

Up until a few years ago, millennials were considered to be the 'renting generation'. Experts believed that this was mainly due to two reasons, one, their finances only allowed them to rent a home, and second, millennials preferred to rent because they were financially savvy enough to make better use of their disposable income. However, this renting-by-choice generation is now changing its preference, as data shows that many millennials are now looking to buy a home.

According to Knight Frask India's report 'Beyond Bricks: The Pulse of Home Buying', 82 per cent of millennials today have a strong desire to own a house. "Over the last year, there has been a notable increase in the number of millennial homebuyers. Notably, cities like Chennai (86 per cent) and Ahmedabad (83 per cent) have the highest levels of ownership attitude, which is fuelled by millennial interest," shares Jayesh Rathod, co-founder and director of The Guardians Real Estate Advisory.

WHAT IS DRIVING THIS SURGE IN HOMEOWNERSHIP SENTIMENT?

Several factors are propelling millennials toward homeownership rather than renting. "The stability offered by remote and hybrid work arrangements has reduced location constraints, enabling millennials to explore markets beyond expensive city centres. Tax benefits under existing housing loan schemes continue to provide compelling financial incentives. Additionally,

ownership. Rental values have also surged dramatically across prominent micro-markets in the top seven cities over the past few years, making ownership increasingly attractive from a financial perspective.

Gaurav Mavi, co-founder, BOP Group, adds, "Property is also seen by the majority of millennials as a safe investment avenue that provides security and long-term appreciation, thus driving this sentiment."

Developers are taking note of this new wave of buyers, and are tweaking their services and products to better suit their needs. "This demographic has a strong preference for digital engagement, as millennials increasingly rely on technology for their

homebuying journey. They are also showing a heightened demand for amenity-rich developments, seeking communities that offer convenience and lifestyle enhancements. Additionally, there is a growing emphasis on sustainability, with many young buyers prioritising eco-friendly features and practices in their homes. Moreover, there's a noticeable increase in interest towards well-connected suburban hubs, often driven by the desire for larger living spaces in the wake of the pandemic. This shift reflects a broader trend where homebuyers are prioritising not just the home, but also the surrounding social infrastructure, which is essential for their lifestyle and community engagement. Their strong aspiration, coupled with longer career horizons, allows them to absorb home-buying costs, often by opting for slightly smaller units or exploring emerging markets. We're seeing a strategic approach, with many first-time buyers leveraging existing family support for down payments and seeking properties with long-term capital appreciation potential," mentions Sarthak Seth, SVP, CMO (Group), chief sales officer (residential), Tata Realty and Infrastructure Ltd.

Homeownership is now a safe investment as well as a symbol of personal success for millennials. "The market also reflects this growing maturity. According to Knight Frask India's report, approximately 52 per cent of millennial purchasers are first-time homeowners buying for personal use, with 37 per cent citing upgrading to a better home as their key motivator. 34 per cent of existing owners intend to purchase soon, indicating that demand remains strong.

External amenities, such as proximity to healthcare (58 per cent), retail (53 per cent), schools, and public transportation (53 per cent), also have a substantial impact on purchasing decisions, highlighting the importance of convenience and lifestyle in their selections," shares Rathod.

"Urbanisation and the rise of nuclear families have also influenced this homebuying surge. Another encouraging trend is the increasing financial literacy among millennials.

They are not only planning

better, but also leveraging digital tools to compare options, understand financing, and make data-driven choices. This shift is leading to more confident, well-informed buyers who are helping drive transparency and innovation in the real estate sector," explains Prashant Sharma, president, NAREDCO Maharashtra.

ARE RISING PROPERTY PRICES A CONCERN?

While rising property prices are a consideration, they have not deterred millennials from pursuing homeownership. "In fact, many are accelerating their buying decisions, recognising real estate as a stable, long-term asset. Millennials are flexible, they are exploring emerging micro-markets, focusing on value rather than location alone, and prioritising quality of life. The desire for asset ownership, especially post-pandemic, continues to outweigh short-term cost concerns. Flexible payment plans, better digital property access, and improved financing options keep millennials engaged and committed despite market challenges," opines Samyak Jain, director, Saksha Group.



What's the reason for millennials' home rush?

For millennials, homeownership is no longer just about property. It's about identity, independence, and investing in the future.

GENERATION WISE, TOP THREE FACTORS WHICH INFLUENCE PROPERTY PURCHASE			
Baby Boomer	Gen X	Millennials	Gen Z
Price/affordability	Location	Location	Builder's reputation
Location	Size/layout of the property	Price/affordability	Location
Size/layout of the property	Builder's reputation	Size/layout of the property	Price/affordability

Source: Knight Frask research

the psychological shift toward asset building, accelerated by pandemic-induced lifestyle changes, has made homeownership a priority over rental flexibility for this generation," shares Santhosh Kumar, vice chairman, Anarock Group.

The lowering of the repo rate this year, which translates to lower home loan interest rates, too, seems to have played its part in improving the affordability metrics towards home-

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