Closing costs fell in 2025. Here’s where buyers save the most

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Closing costs for new-purchase mortgages fell nationwide by 2.9% year-over-year in 2025, largely driven by falling home prices that widely reduced the burden of real estate transfer taxes and other fees on consumers.

That is according to LodeStar Software Solutions, a company that provides mortgage closing cost and fee data. The findings come from its Year-Over-Year Mortgage Closing Cost Report, in which the company compared 2024 and 2025 data across all 50 states and the District of Columbia using quotes lenders generated on its closing cost calculator platform.

Overall, the average closing costs for a new-purchase mortgage – which include recording fees and transfer taxes in the report – declined from $4,661 in 2024 to $4,528 in 2025. That is based on an average sales price of $438,236 in 2024 and $433,632 in 2025.

But on the state level, things are split: 27 states and the District of Columbia saw a decrease in closing costs, and 23 states saw an increase.

It's important to note that closing costs vary greatly among states. Each state has its own fees and transfer tax structures. So even if mortgages in two states have identical loan terms, it would be nearly impossible for them to have the same closing costs.

The connection between closing costs and housing affordability is often overshadowed by other components to the equation, like interest rates and down payments," said Ron Carvalho, director of data operations at LodeStar. "However, our data shows that decisions made at the state level on recording taxes and document fees have a direct impact on borrowers' total financial ability to purchase or refinance their home."

Most expensive states for closing costs

When looking at closing costs as a percentage of the sales price, the report said Delaware was the overall most expensive state in 2025. The average closing costs there were $12,707, or 3.06%, for an average-priced home at $415,814.

And the District of Columbia had the nation's priciest closing costs in 2025 by dollar amount. The average-priced home of $616,476 resulted in $13,836 in closing costs, or 2.24% of its sales price.

Least expensive states for closing costs

Closing costs were the least expensive in South Dakota in 2025, both by their percentage of a home's sale price and by dollar amount. The average closing costs there were $1,386, or 0.39% of the state's average sales price of $354,327.

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