

## Spring 2019 HBIR Letter From D. Steve Boland



We're pleased to present the findings from our spring 2019 Bank of America Homebuyer Insights Report, which explores the attitudes, preferences and behaviors of the modern homebuyer. For the first time, our findings shed light on the youngest generation of homebuyers, Gen Z, who are between 18 and 23 years old.

The latest iteration of the report finds that more than half of prospective Gen Z homebuyers are already saving for a home, and that they want to purchase within the next five years, meaning they would own a home before the age of 30. It is exciting to see Gen Z wanting to own a home for reasons

like building their personal wealth over time and making their loved ones proud.

Despite their young age, this group recognizes that buying a home is not easy and is taking a pragmatic approach to achieve their goal. They are asking for financial help from parents and other family, but that help is not necessarily a gift, as more than half of Gen Z think they will need to pay their parents back.

Gen Zers are also prioritizing saving over frivolous spending and making sacrifices to prove that they are willing to do whatever it takes to own a home. In fact, nearly half are willing to get a second job and close to a third are willing to move in with parents or in-laws to save for their goal.

These young aspiring buyers likely got the memo about the benefits of this milestone from current homeowners, who almost unanimously agree that owning a home is worth the challenges. Current homeowners are also more satisfied with where they live, their financial well-being and life overall than those who don't own.

At Bank of America, we're committed to helping our clients – from Gen Zers looking to make their first home purchase to current homeowners who want to explore new opportunities – find the path that's right for them through financial guidance, education and planning. Our goal is to help clients reach their financial goals and understand that building their personal wealth through homeownership is within reach.

**D. Steve Boland**, Head of Consumer Lending, Bank of America

## Methodology

Concentrix Analytics conducted an online survey on behalf of Bank of America between January 30 and February 21, 2019. Concentrix surveyed a national sample of 1,919 adults age 18+ who currently own a home or plan to in the future. In addition, the national sample was supplemented by another 782 respondents to reach the following groups: Generation Z, single females, single males, renters and homeowners who have paid off their mortgage. The margin of error for the national quota is +/- 2.2 percent, and the margin of error for the oversampled markets is approximately +/- 3.5 percent, with each reported at a 95 percent confidence level.

## Respondent Breakdowns

### Generational

- Gen Z: Born after 1995
- Millennials: Born 1978-1995
- Gen X: Born 1965-1977
- Baby Boomers: Born 1946-1964
- Seniors: Born before 1946

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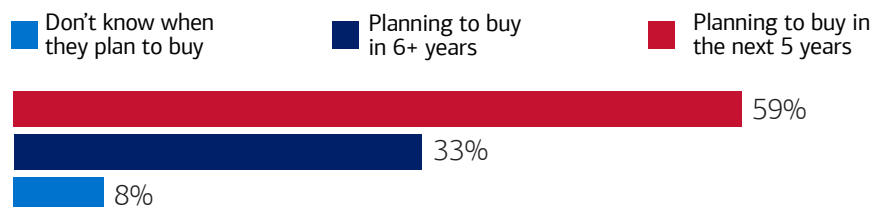
Worth it:  
Current homeowners  
say owning is worth  
the challenges

## No need to wait: Gen Z actively planning to own homes before 30

A majority of prospective Gen Z homebuyers between the ages of 18 and 23 want to buy within the next five years, which would make them homeowners before age 30. While that may seem like a lofty goal, over half of Gen Z has already started saving.

**52%** of prospective **Gen Z** buyers are already saving to buy a home

### When are prospective Gen Z home buyers planning to buy?

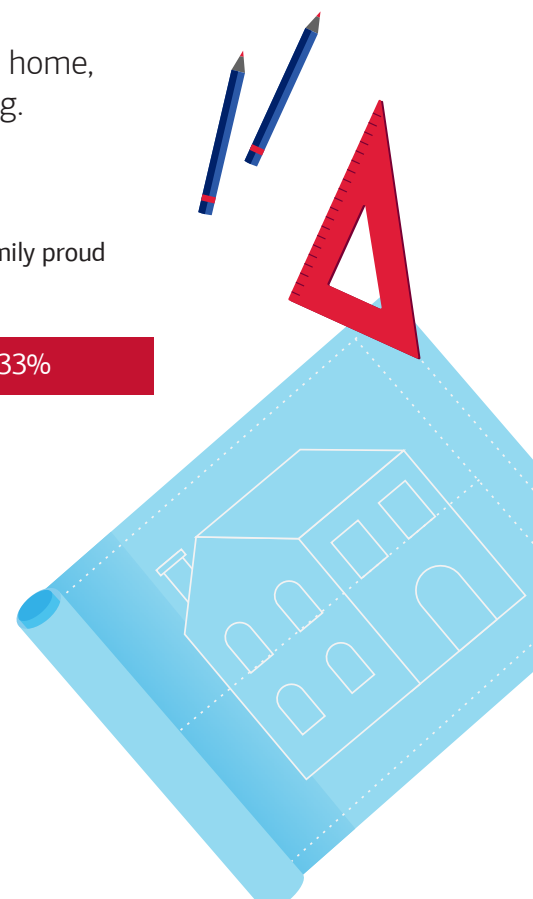
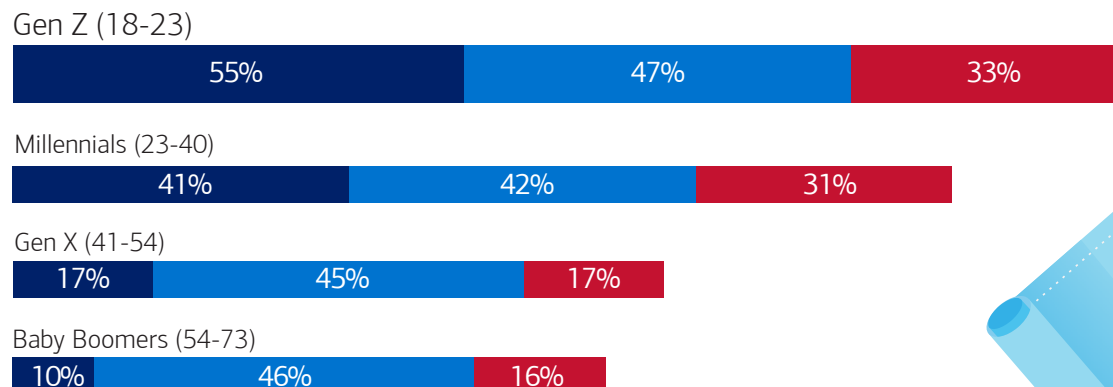


**Gen Zers** who buy within the next five years would be between **23 and 28 years old**.

There are a variety of reasons why Gen Z homebuyers want to own a home, but they are also realistic about the challenges associated with buying.

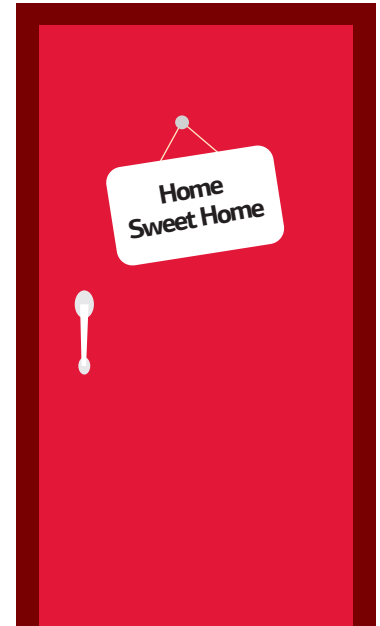
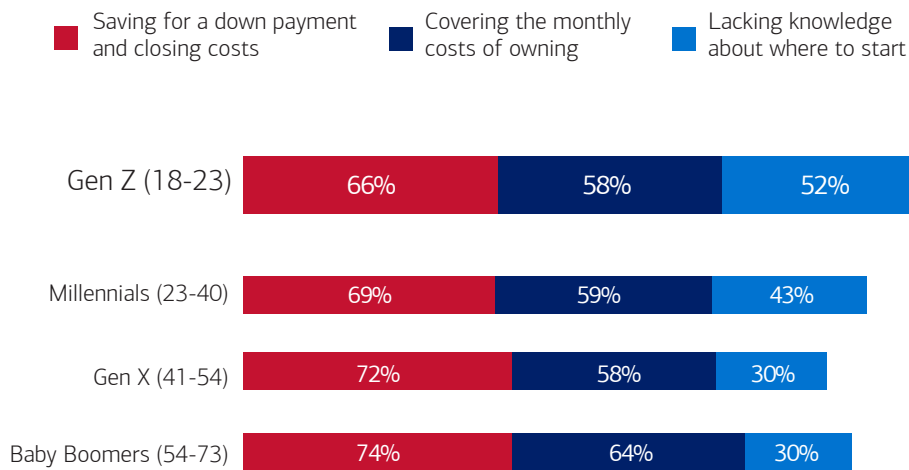
### Reasons for wanting to own...

■ Starting a family
■ Building wealth over time
■ Making their family proud



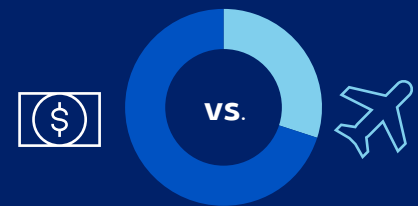
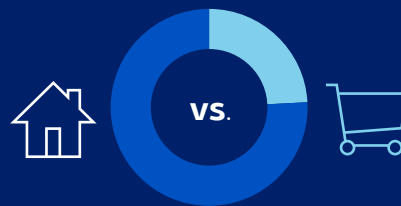
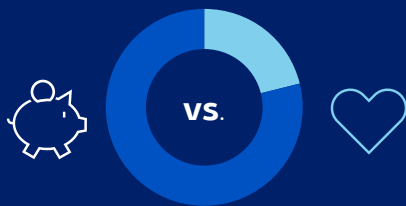
## Gen Z facing challenges and overcoming barriers

### Gen Z views these as the top barriers to buying...



Gen Z homebuyers are prioritizing saving for a down payment.

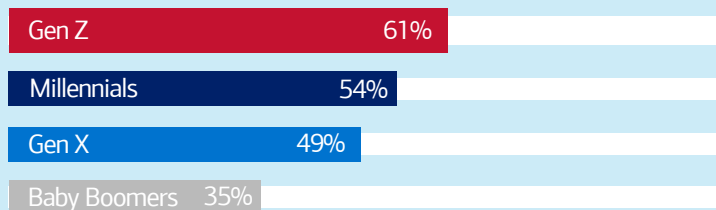
### If they had \$5,000, Gen Zers would rather...



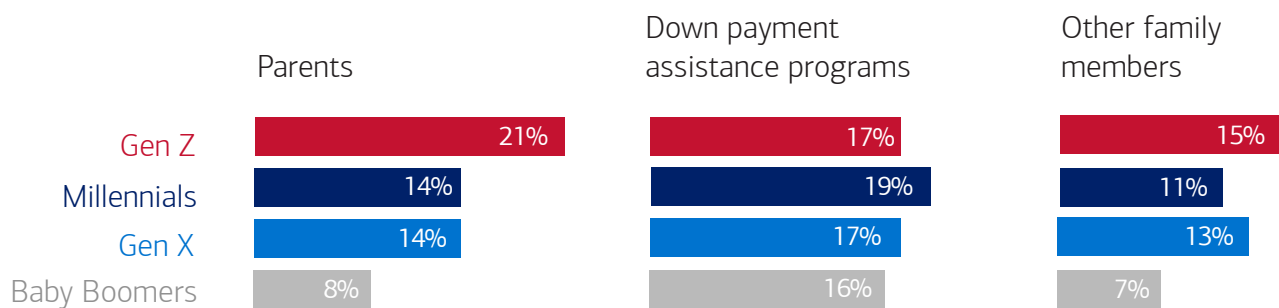
## Whatever it takes

Prospective Gen Z homebuyers are willing to ask for financial help and make significant sacrifices to buy.

### Will you receive financial help to buy a home?

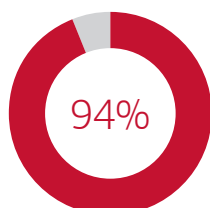


### Who or what will provide you with financial help?

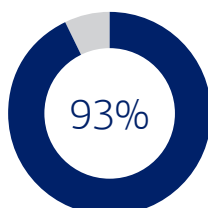


**More than half of Gen Zers** who think they'll receive help also think they will need to pay their parents back, compared to **40 percent of millennials**.

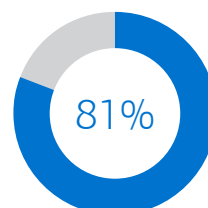
Are you willing to make sacrifices to buy a home?



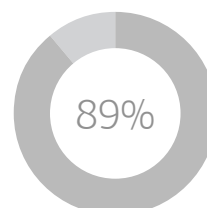
Gen Z



Millennials



Gen X

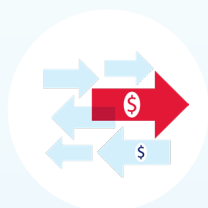


Baby Boomers

## Whatever it takes

### What kinds of sacrifices are you willing to make?

■ Gen Z ■ Millennials ■ Gen X ■ Baby Boomers



Cutting back on extracurricular activities



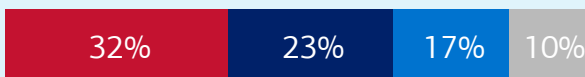
Getting a second job



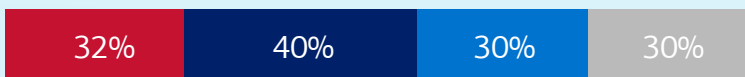
Attending a university that will leave them with less student loan debt



Moving in with parents or in-laws



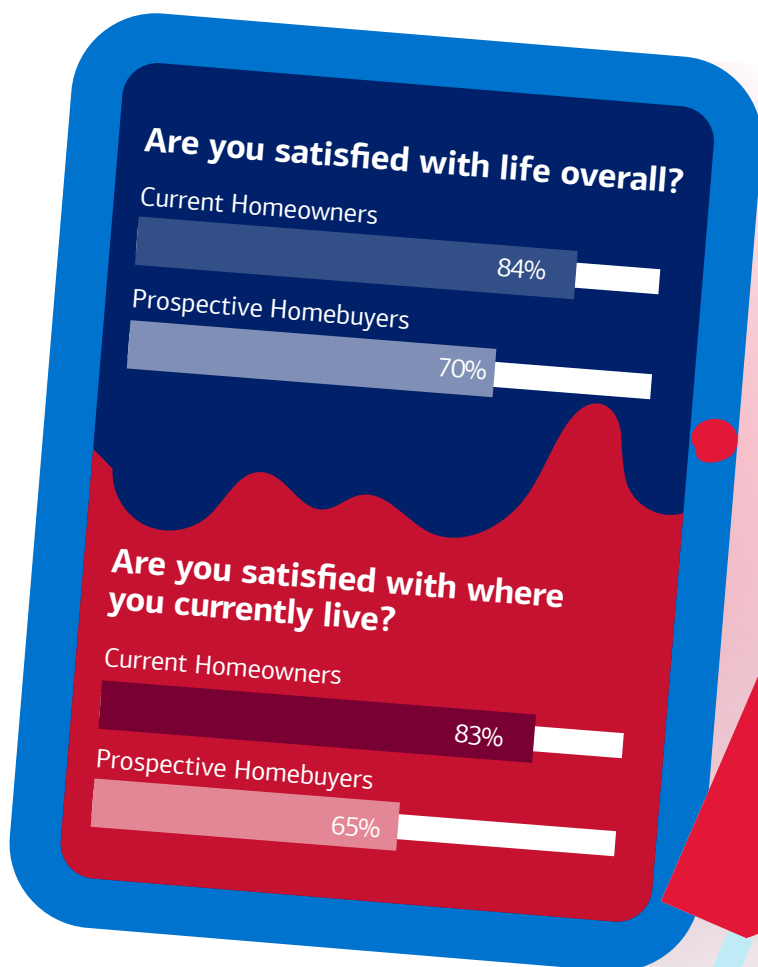
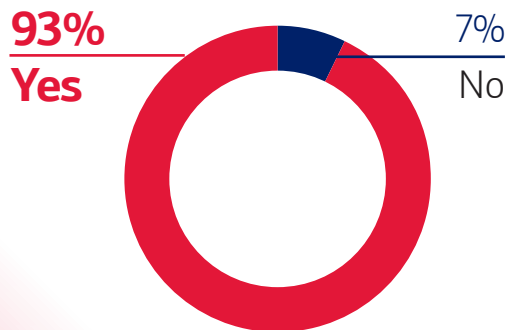
Buying a home that doesn't meet their wish list



## Worth it

Prospective Gen Z homebuyers got the memo: owning a home is worth the challenges.

### Do current homeowners believe owning a home is worth the challenges it took to achieve?



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