

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

Average

Twenty years ago, it took 5.5 years to save for a 20 percent down payment. Since then, home values have grown nearly twice as much as incomes have, increasing by 98.6 percent, while incomes have risen 52.6 percent. Home values have grown almost twice ...

Oct. 29, 2018

With homes getting more expensive, it's taking longer and longer to save for a down payment.

For someone making the median income and putting away 10 percent each month, it would take just over seven years to save for a 20 percent down payment on the typical U.S. home, according to a [new Zillow® analysis](#)ⁱ. It hasn't taken this long to save for a down payment since early 2008, shortly after home values hit their highest point during the mid-2000s housing bubble.

Home values have seen strong, steady growth since the housing crisis, and nationally the typical home is worth more than ever. Although home value appreciation has slowed in recent months, homes are still gaining value faster than incomes are growing. Saving for a down payment is one of the biggest barriers to owning a home, according to the Zillow Housing Aspirations Report, and when home values outpace incomes, it gets steadily harder to reach that goal.

Twenty years ago, it took 5.5 years to save for a 20 percent down payment. Since then, home values have grown nearly twice as much as incomes have, increasing by 98.6 percent, while incomes have risen 52.6 percent.

“The simple fact that home values have far outpaced income growth, lengthening the time needed to save for a down payment, contributes to millennials’ struggles to enter homeownership. Saving up for a down payment can be tough, especially when

the cost of everyday life outpaces the money you put into the bank. It requires good

Hello. It looks like you’re using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

The length of time it takes to come up with a down payment strictly from saving may be a factor in why 43 percent of the typical down payment comes from saving over time, with buyers relying on other sources such as the sale of a previous home or a gift from family or friends for the restⁱⁱ.

Relying only on savings, it takes longest to save for a down payment in San Jose, Calif. Although the median household income is highest in San Jose (\$118,061), it would take about 22 years of saving to come up with a 20 percent down payment for the median home, worth \$1,287,600.

It’s fastest to save for a down payment in Pittsburgh, where it takes 4.8 years to save for a 20 percent down payment.

Metropolitan Area	Years to Save, Q2 1998	Years to Save, Q2 2018	Income Change, 1998-2018
United States	5.5	7.2	52.6%
New York, NY	7.2	11.4	57.4%
Los Angeles-Long Beach-Anaheim, CA	8.7	18.4	62.5%
Chicago, IL	5.7	6.4	43.4%
Dallas-Fort Worth, TX	5.4	6.8	50.4%
Philadelphia, PA	4.8	6.6	50.0%
Houston, TX	5.3	6.2	53.5%
Washington, DC	5.4	7.9	72.9%

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

Riverside, CA	6.4	11.5	56.9%	1
Phoenix, AZ	5.8	8.2	48.8%	1
Seattle, WA	7.4	11.7	76.2%	1
Minneapolis-St Paul, MN	4.7	6.8	52.6%	1
San Diego, CA	8.6	15.4	76.9%	2
St. Louis, MO	4.5	5.1	47.8%	6
Tampa, FL	4.6	7.6	53.3%	1
Baltimore, MD	5.2	6.5	72.5%	1
Denver, CO	6.4	10.3	63.7%	1
Pittsburgh, PA	3.8	4.8	66.7%	1
Portland, OR	7.0	10.6	66.1%	1
Charlotte, NC	5.0	6.2	48.0%	8
Sacramento, CA	6.9	11.7	60.4%	1
San Antonio, TX	5.4	6.3	61.3%	8
Orlando, FL	5.1	8.2	40.0%	1
Cincinnati, OH	4.9	5.1	49.7%	5
Cleveland, OH	5.5	5.2	34.3%	2

Kansas City, MO	4.7	5.6	47.7%	
-----------------	-----	-----	-------	--

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

Small Business

CPA Practice Advisor is registered with the National Association of State Boards of Accountancy (NASBA) as a sponsor of continuing professional education on the National Registry of CPE Sponsors.

© 2024 Firmworks, LLC. All rights reserved