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December 30, 2022

## Millennials, Gen Z Crowd the Home-Purchase Application Contingent Millennials represent 54% and Gen Z is rising at 9%, according to CoreLogic.

Millennials have dominated the pack for the number of home purchases in recent years, but now their younger cohort – Gen Z – is growing its footprint.

Millennials comprised 54% of overall home-purchase applications in 2022 while Gen Z increased its position with 9% of first-time home-purchase applications, according to a blog by CoreLogic.

It's the sixth straight year that Millennials led the way and 54% is its highest mark. Gen Z upped its share by 3% from the year earlier.

"Millennials' demand for houses is likely to remain strong in the coming years because this generation represents the largest number of first-time homebuyers, as well as a substantial number of move-up purchasers," writes CoreLogic's Archana Pradhan, Principal, Economist, Office of the Chief Economist at CoreLogic.

### **In 'Rent vs. Own,' Millennials See Value in Owning**

Massachusetts-based David Brooke, Team Leader and Realtor, Zillow, tells GlobeSt.com that the residential housing market has enjoyed "surfing on an epic wave of first-time home buyers over the past three years, but will that wave soon crash?"

"While so much discussion has been placed on hot-button topics such as interest rates and inflation, Realtors and mortgage lenders have not taken their eyes off the 72+ million Millennials that are dominating the home buying market right now."

Brooke said the jocular sentiments of avocado toast-loving, transient Millennials have quickly faded as more than 50% of loan applications in recent years (excluding second home buyers and investors) have been Millennials.

"With rents still on the rise, the math surrounding rent vs. own has been cleared, calculated in the favor of ownership for so many.

"Fueled by the need for space to work from home and incredibly affordable financing, those born between 1981 to 1996 are not only excited to start paying their own mortgage (instead of paying their landlord's mortgage) they are strongly feeling that it's time to settle down.

“While many anticipate this wave of demand may soon crash as financing becomes less affordable and housing prices are at all-time highs, others are looking to the comparison of rent costs and even the biological clocks of Millennials to suggest that this wave will still be strong for years to come.”

Many Millennials grew up with technology but were not saturated in it from birth in comparison to Gen Z. This generation understands and values efficiency and speed and has become accustomed to the reviews and urgency of Amazon and the ease of use of Apple.

“Real estate professionals who similarly have adapted their services to feature ‘speed to lead,’ and digital mortgage applications, and are unafraid to ‘over-educate’ and provide substantial reviews and testimonials of their process are those who are dominating the sales market,” Brooke said. “After all, they understand the wants and needs of this vast buyer pool segment.”

To be successful in connecting with Millennials, Brooke said to text often, provide reviews, and show urgency.

### **It Comes Down to Affordability**

John Hunt, chief analyst, MarketNsignal, tells GlobeSt.com that roughly one of every five Americans is a Millennial, and most Millennials are of an age where they are in line to be first-time homebuyers or moving up from starter homes.

“It’s always great for the housing industry to have plenty of potential buyers coming of age, but the main roadblock for many Millennials is and will continue to be affordability,” Hunt said.

“If builders cannot produce an affordable product—due to rising material and wage costs, exclusionary zoning, and land-use and density restrictions—that will hurt the industry and customers alike and will possibly hinder the ability of Millennials and Gen Zs to buy homes in the future.”

### **Looking to Build Equity**

Jonathan Helfer, a Partner in the Residential Real Estate Department at Romer Debbas LLP, tells GlobeSt.com, “The uptick is due in part to an influx of capital among the Millennial generation because of opportunities to create wealth earlier in the trajectory of their careers.

“This generation is availing itself to utilize these funds in the real estate market for purposes of building equity or even shorter-term investment portfolios.”

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