, along with your share of property taxes and HOA dues up to the closing date. This is common practice.

Example (made-up numbers)

What you'd receive, before the loan payoff (made-up example)

Same made-up numbers as the table. The cash column assumes no commission, repairs or holding costs; ask each buyer to confirm. Change any line and the answer changes.



Not a real sale. Your numbers will differ.

	Cash offer	List it
Value after repairs	$640,000	$640,000

	Cash offer	List it
Cash offer or sale price	$505,000	$640,000
Repairs	$0 (assumed: buyer takes it as-is)	minus $55,000
Commission	$0 (assumed: none charged)	minus $32,000 (assumed 5%)
Seller closing costs	minus $6,000	minus $8,000
Extra months of holding	$0 (assumed: quick close)	minus $12,000
You receive, before loan payoff	**$499,000**	**$533,000**

Every $0 in the cash column is an assumption. Ask each buyer to confirm it in writing. The 5% commission is also an assumption; commissions are negotiable.

In this example, listing nets $34,000 more. Change any line and the answer changes. Higher repair costs, a lower sale price or a longer wait would narrow the gap. A lower cash offer, cheaper repairs or a fast listing sale would widen it. Listing as-is would cut the repair line and likely lower the sale price, so put real estimates on both. Run your own numbers.

What about taxes on the gain?

Both paths can create taxable gain. Many owners can exclude up to $250,000 of gain from selling a main home ($500,000 for married couples filing jointly). To qualify, you generally owned and lived in the home at least 2 of the last 5 years, and "you may take the exclusion only once during a 2-year period." A rental you never lived in doesn't qualify the same way. California has no lower rate: "All capital gains are taxed as ordinary income." Selling costs reduce your amount realized under IRS Publication 523. Ask a tax professional.

What does the state warn about cash offers?

After the Los Angeles fires, the DRE warned about unsolicited offers to owners who weren't selling: "Often these offers are made far below market value by individuals looking to profit off of the disaster." That warning is about unsolicited offers after a disaster. It doesn't say all cash offers are low.

The DRE's red flags include promises of "all cash, a quick closing, a hassle-free transaction," and vague answers. It advises getting a professional valuation. Our own site talks about cash and speed, so use the checklist below on us too.

The Federal Trade Commission found that Opendoor, a large instant-buyer company, claimed market-value offers and savings. The FTC said "most people who sold their homes to Opendoor typically lost thousands of dollars." The company settled for $62 million. That case is about one company's claims.

How to check any cash buyer

1. If you want a cash offer, get more than one, in writing, with every fee listed.
2. Get a professional valuation, as the DRE advises.
3. Ask a listing agent for what listing would likely net, with commission and costs on paper.
4. Compare the net sheets line by line, like the example.
5. Ask who the buyer is and how long they've been in business. If anyone says they hold a California real estate license, check it on the DRE's Public License Lookup.
6. Read the whole contract before you sign, or have an attorney read it. No is always OK.
7. Be wary of vague answers or pressure to sign fast.

What to do this week

1. List your loan payoff, taxes, and monthly holding costs.
2. Get a valuation and at least one listing agent's net sheet.
3. Get written cash offers from more than one buyer, and compare.
4. Ask a tax professional about your gain.
5. Decide on your own timeline.

Watch out for

- A single offer with a deadline.
- An offer with no breakdown.
- Anyone who wants money up front for foreclosure help. The CFPB says anyone who charges in advance or guarantees they can stop your foreclosure is "not legitimate."
- Anyone who asks you to sign your deed over to them. The FTC warns that scammers "may try to convince you to transfer the deed to your home to them."
- **If your home is in foreclosure:** California's home equity sales law (Civil Code 1695 and the sections after it) covers most buyers of a "residence in foreclosure." That means the seller's main home, with 1 to 4 units and a recorded notice of default. In those sales, the seller can cancel the contract until midnight of the fifth business day after signing, or until 8 a.m. on the day of the foreclosure sale, whichever comes first. The contract must include a notice of cancellation, and until the cancellation period ends, the buyer can't ask you to sign a deed. Ask an attorney how the law applies to a particular sale.

Questions people ask

Is a cash offer always lower than listing?

Usually lower on price; compare the net. Costs, repairs and timing can change which path leaves you with more.

Who pays the transfer tax?

Contract and custom decide. No state law sets it.

Do I pay capital gains tax?

Maybe. See the exclusion above, and ask a tax professional.

Are commissions fixed?

No. They're negotiable.

Where Mr. Cash Offer fits

Fadi Haweileh is a California real estate salesperson (DRE #02002344) with eXp Realty of Greater Los Angeles, Inc. (DRE #02188471). If you sell to Mr. Cash Offer, the buyer is not your agent and can profit if the house is later resold. If you list with Fadi's team instead, he earns a commission. Either way he's paid. If selling turns out to be the right path, he'll show you a cash offer and what listing would likely net, side by side, and you decide. If it isn't, the steps above still apply. A cash offer is usually below full market value. Before you decide, get a second estimate from an agent who isn't buying.

Call Fadi, no pressure: **(909) 731-6884**



Questions about your situation?

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This guide explains general California rules. It isn't legal or tax advice.