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How real estate developers are luring millennial homebuyers



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Pet spas are just one of the many amenities that developers are offering new homebuyers (AP Photo/Rebecca Blackwell)

Millennials represent the [largest share](#) of homebuyers and will make up an even larger portion as they age. This shift is spurring developers across the US to tweak their blueprints in order to cater to this rapidly growing market.

As young professionals look to settle down outside of the city, they still expect easy access to yoga studios, grocery stores and outdoor theaters. Some luxury developments even include amenities like in-house recording studios and pet spas.

Jerry Hollo, whose father founded Florida East Coast Realty 60 years ago, says he's witnessed a stark shift over the past few years.

"The trend has been moving toward smaller units, but we're also seeing demand for useful, shared spaces," he said.

With a portfolio spanning Florida, New York and Las Vegas, Florida East Coast Realty is focusing on communal offerings — in both urban and suburban areas.

How developers are catering to younger homebuyers

On the newest Yahoo Finance podcast, anchor Jen Rogers and I discuss how developers are adapting to the changing tastes of young homebuyers.

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"Real estate has been completely reinvented over the past few years, as the buyer's perception of value changed. Instead of large bedrooms and walk-in closets, the demand is for quality exterior, shared spaces. In modern architecture, less is more," said architect Kobi Karp.

Overall, developers say homebuyers across all generations are looking for one thing: convenience.

"People are looking for functionality over size. It's really a business of right-sizing real estate. Great things come in smaller packages," said David Arditi, co-founder of ARIA Development Group, which has properties in D.C., New York and Miami.

Startups like WeWork made a foray into [communal housing](#) last year. WeLive is trying to draw in young professionals with shared chef's kitchens and laundry rooms that also serve as arcades.

The picture of homeownership is changing rapidly and it may not be a fleeting trend.

"This is an evolutionary moment. It's cultural and cyclical as well. More and more homeowners want a blending of their private and public worlds," said Karp.