

# Kentucky Homebuyers Guide

A practical guide to understanding homebuying costs, timelines, and opportunities across Kentucky

Buying a home in Kentucky can look very different depending on where you search, how much you earn, and what programs you qualify for. This guide breaks down the numbers behind buying, owning, down payment assistance programs (DPAs), and saving across the state





# 1. What It Takes to Buy in Kentucky

## Upfront Costs by County

### How much buyers may need to get started

The cost of entering the market changes significantly across Kentucky. In some counties, buyers may need much higher upfront savings before they even begin shopping.

### How to read this section

- 'Entry Cost' estimates the upfront cash needed for a typical purchase
- Estimates use 3% and 5% down payment scenarios
- Closing costs and loan structure may change actual totals

## Higher Entry Cost Markets

| County   | Typical Home Value | Est. DP 3% | Est. DP 5% | What this market feels like       |
|----------|--------------------|------------|------------|-----------------------------------|
| Oldham   | \$452,107          | \$13,563   | \$22,605   | Highest home values in the state  |
| Spencer  | \$378,789          | \$11,364   | \$18,939   | Fast-growing higher-priced market |
| Woodford | \$357,721          | \$10,732   | \$17,886   | Scenic market with premium prices |
| Boone    | \$350,971          | \$10,529   | \$17,549   | Competitive suburban market       |



## Moderate Entry Markets

| County   | Typical Home Value | Est. DP 3% | Est. DP 5% | What this market feels like          |
|----------|--------------------|------------|------------|--------------------------------------|
| Gallatin | \$222,760          | \$6,683    | \$11,138   | Mid-priced market with steady demand |
| Barren   | \$221,900          | \$6,657    | \$11,095   | Balanced home prices                 |
| Daviess  | \$219,081          | \$6,572    | \$10,954   | Stable market with balanced prices   |
| Todd     | \$218,746          | \$6,562    | \$10,937   | Rural market with attainable prices  |

## More Accessible Entry Markets

| County    | Typical Home Value | Est. DP 3% | Est. DP 5% | What this market feels like           |
|-----------|--------------------|------------|------------|---------------------------------------|
| Fulton    | \$96,371           | \$2,891    | \$4,819    | Entry-level purchase prices           |
| Breathitt | \$96,061           | \$2,882    | \$4,803    | Rural market with modest home prices  |
| Bell      | \$94,943           | \$2,848    | \$4,747    | Lower barrier to homeownership        |
| Floyd     | \$87,982           | \$2,639    | \$4,399    | Budget-friendly housing market        |
| Leslie    | \$83,567           | \$2,507    | \$4,178    | Smaller market with attainable prices |



| County  | Typical Home Value | Est. Upfront Cost (3%) | Est. Upfront Cost (5%) | What this market feels like      |
|---------|--------------------|------------------------|------------------------|----------------------------------|
| Harlan  | \$78,089           | \$2,343                | \$3,904                | Lower savings needed upfront     |
| Letcher | \$72,728           | \$2,182                | \$3,636                | Affordable path to homeownership |
| Knott   | \$68,008           | \$2,040                | \$3,400                | Lowest home values in the state  |

### How This Affects Homebuyers

Where you buy can dramatically change how long it takes to save and how much cash you may need upfront. Depending on your flexibility of location, some areas in Kentucky may prove to be much better than others. Having all the relevant information will help in choosing the most suitable options.

## 2. The Cost of Owning a Home

### Ongoing Ownership Costs by County

Home prices are only part of the equation. Property taxes and insurance costs also shape long-term affordability.

#### How to read this section

- Annual cost combines estimated taxes and insurance
- Monthly cost shows the typical ongoing ownership burden
- Lower home prices do not always mean lower ownership costs
- Counties are grouped by annual cost pressure (tax + insurance, normalized by home value)



## Low Burden ( $\leq 1.30\%$ )

| County    | Median Property Tax | Est. Insurance | Annual Cost | Monthly Cost | Cost % of Value |
|-----------|---------------------|----------------|-------------|--------------|-----------------|
| Scott     | \$978               | ~\$2,949       | ~\$3,927    | ~\$327       | ~1.14%          |
| Woodford  | \$1,273             | ~\$2,981       | ~\$4,254    | ~\$355       | ~1.19%          |
| Spencer   | \$1,183             | ~\$3,406       | ~\$4,589    | ~\$382       | ~1.21%          |
| Oldham    | \$2,244             | ~\$3,310       | ~\$5,554    | ~\$463       | ~1.23%          |
| Boone     | \$1,516             | ~\$2,864       | ~\$4,380    | ~\$365       | ~1.25%          |
| Fayette   | \$1,416             | ~\$2,784       | ~\$4,200    | ~\$350       | ~1.26%          |
| Jessamine | \$1,256             | ~\$2,879       | ~\$4,135    | ~\$345       | ~1.26%          |

## Moderate Burden (4.00% – 4.50%)

| County   | Median Property Tax | Est. Insurance | Annual Cost | Monthly Cost | Cost % of Value |
|----------|---------------------|----------------|-------------|--------------|-----------------|
| Webster  | \$514               | ~\$5,314       | ~\$5,828    | ~\$486       | ~4.02%          |
| McCreary | \$356               | ~\$3,977       | ~\$4,333    | ~\$361       | ~4.15%          |
| Ballard  | \$528               | ~\$5,072       | ~\$5,600    | ~\$467       | ~4.24%          |
| Clay     | \$351               | ~\$4,867       | ~\$5,218    | ~\$435       | ~4.36%          |



## Higher Burden (> 6.00%)

| County  | Median Property Tax | Est. Insurance | Annual Cost | Monthly Cost | Cost % of Value |
|---------|---------------------|----------------|-------------|--------------|-----------------|
| Leslie  | \$351               | ~\$4,720       | ~\$5,071    | ~\$423       | ~6.07%          |
| Letcher | \$339               | ~\$4,605       | ~\$4,944    | ~\$412       | ~6.80%          |
| Fulton  | \$502               | ~\$6,199       | ~\$6,701    | ~\$558       | ~6.95%          |
| Knott   | \$314               | ~\$4,674       | ~\$4,988    | ~\$416       | ~7.33%          |

### Impact on Homebuyers

A lower purchase price does not always guarantee a lower monthly housing burden over time. For Kentucky, natural disasters are very limited, which keeps insurance rates relatively even throughout the state. However, tax rates can vary significantly and should be reviewed thoroughly.

## 3. How Long Saving May Take

### Down Payment Savings Timeline

Saving for a home often takes years – especially in higher-priced markets. This section shows how timelines can vary across Kentucky cities, assuming an 8% savings rate and a 15% down payment target. This helps standardize comparisons across markets with different price levels.



## Down Payment Savings Timeline in 12 Remarkable Cities in Kentucky

| County        | Typical Home Value | Median Household Income | Years to save |
|---------------|--------------------|-------------------------|---------------|
| Lexington     | \$334,856          | \$69,989                | 9.0           |
| Louisville    | \$266,708          | \$67,251                | 7.4           |
| Georgetown    | \$341,251          | \$80,088                | 8.0           |
| Bowling Green | \$288,540          | \$53,609                | 10.1          |
| Richmond      | \$302,565          | \$50,870                | 11.2          |
| Versailles    | \$362,921          | \$62,368                | 10.9          |
| Burlington    | \$330,258          | \$109,308               | 5.7           |
| Owensboro     | \$213,910          | \$56,357                | 7.1           |
| La Grange     | \$398,629          | \$88,464                | 8.4           |
| Nicholasville | \$328,312          | \$68,503                | 9.0           |
| Elizabethtown | \$271,662          | \$60,760                | 8.4           |
| Florence      | \$293,150          | \$71,003                | 7.7           |

### Why This Data is Significant

Higher income does not always translate into faster homeownership when prices rise at the same time. In some locations, property values can outpace savings, which nullifies borrower down payment efforts.



## 4. Kentucky Down Payment Assistance (DPA) Programs that May Help

### Statewide Programs

| Program                                | Potential Benefits | Typical Fit                  | What to Know                                                    |
|----------------------------------------|--------------------|------------------------------|-----------------------------------------------------------------|
| Kentucky Housing Corporation (KHC) DPA | Up to \$12,500     | KHC first-mortgage borrowers | Available as a second loan, not limited to first-time borrowers |

### Multi-County Programs

| Program                                                        | Potential Benefits | Areas                                                 | What to Know                                                                                          |
|----------------------------------------------------------------|--------------------|-------------------------------------------------------|-------------------------------------------------------------------------------------------------------|
| Northern Kentucky Home Consortium Homebuyer Assistance Program | Up to \$10,000     | Designated cities across the Northern Kentucky region | Offered as a 0% 'silent second' mortgage is available to eligible low- and moderate-income homebuyers |

### Local Programs

| Program                                                   | Potential Benefits                                           | Areas                 | What to Know                                               |
|-----------------------------------------------------------|--------------------------------------------------------------|-----------------------|------------------------------------------------------------|
| Louisville Metro DPA Program                              | Up to 15% of purchase price (max \$25,000)                   | Louisville Metro Area | Partial forgiveness after occupancy period                 |
| Lexington-Fayette Urban County Government (LFUCG) Program | Low-interest loans (0%-2%), non-repayable mortgage subsidies | Lexington             | Available to low- to moderate-income first-time homebuyers |



### How to Utilize This Information

Many buyers use a combination of savings and assistance programs to bridge the gap between affordability and home prices. Additionally, many of these programs ‘stack’ to provide exceptional boosts to reaching downpayment thresholds.

It is also important to note that the programs listed aren’t exhaustive. Be sure to check out county, state, and local agencies for additional and/or updated program options.

## 5. A Simple Path to Homebuying

- ☐ Understand your monthly budget
- ☐ Estimate upfront savings needed
- ☐ Explore programs you may qualify for
- ☐ Compare counties and cities
- ☐ Speak with a mortgage professional
- ☐ Begin the pre-approval process

## Kentucky Homebuyers Snapshot

| Market pattern               | Where it appears in Kentucky                                   |
|------------------------------|----------------------------------------------------------------|
| Highest upfront barriers     | Oldham, Spencer, Boone, Woodford                               |
| Balanced mid-priced markets  | Daviess, Barren, Gallatin, Todd                                |
| Lowest home prices           | Knott, Letcher, Harlan, Leslie, Floyd, Bell, Breathitt, Fulton |
| Faster savings timelines     | Burlington, Louisville, Owensboro                              |
| Longest savings timelines    | Richmond, Versailles, Bowling Green                            |
| Largest assistance ecosystem | Louisville Metro, Lexington, Covington                         |