NEWS RELEASE

In the priciest markets, saving and breaking even on a home purchase can take a buyer into their retirement years

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Nationally, a typical household can save for and come out ahead on a home purchase compared to renting after about 15 years

- A typical U.S. household needs 8.5 years to save for a down payment and an additional 6.2 years to break even on the purchase relative to renting, according to a new analysis by Zillow.
- In San Jose, the combined timeline is almost 50 years. In Memphis, it's about 11 years.
- Targeting a starter home can cut the timeline roughly in half: Nationwide, a typical household reaches the break-even point in 7.2 years.

SEATTLE, Aug. 20, 2026 /PRNewswire/ -- Buying a home is a financial commitment measured not just in dollars, but in years. Whether to buy or rent is a complex question that depends on where you want to live and your lifestyle preferences, in addition to your financial situation. Nationwide, a median-income household can save for a down payment and break even on their purchase in less than 15 years, compared to renting, according to a new Zillow® analysis.

To measure how long a potential buyer should expect to wait until buying makes more financial sense than renting, Zillow looked at how long it takes to save for a down payment, then come out ahead financially compared to renting a single-family home. Nationally, a household saving 10% of the median income needs 8.5 years to save enough to put 20% down on the typical single-family home, then another 6.2 years before the investment pays off relative to renting.

The numbers vary widely market by market. Memphis has the shortest timeline at just under 11 years, with Pittsburgh, Detroit and Indianapolis showing similar numbers. That puts a four-year college graduate on track to cross that threshold by their mid-30s. But in the most expensive markets — like California's major markets — that timeline may mean you need to age in place in your first home. San Jose has the longest timeline at nearly 50 years.

"The common wisdom is that saving early to buy a home is the smart financial move, but the reality is more nuanced," said Kara Ng, senior economist at Zillow. "The breakeven number tells you something about a market that a price tag alone doesn't. Buyers should think about not just when they can afford to buy, but how long they'd need to stay before owning makes more financial sense than renting. Homeownership comes with equity and stability, while renting offers flexibility and freedom from maintenance bills and emergencies."

The years add up differently depending on where you live

Not every timeline follows the same path. A typical household in Austin can save for a down payment after about eight years — faster than the national figure. But because **rents have fallen** in the area and are relatively affordable, that same buyer needs another 18 years to break even compared to renting, nearly triple the national average. Meanwhile, a typical Miami household needs five more years to save for a down payment than in Austin, but roughly half the time to break even once it does. The result is that Miami buyers reach the finish line about three years ahead of Austin buyers, despite the longer wait to buy a home.

This split matters for how potential buyers should interpret these numbers. A long timeline in one market may reflect affordability challenges across the board, while in a market like Austin it represents a more significant financial tradeoff when jumping into homeownership while the rental market is friendly.

The starter home dilemma

One way to shorten the clock is to target a starter home, defined by Zillow as the average home in the lowest one-third of home values in a given region. Nationwide, it takes half the time — 7.2 years — to save for and come out ahead when buying a starter home compared to renting a typical multifamily unit.

However, with the cost of homeownership this high, buyers have signaled they do not want an expensive project. Turnkey homes sell for 2.9% more than expected, **according to Zillow research**, while remodeled homes sell for 2.2% more than similar homes without renovations noted in the listing description. Meanwhile, fixer-upper homes sell for 14% less. Not all starter homes need renovations, but buyers who go this route should account for the full cost of ownership, including the possibility of repairs.

The housing shortage is what's driving the affordability crisis

In July 2019, before the pandemic, the combined timeline was 11 years nationwide, nearly four years shorter than it is today. At the root of the housing **affordability crisis** is a shortage that stands at 4.7 million homes, according to **Zillow's latest estimate**. The metros with the largest shortages tend to also have the longest break-even timelines. Los Angeles, for example, has the second-largest deficit at nearly 345,000 homes, and a break-even timeline of nearly 38 years.

Closing a gap this large requires action on multiple fronts. Zillow advocates for **measures that make it easier and less expensive to build**, including modernizing zoning to allow more density, streamlining permitting, and expanding financing options for manufactured housing.

Tools for buyers ready to move

For buyers ready to move, a few tools can help during the saving stage. **BuyAbility**[SM] shows in real time what a buyer can afford as mortgage rates change. **CreditClimb** lets renters build credit from the rent they already pay, which can help them qualify for a better loan. And Zillow for-sale listings show **down payment assistance** programs that buyers may qualify for in their area.

Methodology

Years to save is calculated as the number of years a household saving 10% of the area's median income would need to accumulate a 20% down payment on either a typical single-family home or a typical starter home. The years to break even compared to renting is drawn from Zillow's **Rent vs. Buy analysis**, which compares the total costs of owning versus renting an equivalent home, accounting for mortgage payments, taxes, insurance, maintenance and opportunity costs.

The primary scenario compares buying a typical single-family home, as measured by the Zillow Home Value Index, against renting a typical single-family unit, as measured by the Zillow Observed Rent Index. The starter home scenario compares buying a starter home — defined as the average home in the lowest third of home values in a given region — against renting a typical multifamily unit, as measured by the Zillow Observed Rent Index. Data reflects market conditions as of July 2026.

Metro Area	Years to Save (Single-Family Home)	Years to Break Even (Single-Family Home)	Total (Single-Family Home)	Years to Save (Starter Home)	Years to Break Even (Starter Home)	Total (Starter Home)
United States	8.5	6.2	14.7	4.6	2.6	7.2
New York, NY	14.3	15.1	29.4	9.2	3.9	13.1
Los Angeles, CA	19.8	17.9	37.7	12.9	13.5	26.4
Chicago, IL	7.9	6.9	14.8	4.8	2.7	7.4
Dallas, TX	7.4	9.5	16.9	5.0	5.9	10.9
Houston, TX	7.1	6.1	13.2	4.8	4.3	9.1
Washington, DC	9.3	11.4	20.7	5.6	6.6	12.2
Philadelphia, PA	8.3	9.8	18.0	4.7	3.3	7.9
Miami, FL	13.2	9.6	22.8	5.9	2.6	8.5
Atlanta, GA	7.8	5.3	13.2	5.2	3.1	8.2
Boston, MA	12.3	15.1	27.4	8.2	7.4	15.6
Phoenix, AZ	9.5	6.1	15.6	6.8	4.6	11.4
San Francisco, CA	16.9	30.0	46.9	9.2	17.0	26.2
Riverside, CA	12.3	10.8	23.0	8.7	7.3	15.9
Detroit, MI	6.6	4.8	11.4	3.4	1.6	4.9
Seattle, WA	13.0	18.4	31.4	8.6	13.2	21.8
Minneapolis, MN	7.8	8.2	16.0	5.4	6.3	11.7
San Diego, CA	17.0	23.4	40.4	11.3	13.3	24.5
Tampa, FL	9.0	6.3	15.2	5.6	3.0	8.6
Denver, CO	10.3	10.3	20.6	6.9	11.5	18.4
Baltimore, MD	7.9	9.5	17.4	4.4	3.6	8.0
St. Louis, MO	6.5	9.2	15.7	3.3	2.7	5.9
Orlando, FL	9.3	5.8	15.1	6.1	3.3	9.4
Charlotte, NC	8.5	5.9	14.4	5.5	3.5	9.0
San Antonio, TX	6.7	7.8	14.4	4.3	5.6	9.9
Portland, OR	10.6	16.3	26.8	7.8	18.2	25.9
Sacramento, CA	11.2	14.4	25.6	8.2	12.8	21.0
Pittsburgh, PA	5.5	5.6	11.1	2.9	2.1	5.0
Cincinnati, OH	7.4	4.8	12.2	4.5	3.1	7.6
Austin, TX	8.1	18.1	26.2	5.7	23.3	28.9
Las Vegas, NV	10.5	5.3	15.7	7.3	3.7	11.0
Kansas City, MO	7.4	8.6	16.0	4.4	3.4	7.8
Columbus, OH	8.0	5.5	13.5	4.5	3.2	7.7
Indianapolis, IN	7.1	4.4	11.5	4.4	2.4	6.8
Cleveland, OH	7.0	6.1	13.1	3.9	2.4	6.3
San Jose, CA	19.2	30.0	49.2	10.8	24.5	35.3
Nashville, TN	9.8	8.4	18.2	6.6	5.3	12.0
Virginia Beach, VA	8.6	9.3	18.0	5.8	5.8	11.7
Providence, RI	12.5	10.0	22.5	9.2	8.2	17.3
Jacksonville, FL	8.3	7.3	15.5	5.0	3.3	8.3
Milwaukee, WI	9.8	11.9	21.8	5.9	4.4	10.3

Oklahoma City, OK	6.3	9.2	15.5	3.9	4.3	8.1
Raleigh, NC	8.1	10.3	18.4	5.6	6.3	11.8
Memphis, TN	6.8	4.2	10.9	3.4	1.8	5.2
Richmond, VA	9.1	6.7	15.8	6.3	4.6	10.9
Louisville, KY	7.2	4.7	11.9	4.7	2.7	7.4
New Orleans, LA	8.0	11.2	19.2	5.1	3.3	8.4
Salt Lake City, UT	10.9	6.9	17.8	8.0	6.9	14.9
Hartford, CT	8.5	14.3	22.8	5.8	10.3	16.0
Buffalo, NY	7.6	4.7	12.3	5.1	3.2	8.3
Birmingham, AL	6.6	5.2	11.7	3.0	1.8	4.9

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*Table ordered by market size

About Zillow Group

Zillow Group, Inc. (Nasdaq: Z and ZG) is reimagining real estate to make home a reality for more and more people.

As the most visited real estate app and website in the United States, Zillow connects hundreds of millions of consumers with innovative technology, trusted agents and loan officers, and seamless digital solutions. With industry-leading tools and resources, Zillow supercharges real estate professionals so they can grow their businesses and deliver exceptional client experiences. For renters and housing providers, Zillow offers not only a robust marketplace but a set of end-to-end products and services to streamline applications, leases, payments and more.

Zillow's ecosystem spans the entire home journey — from dreaming and shopping to renting, buying, selling and financing.

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