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The Utah Home Buyer's Guide

The twelve phases of a Utah purchase, what closing actually costs on top of your down payment, which contingencies to keep, and the property tax break you have to ask for yourself.

1% to 2%

What Utah buyers typically pay in closing costs and prepaid escrow, *on top of* the down payment. On a $625,000 home that is roughly $6,500 to $12,500 in cash nobody budgets for.

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Why this guide exists

Almost every unpleasant surprise in a home purchase comes from the same place: something the buyer did not know to plan for. Cash at closing that was never budgeted. A contingency waived without understanding what it protected. An inspection item that should have been a negotiating point and instead became a repair bill.

None of those are hard problems. They are just problems you have to see coming. This guide is the shortlist of what I would want a family member to know before they wrote an offer in Utah, drawn from more than twenty years and over a thousand Wasatch Front transactions.

One note on the market you are buying into. The 2026 Utah market is not the 2021 market. Inventory is higher, buyers have real room to be selective, and concessions that vanished for three years are back on the table. Sellers covering part of your closing costs, and rate buy-downs paid by the seller, are both normal again. If you are working from advice given during the frenzy, that advice is now actively expensive.

> **This guide is not a substitute for your lender, your inspector, your CPA or your attorney.** It is meant to make you a better client for all four, so you know which questions matter and when to ask them.

PART 1

The twelve phases of buying a Utah home

Every purchase runs the same sequence. Knowing where you are in it, and what has to be true before you move on, is most of the job.

#	Phase	What has to happen before you move on
1	**Get pre-approved**	Not pre-qualified. Pre-approval means a lender has actually reviewed income, assets and credit. In a multiple-offer situation a pre-qualification letter is close to worthless.
2	**Set your real budget**	Payment, not price. Include taxes, insurance, HOA dues and mortgage insurance. Then subtract what closing will cost you in cash.
3	**Pick your agent**	Since the 2024 NAR settlement you sign a written buyer agreement before touring. Read what it says about compensation and length.
4	**Search and tour**	See enough to calibrate. Most buyers cannot judge value until they have walked through eight to twelve homes in their range.
5	**Write the offer**	Price is one term of several. Earnest money, deadlines, financing type and what you ask the seller to cover all move the odds.
6	**Negotiate to acceptance**	Counteroffers are normal. Nothing is binding until both parties sign the same version.
7	**Deposit earnest money**	Goes to the title company, not the seller. It is credited to you at closing, it is not an extra cost.
8	**Due diligence**	Inspections, HOA documents, disclosures. This is your window to discover problems and renegotiate or walk.
9	**Appraisal**	The lender confirms the home supports the loan. A low appraisal reopens the price conversation.
10	**Loan underwriting**	Do not change jobs, open credit or move large sums. Underwriters re-pull before closing.
11	**Final walkthrough**	Confirm agreed repairs are done and the home is in the promised condition. Do this after the seller has moved out, not before.
12	**Sign and record**	In Utah you own it when the deed records, which can be later the same day than you expect. Plan the move-in around recording, not signing.

> **The single most common scheduling mistake:** booking movers for the morning of closing. Utah closings fund and record through the day, and possession is usually tied to recording. Give yourself a buffer.

What closing actually costs, on top of your down payment

Utah buyer closing costs land at roughly **1 to 2 percent of the purchase price**, including prepaid escrow. On a $625,000 home, plan on **$6,500 to $12,500** in cash beyond your down payment.

Some of these are flat no matter what you pay for the home. Others scale with the price and loan size.

Cost	Typical Utah range	Notes
Lender fees	$1,500 to $3,500	Origination, underwriting, processing. The most variable line there is. Get two or three Loan Estimates.
Appraisal	$600 to $900	You pay whether or not the deal closes.
Home inspection	$400 to $700 and up	Not required. Skip it only with your eyes open.
Specialty inspections	About $150 to $600 each	Radon, meth, mold, sewer scope, roof, structural. Each specialist bills separately.
Lender's title insurance	$1,500 to $2,200 on $500K $2,000 to $3,000 on $750K $2,500 to $3,500 on $1M	In Utah this runs close to the owner's policy, not a token fee.
Recording fees	$30 to $150	County filing for the deed and mortgage.
Property tax proration	Varies by closing date	You pay from your closing date through year end.
HOA transfer fee and prepaid dues	Varies widely	Many are a few hundred dollars. Some are a percentage: Daybreak's is 0.5 percent, about $4,000 on an $800,000 home.
Prepaid escrow	$3,000 to $6,000 and up	Several months of taxes and insurance collected up front to seed the escrow account. The line buyers forget.
Mortgage insurance	If under 20% down	FHA charges upfront MIP of 1.75 percent of the loan. Conventional adds monthly PMI until you reach 20 percent equity.

The owner's title policy is already handled, unless you pay cash

Under Utah's standard Real Estate Purchase Contract, the **seller** buys the owner's title policy for you. On a financed purchase you are covered without doing anything.

Cash purchases are the exception. There is no lender requiring a policy, so nobody forces the issue, and buyers waive it to save a few hundred dollars. **Do not.** It is a one-time premium that protects your ownership for as long as you own the home, against defects that predate you and that no inspection would ever find.

Two ways to lower what you bring

- **Ask for seller concessions.** In the current market Utah sellers regularly cover 1 to 3 percent of buyer closing costs. If you do not ask, the answer is no.
- **Shop the lender on both numbers.** Lenders earn on the rate or on the fees. A low rate with high costs can lose to a slightly higher rate with low costs. Lender fees alone swing $1,000 to $3,000 between lenders on the same loan.

> **The question a good lender asks first:** how long do you plan to stay? Five years or more and buying the rate down with cash up front usually wins. If you will likely refinance in a couple of years, keeping cash at closing matters more. A lender who quotes a rate without asking is selling, not advising.

PART 3

Credit scores by loan type

These are program floors. Individual lenders routinely set their own higher minimums, called overlays, so a lender turning you down at 600 does not mean the program turned you down.

Loan type	Typical score floor	Minimum down	Worth knowing
Conventional	620	3% to 5%	Best pricing generally starts around 740. PMI drops off at 20 percent equity, which FHA's does not.
FHA	580 at 3.5% down 500 to 579 at 10% down	3.5%	Most forgiving on credit. Carries upfront MIP of 1.75 percent plus annual MIP, usually for the life of the loan.
VA	No program minimum; lenders commonly want 580 to 620	0%	No monthly mortgage insurance at all. If you or your spouse served, price this against everything else before assuming it loses.
USDA	No program minimum; lenders commonly want 640	0%	Geographic and income limits apply. More of Utah qualifies than people assume, particularly outside the core Wasatch Front.

If your score is close to a threshold, ask your lender to run a rapid rescore analysis before you shop. Paying down a single revolving balance can move a score enough to change your rate, and that change lasts thirty years.

PART 4

Contingencies: what to keep and what to shorten

A contingency is a right to walk away and keep your earnest money. Waiving one is not a formality, it is trading real protection for competitive position. In a market with inventory, you usually do not need to trade much.

Contingency	What it protects	When shortening is reasonable
Due diligence / inspection	Your ability to discover problems and renegotiate or exit	Shorten the number of days if you have an inspector on standby. **Do not waive it.** This is the one that finds five-figure problems.
Financing	Your earnest money if the loan falls through	Shorten only with a fully underwritten pre-approval in hand, not a standard one. Waiving means the deposit is at risk if underwriting turns.
Appraisal	You from paying above appraised value	Only if you have cash to cover a gap and you know the number you are willing to cover. Partial gap coverage is a middle ground worth using.
Home sale	You from owning two homes	Weakest term to a seller. If you can bridge or carry both briefly, dropping this buys real negotiating power.

> **Shorten timelines before you waive rights.** A seller comparing two offers usually cares about certainty and speed. Giving them seven days of due diligence instead of fourteen often buys the same goodwill as waiving the contingency entirely, at a fraction of the risk.

PART 5

Utah inspection issues worth knowing about

Every region has its own recurring problems. These are the Utah ones. None of them should necessarily kill a deal, but each is worth a specialist and each is a legitimate negotiating point.

Radon

Utah has elevated radon in many areas, and it does not track with neighborhood quality or home age. It is a naturally occurring soil gas, so the only way to know is to test. Testing is inexpensive. Mitigation systems are a known, bounded cost, and installing one is routine work. Test before you close rather than after, because before closing it is a negotiation and after closing it is your bill.

Foundation settling and expansive soils

Parts of the Wasatch Front sit on soils that move with moisture. Hairline cracks in a basement wall are common and often cosmetic. Stair-step cracking, doors that will not latch, and sloped floors are not. The distinction is a structural engineer's call, not an inspector's, and paying a few hundred dollars for that opinion is one of the better uses of due-diligence money.

Snow-load roof wear

Utah roofs work harder than roofs in most of the country. Freeze-thaw cycling, ice damming at the eaves and sustained snow load age shingles faster than the warranty period suggests. Ask the age of the roof and look for evidence of ice dam damage at the eaves and in the attic. A roof at the end of its life is a five-figure item and should be priced into the deal.

Meth contamination

Utah has a specific testing and decontamination framework for this, and it is more common in the resale market than most buyers expect. Testing is cheap relative to what remediation costs. Consider it on any home where the ownership history is unclear or the property has been a rental.

Sewer lateral

On any home built before roughly 1980, scope the line from the house to the main. Older clay and cast-iron laterals fail from root intrusion and collapse, the failure is invisible from inside the home, and replacement runs into five figures because it involves excavation.

Water and irrigation

Many Utah neighborhoods have secondary or pressurized irrigation water on a separate system and a separate bill, and some have shares tied to the property. Confirm what the home has, what it costs, and whether anything transfers with the sale.

The Utah tax break you have to claim yourself

Utah exempts **45 percent of the fair market value** of a primary residence from property tax. Your home is taxed on 55 percent of what it is worth.

On a $625,000 primary residence, that is roughly $281,000 of value that is never taxed. At Utah's effective rates of about 0.55 to 0.85 percent, the exemption is worth on the order of $1,500 to $2,400 a year, every year you own the home.

> **It applies to primary residences only, and it is not always automatic.** If you buy a home that was a rental or a second home, the exemption may not be in place, and the county will not necessarily fix that for you. Check your first tax notice after closing. If the assessed taxable value looks like the full market value rather than 55 percent of it, call the county assessor. People overpay for years without noticing.

Two related items worth asking your CPA about: Utah has a circuit-breaker style property tax relief program with age and income tests, and disabled veterans have a separate exemption. Neither is applied for you.

PART 7

Questions buyers actually ask

How much do I really need for a down payment?

Less than most people think, and more than the headline number. Conventional loans start at 3 percent down and FHA at 3.5 percent, while VA and USDA can be zero. The catch is that under 20 percent adds mortgage insurance, and the down payment is separate from the 1 to 2 percent in closing costs. Budget both or you will be short in the last week.

Is it better to buy down the rate or keep the cash?

It depends entirely on how long you will hold the home, which is why a good lender asks that first. Five years or more and the buy-down usually wins. Two or three years, or a real chance you refinance, and the cash is worth more in your pocket.

Should I waive the inspection to win?

No. Shorten it instead. The inspection is the contingency that finds the expensive things, and in a market with inventory you rarely have to give it up to compete.

What is earnest money and do I lose it?

It is a good-faith deposit held by the title company, credited to you at closing, so it is not an added cost. You lose it only by breaching the contract, which in practice means walking away outside the protection of a contingency or missing a deadline you agreed to. Deadlines are the real risk. Calendar every one.

Do I have to pay my own agent now?

Since the 2024 NAR settlement, buyer-agent compensation is negotiated separately and agreed in writing before you tour. Sellers may still contribute, and many do, but it is a term of the deal rather than an assumption. Ask early what your agreement says and what you would owe if a seller contributes nothing.

How long does a Utah purchase take?

Thirty to forty-five days from acceptance to closing is typical on a financed purchase. Cash can close in two weeks. New construction runs on the builder's schedule and slips more often than it holds.

What should I not do between offer and closing?

Do not change jobs, do not open a credit card or finance furniture, and do not move large sums between accounts without telling your lender first. Underwriting re-verifies before closing, and every one of these has killed deals in the final week.

Is now a good time to buy?

The honest answer is that it depends on your situation, not on the market. What I can tell you about the current Utah market is that inventory is higher than it was, buyers have room to negotiate, and seller concessions and rate buy-downs are available again. If you were waiting for leverage to come back, some of it has.

BEFORE YOU WRITE

The pre-offer checklist

- [ ] Pre-approval in hand, not pre-qualification
- [ ] Cash to close calculated: down payment *plus* 1 to 2 percent
- [ ] Two or three Loan Estimates compared side by side, rate and fees
- [ ] Inspector identified and available, so you can offer a short window
- [ ] HOA dues, what they cover, and any transfer fee confirmed in writing
- [ ] Decided in advance what you would cover on an appraisal gap
- [ ] Every contract deadline on your calendar with a reminder
- [ ] Asked whether the seller will contribute to closing costs or a rate buy-down

When you want a second opinion

If you are weighing a specific home, a specific offer, or whether the numbers work at all, that is a phone call, not a form. No pressure and no obligation.

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