

2014 MILLENNIALS SURVEY

Summary

Who is your Typical Millennial? (Demographics)

- ¾ millennials are not married.
- Nearly 3/10 of millennials have a college degree.
- 62% are minorities.
- ¼ millennials are students.
- Only 1/3 millennials have full time jobs.
 - Millennials worked for an average of 3.4 years in their current job.
- Millennials earn a median annual income of \$35K per year.
- About 2/3 live in Southern California.
- Majority rent (41%) or live with their parents (36%), only 1/5 are home owners.
 - Millennials spent an average of less than two years (33.8 months) living in their current residence.
- More than ½ of millennials live in single family homes.
- The typical household consists of 2 adults and 1 child. Nearly half of millennials don't have children. The median age of the other adults in the home is 31. 1/5 live with Baby Boomers, possibly their parents.
- The majority of millennials live with their family; only 10% live with roommates.

Renters

- 2/5 millennials are currently renting.
- Millennials spend a median of \$1,075 monthly on rent.
- The main reason for renting is affordability.
- 1/10 renters previously owned a home.
 - Of the renters who have previously owned a primary residence (12%), the majority sold their home after 2009 and the main reason for selling was due to the need to move for work and/or for family reasons.
- Majority rent instead of buying because they cannot afford to buy, but most expect to buy a home in the same county or same neighborhood within 5 years. An affordable home price would be the number one motivator for millennial renters to buy a home now, followed by having money for a down payment and an improvement in their finances.
- Contrary to common belief, detached single-family homes and big lots of land are the preferences of prospective buyers.
- Millennial renters ideally want to live in a pedestrian-oriented neighborhood.
- More than ½ of millennial renters would begin their search for a home to purchase online.

- The majority of millennials value home ownership, giving an average importance rating of home ownership of 7.1 on a scale of 1-10, with one being not at all important and 10 being extremely important. Millennial renters find that the biggest advantages to home ownership are the freedom to do what they want with the property as well as the privacy. Their biggest concern about home ownership is affordability (45%). Most were not affected by the housing crises, as 59% are not less likely to consider owning a home a good investment.
- ½ millennial renters have student debt, but most do not feel it is preventing them from qualifying for a mortgage. The majority have other debt, such as credit cards and auto loans, that would make it difficult to buy a home. Most are uncertain or doubtful they could obtain a mortgage now.

Buyers

- 1/5 millennials are homeowners. 28% of those homeowners inherited their properties. Nearly 9/10 are first time buyers.
- Median sale price: \$267,000
- Affordability is the main reason for buying a home. Most millennial homeowners did not buy a home sooner due to a lack of urgency.
- More than ½ millennial homeowners chose their home based on location.
- A little more than half found their home through an agent and 26% found their home online.
- Of the millennial homeowners who found their home on the internet, Zillow, Realtor.com and Craigslist were the top websites.
- They are optimistic about future home prices, with 59% expecting prices will be higher in a year and 63% think prices will go up in 5 years. They had mostly positive attitudes towards the home buying process and had a better than expected home buying experience.
- Millennials were overwhelmingly satisfied with the home they purchased, only 15% claimed they selected the best option given the limited supply available.
- Most intend to keep their property for less than 5 years.
- Most millennial homeowners would like better communication with their agent and a better market understanding.
- More than ½ millennial homeowners would advise other first-time buyers to 'do their homework online.

Financing

- The majority of millennial home buyers obtained financing. Of the 17% who paid cash, most of those funds came from personal savings.
- The average down payment for those who obtained financing was 26%.
- More than half found it easy to acquire financing, with an average difficulty rating of 4.4 on a 10 point scale (10 = extremely difficult).

Buyer/Agent Relationship

- Most millennial buyers were related to their real estate agent or found them through a referral. They interviewed an average of 2 agents and tended to select the most responsive and most knowledgeable to represent them. 40% “Googled” their agent.
- Buyers viewed an average of 8.2 homes before purchasing one. 80% of them made offers on other homes.
- Millennial homeowners preferred communicating with their agent through email and telephone and those expectations were met, for the most part. Agents also met expectations on response time, with most responding to their clients within the time frame the client expected.
- Buyers were mostly satisfied with the home buying process and with their agent because the agent worked hard and negotiated a good deal.
- Millennial buyers found that they needed the most assistance from agents in finding the right home and negotiating the purchase price. Many felt they received a positive value from hiring an agent and would work with that agent again.