



Buying a Home in Virginia: The 2026 Readiness Guide

Virginia spans \$1M Northern Virginia commuter markets, the military corridor around Hampton Roads, and genuinely affordable USDA-eligible countryside. Being ready here means knowing which of those markets you are in, how Virginia Housing assistance works, and how attorney-and-title closings run.

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LICENSE

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LIVE GUIDEreadinessiq.ai/guides/virginia-homebuyer-guide

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2026 fast facts

CONFORMING LOAN LIMIT (FANNIE / FREDDIE)

\$806,500 baseline up to \$1,209,750 in the Washington, D.C. metro counties

FHA LOAN LIMIT

\$524,225 (baseline counties) - up to \$1,209,750 (Arlington, Fairfax, Loudoun, Prince William and adjacent D.C.-metro jurisdictions) in high-cost counties

MEDIAN HOME PRICE

~ \$420,000 statewide, but well over \$700,000 in Northern Virginia

AVERAGE EFFECTIVE PROPERTY TAX RATE

~ 0.82% of assessed value, set locally by city or county

AVERAGE HOMEOWNERS INSURANCE

~ \$1,750/year for a \$400K home; higher in coastal Hampton Roads

What homes actually cost

Roughly 33% of Virginia households can afford the state median home, but the number is far lower inside the D.C.

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beltway. VA loans carry an outsized share of Virginia purchases because of the military presence - for eligible buyers, zero down with no monthly mortgage insurance is usually the strongest option available.

Property taxes

There is no statewide property tax rate in Virginia - every city and county sets its own, so identical homes across a jurisdiction line can carry meaningfully different bills. Assessments are conducted locally (annually in most Northern Virginia jurisdictions, less frequently elsewhere) and appeals go to the local board of equalization. Virginia also levies a personal property tax on vehicles that surprises out-of-state buyers, and localities offer tax relief programs for qualifying seniors, disabled owners, and disabled veterans - a 100% service-connected disabled veteran is exempt from real estate tax on their primary residence.

Homeowners insurance

Coastal Hampton Roads and the Eastern Shore price for hurricane and windstorm exposure, sometimes with a separate percentage wind deductible. Flood is the bigger issue: Norfolk, Virginia Beach, Portsmouth, and Chesapeake include large FEMA special flood hazard areas where flood insurance is lender-required, and sea-level rise has pushed premiums higher under FEMA's current rating methodology. Inland, premiums are near the national average. Pull the flood map for the specific address before you write an offer.

Down-payment assistance in Virginia

Virginia Housing Down Payment Assistance Grant

Who: First-time buyers using a Virginia Housing first mortgage, under income and sales-price limits

What: A grant of 2%-2.5% of the purchase price toward the down payment. It is a grant, not a lien - nothing to repay.

Virginia Housing Closing Cost Assistance Grant

Who: First-time buyers using a Virginia Housing FHA, VA, or USDA first mortgage

What: A grant of up to 2% of the purchase price toward closing costs, which can be combined with other Virginia Housing products.

Virginia Housing Plus Second Mortgage

Who: Income-qualified first-time buyers who want a combined 100% financing structure

What: A second mortgage covering the down payment and some closing costs alongside a Virginia Housing conventional first, so a buyer can close with minimal cash.

Virginia Housing Mortgage Credit Certificate (MCC)

Who: First-time buyers (or buyers in targeted areas) under income and price limits

What: A federal tax credit for a share of the mortgage interest paid each year, claimed annually for the life of the loan while you occupy the home.





Local and regional programs

Who: Buyers in Fairfax County, Alexandria, Arlington, Virginia Beach, Norfolk, Richmond, and other participating localities

What: City and county down-payment loans and workforce housing programs, often forgivable after an occupancy period, that layer on top of Virginia Housing assistance. Funding is cyclical.

Closing customs in Virginia

Virginia is a 'settlement' state: closings are conducted by title companies or real estate attorneys, and attorney involvement is common in the eastern half of the state. The buyer customarily pays the state grantee recording tax and their own title insurance; the seller customarily pays the grantor tax. Real estate taxes are prorated to the settlement date.

Is buying here right for you?

This is usually a good moment to buy if:

- You've lived (or plan to stay) in the state 3+ years
- You've run the full monthly payment with real property tax and insurance numbers
- You have 3.5%+ of the price saved OR qualify for state down-payment assistance
- You've verified your credit score and debt-to-income ratio meet program minimums

Wait if:

- You're relocating for a job you haven't started, without a signed offer letter
- The payment would push you above 40% of gross monthly income
- You haven't quoted insurance in a high-risk (wildfire / coastal / flood) ZIP code
- You're likely to move again within two years

Frequently asked questions

What homebuyer assistance is available in Virginia?

Virginia Housing, the state housing finance agency, offers a 2%-2.5% down payment grant, a closing cost grant of up to 2%, the Plus Second Mortgage for near-100% financing, and a Mortgage Credit Certificate. Localities including Fairfax, Alexandria, Virginia Beach, and Richmond add their own programs on top.

Are Virginia down payment assistance funds forgivable?

The Virginia Housing down payment and closing cost programs are structured as grants, so there is nothing to repay. The Plus Second Mortgage is a repayable second lien. Local jurisdiction programs are often deferred and forgivable after a required occupancy period.





What income limits apply to Virginia Housing programs?

Limits are set by locality and household size and range widely - from roughly \$95,000 in some rural areas to well over \$190,000 in the Northern Virginia jurisdictions. Sales-price limits apply too. Confirm the current schedule with a Virginia Housing-approved lender.

Do I have to be a first-time buyer in Virginia?

For most Virginia Housing grant products, yes - meaning no ownership interest in a primary residence in the past three years. Buyers purchasing in designated targeted areas are exempt from the first-time requirement.

Can I combine FHA with Virginia down payment assistance?

Yes. Virginia Housing grants pair with FHA, VA, USDA, and conventional first mortgages. FHA plus the down payment grant plus the closing cost grant is a common way for a Virginia first-time buyer to close with very little cash.

Is Virginia a good state for VA loans?

It is one of the best. With Norfolk, Quantico, Fort Belvoir, Langley, and the Pentagon, a large share of Virginia buyers are VA-eligible. VA offers zero down, no monthly mortgage insurance, and competitive rates - and with full entitlement there is no loan limit, which matters in Northern Virginia.

How do VA loan limits work if I already have a VA loan?

Full entitlement means no dollar cap. If part of your entitlement is tied up in an existing VA loan or a prior loss, the county conforming limit re-enters the calculation and you may need a down payment on the portion above your remaining entitlement.

Is USDA available in Virginia?

Yes, across much of the Shenandoah Valley, Southside, Southwest Virginia, the Northern Neck, and the Eastern Shore - plus some outer commuter towns. USDA is zero-down and address-based with household income caps, so check the exact property address on USDA's eligibility map.

What are 2026 loan limits in Virginia?

The conforming limit is \$806,500 in most of the state and \$1,209,750 in the Washington, D.C. metro jurisdictions including Arlington, Fairfax, Loudoun, and Prince William. FHA is \$524,225 in baseline counties and matches the high-cost ceiling in the D.C. metro.

Do I need flood insurance in Hampton Roads?

Frequently, yes. Large portions of Norfolk, Virginia Beach, Portsmouth, and Chesapeake sit in FEMA special flood hazard areas where your lender will require it, and many homes just outside those zones still flood. Get a flood determination and a quote before your contingency deadline.

How does closing work in Virginia?

Virginia uses settlement agents - a title company or a real estate attorney conducts the closing. Attorney closings are more common in the eastern half of the state. The buyer typically pays the grantee recording tax and lender's title policy, and the seller pays the grantor tax.

What are typical buyer closing costs in Virginia?

Plan on roughly 2%-4% of the purchase price for lender fees, settlement and title charges, recording taxes, appraisal, and prepaid taxes and insurance. Virginia Housing's closing cost grant can cover up to 2% of that for eligible first-time





buyers.

Do disabled veterans pay property tax in Virginia?

Veterans with a 100% permanent and total service-connected disability rating are exempt from real estate tax on their primary residence, and surviving spouses may qualify to keep the exemption. Apply through your city or county commissioner of the revenue.

Sources & verification

Every figure in this guide is checked against the primary sources below on each review. Limits and averages change; the live guide is always the current version.

FHFA - 2026 conforming loan limits

<https://www.fhfa.gov/data/conforming-loan-limit>

HUD / FHA - mortgage limit lookup by county

<https://entp.hud.gov/idapp/html/hicostlook.cfm>

HUD - Virginia homeownership & assistance programs

<https://www.hud.gov/states/virginia/homeownership/buyingprgms>

CFPB - buying a house: tools and resources

<https://www.consumerfinance.gov/owning-a-home/>

Not a loan approval, commitment to lend, or legal/tax advice.

ReadinessIQ scores your file against published underwriting guidelines. A formal approval comes only from a licensed lender after documents are verified and credit is pulled.





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