



Q: Are there any important differences in the home buying behaviors of younger generations when compared to their parents and grandparents?

A: Much has been written about the fact that four different generations of Americans help drive the economy of the United States today. Matures/Traditionalists (born 1900-1945), Baby Boomers (born 1946-64), Generation Xers (born 1965-1980) and Millennials/Generation Yers (born 1981 and later) bring different life experiences, values and attitudes to the workplace and to their consumer behaviors.

While there is only limited research, there is some evidence that the home buying and selling behaviors of Generations X and Y appear to be different than for the generations that preceded them. If nothing else, technology is changing the way these younger consumers educate themselves before making a major purchase as they spend more time using the Internet to explore real estate, seek out professional assistance and even secure the funds to facilitate a real estate purchase.

While Matures often value teamwork, commitment, sacrifice and financial conservatism, Boomers tend to lean towards idealism, individualism, self-improvement and high expectations. Matures typically plotted out one career path and stuck to it where Boomers question from time to time that they are on the right career path.

The two younger generations also have some interesting differences. Exposed to fast food, computer technology, AIDS, women on the Supreme Court and high rates of divorce among their parents, these groups tend to be more pragmatic, technologically-savvy, and look for more quality of life and work-life balance than their parents or grandparents. They expect to be seen and heard and accept multi-tasking as a normal part of life and work.

When it comes to investing in real estate there are some interesting differences among the generations, as well. Matures and Boomers, often having made more than one purchase (or sale) of a home, are more influenced in their next purchase by past experiences and convenience. Matures carry memories of earlier places they lived which can be both a help and a hindrance in finding the next right home. Boomers, for whom optimism is a key characteristic, see the next home as a step up and a way to grow economically.

Some Generation Xers have experience with real estate but most do not and few Generation Y members have any such experiences. Growing up in divorced homes, as latch-key kids and living through periods of both inflation and recession have made them resourceful, but skeptical. Sales pitches fall on deaf ears as they seek proof of value in any consumer activity. They see the buying process as more of a game than their elders and they use a wider network of friends and associates to gather information and make decisions.

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Some studies show that Generation Y starts the home owning phase of their lives at an earlier age and, along with Generation X, are paying significantly more for their first home. In many cases, Generation Xers primary reason for their first home purchase is as an investment – different from their parents and grandparents who bought homes as a primary residence. Increased debt is less uncomfortable for the two younger generations already accustomed to large debt from college educations, vacations and luxury purchases.

Generations X and Y also expect things to move more quickly and don't accept past practices as a reason for how to do things today. They text message, listen to iPods, do most of their correspondence on their computers and pay bills online. They're puzzled by commissions, paperwork that's actually done with paper and the time delays built into the buying and selling process. Their impatience may frustrate older real estate professionals as well as buyers and sellers who want things to progress at a slower, more traditional pace.

Finally, unlike Boomers and Matures, X and Yers are much more comfortable with confrontation. They challenge and question and will compare the answers they get to both their own perceptions and what they learn through their peers and the electronic research they will most definitely perform.

Because buying and selling real estate is such an emotional and significant event in anyone's life, it's important to understand and respect the values of everyone involved in the transaction.

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