AD Mortgage

DOES THE PERFECT TIME TO BUY EXIST?

What 23 Years of Housing Data Reveals About Timing the Market

NMLS# 958660

Introduction

AD Mortgage conducted a nationwide study to examine one of the biggest questions facing today's homebuyers: *Is waiting for a better time to buy actually worth it*? While many buyers postpone purchasing in hopes of lower mortgage rates or home prices, the financial impact of that decision has rarely been evaluated using actual historical outcomes. Rather than asking what *could* happen, this study examines what *actually* happened.

Using only real historical data from 2000–2022 across all 50 states and the District of Columbia, the analysis compares the financial outcome of buying a home immediately versus waiting two years. Incorporating actual home prices, mortgage rates, and household income trends the findings provide a data-driven perspective on how market timing has historically influenced home affordability.

"After 30 years in the mortgage industry my advice to home buyers is not to wait if the deal makes sense to you," said **Max Slyusarchuk, CEO of AD Mortgage**. "Trying to predict the market is not a guarantee as this study proves."

Methodology

This study compares two historical homebuying scenarios across all 50 U.S. states and the District of Columbia:

1. **Buy Now:** Purchase a home in the starting year.
2. **Wait Two Years:** Delay the purchase for two years while accumulating additional savings, then purchase under the actual market conditions observed two years later.

For each scenario, we calculated:

- Average home price
- 15% down payment
- Monthly mortgage payment based on the average annual 30-year fixed mortgage rate
- Additional savings accumulated over the two-year waiting period, assuming households saved 10% of their median annual household income each year

The scenario with the lower total purchase and financing cost was considered the better financial outcome.

Data Sources

- **Home prices:** Annual average home values based on the Zillow Home Value Index (ZHVI). Annual averages were calculated using monthly ZHVI values for each calendar year.
- **Mortgage rates:** Annual average 30-year fixed mortgage rates based on the 30-Year Fixed Rate Mortgage Average in the United States (MORTGAGE30US) from the Federal Reserve Economic Data (FRED), Federal Reserve Bank of St. Louis. Annual averages were calculated using weekly observations for each calendar year.
- **Household income:** Median household income by state from the U.S. Census Bureau's American Community Survey (ACS).

The analysis covers historical market conditions from 2000 through 2022. Some states have fewer observations in the early 2000s due to limited availability of historical home value data. Only years with complete data inputs were included in the analysis.

The analysis does not include: home equity, home appreciation, property taxes, homeowners insurance, maintenance costs, HOA fees, rent, investment returns, or tax benefits. The goal was to isolate the impact of **purchase timing** under a consistent set of assumptions.

All datasets were accessed on July 20, 2026.

Key findings

1. Buying now resulted in a better financial outcome in 61% of historical scenarios

Across all analyzed state-year comparisons from 2000–2022, purchasing a home immediately resulted in a lower total purchase and financing cost in 61% of cases.

While waiting provided buyers with additional savings and, in some periods, more favorable market conditions, those benefits did not consistently outweigh changes in home prices and mortgage rates. In many historical scenarios, buyers who delayed their purchase faced higher home prices that offset the advantage of additional savings.

- **Buying immediately outperformed waiting in 61%** of all analyzed scenarios across 50 states and the District of Columbia.
- **California** and **Florida showed buying advantages in 74%** of analyzed scenarios, reflecting the impact of long-term home price growth.

- **West Virginia showed one of the lowest buy-now advantages at 39%,** demonstrating that local housing conditions significantly influenced the outcome.

The findings suggest that waiting for a "better time" to buy has historically produced mixed results. The outcome depended not only on mortgage rates, but also on how quickly home prices changed relative to buyers' ability to save.

2. Lower mortgage rates did not always make waiting the better choice

One of the most common reasons buyers delay purchasing is the expectation that mortgage rates will become more favorable. However, historical data shows that lower rates alone did not always create a better buying opportunity.

For example, among the historical periods analyzed:

2000 vs. 2002

- Average 30-year fixed mortgage rate decreased from 8.05% to 6.54%
- Despite lower borrowing costs in 2002, buying immediately resulted in a better financial outcome in 34% of analyzed state scenarios

2013 vs. 2015

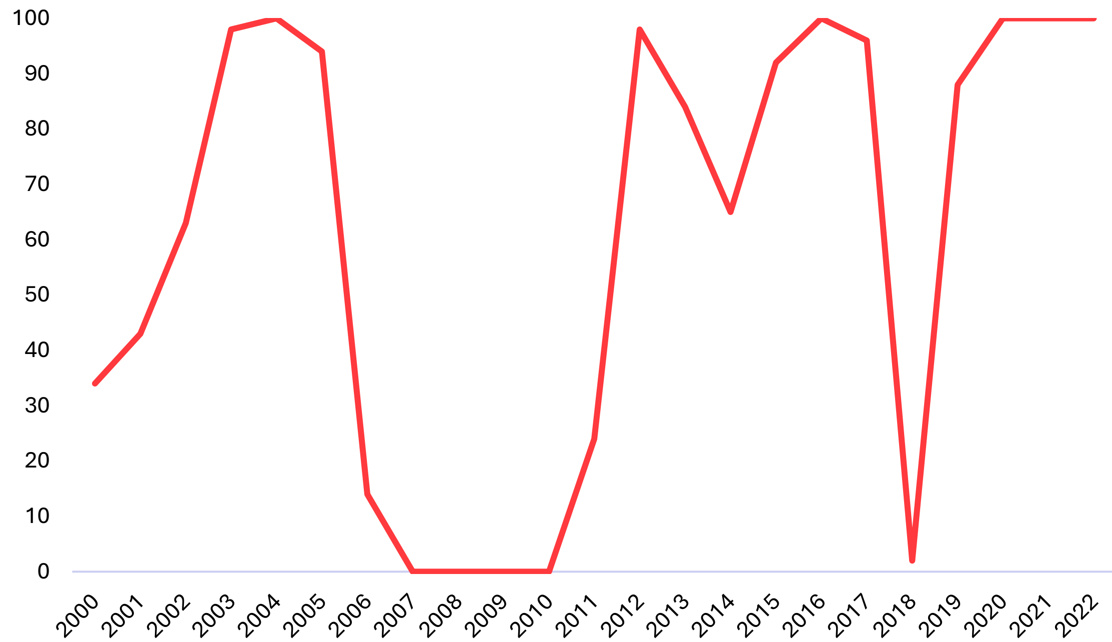
- Average 30-year fixed mortgage rate decreased from 3.98% to 3.85%
- Even with higher rates in 2013, buying immediately resulted in a better financial outcome in 84% of analyzed state scenarios

These examples illustrate a broader pattern observed throughout the study: mortgage rates are only one part of the affordability equation. Changes in home prices, savings growth, and local market conditions often played an equally important role in determining whether waiting improved the outcome.

3. The buy-or-wait decision rarely ended in a "tie"

While buying immediately outperformed waiting in 61% of analyzed scenarios overall, the yearly results show that this advantage was rarely moderate. In most periods, one strategy clearly outperformed the other.

- Buy Now dominated: 2003–2005 (94%–100% of scenarios) and 2015–2017 (92%–100% of scenarios).
- Waiting dominated: 2007–2010, when buying immediately won in 0% of scenarios each year.
- Buy Now returned as the stronger strategy: 2020–2022, with a 100% win rate each year.



Shows the year-by-year percentage of historical scenarios where buying now resulted in a better outcome than waiting two years

These results show that the advantage of buying now or waiting changed significantly across different periods. However, as highlighted earlier, geography also remained an important factor, with different states showing different outcomes depending on local housing conditions.

4. Financial readiness mattered more than finding the "perfect" time to buy

The findings suggest that successful homebuying decisions were not driven by waiting for the perfect market conditions, but by evaluating overall affordability and financial readiness.

Historical results show that the advantage of buying now or waiting depended on multiple factors, including home prices, mortgage rates, and the ability to save over time. While market timing influenced outcomes, being financially prepared often played a more important role in determining when buying made sense.

Rather than focusing only on *predicting* future market changes, buyers may benefit from evaluating whether their current financial position allows them to comfortably *enter the market*.

Key Calculations and Data Summary

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	Buy wins %
AL	W	W	W	B	B	B	W	W	W	W	W	B	B	W	W	B	B	B	W	B	B	B	B	52%
AK	B	W	B	B	B	B	B	W	W	W	W	W	B	W	W	B	B	B	W	W	B	B	B	57%
AZ	W	W	B	B	B	B	W	W	W	W	W	B	B	B	B	B	B	B	W	B	B	B	B	65%
AR	W	W	B	B	B	B	W	W	W	W	W	W	B	W	W	B	B	B	W	B	B	B	B	52%
CA	B	B	B	B	B	B	W	W	W	W	W	B	B	B	B	B	B	B	W	B	B	B	B	74%
CO	B	W	W	B	B	B	W	W	W	W	W	B	B	B	B	B	B	B	W	B	B	B	B	65%
CT	B	B	B	B	B	B	W	W	W	W	W	W	B	W	W	B	B	W	W	B	B	B	B	57%
DE	W	B	B	B	B	B	W	W	W	W	W	W	B	B	W	B	B	B	W	B	B	B	B	61%
DC	B	B	B	B	B	B	W	W	W	W	W	B	B	B	B	B	B	B	W	W	B	B	B	70%
FL	B	B	B	B	B	B	W	W	W	W	W	B	B	B	B	B	B	B	W	B	B	B	B	74%
GA	W	W	W	B	B	B	W	W	W	W	W	W	B	B	B	B	B	B	W	B	B	B	B	57%
HI	W	B	B	B	B	B	W	W	W	W	W	W	B	B	B	B	B	B	W	B	B	B	B	65%
ID	W	W	W	B	B	B	W	W	W	W	W	B	B	B	B	B	B	B	B	B	B	B	B	65%
IL	B	B	B	B	B	B	W	W	W	W	W	W	B	B	B	B	B	B	W	B	B	B	B	70%
IN	W	W	W	B	B	B	W	W	W	W	W	W	B	B	B	B	B	B	W	B	B	B	B	57%
IA	W	W	W	B	B	B	W	W	W	W	W	W	B	B	W	B	B	B	W	W	B	B	B	48%
KS	W	W	W	B	B	B	W	W	W	W	W	W	B	B	B	B	B	B	W	B	B	B	B	57%
KY	W	W	W	B	B	B	W	W	W	W	W	W	B	B	B	B	B	B	W	B	B	B	B	57%

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	Buy wins %
LA	W	W	B	B	B	B	B	W	W	W	W	W	B	B	B	B	B	B	W	W	B	B	B	61%
ME	B	B	B	B	B	B	W	W	W	W	W	W	B	W	W	B	B	B	W	B	B	B	B	61%
MD	B	B	B	B	B	B	W	W	W	W	W	W	B	B	W	B	B	B	W	B	B	B	B	65%
MA	B	B	B	B	B	W	W	W	W	W	W	W	B	B	B	B	B	B	W	B	B	B	B	65%
MI	W	W	W	W	B	W	W	W	W	W	W	B	B	B	B	B	B	B	W	B	B	B	B	52%
MN	B	B	B	B	B	B	W	W	W	W	W	W	B	B	B	B	B	B	W	B	B	B	B	70%
MS	W	W	W	B	B	B	W	W	W	W	W	W	B	B	B	W	B	B	W	B	B	B	B	52%
MO	W	B	B	B	B	B	W	W	W	W	W	W	B	B	B	B	B	B	W	B	B	B	B	65%
MT						B	B	W	W	W	W	W	B	B	B	B	B	B	W	B	B	B	B	67%
NE	W	W	W	B	B	B	W	W	W	W	W	W	B	B	B	B	B	B	W	B	B	B	B	57%
NV	W	B	B	B	B	B	W	W	W	W	W	B	B	B	B	B	B	B	W	B	B	B	B	70%
NH	B	B	B	B	B	B	W	W	W	W	W	W	B	B	W	B	B	B	W	B	B	B	B	65%
NJ	B	B	B	B	B	B	W	W	W	W	W	W	B	B	W	B	B	B	W	B	B	B	B	65%
NM			B	B	B	B	B	W	W	W	W	W	B	W	W	B	B	B	W	B	B	B	B	62%
NY	B	B	B	B	B	B	W	W	W	W	W	W	B	B	B	B	B	B	W	B	B	B	B	70%
NC	W	W	W	B	B	B	B	W	W	W	W	W	B	B	B	B	B	B	W	B	B	B	B	61%
ND										W	W	B	B	B	B	W	B	W	W	W	B	B	B	57%
OH	W	W	B	B	B	B	W	W	W	W	W	W	B	B	W	B	B	B	W	B	B	B	B	57%
OK	W	W	W	B	B	B	W	W	W	W	W	W	B	B	W	B	B	B	W	B	B	B	B	52%

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	Buy wins %
OR	W	W	B	B	B	B	W	W	W	W	W	B	B	B	B	B	B	B	W	B	B	B	B	65%
PA	W	B	B	B	B	B	W	W	W	W	W	W	B	B	W	W	B	B	W	B	B	B	B	57%
RI	B	B	B	B	B	B	W	W	W	W	W	W	B	B	B	B	B	B	W	B	B	B	B	70%
SC	W	W	B	B	B	B	W	W	W	W	W	W	B	B	B	B	B	B	W	B	B	B	B	61%
SD	W	W	W	B	B	B	W	W	W	W	W	W	B	B	B	B	B	B	W	B	B	B	B	57%
TN	W	W	W	B	B	B	W	W	W	W	W	W	B	B	B	B	B	B	W	B	B	B	B	57%
TX	W	W	B	B	B	B	W	W	W	W	W	W	B	B	B	B	B	B	W	B	B	B	B	61%
UT	W	W	W	B	B	B	B	W	W	W	W	B	B	B	B	B	B	B	W	B	B	B	B	65%
VT	W	B	B	B	B	B	W	W	W	W	W	W	B	W	W	B	B	B	W	B	B	B	B	57%
VA	B	B	B	B	B	B	W	W	W	W	W	W	B	B	W	B	B	B	W	B	B	B	B	65%
WA	W	W	B	B	B	W	W	W	W	W	W	W	B	B	B	B	B	B	W	B	B	B	B	57%
WV	W	W	W	B	B	B	W	W	W	W	W	W	W	W	W	W	B	B	W	B	B	B	B	39%
WI	W	W	B	B	B	B	W	W	W	W	W	W	B	B	B	B	B	B	W	B	B	B	B	61%
WY		W	W	B	B	B	B	W	W	W	W	W	B	B	W	B	B	B	W	W	B	B	B	57%
Buy wins %	34%	43%	63%	98%	100%	94%	14%	0%	0%	0%	0%	24%	98%	84%	65%	92%	100%	96%	2%	88%	100%	100%	100%	

Shows which strategy — buying now (B) or waiting two years (W) — produced a better historical outcome by state and year across the U.S. housing market from 2000 to 2022.

Closing note

This study provides a historical analysis of the buy-now versus wait-two-years decision based on past home prices, mortgage rates, and income trends across U.S. markets.

The findings are based on historical data only and are not intended to predict future market conditions or provide personal financial advice. Individual financial circumstances and market conditions can vary widely, and we recommend consulting with a financial advisor or housing professional for specific guidance.