Gen Z expected to outspend millennials on rent

When it comes to rental costs, millennials carry a burden heavier than that of any other generation in history — but if average rental rates continue to soar at their current pace, Generation Z will have it worse.

A new study from RentCafe revealed that the nation's estimated 80 million millennials pay approximately 45 percent of their total income toward rent. And due to a preference for city living over suburban sprawl, and the uninterrupted rise of rental rates nationwide, most millennials will shell out $92,600 in rent before 30, according to data pulled from the U.S. Census Bureau.

But a new generation of renters, Generation Z, are forecasted to spend a staggering $102,100 on rent by the time they turn 30, according to Florentina Sarac, writing for RentCafe's blog.

"Given their overwhelming student loan debt, younger Millennials may carry on renting, simply because the prospect of buying is not yet attainable," wrote Sarac. "On the other hand, older Millennials are starting to slowly shift towards home ownership. As they are finally catching up with the American Dream, this will surely drive demand for homes for sale."

By comparison, Generation X renters (those born between 1965 and 1984) paid an average of $82,200 before the age of 30, and baby boomers (those born between 1946 and 1964) paid $71,000 in rent by age 30, according to RentCafe.

"Both Gen Xers and Baby Boomers made less money than Millennials but they also spent less on rent," the authors of the study wrote. "Gen Xers spent a total of $82,200 on rent when they were in their 20s, and they earned about $202,100. The same is true for Baby Boomers as they earned $195,700 while $71,000 of that went towards rent."

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