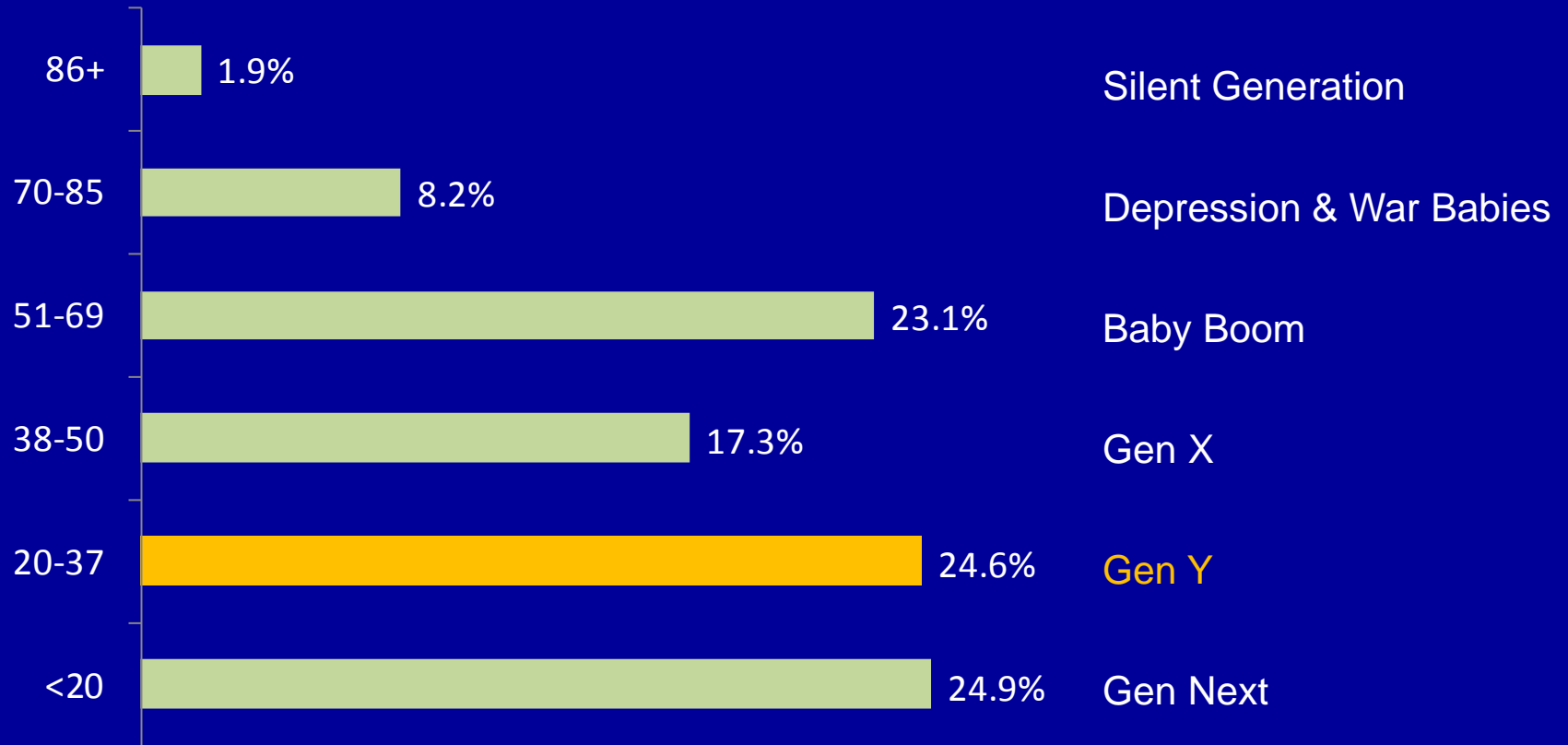


Generation Y and Housing: What They Want, Where They Want It

M. Leanne Lachman
Lachman Associates

May 13, 2015

Who is Gen Y?



Source: U.S. Census Bureau, 2012

Gen Y's Profile

Age	
19-24	35%
25-30	33%
31-36	32%

Race	
White	73%
Black	15%
Other	12%
Hispanic	22%

Married/Partnered	
Yes	38%
No	62%

Live w/Children	
Yes	28%
No	72%

Car Ownership	
Yes	83%
No	17%

n=1270

Source: UDR/Lachman Associates Survey, November 2014

Key Survey Findings

- Optimistic about their economic future
- 50% currently rent
- 21% live at home
- 26% own their homes
- Self image:
 - 37% city people
 - 36% suburbanites
 - 26% small town/rural persons

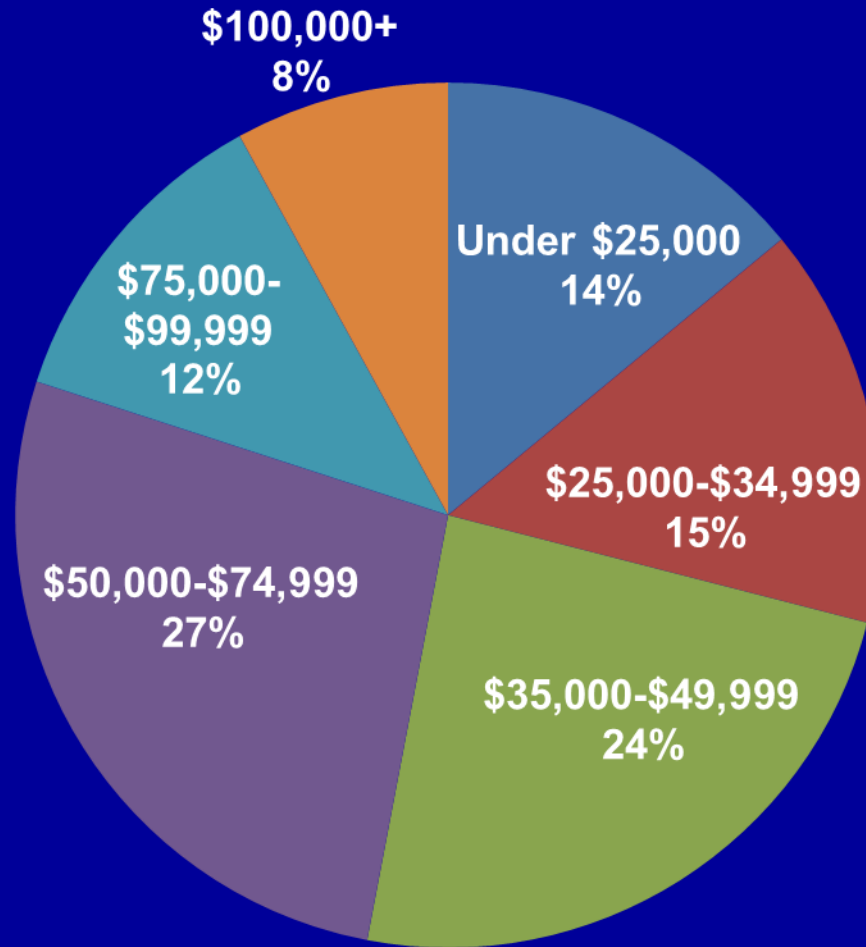
Gen Y Employment

Working full time	62%
Working part time	15%
Job hunting	6%
In school, interning, volunteering	9%
Stay-at-home parent	4%
Other	4%

n=1270

Source: UDR/Lachman Associates Survey, November 2014

Income of Full-Time Workers



n=791

Source: UDR/Lachman Associates Survey, November 2014

Gen Y is Financially Prudent

- Self description:
 - 38% “savers”
 - 30% “spenders”
 - 32% can afford both
- 22% have retirement accounts
- 26% have other investments
- **YET**, half only have enough income to pay their bills
- 31% get parental help with living expenses
- 21% do not use credit cards
- 31% pay off credit card monthly
- **YET**, 13% have credit card balances of \$6,000+

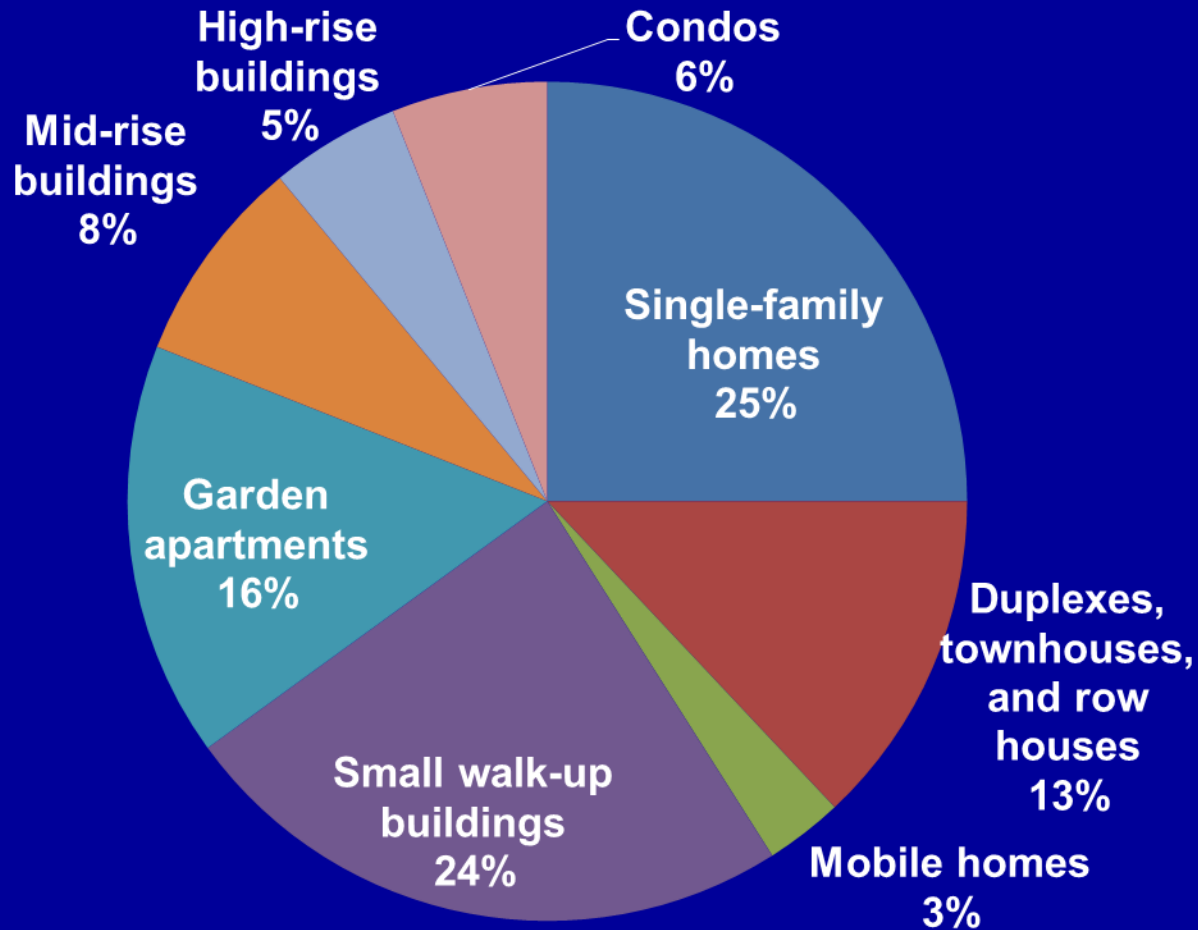
Student Debt Status

	% of respondents
Never incurred debt	38%
Fully repaid debt	10%
With outstanding debt:	
Current on loan payments	31%
Behind <3 months	4%
Seriously delinquent/in default	4%
Still in school/recent grad	15%

n=1270

Source: UDR/Lachman Associates Survey, November 2014

50% of Gen Yers Rent



n=630

Source: UDR/Lachman Associates Survey, November 2014

Gen Y on the Move

In last 3 years:

- 45% moved at least twice
- 35% moved once
- 20% did not move

Gen Y's Happy Renting

26% very satisfied

41% satisfied

33% prefer to own but rental is best choice now

Marriage Postponement

	% of Generation Married @ 18-32
Silent Generation	65%
Baby Boomers	48%
Generation X	35%
Generation Y	26%

21% Live at Home

36% of those 19-24

19% of those 25-30

8% of those 31-36

42% have moved back home

40% pay rent or contribute to family finances

Only 10% now at home expect to live at home in 5 years

U.S. Households Under 35



Source: U.S. Census Bureau

Multi-Generational Households

- 14% of Gen Yers live in 3-generation households with:
 - Parent(s) & grandparent(s), or
 - Children & parent(s), or
 - Children & grandparent(s)
- 21% of Hispanics
- 24% of blacks

26% of Gen Yers Own

8% of those 19-24

25% of those 25-30

47% of those 31-36

29% of whites

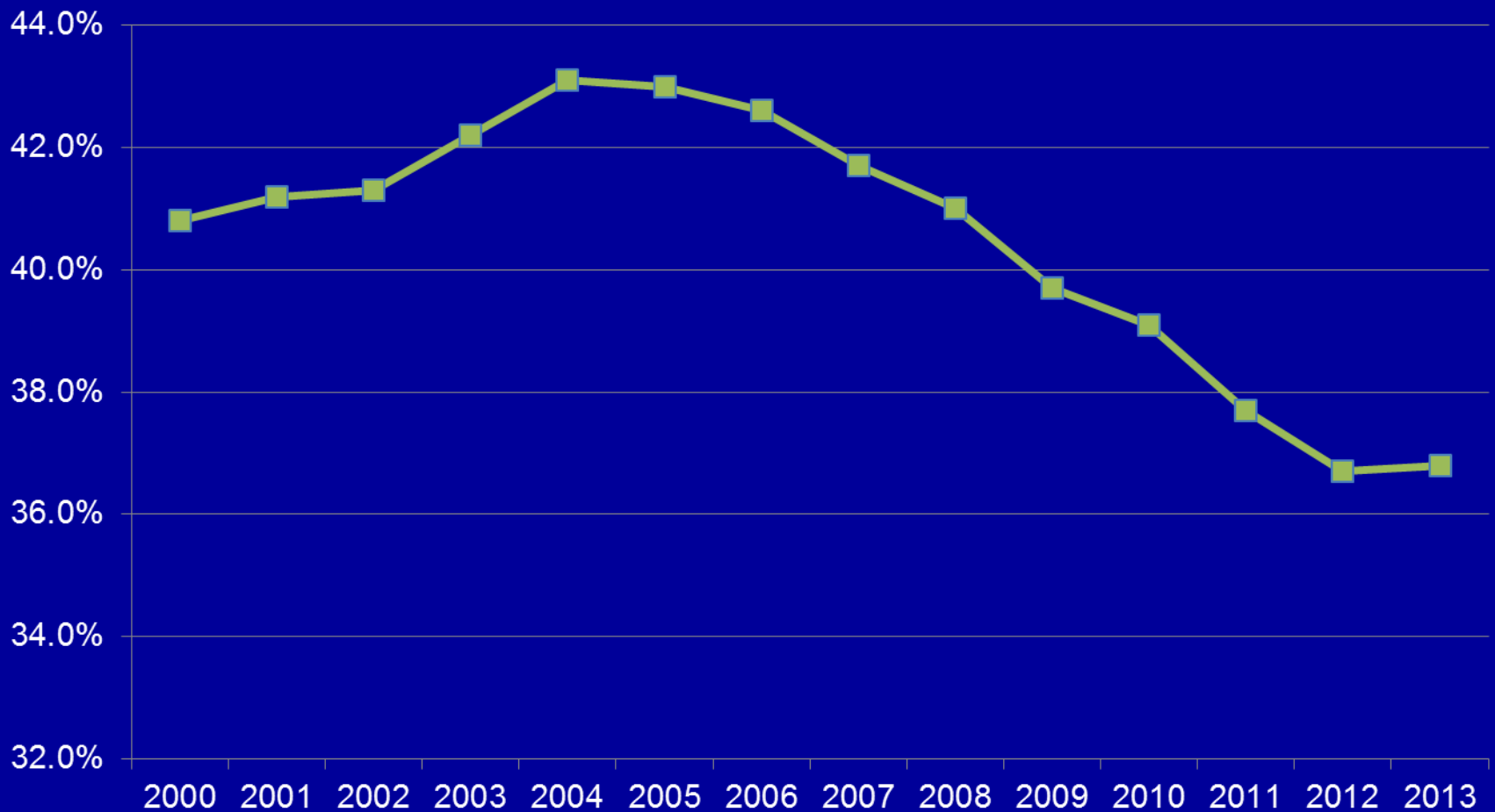
14% of blacks

20% of Hispanics

Gen Yers in Their Early 30s

- Catching up on life events:
 - Marriage
 - Children
 - Homeownership
 - Life insurance
 - Eating in, rather than out
- Quickly taking care of all this can be stressful
- Nonetheless, 72% are “happy”
- 74% are “hopeful”

Homeownership for Households <35



Source: Joint Center for Housing Studies of Harvard University, *State of the Nation's Housing: 2014*

Gen Y's Locational Identity

	Self Image	Current Residence		
		All Gen Yers	Blacks	Hispanics
Within central city	37%	48%	54%	57%
Suburbs	36%	28%	28%	22%
Small town/rural	26%	24%	17%	21%

n=1270

Source: UDR/Lachman Associates Survey, November 2014

Gen Y “Downtowners”

- Only 13% of total sample
- 17% of male respondents vs. 10% of women
- 29% have roommates vs. <18% of total sample
- 73% single vs. 62% of all Gen Yers
- 25% do **not** own cars vs. 17% of total sample
- Almost 75% work full time
- Gen Y’s trend setters

Bottom Line on Gen Y and Housing

- Largest source of rental demand
- Largest source of 1st-time purchases
- Virtually all expect to own someday
- Only 4% expect to live at home in 5 years

**In a generation of 78.6 million,
even a small % is a lot of consumers**

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