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Myth vs Reality: What's Really Holding Back Homebuyers?

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Pleasanton, California (March 6th, 2026) - For many renters, homeownership feels increasingly out of reach especially in the Bay Area.

New research shows the biggest barrier may not be desire, but instead misinformation.

According to data reported by the Center for California Real Estate, first-time buyers made up just 21% of the market in 2025, a historic low, compared to an average of 40% prior to 2008. At the same time, today's first-time buyers are entering the market later than ever, with a median age of 40, up from 29 in 1981.

“Even though prices in the Bay Area can be daunting, people don't lack interest in buying, they often just lack clarity about what's possible and how to get started,” said Bill Espinola, 2026 President of the Bay East Association of REALTORS®. “There really is a real gap between perception and reality.”

Myth: You Need a 20–25% Down Payment

Many renters believe they need to put down about 25% to buy a home while the typical first-time buyer puts down about 10%.

Adding on to the issue, 84% of renters truly don't know how much they would qualify for in a home loan, and 83% are unaware of what first-time buyer or low-down-payment programs may be available in their area.

“There are various programs, different loan types, or local city and county assistance programs that can make a real difference,” Espinola said. “Certain programs can even be layered with conventional financing. The true barrier is often lack of awareness, not eligibility.”

Myth: Renting Is the Safer Financial Choice

A little more than half of renters are considered cost-burdened, meaning they spend 30% or more of their gross household income on housing. 78% say they want to own a home in the future, yet 57% continue renting because they believe they can't afford to buy.

So Where Should You Start?

Espinola says the first step isn't scrolling listings, it's starting a conversation.

“Talk to a local REALTOR® or a trusted lender,” he said. “You don't have to be ready to buy tomorrow or even have to start looking at homes. The goal is simply to get your questions answered.”

He added, “A short conversation can help you understand what you might qualify for, what programs are available, and what a realistic monthly payment could look like. That clarity alone can change how you really look at everything.”

Espinola emphasizes that education shifts the focus from fear to facts.

“When buyers understand real numbers instead of myths, the conversation moves from the overall prices to possibilities available,” he said. “Homeownership may be closer than you think, but you won't know until you ask.”

About the Bay East Association of REALTORS®

The Bay East Association of REALTORS® is a professional trade association serving more than 5,700 residential and commercial real estate professionals throughout the San Francisco Bay Area by providing programs and services to enhance their ability to conduct business with integrity and competence. Bay East offers access to the Multiple Listing Service, professional development training, advocacy to protect private property rights, and promotes homeownership and a variety of networking opportunities and events.

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