



# EMPTY-NESTERS BEAT OUT MILLENNIALS WITH KIDS FOR AMERICA'S BIGGEST HOMES - THE MORTGAGE NOTE

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The generational real estate showdown is still underway, and the latest battleground is large homes.

A new [report](#) from Redfin found that Baby Boomers with empty nests own 28% of the nation's large homes, while Millennials with kids own just 14%.

This a huge turnaround in the last ten years, as a decade ago, younger adults with children were just as likely to own large homes as their parents.

Redfin defined "empty nesters" as households headed by Baby Boomers that report only 1-2 adults living in the home, and based on the number of bedrooms, with three or more being considered large.

Part of the problem is the current state of the housing market. Many Baby Boomers own their homes outright and have no incentive to downsize while rates and home prices are elevated. Those that do have a mortgage have interest rates far below today's near-7% range.

Some still have adult children living with them as well, giving them a reason to stay in their house even if they might prefer to downsize when living alone.

Plus, many young Americans are first-time buyers, so even if they find a large home for their growing families, they're less likely to be able to afford it. Almost one in five Millennials believe they will never be able to own a home.

"The worsening housing affordability crisis has an outsized impact on Gen Zers and Millennials because they're much less likely to own a home than older generations," Redfin Chief Economist Daryl Fairweather [noted](#). "That means many young Americans don't benefit from rising home prices by gaining equity. Instead, these would-be first-time homebuyers bear the burden of high prices, high down payments, and high monthly mortgage payments, without profits from a previous home to offset the cost."

When asked what can be done to encourage homeownership for this generation, Kelly Snider, a professor in the Department of Urban and Regional Planning, told WalletHub that Millennials are sitting out of the market because their jobs don't pay them enough to afford a home.

Snider [suggested](#) that Fannie Mae and Freddie Mac make long-term, low-interest loans for accessory dwelling units available. She said older homeowners can move into these units while the main house is sold to younger family members to raise the next generation.

“Adding infill and missing middle housing on existing residential lots is definitely the cheapest, fastest, and most desirable way to create more low-cost housing for young families,” Snider said.

