2025 NEXTGEN HOMEBUYER REPORT

BY KRISTIN MESSERLI

NationalMI FirstHomeIQ

*for informational purposes only

INTRODUCTION

The fifth annual NextGen Homebuyer Report analyzes insights from 1,000 respondents aged 18 to 44, offering a comprehensive look at their financial realities, homebuying perspectives, and information preferences.
Conducted in partnership with National MI, this year's research emphasizes the ongoing importance of education and accessibility in overcoming barriers to homeownership.

By addressing affordability challenges and fostering trust, housing professionals have a unique opportunity to support the next generation of buyers.

Cheers,

Kristin Messerli
Executive Director
FirstHome IQ

METHODOLOGY

SURVEY COLLECTION

For the 2025 report, a survey was conducted gathering responses from 1,000 participants aged 18 to 44. Respondents were segmented into three groups: Gen Z (18-24), Younger Millennials (25-34), and Older Millennials (35-44).

DIVERSE SAMPLING

The survey aimed to capture a diverse and representative sample by race, income, and gender, with 52% of respondents identifying as female and 48% as male. The sample reflects current population demographics to ensure the findings are applicable across communities.

COLLECTED JANUARY 2025

2025 TOP INSIGHTS

1,000
NEXTGEN RESPONDENTS

Trust in Lenders is Declining. Trust in loan officers fell to just 19.5%, and trust in banks dropped from 61.5% to 40% from last year.

Affordability Concerns Drive New Buying Strategies. 42% plan to buy fixer-uppers, and 21% are considering co-buying.

Social Media & AI Are Changing the Buyer Journey. 40% of Gen Z use social media for homebuying info, and 43% use AI tools like ChatGPT.

Financial Advisors Are Gaining Influence. Gen Z (36%) is more likely to seek advice from financial advisors than real estate agents.

YouTube is the #1 Educational Tool for Homebuyers. 66% use YouTube for homebuying education.

CONTENTS

The **2025 NextGen Homebuyer Report** provides a comprehensive look at the financial realities, homeownership perspectives, trust dynamics, and information access shaping the next generation of buyers.

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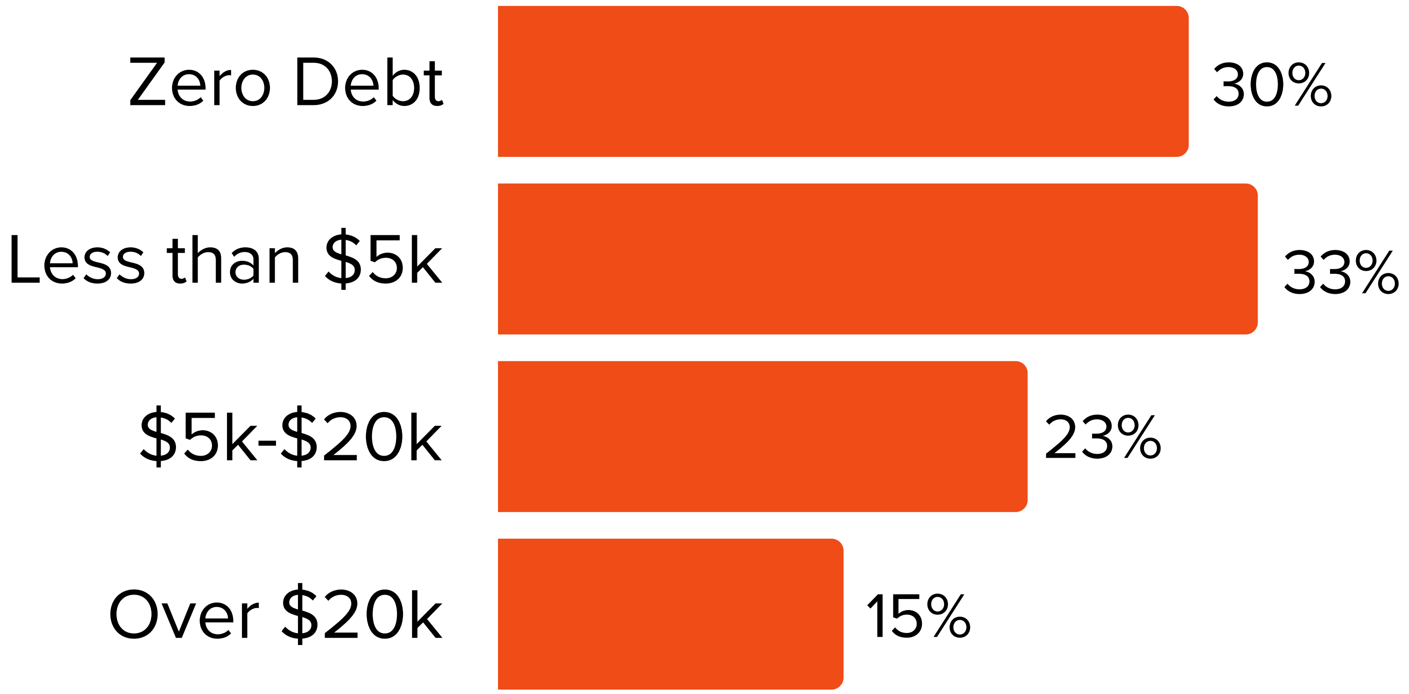
01

FINANCIAL SITUATION

Understanding the financial realities of NextGen homebuyers is key to serving this evolving market. This section explores their savings habits, debt levels, financial stress, and key challenges impacting their ability to buy a home.

NEXTGEN

DEBT



DEBT TYPE	PERCENTAGE DEBT
CREDIT CARD	35.9%
STUDENT LOANS	16.9%
CAR LOAN	15.5%
MORTGAGE	15.5%
MEDICAL	12%

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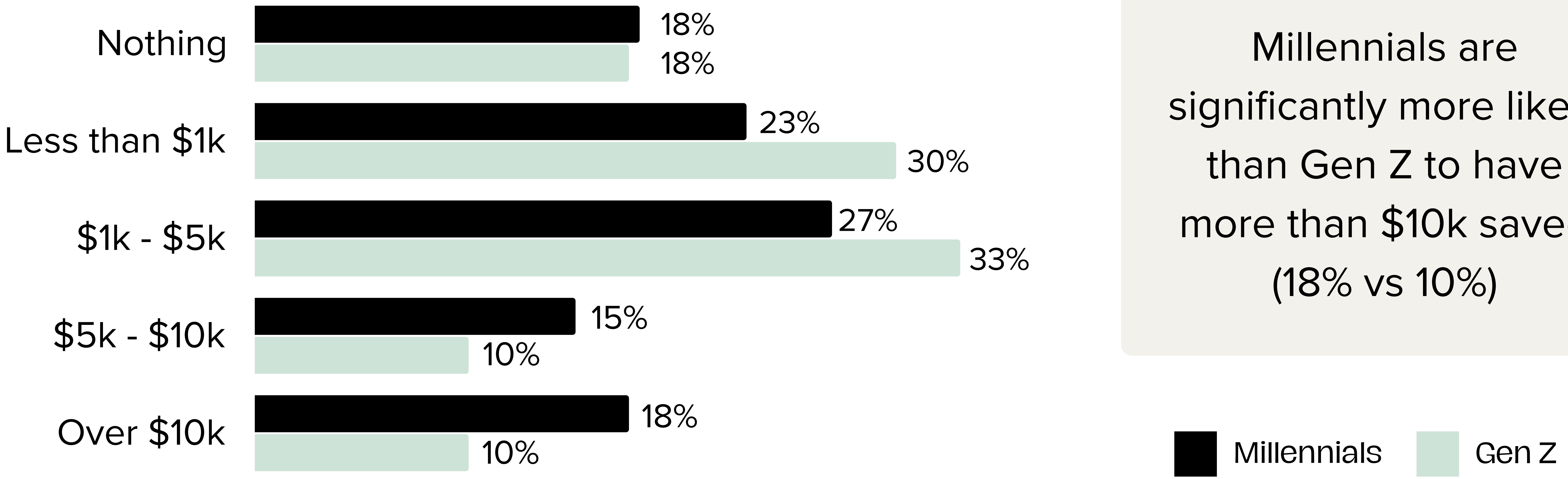
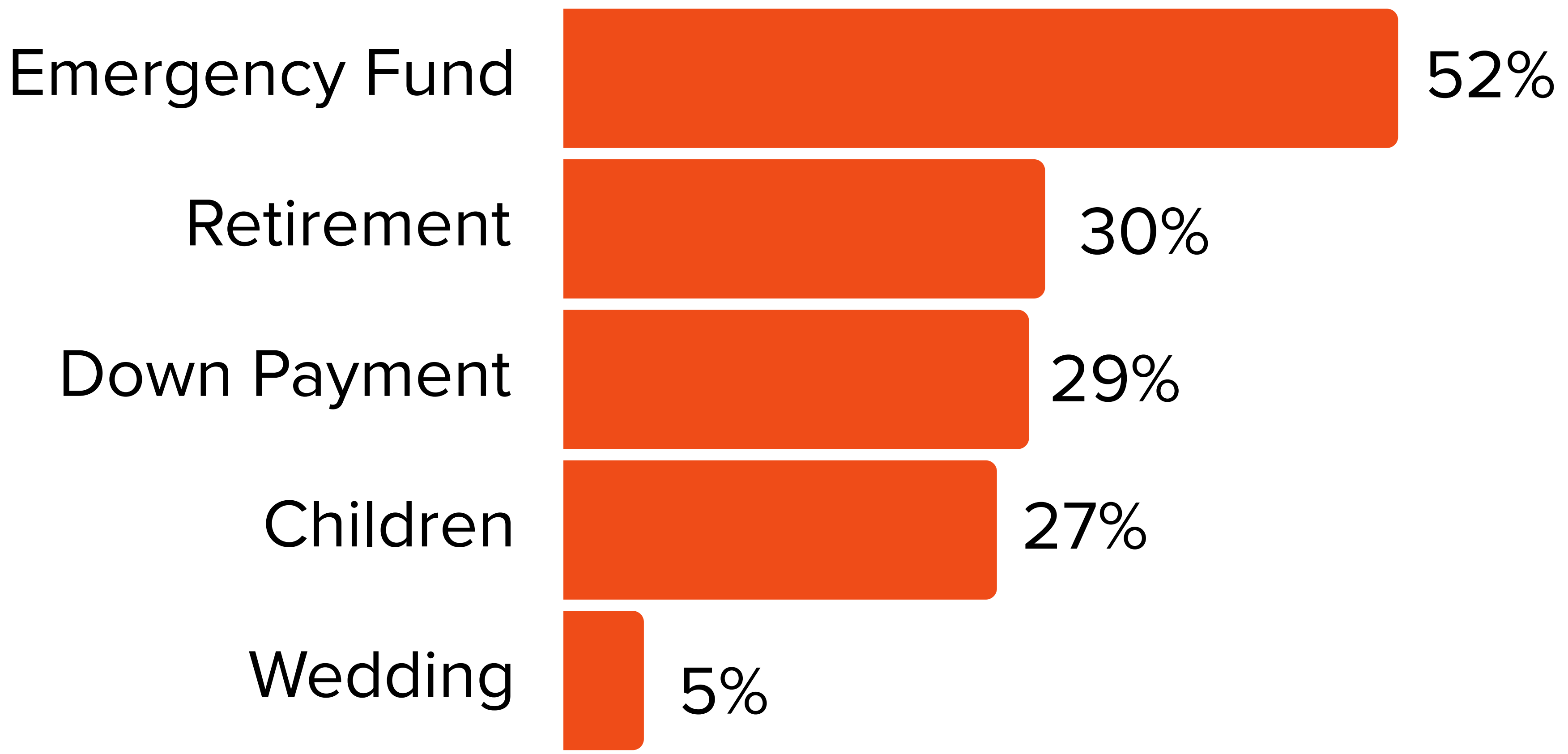
SAVINGS



Millennials are significantly more likely than Gen Z to have more than $10k saved (18% vs 10%)

NEXTGEN

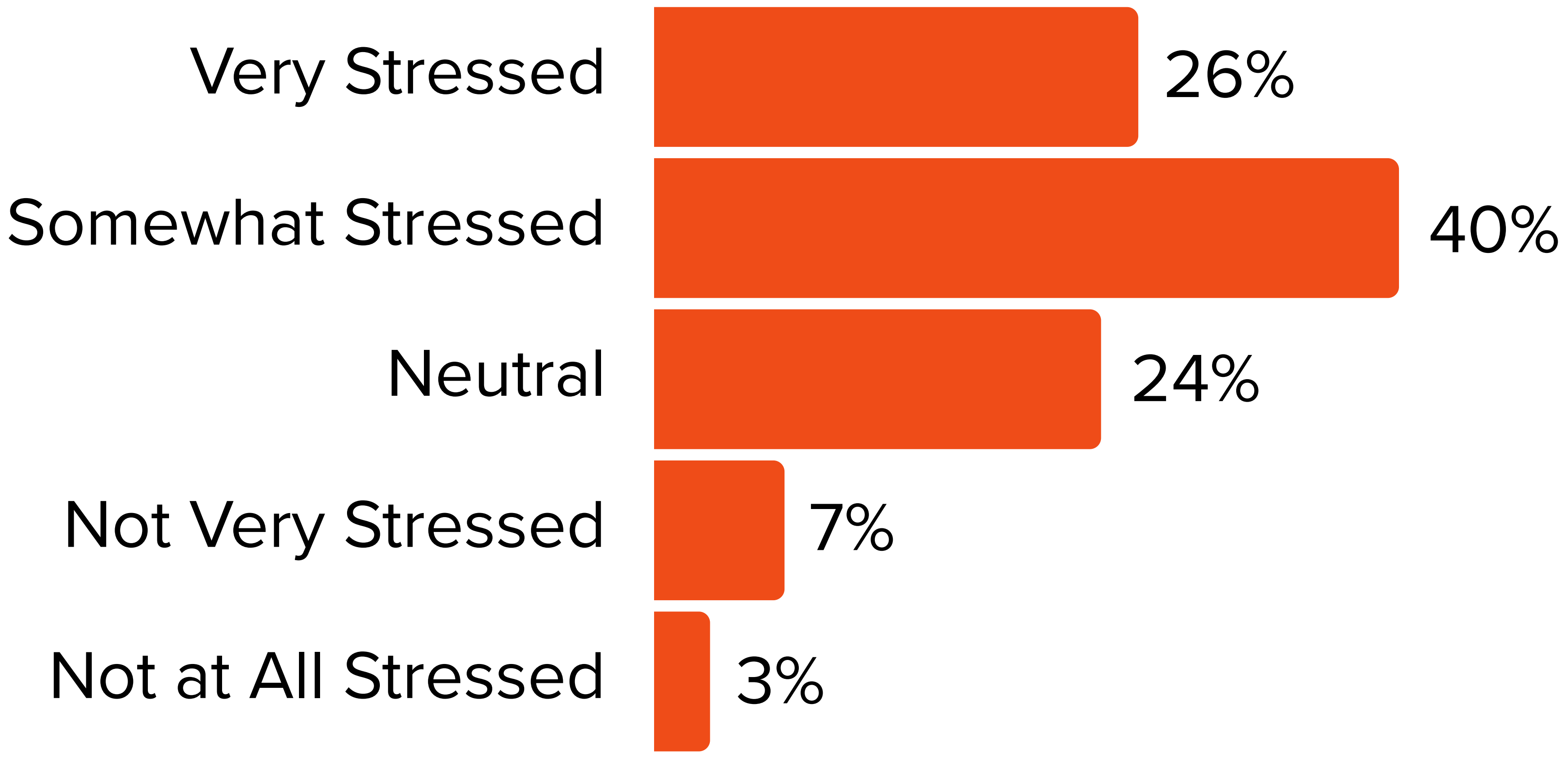
SAVINGS GOALS



18% of NextGen reported having no emergency savings, but **16%** have saved over $10,000

NEXTGEN

Financial Stress is Improving, But Still High



26% of NextGen consumers report being very stressed about finances – a decrease from 33% last year.

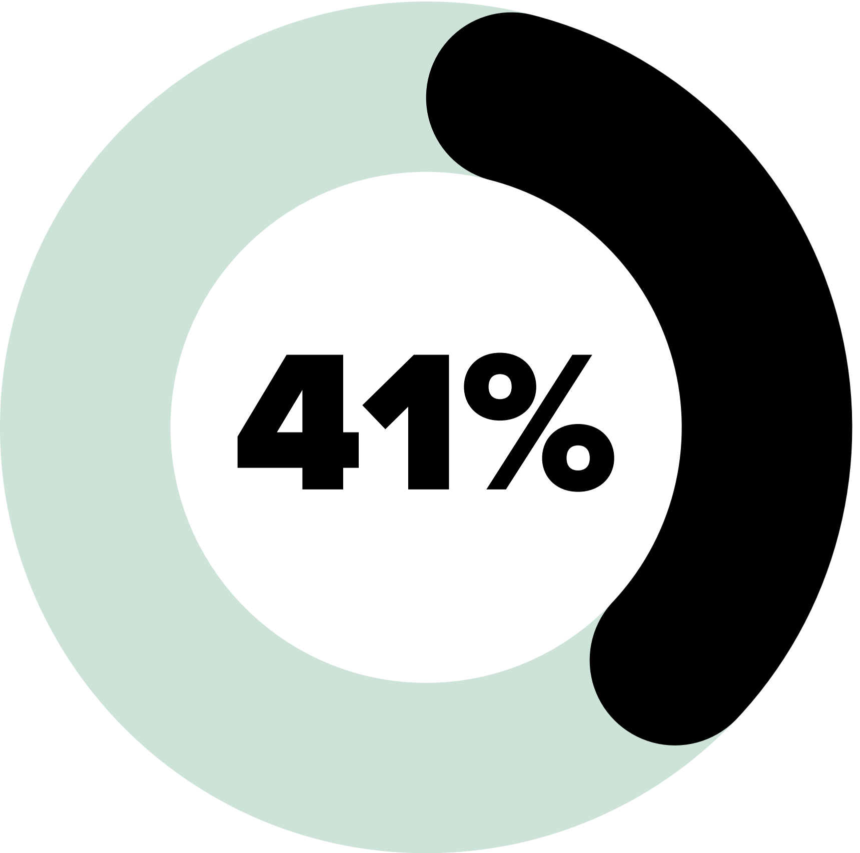
02

HOMEBUYING PERSPECTIVE

Homeownership remains a goal for most NextGen buyers, yet affordability challenges and market uncertainty continue to shape their journey. This section explores how buyers perceive the market, what's holding them back, and the creative solutions they're considering.

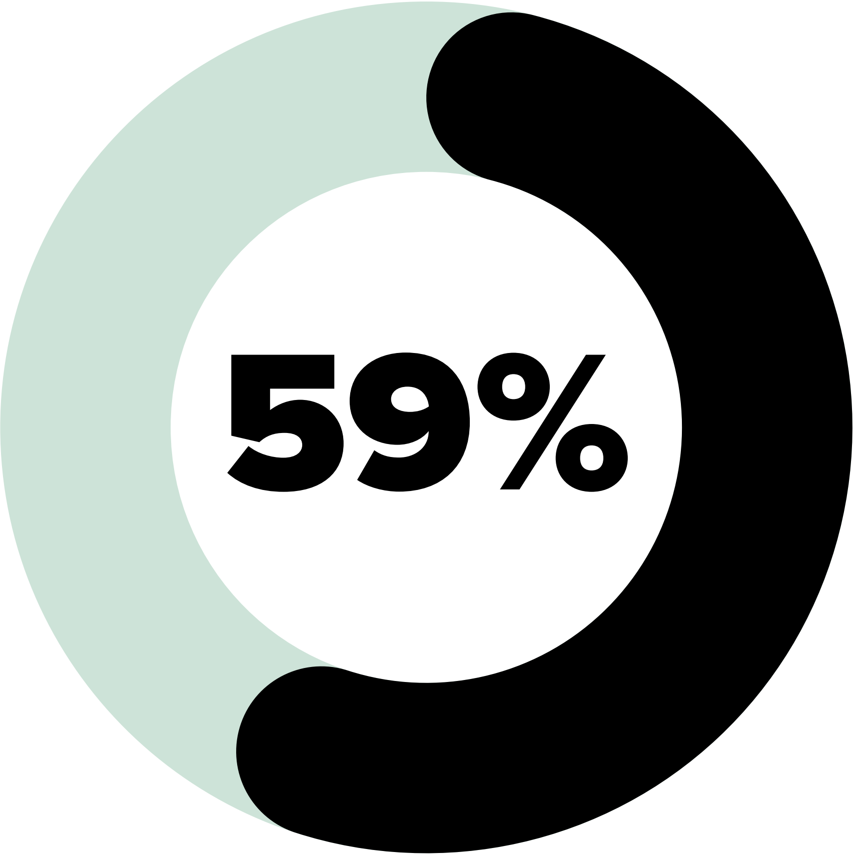
NEXTGEN

ACCESS



FUTURE

41% believe homeownership will be accessible to the next generation.



ATTAINABLE

59% believe it is an attainable goal for them.

THE DREAM

95%

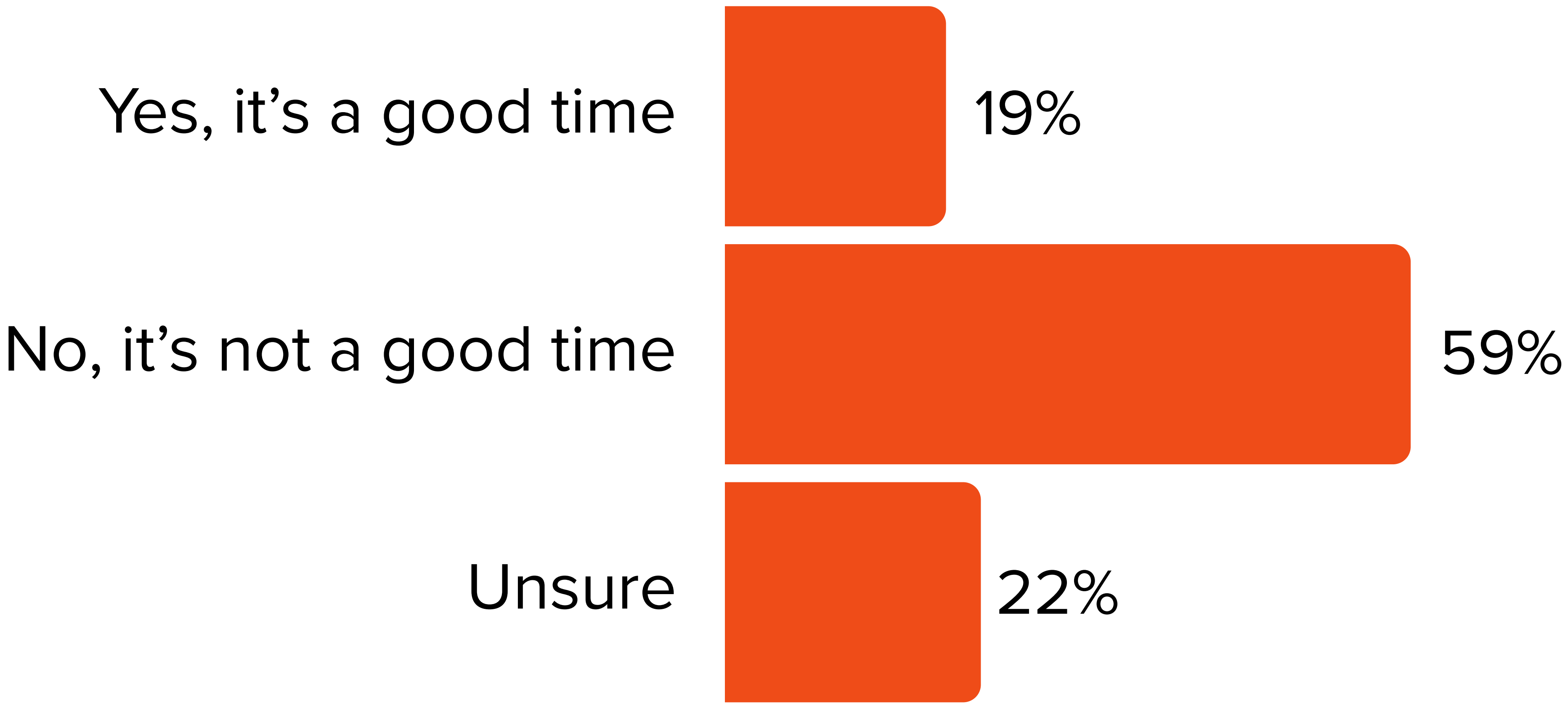
would like to become homeowners.

35%

believe homeownership is just a dream.

NEXTGEN

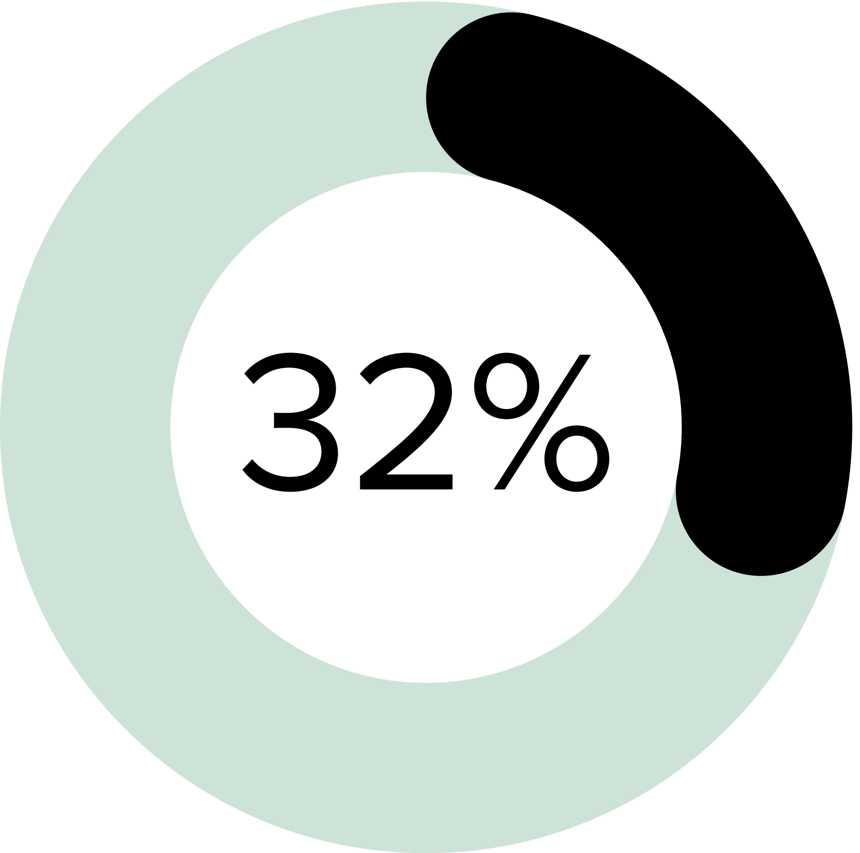
Only 19% believe <u>now</u> is a good time to buy a home



68% of Gen Z vs. 57% of Millennials believe now is <u>not</u> a good time to buy.

NEXTGEN

AFFORDABILITY



CO-BUYING

32% of Gen Z would consider co-buying to make homeownership more affordable.

UNCERTAINTY

40% of Millennials said uncertainty about the future was a current barrier to saving for a down payment.

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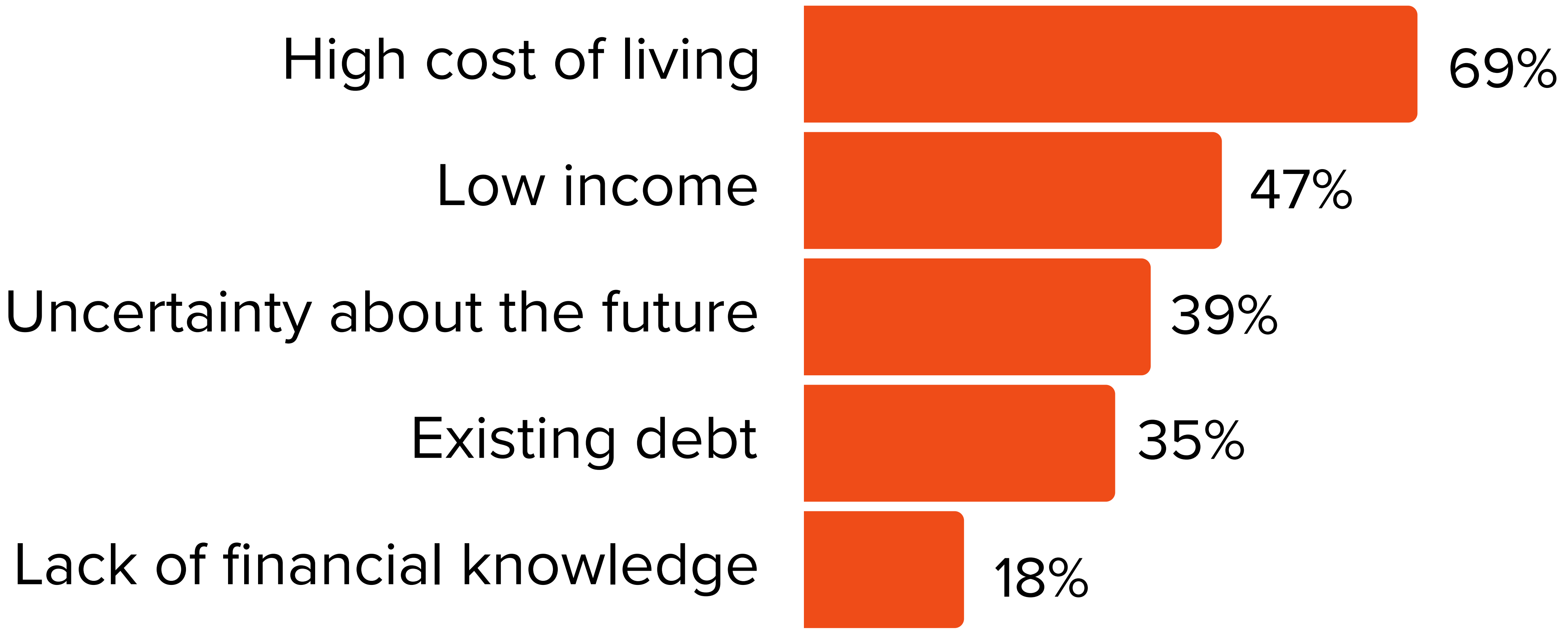
BARRIERS TO SAVING FOR A DOWN PAYMENT



56% of Gen Z vs 44% of Millennials say low income is a barrier to down payment

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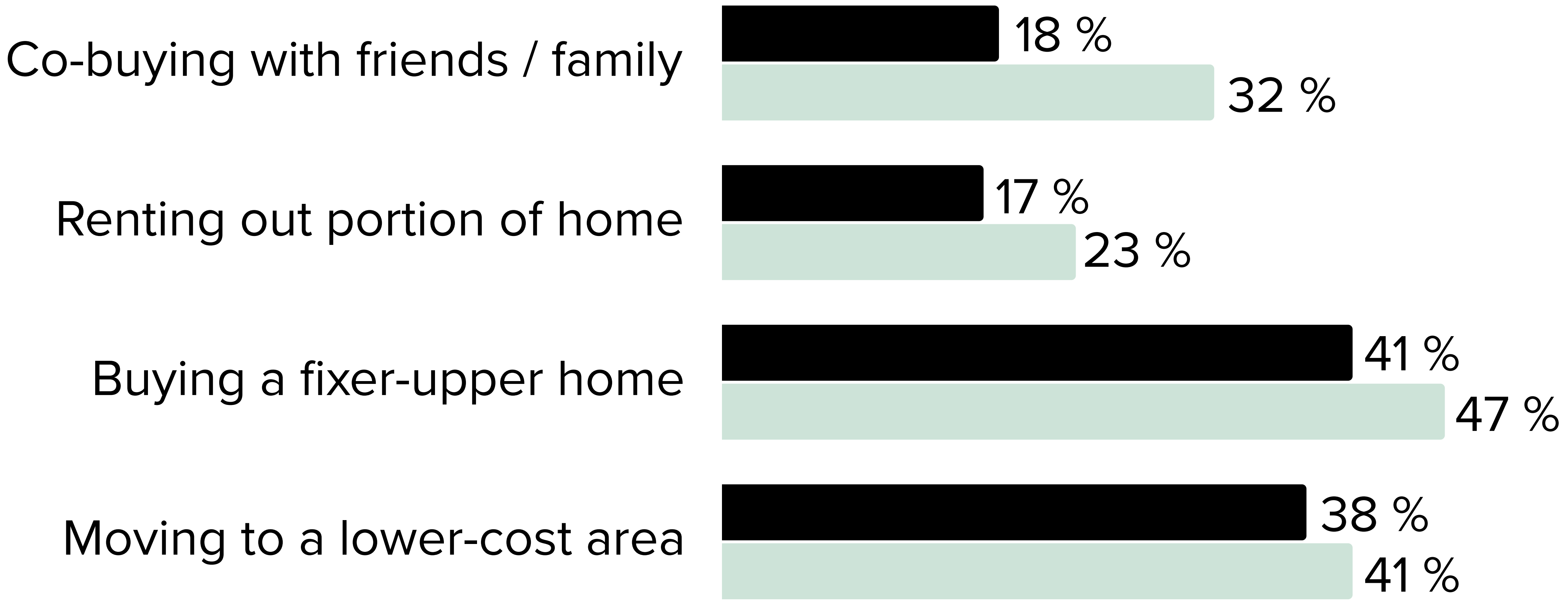
HOUSING STRATEGIES TO MAKE HOMEOWNERSHIP MORE AFFORDABLE



Gen Z 78% more likely to consider co-buying than Millennials.

03

HOMEBUYER CONFIDENCE

Trust in financial institutions and real estate professionals is at an all-time low, with trust in loan officers dropping to just 19.5% and bank trust falling from 61.5% to 40% in one year. Meanwhile, confidence in financial and homebuying knowledge varies significantly. This section uncovers the need for rebuilding trust and empowering buyers.

NEXTGEN

CONFIDENCE

KNOWLEDGE

42% are confident in their knowledge of buying a home.

ACCESS

Less than half are confident in their **ability to buy** a home in the next **5 years**.

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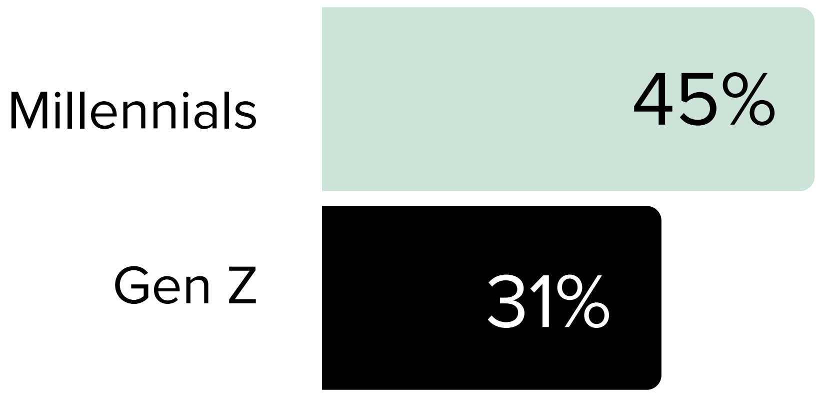
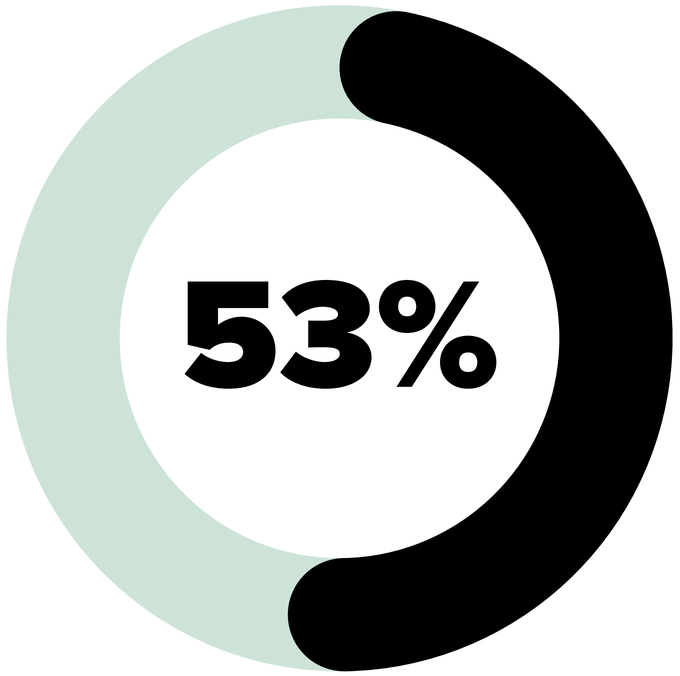
FINANCIAL LITERACY EDUCATION



FINANCIAL KNOWLEDGE

Half are confident in their knowledge about personal finance with Gen Z reporting significantly lower confidence levels.



EDUCATION IN SCHOOL

Over half (**53%**) said personal financial education was not taught in school. An additional **29%** said it was optional or a short lesson.

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TRUST

LOAN OFFICERS

20% trust loan officers to help them make smart decisions about their mortgage.

REALTORS

33% trust Realtors to help them make smart decisions about their home.

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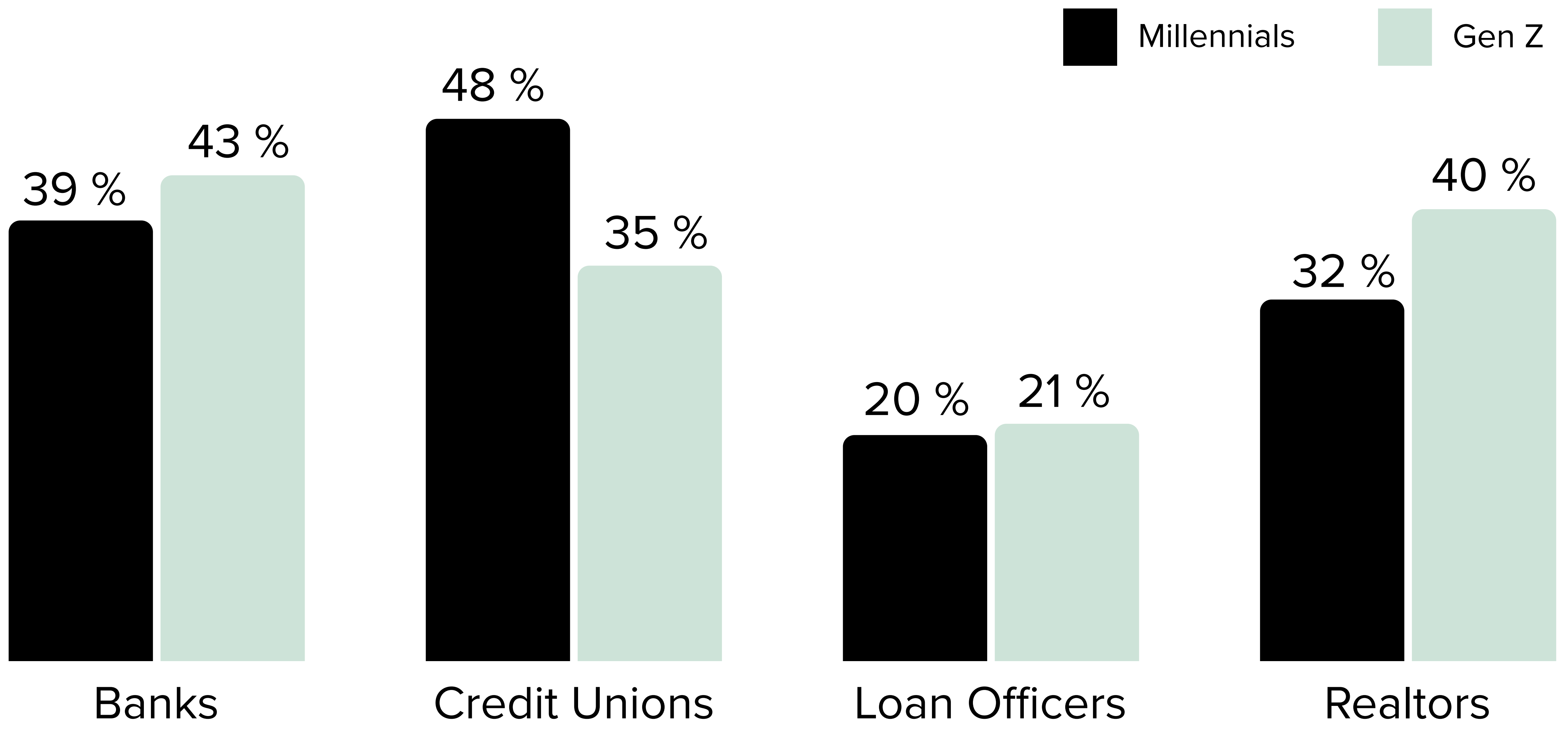
Distrust Across Housing & Finance



04

INFORMATION ACCESS

The way NextGen buyers learn about homeownership is evolving, with social media (40% of Gen Z), AI tools (43% of Gen Z), and YouTube (66% of all respondents) playing a major role in their research process. This section examines where buyers are getting their information and how industry professionals can meet them where they are.

NEXTGEN

SOURCES

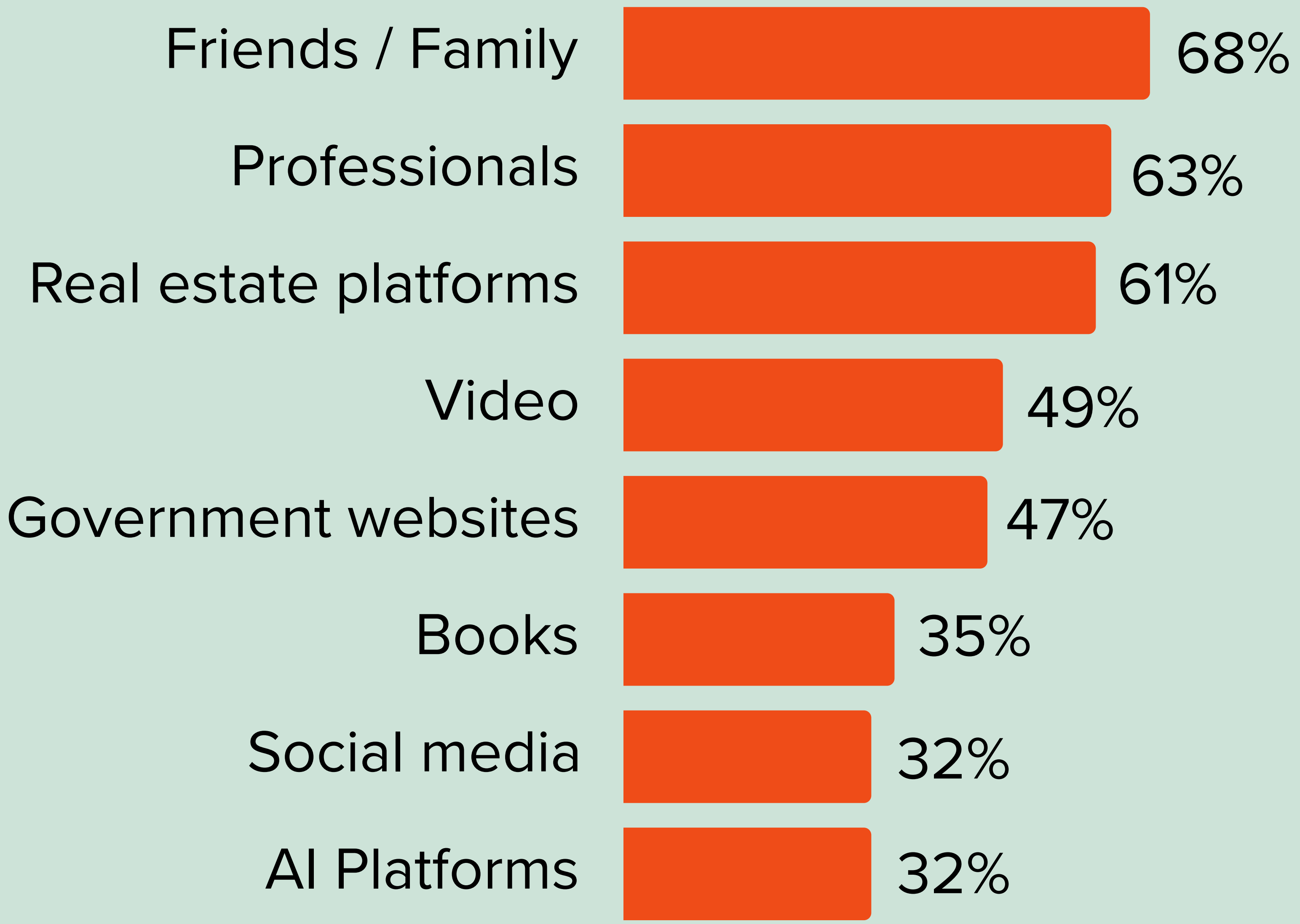
SOCIAL MEDIA

40% of Gen Z report using social media for homebuyer information.

YOUTUBE

66% of NextGen cite YouTube as their go-to source for homebuyer information.

WHERE NEXTGEN SEARCH FOR INFORMATION ABOUT HOMEBUYING



GENERATION

40% of Gen Z vs. 30% of Millennials reported using social media for homebuyer information.

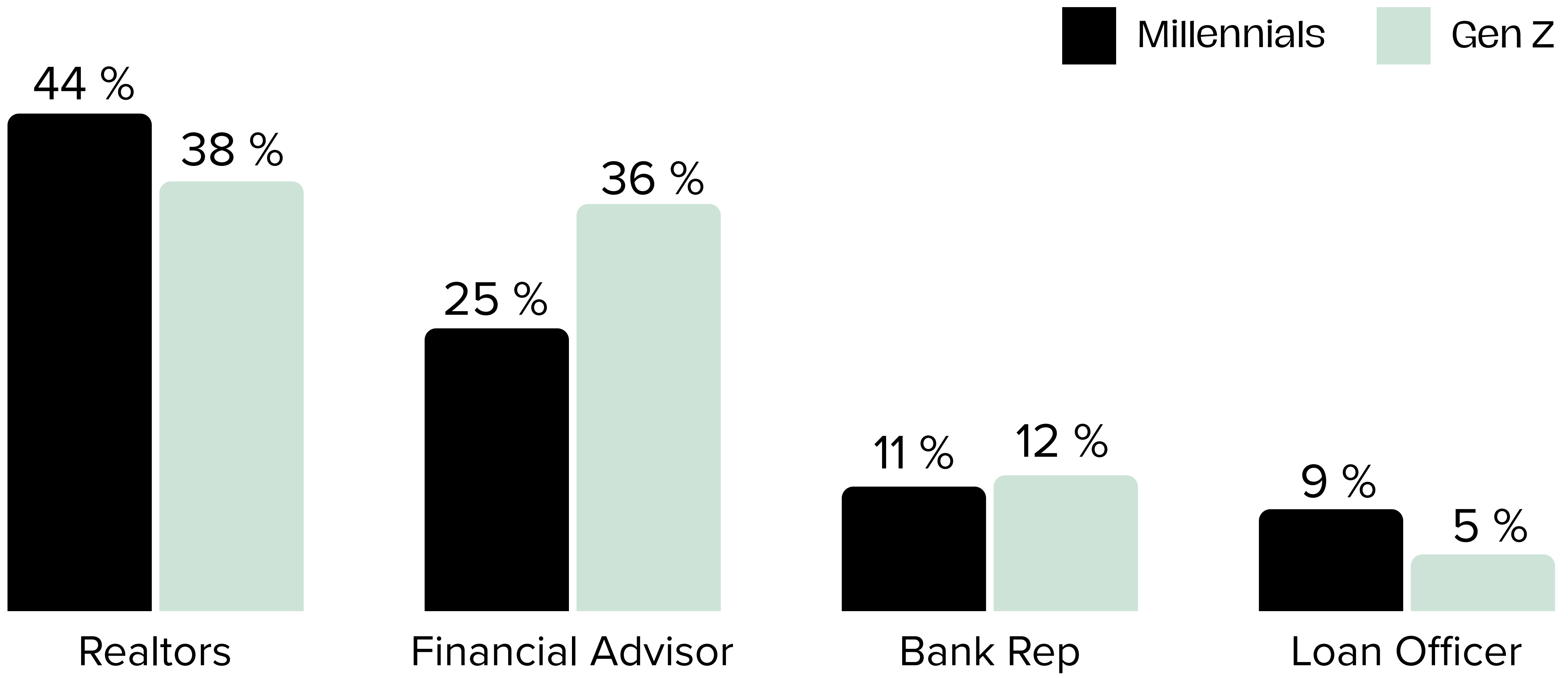
RACE

Black respondents were significantly less likely than White, Non-Hispanics to cite friends and family (59% vs. 71%) or professionals (57% vs 66%) as resources they would leverage in the homebuying process.

GENDER

Women were more likely to leverage real estate platforms like Zillow and Redfin than men (65% vs 58%).

If you were to buy a house today, who would you turn to first for guidance?



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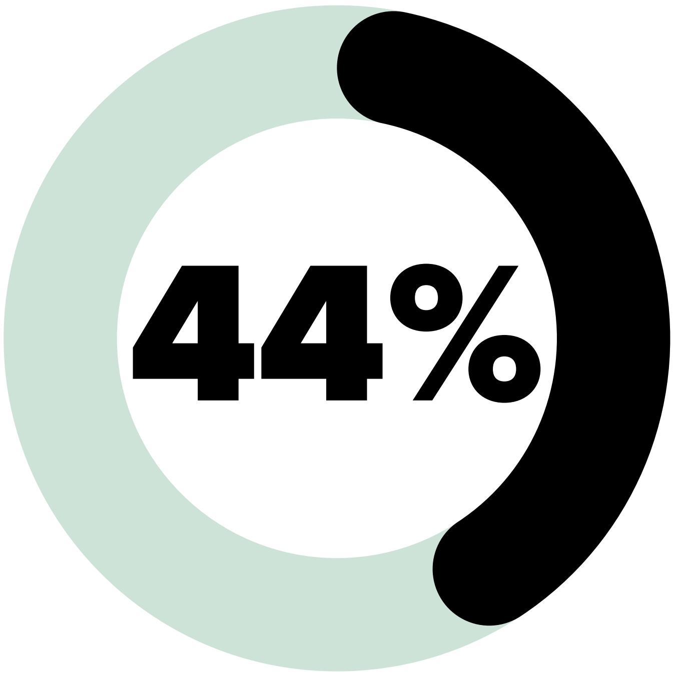
APPS & AI

"What tools do you use to gather information about homebuying?"

CHATGPT

34% of millennials and **43%** of Gen Z leverage ChatGPT or other AI tools



PERSONAL FINANCE APPS

44% of NextGen leverage personal finance apps

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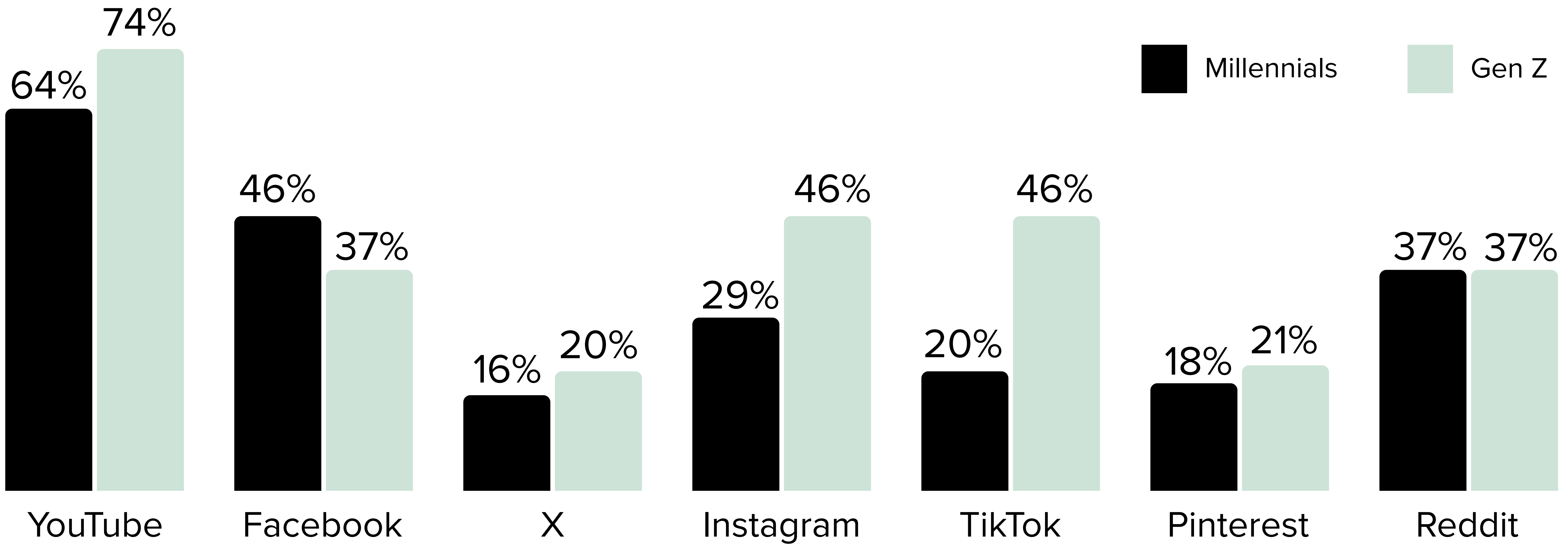
SOCIAL MEDIA

"Which social media platforms would you use to gather information about the homebuying process?"



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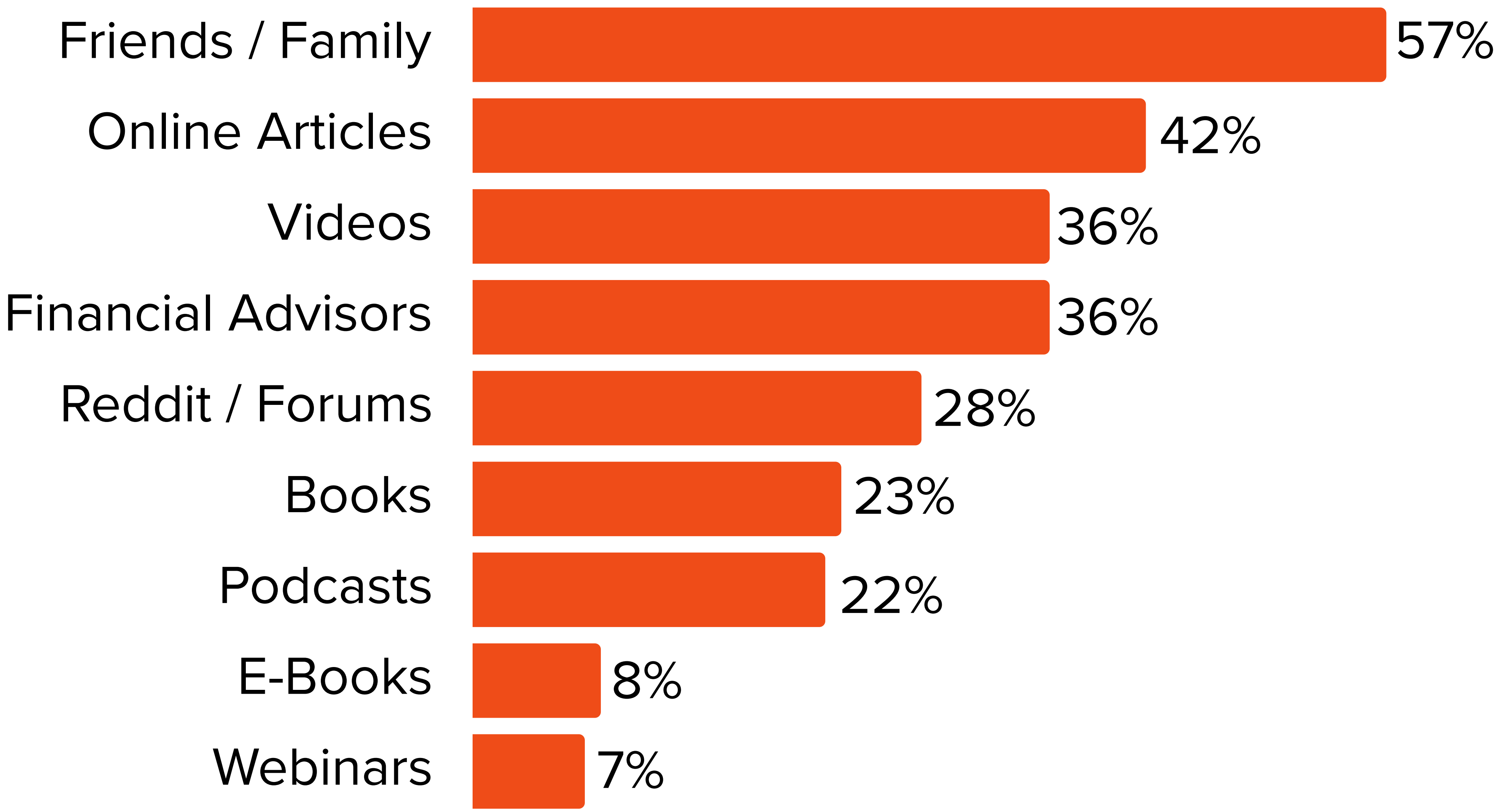
PREFERRED CONTENT

“What type of content has been most helpful to you in learning about financial or homebuying education?”



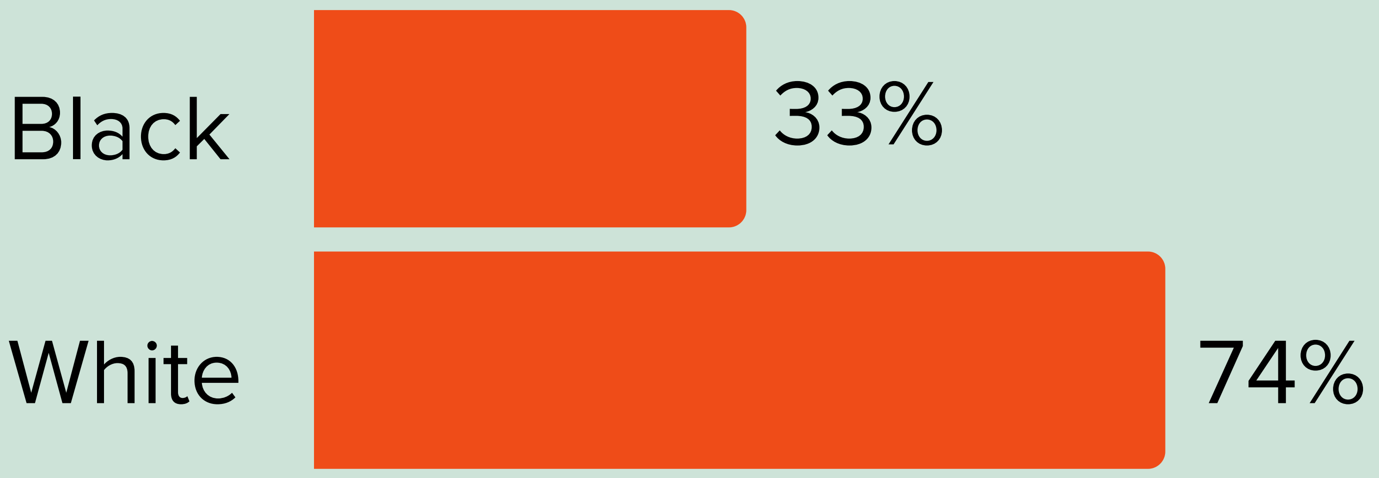
SPOTLIGHT:

DEMOGRAPHIC DISPARITIES IN HOMEOWNERSHIP

Persistent gaps in homeownership rates across racial, ethnic, and gender lines highlight the need for targeted solutions. These disparities stem from historical and systemic challenges, as well as evolving economic conditions. Understanding these trends is critical to addressing the structural barriers that continue to limit access to homeownership for underrepresented groups. The following spotlights explore key findings from our research on Black, Latino, and Women homebuyers, however, more research is needed.

BLACK HOMEOWNERSHIP

THE GAP



Only 33% of Black Americans own homes vs. 73.8% of non-Hispanic Whites—fueled by historically racist policies like redlining and exclusion from wealth-building opportunities.

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OPTIMISM

ACCESSIBILITY

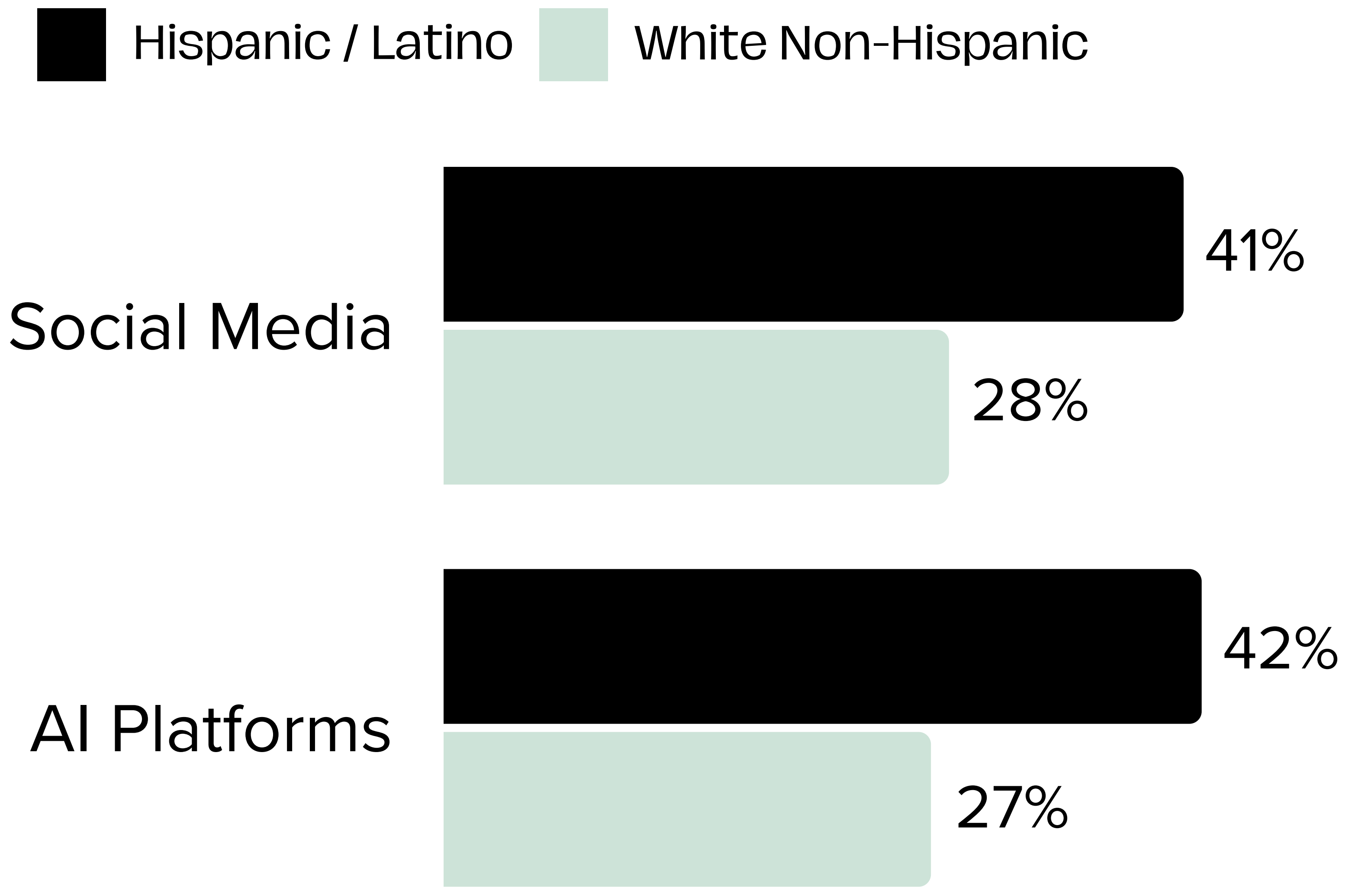
59% said homeownership was within reach for the next generation (vs 34% Non-Hispanic White).

ATTAINABILITY

67% believe it is an attainable goal for them (vs 58% Non-Hispanic White).

NOTE: While this study shows some optimism among Black NextGen respondents, more research is needed.

LATINO HOMEOWNERSHIP



GROWING MARKET

Latino homeownership reached 49.5% in 2023, but still lags behind 73% for non-Hispanic White households.

AFFORDABILITY STRATEGIES

Latinos are more likely to co-buy, rent out a room, or move to lower-cost areas to achieve homeownership.

OPTIMISM

43% believe homeownership will be accessible for the next generation (vs. 34% non-Hispanic Whites), and 23% say now is a good time to buy (vs. 14% non-Hispanic Whites).

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NEXTGEN HOMEBUYER REPORT

WOMEN & HOMEOWNERSHIP

confidence

in knowledge of homebuying

AFFORDABILITY CHALLENGES

Despite high homebuying rates, women remain much less confident in their knowledge and ability to buy a home (38% vs 47%).

LESS LIKELY TO HOUSE HACK

Women are less likely to consider house hacking as a homebuying strategy (15% vs. 22%).

INFORMATION SOURCES

More women rely on real estate platforms like Zillow and Redfin for information (65% vs. 58% of men) and are more likely to reach out for professional advice first (67% vs 58% of men).

ABOUT FIRSTHOME IQ

FirstHome IQ is a nonprofit organization, dedicated to financial literacy and homebuyer education for the next generation. FirstHome IQ offers online courses, live presentations, and free resources for teachers and schools.

FirstHome IQ's Ambassador program provides over 90 industry professionals with educational social media content, marketing resources, and educational materials to bring financial literacy to their communities. Ambassadors donate their time and money to support the mission.

LEARN MORE ABOUT THE AMBASSADOR PROGRAM AT FIRSTHOMEIQ.COM/AMBASSADOR.

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ABOUT NATIONAL MI

National Mortgage Insurance Corporation (National MI) is a U.S.-based, private mortgage insurance company established with a mission to enable low down payment borrowers to realize homeownership, while protecting lenders and investors against losses related to a borrower's default.

We take a straightforward approach to both our products and practices to ensure lenders' confidence in the loans they place with us. We adhere to high standards in insurance underwriting and processing, and customer service. National MI is committed to delivering mortgage insurance solutions that provide a path to coverage certainty.

FOR MORE INFORMATION ON NATIONAL MI, VISIT NATIONALMI.COM.

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