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Your Net Sheet Explained (Where Sellers Lose Money)

A luxury seller's guide to the real numbers behind your sale.

By Tracy Scott, REALTOR® · DRE# 00957686 · November 2026

If you have ever looked at a net sheet and thought, "How did we get from the sale price to that number?", you are not alone. A net sheet is simply a math map. When sellers lose money, it is rarely because of one giant surprise. It is usually a few smaller decisions that stack up: a credit here, an extra week on market there, a rushed repair, a fee you did not anticipate.

This article breaks the net sheet into simple categories, shows the most common leak points, and gives you a practical system for protecting your bottom line without turning the process into a full-time job.

What a Net Sheet Is (and What It Isn't)

A net sheet is an estimate of what you may receive at closing after typical costs are deducted. It is not the final closing statement, and it is not a tax calculation. It is a planning tool you can use to make better decisions about pricing, repairs, credits, and offer terms.

Strong net sheets are updated repeatedly: after pricing is finalized, after inspection negotiations, after appraisal feedback, and again when escrow timing is firm. Looking once is like checking a weather forecast once, then planning the entire trip around it.

The Core Parts of a Net Sheet

Most net sheets vary in layout by brokerage and escrow company, but the structure is consistent. Here is the anatomy:

- Sale price: The contract price (or an expected price if you are pre-listing).
- Loan payoff(s): Mortgage balance(s), HELOCs, or other recorded liens to be paid at close.
- Agent compensation: What is paid out to the listing side and the buyer side (varies by agreement and market).
- Escrow and title fees: Settlement handling, title insurance, recording services, and related processing fees.
- County and city charges: Recording fees and any local transfer-related charges that apply.
- Prorations: Property tax, HOA dues, Mortgages and sometimes utilities split based on the closing date.
- Seller credits and concessions: Repair credits, closing-cost contributions, rate buydowns, or negotiated allowances.
- Pre-sale prep costs (often tracked separately): Staging, cleaning, landscaping, inspections, and touch-up work.

The 7 Places Sellers Usually Lose Money

In luxury listings, the sale price can look strong while the net quietly erodes. These are the seven most common leak points:

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Overpricing at the start

A stale listing invites lower offers, tougher inspection demands, and bigger credits. The hidden cost is time: extra mortgage interest, taxes, HOA, insurance, and utilities while you wait.

Credit stacking

One “small” credit becomes several: repair credit + closing cost credit + appraisal gap concession. Each may feel manageable until the total hits your bottom line.

Repairs done late and under pressure

When repairs are discovered during escrow, you lose leverage. You either credit more than the repair actually costs or rush vendors at premium pricing.

Upgrades that do not pay you back

Luxury buyers pay for feeling: presentation, condition, and confidence. Some upgrades return value, others are personal taste and rarely recoup dollar-for-dollar.

Carrying costs during extended escrow

A longer escrow can be fine, but it should be priced in. For example: insurance, utilities, landscape, pool service, HOA, and property taxes continue regardless of showings.

Missed paperwork that triggers renegotiation

Delayed HOA documents, permits, or solar details can create uncertainty. Uncertainty becomes a negotiation point — and often shows up as a credit request.

Offer comparison based on price only

The highest price is not always the best net. Financing type, appraisal risk, contingency strength, and closing timeline all affect the real number you keep.

A Simple Net-Sheet Checklist Before You Accept Any Offer

Before you say yes, run every offer through the same checklist. This keeps negotiations focused on what matters.

- Is the buyer asking for a seller credit? If yes, what is the exact dollar amount and what is it intended to cover?
- What contingencies exist (inspection, appraisal, loan, HOA review) and how long are they? Shorter timelines reduce carrying costs and uncertainty.
- What is the buyer’s financing type and down payment strength? Stronger qualification usually means fewer surprises mid-escrow.

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- What is the proposed closing date and possession plan? A rent-back can help you, but it should be documented and priced.
- What is the realistic risk of an appraisal shortfall at this price? If there is risk, decide in advance what you will and will not concede.
- If repairs are likely, do you prefer to repair, credit, or split? Pick your approach early so you are not negotiating tired.

Example: How a Great Price Can Still Net Less

Below is a simplified example to show how net changes. These numbers are illustrative only, exact fees and terms vary by property, location, and transaction structure.

Line item	Amount
Contract price	$1,500,000
Less loan payoff(s)	($620,000)
Less agent compensation (example)	($75,000)
Less escrow/title/recording (example)	($9,500)
Less prorations/HOA/taxes (example)	($6,500)
Less negotiated credits (repairs + closing costs)	($25,000)
Estimated net to seller (before any tax considerations)	$764,000

Now compare that to the same price with fewer credits and a faster timeline. A five-figure difference in net often comes from the negotiation details, not the headline sale price.

How to Protect Your Net Without Getting “Nickel-and-Dimed”

- Do a pre-list condition review so you can choose repairs on your timeline (and at normal pricing).
- Get two or three written bids for any likely repair items. It turns guesswork into numbers and reduces credit stacking.
- Price with a strategy, not a hope. The first two weeks are your leverage window in luxury marketing.
- Treat staging and presentation as insurance against discounting. The goal is fewer objections and cleaner inspections.
- Put guardrails around concessions. If you offer a credit, define what it covers and cap the amount.
- Compare offers by net, not just price. A clean offer with strong financing can outperform a higher price with heavy contingencies.



If you would like, I can prepare a custom net sheet for your property with multiple pricing scenarios (and a “credit cap” plan) so you can see your likely net before you commit to a strategy. This is not tax advice; for tax questions (capital gains, exclusions, withholding), consult your CPA.