



***Understanding
teens' attitudes
and expectations
is critical when
preparing to meet
their housing
needs in college
(and beyond).***

BY LAUREN BOSTON

MILLENNIAL STATE OF MIND

Teenagers get a bad rap.

In a culture obsessed with technology, celebrity and “me time,” today’s youth are often pegged as disconnected, self-indulgent and spoiled. Millennials may be all of these things, but they’re also surprisingly practical, grounded and family-oriented, says Michael Wood, Senior Vice President of Chicago-based TRU, the global leader in youth research and insights.

Wood, who will provide the keynote address, “Youth Truths: The Millennial State of Mind,” at the 2013 NAA Student Housing Conference & Exposition, February 27, at ARIA, Las Vegas, says it is critical for housing providers to understand such traits to meet teens’ needs not only when they arrive on campus, but also after they graduate and look for conventional rental housing.

How, then, does the Millennial mindset play a role in housing?

“Overall, what’s important to keep in mind is that for the first time, this is a generation that’s been impacted by the economy,” Wood says. “Traditionally reliable types of investments have fallen short for them. They’re questioning whether they should buy a home, go to college, enroll in a 401(k)—there’s a seismic shift that has impacted how they think about the long-term.”

As a product of the Great Recession, Wood says today’s youth are incredibly practical—a trait that may surprise other generations.

“In the ’80s and early ’90s, there was a sense of showiness and ‘bling’ and conspicuous consumption among the younger generations,” Wood says. “Young people today do not place the same importance on showiness. The opposite is true—young people are proud to show off the ways in which they are cutting back.”

Part of cutting back often means sharing an apartment or room with several other roommates—or not leaving home at all.

“There’s no longer a stigma associated with living with your parents—whether it’s during college or after,” says Wood, who adds that the days of parents buying a condo for their college stu-

dent are long gone. “In the past, college graduates would be waiting in line to rent an apartment and achieve independence. They couldn’t wait to get the heck out of Dodge and didn’t even want their parents to visit them. Millennials, on the other hand, are very close to their parents. They’re incredibly connected—especially through technology—and aren’t embarrassed by them.”

Although Millennials’ hesitancy to buy a home is a plus for the apartment industry, living with Mom and Dad is not.

Still, Wood says there are many opportunities for housing providers who are willing to offer more flexibility and look beyond traditional housing options.

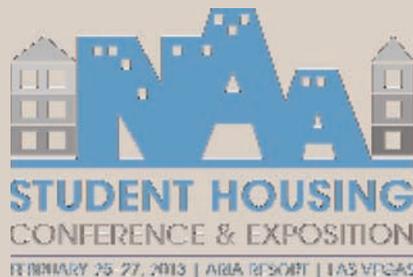
Independent rental owners (IROs), in particular, have the opportunity to be more

flexible with their lease terms, including length of residency and number of roommates on a lease, and appeal to the younger generation.

“Millennials are very practical, but with that practicality comes, in some sense, greater expectations,” Wood says. “There’s an unwillingness to be tied down to past industry standards. Today’s youth are looking for non-traditional housing and increased flexibility. They think very short term and may not want to commit to a one-year lease.”

Although young renters are challenging standard lease terms, Wood says they do not expect the square footage past generations desired, giving housing providers an opportunity to downsize and get creative with design.

“This is a generation that has grown up drinking Smartwater (a brand of bottled water with the added benefit of electrolytes); they’re intrigued by dual functionality and purpose, which go hand-in-hand with practicality,” he says. “An apartment room, for example, can serve more than one purpose. They’re challenging us to think differently about room configuration.”



Like Daughter, Like Mother

Designing apartment products and services that appeal to Millennials may not be that difficult for student housing providers, but what about those in conventional housing who must reach a wider audience—including an increasing number of Baby Boomers who are downsizing from a home to an apartment?

Not to worry, says Wood, who believes that housing providers should look to college students' and recent graduates' interests and needs when designing and marketing a product, rather than focusing on older residents.

"Young people are often arbiters of what is cool in pop culture," Wood says. "Baby Boomers are fixated and obsessed with this notion of youth, and want to be doing whatever the Millennials are doing. When thinking about housing, providers should age down a bit. As long as you are providing a secure and peaceful place to live, there's no risk in doing so. The Baby Boomers will follow the Millennials' lead."

When considering the younger generation's housing needs, it's no surprise that they expect to be wired and connected to technology. Just don't ask them to pay for it.

"I caution housing operators against adding amenities, such as Wi-Fi, and expecting residents to willingly pay more for them," Wood says. "That tone is off to me."

While technology is a no-brainer—as well as safety and convenience—Wood says owners may be surprised to learn that resident events aren't as important to young people as many believe.

"There's a forced sense of community at many apartments



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that isn't necessary because Millennials are already very social and have their own friends," Wood says. "They have the mindset of, 'Just because we live in the same building doesn't mean we want to hang out.'"

With less of a focus on resident events, Wood says housing providers should put more stock in convenience, technology and eco-friendly design. Five years from now, he expects to see housing providers offering more flexible lease terms and "ready-to-go, housing-in-a-bag," where everything—including furniture—is included with the rent.

Wood says, despite what people believe, "these young people are very grounded and incredibly optimistic—they just aren't following a traditional path. The apartment industry has to follow suit." ■■

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