

RCLCO

# How Boomers & Millennials Are Influencing Community Development in Florida



Association of Florida Community Developers

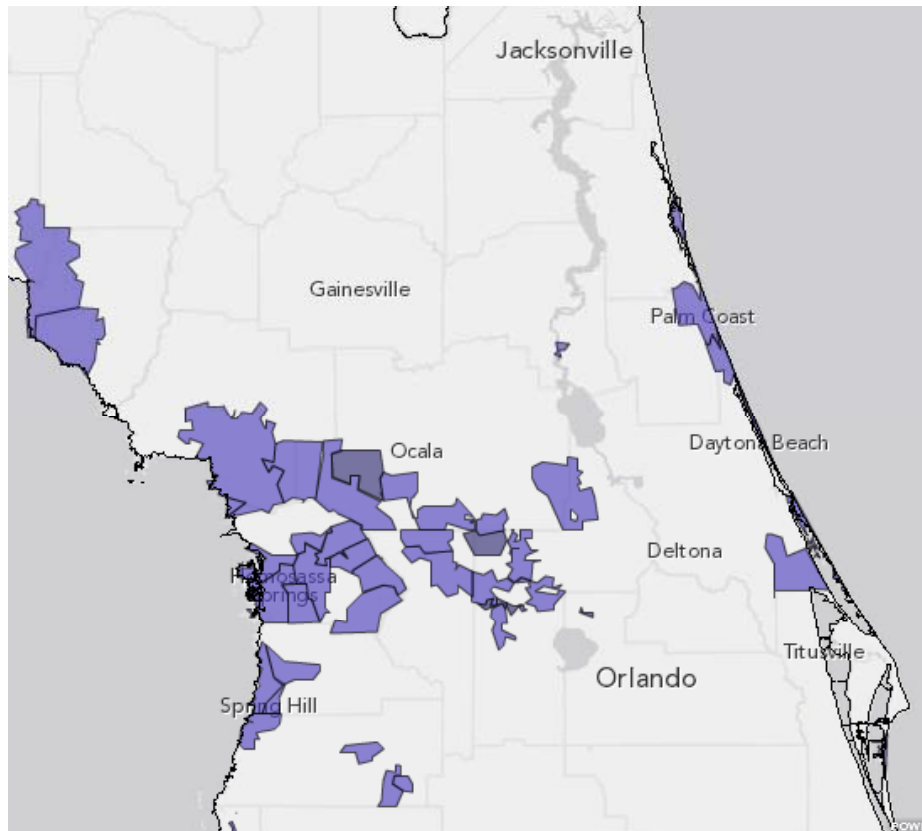
**September 12, 2014**

Gregg Logan, Managing Director, RCLCO Community & Resort Advisory Group

- **Baby Boomers**
  - Still influencing Florida's growth and development, what's next?
  - What does this new generation want in the communities we're developing?
  
- **Generation Y (Millennials)**
  - 24 million new Gen Y household formations by 2025!
  - When will these renters become homebuyers?
  - What does this new generation want in the communities we're developing?

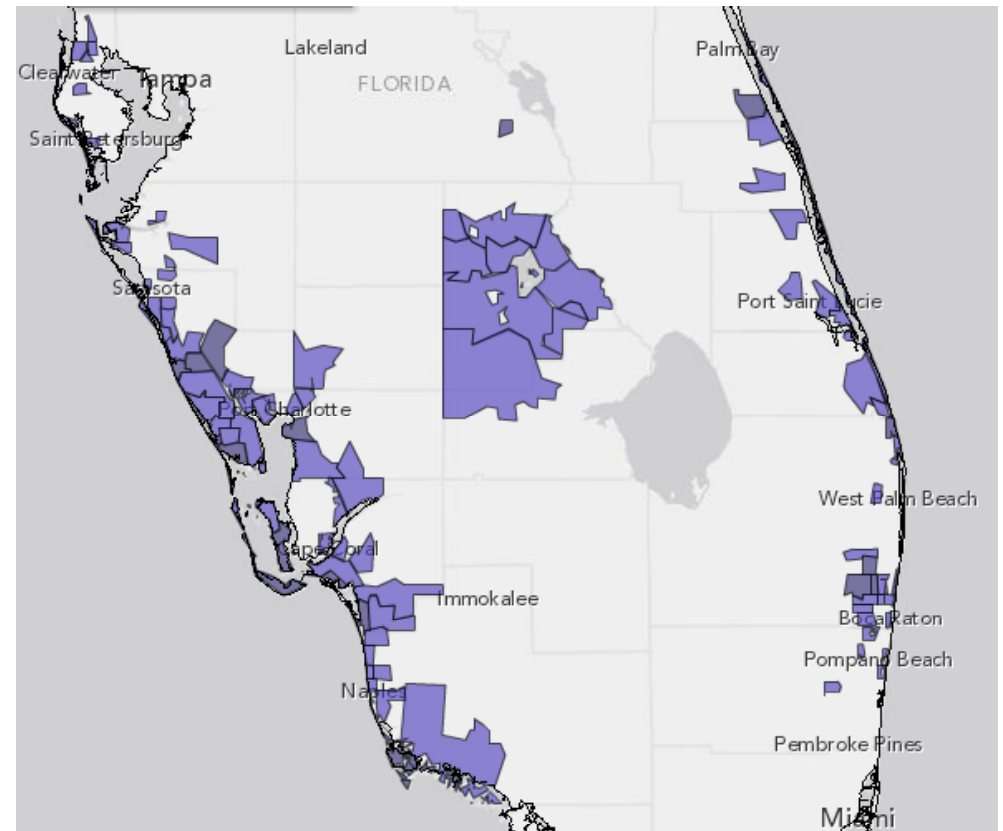
# RETIREEES CURRENTLY CONCENTRATED ON COASTS AND IN CENTRAL FLORIDA

Central Florida



>~30% population aged 65 or older

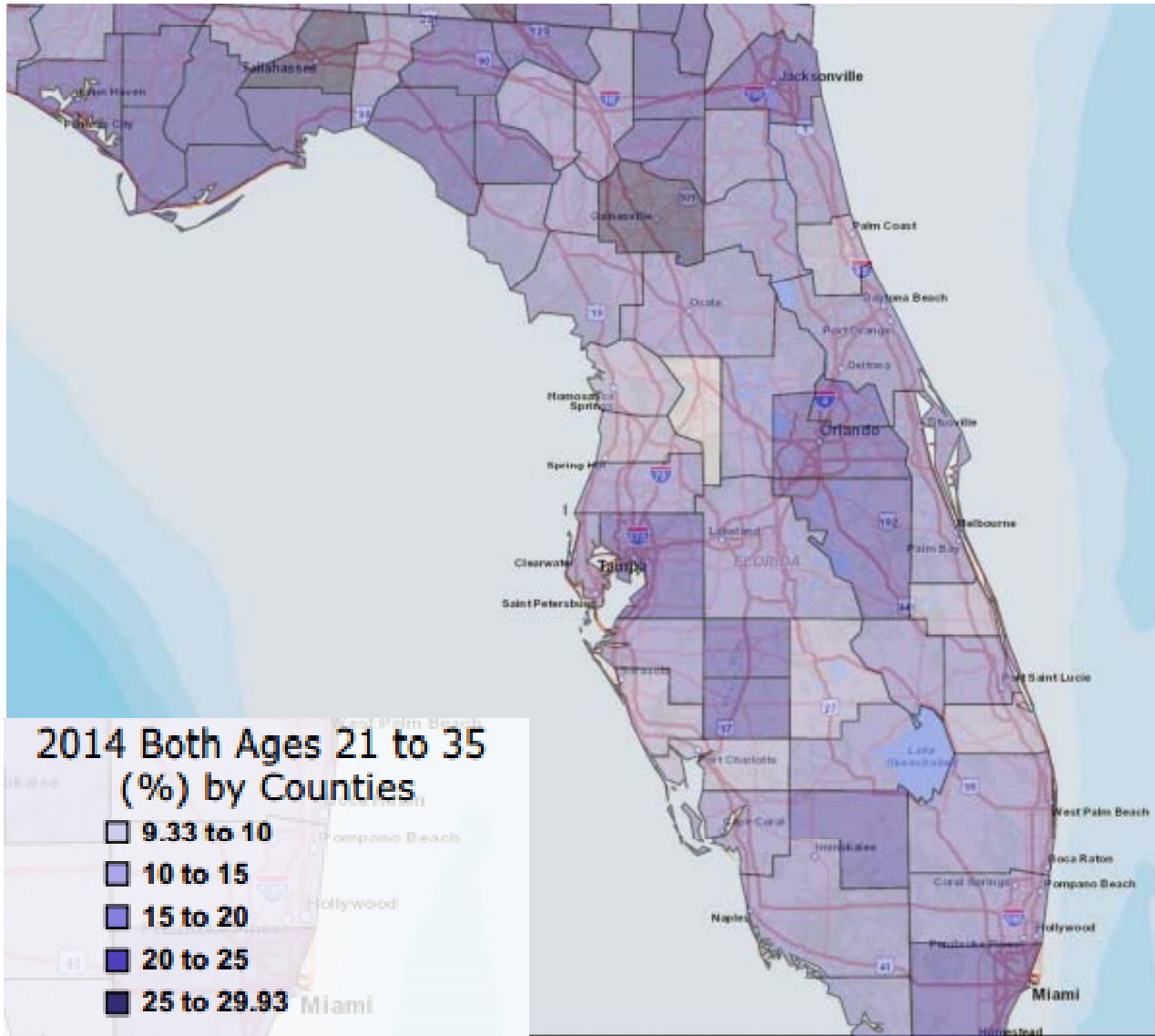
South Florida



>~50% population aged 65 or older

Source: 2014 Esri Estimates

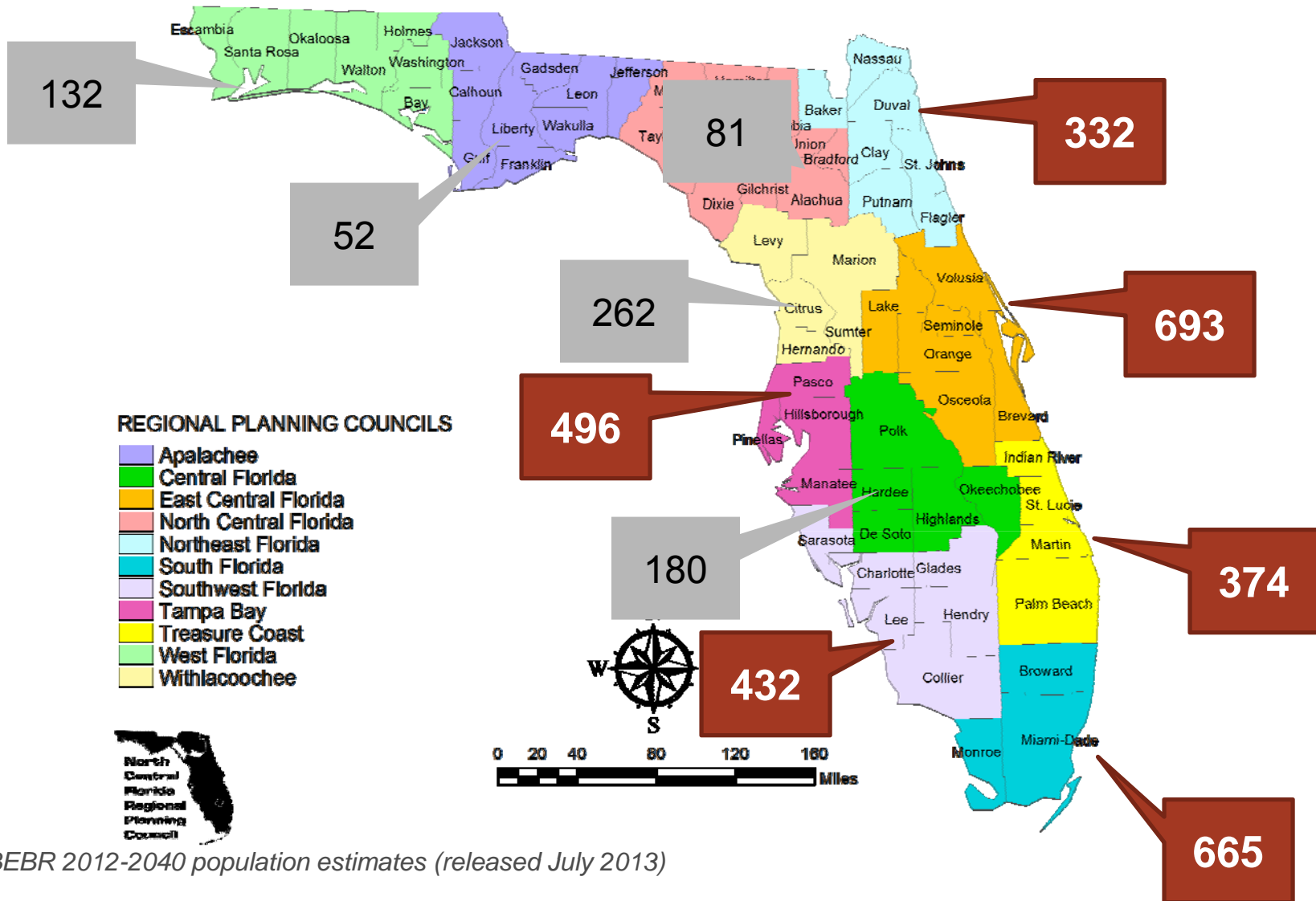
# CURRENT MILLENNIALS IN FLORIDA CONCENTRATED IN URBAN AREAS



- College towns of Gainesville and Tallahassee unsurprisingly have highest concentration of Gen Y
- Jacksonville, Tampa, Orlando, and Miami follow

# SOUTH, EAST CENTRAL, TAMPA, & SOUTHWEST TO HAVE GREATEST 50+ POP. INCREASE

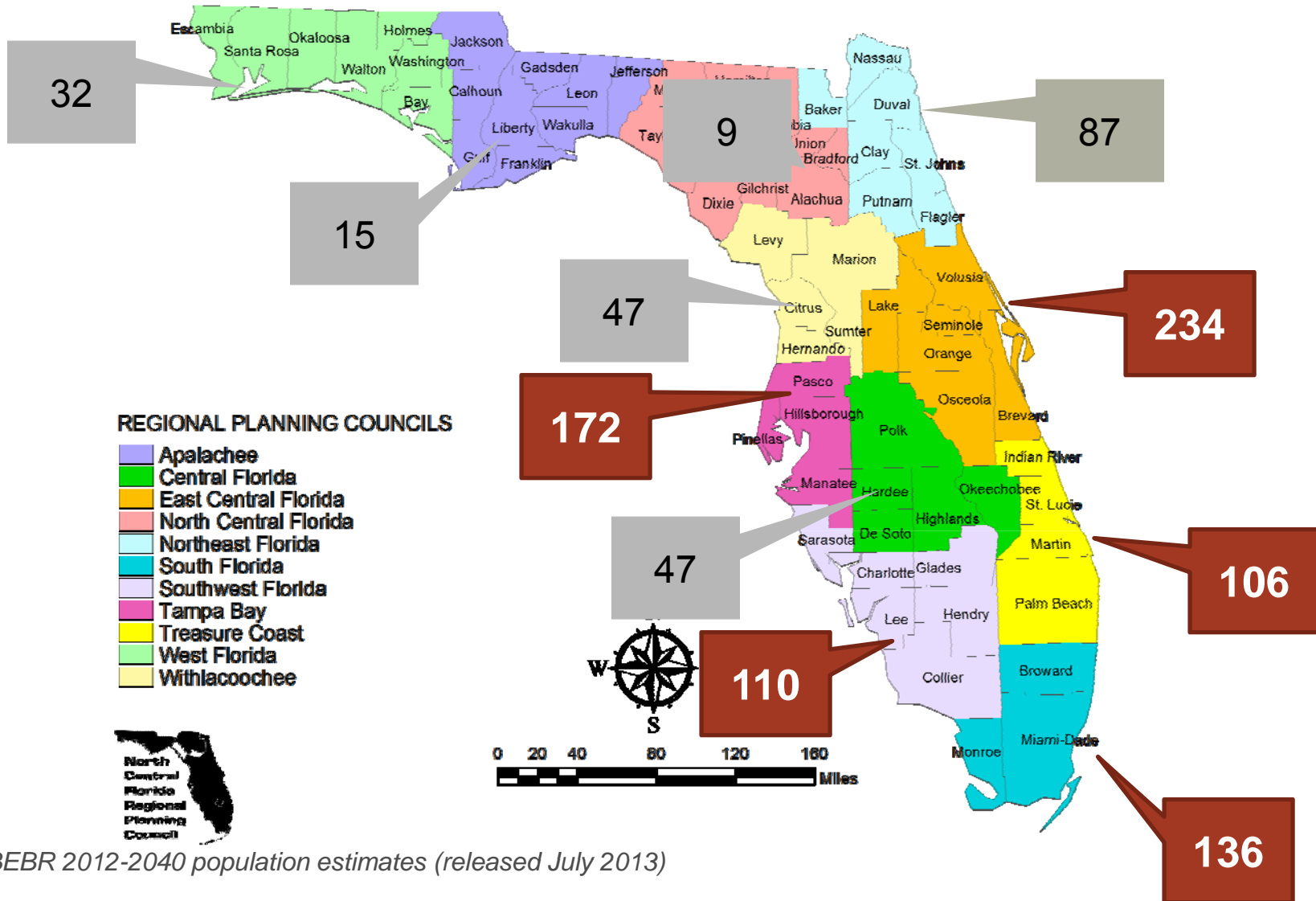
Increase in population aged 50+ by 2040 (000)



Source: BEBR 2012-2040 population estimates (released July 2013)

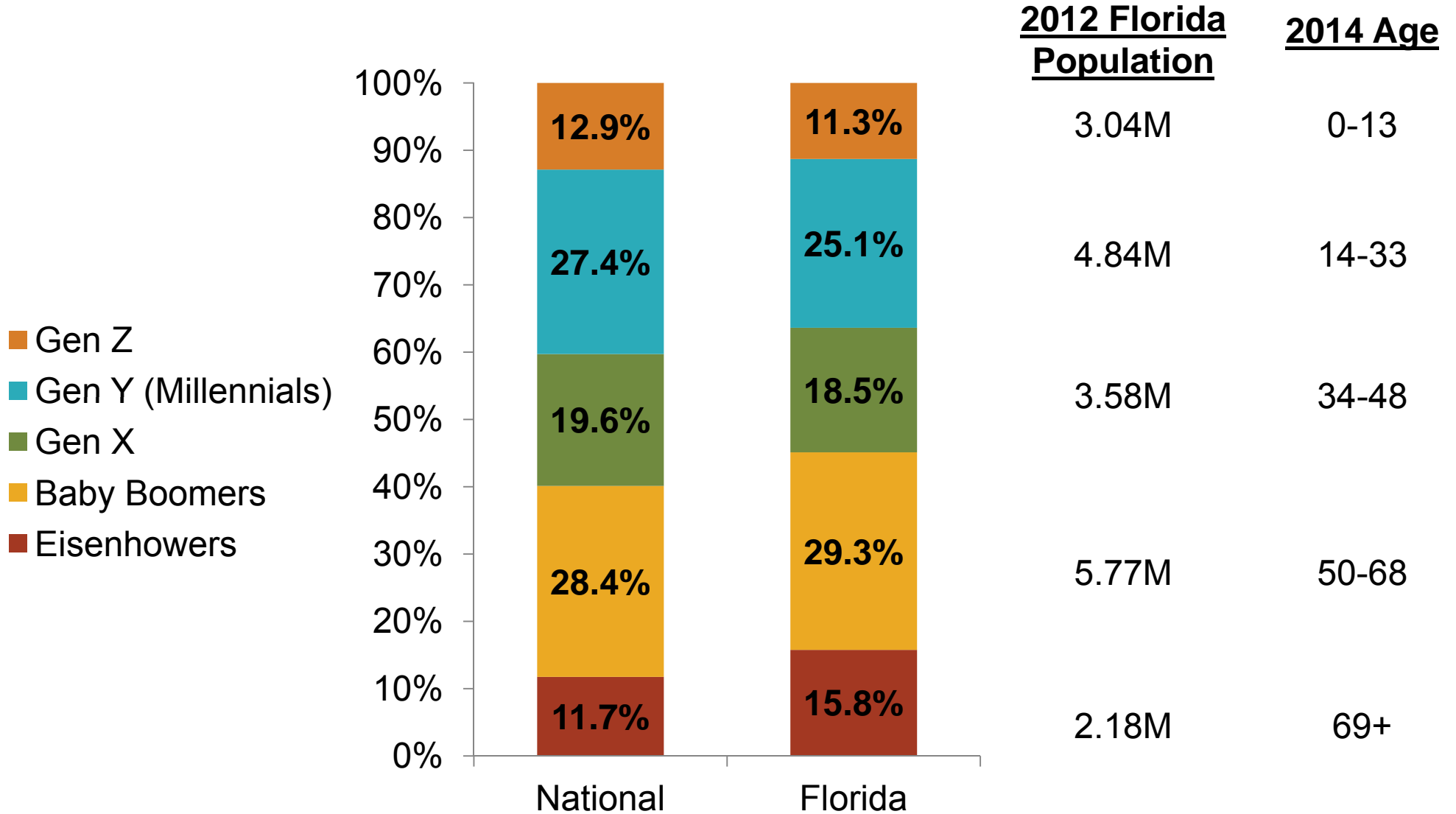
# EAST CENTRAL, TAMPA, SOUTH, AND SOUTHWEST TO HAVE GREATEST MILLENNIAL POP. INCREASE

Increase in population aged 20-30 by 2040 (000)



Source: BEBR 2012-2040 population estimates (released July 2013)

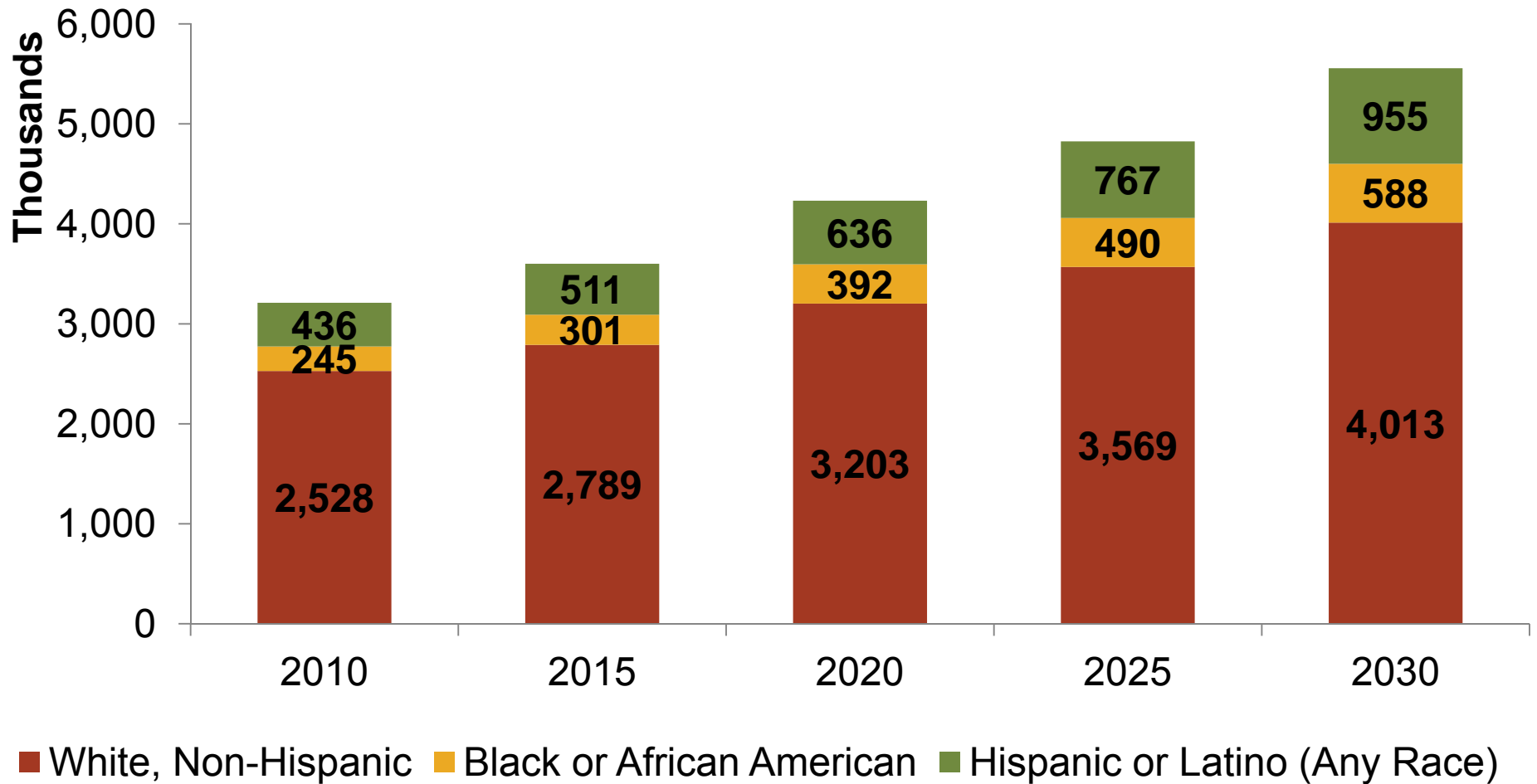
# GEN Y AND BABY BOOMERS LARGEST SEGMENTS IN FLORIDA



Source: U.S. Census Bureau; 2012 American Community Survey, 1 Year Estimates

# RETIREE POPULATION OVER 70% WHITE, NON-HISPANIC

## Population Aged 65+ by Race

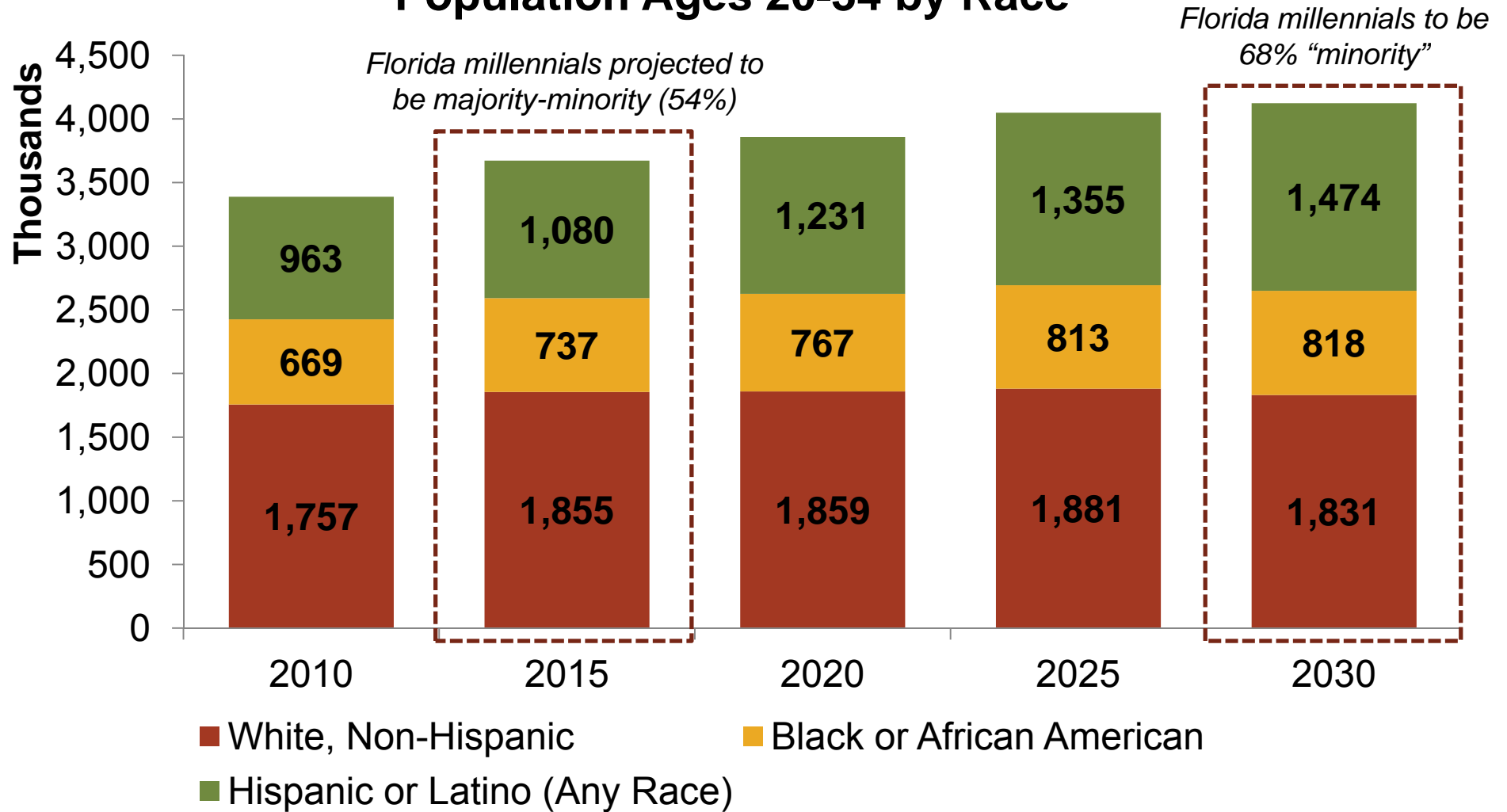


Source: Florida Demographic Estimating Conference; University of Florida, Bureau of Economics and Business



# MILLENNIALS IN FLORIDA MUCH MORE DIVERSE

## Population Ages 20-34 by Race



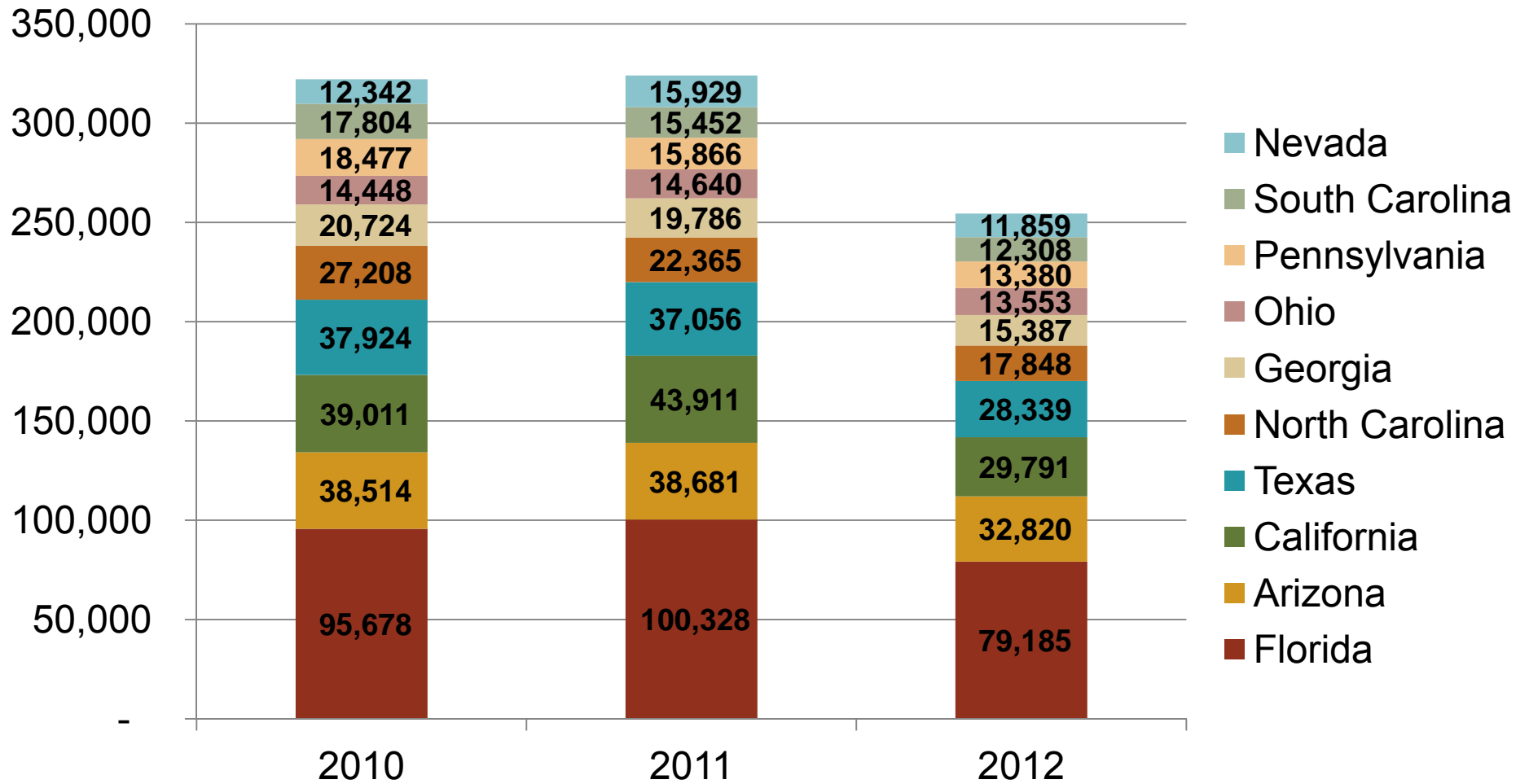
Source: Florida Demographic Estimating Conference; University of Florida, Bureau of Economics and Business

# LIFE-STAGE INFLUENCES HOUSING DEMAND

HOUSING NEEDS:	2015	2020	2025
Student Rental	Millennials	Gen Z / Millennials	Gen Z
Singles / Roommate Rentals	Millennials	Millennials	Gen Z / Millennials
Young Couple Rentals	Millennials	Millennials	Gen Z / Millennials
Buy Entry Level	Gen X / Millennials	Millennials	Millennials
Buy Upgrade / Move-Up Home	Gen X / Baby Boomers	Gen X / Baby Boomers	Millennials / Gen X
Buy 2 <sup>nd</sup> Home	Gen X / Baby Boomers	Gen X / Baby Boomers	Millennials / Gen X
Buy Empty Nester Home	Baby Boomers	Gen X / Baby Boomers	Gen X / Baby Boomers
Buy Retirement Housing	Baby Boomers / Eisenhower	Baby Boomers	Baby Boomers

# FLORIDA THE #1 DESTINATION FOR RETIREES BY A WIDE MARGIN

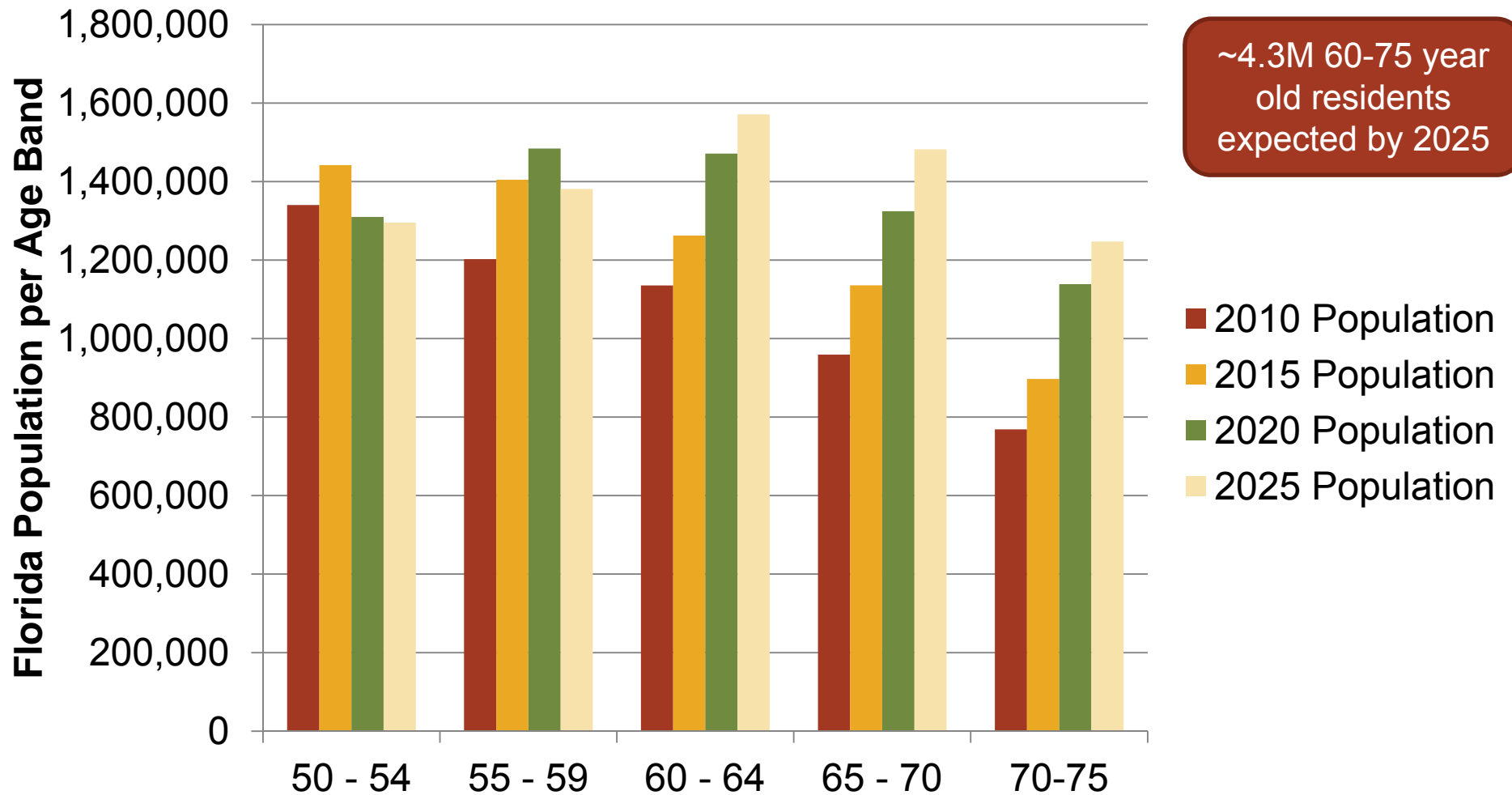
60-75 Year Olds Moving in To State in Last Year (Top 10)



Note: Does not include intra-state moves  
 Source: 2010, 2011, 2012 ACS 1 Year Survey

# FORECAST ~56,000 ADDITIONAL AGE 60-75 HOUSEHOLDS PER YEAR; NEAR-TERM HIGHER

Estimated Population by Year



Source: ESRI

## WHAT DO BOOMERS WANT IN THEIR COMMUNITIES?



- **Convenience:** Proximity to entertainment, retail and medical facilities



- **Retiree Boomers:** Affordability – attainable prices on a retiree income



- **Ease:** Low-maintenance product and surroundings

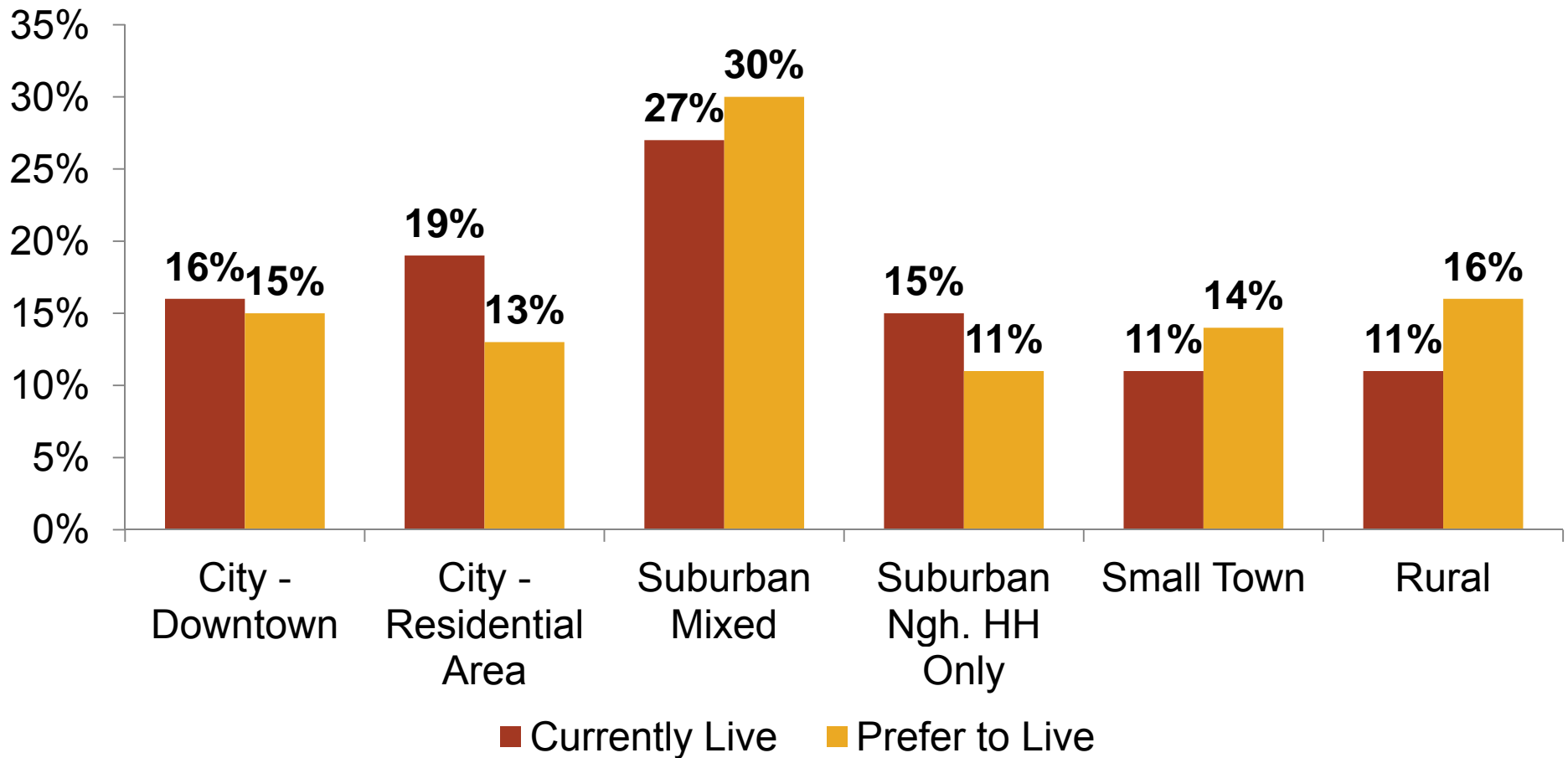


- **Health:** Lifestyle of health and sustainability

Source: RCLCO

# SUBURBAN MIXED LOCATIONS MOST PREFERABLE

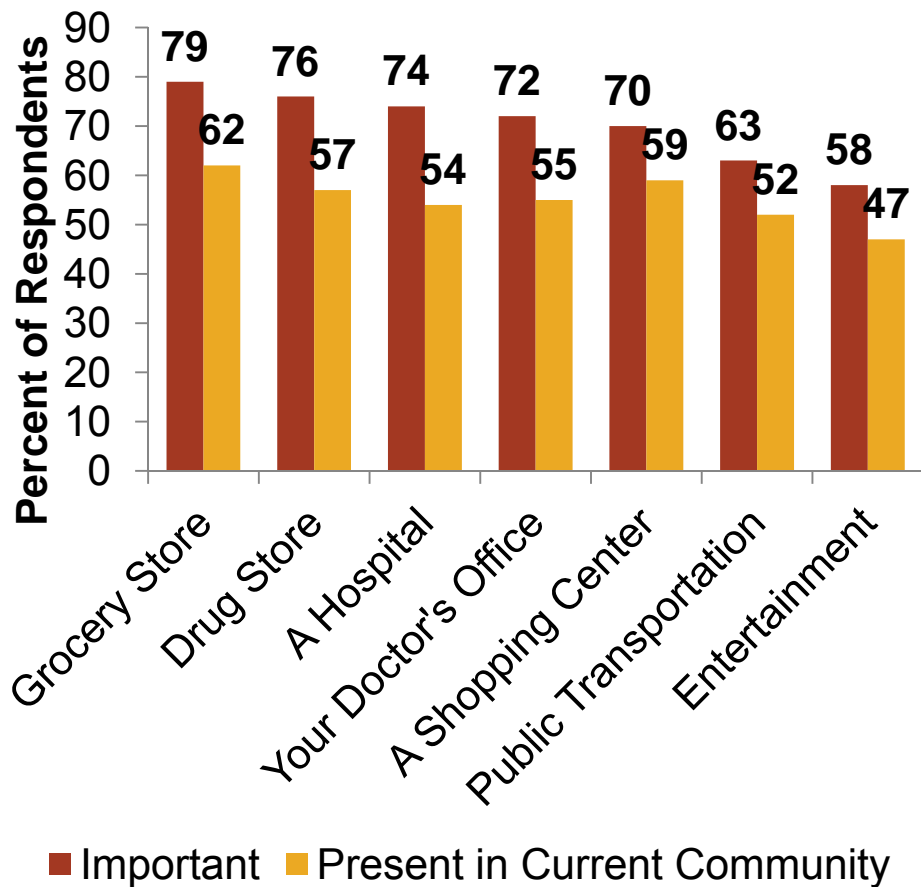
Current and Preferred Residence Location of Active For-Sale Market



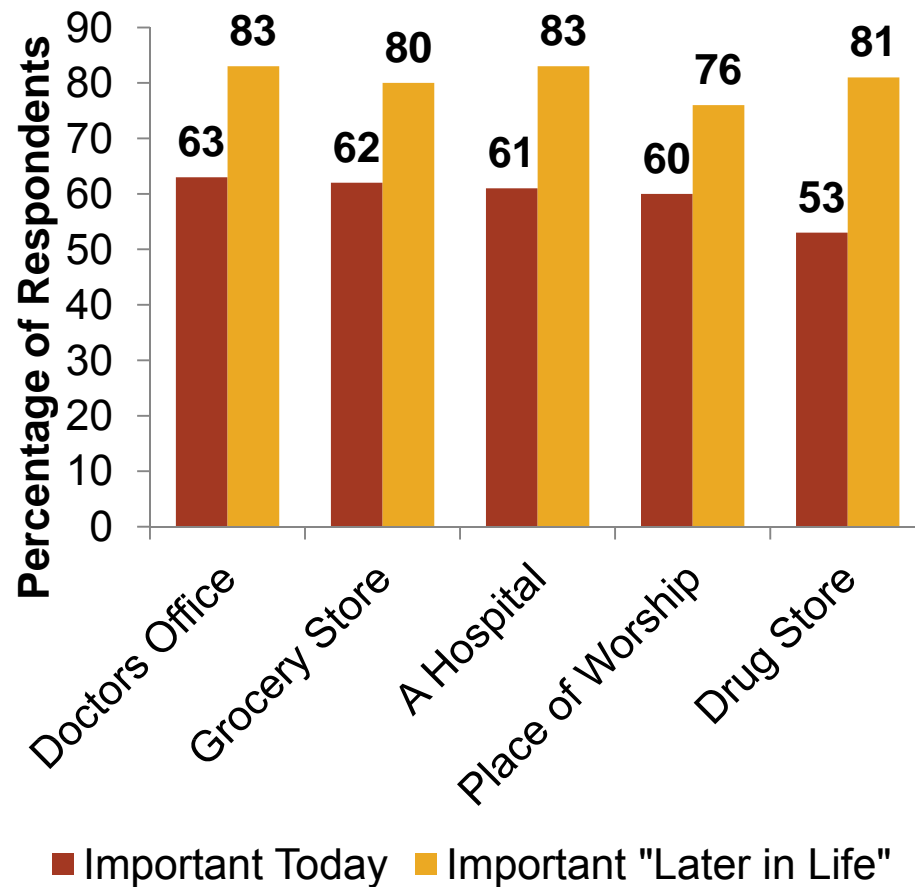
Source: NAR 2013 Community Preference Survey

# BOOMERS WANT TO "AGE IN PLACE" BUT GAPS PRESENT IN CURRENT & DESIRED COMMUNITIES

**Community Features With Importance and Availability Gap**



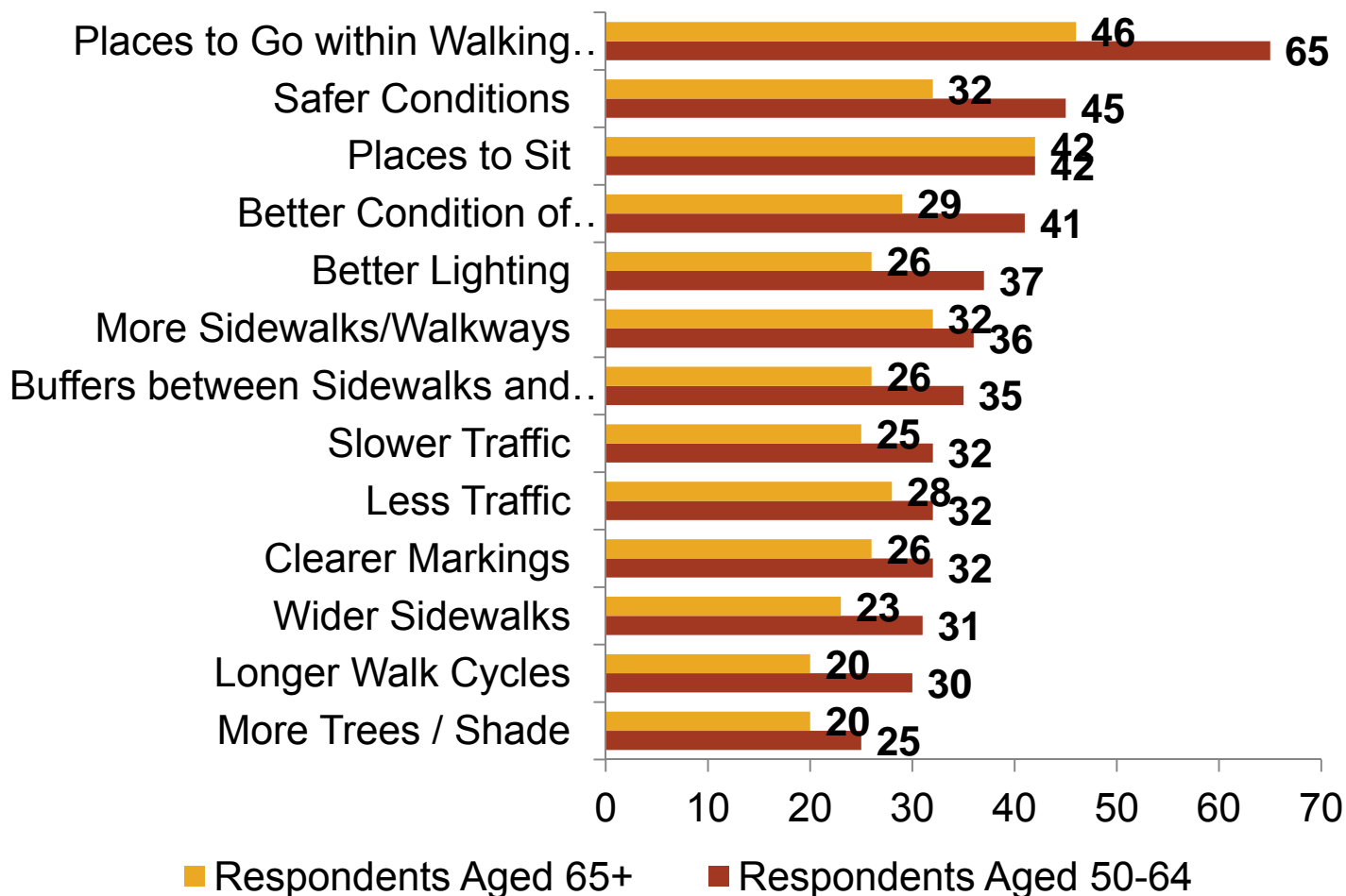
**Features Often Mentioned as Important to Boomers who Moved for Retirement**



Source: AARP 2011 Boomer Housing Survey

# WALKABILITY DESIRABLE, BUT BARRIERS EXIST IN CURRENT COMMUNITY DESIGN

## Aspects that Would Encourage More Walking by Age



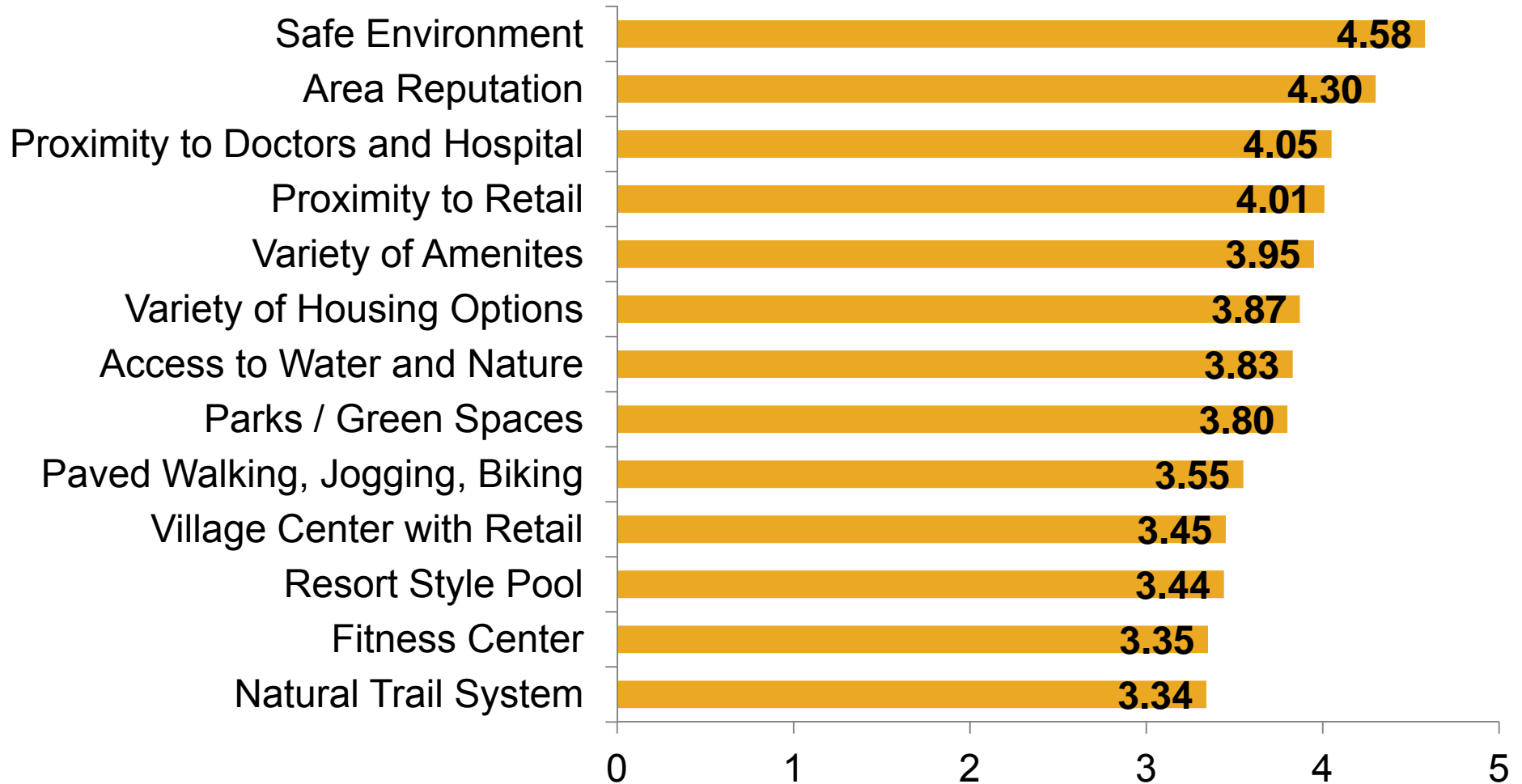
- 42% were extremely satisfied or very satisfied with the streets in their community
- 22% were not very satisfied or not at all satisfied with the streets in their community
- Those with lower incomes more likely to be unsatisfied

Source: AARP July 2010 Transportation Use and Options of Midlife and Older Adults Survey



# WHAT RETIREES WANT IN THEIR COMMUNITY

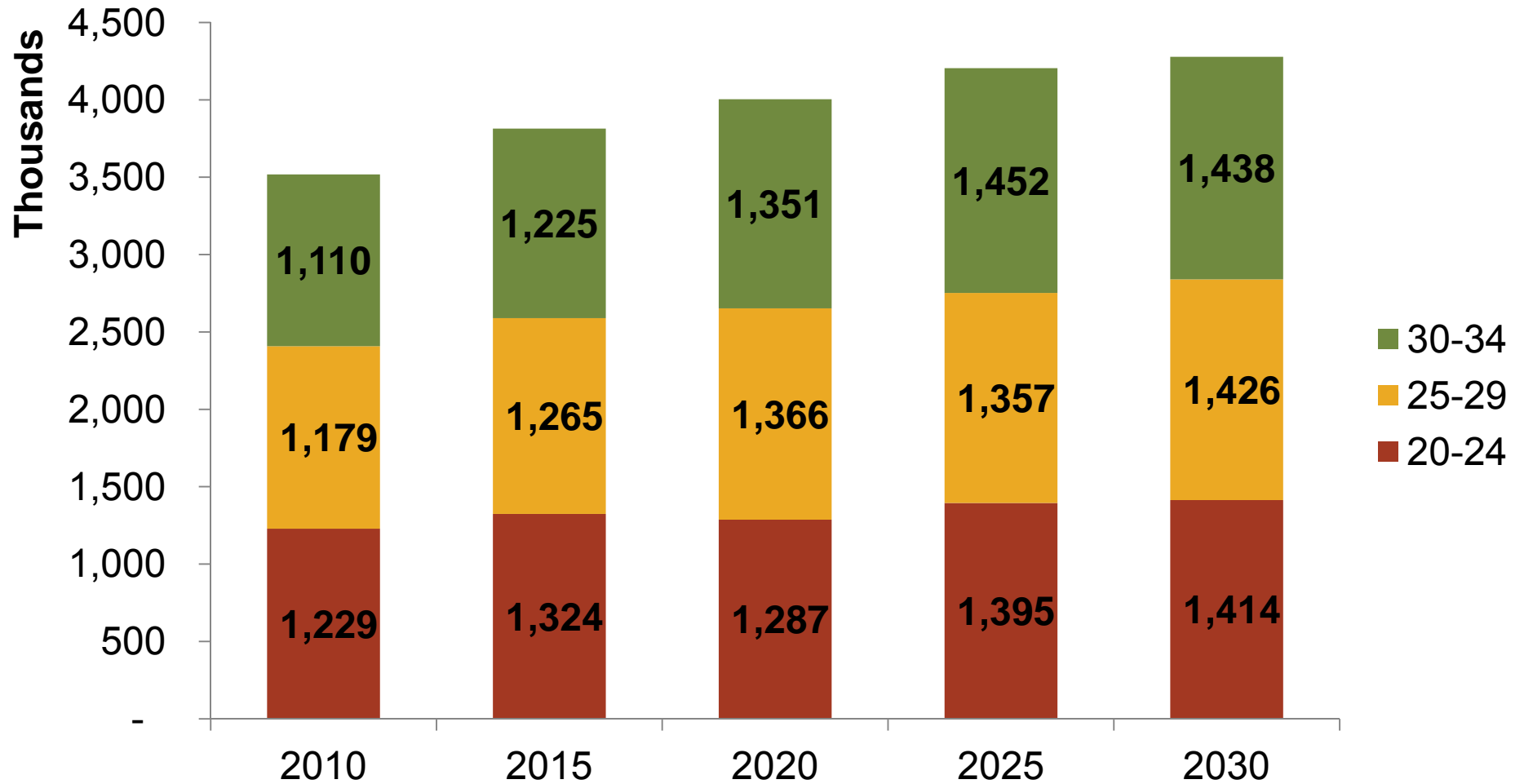
## Importance of Community Elements (1-5 Scale)



Source: RCLCO Survey

# MEANWHILE HERE COME THE MILLENNIALS

Florida Population Ages 20-30

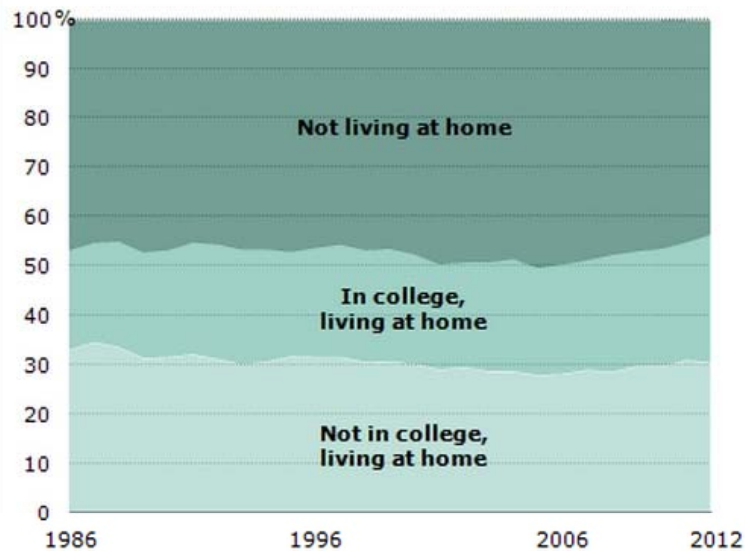


Source: BEBR 2012-2040 population estimates (released July 2013)

# RAGING DEBATE: IS THE “GREAT DELAY” A STATISTICAL ERROR, TEMPORARY, OR PERMANENT?

**Lack of Household formation is false – 18-24 year olds are just living in dorms**

College Enrollment and Living at Home Among Adults Ages 18 to 24, 1986-2012



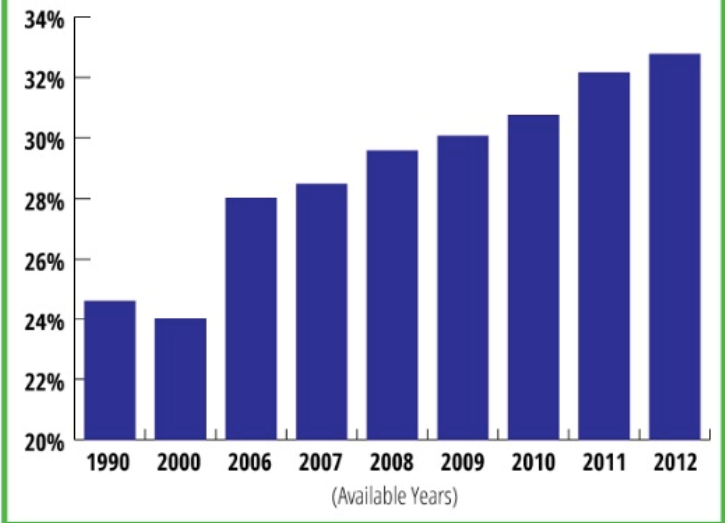
Pew  
Photo by: Pew

*“Almost half of young people “living with their parents” are in college, where all campus housing counts as “living with their parents.”... If we’re going to freak out about young people, let’s do so for the right reasons.”*

- Derek Thompson, The Atlantic

**Just looking at student ages misses those living at home until aged 34**

Trulia Share of 18-34 Year Olds Living with Parents (Excludes Dorm-Dwellers)



Trulia Share of 18-34 Year Olds Living with Parents  
Photo by: Trulia

*“But it could be that the combination of higher student debt, a lack of good-paying jobs, and stagnant wages has created a new normal, where young adults simply expect to live at home for several extra years before venturing out on their own.”*

- David Dayen, The New Republic

Source: The New Republic; Trulia; The Atlantic; U.S. Census; The Cleveland Fed

- Do millennials want to be homeowners?
- Preference, or economics, driving rental housing boom?
- Have had tougher time recovering from recession than other segments of the market...

*“Research suggests that they **do** want to be homeowners but aren't in a hurry to do it. They're facing financing prevention from being able to do so.”*

- Rick Sharga, EVP of Auction.com

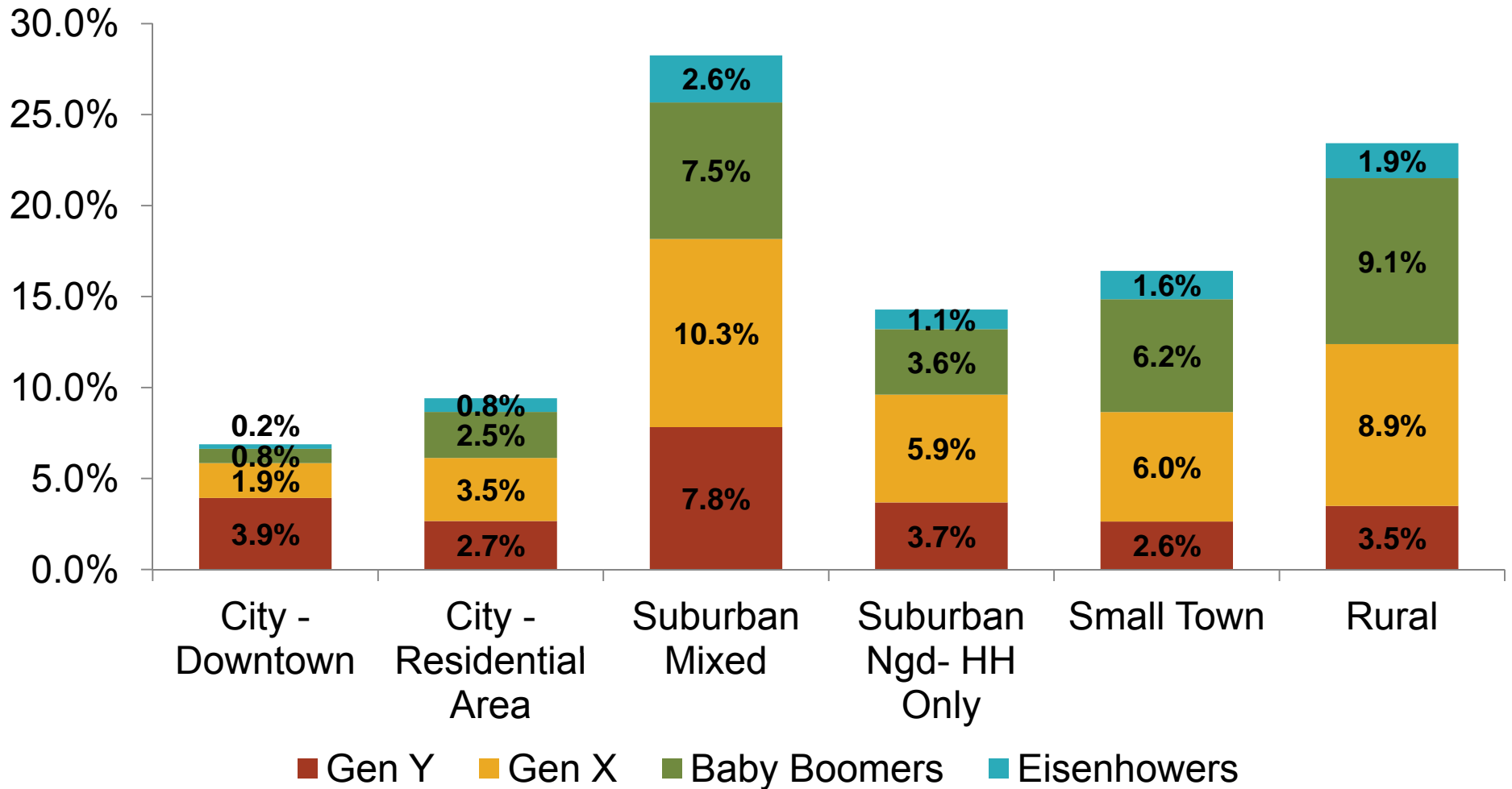
# MILLENNIALS WANT URBAN, WALKABLE, HIGH-AMENITY PLACES



- Most digitally connected generation
- Embrace ethnically diversity – 47% non-white
- Environments that facilitate “connections”
  - Social, religious, institutional, business
  - Gathering spaces
    - Want places where “community” happens
      - “Community infrastructure”
  - Street network/grid
- Aesthetically inspiring – architecture, parks, plazas, streetscapes
- Walkable
- Fun – you want to be there
- Shopping you can’t find at the mall – unique
- Great neighborhoods – mix of uses
- Transit or transit ready
- The ultimate amenity: convenience

# PREFERENCE FOR LOCATION BY GENERATION

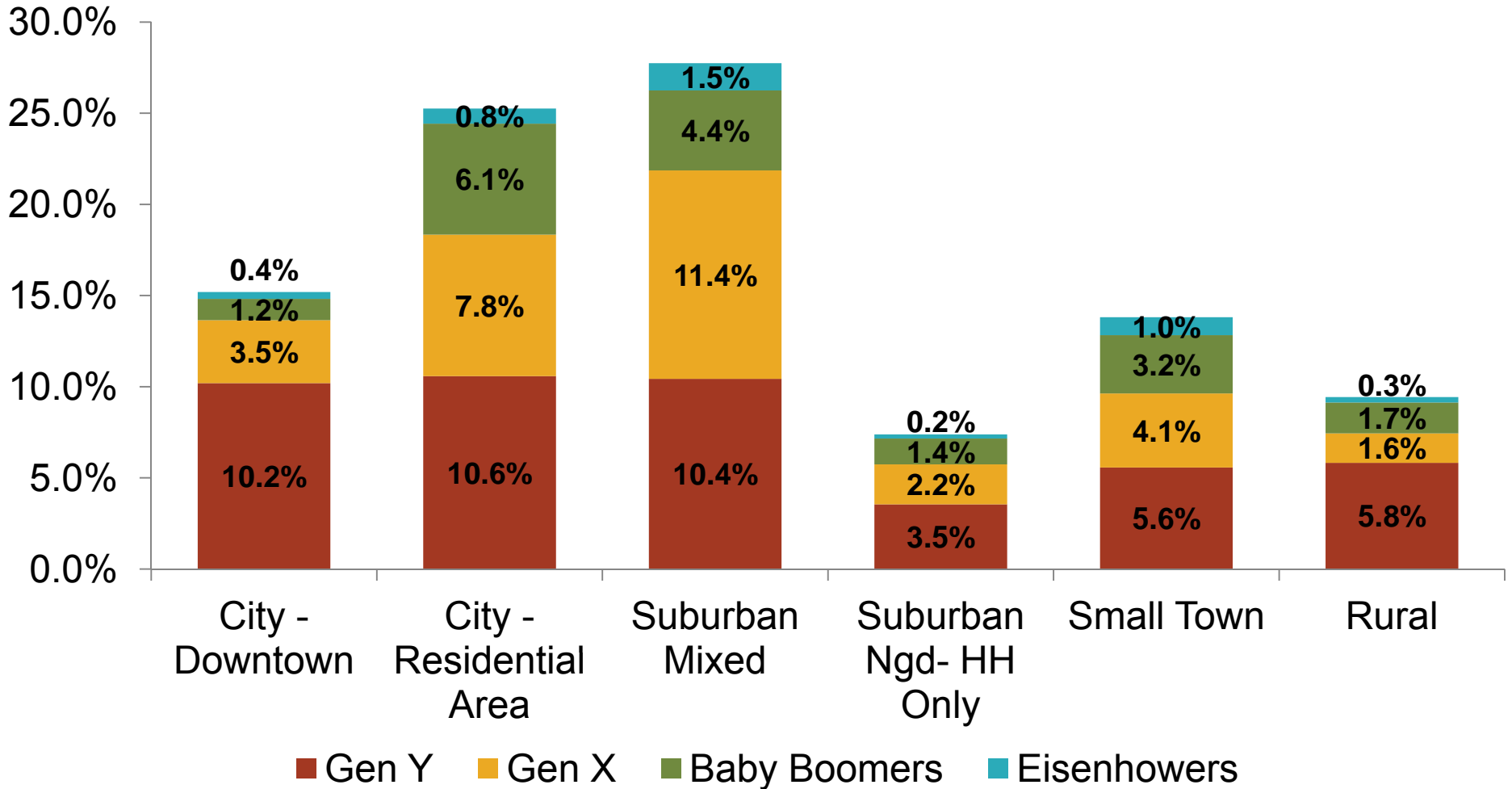
Total Owner Active Market Preferences ( % of Total Respondents)



Source: RCLCO

# GEN Y RENTERS PREFER URBAN PLACES SIGNIFICANTLY MORE THAN OTHER GENERATIONS

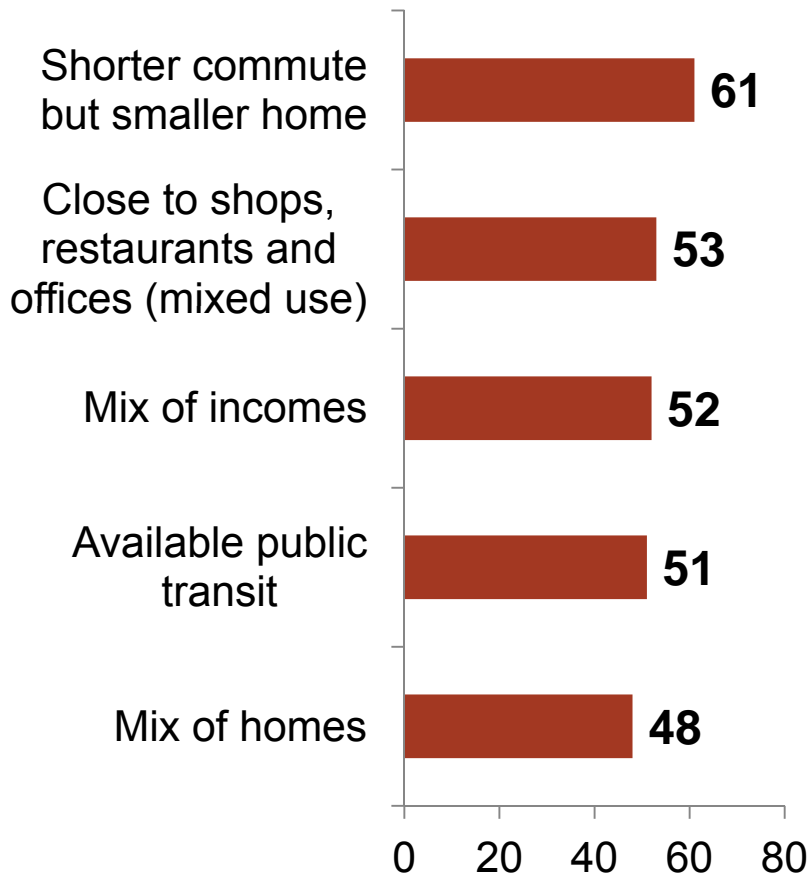
Active Renter Market Preferences (% of Total Respondents)



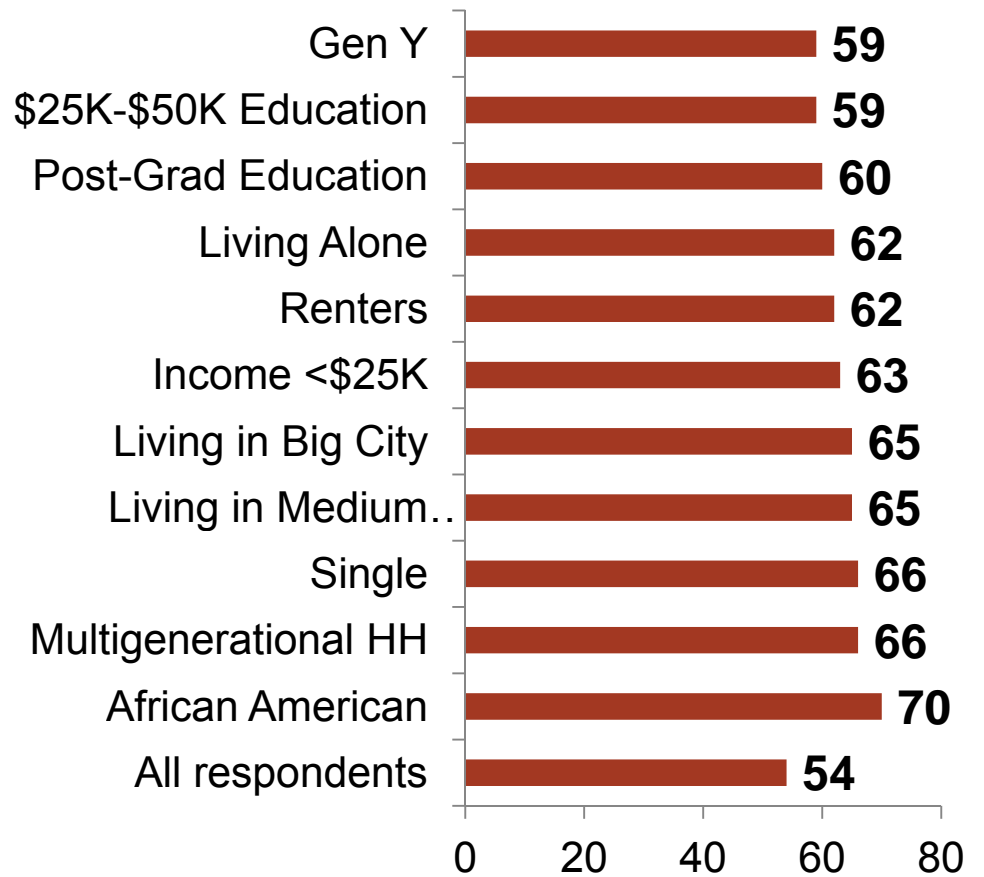
Source: RCLCO

# SIMILARITIES IN GENERATIONAL “PLACE” PREFERENCES

Percentage of respondents indicating a preference for community attribute



Percentage of respondents preferring three or more of compact development attributes



Source: ULI America in 2013 Survey



## PRODUCT EXAMPLES – MUELLER, AUSTIN, TX

### Standard Pacific Homes Row House Rendering



### David Weekley Homes Row House Rendering



- **Project:** Mueller Community (Pronounced “Miller”)
- **Location:** Austin, Texas
- **Setting:** Urban Infill Master Plan on former airport site
- **Community:** Traditional Neighborhood Designed (TND) Community with multiple attached and detached product lines
- **Millennial Appeal:** The 22.5’ x 55’ to 22.5’ x 90’ Lot Size Row Homes with 1,145 to 2,220 square feet of conditioned space are a popular choice for Millennials, who are less concerned about the inferior school district. Builders of this product line are Standard Pacific Homes, The Muskin Company, Streetman Homes, and David Weekley Homes

## PRODUCT EXAMPLES – ONE LOUDOUN, LOUDOUN, VA

**Camberly Homes  
SFD Product**



**Miller & Smith  
SFD Product**



- **Project:** One Loudoun
- **Location:** Loudoun, Virginia
- **Setting:** Urban Style Mixed-Use Project in Suburban Location
- **Community:** One Loudoun opened in 2011 and is the top selling MPC in the Washington, D.C., region. The community includes detached and attached for-sale product and for-rent apartments.
- **Millennial Appeal:** Miller & Smith and Camberly Homes are offering a downtown single-family home collection on small lots with rear-loaded garages and front steps leading to the front door. Maintenance is included. The smaller home on a smaller lot in an urban configuration is unusual for Loudoun County in proximity to the town center is attracting Millennials.

- **Baby Boomers, Gen Y's:**
  - How do you see the influence of these markets playing out now and in the future?
  - What are you doing in your communities to capture this market?
    - Builder programs
    - New/revised product lines or neighborhoods
    - Marketing

**Gregg Logan**

Managing Director / Director of Community & Resort Advisory

Phone: (407) 515-4999

[glogan@rclco.com](mailto:glogan@rclco.com)

**RCLCO**

964 Lake Baldwin Lane

Suite 100

Orlando, FL 32814

Phone: (407) 516-6592

Fax: (407) 515-6599

[www.rclco.com](http://www.rclco.com)