Harrisson Li
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FIRST-TIME BUYERS · PHILADELPHIA · THE SUBURBS

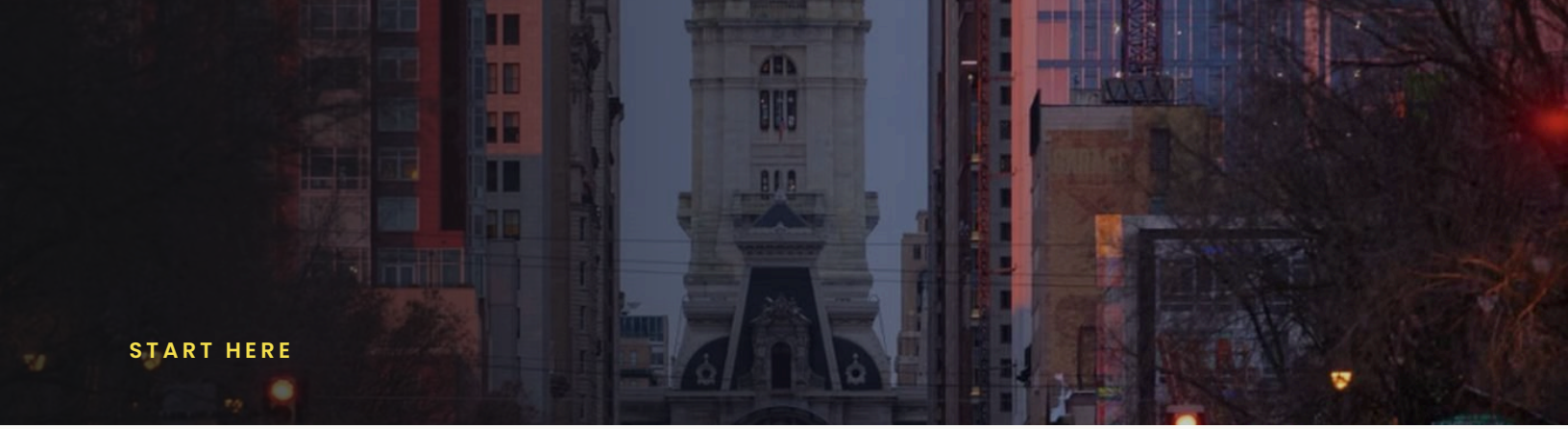
No Surprises at Settlement

The 2026 Philadelphia and suburbs homebuyer guide: what you'll really pay, the money that can help, and every step to the keys.



FREE GUIDE · 2026 EDITION

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START HERE

Most buyers know their monthly payment. Very few know their cash to close.

That's the number that catches people off guard in this market, and it's the reason I wrote this guide.

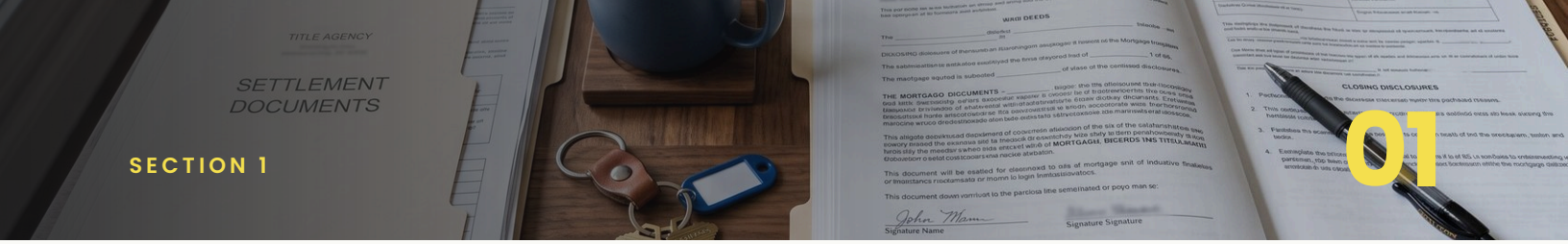
Buying in Philadelphia or the suburbs comes with costs most national articles never mention. The city's realty transfer tax is one of the highest in the country. Grant programs exist that many first-time buyers qualify for, but some only work if you do one step before you ever sign an agreement of sale. And since August 2024 there's a new piece of paperwork before you can tour a home with an agent.

This guide walks you through all of it in order:

SECTION	WHAT YOU'LL GET
1. Your real cash to close	Every cost you'll pay, with Philadelphia and suburban examples.
2. Money that can help	The city and state programs worth checking, and the timing rule that matters most.
3. Eight steps to the keys	From pre-approval to the day after settlement.
4. What to watch for	Rowhome and suburban inspection issues I see most.
5. Questions buyers ask me	Straight answers about rates, lawyers, earnest money, and more.
6. Your checklist	One page to keep on the fridge.

THE STRAIGHT ANSWER

A quick note on rates. As of October 8, 2026, the average 30-year fixed rate was 7.40% (Freddie Mac). At the same time, more homes are on the market than a year ago, which means more choice and more room to negotiate on price and closing costs. Rates matter, but so does what you negotiate.



Your real cash to close

Here's everything that comes out of your pocket between your offer and the keys.

COST	WHAT IT IS	TYPICAL RANGE
Earnest money	Your deposit once the offer is accepted. It counts toward your costs at settlement.	Often $1,000 to $5,000 in Philadelphia
Home inspection	Paid up front during your inspection period. Add a sewer scope for older homes.	A few hundred dollars
Down payment	Depends on your loan. Some programs allow 3% to 3.5% down; assistance can help cover it.	Your lender will confirm
Realty transfer tax	A state and local tax on the sale. By custom, buyer and seller split it in half, but it's negotiable.	See the examples below
Closing costs	Lender, title, settlement, and recording fees, plus prepaid taxes and insurance.	Often 2% to 5% of the price in PA; higher in the city

The transfer tax difference: city vs. suburbs

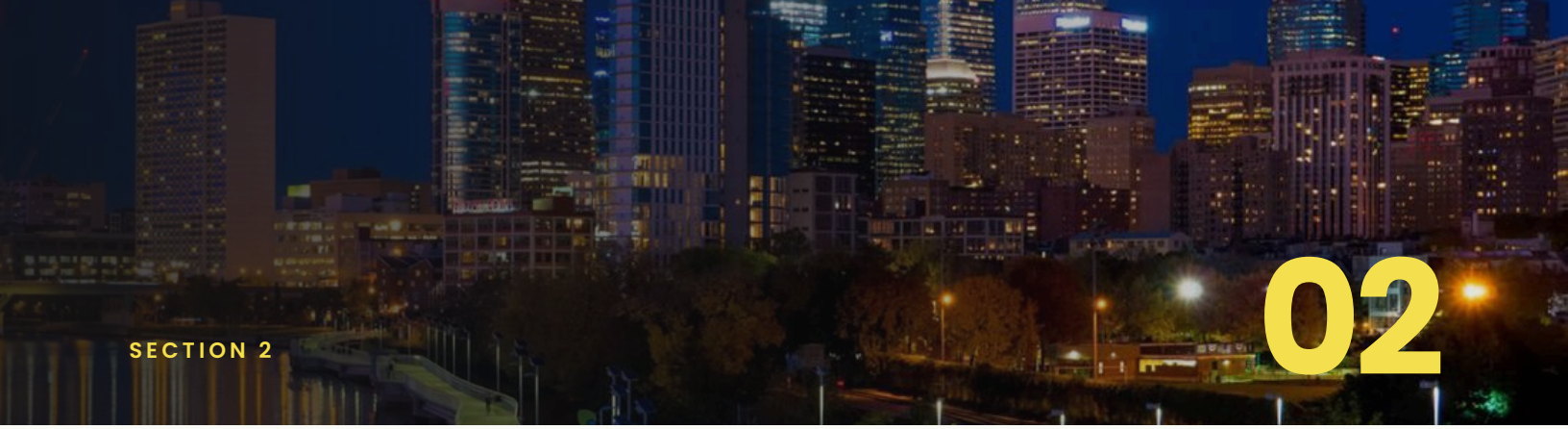
Pennsylvania charges 1%. Most suburban municipalities add about 1% more, so about 2% total. Philadelphia adds 3.578%, for a total of **4.578%** (effective July 1, 2025). Many websites still show the old rate, so double-check anything you read.

EXAMPLE	TOTAL TRANSFER TAX	BUYER'S CUSTOMARY HALF
$300,000 home in Philadelphia (4.578%)	$13,734	$6,867
$300,000 home in a typical suburb (about 2%)	about $6,000	about $3,000

Suburban rates vary by municipality and school district, so we confirm the exact rate for any home you're serious about. Philadelphia has no first-time buyer discount.

THE STRAIGHT ANSWER

How to bring this number down: ask the seller to cover part of your closing costs as part of your offer, stack the assistance programs in Section 2, and compare Loan Estimates from at least two lenders. Your Loan Estimate is the document that shows your real number, line by line.



SECTION 2

02

Money that can help

Programs worth checking before you start touring homes.

PROGRAM	WHAT IT OFFERS	KEY RULES
Philly First Home City of Philadelphia	A grant of up to $10,000 or 6% of the price, whichever is less, toward down payment and closing costs on a single-family home or duplex in the city.	First-time buyer (or no ownership in 3 years), income limits, a 15-year residency rule, and city-funded housing counseling **before** you sign an agreement of sale. Call 215-686-9749 to confirm funding is open.
Keystone Advantage Assistance PHFA, statewide	Up to 4% of the price or $6,000, whichever is less, as a 0% second loan repaid over 10 years.	Minimum 660 credit score and a PHFA first mortgage. Works in all five counties.
Keystone Home Loan PHFA, statewide	PHFA's first mortgage program, which pairs with its assistance programs.	New income and price limits started July 1, 2026. Check phfa.org for your county.
Homestead Exemption City of Philadelphia	Takes $100,000 off your home's assessed value, about $1,399 a year in savings.	Your primary residence. Apply by December 1; apply by October 1 to see it on the next bill. No age or income test.

THE STRAIGHT ANSWER

The timing rule most people miss: Philly First Home requires counseling before you sign an agreement of sale. If you think you might qualify, start counseling now, before you fall in love with a house. I can point you to approved counseling agencies.

Lenders approved for PHFA programs can tell you which programs stack together. Not every lender offers them, so ask before you apply.



Eight steps to the keys

01 **Get pre-approved, not pre-qualified**

A pre-approval means a lender has checked your income, assets, and credit. Sellers take it seriously, and it tells you your real budget, including cash to close.

02 **Sign a buyer agreement**

Since August 2024, you need a written agreement with an agent before touring homes together, including live virtual tours. It spells out what I do for you and how I'm paid, and that pay is negotiable. Sellers often cover some or all of it, and we talk through it before you sign.

03 **Search with a short list of must-haves**

The city and the suburbs move differently. In many suburbs, good homes go fast. In the city, you often have more time to compare. I'll set up listing alerts so you see new homes the day they hit the market.

04 **Write a strong offer**

In Pennsylvania we use the standard Agreement of Sale. Your offer sets the price, the earnest money, your settlement date, and your contingencies: inspection, mortgage, and appraisal. This is also where we ask for help with closing costs.

05 **Inspect everything you can**

The standard form gives you a set inspection period, often 10 days, so schedule inspectors right away. Then we decide together: ask for repairs, ask for a credit, or walk away.

06 **Appraisal and final loan approval**

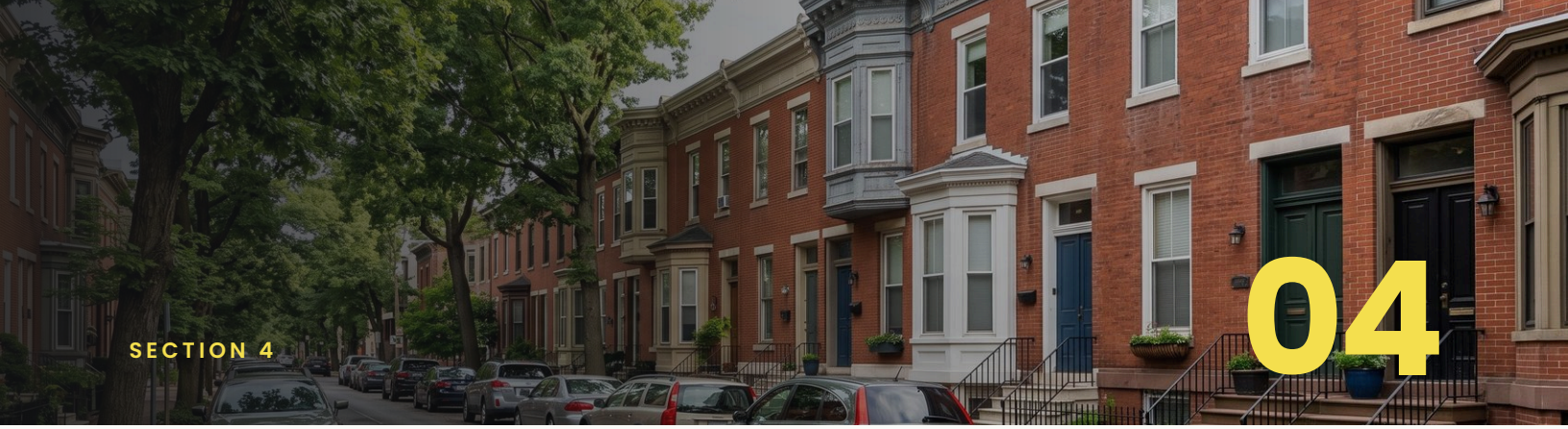
Your lender orders the appraisal and finishes underwriting. Don't open new credit, change jobs, or make big purchases until after settlement.

07 **Title and settlement**

Pennsylvania doesn't require a lawyer at settlement; a title company handles the closing. Title insurance rates are set by a state-approved rate manual, and you save when the owner's and lender's policies are issued together. We do a final walk-through before you sign.

08 **After you get the keys**

In Philadelphia, apply for the Homestead Exemption right away. Keep your settlement statement for taxes. Look up your home's assessment at property.phila.gov or your county site.



SECTION 4

04

What to watch for

Older homes are part of the charm here. These are the issues I check first.

Philadelphia rowhomes

- **Sewer lateral.** In Philadelphia the pipe from the house to the city sewer is the owner's responsibility. A sewer scope during inspection is cheap insurance.
- **Old wiring.** Knob-and-tube and undersized electrical service can affect insurance and cost real money to replace.
- **Shared walls and roofs.** Party walls and connected flat roofs can leak from next door. Look at the roof and flashing closely.
- **Unpermitted work.** Rear additions and finished basements without permits can become your problem. We can check the permit history.

The suburbs

- **Township resale or U&O inspections.** Many municipalities require one before a sale. The seller usually handles it, but repairs it flags can affect your timeline.
- **Sewer inspections at sale.** Some areas require one on transfer.
- **Temporary certificates.** Some townships let a buyer move in and fix minor items after settlement. Know what you're agreeing to.
- **Wells, septic, and older systems** in more rural parts of Bucks and Chester counties need their own inspections.

THE STRAIGHT ANSWER

Philadelphia property values are changing. New 2027 assessments were mailed in summer 2026 and take effect January 1, 2027. Look up any home's new value before you make an offer so your tax estimate is right.



SECTION 5

05

Questions buyers ask me

Should I wait for rates to drop?
Nobody can promise where rates go. What you can control is price, closing cost help, and the home you choose. If rates fall later, refinancing may be an option. If you wait, prices and competition can rise too.

How much cash do I really need?
Add your down payment, earnest money, inspection, and closing costs, including your share of transfer tax. Then subtract any seller credit and assistance. Section 1 walks through it.

Do I need a lawyer?
Not in Pennsylvania. A title company runs settlement. Some buyers hire an attorney anyway for complex purchases, and that's always your choice.

Can the seller pay my closing costs?
Yes, you can ask for a seller credit in your offer. How much depends on the market, the home, and your loan's limits.

Can I lose my earnest money?
It's protected when you back out within your contingencies, like a failed inspection or loan denial within the deadlines. It's at risk if you walk away for a reason the agreement doesn't cover. Deadlines matter, and I track them for you.

Why do I have to sign an agreement before touring?
It's a national rule since August 2024. It protects you by putting what I do and how I'm paid in writing before we start.

City or suburbs?
It comes down to commute, schools, taxes, and the kind of home you want. Transfer tax and property taxes differ a lot, so we compare the full cost, not just the price.

SECTION 6

Your homebuyer checklist

Before you search

- [ ] Check your credit and pull your last two pay stubs, W-2s, and bank statements
- [ ] Get pre-approved by a lender who offers PHFA programs
- [ ] If you may qualify for Philly First Home, start counseling now
- [ ] Estimate your cash to close
- [ ] Sign a buyer agreement and set up listing alerts

Making an offer

- [ ] Confirm the transfer tax rate for that municipality
- [ ] Look up the property's assessment and taxes
- [ ] Decide on earnest money and contingencies
- [ ] Ask for a seller credit if you need help with closing costs

Under contract

- [ ] Schedule the inspection and a sewer scope
- [ ] Get homeowner's insurance quotes
- [ ] Send your lender everything they ask for, fast
- [ ] No new credit or big purchases
- [ ] Review your Closing Disclosure 3 days before settlement

Settlement and after

- [ ] Final walk-through
- [ ] Bring ID and your certified funds or wire confirmation (always call to verify wire instructions)
- [ ] Apply for the Homestead Exemption (Philadelphia)
- [ ] Save your settlement statement

WHO YOU'LL BE WORKING WITH



One agent, on every part of it.

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I'm a solo agent by choice. When you work with me, you get me: the showings, the offer, the inspection response, and the call the night before settlement. Nothing gets handed to a junior on a team.

Before real estate I worked on the construction side, so condition, scope, and what a fix really costs aren't guesswork. I work with new construction buyers, first-time buyers, sellers, and investors across Philadelphia, the Main Line, and Montgomery, Delaware, Bucks, and Chester counties.

Let's figure out your real number.

In a free 20-minute call, I'll help you estimate your cash to close, see which programs you may qualify for, and map out your next steps. No pressure, and no obligation.

Call or text 267-368-2788

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SOURCES

Where these numbers come from

Checked October 2026. Rates, programs, and rules change, so use these links to confirm the current version.

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