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MILLENNIALS TO ECLIPSE BABY BOOMER REAL ESTATE SPENDING POWER IN NEXT FIVE YEARS

Millennials Needing More Help In Understanding The Buying Process

Despite 74% of millennials requiring more help than usual in understanding the buying process, it is anticipated that the next five years will see millennials eclipse baby boomers' real estate spending power with 66.1% of those born between 1982 - 2002 choosing property over lifestyle.

With millennials earning more money than earlier generations, their buying budgets are anticipated to be well above those of Generation X and Y, and it won't be unheard of for some to make their first purchase in the realms of \$500,000 to \$750,000.

Ray Ellis, Chief Executive Officer, First National Real Estate says "The expectations we have for millennials from 2018 onwards is based on our members' observations, which mirror that of data we are seeing from the US. The next five years will see the most spending power of baby boomers eclipsed by millennials, with the majority focused on buying apartments as their first home - moderate commutes to work will be acceptable but the majority will not find the outer suburbs of metropolitan areas very appealing. In essence, millennials are driven by lifestyle. The norm is now I want it, I've earned it, I can have it. By necessity, the lifestyle changes that are required to become a property investor are no longer mandatory,"

Millennials are expected to purchase apartments as their first property and seek out homes in locations that complement their lifestyle, are close in proximity to transport and their employment.

They will also seek out property that is 'move-in-ready' rather than renovator's specials, with 48% buying newly constructed homes to avoid plumbing/electrical problems compared to 34% of other buyer demographics.

Internet connectivity has a significant influence in their buying decisions, with the generation geared to seek out property online that is picture-perfect, and they regard internet speeds and choice of telecommunication providers as incredibly important to assessing a potential home. Television lifestyle shows also play a role in their real estate requirements with current home styling and design trends high on the must-have list.

Seeing property only as a stepping-stone, millennials are expected to hold onto their first home for six years before moving on to the next better one compared to 10 years for previous generations.

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