THE "WAIT FOR LOWER RATES" TRAP • MERCED COUNTY

Financial Analysis: Buying Today at 6.75% vs. Waiting 3 Years for 5.25% (10% Down | 3.0% Annual Appreciation)

1. TOTAL 3-YEAR EXTRA PAYMENT

-$5,857

$163/mo difference over 36 months ($2,335/mo vs $2,172/mo at 10% down).

2. NEW EQUITY & WEALTH BUILT

+$49,421

+$37,091 in price appreciation + **+$12,330** principal loan paydown.

3. NET FINANCIAL ADVANTAGE

+$43,564

Net profit gained by purchasing today instead of waiting 3 years in Merced County.

COMPARISON FACTOR	OPTION A: BUY TODAY	OPTION B: WAIT 3 YEARS	DIFFERENCE / NET IMPACT
Purchase Price	$400,000	$437,091 (+3.0%/yr compounded)	**+$37,091 higher price**
Interest Rate & Down Payment (10%)	6.75% • **$40,000**	5.25% • **$43,709**	**+$3,709 more cash down needed**
Loan Amount	$360,000	$393,382	+$33,382 borrowed
Monthly Payment (P&I)	$2,335 / mo	$2,172 / mo	**+$163 / mo higher today**
Extra Payments Over 3 Years (36 mos × $163/mo)	36 months of paying an extra $163/month		**-$5,857 total extra cost**
New Equity Created in 3 Years	**+$49,421** ($37.1k apprec. + $12.3k paydown)	$0 (No equity built while waiting)	**+$49,421 captured equity**
NET PROFIT OF BUYING TODAY	**New Equity (+$49,421) – Extra Payments Paid ($5,857)**		**+$43,564 NET PROFIT**

The Refinance Advantage ("Date the Rate, Marry the Price"): When rates drop to 5.25% in Year 3, the Merced County buyer who purchased today has paid their balance down to **$347,670**. Refinancing into a new 30-year loan drops their payment to **$1,920 / month** — which is **$252 / month CHEAPER** than what a waiting buyer will pay on the $437,091 home ($2,172 / month).