



**1245 Pine Avenue**  
🏠 **Make Me Move\***  
Price \$300,000



**1265 Cedar Way**  
🏠 **Pre-Foreclosure**  
Zestimate\* \$250,000



**3467 Maple Street**  
🏠 **For Rent \$2,500**  
Rent Zestimate\* \$2,430



**3451 Alder Street**  
🏠 **For Sale \$266,000**  
Zestimate\* \$260,000



**1265 Oak Way**  
🏠 **Sold on 3/31/13**  
Sold for \$237,000



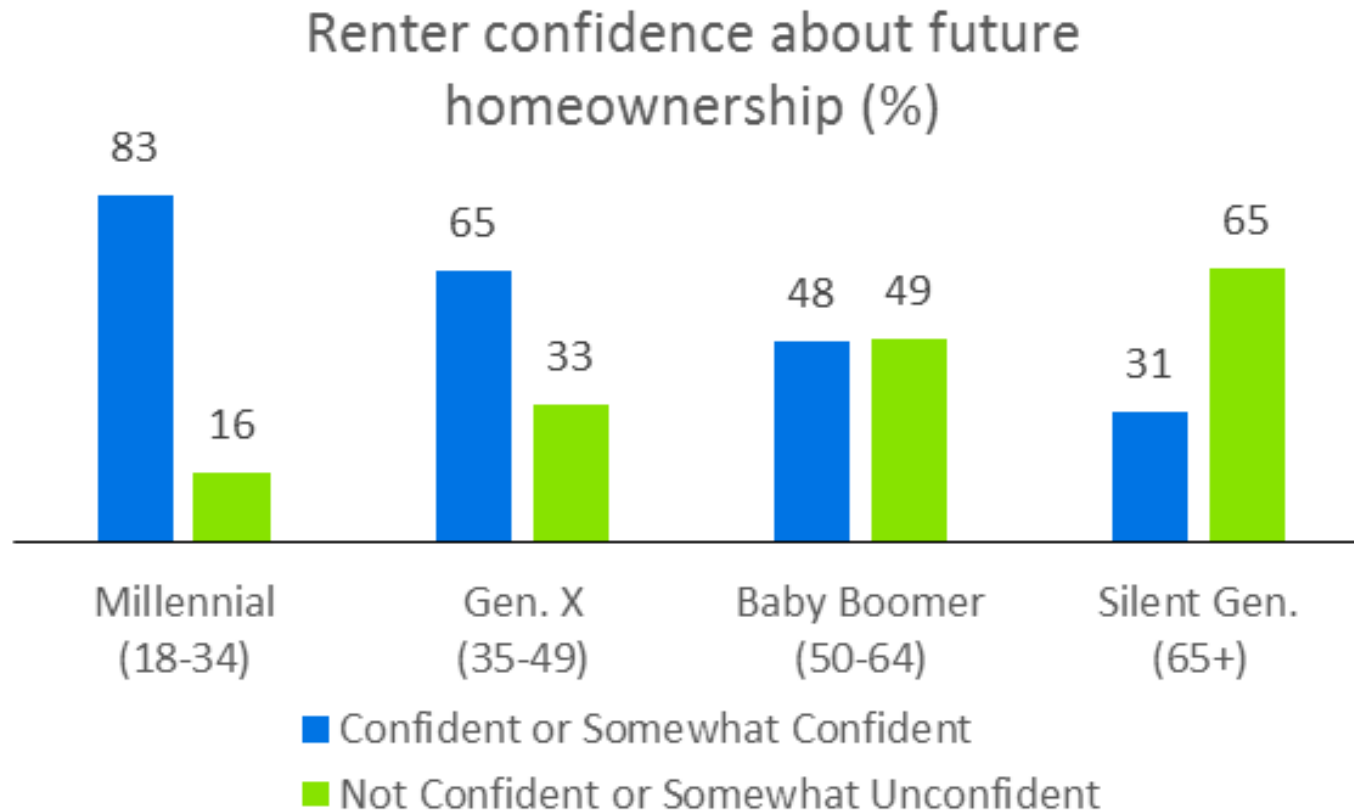
# House Hunting with Millennials

Dr. Stan Humphries, Chief Economist



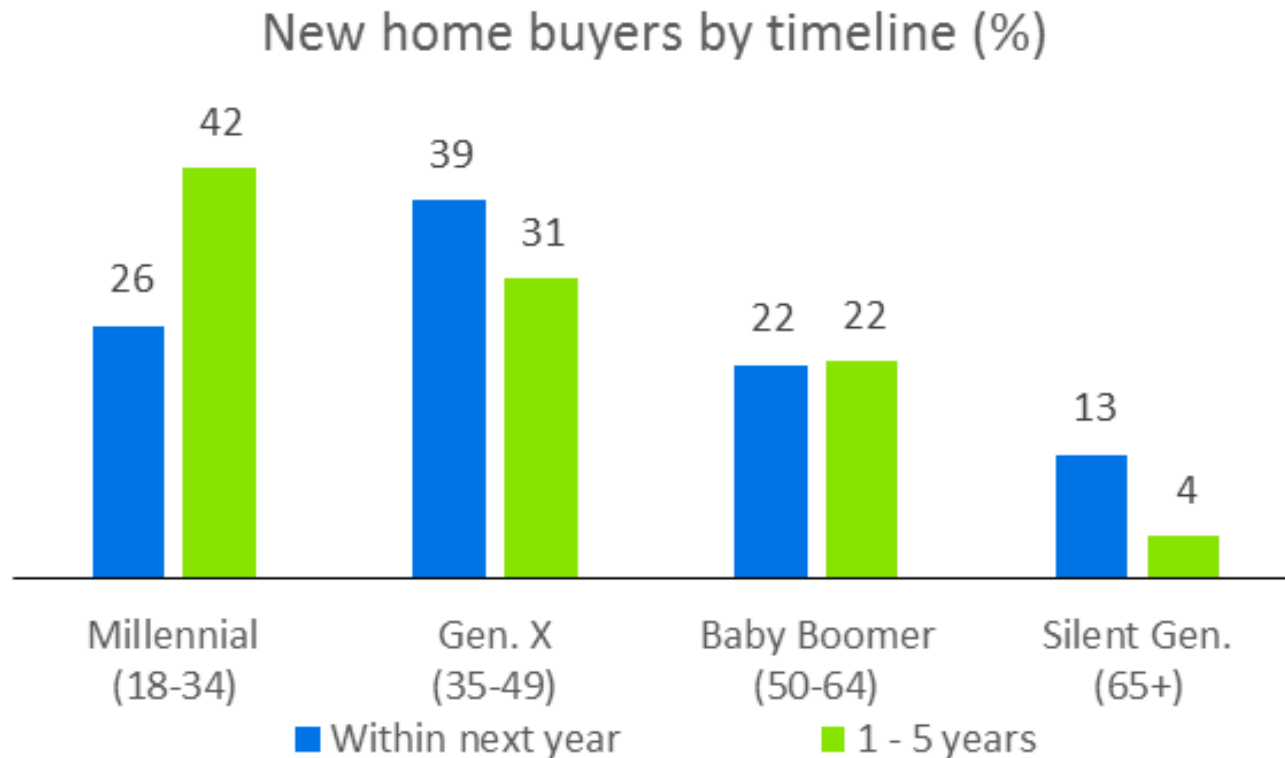
# Millennial renters are optimistic about homeownership...

83 percent of millennial renters are “confident” or “somewhat confident” that they will eventually buy a home.



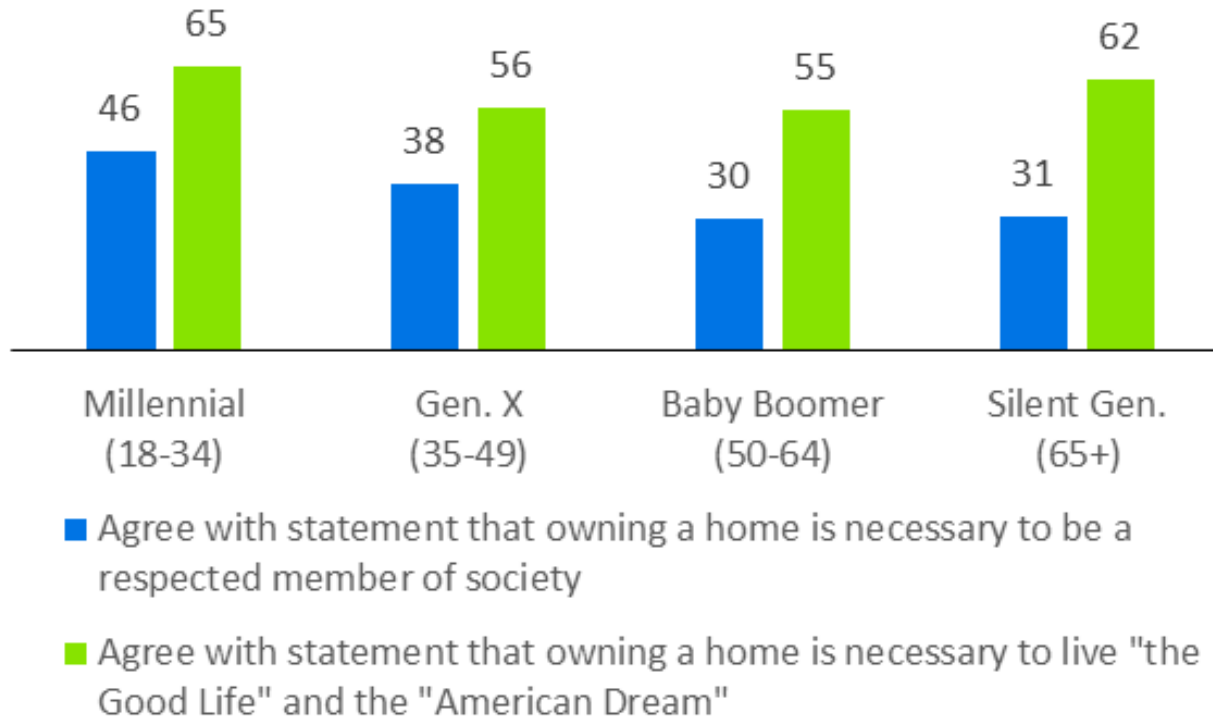
## ...but their timelines for when they expect to buy a home have been delayed somewhat

Generation X remains a plurality of expected new home buyers over the next year, but looking forward 1 to 5 years out, millennials will become the plurality.



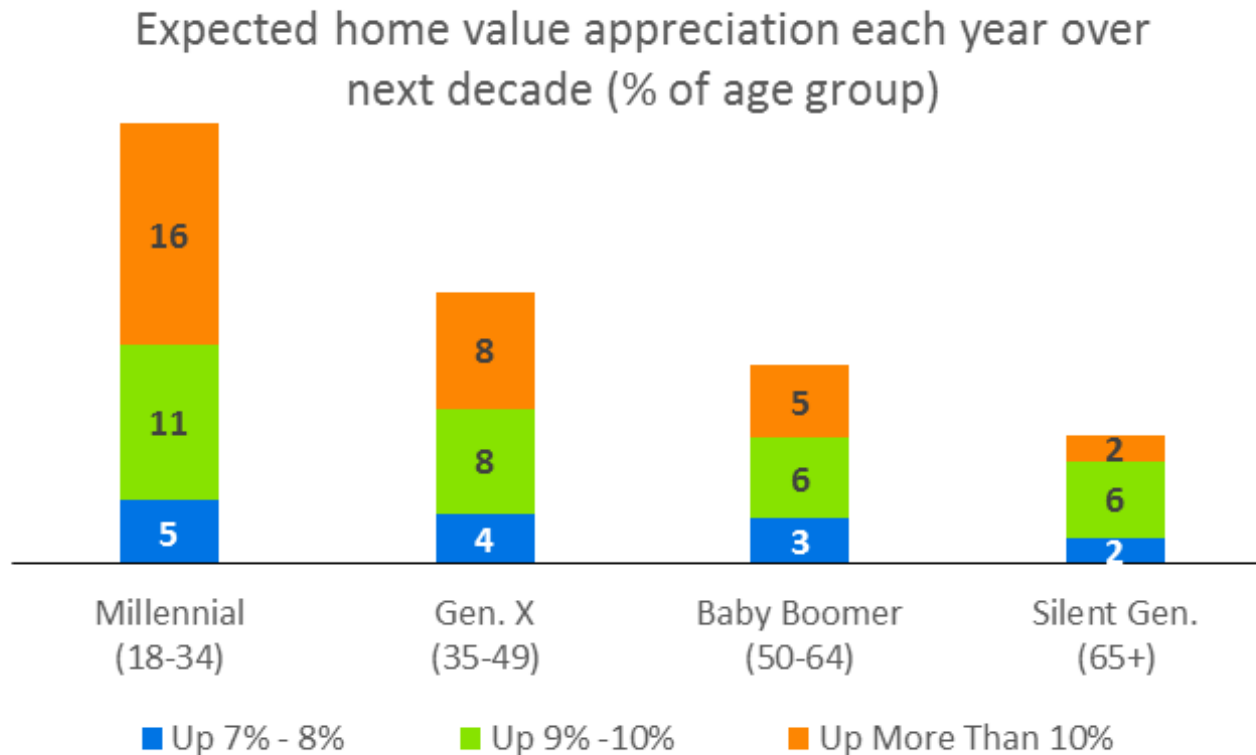
# In some respects, millennials are more conventional in their views on homeownership than older generations

Nearly two-thirds of millennials think owning a home is necessary to live the “American Dream” and almost half agree that owning a home is necessary to be a “respected member of society.”



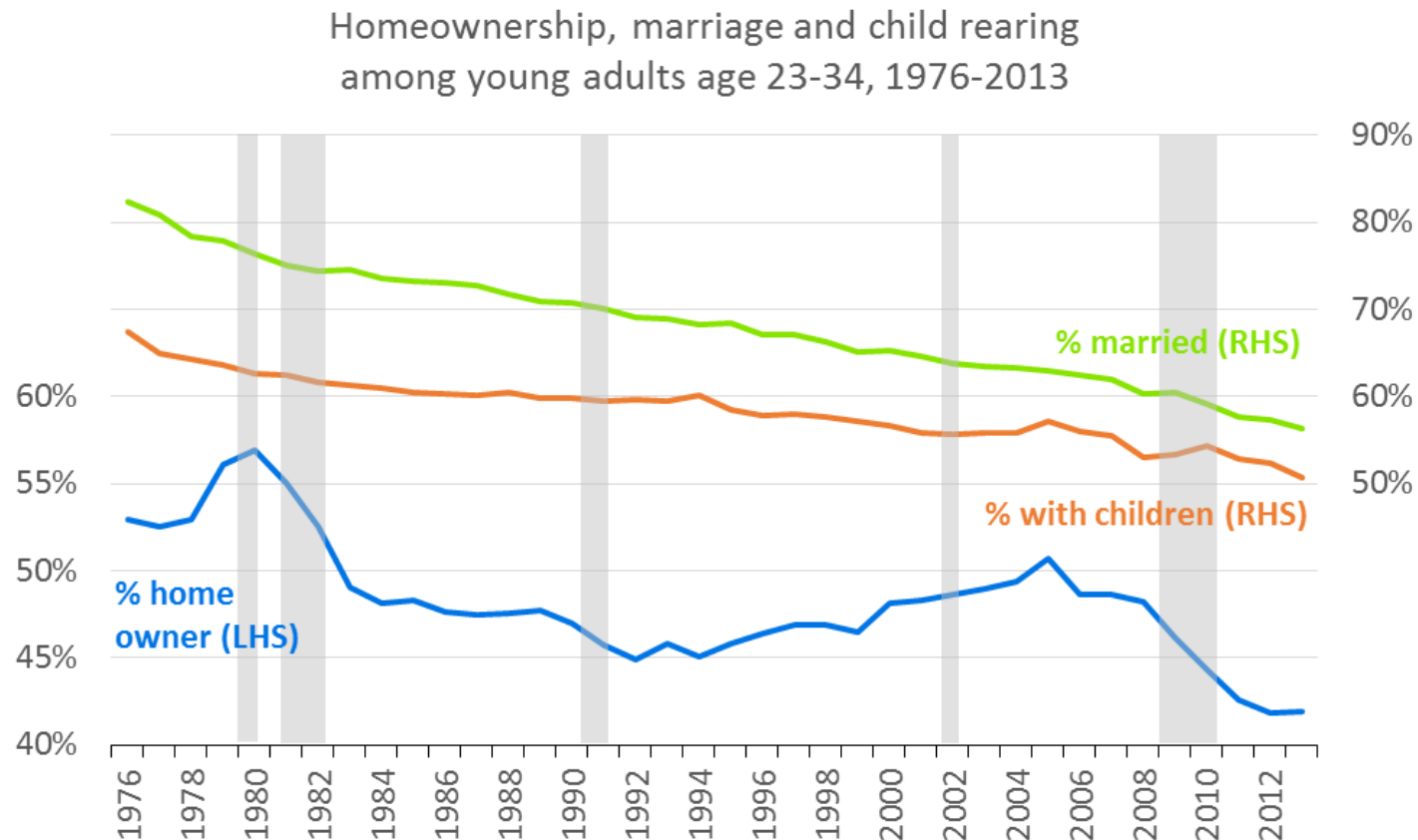
# Many millennials appear to have (perhaps) unrealistic views about long-term home value appreciation

One-third of millennials expect home values to appreciate by more than 7 percent per year over the next decade; one in six thinks home values will increase by more than 10 percent each year.



# Young people are increasingly delaying the hallmarks of adulthood: marriage, family and homeownership

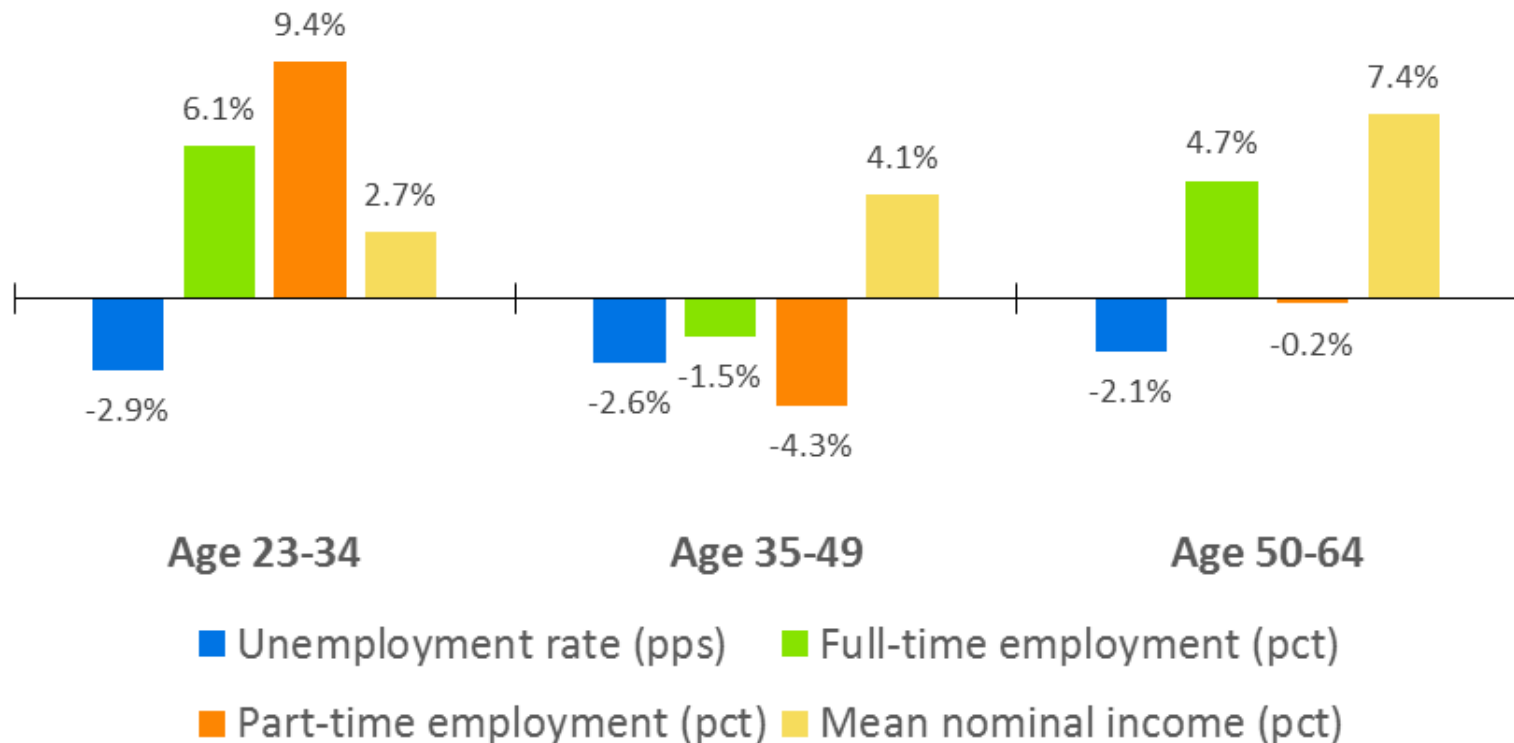
Despite these long-term trends, homeownership is much more cyclical than either marriage or child rearing: During the long housing boom from 1992 to 2005, the ownership rate among this group increased 6 pts while the share married fell 6 pts and the share with children fell 2 pts.



Source: Zillow analysis of March Current Population Survey, 1976-2013, made available by IPUMS USA  
[www.zillow.com/research](http://www.zillow.com/research) | 5

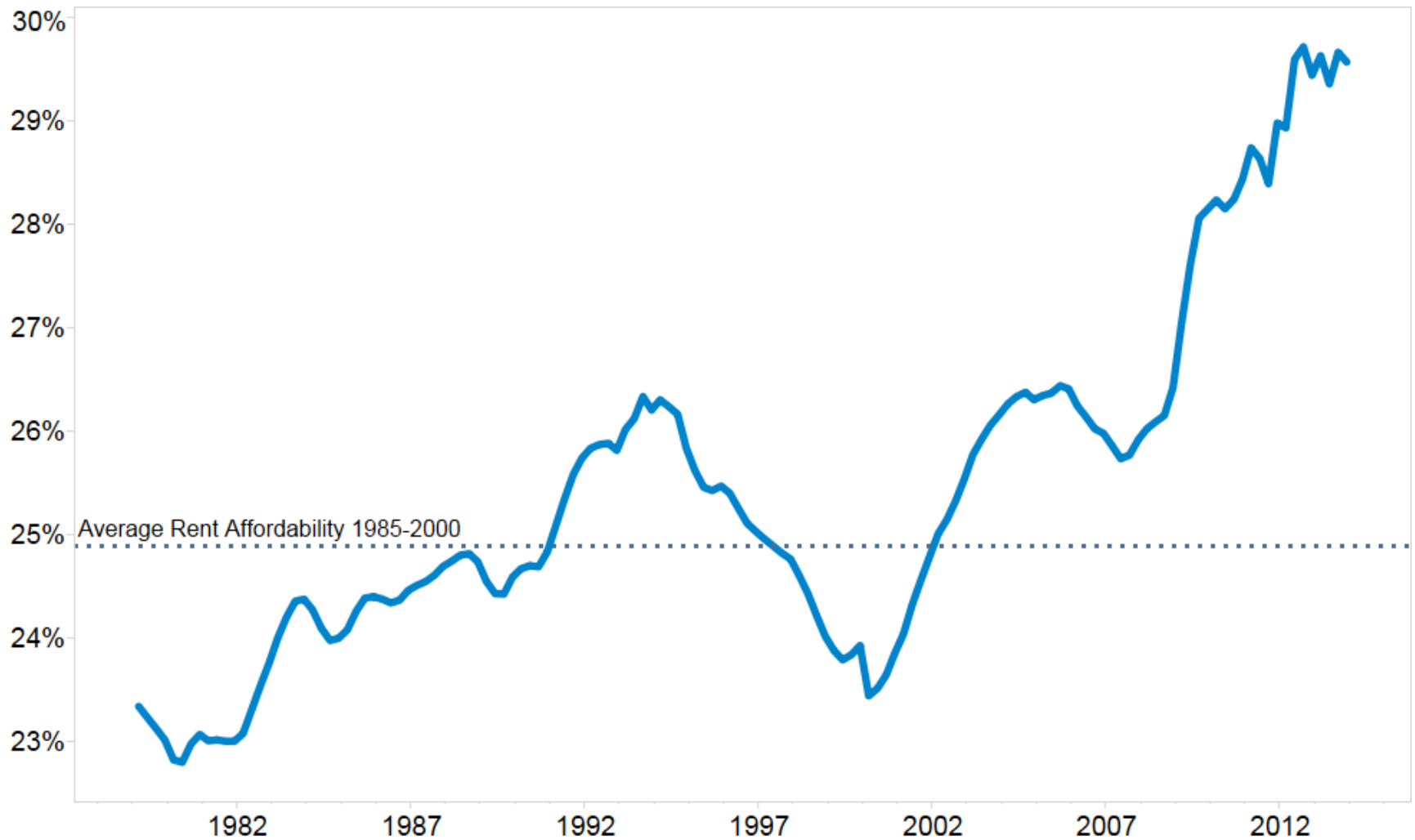
# Young adults have found jobs, but there are more part-time workers and incomes have suffered

Diverging Labor Markets, 2010-13



Source: Zillow analysis of March Current Population Survey, 2010 and 2013, made available by IPUMS USA

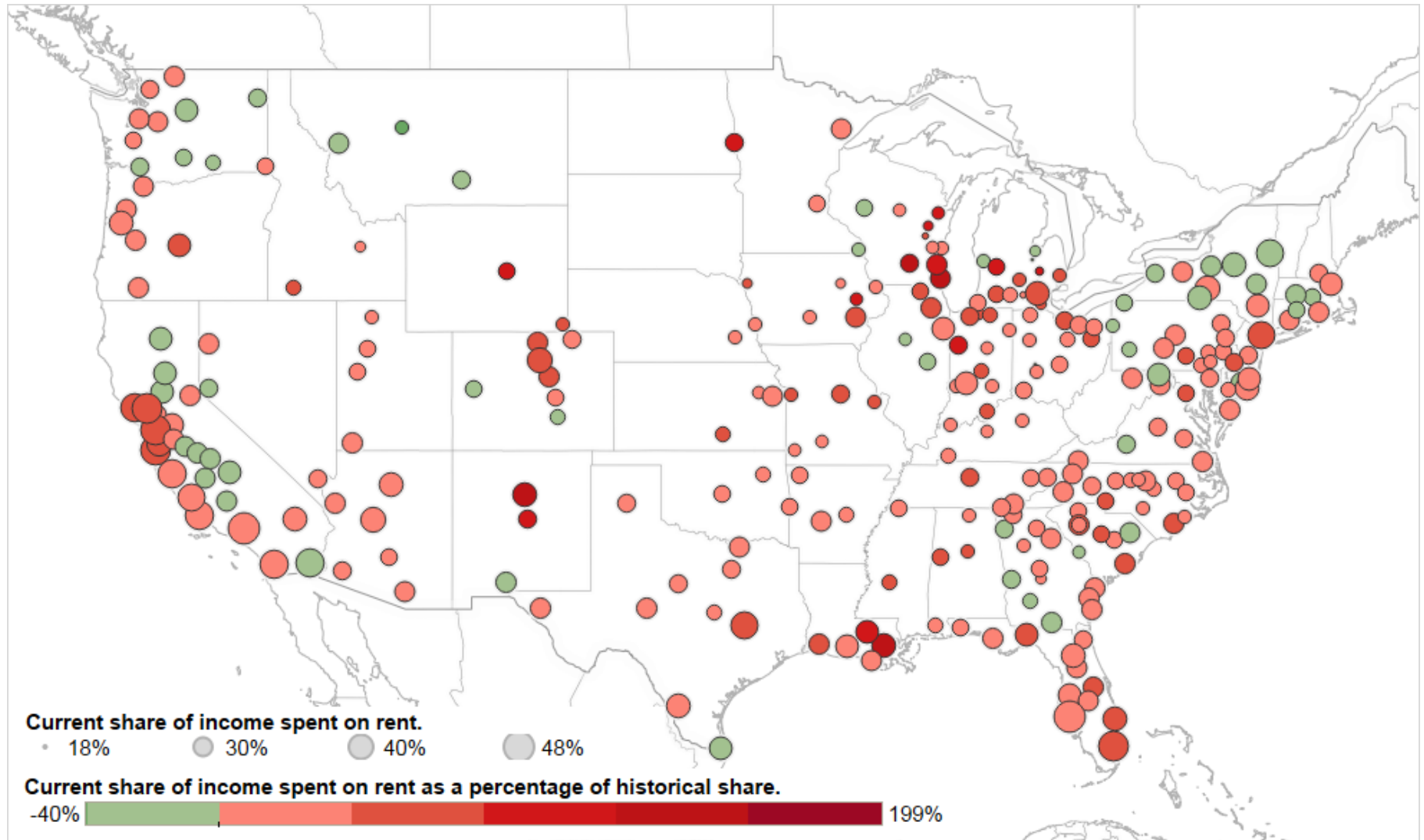
# Even if employed, low rental affordability leaves many struggling to save for a down payment



Source: Zillow (2014 Q2)

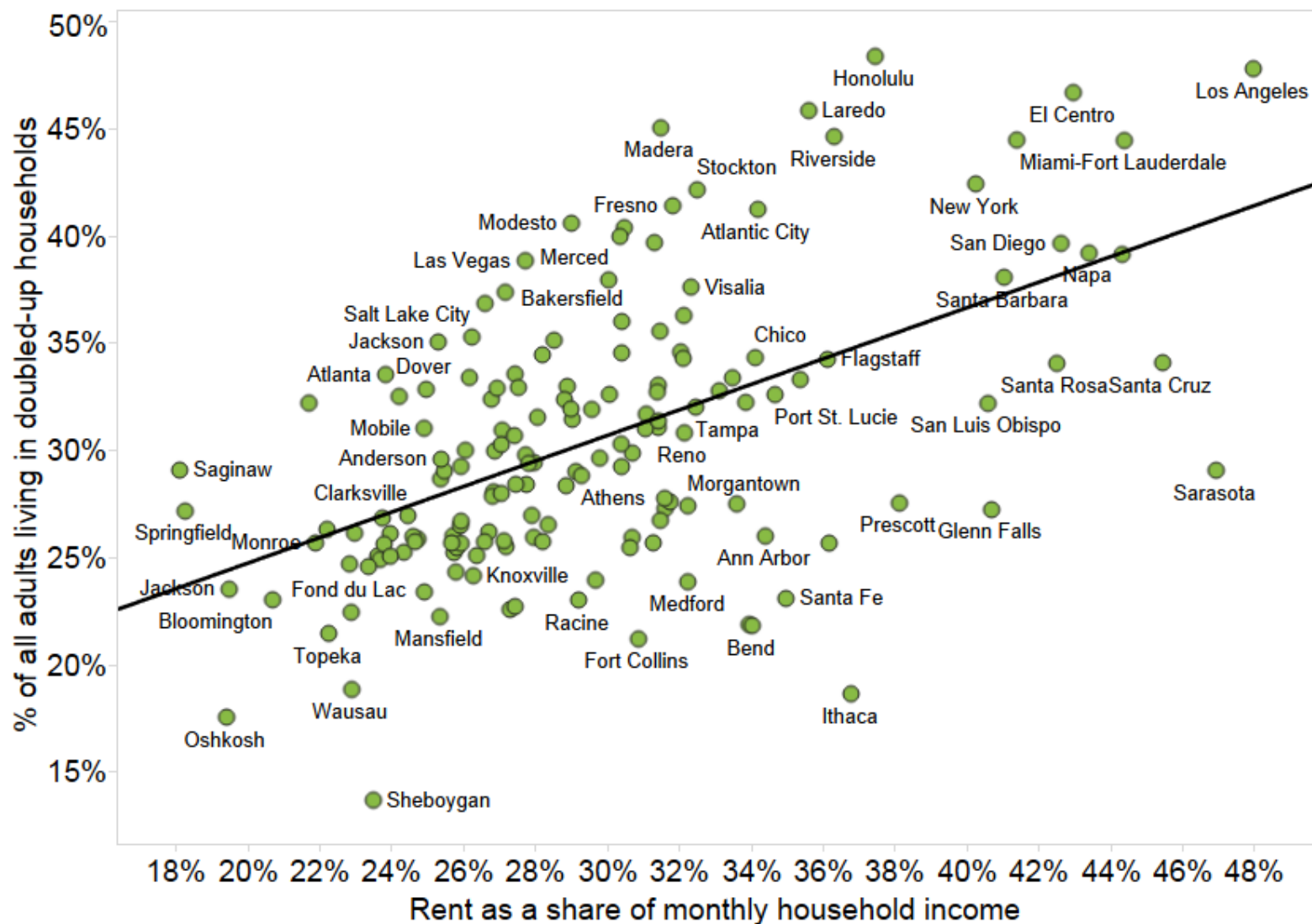


# Rent affordability is below historical average in most metro areas



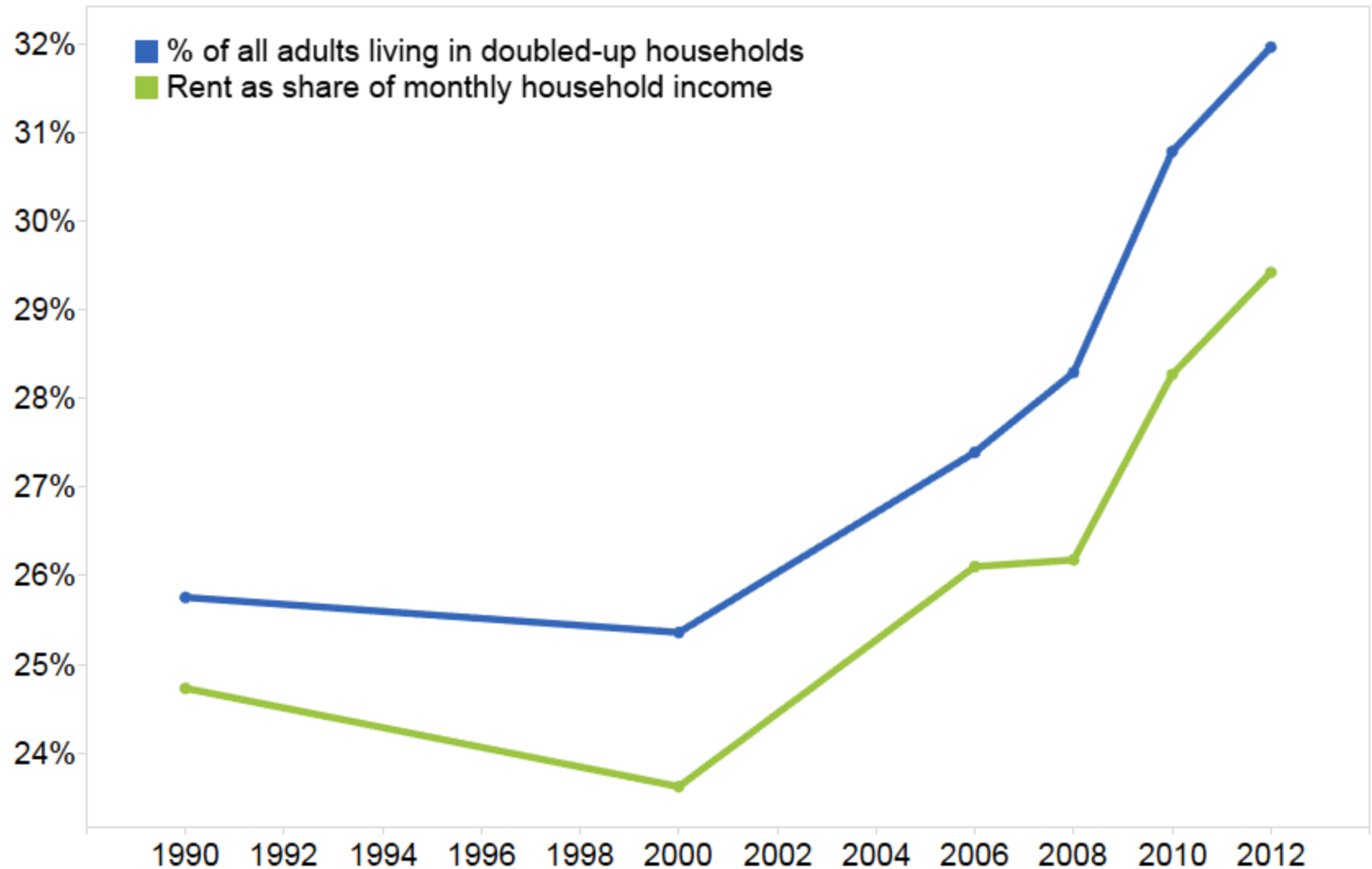
Source: Zillow (2014 Q2)

# Coping strategy: Double up



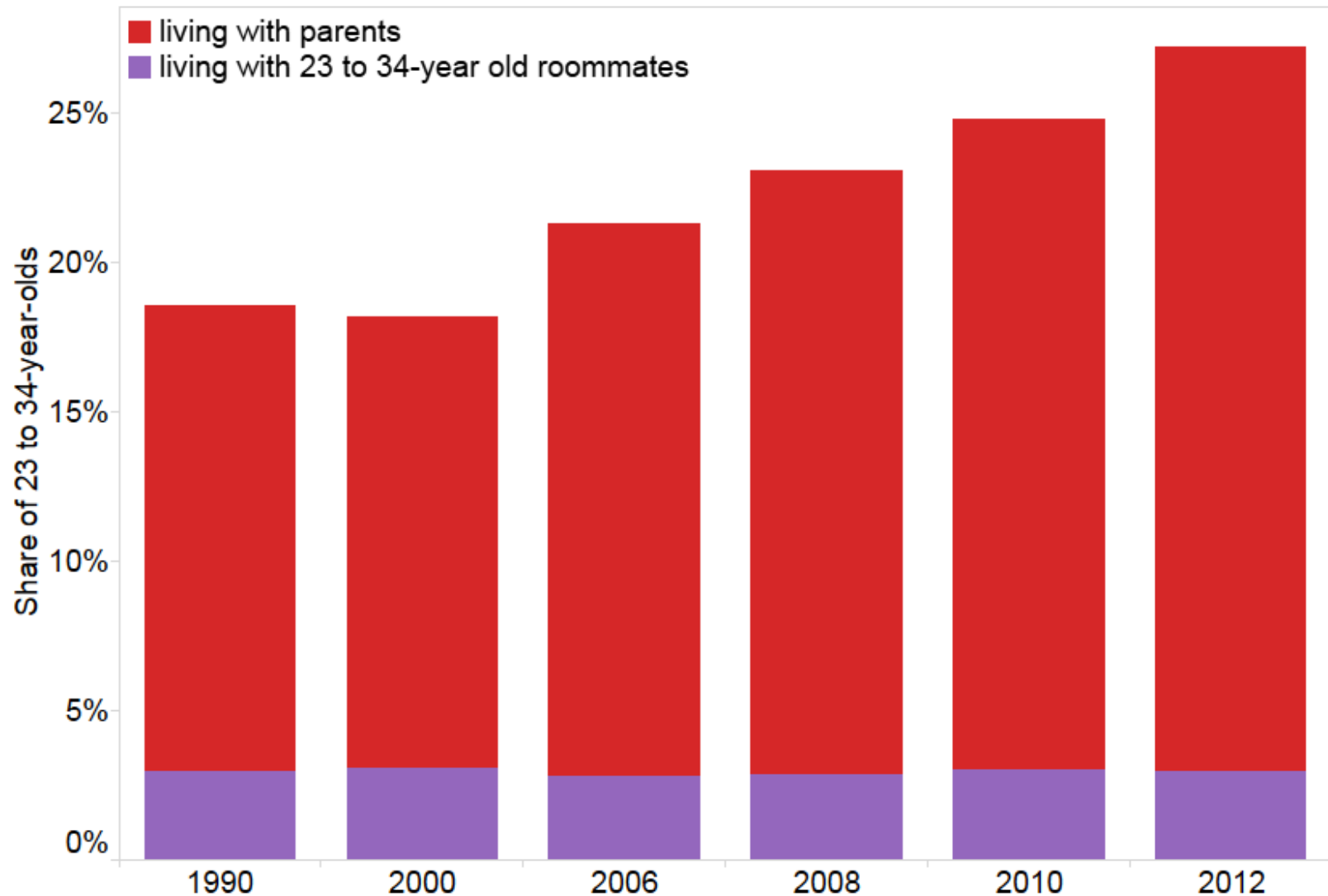
Source: Zillow (2014 Q2) and Zillow analysis of 2012 1-year ACS, made available by IPUMS USA

# Coping strategy: Double up



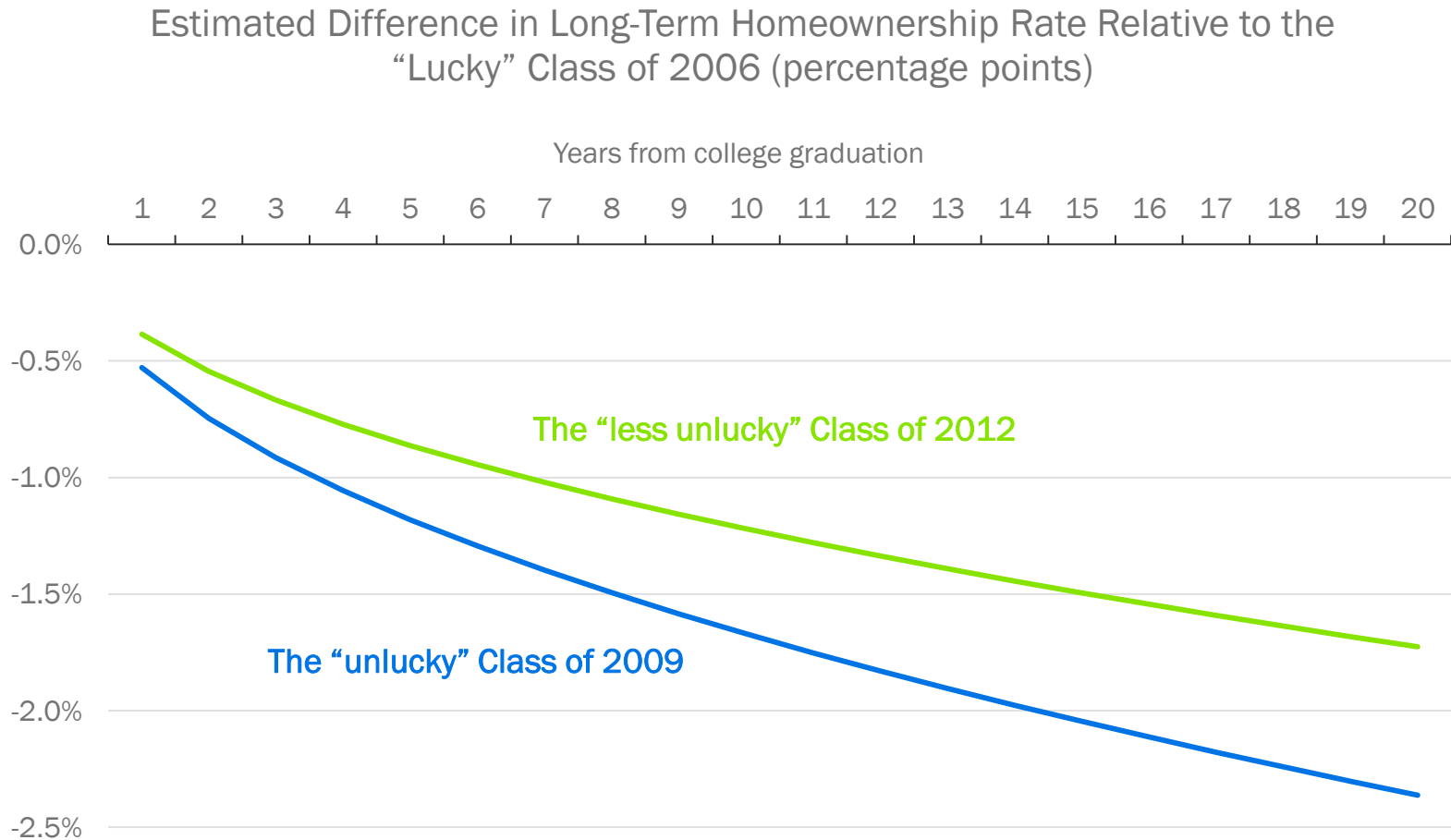
Source: Zillow (2014 Q2); Zillow analysis of 1990 and 2000 Census and 2006, 2008, 2010, and 2012 1-year ACS, made available by IPUMS USA

# Living with parents



Source: Zillow analysis of 1990 and 2000 Census and 2006, 2008, 2010, and 2012 1-year ACS, made available by IPUMS USA

# Graduating into a recession has lasting consequences for homeownership—there is homeownership “scarring”



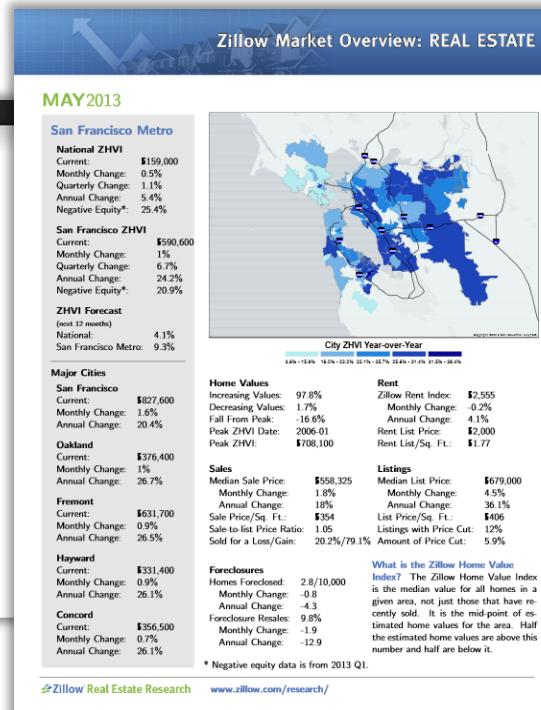
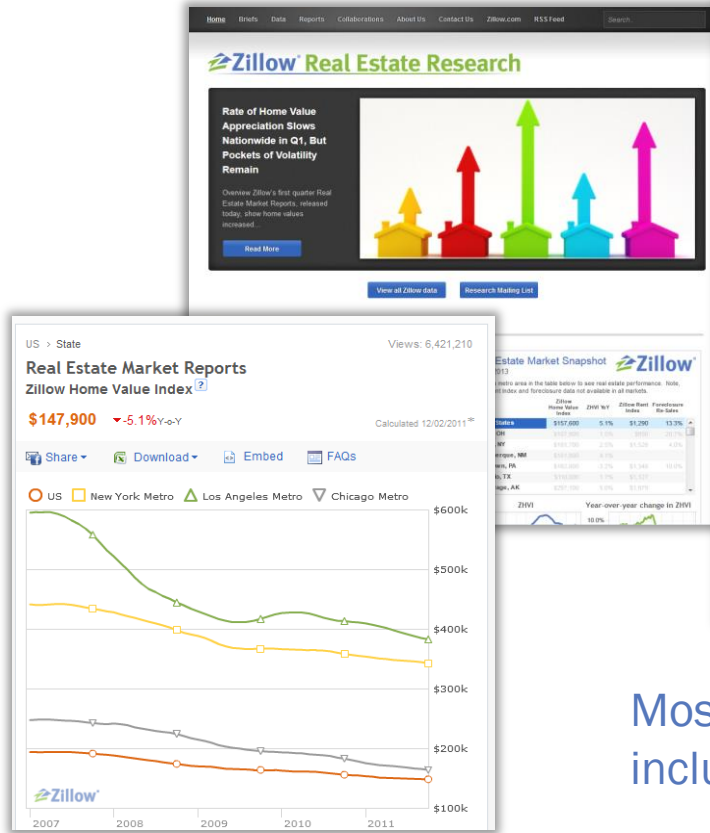
Source: Zillow analysis of March Current Population Survey, 1976 - 2013, made available by IPUMS USA



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## Real Estate Metrics

- Zillow Home Value Index
- Zillow Rent Index
- Zillow Home Value Forecast
- Negative equity
- List prices
- Sale prices
- Rental prices
- Home sales
- \$ value/square foot
- \$ price/square foot
- Sale-to-list price ratio
- % listings with price cuts
- \$ amount of listing price cuts
- % homes sold for loss/gain
- % homes foreclosed
- % sales that are foreclosure re-sales
- % homes increasing/decreasing in value
- % homes sold in the past year
- Price-to-rent ratios
- Price-to-income ratios
- Affordability

