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ZOOMERS & MILLENIALS: HOUSING CHALLENGES

Homeownership is a key part of economic stability, symbolizing personal freedom, financial security, and a long-term investment. In many cultures, owning a home is seen as an important status in adulthood. However, the goal is becoming harder to achieve due to changes in the global real estate market, leading to a significant affordability crisis. This situation creates major challenges for young people entering the job market, affecting how they approach the housing markets. The purpose of the paper is to analyze the housing affordability challenges and their impact on the economic strategies of Zoomers and Millennials.

In recent years, a housing affordability crisis has emerged, affecting both the developed and the emerging markets. In Russia, for instance, data from the Unified Interdepartmental Information and Statistical System (EMISS) show housing costs soaring 15 times between 2000 and 2022. At the same time, after the global crisis of 2008, house prices went down sharply and declined until 2010, after which they started to rise again. Across OECD countries (The Organization for Economic Cooperation and Development), housing has become 16% less affordable since 2015, with prices outpacing income growth in high-demand regions. As a result, 60% of OECD survey respondents aged 18–39 said they worried about housing affordability. Globally, the share of income spent on rent has jumped from 25% in 2000 to 40% today. Also, if in 2000 the average American could save for a house in four and a half years, by 2023 this period increased to seven or eight years. High interest rates only complicated the issue, putting additional strain on those with mortgages.

In Belarus we also have a problem with housing affordability. The real estate market in the Republic of Belarus is experiencing price growth. Over the last year, prices per square meter rose from 4 to 11%. Regional centers are not far behind this trend. In a year, the square meter of housing has risen most in Vitebsk - within 13%, in Gomel - within 11%, in Brest - within 10%, in Mogilev - within 9 %. In Grodno there is a less noticeable increase - within 4%. Along with prices, mortgage interest rates are rising. In recent 9 months they have increased within 3 %. Now the mortgage rate is currently at 18.18 %, which makes loans almost unaffordable.

The crisis doesn't affect the general public equally—it's particularly acute for Zoomers (Generation Z, born between 1997 and 2011) and Millennials (born between

1981 and 1996), who are becoming key players in labor, real estate, finance, and consumer markets. These groups are significant due to their size and unique behaviors that shape market trends. Zoomers tend to be entrepreneurial, adaptable and financially savvy. Unlike Millennials, who often have longer career paths and value job stability, Zoomers prefer flexibility, such as remote work and non-linear schedules. They seek career mobility and development, moving away from traditional life models.

In the real estate market, Zoomers primarily aim to buy property to generate passive income, supporting their mobile, flexible lifestyles. However, a part of Zoomers also view housing as a source of family stability to build a solid base for the future. Millennials, similarly, view housing as a means to achieve family stability and long-term wealth, often tied to important life events like marriage or parenthood. While other Millennials focus on purchasing homes to secure their children's future. Both generations see homeownership as a sign of economic success, but difficult market conditions make it hard for them to achieve it. In this regard, Zoomers may rent longer to save money, and Millennials take out mortgages to secure a family. Their choices show how housing challenges force a balance between dreams and the possible.

Today's real estate market reveals how Zoomers and Millennials adapt their preferences to these challenges. According to Forbes Young 2025, Zoomers care most about price (56%), good location with shops and schools nearby (35%), big rooms and bathrooms (25%), easy transport and being close to the city center (23%), and nicer "comfort" or "business" class homes (10%). Millennials have similar priorities, with cost as their top concern (50%), followed by square footage (33%). However, they place more importance on green spaces (17%) and interior design (10%), reflecting different life priorities.

Ultimately, the changes in the real estate market and the affordability crisis are important because they affect the way Zoomers and Millennials build their lives. Zoomers' adaptability and financial skills can help them navigate this situation, whether by renting, investing, or redefining what "home" means. However, housing continues to be a key part of personal and economic stability.

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