

WHAT DOES IT *ACTUALLY* **COST** TO BUY A HOME?

A York County buyer's guide to down payments, closing costs, inspections, cash-to-close & *the expenses people forget.*



YOU PROBABLY DON'T NEED 20% DOWN

One of the most common misconceptions about buying a home is that you need a 20% down payment. While putting 20% down can have advantages, many buyers can purchase a home with considerably less—depending on the loan program and their qualifications.

IF THE HOME COSTS \$250,000...

3%	3.5%	5%	10%	20%
\$7,500	\$8,750	\$12,500	\$25,000	\$50,000

BUT THAT'S **NOT** THE WHOLE NUMBER.

Your down payment is only one part of the money you may need to buy a home. Depending on your transaction, you'll also want to plan for things like inspections, an appraisal, closing costs, prepaid expenses, moving costs and—most importantly—money left in reserve after you get the keys.

MATTHEW'S NOTE

Don't start with, “How much do I need for a down payment?”
Start with, “How much do I need to comfortably buy *and own* the home?”

BUYING A HOME ISN'T ONE BIG PAYMENT

Some home-buying expenses can occur shortly after your offer is accepted, while others aren't due until settlement. Knowing **what may be due—and when—** can help you plan your cash without surprises.

01 ● — Offer Accepted

EARNEST MONEY DEPOSIT

Paid according to the timeline in your agreement.

Typically credited toward your cash due at settlement.

02 ● — Due Diligence

INSPECTIONS & TESTING

Home | Radon | Wood-Destroying Insect (WDI) | Well | Septic

Usually paid when the service is performed.

03 ● — Financing

APPRAISAL + LENDER COSTS

Your lender may collect certain expenses before closing.

Timing varies by lender and loan.

04 ● — Settlement

CASH TO CLOSE

Down Payment | Closing Costs | Prepaids/Escrows

Deposits and applicable credits are factored into the final amount.

05 ● — Home

MOVING + RESERVES

Moving | Utilities | Locks | Immediate Repairs

Don't plan to leave settlement with nothing left.

THE GOAL ISN'T JUST TO AFFORD CLOSING.
IT'S TO AFFORD **HOMEOWNERSHIP.**

LET'S BUY A \$250,000 HOUSE

So what might all of this look like in an actual purchase? Let's use a hypothetical \$250,000 home to see how the different pieces come together.

HYPOTHETICAL EXAMPLE - NOT A LOAN ESTIMATE

01 / BEFORE SETTLEMENT

Earnest Money Deposit	\$2,500
Inspections & Testing	\$600
Appraisal / Upfront Costs	\$600
Total Before Settlement	\$3,700

02 / AT SETTLEMENT

Down Payment	\$12,500
Closing Costs / Prepays	\$14,500
Buyer-Broker Compensation	\$7,500
Seller Tax Reimbursements	\$2,000
LESS Earnest Money Already Paid	(\$2,500)
LESS Seller Paid Buyer-Broker Comp.	(\$6,250)
LESS Seller Credits / Concessions	\$0
Total Due At Settlement	\$27,750

ABOUT BUYER BROKER COMPENSATION

This example assumes buyer-broker compensation of 3%, with the seller paying 2.5% toward that obligation. The buyer is responsible for the difference. Broker compensation is not set by law and is fully negotiable. The amount agreed upon—and who pays it—will vary by agreement and transaction.

03 / AFTER SETTLEMENT

Moving / Setup	\$1,500
Homeownership Reserve	\$7,500
Total After Settlement	\$9,000

Our Hypothetical Buyer's
Total Cash Target **\$40,450**

Includes a \$7,500 homeownership reserve intentionally left available after closing.

WHAT CAN **MOVE** YOUR NUMBER?

Your actual cash target is shaped by your financing, the property, what you negotiate and how much you want left after closing.

01 / DOWN PAYMENT**↕ CAN MOVE EITHER WAY**

Different loan programs, rates and buyer choices can change how much you put down—and may also affect your monthly payment and other loan costs.

02 / SELLER CONCESSIONS**↓ CAN REDUCE CASH NEEDED**

Negotiated concessions may help cover eligible buyer closing costs, subject to financing requirements.

03 / BUYER-BROKER COMPENSATION**↕ DEPENDS ON THE TRANSACTION**

Your agreement establishes your obligation. What you pay directly may change based on amounts paid from other permitted sources.*

04 / ASSISTANCE PROGRAMS**↓ MAY REDUCE UPFRONT CASH**

Eligible buyers may qualify for programs that help with down payment or closing costs.

05 / PROPERTY-SPECIFIC COSTS**↕ EVERY HOUSE IS DIFFERENT**

Taxes, insurance, inspections and property characteristics can all affect your cash target.

06 / YOUR RESERVE GOAL**↑ YOU CONTROL THIS NUMBER**

How much you want left after closing is personal—but planning for a reserve can make homeownership more comfortable.

Broker compensation is fully negotiable and is not set by law.

YOUR NUMBER ISN'T DETERMINED BY ONE PERCENTAGE.
It's built from the **entire transaction**.

YOU MAY HAVE MORE OPTIONS THAN YOU THINK

A large cash target doesn't automatically mean buying a home is out of reach. Depending on your finances, the property and the transaction, there may be several ways to reduce the amount of cash you need upfront.

01 / EXPLORE YOUR FINANCING OPTIONS

Different loan programs can have different down-payment requirements, mortgage insurance structures and closing costs. The lowest down payment isn't always the best loan—compare the entire financial picture with your lender.

Don't choose a loan based on the down payment alone.

02 / ASK ABOUT BUYER ASSISTANCE

Depending on your eligibility, assistance programs may provide funds toward a down payment or eligible closing costs. Some programs have income, purchase-price, location, property or financing requirements.

Ask early—before assuming you won't qualify.

03 / NEGOTIATE THE TRANSACTION

Depending on the property and market conditions, your offer may include requests for seller concessions toward eligible closing costs and/or buyer-broker compensation.

Purchase price isn't the only number you can negotiate.

04 / PLAN BEFORE YOU SHOP

Knowing your approximate cash target before you start touring gives you time to save strategically, understand your options and avoid using money you'll need for closing or reserves.

Build the plan before you fall in love with the house.

MATTHEW'S NOTE

Don't start house hunting by asking,

“What's the most I can get approved for?”

Start by figuring out what purchase price, monthly payment and cash requirement actually feel comfortable for you.

CLOSING DAY

ISN'T THE FINISH LINE

Some of the easiest expenses to overlook are the ones that happen after you become the owner. Not every home will need all of these—but having money left after settlement can keep a normal homeowner expense from becoming a financial emergency.

01 / THE FIRST 48 HOURS

Locks & Security — Rekeying locks, garage remotes, smart locks or security equipment.

Utilities & Services — Deposits, connection fees, internet and service setup.

The First Hardware-Store Run — Bulbs, filters, tools, cleaning supplies...it adds up quickly.

02 / THE FIRST FEW WEEKS

Moving Costs — Truck rental, movers, boxes, supplies or storage.

Things the House Doesn't Have — Blinds, trash cans, shelving, hoses, lawn equipment and other basics.

Immediate Projects — Paint, minor repairs or changes you want to make before fully settling in.

03 / THE FIRST YEAR

Routine Maintenance — HVAC service, filters, gutter cleaning, pest treatment and seasonal upkeep.

Property Needs — Landscaping, snow removal, tree work or other property-specific maintenance.

Annual/Occasional Costs — HOA expenses where applicable, service contracts and other non-monthly expenses.

04 / THE “OF COURSE THAT HAPPENED” FUND

The water heater doesn't care that you just bought the house.

Appliances • Plumbing • HVAC • Electrical • Roof leaks • Unexpected repairs

You can't predict exactly what will need attention—or when. That's the reason for a reserve.

WHY DID OUR HYPOTHETICAL BUYER KEEP \$7,500?

There's nothing magic about \$7,500, and every buyer's appropriate reserve will be different. In our example, it's money intentionally left available for the transition into homeownership and the unexpected expenses that can follow.

THE KEYS SHOULDN'T COME
WITH AN **EMPTY** BANK ACCOUNT.

NOW LET'S BUILD YOUR CASH TARGET

Every buyer's number will look different. Use this worksheet to start identifying the pieces that may make up yours. Some numbers may require help from your lender or real estate agent—and that's okay.

01 / BEFORE SETTLEMENT

Earnest Money Deposit	\$_____	☐ TBD
Inspections & Testing	\$_____	☐ TBD
Appraisal / Upfront Costs	\$_____	☐ TBD

Estimated Before Settlement Cash	\$_____	☐ TBD
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These expenses may be due at different points after you're under contract.

02 / AT SETTLEMENT

Down Payment	\$_____	☐ TBD
Closing Costs / Prepays	\$_____	☐ TBD
Buyer-Broker Compensation	\$_____	☐ TBD
Tax Reimbursements / Other Costs	\$_____	☐ TBD
LESS Earnest Money Already Paid	(\$_____)	☐ TBD
LESS Buyer-Broker Comp. Paid by Others	(\$_____)	☐ TBD
LESS Seller Credits / Assistance	(\$_____)	☐ TBD

Estimated Cash Due At Settlement	\$_____	☐ TBD
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03 / AFTER SETTLEMENT

Moving / Initial Setup	\$_____	☐ TBD
Homeownership Reserve	\$_____	☐ TBD
Immediate Projects / Purchases	\$_____	☐ TBD

Cash I Want Available After Closing	\$_____	☐ TBD
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MY Home-Buying
Cash Target \$_____

This is a planning target—not necessarily the amount you'll spend. Money designated as your homeownership reserve is intentionally meant to remain available after closing.

**STILL HAVE SOME
TBDs? THAT'S
NORMAL.**

Your lender and real estate agent can help turn those unknowns into real numbers.

NOT READY

TODAY? THAT'S OKAY

If your cash target feels farther away than you expected, that doesn't mean homeownership is off the table. Knowing the gap gives you something valuable: a number you can actually plan around.

01 / FIND THE GAP

Compare your current available savings with the cash target you built on the previous page.

MY CASH TARGET	\$_____
CURRENT SAVINGS FOR HOME PURCHASE	\$_____
MY CURRENT GAP	\$_____

A big goal becomes easier to plan for when it becomes a specific number.

02 / TURN IT INTO A MONTHLY GOAL

Divide your savings gap by the number of months before you'd ideally like to buy.

\$_____	÷	_____	=	\$_____
MY GAP		MONTHS		PER MONTH

Don't panic if that monthly number isn't realistic. Your timeline, purchase target, financing options or available assistance may change as you build your plan.

03 / USE THE TIME STRATEGICALLY

☐ **Talk with a lender early**

Learn what may affect your financing options and what you can work on.

☐ **Review your credit and debt**

Understand what may influence qualification and borrowing costs.

☐ **Keep building your reserve**

Don't save only for the amount needed at settlement.

☐ **Check before making major financial changes**

Before buying, discuss major credit purchases, new debt or job/income changes with your lender.

04 / CHECK IN BEFORE YOU THINK YOU'RE READY

You don't need to wait until you've saved every dollar to start the conversation. Checking in periodically with your lender and real estate agent can help you adjust the plan as your finances, available programs and the market change.

Planning early gives you more options than scrambling later.

**YOU DON'T NEED TO BE READY
TODAY TO START PREPARING.**

LET'S FIGURE OUT YOUR NUMBER

You've seen how much more goes into buying a home than the down payment. Now the question isn't what our hypothetical buyer needs—it's what your path to homeownership could look like.

READY SOON?

GREAT.

We can talk about your goals, connect you with a lender if needed and start building a plan for your home search.

6 MONTHS AWAY?

GREAT.

We can work backward from your goal and identify what you can be doing now to prepare.

NOT SURE YET?

ALSO GREAT.

You don't need to have everything figured out before reaching out. Sometimes the first conversation is simply figuring out the questions you should be asking.



Have some TBD's?

Let's turn them into a plan

Tell me where you are in the process and what you'd like help figuring out. No need to have everything figured out first.



Scan to start your buyer plan

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Real estate isn't just about **buying** or **selling** a house.
It's about having the information you need to make a **good** decision.