



Leadership Conversation

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A Weekly Discussion Topic For Today's Real Estate Leaders

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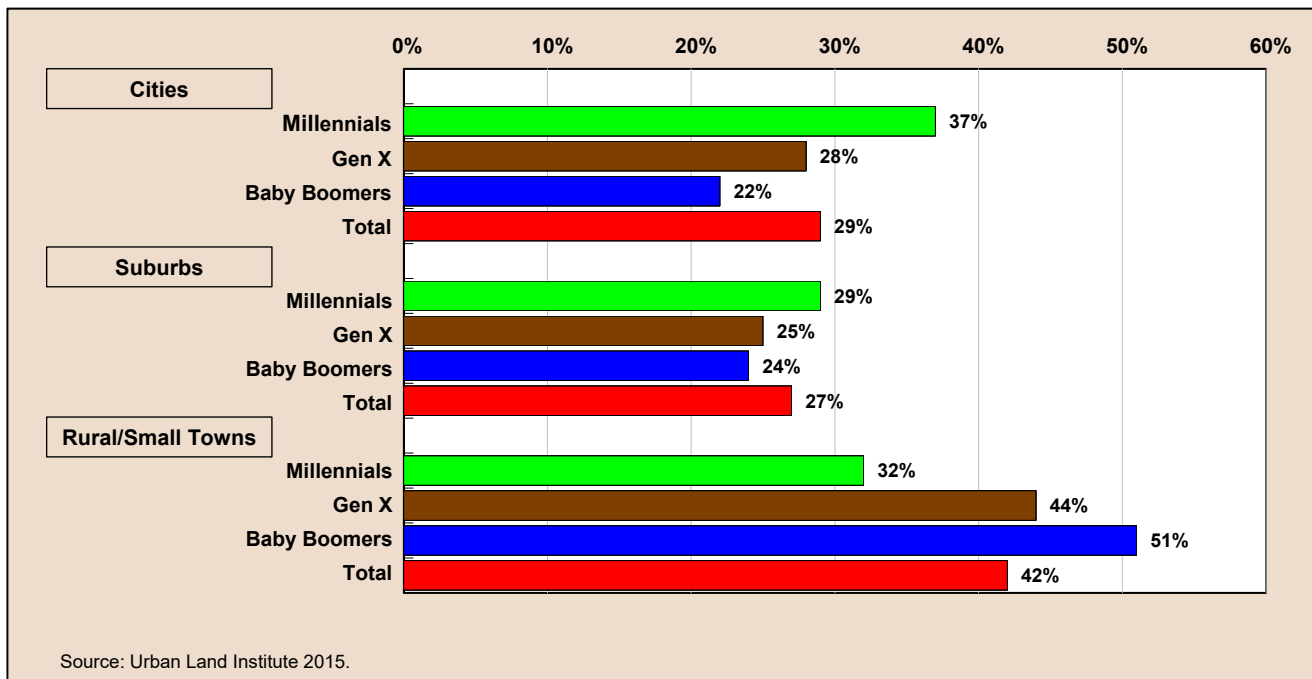
Week of July 3, 2017

The Millennial Urban Myth

Born between 1981 and 1997 (in 2017, now age 20 to 36), the 75 or so million Millennials or Gen Ys became (in 2015) the largest generation in the U.S....surpassing the Baby Boomers. In recent years, Millennials have moved to dynamic urban markets. Attracted by jobs, entertainment, easier commute, and to be around others "like me," Millennials have revitalized and energized many markets. From Seattle to Denver, from Austin to Raleigh, from Silicon Valley and the San Francisco Bay area to Houston and from Washington D.C./Northern Virginia to Boston and New York City, Millennials have preferred the 24/7 lifestyle of the "hip" urban core in America.

However, this is changing and within a decade (2033) it will become a tsunami of change as Millennials shift to the suburbs (which has already begun). Driven by a desire to buy or rent a larger residence, raise a family and be proximate to other family-based amenities and recreational options, Millennials will create a demand for more walkable and generation-mixed communities.

Desire Communities



Millennials have been the catalyst for urban and urban/suburban growth and redevelopment, but only 38% currently live in an urban area. The location preferences of Millennials often are based on where they lived previously or were raised. The switch from urban to suburban is occurring at around age 30. Assuming that the next economic slowdown will occur between 2017 – 2019, there should be a significant pent-up demand by Millennials to move to the suburbs by 2020.



I expect many aging Boomers will rent or sell their homes and become the lender to Millennials as this significant demographic shift occurs. Boomers will replace Millennials in many urban areas for the same reasons that attracted Millennials earlier (with the exception of jobs).

Key Questions To Discuss This Week

1. As Millennials move into decision-making roles within your client/customer base, how has your company changed its marketing and business development focus/pitch to appeal to this sector?
2. What will be the downsizing housing needs for the new Baby Boomer urban dwellers?
3. Does your organization have a Generational Strategy in the company's long-term strategic plan?
4. What is the one product, service or attribute your company needs to capitalize on this emerging trend?
5. If your company is not located in a "hip" market, what strategies is your firm deploying to recruit and retain Millennial talent?

Prediction

"By 2025 Millennials will have become the new face of American suburbs, while the 24/7, dynamic urban areas with robust transportation, healthcare and entertainment options will be the real estate opportunity sweepstake winners."

Closing Comments

We hope you enjoyed this article and will be able to utilize the "Key Questions" at a future leadership meeting within your firm.

We welcome your comments, feedback, insights and perspectives

Regards,



Christopher Lee

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