

Seller Concessions -- Clearing Up the Confusion!

When you hear the term “seller concessions”, do you draw a blank? Does your head begin to hurt or do you suddenly feel dizzy or begin stuttering? Just in case there is still some confusion when you hear that term, please keep the following information in mind. Remember: There are two times on each listing when the term “seller concessions” comes in to play.

1. Seller Concessions & Offering Compensation (Commission)

When you’re filling out the input form for your newest property listing, you will eventually come to a field titled “Comp Based On”. If you’re entering a percentage in the compensation field, this field will allow you to clarify whether the percentage is based on the gross selling price or the net selling price. The definition of the net sale price is the gross selling price minus allowable seller concessions. **The seller concessions are defined by the HMLS Board of Directors and currently include:**

- a. **Seller Paid Financing Concessions** (includes closing costs, but does not include such things as the cost of a seller-provided warranty, etc.) and
- b. **Construction Upgrades.**

2. Seller Concessions & Reporting the Closing of a Sale (Sold Data)

When a property sale closes and the information is reported in the HMLS database, there are fields to report seller concessions. These fields are for Financing Concessions, Major Repair Concessions and Other Incentives.

- a. **Financing Concessions** is a required field and is a total dollar amount which covers seller paid closing costs.
- b. **Major Repairs** is required *if* the total dollar amount for that field equals 1% or greater of the total sale price. There is a field for the total dollar amount and a description field. It could include repairs or replacement of items such as roof, driveway, furnace, flooring, foundation, windows, paint (interior or exterior) and chimney repair or liners.
- c. **Other Incentives** is also a required *if* the total dollar amount for that field equals 1% or greater of the total sale price. There is a field for the total dollar amount and a field to provide a brief description of incentive items offered to the buyer such as cars, trips or gift cards.