

2026 NextGen HOMEBUYER REPORT



By Kristin Messerli

The American Dream, Reimagined

Survey of 1,000 Gen Z and Millennial consumers in January, 2026 |
A research project of 9,000+ cumulative respondents since 2020

INTRODUCTION

Since I began researching young consumers over a decade ago, I have always reported hesitation and distrust from consumer interviews. They're not sure who to trust or what to believe.

I initially chalked it up to the fact that Millennials entered adulthood during or immediately after the financial crisis. However, I think that's only one piece of an evolving picture of distrust in America. With instant access to information and the unveiling of corrupt incentives across all industries, consumers are (rightly) more conservative when they hear someone selling something.

In 2021, our second annual NextGen Homebuyer Report, sponsored by National MI, we discovered two in three Millennials and Gen Z felt lenders were not trustworthy or reliable. I've asked survey respondents a variety of questions around trust ever since.

This year, we deepened our understanding of the distrust and why this generation is so skeptical about housing professionals. Unsurprisingly, it's less about the knowledge itself. It's the system they work in.

NextGen expect the system to work against them, and they worry professionals will sell them on something that's not in their best interest. Only one in eight respondents said they trusted housing professionals would not take advantage of them.

This year's findings tell a story I think the industry needs to hear. It is a story about what happens when aspiration meets distrust. When financial discipline meets misinformation. When a generation that has done everything it was told to do—save, budget, check your credit—still doesn't believe it's enough, still doesn't trust the process, and is starting to walk away.

This report is written for mortgage and real estate professionals, housing policymakers, and anyone working to expand homeownership access. My hope is that it moves the conversation beyond knowledge and into the beliefs, emotions, and experiences that actually drive—or delay—the homebuying decision.



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6 YEARS OF STUDY

And What's New in 2026

The NextGen Homebuyer Report has been tracking Gen Z and Millennial attitudes toward homeownership since 2020. Each year the picture deepens.

Here's What's New This Year:

- **A validated trust battery.** For the first time, we deployed a seven-item trust scale adapted from established financial consumer research (FINRA, CFPB, Urban Institute, RAND). It reveals two distinct dimensions of trust—confidence in professionals and confidence in the system—that require two different solutions.
- **A cognitive overload scale.** A validated three-item battery measures not just whether buyers feel overwhelmed, but whether that overwhelm is causing them to avoid the process entirely.
- **Six years of data.** With 9,000+ cumulative respondents, we can now track longitudinal trends—and the patterns that won't go away, like the 20% down payment myth.
- **Measuring Trust and AI.** Over half of consumers would trust AI as much or more than humans with a personalized homebuying plan, but humans alone are trusted more than AI alone.

As in years past, NextGen continues to say they want homeownership, and they're doing the work. But they're held back by misinformation, a system they don't trust, and an overwhelming process. For industry professionals who want to win with this generation, they will need to speak to the myths, demonstrate they have the consumer's back, and lead with simplicity and clarity.

About NextGen Homebuyer Research

The 2026 NextGen Homebuyer Research Study is designed to provide insights into the evolving homeownership landscape for Gen Z and Millennial buyers. In its sixth year, this report presents its 12th study, utilizing data analysis from more than 9,000 respondents collected since 2020. The 2026 annual report is based on a survey of 1,000 individuals aged 18-44, conducted in partnership with National MI and FirstHome IQ, two organizations dedicated to expanding homeownership accessibility through financial education and lending solutions.

Our Sponsors



National Mortgage Insurance Corporation (National MI) is a private mortgage insurance company committed to enabling low down payment borrowers to achieve homeownership while protecting lenders and investors. National MI takes a straightforward approach to both products and practices to ensure lenders' confidence in the loans they place with us.

Learn more at NationalMI.com.



FirstHome IQ is a nonprofit organization focused on financial literacy and homebuyer education for the next generation. FirstHome IQ offers an Ambassador Program for loan officers and real estate agents to access a library of education materials and strategies to reach the next generation.

Learn more at FirstHomeIQ.com.

Background & Methodology

Study Design

The 2026 survey was administered in January 2026 via the Pollfish platform to a sample of 1,000 Americans ages 18–44. The sample is nearly evenly split between current homeowners (49%) and non-owners (51%), with representation across gender identities, racial and ethnic backgrounds, income levels, and education levels.

New this year: the survey incorporates a validated seven-item trust battery (adapted from FINRA, CFPB, Urban Institute, and RAND frameworks) and a three-item cognitive overload scale, providing the most rigorous measurement of buyer trust and emotional experience to date.

Demographic	Detail
Age range	18–44 (Gen Z and Millennials)
Sample size	1,000 respondents
Ownership status	49% owners / 51% non-owners
Collection period	January 2026
Platform	Pollfish
Cumulative series total	9,000+ respondents since 2020

A Note on Longitudinal Comparisons

This is the sixth annual edition of the NextGen Homebuyer Report (12th report in the series). While the core research questions have remained consistent, the survey instrument has evolved to incorporate validated measurement scales and new topics (such as AI adoption) as the landscape has changed. Comparisons across years should be understood as directional trends rather than strict apples-to-apples measurements.

Top Insights

BY KRISTIN MESSERLI

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NextGen Still Want to Become Homeowners – 8 in 10 report homeownership is essential to “making it.”

2

Confidence in the Investment has Fallen – Belief that homeownership is a good investment dropped by more than half from 88% to 41% since 2021.

3

The Down Payment Myth Persists – In 2026, only 8% correctly identified minimum down payment required and only a quarter could answer correctly the function of mortgage insurance.

4

Only 1 in 8 Trust the System – Just 12% are not worried about being taken advantage of by a housing professional.

5

Homeownership Feels Harder – Three-quarters of NextGen buyers believe homeownership is harder today than it was for their parents.

6

Overwhelm Is Driving Disengagement – 63% feel overwhelmed by homebuying information, 42% put off talking to professionals, and 37% avoid thinking about it entirely.

7

Considering Alternative Strategies – Over 40% would downsize or relocate to a lower-cost area, one-third would use down payment assistance programs, and a quarter would co-buy or rent a room.

8

AI Hits the Realism Phase – After surging to 60% intent in mid-2025, AI adoption has settled at 33%. ChatGPT leads at 45%, but humans are still trusted more — for now.

9

They're Closer Than They Think – Two-thirds save regularly, three-quarters budget, and over 40% would relocate or downsize. NextGen is financially engaged but held back by myths about what it actually takes to qualify.

10

Experience Nearly Doubles Trust – Only 25% of non-owners believe a professional would recommend what's best. After buying, that jumps to 48%. The first interaction is everything.

Visit NextGenHomebuyer.com or NationalMI.com/NextGen-Resources to download the report, slides, and resources.

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CHAPTER 1

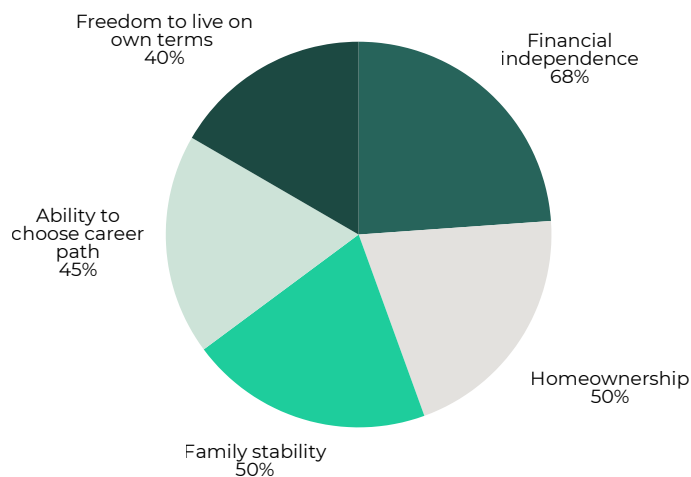
Today's American Dream

Is the Dream Still Alive for NextGen?

What does homeownership mean to this generation? This chapter explores the emotional and financial relationship NextGen has with the American Dream, and why, despite deep commitment to the idea, their confidence in it as a realistic path has been cut nearly in half.

Homeownership Remains Central to the American Dream

When asked what they associate with the American Dream, financial independence leads at 58%, followed closely by homeownership at 50% and stability for family at 50%. Career choice (45%) and freedom to live on one's own terms (40%) round out the top five. Respondents could choose up to two answers.



8 in 10 report
homeownership is
essential to “making it”

The aspiration is not fading—it is being reframed within a broader vision of financial autonomy and personal security. Half of all respondents still place homeownership at the center of their American Dream, even as the definition of that dream evolves.

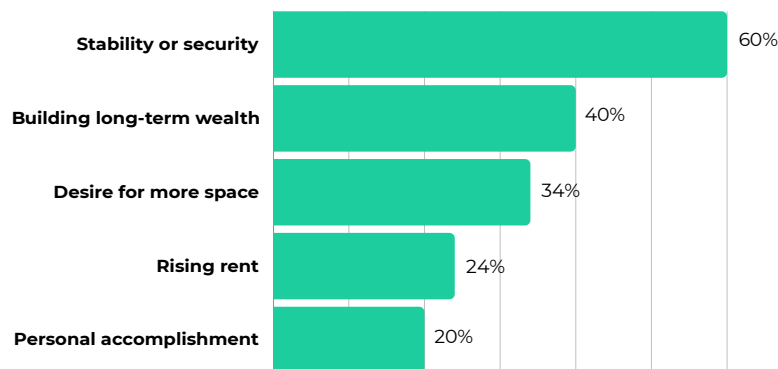
Racial Differences

Latino respondents emphasized family stability (61%), and Black respondents emphasized homeownership (52%) greater than White respondents (41%).

Stability is the Main Reason to Buy for NextGen

The motivation behind the desire is telling. Sixty percent name stability or security as a top reason for wanting to buy—twenty points ahead of building long-term equity (40%). A desire for more space follows at 34%, rising rent at 24%, and personal accomplishment at 20%.

This is a meaningful shift from the pre-pandemic framing that positioned homeownership primarily as an investment vehicle. Today's NextGen buyers are seeking a foundation—a place of security—rather than a financial strategy. When nearly eight in ten (78.5%) say homeownership is essential or important to 'making it,' they mean making a life, not making a profit.



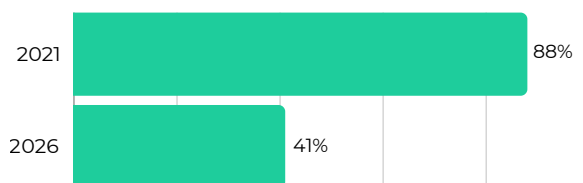
60% name stability
as a top reason to
buy, vs 40% for
building wealth

“What is the primary reason you bought or want to buy a home?” n=808

“We Missed the Boat”

Many Millennials and Gen Z feel they missed the boat when it comes to homeownership as a good investment. Despite the enduring aspiration, confidence in homeownership as a smart financial decision has cratered from 88% in 2021 to just 41% in 2026.

That is a 47-point drop in five years. Only 16% describe themselves as 'extremely confident' that buying now would be a good investment.



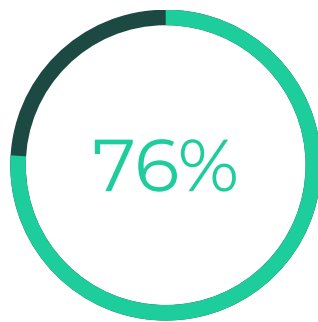
“Homeownership is a good investment” n=2,000

Belief that
homeownership is a
good investment
dropped by more than
half since 2021

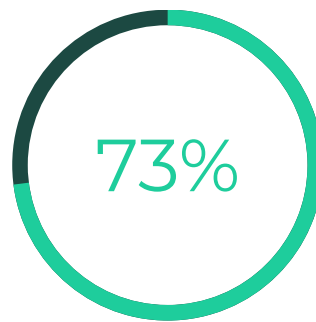
Not Your Parents' Mortgage

Three-quarters of NextGen buyers believe homeownership is harder today than it was for their parents' generation. More than half (50%) describe it as 'much harder.' Among non-owners who say homeownership is not a current priority, nearly three in four point directly to affordability as the reason.

The perception is not unfounded. Rising home prices, elevated interest rates, and stagnant wage growth relative to housing costs have created what many respondents perceive as a structural barrier—one that hard work and discipline alone cannot overcome.



Three-quarters of NextGen buyers believe homeownership is harder today than it was for their parents.



Of non-owners, three in four cite affordability as the reason for not making homeownership a priority

CHAPTER 2

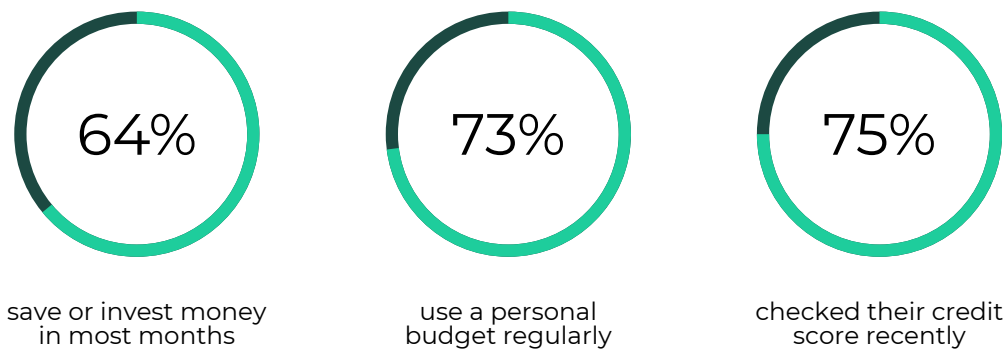
Homebuyer Readiness

It May Be Closer Than They Think

The myth that they need a 20% down payment remains strong. This generation is working hard to be financially smart and may think they need more to qualify than they actually do.

They're Financially Engaged

This population is doing the work. Gen Z has always been known as a more conservative generation, but according to this survey, Millennials are putting in the work now too.



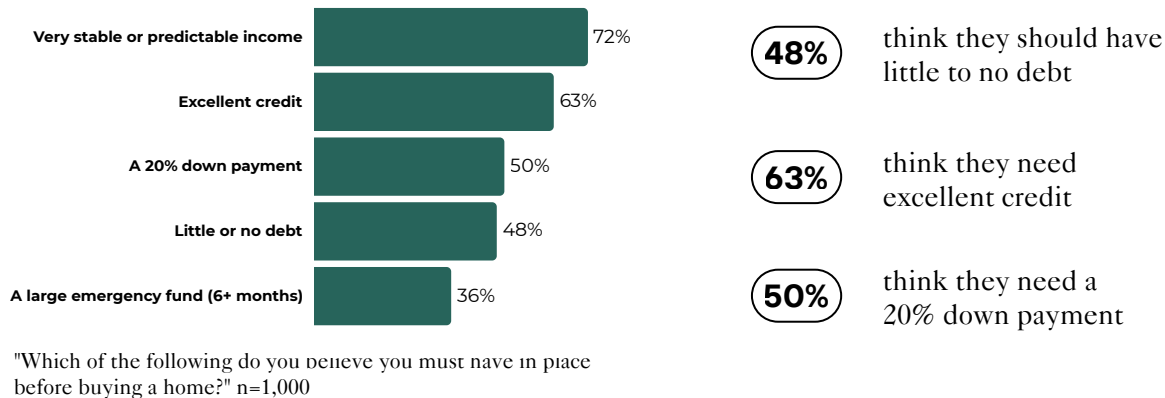
The youngest respondents (ages 18–24) show particularly strong saving habits; 68% say they save or invest money in most months. Tendencies for budgeting and credit monitoring increase with age. These are not behaviors of a generation that is financially irresponsible—they are behaviors of a generation that takes financial preparation seriously.

Gender Differences

Men are more likely to save regularly (72% vs. 56%), more likely to maintain a budget (81% vs. 68%), and more likely to already own a home (57% vs. 43%). Worth noting, women's actual financial knowledge scores are nearly identical to men's, as the 2025 Financial Literacy Edition demonstrated.

The Overqualification Myth

Despite strong financial habits, NextGen buyers may be over-prepared—setting a bar for themselves that exceeds what is actually required. While being conservative around a major financial purchase is prudent, debt or gig work may prevent them from buying unnecessarily.

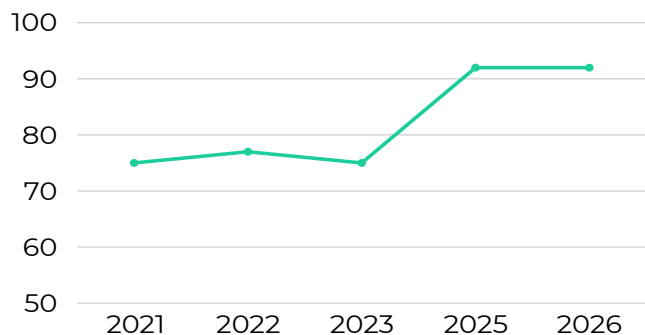


For the Industry

Many potential buyers are already closer to homeownership-ready than they believe. Messaging that normalizes imperfect starting points—"You don't need perfect credit or 20% down to start"—could unlock a significant pool of hesitant but capable buyers.

The 20% Down Payment Myth: Six Years and Counting

The most persistent finding in six years of NextGen research is the down payment myth, and it doesn't matter whether you've bought a home or not. Across six years and more than 9,000 respondents, this myth has proven extraordinarily resistant to correction:



The 20% myth persists equally among owners and non-owners.

Note: 2021-2023 respondents were asked directly about 20%, while 2025-2026 respondents were asked to correctly identify the minimum down payment, which reflects the jump in incorrect responses. N=5,000

The myth persists equally among current homeowners and non-owners—meaning that even going through the homebuying process does not correct it. This is perhaps the single most actionable finding in the report: the 20% myth is a functional barrier that may delay homeownership for millions.



Only 8% correctly identified minimum down payment required



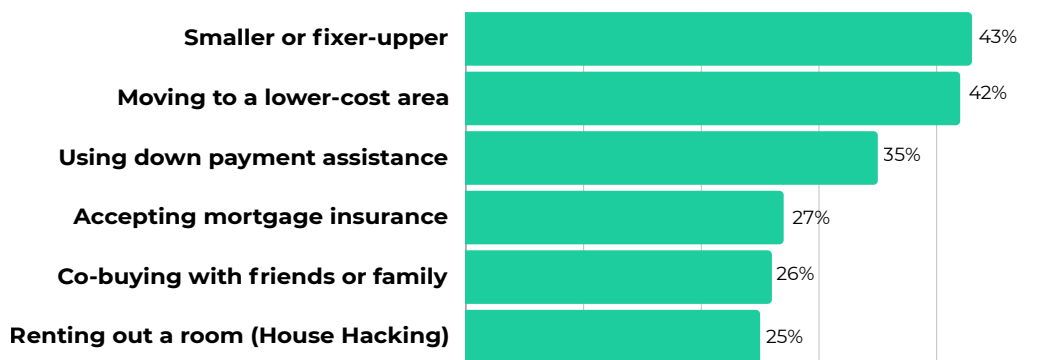
Only 1 in 4 understand the function of mortgage insurance

Why This Matters

Buyers who believe they need \$60,000+ to purchase a \$300,000 home may delay for years or give up entirely, when in reality they may qualify with \$9,000 down. Correcting this single misconception could accelerate homeownership timelines for millions.

Flexible, Creative, and Closer Than They Think

Despite the myths, NextGen buyers are remarkably willing to adapt. Over 40% would downsize or relocate to a lower-cost area, about one-third would use down payment assistance programs, and roughly a quarter would co-buy or rent out part of their home.



“Which arrangements would you consider to make homeownership more affordable?” n=1,000

CHAPTER 3

Trust & Confidence

Distrust in the System Creates a Real Barrier to Homeownership

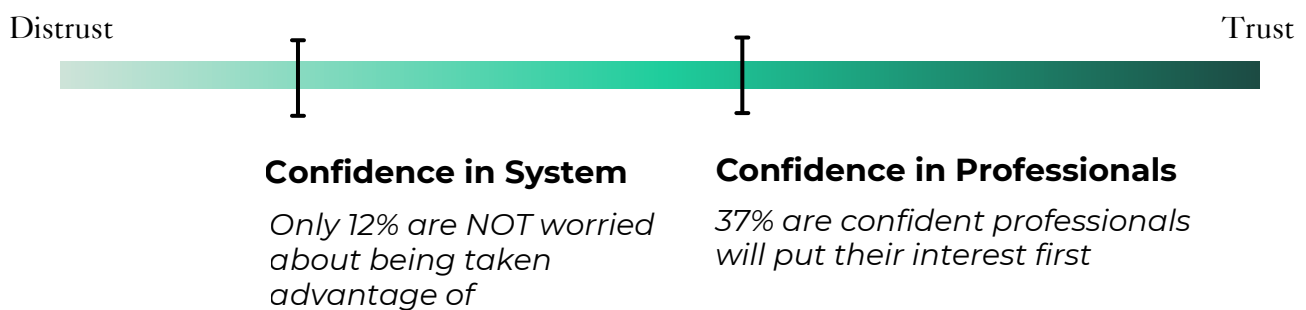
This section explores the emotional and psychological landscape of the homebuying journey: who buyers trust, what they fear, and why so many are paralyzed by the process. Over six years of NextGen research, we have evolved from asking “Do you trust lenders?” to understanding the nuanced dimensions of trust in mortgage relationships.

The 2026 survey deployed a validated seven-item trust and vulnerability battery alongside a three-item cognitive overload scale, providing the most rigorous measurement of buyer trust to date.

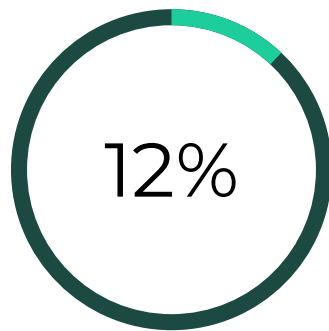
Two Kinds of Trust

Confidence in professionals measures whether buyers believe professionals are competent and well-intentioned: Do they have the knowledge to give good advice? Do they put clients' interests first?

Confidence in the system measures whether buyers believe the incentive structures of the housing industry protect them: Do agents push higher-priced homes for commission? Will loan officers withhold better options?



Nearly two-thirds trust that mortgage and real estate professionals know what they are talking about. But barely more than a third believe those same professionals are working in the client's best interest. This is not about competence. It's about alignment.



1 in 8

Only 1 in 8 NextGen buyers are confident they won't be taken advantage of by a housing professional.

12% disagree or strongly disagree that mortgage professionals might try to take advantage of them. N=1,000

Knowledge Is Trusted. Motives Are Not.

The core finding is a stark disconnect between perceived competence and perceived alignment:



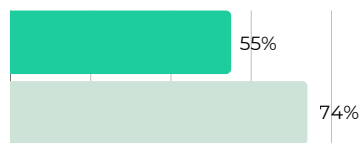
believe professionals have the knowledge to provide good advice



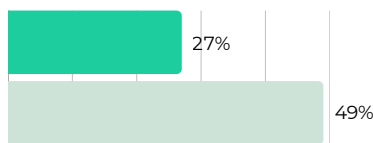
believe professionals put clients' interests ahead of their own

But here is the good news: experience nearly doubles trust. The gap between owners and non-owners is significant across all three items:

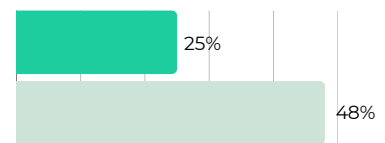
■ non-owner ■ owner



Knowledgeable enough



Will put my interests first



Will recommend what's best even if they earned less

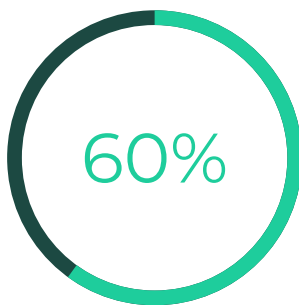
For the Industry

Rebuilding trust requires addressing incentive alignment, not just education. Buyers need to believe you are on their side, not just that you are good at your job. Transparent fee structures and proactive disclosure of alternatives can help bridge the gap between perceived competence and perceived motives.

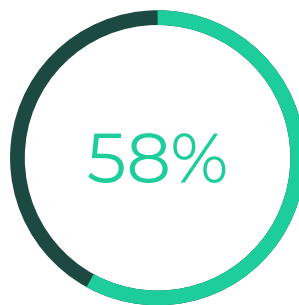
6 in 10 Expect the System to Work Against Them

The trust deficit has tangible emotional consequences. Roughly six in ten respondents express concern across three dimensions: 60% worry about being taken advantage of, 57% are concerned about not being told about better options, and 58% fear being pressured into decisions they don't fully understand.

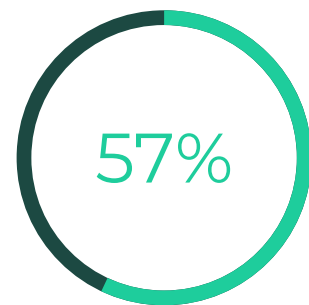
And unlike confidence in professionals, systemic skepticism does not improve with experience. Even experienced homeowners who have worked with professionals carry significant suspicion about incentive structures. The consistency of these concerns—hovering near 60% across all three items—suggests a deep-seated cultural skepticism that cannot be dismissed as mere unfamiliarity.



Fear being taken advantage of



Fear being pressured into bad decisions

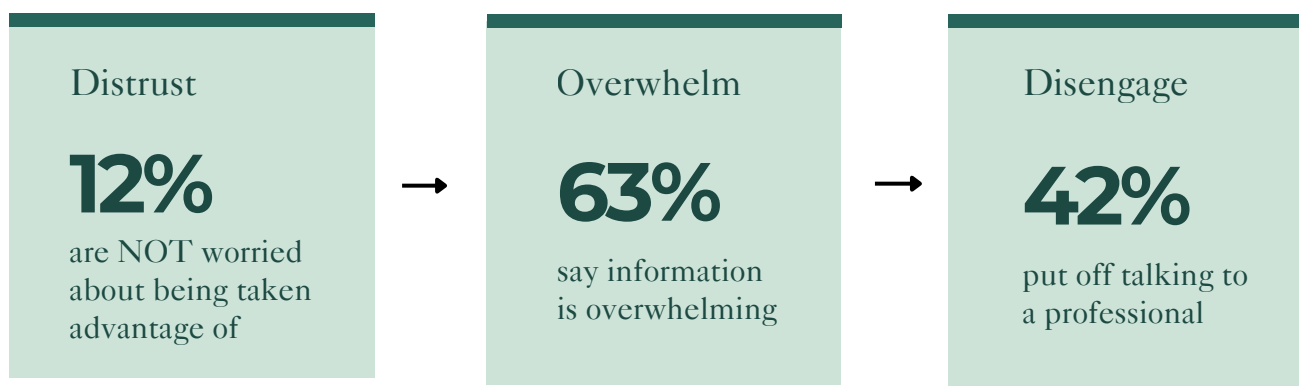


Fear not being told about better options

When Distrust Leads to Overwhelm

When buyers don't trust the system, they try to figure it out alone. And it backfires.

In 2025, over half of NextGen buyers reported feeling overwhelmed by homebuying information, and 72% wished financial resources were designed in a simpler, more visual way. This year, a validated three-item overload and avoidance scale confirms the pattern—and reveals that overwhelm is not just uncomfortable.



Buyers who don't trust the system try to navigate the process alone, get overwhelmed by the volume of information, and eventually stop engaging altogether. They are not disengaged because they don't care. They are disengaged because the process feels paralyzing.

Notably, Millennials are more likely than Gen Z to exhibit avoidance behaviors: roughly 44% of Millennials avoid thinking about homebuying (vs. 34% of Gen Z), and 46% put off talking to professionals (vs. 37% of Gen Z). This may reflect accumulated frustration—years of housing market challenges that wear down engagement over time.

More Information is Not Necessarily Better

In 2025, over half of NextGen buyers said they were overwhelmed by homebuying information. This year, a validated 3-item overload and avoidance scale confirms the pattern.



Six in ten feel overwhelmed, and roughly four in ten either avoid thinking about homebuying entirely or delay engaging with professionals because the process feels too daunting. This avoidance has real consequences: delayed timelines, missed opportunities, and a widening gap between aspiration and action.

More is Not Better

The goal is not more education—it is better-designed education: visual, modular, bite-sized, and designed for how people actually learn.

CHAPTER 4

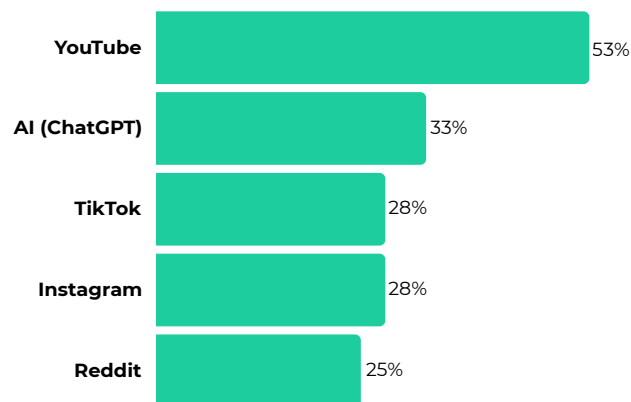
Information Access & AI

AI, Human Experts, and Community Working Together

This last chapter maps the information ecosystem NextGen buyers inhabit: who they turn to first, which platforms they trust, and how AI is reshaping the research phase. The picture is one of fragmentation—and emerging convergence around a hybrid model.

Where NextGen Researches Homeownership

Over 8,000 Gen Z and Millennials across six years of research have reported YouTube as their platform of choice for homebuyer education. When it comes to gathering information about the homebuying process, video and search dominate:



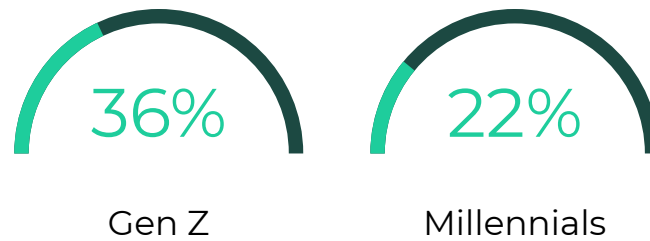
YouTube & ChatGPT
are top sources

"Which platforms would you use to gather information about the homebuying process?", n=1,000

Gen Z and Millennials Research Differently

While both generations converge on YouTube and real estate websites, they diverge on social media. More than one in three Gen Z buyers (36%) use TikTok for homebuying education, compared to just 22% of Millennials. Instagram shows a similar tilt (33% vs. 24%).

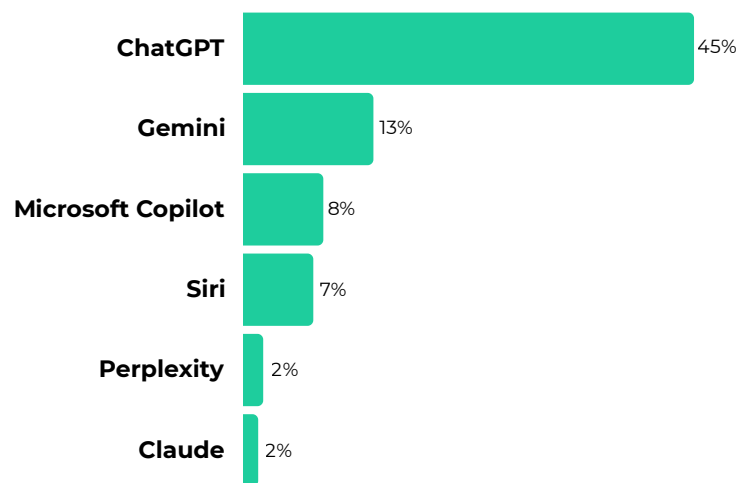
More than one in three Gen Z buyers use TikTok for homebuying education



AI Adoption: The Realism Phase

After surging through 2025, some skepticism around AI and subsequently AI adoption for homebuying research has stabilized. However, in 2026, about a third will integrate AI into their homebuyer journey, alongside professionals and peer networks.

ChatGPT Remains the Favorite Among NextGen



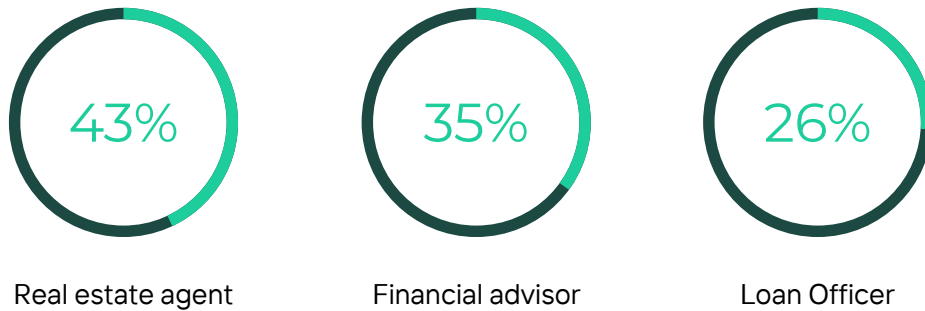
For homebuying research, nearly half would choose ChatGPT

""Which AI assistant would you most likely use?", n=1,000

Nearly half would choose ChatGPT, giving it a commanding lead. But about one in five say they would not use any AI assistant at all—the AI future is not universal. Millennials are significantly more likely than Gen Z to choose Gemini (18% vs. 7%), suggesting different adoption patterns across AI platforms.

Who They Turn to First

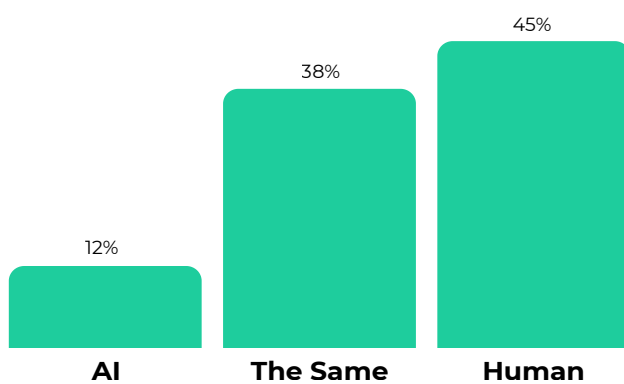
Real estate agents are still the first call for the majority of renters and owners considering purchasing a home. However, owners were more likely to call on a loan officer first, while non-owners were more likely to turn to a financial advisor.



Humans Are Trusted (Slightly) More Than AI

When asked who they would trust more with a personalized homebuying plan: 45% trust human professionals more, 38% trust both about equally, 12% trust AI more, and 6% would not trust either.

Put one way, humans have the advantage.



A third trust AI and humans about the same with a personalized homebuying plan.

"If you were given a personalized homebuying plan, would you trust...", n=1,000

Are Humans More Trusted?

Put another way, the data shows us that over half of NextGen are neutral or trust AI more than humans. Housing professionals need to compete with trust, not just expertise to win in this age.

WHAT'S NEXT?

Strategies to Reach NextGen

NextGen wants homeownership, they're doing the work, but the system isn't meeting them where they are. They don't know what they don't know, they don't trust the process, and they're overwhelmed into inaction.

The good news? You can change that. The research points to three areas where housing professionals can make an immediate, tangible difference — in your community, in your business, and for the future of homeownership.

1. Close the Knowledge Gap as an Affordability Strategy

Only 8% of NextGen buyers can correctly identify the minimum down payment required, and only one in four understand what mortgage insurance does. Research shows financially literate borrowers are 60% less likely to experience mortgage stress. Education isn't a nice-to-have — it's an affordability strategy. And you can be the one delivering it.

What you can do:

- Create visual, modular content. Focus on short, shareable content that breaks complex topics into digestible steps.
- Bring education into your community. Partner with local schools, libraries, or community organizations to lead homebuyer workshops. States that require financial literacy in high school see measurable reductions in foreclosure rates a generation later — imagine what happens when you start that conversation earlier.
- Partner with referral partners to host workshops and webinars together. Build relationships and deliver education that builds trust with lead generation.
- Deliver lunch-and-learns to groups of other business partners: financial advisors, Realtors, team members, or other community partners. Share the slides from this report to highlight what is needed to reduce the knowledge gap and build trust with the next generation.
- Advocate for affordability and financial literacy policy. Learn more about policies that create real change and be a part of advocating for them in your markets.

2. Raise the Standard of Care

Our research shows 63% of NextGen buyers believe professionals are knowledgeable — but only 37% believe they put clients' interests first. Only 1 in 8 are confident they won't be taken advantage of. This isn't a competence problem — it's an alignment problem. Buyers don't doubt what you know. They doubt whose side you're on.

What you can do:

- Lead with empathy and reflective listening. Six in ten are overwhelmed. Four in ten are avoiding the process entirely. These are not disengaged buyers—they are paralyzed ones. The first conversation should not start with rates and programs. It should start with listening: What are you worried about? What feels unclear? What would make this feel manageable?
- Be transparent about fees and the process. Proactively explain how you get paid, how commissions work, and why your recommendation is what it is. Buyers who understand the system are more trusting of professionals who are honest about it.
- Embrace your hybrid role with AI. One-third of NextGen buyers will use AI in their homebuying journey. They're not replacing you — they're arriving more informed. Position yourself as the trusted guide who provides accountability, emotional support, and local expertise that no algorithm can replicate.
- Pursue professional development that goes beyond compliance. Seek out certifications and training that demonstrate your commitment to acting in your clients' best interest — not just meeting minimum requirements.

Want Free Resources?

FirstHome IQ is a 501(c)(3) nonprofit dedicated to financial literacy for the next generation by equipping housing professionals with trusted resources. Attend a workshop to gain access to free resources and learn more about how to get involved in the mission at firsthomeiq.com/workshop.

3. Rebuild Trust — and Show Your Market You're Doing It

Experience nearly doubles trust. Only 25% of non-owners believe a professional would recommend what's best, but after buying, that jumps to 48%. The first interaction is everything. Every touchpoint before that first meeting matters — your website, your social presence, your responsiveness, your reviews.

What you can do:

- Invest in the first interaction. That window is where clients are won or lost. Make sure your online presence, your responsiveness, and your reviews all communicate that you are trustworthy before a buyer ever picks up the phone.
- Make trust visible. When you volunteer at a school, lead a community workshop, or advocate for better housing policy, share it. Not as marketing — as proof that you're invested in your market beyond the transaction.
- Show up for policy that protects your buyers. MBA's National Advocacy Conference is where housing professionals shape the policies that affect their clients and their communities. Showing up says something — to legislators and to the buyers watching whether you're in it for them.

Join the Movement

1. Access free FirstHome IQ resources to help you lead with education and build trust. Sign up for a workshop at FirstHomeIQ.com/Workshop
2. Join advocacy efforts, and show your market you are fighting for them. Learn more at FirstHomeIQ.com/Advocacy

About

Kristin Messerli, Author

For over 15 years, Kristin Messerli has been a leading voice in NextGen homeownership, helping the housing industry evolve alongside its newest customers and redefine the American Dream for a new era.

As the founder of FirstHome IQ and a NextGen market researcher, Kristin combines deep data analysis with behavioral psychology to help leaders go beyond the data to create meaningful connection.

Utilizing her proprietary TRUST framework, Kristin partners with forward-thinking brands to operationalize trust, helping them simplify the complex and win the confidence of modern buyers. Through high-impact keynotes and training, she empowers teams to turn market skepticism into lasting loyalty.

To learn more about booking Kristin for your next event, visit kristinmesserli.com

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