



*An Article Of Interest...*

---

## Demography is Destiny: Realtors® Meet the Future of Real Estate

**WASHINGTON, May 18, 2007 -**

Younger home buyers are a bigger portion of the total home buying population than ever before, and they aren't putting homeownership on hold for marriage or other life events.

That's what speakers at today's Marketing Forum told Realtors® attending the National Association of Realtors® Midyear Legislative & Trade Meetings here through Saturday.

U.S. Census Bureau data shows that homeownership among the under-30 crowd has been rising. In 1993, less than 15 percent of people younger than 25 owned their own home, but by 2006, one in every four people in this age group were homeowners. About a third of people ages 25 to 29 owned a home in 1993; by 2006, 42 percent were homeowners.

"Housing is a good long-term investment, and the younger generation seems to understand that," said NAR Senior Economist Lawrence Yun. "In addition to their interest in homeownership, many of today's 20- and 30-somethings will have the means to invest in real estate, as well. Most of the record \$56 billion of net worth in the United States is held by people 55 and over, and much of the record wealth accumulation among baby boomers is likely to be bequeathed to their sons and daughters."

Younger buyers' proclivity for homeownership is influencing a number of real estate trends, Yun explained. They have contributed to the recent resurgence of many downtown areas, and are part of the reason that condo sales have increased as a percentage of all homes sold, from 6 percent of the total market a decade ago to 13 percent in 2006.

Internet Crusade President Saul Klein described many of these up-and-coming home buyers as 'Net Gen,' the first generation born and raised in the era of the Internet. Net Gen members, as Klein defines them, were born between 1977 and 1996. To reach and serve these Net Gen home buyers, Realtors® must be on the cutting edge of technology and stay on top of Internet developments.

This generation's reliance on the Web can already be seen as Internet resources become more important in the home search process - four out of five recent home buyers used the Internet last year to search for a home, according to the 2006 NAR Profile of Home Buyers and Sellers, compared with only 2 percent in 1995. For most young people, the Internet is a part of daily life, and as younger generations come of age, social networking sites like Second Life and MySpace may offer unique opportunities to establish and nurture client relationships.

Realtors® can also learn from predictive marketing sites like Amazon.com, according to Klein. This popular online shopping site commonly sends users merchandise suggestions based on previous purchases. Following this model, Realtors® can send their online visitors listings of houses for sale that are similar to homes those potential customers had viewed on their Web site.

"In the age of what some call Web 2.0, collaboration, communication and community will mean success for real estate professionals who embrace the change and failure for those who believe it

is business as usual,” said Klein. “Realtors® must incorporate technology and the Internet into their marketing and client services to meet the needs of this increasingly influential rising generation.”

The National Association of Realtors®, ‘The Voice for Real Estate,’ is America’s largest trade association, representing more than 1.3 million members involved in all aspects of the residential and commercial real estate industries.

© Copyright NATIONAL ASSOCIATION of REALTORS® | Headquarters: 430 North Michigan Avenue, Chicago, IL 60611  
DC Office: 500 New Jersey Avenue, NW, Washington, DC 20001-2020 | 1-800-874-6500

