

2026 EDITION • BASED ON NAR RESEARCH

# The Complete Home Buyer's Guide

From first search to closing day — everything you need to know.

**88%**

of buyers use an agent

**10 wks**

median home search

**21%**

first-time buyer share (record low)

**\$425K**

agent-assisted median sale price

## WHY THIS GUIDE EXISTS

### Buying a Home Is the Biggest Financial Decision You'll Make

The National Association of REALTORS® surveys tens of thousands of buyers every year. The findings are consistent: buyers who work with a professional, understand the process, and prepare their finances early have better outcomes — fewer surprises, better prices, and more confidence at every stage. This guide puts that knowledge to work for you.

## 2025 MARKET SNAPSHOT

### What the Numbers Are Telling Buyers

<b>First-time buyers hit a 44-year low</b>	Only 21% of all 2025 buyers were first-timers — the lowest share since NAR began tracking in 1981. Affordability headwinds and limited inventory are the primary drivers.
<b>The median first-time buyer is now 40</b>	Up from the late 20s in the 1980s. Delaying a decade costs a typical buyer approximately \$150,000 in lost equity over their lifetime, according to NAR.
<b>Agents are still the #1 information source</b>	Even though most buyers start online, 85% ranked their agent as their most useful source — far ahead of any website, portal, or social media channel.
<b>54% of buyers said their agent spotted issues they missed</b>	And 76% of first-time buyers credited their agent with helping them understand the entire process — not just the transaction itself.

**\$425K**

Median agent-assisted sale price

**\$360K**

Median FSBO sale price

**4 weeks**

Median time on market

**10 weeks**

Median buyer search duration

Source: NAR 2025 Profile of Home Buyers and Sellers (survey period July 2024 – June 2025)

# Buyer's Market vs. Seller's Market

The type of market you're in changes your entire strategy. Here's how to tell the difference.

## Buyer's Market

More homes than buyers

You have more negotiating power

Homes sit on market longer

Sellers may cover closing costs or repairs

More room to negotiate below asking price

More time to make decisions without competing offers

Inspection contingencies are more commonly accepted

## Seller's Market

More buyers than homes

Sellers receive multiple offers, often above asking

Homes sell quickly — sometimes in days

Buyers may waive contingencies to compete

Pre-approval is often required just to make an offer

Less room to negotiate on price or repairs

Moving fast with a clean offer is critical

# The Home Buying Process — 8 Stages

Most buyers take 10 weeks from first search to accepted offer. Here's what to expect at each stage.

## PRO INSIGHT

56% of buyers said finding the right property was the most difficult part of buying — not the paperwork, not the financing. Start your search early, get specific about what matters most, and let your agent do the heavy lifting on the MLS.

### STEP 01

## Check Your Credit & Finances

Your credit score determines your loan eligibility and interest rate. Pull your report early from all three bureaus. Pay down high balances, dispute errors, and avoid opening new credit lines before applying. Even a small improvement in your score can meaningfully reduce your interest rate — which compounds significantly over 30 years.

### STEP 02

## Get Pre-Approved

Pre-approval is not the same as pre-qualification. Pre-approval requires verified income, assets, and credit — it's what sellers take seriously. In competitive markets, many sellers won't consider an offer without it. Pre-approval shows your budget ceiling and gives you confidence to move quickly when you find the right home.

### STEP 03

## Choose Your Agent

Under current NAR rules, you'll sign a written buyer agreement before touring homes. This formalizes your working relationship and outlines how your agent is compensated. Look for strong local knowledge, clear communication, and a track record of navigating negotiations. 88% of buyers work with an agent — for good reason.

### STEP 04

## Search With Purpose

Most searches begin online, but your agent's MLS access is where the real search happens. Be specific: define must-haves vs. nice-to-haves, nail down school district priorities, commute limits, and non-negotiables early. Changing your criteria mid-search costs time and can cause you to miss homes that were actually a great fit.

#### STEP 05

### Make a Strong Offer

Your offer is more than a price — it includes contingencies, closing timeline, earnest money, and any requests of the seller. In a seller's market, a clean offer with few conditions stands out. Your agent will advise on comparable sales and what 'competitive' looks like in your specific neighborhood and price range.

#### STEP 06

### Inspection & Due Diligence

A professional home inspection typically costs \$300–\$600 and is worth every penny. Over 54% of buyers said their agent pointed out issues they hadn't noticed. The inspection period is your opportunity to renegotiate, request repairs, or — in rare cases — walk away with your earnest money protected if your contract includes an inspection contingency.

#### STEP 07

### Finalize Your Mortgage

Once your offer is accepted, your lender orders an appraisal to confirm the home's value supports the loan amount. Don't make major financial changes during this period — new jobs, car loans, or credit inquiries can disrupt your underwriting approval at the worst possible time. Respond to lender document requests immediately.

#### STEP 08

### Closing Day

Closing typically takes 30–60 days from accepted offer. You'll sign final loan documents, pay closing costs (typically 2–5% of the purchase price), and receive the keys. Do a final walkthrough 24–48 hours before closing to confirm the home's condition. Verify wire instructions directly with the title company — wire fraud targeting home buyers is real.

# Common Mortgage Types Explained

Your loan type affects your down payment, monthly cost, and qualifying requirements. Know your options before you talk to a lender.

## CONVENTIONAL

### Standard Conventional Loan

Not government-backed. Requires a minimum credit score of ~620 and typically 3–20% down. If you put less than 20% down, you'll pay PMI (private mortgage insurance) until you reach 20% equity. Best for buyers with solid credit and stable income history.

## FHA

### FHA Loan

Backed by the Federal Housing Administration. Minimum 3.5% down with a 580+ credit score (10% down if score is 500–579). Requires mortgage insurance for the life of the loan in most cases. A strong option for first-time buyers or those rebuilding credit.

## VA

### VA Loan

Available to eligible veterans, active-duty service members, and surviving spouses. No down payment required, no PMI, and competitive rates. One of the most powerful home buying benefits available — if you qualify, this should be your first lender conversation.

## USDA

### USDA Loan

For eligible rural and some suburban areas. No down payment required for qualifying buyers. Income limits apply based on location and household size. Check the USDA eligibility map — more areas qualify than most buyers expect.

## DOWN PAYMENT REALITY CHECK

You don't need 20% down to buy a home. Many first-time buyer programs, state grants, and loan products allow 3–5% down. The key is getting pre-approved early so you know exactly where you stand — and which programs you may qualify for in your state.

# Are You Ready to Start Shopping?

Buyer Pre-Search Checklist
<input type="checkbox"/> Pulled and reviewed credit report from all 3 bureaus
<input type="checkbox"/> Addressed any errors or derogatory marks on credit file
<input type="checkbox"/> Calculated total monthly budget (income minus all debt minus savings goal)
<input type="checkbox"/> Estimated total cash needed: down payment + closing costs (2–5%)
<input type="checkbox"/> Gathered documents: W-2s, tax returns (2 yrs), pay stubs, bank statements
<input type="checkbox"/> Contacted at least 2 lenders for pre-approval comparison quotes
<input type="checkbox"/> Received official pre-approval letter (not just pre-qualification)
<input type="checkbox"/> Researched and signed buyer agreement with chosen agent
<input type="checkbox"/> Defined must-haves vs. nice-to-haves in writing – shared with agent
<input type="checkbox"/> Set up MLS alerts through your agent for new listings in target area

Buyer Under Contract Checklist
<input type="checkbox"/> Delivered earnest money deposit on time per contract terms
<input type="checkbox"/> Scheduled and attended home inspection within contingency window
<input type="checkbox"/> Reviewed inspection report with agent – identified key negotiation items
<input type="checkbox"/> Submitted inspection repair request or credit request if applicable
<input type="checkbox"/> Submitted all lender documents promptly when requested
<input type="checkbox"/> Received and reviewed appraisal results with your agent
<input type="checkbox"/> Shopped and bound homeowner's insurance before closing
<input type="checkbox"/> Received and reviewed Closing Disclosure (3+ days before closing)
<input type="checkbox"/> Completed final walkthrough 24–48 hours before closing
<input type="checkbox"/> Confirmed wire instructions directly with title company (fraud prevention)

## Buyer FAQ — Answered Straight

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### **How much do I actually need for a down payment?**

You don't need 20%. Conventional loans allow as little as 3% down. FHA loans require 3.5% with a 580+ credit score. VA and USDA loans may require no down payment at all for eligible buyers. The 20% threshold eliminates PMI — but it's not a requirement to buy. Talk to a lender early to understand what you need based on your credit and loan type.

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### **What's the difference between pre-approval and pre-qualification?**

Pre-qualification is a quick estimate based on self-reported information — it carries little weight in a competitive offer situation. Pre-approval involves the lender verifying your actual income, assets, and credit, then issuing a conditional commitment to lend you a specific amount. In most markets today, sellers won't take an offer seriously without it.

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### **Do I need a buyer's agent, and who pays for it?**

You're not legally required to use a buyer's agent, but 88% of buyers do — for good reason. An agent negotiates on your behalf, spots issues you'd miss, manages deadlines, and guides you through significant legal exposure. Under NAR's 2024 practice changes, buyer agent compensation is negotiable and disclosed upfront in a written buyer agreement. Ask your agent how compensation works in your specific market.

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### **What are closing costs and how much should I budget?**

Closing costs are fees associated with finalizing your mortgage and transferring ownership. They typically range from 2–5% of the purchase price and include lender fees, title insurance, appraisal, recording fees, and prepaid taxes and insurance. On a \$350,000 home, that's \$7,000–\$17,500. Review your Loan Estimate and Closing Disclosure carefully — and ask your agent or lender about any line items that aren't clear.

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### **What happens if the appraisal comes in below the purchase price?**

Your lender will only loan based on the appraised value — not the contract price. Options include: renegotiating the price with the seller, paying the gap in cash, challenging the appraisal with comparable sales data, or — if you have an appraisal contingency — walking away and recovering your earnest money. This is one of the most important reasons not to waive your appraisal contingency without understanding the risk.

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READY TO TAKE THE NEXT STEP?

## You Deserve an Agent Who Picks Up the Phone

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The biggest complaint buyers share about working with agents? They don't call back. Whether you're ready to start touring homes or just building your plan — you deserve responsiveness and expertise from the very first conversation. Find a local agent who makes that commitment.

This guide is for informational purposes only and does not constitute legal, financial, or real estate advice. Market statistics sourced from the NAR 2025 Profile of Home Buyers and Sellers (survey period July 2024 – June 2025). © 2026 All Rights Reserved.