

## Millennial homeownership could be delayed for years

Posted by [TBN Editor](#) On 01/04/2019

**Dallas, Texas** - Millennials are struggling to buy homes, both locally and nationally, a new study shows. According to a [recent survey](#) conducted by rental data web site Apartment List, debt, savings, and housing prices are all playing a key role in preventing millennials from investing in new homes.

Apartment List surveyed 6,400 millennial renters on their plans for buying a home. Most survey respondents said they want to buy a house. And even though millennials make up 33 percent of the [home-buying population](#) as of 2017, there's a lot of distance between wanting to buy a house and actually being able to afford it. Simply put, for many respondents, money is a major problem. Specifically, the lack of it.

Although [housing prices have stopped climbing](#) in some metropolitan areas (prices have finally exceeded homebuyers' maximum price point), prices are still too high for most millennials. Case in point: Researchers said that up to 74 percent of prospective millennial homebuyers, at a local level, would need to save money for over 20 years to make a 20 percent down payment on a median-priced condo in Seattle. In San Francisco, that number increases to 82.3 percent of prospective millennial homebuyers.

"The situation is dire even in more affordable locations," researchers said. "In each of the metros we analyzed, we estimate that fewer than half of millennials will have a 20 percent down payment saved before 2038."

Approximately 45 percent of millennials' surveys report that they have nothing saved for a down payment and only 10 percent have at least \$10,000 saved. But even if potential homebuyers have enough saved for a down payment, that money doesn't account for any additions or renovations that may be necessary. For instance, the [average bathroom](#) addition may have an ROI of 86.4 percent, but the initial addition can cost anywhere between \$3,000 and \$25,000.

Maintaining a home also has additional costs. Cedar siding needs to be re-stained every [five to 10 years](#), and HVAC systems need maintenance inspections at least [twice a year](#).

But income isn't the only problem millennials are struggling with. Student loan debt is another critical problem keeping millennials from investing in real estate. "We estimate that 23 percent of college graduates without student debt can save enough for a down payment within the next five years, compared with just 12 percent of college graduates who are currently paying off student loans," researchers said.

The top barriers listed on the report included not being able to afford a house and not being able to afford a down payment. These barriers were listed nearly double the number of times "bad credit" and "not ready to settle down" were listed.

In areas like Tacoma, WA, city officials are attempting to address their [affordable housing crises](#) by introducing new housing alternatives. These alternatives include work/live apartments and the construction of lower-priced homes with homeowner association lease-holds. These are positive developments at a local level, but on a national level, the road to real estate investments is rougher. The Apartment List survey found in its review of wealth inequality that millennials earning higher wages also expected to receive more financial aid from their families compared to those earning lower wages.

"Among respondents with an annual income over \$100,000 who anticipate familial help with a down payment, the average expected level of support is over \$50,000, enough for a 20 percent down payment on the national median condo price," researchers said.

This expected down payment assistance is over twice the amount expected of those earning between \$50,000 and \$75,000. It's over 10 times as much as that expected of millennials making less than \$25,000. "Not only do lower-income millennials have less purchasing power themselves," researchers said, "but their families have less support to offer."

---

Copyright © 2019 thebaynet.com. All rights reserved.