



Which seller concessions have the highest perceived value for the lowest cost?

In a tight market, home sellers can expect increasing competition for the best offers. As a result, sellers may start dropping their prices to get offers faster. But dropping the price isn't always possible, or the only way to attract offers.

Another option, other than dropping the price, is to offer concessions. These are perks and extras that sweeten the deal, often for less than the cost of a lower price. Here are some of the best concessions for the money spent:

1. Covering some (or all) closing costs

Even offering a few thousand toward closing costs can ease a buyer's cash crunch and make your home stand out—especially for first-timers. Offering \$3000 towards closing costs beats a \$10,000 drop in price. You pay those costs out of the proceeds of your home sale, so there is no up-front cash needed, which is the case for most concessions.

2. Paying for a Home Warranty

For around \$500, this gives buyers peace of mind on appliances and systems for the first year. It feels generous, but it's one of the most cost-effective perks you can offer.

3. Flexible closing date

If your schedule allows, offering to close earlier or later can be a benefit. Imagine a buyer who is relocating for work and only wants to move one time (instead of a temporary move to an apartment before buying).

4. Carpet or other replacements

Providing \$5,000 towards new carpeting or bathroom remodeling can sound luxurious to some buyers. What is your house most obviously in need of? That's where to focus on an allowance.

5. Buyer's agent fee

Buyers must pay a Realtor to help them locate and secure a home. That fee averages 2% of the purchase price of the

house they buy. Imagine a \$500,000 house. That's \$10,000 cash on top of other closing costs and down payment. This is a new twist in the real estate industry and will cause many buyers to pull back from the house they want. You can ease their concerns and potentially get them to trade off other concessions by offering a partial or total buyer's agent fee.

Where not to offer concessions

Some offers of concessions won't do as much as others. For instance, painting and landscaping (most buyers want to do this themselves), inclusion of appliances (most buyers expect those anyway), and anything that should have been done as routine maintenance. But that, too, is a moving target. Sometimes holding off on a concession until you have a 'hot' buyer can help increase their interest.

Additional concessions

In addition to the concessions mentioned above, here are some other concessions to explore when listing your home. This is not an exhaustive list, but it can help you think about the possibilities.

Financial Concessions

- Interest rate buydown – Paying points to lower the buyer's mortgage rate temporarily or permanently.
- HOA dues paid for 6–12 months – Especially appealing in condo or townhome sales.
- Credit toward repairs or updates – Offering a credit instead of doing the work can save time and satisfy buyers.
- Paying for the appraisal – A small gesture that can remove a financial hurdle.

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- Offering a decorating allowance for furniture – Helps buyers envision making the home their own.

Convenience-Based Perks

- Covering moving costs or storage fees – Especially for buyers relocating long-distance.
- Offering a moving allowance – Helping buyers make the transition.
- Membership in a local gym or club – Encourages buyers to feel part of a community.

Home-Related Extras

- Include appliances or furniture – If they're in good shape and the buyer wants them, it can be a win-win, saving you from moving unwanted furniture.
- Prepaid landscaping, pool, or cleaning services – Adds value without changing the purchase price.
- Gift card to a home improvement store – A small but thoughtful touch for buyers planning upgrades.

These are just some of the examples of concessions you could offer. It's not always necessary to offer a concession or perk but depending on your situation and the current market competition, carefully choosing something that will entice a buyer can make a difference.

During your preliminary listing appointment, we'll assess the price of homes nearby and review the possible concessions (if any are needed) - with the goal of landing the highest and best offer quickly. Contact me for an appointment.