

Unpacking the 5 generations that make up today's home buyers

The differences between generations are becoming more and more appreciable, says Grahame Diedericks, manager principal for Lew Geffen Sotheby's International Realty in Midrand.

“This impacts the real estate market significantly as each generation of consumers has unique characteristics, priorities and attitudes which consequently result in different lifestyle preferences, financial goals and purchasing behaviour.”

Diedericks says that current buyers can be broken up into five generational groups:

Silent Generation: born 1928–1945

This is the smallest market segment and, although seniors are now far more active than ever before, their property needs are largely confined to the retirement sector and assisted living.

They value loyalty and quality and if they're convinced that you're an expert, they are likely to easily go along with your recommendations and aren't likely to demand that you customise your services.

They are more concerned about the agent's track record than their degrees and generally don't respond well to slick marketing gimmicks and sales techniques.



Grahame Diedericks, manager principal for Lew Geffen Sotheby's International Realty in Midrand



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Baby Boomers: born 1946–1964

Most baby boomers will have recently found themselves with empty nests or reaching retirement so they're usually looking to downsize to more reasonably sized homes. Unlike their predecessors, they are embracing this stage of life and they generally prefer one of two options that allow them to retain their independence.

Some like to move to communities of like-minded people, such as secure lifestyle estates that cater for their changing needs as they age, whilst others prefer to live in vibrant, walkable neighbourhoods with good amenities and leisure activities. A growing trend for both groups is a move to smaller towns and coastal villages.

The Boomers tend to prefer working with a strong brand or at least one they feel is powerful and well established. And although technologically competent, many may not consider themselves tech-savvy and most prefer to talk things through and to communicate mostly in person or on the phone.

They require those weekly status calls and they are impressed by degrees, awards and rankings.



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Generation X: born 1965–1980

This generation is still in their peak earning years, often with children at home and place priority in a location that is close to work and close to schools for their kids. Think of these kinds of locations as convenient suburbs where you're not in the hustle and bustle of an urban location, but have similar access to entertainment, food and activities. Having a prestigious and well rated school system nearby is another top priority for these buyers who have kids currently in the school system.

They are the average home buyers in your market today and they demand details, full disclosures and proof - and you can count on them to do their homework so you need to back up your pitch with data and stats.

They may not easily accept your advice or guidance and could be hard to manage in the process but once they feel certain they have made the right choice, they generally make up their minds very quickly.

Millennials: Born after 1980

Although millennials may chronologically be considered one generation, already we are seeing the impact of a fast-changing world with younger and older millennials showing two distinct home buying trends.

And it's the millennials who are leaving the biggest footprint on the industry. Not only are they now the largest buying group, they're waiting longer to buy a home and many of their needs are very different from any of their predecessors and, as a result, they're changing the way homes are chosen and even the property landscape.

Born in the age of technology, millennials are often regarded as the smartest and most educated generation and they expect everyone to listen to and value their opinions.

They will do extensive online research and expect clean, simple and quick transactions. They generally don't respond well to old fashioned sales techniques and prefer concise texting for day-to-day communication.

When looking for a home, both groups prioritise factors like good internet connectivity and living within an easy commutable distance from work or college but there are a number of other criteria that differ considerably.



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Older millennials: born 1981–1996

This group currently dominates the real estate buying market and, like their parents, is largely motivated by marriage and children. However, as this generation highly values experiences and the freedom of convenience, they often choose more urban settings or, over time, create vibrant hubs within suburbs close to cities.

Millennials often cite location as one of the top influencing factors when house buying. They want to be where the action is, close to amenities like restaurants, bars and shops. And, as many now have children, they want to be in close proximity to schools.

Post-millennials (Generation Z): born after 1996

Generation Z is starting to become independent from their parents and, just entering the market, they will be renting their first apartments or saving to put down a deposit on their first homes.

They like to stay near to where they grew up, just usually not in the same neighbourhood and, unlike the older group, they are not averse to more peaceful suburban locations. They are also more frugal than their predecessors and tend to prefer modest homes that won't place a strain on their budgets. It's important to consider this group as the future of the real estate industry.

Diedericks concludes: "Obviously, not everyone identifies with every generational trait associated with their age group, but understanding the general trends associated with each demographic will enable agents to better service their clients and help them to find their dream home quickly and efficiently as well as successfully conclude more sales."

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