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Embracing Millennials in real estate: Insight on how Millennials think about home ownership

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There has been a lot of discussion about the Millennial Generation, those born from 1982 to 2004, and their effect on the economy. This effect has been seen most dramatically in real estate where this generation is slow to become home owners compared to their parents.

Millennials typically wait to start families, have an average student loan debt of \$29,400, and average starting salaries of only \$44,000 if they were lucky enough to land a job out of college. Other factors like the Dodd-Frank regulation's Qualified Mortgage (QM) and Ability to Repay (ATR) rules have tightened credit and made home buying next to impossible for many who'd like to buy a home. These economic concerns aside, many Millennials just feel like there is no pressing reason to buy a home.

The realtors that will be successful in the 21st Century embrace these generational differences and adapt. While the task may seem daunting at first, with a few sensible insights on how Millennials think about home ownership, your interactions and sales can improve tremendously.

"What's the point of buying a home?"

This is a question popping up more and more. Ask someone over 35 their opinion on home buying and compare the answers to someone under 35, the results may shock you. Only 36.2% of Americans under 35 own homes yet most of this demographic still plan on home ownership. Too often, buying a home invokes the phrases expensive, risky, and hard work. The average 28 year old lived through the financial crash of 2008 right as she was starting out in the world. They got a front row seat to the gut wrenching volatility which came along with owning a home. They witnessed bad bankers, controversial bailouts, and perhaps a parent or relative struggle with underwater homes. It's no wonder Millennials are not in a hurry to purchase a home. It's up to realtors to remind them that they are lucky to learn from past mistakes and when managed responsibly, a home can be a great long term asset.

Technology is not the (only) answer.

It's a common belief that Millennials are solely reliant on technology in their home search. However, this is rarely the case. While most home searches do start on the web, Millennials are quick to acknowledge the need for an expert. Take for example David Spektor, 25 years old and first time home buyer. David used Zillow and Trulia to initially browse listings but found it challenging to find an agent. "Searching online is a great way to start a home search, however it became an information overload quickly" said David, "I just wanted to work with a seller agent to help navigate all the listings and make sure I got the best deal possible." In many cases, the best people suited to help David are those his own age. The sooner you incorporate this generation into your

organization, the easier time you will have marketing to Millennials.

Cater to Generational

Differences

Millenials are more interested in a satisfying experience than a roof over their heads. Point out the fun that can be had in their own home, decorating as you wish, enjoying a beer and BBQ in the backyard, hosting friends. A house is more than paying a mortgage; it's an enviable lifestyle.

Include parents in the decision making process right from the start. Parents will often times be contributing to the down payment and after 25 years of helicopter parenting, it's a reality that they will be reviewing the paperwork anyway. A realtor might as well welcome them to the process.

The Millennial generation is different than those before it in many ways. However the "American Dream" of home ownership has never been stronger. With these insights, you can become a realtor for the 21st Century. Trust me, I'm a Millennial.

LodeStar Software Solutions is a New York based company specializing in web-based compliance and sales generation tools for the Title Industry. Their products provide accurate closing cost estimates for all 50 states, are mobile compatible, and generate sales lead reports detailing user history.

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