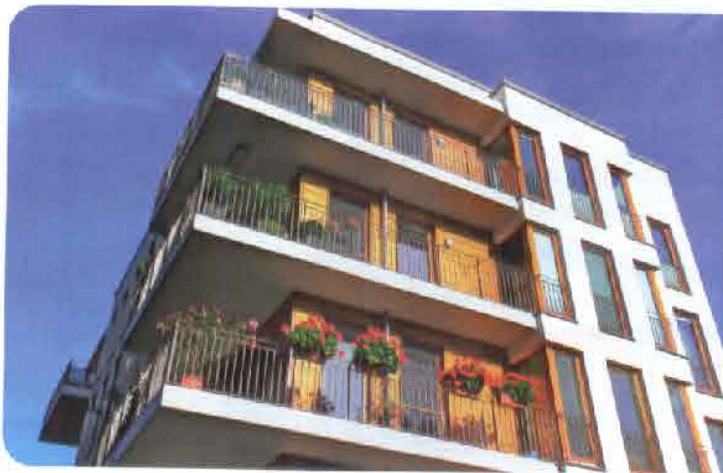


Lifestyle and Values



The Stereotype:

Millennials are downtown trendsetters who want to live within walking or biking distance to work, bars and restaurants. They like bike-sharing programs, electric-car charging stations and say no to yards.

The Real Story:

Is much more complex, with Millennials appearing to move toward traditional patterns of homeownership and suburban life as they age.

Forever Urban?

Homeownership illustrates the dangers of overgeneralizing about Millennials.

Conventional wisdom has it that economic insecurity — fear of foreclosure, student debt — have combined with broader societal trends such as marrying later to lead Millennials to remain renters and delay buying a home.

Indeed, developers across Florida are pouring copious amounts of concrete to build rental apartments, often tiny, especially in downtowns, to cater to Millennials. In Miami, for example, developer Moishe Mana wants to build a 49-story apartment building with units under 500 square feet.

Demand from Millennials for rentals has continued even as apartment rents have risen beyond what a substantial monthly mortgage would cost. In Tampa Bay, a 700-sq.-ft. apartment can fetch \$1,300.

Matt Allen, COO of Related Group, the Miami developer now wrapping up its condo projects in Florida in favor

of apartments, says Millennials “like the ease of renting. They like to move quickly. We have some young developers in our office, and they don’t even have a car. They’re Uber-ing it. They could pack up and move to China if they wanted to. They like that flexibility. We’re seeing that in all our markets, especially Tampa.”

Without doubt, homeownership among Millennials lags. By 2013, the number of Florida homes owned by those up to 34 years old fell by more than 200,000 from 538,738 just seven years earlier. The economic rebound was weak for Millennial homeownership: As of 2015, Millennials owned 327,971 houses in Florida while renter-occupied housing in their age group numbered 834,967.

More good news for landlords: Some 1.4 million Millennials in Florida live with their parents. The first step out for most people living with their parents will be into rental housing, says the Urban Land Institute.

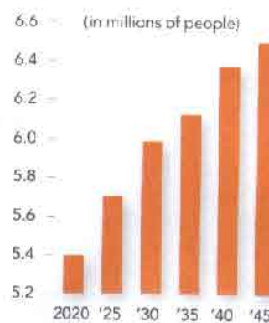
But don’t write the obituary for homeownership. Fannie Mae last year reported seeing older Millennials accelerating home purchasing. And research by University of Southern California’s Dowell Myers, a Florida native and professor of policy, planning and demography, indicates that the three trends that

led Millennials to concentrate in cities — the size of the generation, scarce jobs, housing tied up by older people unable to move — will run in the opposite direction by 2020. By then, job creation and less competition for jobs from the next, smaller generation will give Millennials a big economic boost.

Adding nuance to the Millennial housing picture is an Urban Land Institute 2015 study. The findings? Millennials look forward to owning their own homes. And while many live in city neighborhoods, only 13%

Projections

Between now and 2045, the number of Millennials in Florida is expected to grow from 4.12 million to 6.46 million.



Source: Bureau of Economic and Business Research

(men more than women) live in actual downtowns — nearly the same percentage as those living with three generations of family under the same roof.

(The popular media image of urban hipster Millennials, the authors believe, is driven by Millennials in New York, San Francisco and just eight other cities.)

The ULI study also found that Millennials identified themselves in nearly identical numbers as suburbanites and city people. Four of 10 renters live in single-family homes, reflecting a post-recession marketplace in which investors bought up masses of foreclosed homes for use as rental property. (Some 39% of the nation's rental stock now is single-family compared to the historically true one-quarter.)

Interestingly, the ULI study found that while Millennials like walkability in a community, they think that the cost of housing, safe neighborhoods, good schools and proximity to work are much more important. Millennials — said to be a socially conscious generation — ranked eco-friendly features last in a survey of top attributes in choosing a dwelling. Six of 10 renters said they wouldn't pay more for green features and sustainability.

Mass transit didn't score high either, a notable finding for a generation known for getting driver licenses late and viewing cars as utilitarian rather than a mode of self-expression.

Diana Galavis, a northeast Florida Realtor, says lifestyle is important to Millennials she's dealt with, "but it doesn't necessarily have to be an urban lifestyle." They want to be near work, friends and entertainment, she says. They also educate themselves online about what's available, are financially cautious and borrow less than they could. "They're always looking at it as an investment" and anticipate renting it out when they move up, Galavis says. "The Millennials definitely are in the market," she says.

With the Millennial housing picture more muddled than initial reports made it appear, the institute study offered an important caveat: In a generation so large, even small percentages equate to large numbers of consumers. In Florida, a 10% slice of the Millennial pie soon will be a market of 539,000.



Home Buyers

In July, 29-year-old Millennial Nathan Zike bought a three-bedroom, two-bath house, his first, for \$160,000. The house, with a two-car garage, is in suburban Port St. Lucie, a quintessential suburban municipality in St. Lucie County. Zike, who runs the online arm of a shoe stocking and retailing company in Stuart, sounds like generations of home buyers before him. "I was tired of just throwing my money away," Zike says. He had been paying \$1,250 a month in rent, with more money paid out for the standard last month's rent and security deposit. Now, his monthly payment to his lender, including escrow for taxes and insurance, is \$1,000. "I wanted something that was a little better investment and for my money to mean something. I wanted something I could call my own."

For Florida's Millennials, the car is still king. Nearly nine out of 10 Millennials report driving or carpooling to work — higher than the national average.



Peru-born Oscar Maldonado, 25, is a New York Life agent. Much of his client base comes from his own generation and those 50 to 65. Maldonado lives with his parents in a Port St. Lucie home that they all bought together.