

THE "WAIT FOR LOWER RATES" TRAP • FRESNO COUNTY

Financial Analysis: Buying Today at 6.75% vs. Waiting 2 Years for 5.25% (10% Down | 4.0% Annual Appreciation)

1. TOTAL 2-YEAR EXTRA PAYMENT

-\$4,432

\$185/mo difference over 24 months (\$2,335/mo vs \$2,150/mo at 10% down).

2. NEW EQUITY & WEALTH BUILT

+\$40,581

+\$32,640 in price appreciation + +\$7,941 principal loan paydown.

3. NET FINANCIAL ADVANTAGE

+\$36,148

Net profit gained by purchasing today instead of waiting 2 years in Fresno County.

COMPARISON FACTOR	OPTION A: BUY TODAY	OPTION B: WAIT 2 YEARS	DIFFERENCE / NET IMPACT
Purchase Price	\$400,000	\$432,640 (+4.0%/yr compounded)	+\$32,640 higher price
Interest Rate & Down Payment (10%)	6.75% • \$40,000	5.25% • \$43,264	+\$3,264 more cash down needed
Loan Amount	\$360,000	\$389,376	+\$29,376 borrowed
Monthly Payment (P&I)	\$2,335 / mo	\$2,150 / mo	+\$185 / mo higher today
Extra Payments Over 2 Years (24 mos × \$185/mo)	24 months of paying an extra \$185/month		-\$4,432 total extra cost
New Equity Created in 2 Years	+\$40,581 (\$32.6k apprec. + \$7.9k paydown)	\$0 (No equity built while waiting)	+\$40,581 captured equity
NET PROFIT OF BUYING TODAY	New Equity (+\$40,581) – Extra Payments Paid (\$4,432)		+\$36,148 NET PROFIT

The Refinance Advantage ("Date the Rate, Marry the Price"): When rates drop to 5.25% in Year 2, the Fresno County buyer who purchased today has paid their balance down to **\$352,059**. Refinancing into a new 30-year loan drops their payment to **\$1,944 / month** — which is **\$206 / month CHEAPER** than what a waiting buyer will pay on the \$432,640 home (\$2,150 / month).