

Who are millennial home buyers?

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Early reports by the Pew Research Center, cited millennials (81 million of them) as those individuals born in 1981 and later, up until today. Other researchers capped the era at those born between 1981 or 1982 and 1994 or 1995, which would put the youngest millennials at around age 22 or 23 up until about age 35 or 36.

Generation Z (the generation younger than the millennials) is the next-gen group that some are already calling 'digital natives.' (Ilyce sometimes refers to them as the generation born with a "chip" built into their brain.)

In short, the oldest millennials will remember life before Google and what a telephone's busy signal sounded like. Gen Z (including our own kids) won't.

Around the world, millennials

are considered one of the most consistent generations. Whether you're a millennial living in Tokyo, Munich or Springfield, Ill., surveys have found that your generation is very similar in the way you behave, the way you use and consume technology, the way you dress and the way you learn.

Much of this has to do with the internet, as this cohort is the most tech-savvy, and technology has flattened much of the world. Information flows freely, is adapted to life seamlessly, and has profoundly (and quickly) changed life for this generation and their parents. It has certainly changed how people buy, sell, finance and invest in real estate.

According to the 2016 Survey of Home Buyers and Sellers, an annual report published by the National Association of Realtors, first-time buyers now fall directly into the millennial sweet spot: They're a median 32 years old (if



you look at all home buyers, the median age is 44 years old). Their median income is \$72,000.

The median price of a first-time buyer's home purchase is \$182,500, although that ranges from just about \$161,000 for unmarried couples to \$208,500

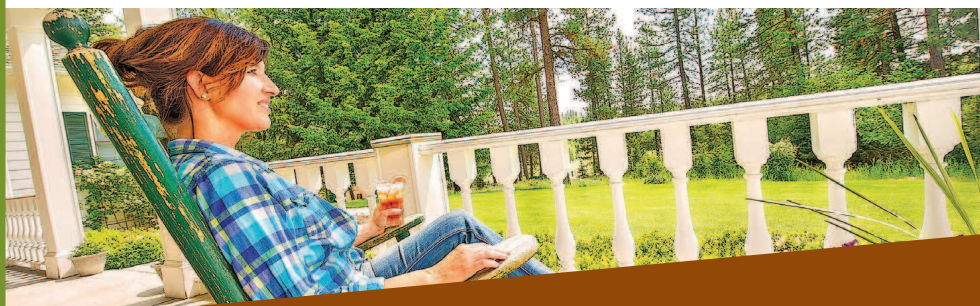
for married couples. The median down payment is 6 percent, and 60 percent of millennial buyers are childless. Ninety-five percent were either renters or lived with their parents before buying their first home. One percent purchased the home they had previously rented,

and 87 percent were born in the U.S.

For a while, we've watched the real estate industry change to accommodate this new buyer, adopting and discarding new technologies, trying to find a way to communicate faster and more effectively with a generation that seems to prefer texting to talking. This is a generation that feels entirely comfortable soliciting feedback from friends versus trusting the real estate agent they hired to help them make the single biggest purchase of their lives.

Ironically, just as millennials are ready to buy, interest rates are beginning to rise and home prices are skyrocketing, thanks in no small part to the baby boomers staying in their homes instead of downsizing.

All of which means that this generation, like those before, is finding it's expensive to buy the home of your dreams.



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