

FOUR IN FIVE MILLENNIALS ARE PLANNING TO BUY THEIR FIRST HOME IN THE NEXT FIVE YEARS: HSBC BEYOND THE BRICKS

New York – March 9, 2017 – More than four in five (80%) millennials in the United States who don't own a home intend to buy in the next five years, according to recent HSBC Group research.

HSBC's [*Beyond the Bricks*](#) -- a survey of 9,000 people in nine countries worldwide including 1,009 respondents in the United States -- found that home ownership is a dream deferred but not dead for many millennials around the world who name slow wage growth and housing price inflation as the greatest barriers to purchasing a home.

The report also reveals the need for better financial planning as another significant hurdle for millennials.

According to David Gates, US Head of Mortgage Origination and Sales for HSBC: "This study highlights that young people strongly value home ownership, yet there are significant challenges to making the dream a reality for millennials around the world. The perfect storm of stagnating salaries and rising house prices, paired with the need for improved financial planning can make buying a home a deferred reality."

Nearly three-quarters (71%) of millennials are saving more money for a deposit and waiting to earn a higher salary before buying a property

Millennials face significant challenges when it comes to housing affordability. With an expected 1.9% increase in salary growth expected in 2017 and average property prices climbing by 4.8% last year, the dream of owning a home remains a challenge for many.

Of the 71% of millennials who seek to both save and earn more money, 49% feel they are being held back because they cannot afford to buy the type of property that they would like.

More than half (57%) of millennials who bought a home in the last two years ended up spending beyond their initial budget

The report also finds that many millennials do not have their house in order when it comes to financial planning for a home purchase. Among non-owners intending to buy a home in the next two years, nearly one in three (32%) have no overall budget in mind and a further 54% have only set an approximate budget. As a result, 57% of millennials who bought a home in the last two years ended up overspending their budget.

On the other hand, the millennial generation is willing to consider making big sacrifices to afford a home. Among non-owners intending to buy, 55% would consider spending less on leisure and going out, 41% would consider buying a smaller than ideal place, and 27% would even be prepared to delay having children.

Financial support from parents can make a big difference when saving for a home, and 28% of millennials who bought their own home turned to the 'Bank of Mum and Dad' as a source of funding.

HSBC research identifies four actions that millennials can take to help make their home ownership dream a reality

- Plan early and don't underestimate the deposit
- Budget beyond the purchase price to account for extra costs beyond the purchase budget
- Consider what sacrifices you can make to save more and faster
- Get a full view of your finances and find a home loan that suits your needs

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Notes to editors

Beyond the Bricks is an independent consumer research study into global home ownership, commissioned by HSBC. It provides authoritative insights into peoples' attitudes and behavior towards home buying, renting and funding around the world. The global factsheet, The meaning of home, represents the views of 9,009 people in nine countries: Australia, Canada, China, France, Malaysia, Mexico, UAE, UK, USA.

The findings are based on a survey of home owners and non-owners aged 18 or older from a nationally representative online sample in eight countries and a nationally representative face-to-face sample in the UAE. The research was conducted by Kantar TNS in October and November 2016.

Millennials are defined as those born between 1981 and 1998.

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