

## Why millennials don't buy homes

By Jonathan Horn 1:47 p.m. Nov. 14, 2014



In this photo taken Tuesday, Aug. 19, 2014, job seeker Migdalia Feliz, of Miramar, Fla., third from right, listens to detective William DeJeus, left, of the Fort Lauderdale Police Department, at a job fair in Sunrise, Fla. The Labor Department reports on the number of people who applied for unemployment benefits last week on Thursday, Sept. 18, 2014. (AP Photo/Alan Diaz) *The Associated Press*

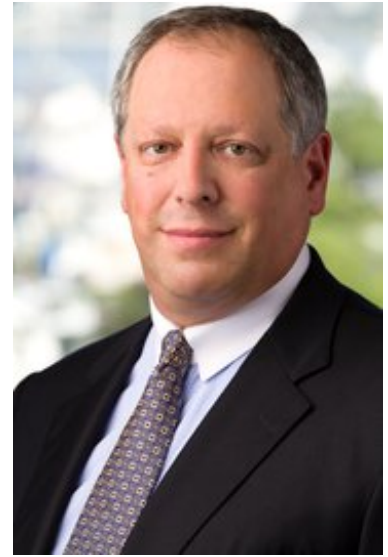
Whether it's a scar from the Great Recession, being overwhelmed with student loan debt, or having the ability to move for a career, America's generation of young professionals just aren't buying homes the way their parents did, a UBS executive said in La Jolla Thursday.

"It's not that they don't want to own things. It's not that they don't like having things, but it's a generation that is much more comfortable with a phrase I never understood in my life, which is 'work-life balance,'" said Jonathan Woloshin, a chief information officer at the Swiss investment bank. "This is a generation that wants an easier lifestyle, and it's not that they don't want to work hard. They want the 24-7 amenity rich, everything at their fingertips, so they have the flexibility to do things."

Jonathan Woloshin, UBS— *Courtesy UBS*

Speaking to about 75 people at the Lodge at Torrey Pines, Woloshin said millennials were actually the largest buyers of homes during the housing bubble by fourfold. However, many couldn't keep their homes once the market crashed, and may not want to own again. Others are overwhelmed with student debt, which at the very least provides a psychological barrier to taking out a mortgage, if not a financial one. Or, those who graduated during the recession couldn't find jobs with decent wages, so they moved in with their parents.

"I think what we've done is we've extended and pushed to the right the period where a lot of these younger folks are going to be more comfortable renting for a longer period of time," said Woloshin, 55. "I just think that we're not going to have this 'oh, they're going from 23 to 27, they're going to get married, have kids and buy a home.'"



Woloshin said that's led to a trend of re-urbanization. For instance, in 2013, the number of permits issued for residential buildings with five or more units doubled the amount of permits issued for single family homes. That's opposite of the trend during the housing bubble, when single family permits nearly doubled those for residential buildings with five or more units.

Christopher Thornberg, a founding partner at Beacon Economics, said what's slowing the housing market is a lack of credit available, not a lack of participation from young professionals. He said a recent Beacon study showed that millennials who lived at home were more likely to come from higher income families.

"What stands out for millennials that's unusual is that there's a smaller share of them who are heads of households," said Thornberg, 47. "This generation is getting married later, they're getting their drivers' licenses later, they're living at home with their parents because they want to."

Overall, Woloshin said prices are up in San Diego County, but starting to slow. Inventory has improved, but still below normal levels, and that a property is on the market for a median 45 days, closer to a healthy 60 days. The median sale price for a home in the region was \$440,000 in October, CoreLogic DataQuick reported this week.