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Generation Y - Also known as Millennial or Echo Boomers

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While demographic data and trends are not, by themselves, a tool to predict future demand drivers, understanding the preferences of the various age cohorts and why they espouse those preferences can be a powerful tool in tailoring real estate projects for long term future success. While the Baby Boomers have shaped numerous trends over the past 50 years, another large cohort - Gen Y - is expected to be a significant influence over the next 20 years.

The cohort known as Generation Y - also referred to as Millennial or Echo Boomers - is the largest U.S. population segment, now totaling 87 million persons aged 13 to 31 years old. Born between 1982 and 2000, they reflect values shaped by upbringing centered on "no winners or losers" and parents that offered more attention and support. This upbringing impacts their values and psyche. They get along with each other extremely well and tend to delay getting a job, a home, marriage and starting a family. In addition to how they were raised, a series of economic challenges faced as they have come of age also impacts their choices for jobs, housing and how they consume.

These preferences and tendencies contrast the Baby Boomer cohort - the second largest cohort born between 1946 and 1964 - whose preferences and tendencies were shaped by periods of economic expansion and contraction. Although a large segment of boomers are entering their retirement years, it is expected that many Boomers will not or cannot retire given economic challenges in their early years, as well as impacts of the recent recession.

Gen Y is perpetually connected and research indicates that 80% go to bed each night with their cell phones on. (Sounds like my kids!) The Internet is a huge factor in shaping how this generation learns, lives and creates personal relationships. They have greater tolerance for personal differences (gender, race, class, etc.) and tend to support government programs and social support. They were the generation that initiated the Occupy Wall Street Movement, are starting families later (living for extended time at home before forming a household) and expect to have a smaller family than their parents.

Understanding these personality traits and the values of Gen Y can be a useful factor in urban planning and project design. Some examples of features valued by the cohort include:

Apartment:

- * Dog walk areas and dog washing facilities;
- * Secure bike racks;
- * Smaller, efficient unit sizes with communal amenities.

Office:

- * Workplace environments and build-outs that offer a collegial setting and amenities to link work and personal life;

- * Incubator office sites to accommodate interest by Gen Y in small business formation;
- * First floor retail featuring tenants with services or a business that cannot be duplicated on the internet (such as spa, salons, food).

Although no one particular cohort will solely drive changes in design and planning the needs and demands of Gen Y, as they continue to age, will be a significant factor in shaping urban planning and real estate design.

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