



## Housing the NeXt Generation

Members of Generation X or the 'lost generation,' a cohort of people now in their mid-twenties to early-thirties, have recently entered the housing market as choosy, opinionated buyers. They don't necessarily want the sort of house their parents would buy. Their home preferences will influence how many new homes are built because they are the age group most likely to purchase a home within the next two years.

Although they have been reluctant to marry and start families, Generation X-ers value home life and the stability inherent in homeownership. They are financially conservative, save their money and plan for the future. Buying a house is a top financial priority for many X-ers, and social researchers who study Generation X predict this 'home and hearth' trend will extend well into the future.

Demographers disagree about the exact number of individuals who comprise the Generation X cohort and about the years between which they were born. But many say Generation X is even larger than the Baby Boom generation— 81 million X-ers (born between 1961 and 1981) compared to 67 million Boomers (born between 1942 and 1960). And X-ers, not Boomers, have just reached their primary years for forming households.

### **So, what do Gen X homebuyers want?**

- Homes with cozy and intimate rooms. Gen X-ers don't think they need as much room as their parents did. One possible reason for this trend is that Gen X-ers don't, on average, have the same number of children that their parents did as first-time homebuyers. In fact, many don't have children at all because they've delayed marriage and family life. They want warm and welcoming houses that look like homes, not museums
- Homes with interiors that display a pragmatic use of space. Some Gen X-ers, for example, are asking for rear foyers instead of grand entry foyers. They want to have a place to set down their briefcases and car keys when they enter the house through the garage.
- Houses in urban settings. This may be the first generation since WWI that is not sprinting toward the 'burbs — many X-ers prefer inner city living.
- Homes built from classical architectural designs. For exteriors, most Gen X-ers prefer classic American architecture in brick or clapboard.
- Homes with functional, not lavish amenities. They don't want the same amenities that their parents have in their homes. Most Gen X-ers, for example, don't want elaborate kitchens because they say they don't cook that often.
- Homes that fit their lifestyles. They want homes that function like well-tuned machines. Builders create 'activity zones,' which buyers can configure to meet their needs.
- High quality homes with fine details. Generation X's dream house might be smaller than their parents' house, but not necessarily less expensive. They want the best product they can get for the money they spend. And they like details such as wood-trim, porches and exposed beams. X-ers appreciate fine carpentry.

- Homes with unique qualities that express individuality. Large, undefined and unfinished loft-like spaces attract Gen X-ers because they can be configured into unique arrangements. X-ers like to customize their living spaces.
- Homes pre-wired for computer and video transmissions. Gen X-ers have come of age alongside laptops, faxes and the Internet. Many can't live without easy access to these and other technological devices.
- Houses located in tight-knit communities. They want to sit on their porches and chat with neighbors. And they'd rather send their kids to school on bikes than on buses. They want the Cleaver family feel that many of them missed while growing up.
- Low-maintenance homes. They don't have any intention of painting their own houses.
- 'Green' homes. Environmentally-conscious builders score many points with Generation X-ers, who have a genuine interest in preserving natural resources and conserving energy.
- Most importantly, builders recognize that Gen X-ers are not Baby Boomers. In many cases, the two generations are antitheses of each other. Gen X-ers don't prize the same features in a home.

Gen X-ers constitute a new, and soon to be dominant, market. Members of the lost generation have found their way, are settling down and want to buy homes to establish financial security. Their strong opinions and presence will change the face of housing.

July 1999