

RYAN BAKER

REALTOR · MORRIS COUNTY, NJ

2026 EDITION

THE BUYER'S GUIDE

A FIELD GUIDE FOR NJ BUYERS

Save money. Save time. Win the house.

A no-fluff playbook on what buying a home in New Jersey actually costs — and the programs, concessions, and negotiation moves most buyers never hear about.

\$310M+

IN CLOSED VOLUME

500+

HOMES SOLD

100%

HANDS ON

• *MorrisAgent Team* •

Ryan Baker

Realtor · Licensed Contractor

RE/MAX Select · Boonton, NJ

No Surprises, Ever.

Table of contents

Six short chapters, no filler. Each one is built to put real money back in your pocket — or to keep you from leaving any of it on the closing table.

01	Foreword & key takeaways The five things every NJ buyer should know before opening Zillow.	PG 03
02	The money — what buying actually costs Down payment myths and NJ closing costs, side by side.	PG 04
03	Free money — programs, grants, concessions NJHMFA assistance and the seller credits most agents skip past.	PG 05
04	The offer — winning without overpaying Six moves that win houses in NJ.	PG 07
05	The inspection — what your contractor sees Big-ticket issues, 2026 NJ costs, and how to negotiate them.	PG 08
06	Recap and action plan Five steps to buy smart in New Jersey.	PG 10

Buying a house in New Jersey isn't really about finding "the one." It's about getting the right one for the right number — and not leaving money on the table on the way to the closing table. I'm a licensed contractor, so this guide is built around protecting your money, not selling you something.

- i. Pre-approved beats pre-qualified — every time**
Pre-qualified is a phone call. Pre-approved is income, assets, and credit verified. Sellers ignore the first one and take the second seriously.

- ii. Closing costs are 2–3% of price — plan for it**
On a \$500K house in NJ, expect \$10K–\$15K on top of the down payment. Buyers who plan for it close on time. Ones who don't scramble in the last week.

- iii. Up to \$22,000 in NJHMFA assistance is on the table**
The state forgives a \$15,000 second loan after five years. First-generation buyers stack another \$7,000. Most buyers don't apply because nobody told them.

- iv. Don't waive your right to inspect**
You want to know what you're buying — going in blind is how people end up with \$40K of surprises. The play isn't to skip the inspection, it's to scale your inspection asks to the condition of the home.

- v. Seller concessions can cover most of your closing costs**
Conventional and FHA loans both allow concessions of 3–6% of the price. Done right, the seller pays the bulk of your closing costs while your savings stay intact.

The 20% myth, *put to rest.*

You do not need 20% down to buy a house. The 20% number gets repeated because it's the threshold to skip private mortgage insurance — not because it's a requirement. Plenty of NJ buyers close with 3–5% down, and many close with zero.

3%

Conventional 97 minimum for first-time buyers

3.5%

FHA minimum — flexible credit thresholds

0%

VA (qualifying veterans) and USDA rural loans

2–3%

Typical NJ buyer closing costs as % of price

Where the closing costs actually go

COST	TYPICAL NJ RANGE	WHAT IT COVERS
Attorney fees	\$1,000–\$2,500	Contract review, title review, closing — required in NJ
Title insurance	\$1,200–\$2,500	Owner's policy + lender's policy, scaled to price
Loan origination	0.5–1% of loan	Lender's processing and underwriting
Appraisal & inspection	\$1,000–\$1,600	Required by lender; add radon \$125–\$250, oil tank sweep \$150
Recording & transfer	\$350–\$700	County clerk fees and document recording
Prepays & escrows	\$3,000–\$8,000	Property tax reserve, homeowners insurance, prepaid interest

The line item buyers always miss: property tax escrow. NJ has the highest property taxes in the country, and lenders require months of taxes prepaid into escrow. On a \$14K/year tax bill, that's \$4,000–\$6,000 by itself. Build it into your cash-to-close estimate from day one.

“

Most buyers find out about closing costs the week before closing. That's the wrong week. Get a written estimate from your lender within seven days of pre-approval.

NJHMFA — the state's *best-kept secret*.

The New Jersey Housing and Mortgage Finance Agency runs several programs that put real cash toward your down payment and closing costs. They're underused — partly because lenders don't all participate, partly because nobody tells buyers they exist.

DOWN PAYMENT ASSISTANCE

\$15,000

NJHMFA DPA Program

Up to \$15,000 toward down payment and closing costs. Zero-interest second mortgage. Forgiven completely after 5 years living in the home.

FIRST-GENERATION BONUS

\$7,000

First Generation DPA

Stacks on top of the standard DPA. If neither parent owned a home in the last three years, you can combine for up to \$22,000 in assistance.

MORTGAGE PROGRAM

30-yr fixed

Homeward Bound

Government-insured 30-year fixed-rate mortgage with competitive rates. Pairs directly with the DPA.

PUBLIC SERVANTS

\$766,550

Police & Fire Mortgage

Active PFRS members with 1+ year of service. Maximum mortgage up to \$766,550, 30-year fixed.

Who actually qualifies for the DPA

First-time buyer (or no ownership in the last three years), purchasing a primary residence in NJ, household income within program limits, credit score generally 620+, and the loan must be originated by an NJHMFA-participating lender. The "first-time buyer" rule has more flexibility than buyers expect — funding caps annually, so apply the day applications reopen, not the week before you find a house.

A seller concession is when the seller agrees to credit the buyer money at closing — usually toward closing costs or a rate buy-down. The price stays the same; the seller's net just drops. For a buyer short on cash, this is the difference between closing and not closing.

Caps by loan type and down payment

LOAN TYPE	DOWN PAYMENT	MAX SELLER CONCESSION
Conventional	Less than 10%	3% of purchase price
Conventional	10% – 24.99%	6% of purchase price
Conventional	25% or more	9% of purchase price
FHA	Any (3.5% min)	6% of purchase price
VA	0% (qualifying)	4% + closing costs
Investment	Any	2% of purchase price

The strategy

On a \$500K house, an FHA buyer with \$15K cash and 3.5% down can ask the seller for \$15,000 in concessions (3%) and effectively close with almost nothing left for closing costs. The cleanest move when concessions are tight: **bake the credit into the price** — offer slightly higher and ask for the credit back. Same net to the seller, more cash in your pocket.

The honest math behind a "seller credit"

A seller credit is not free money. The seller is crediting the cash back to you at the table — but in reality, when the credit is baked into the price, **you're financing that amount over your loan**. A \$10,000 credit on a 30-year mortgage at current rates adds roughly \$55–\$70 to your monthly payment over the life of the loan. The trade is usually worth it (you keep cash in pocket today and avoid PMI thresholds tomorrow), but go in with eyes open: a concession converts a closing-cost problem into a long-term financing cost.

“

Most buyers freeze up and ask for nothing. In a balanced market, asking for \$5K–\$10K in seller credits is normal — just remember you're trading cash today for interest tomorrow.

Six moves that win houses.

Sellers with multiple offers don't pick the highest one. They pick the one most likely to actually close. Most buyers don't know that, so they overpay by \$10,000 to "win" instead of structuring an offer the seller has confidence in.

01 Get fully underwritten before you offer

"Pre-approved" means different things to different lenders. Ask yours for a fully underwritten approval — credit, income, assets verified — and put a copy with your offer. Closest thing to cash a financed buyer can show.

02 Match the seller's preferred close date

Sellers usually need 30–45 days. If they need 60 because they're buying their next house, give them 60. Mirror their timeline and your offer leaps to the top of the pile.

03 Tighten — don't waive — your contingency timelines

NJ gives you a 10-day inspection period and a 3-day attorney review by default. Offer a 5-day inspection instead. Same protection, less seller anxiety, no leverage given up.

04 Pick the right appraisal posture for the deal

Two tools, two risk profiles. A **gap or limited appraisal waiver** caps your exposure — you agree to cover the gap up to a defined dollar amount (less risky, still strong). A **full appraisal waiver** removes the contingency entirely — riskier for you, but the most attractive thing a financed buyer can offer in a hot multiple-offer house. Match the tool to the property and the competition.

05 Strong earnest money signals strong commitment

There's no rigid "standard" — earnest money in NJ typically runs 1–3% of price. Lean toward the high end on a competitive house. Your deposit is fully protected during inspection and attorney review, but the optics tell the seller you're serious.

06 Ask for concessions when others won't

Bake the credit into the price. Offer slightly higher and ask for the credit back. Same net to the seller, more cash in your pocket. Most buyers freeze and ask for nothing.

“ A \$495,000 offer with a 21-day close and a verified pre-approval beats a \$510,000 offer with a 60-day close and a "pre-qualification" almost every time.

I'm a licensed contractor and I'm keen on renovations — I've done plenty of them, from full guts to surgical updates, and that background changes how I walk a house with you. A general inspector flags issues; **my job is to translate.** When the report flags a sagging beam, I know if it's cosmetic settling or a \$9,000 structural fix. When it flags an old roof, I know what a replacement actually costs in 2026 — not 2018.

What I'm looking at first.

01 The roof — material, age, and the flashing

Asphalt shingles run 20–30 years — call it 20 for 3-tab, 30 for composition. I want age, layer count, and flashing condition around chimneys and valleys. A \$14K replacement coming in two years is a real negotiation point today.

02 The mechanicals — HVAC, water heater, panel

Furnaces have a 15–20 year serviceable life. Water heaters last 10–12 years. Federal Pacific and Zinsco panels are insurance red flags and need replacing. Age the systems by data plates, not the listing description.

03 The foundation, sill plates, and basement

Active water intrusion (efflorescence, recent staining, mold), structural cracking versus settling cracks, and sill plate condition. Termite damage at the sill needs scope before you close, not after.

04 The grading, drainage, and roof runoff

Most "wet basement" issues are actually grading and gutter issues. Cheap to fix if you know what to look for. I'd rather buy a house with a wet basement and bad grading than a "dry" one with no answer for where the water is going.

05 The hidden NJ-specific stuff

Buried oil tanks, knob-and-tube wiring, asbestos pipe insulation, radon. None are dealbreakers — they're known costs with known fixes. The mistake is finding out at the closing table instead of during inspection.

When something shows up on the inspection report, the question isn't "is it bad?" — it's "what does it cost to fix, and who pays?" Here are typical NJ ranges for the issues I see most often. Use them to ask for the right credit.

ISSUE	TYPICAL NJ COST	NEGOTIATION MOVE
Roof replacement	\$10,000–\$18,000	Credit at closing — let the buyer pick the contractor
Furnace / AC replace	\$6,000–\$14,000	Full credit if <5 yrs of life remain; partial if mid-life
Electrical panel upgrade	\$2,500–\$5,000	Insist seller fix pre-close (insurance issue)
Buried oil tank removal	\$2,500–\$4,500 clean	Always tank-sweep older homes; remediation can run \$50K+ if leaked
Radon mitigation	\$1,200–\$2,500	Standard ask — credit or seller-installed pre-close
Termite treatment	\$300–\$8,000+	Spot treatment starts low; full structural treatment runs the high end
Sewer line replacement	\$4,000–\$12,000	Always sewer-scope older homes — credit or replace

Credit, repair, or walk

Credit at closing is usually the right play for big-ticket items. The seller doesn't have to manage the work; you pick your own contractor and control the scope. **Seller repairs** are right when the issue blocks financing or insurance (electrical panel, failing roof). And **walking away** is always on the table during your inspection contingency — some houses don't deserve to be saved.

“I've negotiated credits ranging from a few hundred dollars to over \$30,000 from contractor-eye inspection findings. The number isn't the point — the point is you don't pay full price for someone else's deferred maintenance.

— RYAN BAKER

Five steps to buy smart.

i.

Get fully pre-approved before you tour

Income, assets, and credit verified — not a phone call. Talk to a lender early. A real pre-approval gives you a true budget, leverage in negotiation, and protects you from falling for a house you can't actually afford.

ii.

Stack every program you qualify for

NJHMFA DPA. First Generation. Police & Fire Mortgage. Seller concessions. Most buyers leave \$10K–\$25K on the table because they didn't ask. The biggest single money lever in the entire process.

iii.

Write strong, clean, well-timed offers

Match the seller's close date. Tighten — don't waive — your contingencies. Strong earnest money. Bake your concessions into the price so the seller's net stays the same. Beat money with structure.

iv.

Inspect like a contractor, negotiate like a pro

Always include a radon test and a sewer scope on older homes. Walk the inspection in person. Ask for credits on real big-ticket items, not laundry-list nitpicks. Credit at closing usually beats seller-managed repairs.

v.

Don't waive your right to inspect

You want to know what you're buying — never go in blind. The smart play is to keep the inspection, then scale your request list to the condition of the home: aggressive on a tired house, light-touch on a recent renovation. Adjust the risk profile, don't surrender it.

— THE NEXT STEP

Ready to buy smart in NJ — or just have a question?

If you've read this far, you already think differently than most buyers. The next step is a 20-minute conversation about your situation, your numbers, and what's possible. No pitch. No pressure. Just answers.

— YOUR REALTOR

Ryan Baker

REALTOR · MORRISAGENT TEAM · RE/MAX SELECT

Licensed NJ Realtor · Licensed Contractor
Top-Producing Agent · Morris County, NJ
\$310M+ in closed volume · 500+ homes sold

PHONE

(973) 294-0742

WEB

ryanbakerhomes.com

EMAIL

ryanbaker@morrisagent.com

OFFICE

518 Main St, Suite 102, Boonton, NJ

No surprises, ever.

RE/MAX SELECT · 518 MAIN STREET, SUITE 102, BOONTON, NJ 07005

Each office independently owned and operated. Ryan Baker is a New Jersey licensed real estate salesperson. The information in this guide is provided for educational purposes only and does not constitute legal, tax, or financial advice; consult a licensed attorney, lender, or financial professional regarding your specific situation. Cost ranges, program parameters, and loan limits reflect 2026 figures and are subject to change.

In accordance with N.J.A.C. 11:5-6.9, all New Jersey buyers and sellers are entitled to receive the Consumer Information Statement on New Jersey Real Estate Relationships, which describes the brokerage relationships available — Seller's Agent, Buyer's Agent, Disclosed Dual Agent, and Transaction Broker. Unless agreed otherwise in writing, Ryan Baker represents buyer-clients as a Buyer's Agent.

Equal Housing Opportunity. We do business in accordance with the Federal Fair Housing Act and the New Jersey Law Against Discrimination.