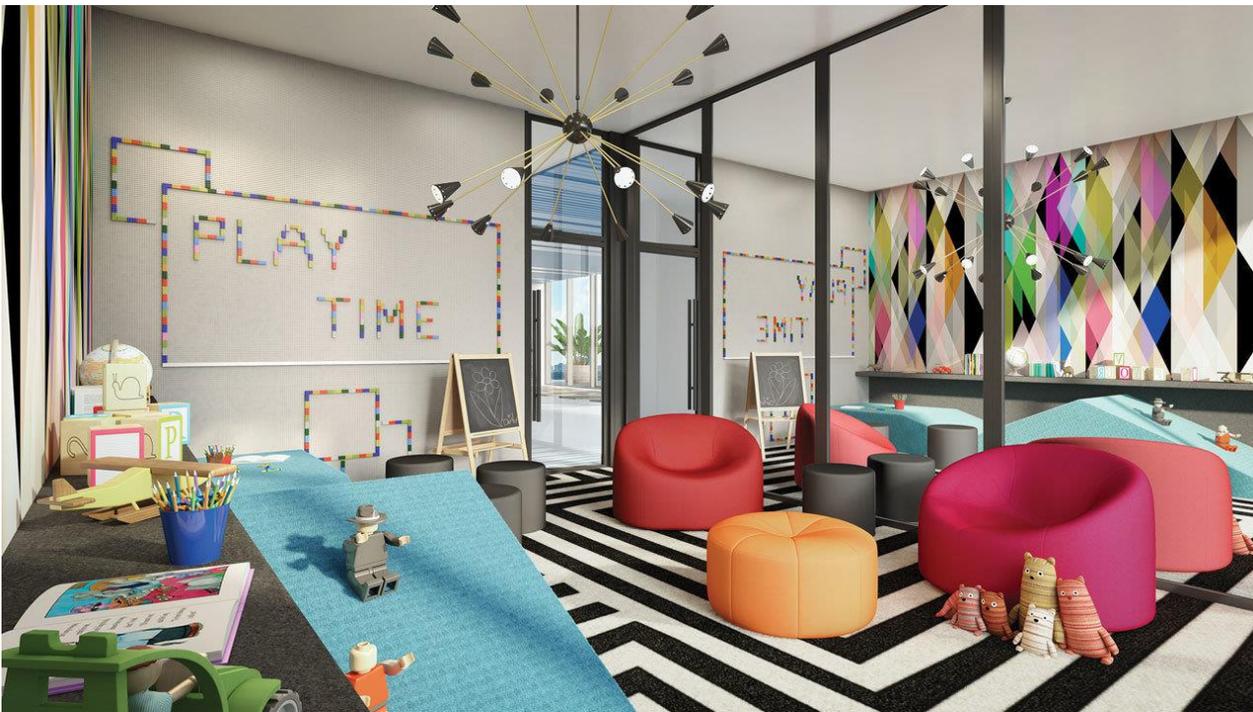


What Millennial Buyers Really Want

Developers are enticing today's young buyers with tech-savvy homes and versatile workspaces

BY ALANNA SCHUBACH



In keeping with global urbanization trends—over half of the world's population now lives in cities—today's young home buyers are seeking urban lifestyles that offer accessibility, walkability, and proximity to entertainment, rather than exclusivity or sprawling square footage. And to draw in this demographic, developers are adopting new tactics.

Millennial buyers are also quite savvy about real estate, having come of age with easy access to information about housing via the internet and social media.

"Millennials are one of the largest groups of consumers," says Leslie Wilson, senior executive vice president at Douglas Elliman. "They're well educated and informed."

To cater to this group, developers say they are building more new properties in the middle of everything, with amenities that foster a sense of community and wellness, as well as offer the kind of high-tech features that today's young people expect to have at their fingertips.

Locations in the "Middle of It All"

Developers are finding that young buyers want to live in neighborhoods that offer walkability, even in car-centric cities like Los Angeles and Miami. Rather than move to a secluded, exclusive enclave, they prefer busy, urban lifestyles, and proximity to bars, restaurants, and entertainment.

"They want to be in the middle of it all," says Taylor Collins of Two Roads Development, a firm that is building the Elysee tower on the Downtown Miami waterfront. "The trend today is people moving off Miami Beach and toward Miami itself, with access to the arenas where the Heat and Marlins play, the performing-arts center, and the Perez Art Museum."



In Los Angeles, neighborhoods like Hollywood Hills, which have space for large, highly amenitized houses, still appeal to wealthy young buyers, but so do more densely populated areas like West Hollywood, Venice, and downtown L.A. Luxury-condo development the Metropolis, in downtown L.A., for instance, is drawing millennials for its convenient location and amenities.

"It has walkability and all of the amenities for millennials looking to live and work in downtown," said David Parnes, co-founder of Bond Street Partners and a cast member of Million Dollar Listing Los Angeles.

Los Angeles' Silver Lake, too, is attractive to young buyers, for its hip reputation, abundant food and drink options, and accessibility. Justin Barth of Barth Partners, the developer behind condo development Vica, says the property's proximity to Sunset Boulevard is a part of its appeal.

"Millennial buyers and the creative class of buyers want to be in very accessible locations," he says. "They like having the ability to walk out the front door and be around lots of activity."

And it's easier here, too. "Buyers here might be able to afford an expensive single-family home, but they choose to live here because it's more understated, and an easier way of life. They're not shouting from the rooftops that they are this person who makes this much money."

Grade-A Amenity Spaces

When it comes to amenities, young buyers are turned off by anything too "gimmicky," real estate experts say, and are less interested in perks like golf simulators and cigar rooms, and more concerned

with finding developments that prioritize health, wellness, and a sense of community.

"Millennials want above-ground, grade-A amenity spaces, with fitness centers that include swimming pools, yoga studios, and massage rooms, whereas before there might have just been some gym equipment on the ground floor," Elliman's Ms. Wilson says.

These buyers don't want amenities like fitness centers to be hidden away in basements, but out in the open, and developers are responding by creating dedicated floors for amenities in their buildings, often complete with views.

In New York, for instance, the top three floors of architect Rafael Viñoly's 125 Greenwich St. condo development are dedicated to amenities, including a lap pool; the Elysee tower in Miami dedicated its 30th floor to perks like a chef's kitchen, library, theater, and salon. In L.A., meanwhile, buyers want new developments that prioritize wellness, with not only options for working out, but also saunas, steam rooms, plunge pools, and massage areas, and even meditation areas, for a holistic experience.

And while elaborate fitness centers are a draw, other developers have found that some young buyers appreciate a more minimalistic aesthetic.

"We do the basics as well as possible," says Ryan Shear of Property Markets Group. "Some developments offer the world, with theaters and bowling alleys, but we think people just want to work out, grab a drink, and go to the pool."

At Muse Residences in Miami's Sunny Isles, for instance, coastal views, indoor air purification, and high-tech lighting fixtures are prioritized over flashy amenities. Children's playrooms are also a good bet, as buyers in this demographic begin to start families, and storage units are an evergreen amenity, Mr. Shear adds.

A Tech-Forward Lifestyle

Young buyers are also interested in homes that are tech-forward, with automation that allows them to control lighting, window shades, and doors remotely from their smartphones. "We have entire homes outfitted with iPads so that everything is seamless," Mr. Shear says. "That probably means more to younger buyers than older ones."

And because so many young people can now work remotely, accommodating this is increasingly a priority of developers. This doesn't necessarily mean the typical ground-level office area, but instead providing spaces that are flexible.

"The concept of workspace is almost outdated, since now you can work from anywhere with a laptop," Ms. Wilson points out. "It almost seems kitschy when you see a building with home-office computers in a room downstairs."

Multifunctional areas that allow residents to both work and relax may be a more powerful draw to young buyers who work from home. The Vica development in Silver Lake, for instance, has a deck that includes both a spa and a library.

"You'd think that wouldn't make sense, but people do want to run into one another," Mr. Barth says. "They just don't want to be forced to socialize. You have different areas, depending on what mood you're in, and this buying class enjoys that optionality."

Developers are also wielding social media to lure in young buyers, by posting videos and photos of listings on platforms like Instagram, which allows them to ask questions about properties through private messaging. "People like this way of interacting, and we get sales as a result," Mr. Parnes says. "This is the way forward."

