



Maximizing Your Home's Appeal: The Role of Buyer Concessions

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What are Buyer Concessions

Buyer concessions are agreements in real estate where the seller covers some of the buyer's closing costs or other expenses associated with purchasing the property.

Common types of buyer concessions include:

1

Seller credits to the buyer at closing to satisfy buyers contractual agreement with buyers broker

2

An amount credited to the buyer at closing to cover all or some portion of the buyers closing costs (points, rate buy down, etc.)

3

An amount credited at closing to cover replacement of flooring, appliances, roof, etc.

4

An amount credited at closing to cover a service such as a home warranty

Understanding Current Market

In Practice

The Importance of Market Insights



Include your local market statistics



Trends that make buyer concessions a strategic option



Comparative Market Analysis (CMA)



Any other information of importance

Benefits of Offering Buyer Concessions



Enhance attractiveness to a broader range of buyers



Potentially quicker sale by appealing to buyers' financial considerations



Stand out in competitive markets by addressing buyer needs upfront

Making an Informed Decision

Concessions can be a powerful tool in the right circumstances.

50% of recent sales had a form of buyer concession.

Lack of buyer concessions may lead to:

1

Lower sales price and more days on market.

- Buyer offers may be lower to offset closing costs such as buyer broker fees, replacement / repair costs, etc.
- Fewer buyers may be willing to make acceptable offers resulting in more days on market.

2

Limited pool of interested buyers. For example,

- FHA and VA borrowers may be impacted by concessions and credits from the sellers to offset paying for buyer representation.
- Relocation clients may be impacted by how buyers representation will be provided and compensated.

What's Next

What Questions
Do You Have?



Seller Net Sheet

Working with Sellers



Seller's Estimated Net Proceeds

Seller's Financial Information

Name _____
Address _____ ST _____ Zip _____
Closing Date _____

Existing Financing

Present Mortgage Payoff	\$		
Credit Line, Home Improvement Loan, etc.	\$		
State Deed Tax	\$		
Recording Fee	\$		
Annual Taxes	\$		
Annual Taxes: Months to Escrow			
Taxes Pro-rated	\$		
Municipality Connection Fee	\$		
Building Inspection Fee	\$		

Lending Costs

Seller Paid Closing Costs	\$		
VA Fees	\$		

Other Expenses

Settle/Closing Fee	\$		
Listing Broker's Fee %			%
Listing Broker Fee	\$		
Total Broker's Fee	\$		
Broker Administrative Fee	\$		

Additional Expenses

Item Details:
Concession to Cover Buyer Broker Fee %
Concession to Cover Buyer Flat Fee
Buyers Concenssions Additional Buyer Concessions

