

Housing the NeXt Generation

Members of Generation X or the “lost generation,” a group now in their mid-20s to early 30s, have recently entered the housing market as choosy, opinionated buyers. They don’t necessarily want the sort of house their parents would buy. Their home preferences will influence how many new homes are built because they are the age group most likely to purchase a home within the next two years.

Although they have been reluctant to marry and start families, Generation Xers value home life and the stability inherent in home ownership. They are financially conservative, save their money and plan for the future. Buying a house is a top financial priority for many Xers. And social researchers who study Generation X predict this ‘home and hearth’ trend will extend well into the future.

Demographers disagree about the exact number of individuals who comprise the Generation X group and about the years between which they were born. But many say Generation X is even larger than the Baby Boom generation—81 million Xers (born between 1961 and 1981) compared to 67 million Boomers (born between 1942 and 1960). And Xers, not Boomers, have just reached their primary years for forming households.

So what do Gen X homebuyers want?

- Homes with cozy and intimate rooms. Gen Xers don’t think they need as much room as their parents did. One possible reason for this trend is that Gen Xers don’t, on average, have the same number of children that their parents did as first time home buyers. In fact, many don’t have children at all because they’ve delayed marriage and family life. They want warm and welcoming houses that look like homes, not museums.
- Homes with interiors that display a pragmatic use of space. Some Gen Xers, for example, are asking for rear foyers instead of grand entry foyers. They want to have a place to set down their briefcases and car keys when they enter the house through the garage.
- Houses in urban settings. This may be the first generation since WWI that is not sprinting toward the burbs. Many Xers prefer inner city living.
- Homes built from classical architectural designs. For exteriors, most Gen Xers prefer classic American architecture in brick or clapboard.
- Homes that fit their lifestyles. They want homes that function like well-tuned machines. Builders create ‘activity zones,’ which buyers can configure to meet their needs.
- High quality homes with fine details. Generation X’s dream house might be smaller than their parents’ house, but not necessarily less expensive. They want the best product they can get for the money they spend. And they like details such as wood-trim, porches and exposed beams. Xers appreciate fine carpentry.
- Homes pre-wired for computer and video transmissions. Gen Xers have come of age alongside laptops, faxes and the Internet. Many won’t live without easy access to these and other technological devices.
- Low-maintenance homes. They don’t have any intention of painting their own houses.
- Green homes. Environmentally conscious builders score many points with Generation Xers, who have a genuine interest in preserving natural resources and conserving energy.

Most importantly, builders recognize that Gen Xers are not Baby Boomers. In many cases, the two generations are antitheses of each other. Gen Xers don’t prize the same features in a home. Gen Xers constitute a new, and soon to be dominant, market. Members of the lost generation have found their way, are settling down and want to buy homes to establish financial security. Their strong opinions and presence will change the face of housing.