

The Millennial and Gen Z Homebuyer

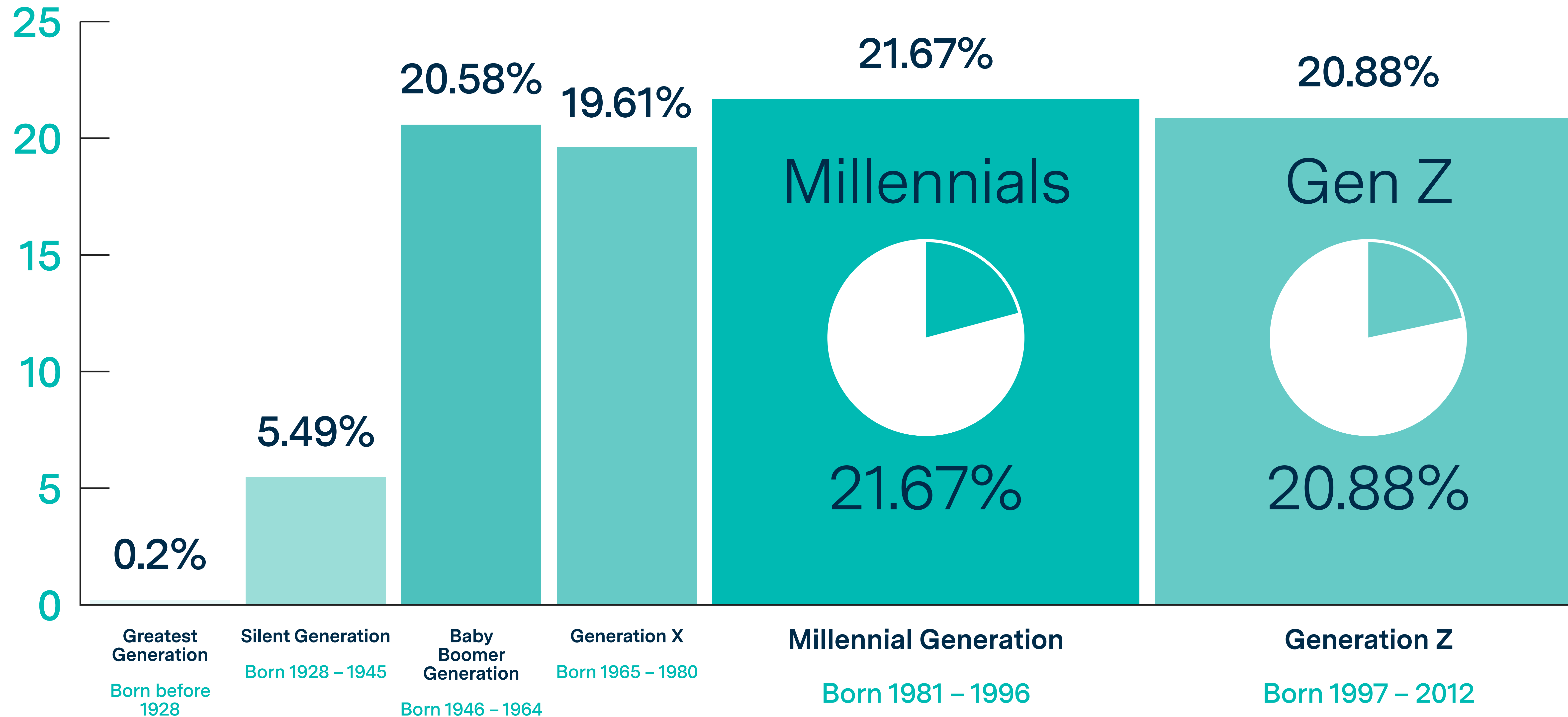
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The real estate landscape has witnessed significant transformations in recent years due to two growing generations: Millennials and Gen Z. Combined, they make up nearly 43% of the US Population and are on the rise as homebuyers.

Understanding the common behaviors and characteristics of these generations along with their buying trends can help loan originators and real estate agents make informed decisions on how to better reach and work with these unique generations of homebuyers.

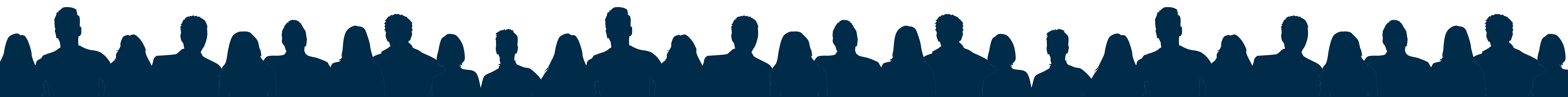


Population Distribution in the US in 2022, by Generation



NOTE: There will be some variance within the generational definitions throughout the document since reference sources may use slightly different date ranges in their definitions.

Chart does not include those born after 2012 or Armed Forces overseas.



Homebuying Statistics/Behaviors

Millennial buyers make up **28%** of all buyers and **18%** of sellers

Gen Z makes up **4%** of all buyers and **3%** of sellers¹

70% of Younger Millennials (24-32) and **46%** of Older Millennials (33-42) were first-time home buyers



Millennials continue to be the leading generation in number of home purchases, comprising **54%** of overall home-purchase applications in 2022

Gen Z made up **9%** percent of all first-time home purchase applications in 2022²

¹ <https://www.nar.realtor/sites/default/files/documents/2023-home-buyers-and-sellers-generational-trends-report-03-28-2023.pdf>

² <https://www.corelogic.com/intelligence/quick-take-millennial-homebuyers-share-continues-to-rise-in-2022>

Homebuying Statistics/Behaviors (continued)

The typical first-time homebuyer was
36 years old in the U.S. as of 2022,
being an all time high³

21% of Gen Z (18-25) rented an apartment
or house before buying a home

40% of Older Millennials (33-42) rented an
apartment or house before buying a home

23% of Younger Millennials (26-34) rented
an apartment or house before buying a home



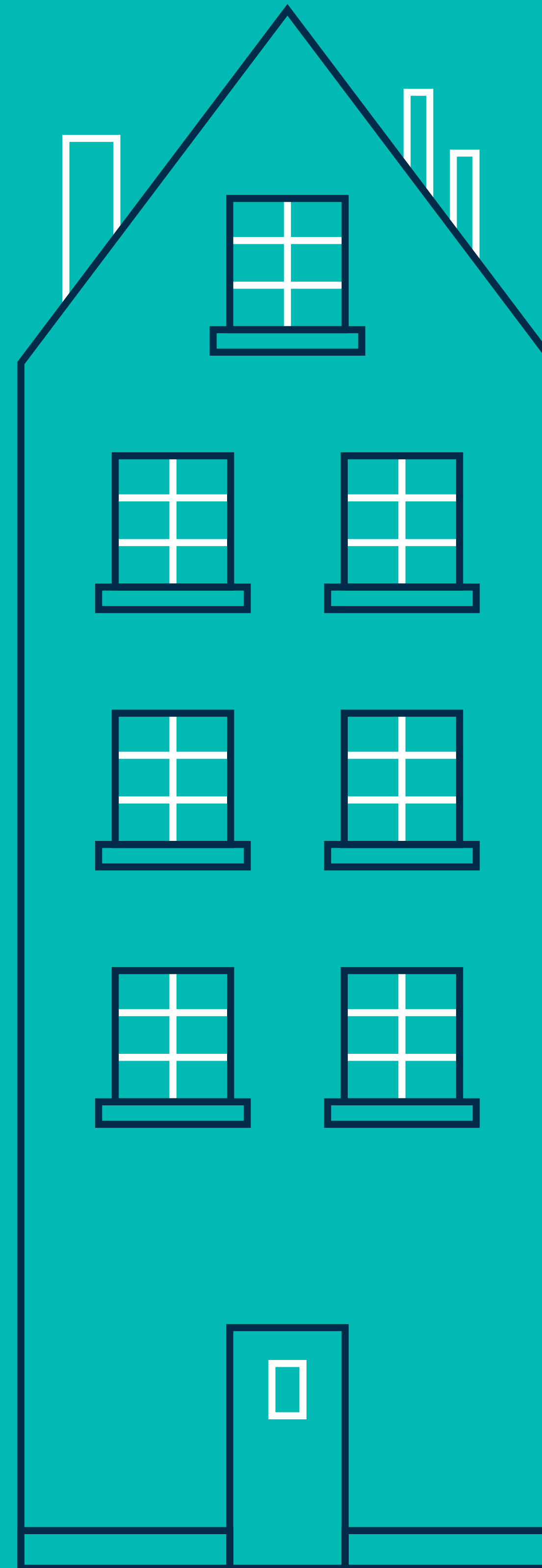
³ <https://www.nar.realtor/newsroom/nar-finds-share-of-first-time-home-buyers-smaller-than-ever-before#:~:text=The%20age%20of%20the%20typical,history%20of%20the%20data%20set.>

Homebuying Statistics/Behaviors (continued)

Average Credit Scores
of Generations
(as of 2022)⁴:

Millennials: **687** Gen Z: **679**

Gen Z had the lowest median household
income of **\$50,400**



Younger Millennials (24-32) have a
median household income of
\$86,000

Older Millennials (33-42) have a
median household income of
\$102,900, the second
highest of all the generations

⁴ <https://www.experian.com/blogs/ask-experian/what-is-the-average-credit-score-in-the-u-s>

Homebuying Statistics/Behaviors (continued)

For Gen Z,

**a location that was
convenient to
friends/family**

was most important

When considering location, Millennials said

convenience to job

was most important when buying a home



Homebuying Statistics/Behaviors (continued)

The average Gen Zer carried **\$15,000** in student debt as of March 2022 with **66.7%** of older Gen Zers having **\$20,000** or less in student debt⁵

Younger Millennials were the most educated age group, with nearly **80%** holding at least an Associate's Degree, followed by Older Millennials at around **79%**



Buyers of all generations were delayed overall in their home purchase primarily by student loan debt and high rental costs, preventing them from saving money for a down payment. In fact, **35%** of Younger Millennials reported having student loan debt with a median loan balance of **\$30,000**, compared to **30%** of Older Millennials with a median of **\$40,000**

⁵ <https://www.statista.com/statistics/1176727/share-student-loan-debt-generation-usa/#:~:text=In%202022%2C%20the%20generation%20Z,to%20approximately%2045%2C800%20U.S.%20dollars>

Homebuying Statistics/Behaviors (continued)

10% Gen Z Purchased a Multi-generational home (meaning: home to adult siblings, adult children, parents and/or grandparents)

57% of Older Millennials and **64%** of Younger Millennials used savings for their down payment



The highest percentage of single female buyers was among Gen Z at **31%**

60% of Younger Millennials and **63%** of Older Millennials used a Conventional mortgage loan while **17%** used an FHA mortgage loan

Power in Technology: Ways to Tap into Their Market

Having a social media presence may be crucial in today's digital age especially when it comes to reaching Gen Z and Millennial homebuyers. These generations are highly tech-savvy and often turn to social media to research recommendations and as a news source. Keeping your social pages relevant and active may help increase your visibility and engagement to better connect to these homebuyers.

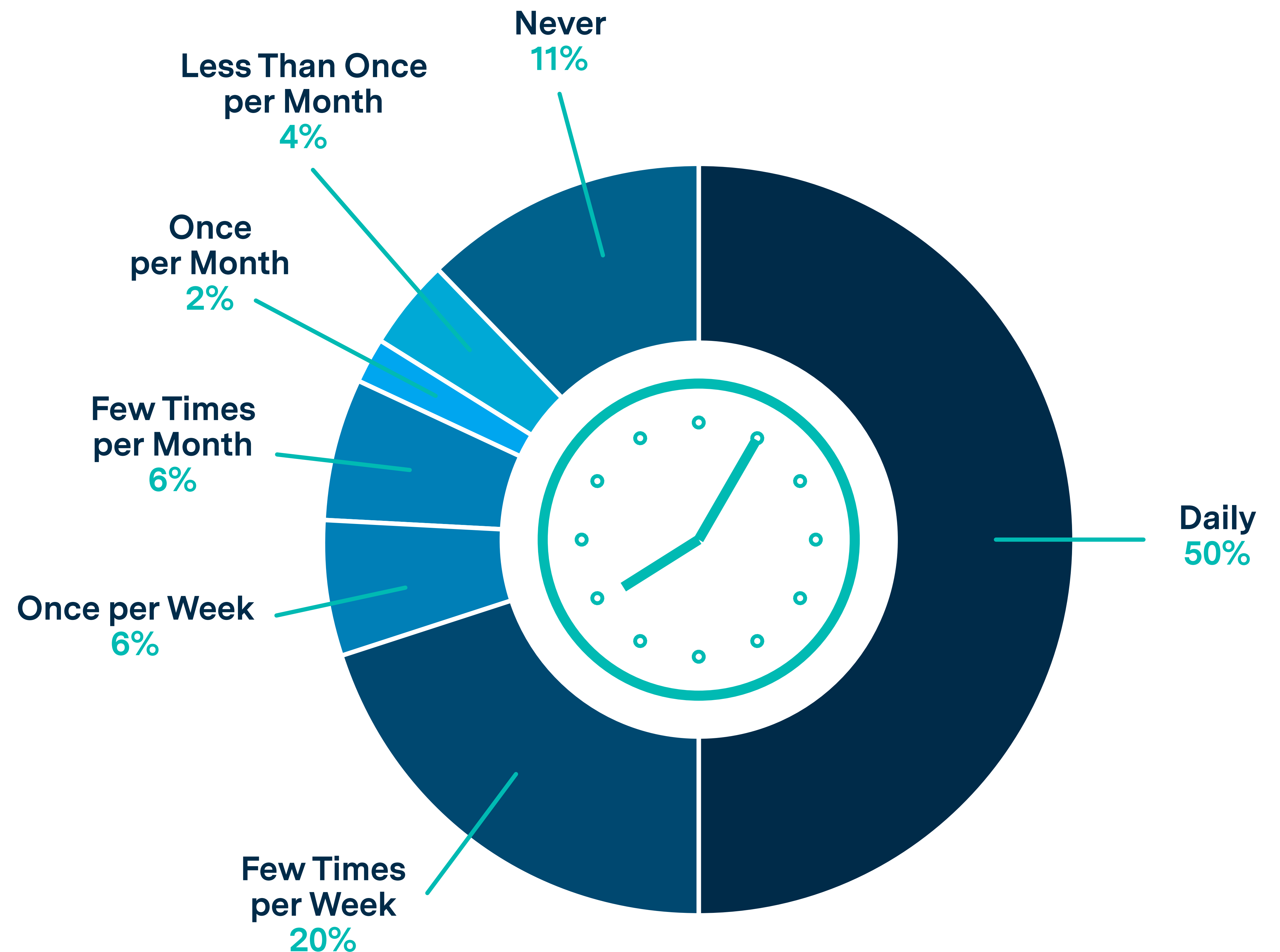


Another point to keep in mind as platforms like TikTok and YouTube continue to top the usage charts with these generations, is that video marketing is become more and more relevant with these generations.

Different types of short video content can be used to enhance your presence such as introductory messages, homebuying educational content, news updates, and personal/local content.

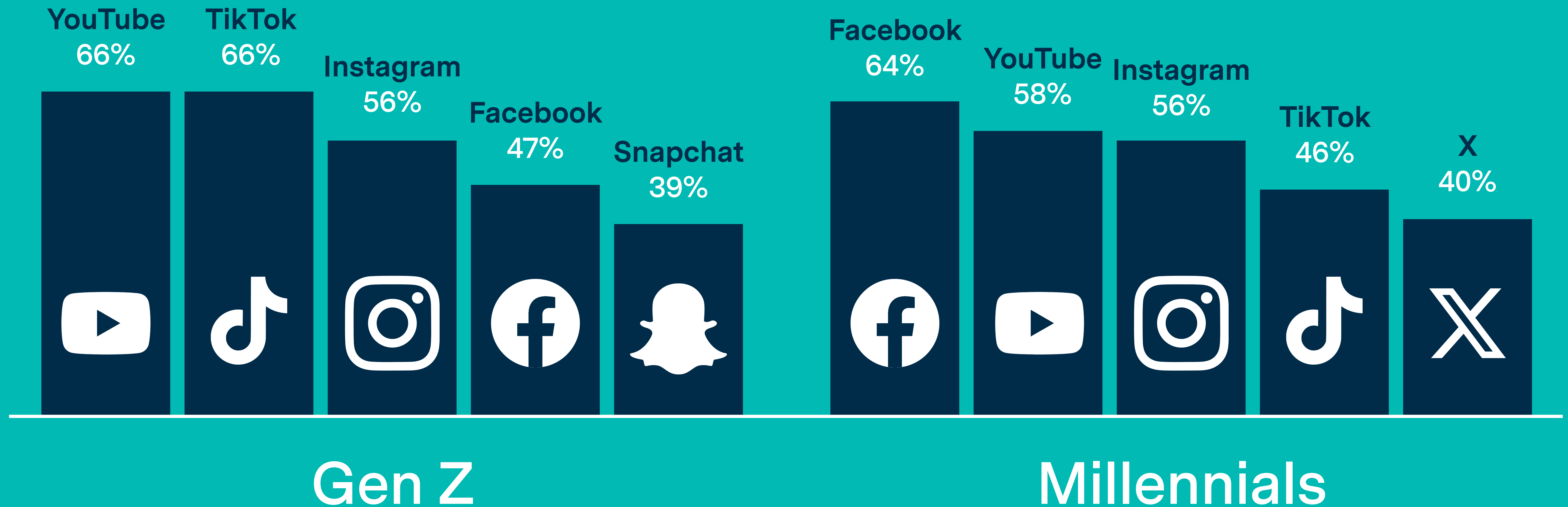
Video marketing may help make a personal connection with these up-and-coming generations that text simply cannot achieve.

Frequency of Using Social Media Among Gen Z in the United States as of August 2022⁶



⁶ <https://www.statista.com/statistics/1124119/gen-z-news-consumption-us>

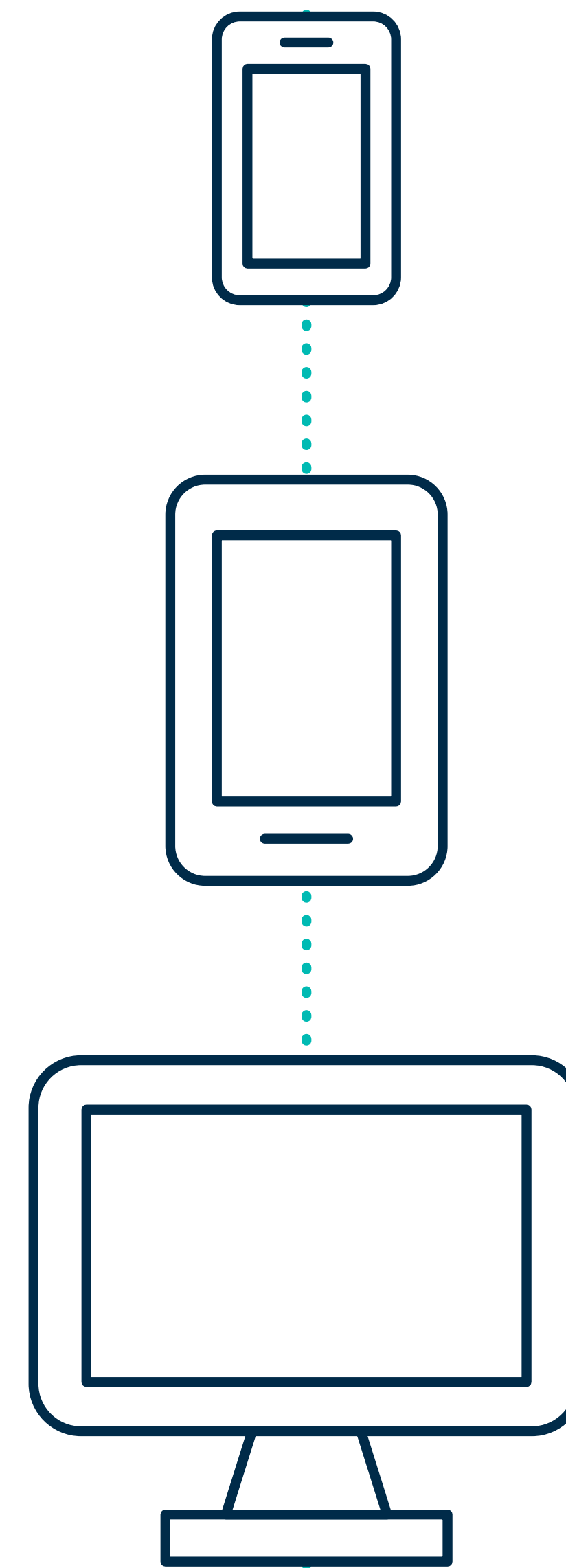
Top 5 social media platforms for obtaining news and information



Website/Applications Should be Mobile Friendly

These days, having a mobile-friendly online presence can be extremely important, especially if you are trying to reach Millennials and Gen Z.

In the first quarter of 2023 **45%** of web traffic in the United States originated from mobile devices⁸



75% of Younger Millennials (24-32) use a mobile phone or tablet in their home search, according to the 2023 NAR Home Buyers and Sellers Generational Trends report

⁸ <https://explodingtopics.com/blog/mobile-internet-traffic>

Online Reviews

One thing to note about these up-and-coming younger generations is that they grew up looking up just about everything on Google and other social media and review platforms. Taking the time to establish a presence on review sites and social media sites may help give you an upper hand with these generations. You'll become more visible to these users and also show that you are reliable and committed to your customers. Let your past clients and successes help pave the way to new business.



28% of Millennials said they used social media to research or find products to buy⁹

33% use Search Engines to find new brands and **51%** use search engines to research products and services

Around **29%** of Millennials say they typically find out about new brands or products via ads seen on social media, while **48%** report researching products by using social networks

⁹ <https://www.marketingcharts.com/digital/social-media-116290>



Unless otherwise referenced, data source is:
2023 NAR Home Buyer and Seller
Generational Trends Report

<https://www.nar.realtor/sites/default/files/documents/2023-home-buyers-and-sellers-generational-trends-report-03-28-2023.pdf>

