Generation Y: What Kinds of Real Estate Do They Really Want?

M. Leanne Lachman
Lachman Associates
October 17, 2012
### Who is Gen Y?

<table>
<thead>
<tr>
<th>Generation</th>
<th>Age Range</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.3% Silent Generation</td>
<td>83+</td>
</tr>
<tr>
<td>9.7% Depression &amp; War Babies</td>
<td>67-82</td>
</tr>
<tr>
<td>24.6% Baby Boom</td>
<td>48-66</td>
</tr>
<tr>
<td>17.2% Gen X</td>
<td>35-47</td>
</tr>
<tr>
<td>25.0% Gen Y</td>
<td>17-34</td>
</tr>
<tr>
<td>20.1% Gen Next</td>
<td>&lt;17</td>
</tr>
</tbody>
</table>

Source: U.S. Census Bureau, 2010
## Two Big Generations

<table>
<thead>
<tr>
<th></th>
<th>Gen Y</th>
<th>Boomers</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010 Size</td>
<td>77.4 million</td>
<td>76.2 million</td>
</tr>
<tr>
<td>Birth Years</td>
<td>1978-1995</td>
<td>1946-1964</td>
</tr>
<tr>
<td>Age Now</td>
<td>17-34</td>
<td>48-66</td>
</tr>
<tr>
<td>Hispanic</td>
<td>19%</td>
<td>10%</td>
</tr>
<tr>
<td>Black</td>
<td>15%</td>
<td>12%</td>
</tr>
<tr>
<td>Asian</td>
<td>6%</td>
<td>5%</td>
</tr>
<tr>
<td>Live to Work</td>
<td>16%</td>
<td>28%</td>
</tr>
<tr>
<td>Work to Live</td>
<td>85%</td>
<td>72%</td>
</tr>
<tr>
<td>Expect Never to Retire</td>
<td>10%</td>
<td>25%</td>
</tr>
</tbody>
</table>
Gen Y Descriptors

- Techno-savvy
- Social
- Connected
- High Maintenance
- Outspoken
- Educated
- Multi-cultural

- High Performance
- Entitled
- Civic-minded
- Tattooed
- Pampered
- Optimistic
- Underemployed
- Entertainment-oriented

“Emerging Adulthood”
“When I was your age, I was an adult.”
Pew Survey Results

- Optimism undiminished from 2004
- 91% expect to sustain their preferred lifestyles
- Only 30% consider today’s job a career
- Historically high % enrolled in school
- 24% have moved back with parents

Source: Pew Research Center, December 6-19, 2011 Survey
ULI’s Gen Y Housing Survey

Nationally representative sample (n=1241 responses)

Focus on people over 18

-Finished high school
-Working, attending college or vocational school, parenting
-36% were 18 – 24
-64% were 25 – 32

Confidence level of ± 3%

Distributed across U.S.
Current Gen Y Housing

- **Owners**: 35%
- **Live with Parents/Siblings**: 20%
- **University Housing**: 6%
- **Renters**: 37%
- **Live in Mobile Home**: 2%

Source: ULI/Lachman Associates Survey, Summer 2010, n=1210
# Marital Status by Age

<table>
<thead>
<tr>
<th></th>
<th>18-24</th>
<th>25-29</th>
<th>30-32</th>
<th>Total Survey</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single, Divorced or Widow</td>
<td>85%</td>
<td>54%</td>
<td>45%</td>
<td>63%</td>
</tr>
<tr>
<td>Married or Partnered</td>
<td>15%</td>
<td>46%</td>
<td>55%</td>
<td>37%</td>
</tr>
</tbody>
</table>

n=1241  
Gen Y’s Self Characterization

I consider myself:

- City Person
- Suburbanite
- Small Town Person
- "Country" Person

n=1241
Gen Y Characterization by Ethnicity

I consider myself:

<table>
<thead>
<tr>
<th></th>
<th>Hispanic</th>
<th>Black</th>
<th>White</th>
<th>Total Survey</th>
</tr>
</thead>
<tbody>
<tr>
<td>City Person</td>
<td>51%</td>
<td>54%</td>
<td>28%</td>
<td>33%</td>
</tr>
<tr>
<td>Suburbanite</td>
<td>30%</td>
<td>28%</td>
<td>36%</td>
<td>35%</td>
</tr>
<tr>
<td>Small Town Person</td>
<td>17%</td>
<td>12%</td>
<td>23%</td>
<td>21%</td>
</tr>
<tr>
<td>“Country” Person</td>
<td>2%</td>
<td>6%</td>
<td>13%</td>
<td>11%</td>
</tr>
<tr>
<td></td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
</tbody>
</table>

Source: ULI/Lachman Associates Survey, Summer 2010, n=1241
## Gen Y Housing Tenure by Age

*Living with relatives or in student housing

<table>
<thead>
<tr>
<th>Age Range</th>
<th>Renters</th>
<th>Owners</th>
<th>Other*</th>
</tr>
</thead>
<tbody>
<tr>
<td>18-24 yrs</td>
<td>38%</td>
<td>15%</td>
<td>47%</td>
</tr>
<tr>
<td>25-29 yrs</td>
<td>38%</td>
<td>44%</td>
<td>18%</td>
</tr>
<tr>
<td>30-32 yrs</td>
<td>36%</td>
<td>54%</td>
<td>10%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>38%</td>
<td>36%</td>
<td>26%</td>
</tr>
</tbody>
</table>

*n=1182

Source: ULI/Lachman Associates Survey, Summer 2010
Gen Yers Turning 22

Source: ULI/Lachman Associates Survey, Summer 2010, n=1241
Ava by Avalon Bay
Ava by Avalon Bay
## Anticipated Housing in 2015

<table>
<thead>
<tr>
<th>Type</th>
<th>Expected Owners</th>
<th>Expected Renters</th>
<th>Total Survey</th>
</tr>
</thead>
<tbody>
<tr>
<td>Apartment/Condo</td>
<td>9%</td>
<td>60%</td>
<td>25%</td>
</tr>
<tr>
<td>Duplex, Rowhouse, Townhome</td>
<td>5%</td>
<td>7%</td>
<td>6%</td>
</tr>
<tr>
<td>Single-family Home</td>
<td>82%</td>
<td>28%</td>
<td>64%</td>
</tr>
<tr>
<td>Mobile Home</td>
<td>3%</td>
<td>3%</td>
<td>3%</td>
</tr>
<tr>
<td>Other</td>
<td>1%</td>
<td>2%</td>
<td>2%</td>
</tr>
</tbody>
</table>

*n=1241
Source: ULI/Lachman Associates Survey, Summer 2010.*
Financial Ties: Parents & Adults Children

How much are your and your parents current financial situations linked?

- All 25- to 34-yr-olds: 60% Not too much/Not at all, 38% Great deal/Some
- Living with parents: 53% Not too much/Not at all, 46% Great deal/Some
- Not Living with parents: 66% Not too much/Not at all, 32% Great deal/Some

Source: Pew Research Center, 2012
Gen Y as Consumers

- Dislike accumulating possessions
- Devalue traditional status symbols
- Treat simplicity as a core value
- Shop in stores; buy online
- Consult product reviews
- Value sensory aspects of shopping
Gen Y’s Sharing Economy

"Access to stuff we want without having to own it“

• Rented dresses (RentTheRunway.com)
• Zipcars
• Tools & electronics
• Chefs & errand runners
• Toys (BabyPlays.com)
• Modern art

“Owning less offers more”
Gen Y Hotels

- Aloft
- Indigo
- Hyatt Place
- Gen 4
- New York’s Standard & Ace Hotels
- Motel One
- Yotel
Gen Y as Office Users

- <100 sq ft/person
- No private offices
- Counters replace desks
- Creative interaction/fun spaces
- Work from home/car/Starbucks
- Green is preferable
- Incubator/temporary spaces in demand
Zynga Headquarters
Zynga Interiors
Gen Y as Office Users

- <100 sq ft/person
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Why We Call Them Gen Y

- Y should I leave home and find my own place?
- Y should I get a car when I can borrow yours?
- Y should I get a roommate?
- Y shouldn’t I have a dog?
- Y shouldn’t I treat myself well?
- Y should I stop traveling?
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