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BAY AREA // REAL ESTATE

It takes a while to save up for a home in the Bay Area. But not as long as here

It takes a middle-income household an estimated 21 years to afford a down payment for the typical home in Santa Cruz County.

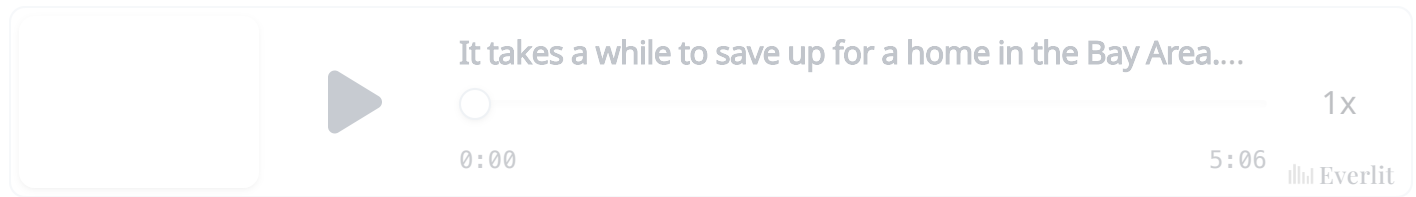
By **Christian Leonard**, Data Reporter

Feb 10, 2025



It takes a middle-income household an estimated 21 years to afford a down payment for the typical home in Santa Cruz County, according to Zillow data.

Clara Mokri/Special to the Chronicle



In one coastal Californian county with a history of resisting new housing, saving enough money for a down payment on a home takes more than two decades. It's not San Francisco.

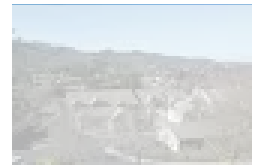
It takes a middle-income household an estimated 21 years to afford a down payment for the typical home in [Santa Cruz County](#), which comprises the Santa Cruz metropolitan area. That estimate, calculated by real estate company Zillow, is tied for the second-longest period of any metro area in the United States. The Santa Maria metro area, on the southern end of California's Central Coast region, had the same estimate.

The Santa Cruz metro area's status as a beachside region within driving distance of Silicon Valley keeps competition for housing — and prices — high. But the pace of housing construction hasn't grown to meet demand. The Santa Cruz metro area had about 105,100 homes in 2014, according to estimates from the California Department of Finance. By 2024, that had increased by just 2,500 units, or 2.5%. Over the same period, the Bay Area increased its housing stock by 7.4%.

Real Estate

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That makes Santa Cruz more difficult to afford than Bay Area metros. Compared to 21 years in Santa Cruz, it would take 20 years for a median-income household — that is, one that's richer than exactly half of the households in an area and poorer than the other half — to afford a down payment in the San Jose and Los Angeles metro areas. That figure is 17 years in the San Francisco metro, Zillow's data shows. The estimate was just nine years for the United States overall, a period that itself has lengthened in recent decades.

Zillow's data assumes a household is able to save 10% of its income toward a 20% down payment, not including any interest gained. Zillow's data also assumes the household's income and home prices don't change, which isn't quite reality. In fact, in recent years, the cost of housing in California has grown far faster than wages.

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Even if a Santa Cruz household is able to make a down payment, they often have to contend with a barrier familiar to first-time home buyers in the Bay Area — massive mortgage payments. And that's often a larger burden for Santa Cruz home buyers than it is for their San Francisco neighbors. The typical home value in the Santa

Cruz metro area is about the same as in the San Francisco area, about \$1.1 million as of December 2024, Zillow's data shows. But household incomes are lower — \$106,000 in Santa Cruz compared to \$128,000 in San Francisco, according to U.S. Census Bureau estimates.

A middle-income Santa Cruz homebuyer would have to spend a whopping 78% of their annual income on housing costs, including mortgage payments, insurance, property taxes and maintenance. That's higher than the 66% estimated for the San Francisco metro area.

Housing experts say households should spend no more than 30% of their income on housing.

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The impacts of the affordability crisis in Santa Cruz County are far-reaching, local housing advocates say. Some [analyses](#) put Santa Cruz rentals as the least affordable metro area in the country. A 2023 [report](#) found the county had the highest homelessness rate in California, and affordable apartments are so difficult to find that some UC Santa Cruz students [live out](#) of vehicles or in [hotels](#).

"I would say the state of housing affordability in Santa Cruz is desperate," said Rafa Sonnenfeld, a volunteer lead with housing advocacy group Santa Cruz YIMBY.

“We’re making progress, but it’s not happening fast enough.”

City, county and university officials have attempted to ramp up building efforts in recent years. UC Santa Cruz is in the second phase of a project to add hundreds of more dorm beds, and the city of Santa Cruz has supported the building of downtown high-rises.

Many of those efforts have met strong opposition from some community groups who argue the county is changing too quickly. Concerns that tall buildings could block views and ruin the community’s character have led to lengthy lawsuits and attempts to restrict new development. Environmental groups have also sued the city and university over housing proposals.

Elaine Johnson, executive director of Housing Santa Cruz County, said the affordability crisis is worsening to the point that even a household making six figures struggles to live in the county. Still, she’s optimistic that more homes can be built. The city has rezoned dozens of parcels, she explained, and her organization is collecting signatures to put a measure on the November ballot that would create a parcel tax and a real estate transfer tax to fund affordable housing in the city of Santa Cruz.

“We just don’t have enough homes,” Johnson said. “I truly believe if we were able to build more, then it wouldn’t be a struggle for people to find a place to live that’s within their needs.”

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DATA REPORTER



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