



## Changing Demographics Impacting Housing Market, Say Realtors®

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NEW ORLEANS (November 9, 2014) – Realtors® from across the country gathered today to discuss the effects changing homebuyer demographics on the housing market during the REALTOR® University Richard J. Rosenthal Center for Real Estate Studies forum today at the 2014 REALTORS® Conference and Expo.

"Among primary residence homebuyers, the demographics have shifted dramatically, especially among first-time homebuyers, whose share of the market has dropped to its lowest level in decades," said Jessica Lautz, director of member and consumer survey research for the National Association of Realtors®. "We have also seen an increase in the median age and income of the average buyer, as well as in multigenerational household formations as adult children and elderly family members move back in with their families."

Adult Millennials, those aged 18 to 33, were a popular topic of discussion for the panel. In 2014, Millennials saw 60 percent better job growth than the US overall and a drop in unemployment to 6 percent. This growth, along with improved economic opportunities, should encourage Millennials to form households and buy homes in the coming years. "Millennials are the largest generation of people in the U.S. and represent 60 percent of first-time homebuyers," said Jonathan Smoke, chief economist for realtor.com®. "They are also more likely than any other group to purchase a home in the next year." Tightened inventory, difficulty receiving credit and lower than average salaries have kept many of these buyers out of the market, but most economists see that as a temporary setback.

"It's not that young people don't want to purchase homes, it's that they are delaying the purchase," said Lisa A. Sturtevant, vice president of research for the National Housing Conference. "Many of the reasons Millennials are not forming households or making purchases are economic, so as the economy improves, we should see this group become more of a force in the housing market."

Smoke said it's a misperception that Millennials are not already participating in the market. "They represented 37 percent of home shoppers this summer, and over the next 5 years this generation will make up two-thirds of household formations," he said. "Between June and September 2014, over half of adults aged 21-34 visited real estate websites or mobile apps. And this is the cusp—get ready for the Millennial wave to drive the housing market for decades."

Another group that will be competing with Millennials for dominance in the housing market is baby boomers. Sturtevant said, "With Millennials searching for new homes, baby boomers downsizing, and groups with historically lower incomes all entering the market, an increased demand for smaller, less expensive homes will begin to emerge."

[The National Association of Realtors®](#), "The Voice for Real Estate," is America's largest trade association, representing 1 million members involved in all aspects of the residential and commercial real estate industries.

For additional information from Home Destination about Millennial home buyers:

- [Millennial Generation Home Buyers Favor Twin Cities Living](#) - November 12, 2013
- [Younger Homebuyer Preferences in the Twin Cities](#) – November 23, 2013
- [Challenges Twin Cities Millennial Homebuyers Face](#) - September 2, 2014
- [Twin Cities Millennials Passing up Opportunities to Buy a Home](#) – November 6, 2014
- [Millennials Comprise 37 Percent of All Home Buyers](#) – November 10, 2014
- [Why Home Sellers Must Heed Market Adjustments by Millennials](#) – November 10, 2014