

Millennial renters who were in the market pre-Covid just abandoned their home buying plans.

Second Thoughts on Buying a Home

Half of Older Millennial Renters Have Reconsidered Buying a Home in 2020

	ALL	GEN Z	YOUNGER MILLENNIALS	OLDER MILLENNIALS	GEN X	BOOMERS
Reconsidered	43%	40%	43%	50%	42%	37%
Didn't Reconsider	57%	60%	57%	50%	58%	63%

Q: How have your housing plans changed because of the pandemic?
 RENTCafé May 2020 Survey of 6,963 Renters

A lifestyle survey shows millennials top the list of those [canceling home-buying plans](#).

At the start of 2020, 11% of renters said they were ready and planning to buy a home this year, according to a recent survey conducted on RENTCafe.com. Conditions were looking up for Gen X renters, 15% of whom were making plans to buy a home this year, as well as for 14% of Older Millennials. However, the pandemic has obstructed the path to homeownership for 43% of renters ready to buy, our survey results revealed

The survey, which ran at the end of May 2020, asked 7,000 renters about their housing plans before and after the coronavirus hit.

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One in Ten Renters Were Ready to Buy a Home

One in Ten Renters Were Ready to Buy a Home in 2020

	ALL	GEN Z	YOUNGER MILLENNIALS	OLDER MILLENNIALS	GEN X	BOOMERS
Buy a Home	11%	5%	10%	14%	15%	11%
Upgrade Apartment	25%	20%	29%	31%	27%	21%
Move to Similar Apartment	24%	29%	25%	21%	21%	25%
Renew Current Lease	10%	6%	12%	11%	11%	13%
Downgrade Apartment	29%	40%	25%	23%	26%	31%

Q: At the start of 2020, what were your housing plans?
RENTCafé May 2020 Survey of 6,963 Renters

43% of prospective home buyers who said they changed their plans quoted economic uncertainty as the top reason for doing so, followed by loss of income as the second most cited reason. Given the unprecedented times we're living in, even the few renters who were determined to make the commitment to buy a home this year are now getting cold feet. Moreover, as many as 50% of Older Millennials, the most likely demographic to become homeowners, were forced by the pandemic to let go of their dream.

The Math

11% were planning to buy a home. 43% canceled those plans.

Is the net impact $0.43 * 0.11 = 0.0473$?


I suspect that is on the low side but even a 5% impact is significant.

Of course we are dealing with surveys as well. And we have not seen a sustained 43% decline in sales.

We will know much more in 6 months or so.

Other Plans

Half of Baby Boomer renters expressed no intention of ever buying again. The less costly, more convenient renting lifestyle may play a role. With renter households over 60 increasing considerably in the past decade, Boomers seem to be getting more and more comfortable with renting.



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1/4 of Renters Will Never Buy a Home

A Quarter of Renters Now Say They Will Never Buy a Home

	ALL	GEN Z	YOUNGER MILLENNIALS	OLDER MILLENNIALS	GEN X	BOOMERS
Within 5 years	56%	47%	62%	68%	60%	42%
Later than 5 years	21%	39%	25%	17%	15%	8%
Never	23%	14%	13%	14%	25%	50%

Q: When do you plan to buy a home?
RENTCafé May 2020 Survey of 6,963 Renters

Reflections on Moving

Moving is a pain in the ass.

I speak from recent experience having just driven a U-Haul from Illinois to Utah these past four days.

That applies moving from house-to-house or apartment-to-house or any other combination. But a owning a house ties you down. If we do not like Utah we can try another place. That is not so easy if you own a house.

We left with an unsold house but we do own it free and clear, except of course for property taxes which are monstrous in Illinois: \$15,000 a year on a \$400,000 home.

Until I am convinced I have found the home I want to die in, put us in the never buy again category.

It Takes 3 Weeks to Escape Illinois

Why 3 weeks? That's how long it takes to reserve a one-way U-Haul outbound.

"Everyone is leaving. No one is coming," a U-Haul agent told us a few weeks ago.

For discussion, please see [It Takes 3 Weeks to Escape Illinois](#)

Why Utah?

I discussed Utah in my October 5, 2019 post [Escape Illinois: Get The Hell Out Now, We Are](#)