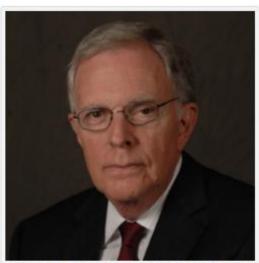


## Richard F. Burns explains the barriers Millennials face to homeownership

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Boston Agent (BA): Why are so many Millennials cost-burdened? What economic forces are behind that?

Richard Burns (RB): Both our research data and our own anecdotal experience points to two culprits responsible for cost-burdening this generation. First is spiraling student loan debt that has hampered this generation like no other before it. The second thing we see is a consistent "mismatch" between college



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graduates and the entry level salaries (or simply lower wage employment)

**BA**: Are real estate agents underrating the impact student debt is having on homeownership?

RB: We do not believe real estate agents are underrating the impact. According to a study conducted by National Association of Realtors and American Student Assistant, 69 percent of Millennials say they are not financially secure enough to buy a home, and 80 percent say they cannot afford to save for a down payment.

**BA**: It seems that some pretty radical changes need to take place to reverse the trend of Millennials living at home and delaying homeownership. Tell us what you think needs to happen.

RB: While we know there is no magic bullet that will reverse the trend of Millennials postponing homeownership, we do feel that keeping a continual dialogue going with the key stakeholders in the housing industry – such as providers of affordable housing, financial institutions, multifamily housing execs and academics – will produce some viable ways to help Gen Y prosper. Those include examining ways to restructure student debt, different financing options for first-time homeowners, and working with employers to see where untapped job opportunities may be. It has to be a concerted effort.

Richard F. Burns is the chief executive officer of The NHP Foundation, a nonprofit affordable housing developer and owner with more than 6,000 units in 12 states and the District of Columbia. He is a real estate investment professional with 40-plus years of experience managing money for pension funds and other institutional investors, both domestic and foreign.