

Anyone who has bought a home in New York City knows that closing costs can truly add up when closing a deal. These fees cover the costs of getting the mortgage and usually range from 2% to 5% of the home price.

In some cases, you may be able to get the seller to pay for some of these closing costs through seller concessions. Before you close on your mortgage, learn how to use seller concessions to lower your closing costs.

What Are Seller Concessions?

Seller concessions are closing costs that the seller has agreed to pay. Sometimes, you can ask the seller to contribute to specific closing costs, and other times, sellers may simply pay a percentage of the total closing costs.

What Closing Costs Will Seller Concessions Cover?

In our experience at SPiRALNY, selling costs can vary based on the type of property you're purchasing and the location of that property. Here are a few closing costs a seller may be willing to cover:

- **Property taxes:** Property taxes may be paid through the end of the year at closing.
- **Title insurance:** Title insurance protects you and your lender if someone comes forth with a claim for the home's title.
- **Loan origination fees:** These fees cover your lender's charges for processing your loan.
- **Inspection fees:** Inspection fees cover the cost of inspections required for the loan.
- **Recording fees:** This fee covers the expense of documenting your home's purchase with the local government.

- **Appraisal fee:** This covers the cost of getting a third-party appraisal of the home to determine the market value.
- **Attorney's fees:** Often, you will need an attorney to review closing documents. Attorney's fees cover the cost of real estate attorney services.
- **Mansion Tax:** The fees required to be paid to the state if you are buying a home that is over \$1,000,000 in New York.

Once you apply for your loan, your lender will give you a Loan Estimate, which shows all your estimated closing costs. At SPiRALNY, our agents are experienced in helping our clients understand their closing costs and deciding which ones to ask the seller to pay for.

Pros and Cons Of Seller Concessions

Pros Of Seller Concessions

The most significant benefit of seller concessions is that it allows you to pay less at closing to make buying a home more affordable. In New York City, closing costs can be even more expensive than other areas, due to additional city-specific fees. Seller concessions can cut these costs significantly.

Seller concessions can also help the seller get their home off the market faster. If the seller is eager to close on the sale, they may be willing to pay part of the buyer's closing costs to speed up the process.

Cons Of Seller Concessions

The danger with asking for seller concessions is that it might make you a less appealing buyer, as most sellers are looking for offers that don't require costs on their end. At SPiRALNY, we recommend that if multiple buyers are bidding on a home, it may not be a good idea to ask for seller concessions.

How To Negotiate Seller Concessions

You know that you want to ask for concessions, but how do you convince the seller to help you pay? Asking for concessions is all about negotiating and having an experienced agent to help you through the process.

Here are some of SPiRALNY's recommendations for asking for seller concessions:

- If you decide to ask for concessions, limit your other demands, as most sellers will not want to cover a ton of additional costs, as well as closing costs.
- If you know you want to ask for concessions, we recommend working with an experienced real estate agent who can research local sales and tell you about your area's housing market.
- Have a clear understanding of what you will be asking the seller for and decide what is most important for you to get in the deal.

Should You Ask For Seller Concessions?

Seller concessions can make a home more affordable for the buyer and they can help the seller close the deal quickly. At SPiRALNY, we recommend working with your real estate agent to decide whether you have a good opportunity to ask the seller for concessions.

If you are looking for a knowledgeable real estate agent with experience in working with buyers and sellers, be sure to reach out to us at SPiRALNY.