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## Gen Y Doesn't Strive for Home in the 'Burbs

Market swings typically have a short-term effect on housing. Demographic preferences, on the other hand, can exert a lasting influence.

Take Generation Y. Born between 1981 and 1999, this generation is expected to have a greater long-term impact on housing than the current housing slowdown, say land-use experts who gathered in Denver for an Urban Land Institute meeting.

Unlike their parents, the baby boomers, Gen Y's vision of the American dream isn't a home in the suburbs. Instead, say planning experts, Gen Y will be more likely to opt for urban infill locations in neighborhoods that are culturally and ethnically diverse. They will also look beyond major metros such as New York, Chicago, or Los Angeles.

## Small-City Preferences

The cost of housing will lead Gen Y to "increasingly gravitate to more affordable second- and third-tier cities, if those cities can offer sufficient entertainment and recreational amenities," said Gadi Kaufmann, managing director and CEO of Robert Charles Lesser & Co., a Bethesda, Md., firm that focuses on identifying real estate trends.

"Over the next 10 to 20 years, it's quite likely that "more small cities will have more high rises," catering to the housing needs of echo boomers, he added.

Gen Y will also gravitate toward designs with bright, open spaces with ample windows. Also, flexibility will be a priority, which means that rooms and spaces will be designed to accommodate multiple uses. Wireless access is a must for this cohort, which Kaufman describes as "the most connected generation." Strong, too, is their environmental consciousness, which will support green building features.

## Delayed Ownership

For baby boomers, home ownership was a goal to achieve as soon as possible in adulthood, but demographic analysts speaking at the meeting say Gen Y may not follow that path.

Gen Y — which is also known as the echo boomers — has a tendency to delay marriage and childbirth so they may be apt to delay other commitments, too, including home ownership, says James Chung, president of Reach Advisors, a Belmont, Mass., a firm that helps clients leverage changes in demographics.

— *By Camilla McLaughlin for REALTOR® Magazine Online*