

Residential Real Estate

## Gen Z's regret grows over generational housing divide



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Younger prospective homebuyers are showing particular interest in one specific type of home.

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### Story Highlights

- Gen Z and millennials are struggling with high home prices.
- Gen Zers are far more likely to buy fixer-uppers and regret it.
- Baby boomers dominate homeownership, making up 42% of recent buyers.

High home prices and elevated interest rates have members of Generation Z worried about missing out on the dream of homeownership – or deeply regretting having taken the plunge.

According to the [BMO Real Financial Progress Index](#), 54% of American renters envy people their age and younger who have purchased a home. It's a dynamic that's even stronger among Gen Zers, with 63% of those respondents saying they are envious of homeowners. The Gen Z share is second only to that of millennials, who are most likely to be envious, at 67%.

"The data show that owning a home remains a key component of the American dream, but with some obstacles still facing first-time homebuyers, younger generations worry they missed their moment," said Paul Dilda, head of U.S. Consumer Strategy at BMO, in a statement with the data.

The survey shows that 69% of Gen Z renters and 74% of millennial renters who intend to buy a house are waiting for interest rates to drop before buying. Additionally, 61% of respondents said they feel less confident they will ever own a home than they were five years ago.

"The financial hurdles to owning a home have rarely been higher, especially for young households that don't yet have their foot in the door," said Scott Anderson, chief U.S. economist at BMO, in a statement. "Poor housing affordability, limited inventory of existing homes, and rising interest rates make finding the right home that fits your budget a challenging endeavor."

Younger renters are showing particular interest in one specific type of home, according to the survey: fixer-uppers. Sixty-three percent of Gen Z respondents

said they are willing to buy a home that needs some renovation, as did 65% of millennials, compared to just 37% of baby boomers.

Gen Z also is nearly twice as likely as Gen X to have purchased a fixer-upper, with 36% of Gen Z homeowners saying their house was considered a fixer-upper when they bought it, [according to a new survey by ThisOldHouse.com](#). That makes them far more likely to own a fixer-upper than millennial, Gen X and baby boomer homeowners, according to the survey. At 75%, Gen Z owners are the most-likely generation to do some or all of their home projects themselves.

But that also has left some with remorse, as 69% of Gen Z homeowners said they have regrets about the projects they have to take on, as well as underestimating the cost of routine maintenance and not budgeting enough for expected repairs. Twenty-one percent said they regret buying a home that was too old.

Other findings from the ThisOldHouse.com survey include:

- 65% of Gen Z homeowners surveyed were first-time buyers, reflecting their early stage in the homeowner journey.
- 35% of Gen Z turn to TikTok for renovation research, far more than millennials (19%) and baby boomers (1.1%).
- 64% of Gen Z considered their home a “starter home,” compared to 41% of millennials and 17% of baby boomers.
- 39% of Gen Z have taken on debt for home maintenance or upkeep, the highest of any generation (millennials: 37%, baby boomers: 17%).

## Demographic change among homeowners

Even as more of Gen Z decides to take the plunge, homeowners as a group continue to get older, mirroring and often outpacing the the overall aging population.

The median age of all homebuyers jumped to 56 last year, up from 49 in 2023, while the median age of repeat homebuyers grew from 58 in 2023 to 61 in 2024, according to the [National Association of Realtors' 2024 Profile of Home Buyers and Sellers](#).

First-time homebuyers are getting older, too, with the median age of those buying their first home rising to 38 compared to 35 in 2023. Just 24% of homes sold in 2024 were purchased by first-time homebuyers, the lowest percentage since the NAR began collecting the data in 1981. Before the Great Recession, the share of first-time homebuyers hovered around 40%.

That development has come as the price of a typical home in America has soared. In the second quarter of 2020, the median sale price for homes sold in the United States was \$317,100, according to [data compiled by the Federal Reserve](#). By the second quarter of 2022, that number was \$437,700, up 38%. It dropped to \$416,900 in the first quarter of 2025, but that's still up 31% from the early days of the pandemic five years ago.

The cost of a so-called "starter home" has soared in recent years, as well, according to [an analysis by Redfin Corp.](#) In 2012, the typical median sale price for what Redfin defined as a "starter home" was \$95,000. That price rose in 2019 to \$165,500 – and it rose further, to \$250,000, last year.

Meanwhile, baby boomers have once again regained the top spot among homebuyers, representing the nation's largest generational group, according to [the NAR's 2025 Home Buyers and Sellers Generational Trends report](#). The report notes that baby boomers make up 42% of all home buyers, with millennials holding just a 29% stake – down from 38% a year earlier.

The generational divide is also reflected in overall home-ownership shares. While it's typical for older Americans to occupy a larger share of homeownership, the share of homes owned by Americans older than 55 years grew from 44% in 2008 to 54% in 2023, according to [a study by Construction Coverage](#). At the same time, Americans ages 35 to 54 saw a decline in homeownership, with their share dropping from 42% in 2008 to 34% in 2023.

And 43% of baby boomers say they will never sell their home, the highest of any generational group, according to [a separate Redfin survey of U.S. residents ages 18 to 65](#). The biggest single reason cited for staying in place is that their home is almost or completely paid off, while others say they like where they live.

Thirty percent say they are staying in their current home because prices are too high, and 18% said they are staying because they don't want to give up their low mortgage interest rate.