

# Millennials likely to spend 3X more on first home than previous generation

According to Lightstone Property, millennials, defined as individuals born between 1977 and 1994, are likely to spend 3.04 times more on their first-time home than the generation before them.

	Average Property Value					Growth of property values between generations (for the same age group)			
Age Band	Boomers I	Boomers II	GenX	GenY	GenZ	BI & BII	BII & GenX	GenX & GenY	GenY & GenZ
A: 18-25		R70 000	R139 000	R562 000	R1 422 000		0,99	3,04	1,53
B: 26-35	R76 000	R152 000	R388 000	R914 000		1,00	1,55	1,36	
C: 36-45	R164 000	R411 000	R964 000	R1 249 000		1,51	1,35	0,30	
D: 46-55	R421 000	R1 029 000	R1 510 000			1,44	0,47		
E: 56-65	R1 117 000	R1 538 000				0,38			

Although property inflation and living costs have significantly changed over the last 20 years, plus the fact that a South African's earning potential and spending power would have been affected by various economic factors and inflation amounts, the average house price for a first-time home owner is three times higher compared to previous years.

“Looking specifically at Generation X, a ‘first house’ is, on average, a third of the price of when you buy a house between the age of 26-35 (R388,000 vs R139,000). As Generation Y, a ‘first home’ is more than half the price than a house you buy between the age of 26-35,” says Michelle de Klerk, senior property analyst for Lightstone Property.

Generation	Born in
Boomers I or The Baby Boomers	1946 - 1954
Boomers II or Generation Jones	1955 - 1965
Generation X	1966 - 1976
Generation Y, Echo Boomers or Millennials	1977 - 1994
Generation Z	1995 - 2012

Naturally, house prices increase as the people within that generation get older, however, if we look specifically at Generation Y for the ages 18-25 (1977+18 = 1995 to 1994+25 = 2019) against the actual inflation of homes, you will see that Generation Y followed the same trend as the market, although the economic crisis of 2007 - 2008 didn't affect the dip in housing prices as drastically as the entire market over the same period.



Of the 262,629 property transactions that have occurred in 2018, millennials account for 103,853 of the transactions, with a total (millennial) purchase value adding up to over R86bn.

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