



Best Purchase Markets for Aspiring Millennial Homebuyers

NAR Research
June 2016

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Top 10 Metropolitan Areas

Austin, TX

Charleston, SC

Denver, CO

Minneapolis, MN-WI

Ogden, UT

Portland, OR-WA

Raleigh, NC

Salt Lake City, UT

Seattle, WA

Washington, DC-VA-MD-WV

Austin, TX

Share of Millennial Movers : 29.4%

Qualifying Income: \$43,635

Median Household Income: \$51,810

- It is not arbitrary that **Austin** is called the "live music capital of the world". While Millennials often want to live in "vibrant" places, Austin had the largest number of Millennials living (18%) and moving (29%) in the area among the 100 largest metro areas.
- Austin also is called the "Silicon Hills" because of the concentration of tech giants . Employment grew tremendously (4.9%) over the 12-month period ending in March 2016 pushing the median household income up and enabling Millennials to buy a home. Median household income of Millennial movers was above \$46,200 which was the national level for this group in 2014.

Charleston, SC

Share of Millennial Movers : 24.5%

Qualifying Income: \$41,369

Median Household Income: \$47,903

- **Charleston** is the home of a large number of Millennials. 16% of the population was 25 -34 years old while the average for the 100 largest metro areas was 14%.
- Both the median household income and the homeownership rate for Millennials who moved recently were higher than the national average.

Denver, CO

Share of Millennial Movers : 27.7%

Qualifying Income: \$56,234

Median Household Income: \$50,923

- **Denver** was among the top five metro areas with the largest number of Millennials living and moving in the area.
- Although home prices are rising because of the tight inventory in the area, Millennials continue to buy homes. More than one-in-five Millennials (22%) who moved recently in the area owned a house. Also, the homeownership rate for Millennial movers was higher than the average rate for the 100 largest metro areas.
- Though home prices are rising fast, it is still much affordable compared to California, where many new residents are arriving from.

Minneapolis, MN-WI

Share of Millennial Movers : 27.4%

Qualifying Income: \$38,087

Median Household Income: \$55,066

- With many major employers in the financial services and retail industries established in the area, **Minneapolis** has experienced a solid influx of Millennials. 28 percent of the movers were 25-34 years old while the average for the 100 largest metro areas was 23 percent.
- Almost 30 percent of the Millennials who moved in the area bought a house while the average was 21 percent. The affordability of houses in the area is one "push" factor for Millennials to buy a home.

Ogden, UT

Share of Millennial Movers : 24.6%

Qualifying Income: \$29,005

Median Household Income: \$54,608

- **Ogden** is a small metro area which has one of the best combinations of low home prices and a relatively high median household income. In 2014, Millennials who moved recently earned almost twice as much the qualifying income for first-time homebuyers in the area.
- Among the 100 largest metro areas, Ogden had the highest homeownership rate for Millennials who moved recently (40%). Millennials choose to live and move in the area where houses are affordable and job growth has been tremendous (6.0%). Employment grew three times as much nationwide.

Portland, OR-WA

Share of Millennial Movers : 26.7%

Qualifying Income: \$51,847

Median Household Income: \$44,792

- Millennials have moved to **Portland**, where the economy is booming and the employment grew (3.2%) more than nationwide.
- Although home prices are rising, the share of Millennial movers who bought a house in 2014 increased 4% over 2013 while the average increase was 1%.
- Among the major cities along the Pacific Coast, it is the most affordable metro market.

Raleigh, NC

Share of Millennial Movers : 25.7%

Qualifying Income: \$37,815

Median Household Income: \$49,892

- While **Raleigh** (along with Durham and Chapel Hill) is home to the largest and most successful research parks, 26 percent of the those who moved in the area were 25 -34 years old.
- Employment grew 4.8% over the 12-month period ending in March 2016. Job growth has been very strong especially in technology related positions, increasing the median household income of Millennials more than the average for the 100 largest metro areas (\$45,000). As a result, Raleigh had much higher homeownership rate for Millennial movers (30%) than the average (21%).

Salt Lake City, UT

Share of Millennial Movers : 27.2%

Qualifying Income: \$43,345

Median Household Income: \$51,930

- **Salt Lake City** had the second highest population share of Millennials (17%) after Austin.
- While the median household income was higher than the average (\$45,000), the homeownership rate for Millennial movers was 24 percent.
- High birth rate keeps the city young.

Seattle, WA

Share of Millennial Movers : 29.0%

Qualifying Income: \$64,645

Median Household Income: \$64,294

- With record-high prices in Silicon Valley, **Seattle** has experienced the second highest influx of Millennial movers after Austin.
- Employment growth in the area is very promising (3.3%) and higher than the national growth.
- Comparing the median household income with the qualifying income for first-time homebuyers, nearly half of Millennials can afford to buy a home. Also, the share of Millennial movers who bought a house in 2014 increased 4.4% over 2013 while the average increase was 1%.

Washington, DC-VA-MD-WV

Share of Millennial Movers : 28.3%

Qualifying Income: \$69,576

Median Household Income: \$69,874

- **Washington, D.C.** was among the top three metro areas with the highest share of Millennial movers (28%).
- Since there was not a significant increase in home prices in the area in 2015, many Millennials can afford to buy a home. In 2014, among the 100 largest metro areas, Washington, DC was ranked 6th for highest median household income of Millennials movers. Thus, the median household income of the Millennials who moved recently was much higher to the national (\$46,200)
- As a result, the homeownership rate for the Millennials who moved recently was higher than the average of the 100 largest metro areas. More than one-in-five Millennials who moved in 2014 owned a house (21%).

Honorable Metro Areas

Boston, MA-NH

Dallas, TX

Des Moines, IA

Jacksonville, FL

Nashville, TN

Data

Metropolitan Area	Share of Millennials to the Total Population (2014)	Share of Millennial Movers to Movers of any age (2014)	Employment Growth (3/2015-3/2016)	Median Household Income for Millennial Movers (2014)	Qualifying Income for First-Time Homebuyers (2014)	Homeownership Rate of Millennial Movers (2014)	Change of Homeownership Rate for Millennial Movers (2013-2014)
Austin, TX	17.7%	29.4%	4.9%	\$51,810	\$43,635	19.4%	1.2%
Charleston, SC	15.8%	24.5%	2.6%	\$47,903	\$41,369	21.7%	-1.4%
Denver, CO	16.1%	27.7%	3.2%	\$50,923	\$56,234	21.6%	-1.7%
Minneapolis, MN-WI	15.0%	27.4%	1.9%	\$55,066	\$38,087	28.7%	2.5%
Ogden, UT	14.7%	24.6%	6.0%	\$54,608	\$29,005	40.2%	9.9%
Portland, OR-WA	15.0%	26.7%	3.2%	\$44,792	\$51,847	17.1%	3.9%
Raleigh, NC	14.1%	25.7%	4.8%	\$49,892	\$37,815	28.4%	0.6%
Salt Lake City, UT	16.6%	27.2%	2.7%	\$51,930	\$43,345	24.0%	-4.5%
Seattle, WA	16.2%	29.0%	3.3%	\$64,294	\$64,645	19.8%	4.4%
Washington, DC-VA-MD-WV	15.7%	28.3%	3.3%	\$69,874	\$69,576	20.8%	2.3%
Average of the 100 Metro Areas	13.9%	22.9%	2.5%	\$44,999	\$39,454	20.7%	0.6%

Sources: Share of Millennials to the Total Population, Share of Millennial Movers to Movers of any age, Median Household Income for Millennial Movers and Homeownership Rate for Millennial Movers (American Community Survey 2014-1 year Estimates), Growth in Private Payroll Jobs (U.S. Bureau of Labor Statistics), Qualifying Income for First-Time Homebuyers (NAR).