

Gen Z on the Lease

A multifamily survey

Insights into the rental preferences, financial considerations, and long-term housing outlook of Generation Z (1997–2012).



Introduction

It's no secret that home ownership is becoming less and less attainable across the board—particularly for younger generations who are just now entering the housing market. There are a number of factors contributing to this, including increased interest rates in a post-COVID world. When put in a historical perspective, current rates aren't particularly high, but when compared to the lower rates that came in the aftermath of the collapse of the housing market in 2008, they are considerably higher. Couple that with a housing market where prices continue to rise due to a lack of new inventory becoming available, especially in areas that are most desirable and are in close proximity to the best job centers.

With these conditions in place, where Gen Z wants to live and what they even view as attainable are shifting. What used to seem like a natural progression in life—moving out of your parents' house, living in an apartment with friends, and ultimately getting that dream house with the white picket fence—is no longer the case.

To provide a better understanding of Gen Z renters' evolving priorities and what this means for both renters and property owners, Entrata, in collaboration with Qualtrics, surveyed over 2,000 U.S. renters in January 2025. This report highlights the key findings from the survey, offering insights into Gen Z's rental preferences, financial considerations, and long-term housing outlook.

2,000

U.S. renters surveyed



Key Findings:

**72%**

Renting As The Smarter Choice: Nearly 3 out of 4 Gen Z renters **72%**, see renting as a better financial approach than homeownership.

**57%**

Financial Barriers to Homeownership: Rising mortgage rates **57%**, home maintenance costs **37%**, student loan debt **38%**, and career instability **40%** are major obstacles preventing Gen Z from buying a home.

**63%**

Technology-First Expectations: **63%** of Gen Z renters prioritize a technology-first experience, including digital leasing and app-based communication, when choosing where to live.

**83%**

Prioritizing Experiences Over Ownership: **83%** of Gen Z renters say leasing allows them to save for life experiences rather than investing in homeownership, with **45%** prioritizing travel and career growth over buying a home.

The Evolution of Renting Among Gen Z

For previous generations, homeownership was considered a key milestone of financial stability and personal success. However, Gen Z is redefining this notion. Many young adults today view renting as a long-term, viable lifestyle choice rather than a temporary stepping stone to homeownership. This shift is driven by changing economic conditions, evolving career aspirations, and a desire for flexibility in both living arrangements and financial commitments.

Dreaming of Homeownership, Renting for Today

Gen Z renters are navigating a balance between long-term aspirations and present-day realities. While many still dream of owning a home, renting remains the most practical choice for now, making it a lasting decision for the time being. While a vast majority still view renting as a means to an end of home ownership, they are being realistic about the potential of them ever owning a home, especially if current economic conditions persist.

- **Short-term necessity – 75%** of respondents see leasing as a temporary solution rather than a permanent lifestyle.
- **Long-term choice – 59%** of respondents view renting as a way to enjoy the freedom to live life on their terms, while **41%** see it as a stepping stone to homeownership.
- **Cost barriers to homeownership — 52%** of respondents cite rising home prices as a major obstacle, while **40%** see career instability as a reason to continue renting, and **38%** point to student debt as a significant hurdle.



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Barriers to Homeownership

Financial hurdles are what holds back many Gen Z renters from pulling the trigger on home ownership. These hurdles go beyond market conditions previously discussed. Many can't afford the upfront costs associated with home ownership like down payments for PMI if they're unable to meet the LTV necessary to eliminate the requirement for mortgage insurance. This can increase mortgage payments enough to make them unaffordable.

Beyond that, many are saddled with a significant amount of student loans and don't feel comfortable taking on additional debt and view renting as a way to avoid that, especially considering current volatility in the economy. Finally, there is a lot of responsibility that comes with home ownership that many in Gen Z don't want to be bothered with like maintenance and upkeep of the house and yard.



- **High mortgage rates – 57%** of respondents cited rising mortgage rates as a key factor preventing homeownership.
- **Maintenance costs and responsibilities – 1 in 3 37%** of respondents, cited maintenance and repair responsibilities as a barrier preventing them from buying a home.
- **Student loan debt and financial burdens – More than 38%** pointed to existing debt as a major obstacle.
- **Job instability and career uncertainty – Over 40%** of respondents expressed concerns about committing to a mortgage due to the unpredictability of their careers.

Why Gen Z Chooses Renting

The decision to rent isn't just about finances. Many are actively making renting a lifestyle choice. Renting gives Gen Z more flexibility to move from city to city and neighborhood to neighborhood more easily than if they were tied to a home. Additionally, it allows them to have more cash on hand for activities that will enrich their lives, rather than having it tied up in home equity. They're also able to save money and time that would be spent maintaining a home. When they rent, they're able to offload both the expense and the time and labor to the property.

- **Freedom from maintenance responsibilities – 37%** of respondents prefer the convenience of on-call maintenance rather than handling home repairs themselves.
- **Prioritizing experiences over ownership – 83%** of respondents say renting allows them to save for life experiences rather than investing in homeownership.
- **Flexibility over commitment – 32%** of respondents value being able to adapt to economic uncertainty through renting.



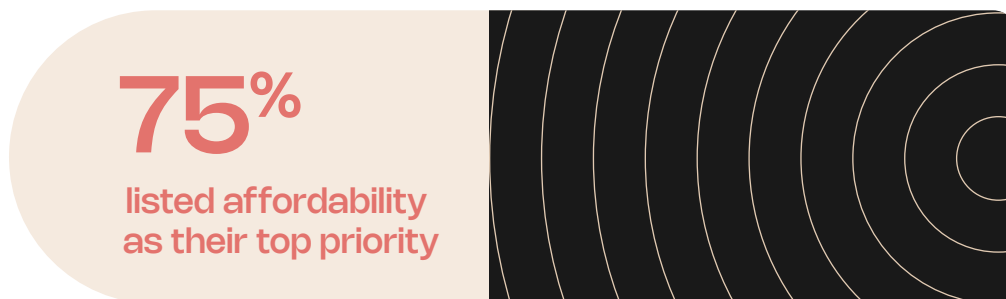
83%

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What Gen Z Looks for in Rentals

Having a pool, a gym, or even a pickleball court is not as high on the list of priorities for Gen Z renters as you might think. While having amenities like those mentioned above can help distinguish your property from the competition, they aren't going to be close to the top of Gen Z renters' priorities. It might seem obvious, but affordability far outweighs amenities. Better yet, if the apartment is both affordable and doesn't require them to take on roommates. As renting becomes a long-term commitment rather than a short-term necessity, young tenants are increasingly selective about where they live. The most important factors in choosing a rental property include:

- **Cost – 75%** of respondents listed affordability as their top priority.
- **Location – 62%** of Gen Z renters prioritize proximity to work, school, and social activities.
- **Amenities – 30%** of respondents want amenities like fitness centers, pools, and pet-friendly policies in their apartments.
- **Affordability without roommates** – Many respondents expressed the desire to afford a place without needing multiple roommates. In fact, **64%** of Gen Z renters have an apartment on their own.



Technology's Role in Renting Preferences

For Gen Z renters, digital convenience is a top priority. While affordability and location remain important, seamless technology-first experiences are reshaping how they choose where to live. As a generation of digital

natives, Gen Z expects renting to be as automated, seamless, and flexible as the rest of their lives. Properties that don't seem like they have a grasp on modern methods of engaging and communicating with residents can lose out on potential renters before even talking to them. This means automated workflows that they can navigate with as little human intervention from site teams as possible.

- **Tech-driven decisions – 63%** of respondents consider a technology-first experience (e.g., digital leasing, app-based communication) important when selecting an apartment.
- **Convenience is Important – 25%** of respondents ranked improved technology as their top desired change in their rental experience, while **40%** prioritized text and AI communication.

**63%**

prefer a technology-first experience.

Prioritizing Experiences and Financial Stability

For Gen Z, financial freedom and life experiences often take precedence over homeownership. Renting provides the flexibility they need to pursue their goals without the constraints of a mortgage. For this generation, financial stability isn't tied to homeownership—it's

about having the freedom to explore opportunities and build their future on their own terms. Instead of saving for that down payment, they are able to use that savings for things they view as more important, like traveling, not letting where they live determine their career path, and paying down other debts to give them even more financial freedom.

- **Travel and career first – 45%** of Gen Z renters are very likely to prioritize traveling and career growth over buying a home at this stage in life. When asked how they would use extra funds if their rent were covered for a year, nearly **39%** said they would save for the future, over **22%** would pay off student loans or credit card debt, and more than **17%** would use the opportunity to travel the world.
- **Renting as a smart strategy – 72%** believe renting is a better financial approach than homeownership.
- **Financial flexibility – 57%** believe renting offers financial advantages that homeownership does not.

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Conclusion

The Gen Z renter is redefining the housing landscape. While financial constraints play a role, many young adults actively choose to rent for the flexibility and lifestyle benefits it provides. Property owners and real estate professionals must adapt to this changing dynamic by offering rental options that align with Gen Z's priorities: affordability, convenience, community, and modern amenities.

While affordability is dictated by the market, you do have control over those other items. Property management companies that want to succeed will make concerted efforts to adopt software solutions that deliver an elevated resident experience. These include taking prospects directly from Google searches into conversations with AI leasing agents, reducing the friction associated with the leasing process. AI leasing agents will be able to answer any questions renters may have any time of the day or night, passing only qualified prospects over to site teams who will walk them through the tour. From there, the application is sent to the AI leasing agent for screening and execution of the contract.

Additionally, implementing a modern app is an excellent way to build community by giving properties the opportunity to post announcements and residents the opportunities to connect with one another. Finally, while amenities weren't high on the list for Gen Z renters, it's not a bad idea to implement smart home technology throughout your properties. The right tools can make residents lives easier while often being more efficient, saving both you and the resident time and money.

Learn more

To learn more about how Entrata can help your property meet the ever-changing needs of the Gen Z renter,
request a demo today.

