



64% of Millennial Homeowners Have Regrets: Maintenance and Hidden Costs Biggest Culprit

*Affordability-related pressures are a significant barrier to homeownership;
Younger adults less likely to view it as part of the “American Dream”*

NEW YORK – May 17, 2021 – As Americans continue to relocate as a result of the COVID-19 pandemic and a hot housing market, 64% of millennial homeowners (ages 25-40) have at least some regret about purchasing their current home, according to a new Bankrate.com report. Millennial homeowners cited underestimated maintenance and other hidden costs as their top regret (21%). On the other hand, affordability-related reasons ranging from insufficient income to high home prices to an inability to afford down payment/closing costs were the most popular explanations as to why some Americans do not currently own a home. Click here for more information:

<https://www.bankrate.com/real-estate/homebuyer-regret-survey-may-2021/>

Overall, 43% of homeowners have at least one regret about buying their current home, and the top homeownership regret was that maintenance and other hidden costs were more expensive than expected (16%). However, millennial homeowners were more likely to cite additional cost-associated regrets than older homeowners.

Regret about purchasing current home	Homeowners Overall	Millennial Homeowners (ages 25-40)	Gen X Homeowners (ages 41-56)	Baby Boomer Homeowners (ages 57-75)
Maintenance and other costs are too high	16%	21%	17%	13%
My mortgage payment is too high per month	6%	13%	5%	2%
I didn't get the best mortgage rate	7%	12%	7%	4%
I bought too big of a house	7%	14%	6%	3%
I bought too small of a house	9%	14%	10%	7%
It is in a bad location	8%	15%	8%	5%
I don't think it was a good investment	4%	9%	3%	3%
Overpaid/paid too much	6%	13%	5%	3%
Other	5%	5%	5%	6%
I do not regret anything about my home purchase	57%	36%	55%	67%

“Owning a home still tops the American dream list, but it can cause a rude awakening if one fails to plan for inevitable expenses,” said Bankrate.com senior economic analyst Mark Hamrick. “This is yet another reminder why making emergency savings a top priority is so important. Whether it is a roof repair stemming from age or storm damage, or the need to fix or replace heating, cooling or appliances, it isn’t a question whether such expenses arise, only when and how much they will cost.

“It is quite stunning that so many homeowners admit that they didn’t get the best mortgage rate when all it takes is just a little bit of additional effort to secure savings in home loan financing cost.”

Consumers can compare mortgage rates at: <https://www.bankrate.com/mortgages/mortgage-rates/>

The recent national surge in home prices as well as heightened unemployment, have dealt a setback to aspiring homeowners. When asked why they do not currently own a home, the most cited reasons were insufficient income (41%), home prices are too high (33%) and can’t afford down payment/closing costs (33%). Other explanations included not being ready (24%) or don’t want (18%) to own a home, credit not being good enough (22%), mortgage rates are too high (16%), personal finances hurt by pandemic (12%) and too much student loan debt or too much credit card debt (10% each) while 10% cited some other reason.

When Americans were asked what milestones or events they consider to be part of the “American Dream,” homeownership is at the top of the list at 74% and increases with age and higher levels of income and education. However, this figure is down nearly 5 percentage points from an early 2019 [Bankrate.com survey](#).

Homeownership ranked ahead of being able to retire (63%), owning a vehicle (54%), having a successful career (54%), having children (43%), and getting a college degree (36%), while 10% said they did not consider any of these to be part of the “American Dream.” Gen X (77%) and baby boomers (88%) were more likely to consider homeownership as part of the “American Dream,” than younger generations (57% of Gen Z (ages 18-24) and 62% of millennials).

“With a bit of good fortune coinciding with the passage of some time, there may well be some home price appreciation providing substantial equity,” Hamrick added. “But the housing market is cyclical and tends to favor certain markets and neighborhoods. It is not always the case that the timing of both a home purchase and sale, dictated to some degree by other events, aligns perfectly with peaks and valleys in prices.”

Over half of Americans (55%) say they own a home either with a mortgage (30%) or own it outright (25%), with the likelihood of homeownership rising with age and income. Elsewhere, nearly 24% of adults say they are renting from a private landlord and 9% are living rent-free, such as living with parents. 36% of Gen Z and 13% of millennials say they are living rent-free.

Methodology:

Bankrate.com commissioned [YouGov Plc](#) to conduct the survey. All figures, unless otherwise stated, are from YouGov Plc. Total sample size was 2,653 adults, including 1,425 homeowners. Fieldwork was undertaken on April 21-23, 2021. The survey was carried out online and meets rigorous quality standards. It employed a non-probability-based sample using both quotas upfront during collection and then a weighting scheme on the back end designed and proven to provide nationally representative results.

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For More Information:

Julie Guacci
Publicist
julie.guacci@bankrate.com
973-525-3026