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## Special Report: Across the Generations



San Diego—While Baby Boomers and Gen Y sit at opposite poles, that doesn't make it necessary to choose between them as targets for housing or retail. In fact, according to analysis at last week's Urban Land Institute

Spring Meeting in San Diego, the two groups—those in the process of entering the ranks of seniors and their children—complement each other.

That's good news, considering they represent the two biggest generational groups in America—and when it comes to housing, the two biggest buyer groups, according to Alan Mark, CEO of The Mark Co. During a panel comparing the two generations, he quoted the Baby Boomers as comprising 47 percent of buyers, with Gen Y at 35 percent, Gen X at 14 percent and the 64-and-older group at 4 percent.

Comparing the two groups is complicated by the fact that the beginning and end of the Baby Boomer generation are more easily identified and their composition is more clear cut. A larger group than their children, they are mostly native born and mostly white, for instance, while Gen Y includes a significant immigrant population, from a variety of countries, making them less unified, noted Robert Lang, director of Brookings Mountain West at the University of Nevada at Las Vegas. That said, Gen Y is a more tolerant generation, not fearing change and, having never been through the urban exodus of the 1970s, more drawn to cities than their parents, who prefer privacy and space.

"What's different is the pace of change," added Jamie Gutfreund, chief strategy officer for The Intelligence Group, who noted that the bar continues to rise. She emphasized the need to look ahead to who this group will be as they continue to age. Already, she noted, quoting her Cassandra Report, 82 percent would rather live in a city than a small town, and they are highly entrepreneurial (49 percent want to bypass traditional companies in favor of startups). And they rely on the opinions of family and friends.

Many say they want to live with their parents, yet Mark noted that a lot of them are second-home buyers. Everything about them is different, observed Jeff Kreshek, vice president of West Coast leasing for Federal Realty. "They want to be challenged ... they want the experience, but in a very different way." And they want to experience shopping even when they don't want to interact with people, he observed. In the retail sector, properties that offer a "sense of place" will have a better chance of succeeding, he said, pointing as an example to his company's Santana Row in San Jose, Calif.

Despite the differences between the two generation, mixing the generations is important, according to Mark, who said the younger group doesn't want to live only with other members of Gen Y. And he sees room for combination. For instance, both groups like high-rises, although for different reasons. Baby Boomers are ready to give up caring for a house and property, while Gen Y has no time or interest in such responsibility, he explained. And when they move into multifamily housing, they are drawn to different types of units: Gen Y to smaller, more affordable units and the Baby Boomers to larger units. Mark cautioned that those larger units should be placed at the top of the building, where the views are better.

Specific preferences don't stop there: Baby Boomers like outdoor space (even if it's not private), a single level (don't build their space on multiple levels), larger common rooms for entertaining (more important than large bedrooms) and two rather than three bedrooms to encourage their children to visit but not move in. Gen Y also likes social aspects, but they prefer a rooftop deck for gathering (it can also double as a marketing venue for the building), dog runs and stylish finishes.