



RANDY SINER | ALBUQUERQUE BUSINESS FIRST

The Downtown@700-2nd project represents much of what's being sought by younger individuals looking for a home. The 72-apartment building is near public transportation, offices, stores and community services.

Echo Boomers cause some disruption in housing industry

BY DAMON SCOTT | ALBUQUERQUE BUSINESS FIRST REPORTER

Much like the Baby Boomers, Echo Boomers are shaking up the norm and are transforming the landscape of homeownership.

Also known as Generation Y, or Millennials, Echo Boomers are generally 20 to 34 years old and make up about 30 percent of the U.S. population and represent one of the largest segments of new home buyers. As a result of their size, those in residential real estate are paying attention to their preferences.

"It is a demographic that thrives on variety, change and a stimulating living environment. We clearly get that in the housing industry, but we're less sure what we're going to do about it," Jim Folkman, executive vice president of the Home Builders Association of New Mexico said.

Folkman said that with Echo Boomers waiting longer to get married and waiting even longer to have kids, as compared to their parents, he estimates that almost 90 percent of new households over the next 10 years will be child-free. That factor will result in an increased demand on rental units relative to homeownership. "[Echo Boomers] prefer denser, urban settings with lots of cultural and recreational opportunities, and don't need much square footage since they're not home much and when they are, they're interacting with

some sort of electronic device or entertaining friends on their one couch," Folkman said. Folkman cited the advent of micro apartments in New York City — one of its fastest growing housing markets — that are typically less than 300 square feet.

As Echo Boomers look to apartment developments, how does the Albuquerque-area stack up? Analysts say demand is trending towards Downtown, Nob Hill and Uptown as the Baby Boomers are staying put in the Northeast Heights.

Billy Eagle, an associate in CBRE Capital Markets Multi-Housing Group said the difficulty in developing new apartments in those trending areas is the lack of available land or product. But as demand increases, he said, the likelihood of infill will increase. "The areas are not only desirable with what the Echo Boomers want, but are in line with what the city wants — pedestrian-friendly, mass transit-oriented locations with a large number of amenities focused around entertainment, dining, shopping and job opportunities," Eagle said.

Analysts say new multi-family developments like the Broadstone communities have been the recent choice for Albuquerque's Echo Boomers because many won't settle for outdated buildings. Broadstone Cottonwood is set to break ground this summer on a 13-acre, 254-unit multi-family housing project on Albuquerque's

Echo Boomers, according to New Mexico Apartment Advisors:

- are a green generation
- live out of a backpack
- pursue experiences more than things
- marries later
- are highly transient
- are less likely to buy homes

Echo Boomers, according to Travis Thom:

- are drawn to the 24-hour city lifestyle
- want animated nightlife with a diverse amount of possibilities
- are hyper-connected
- were born with a strong sense of entitlement
- are social consumers, often seeking approval from peers and family about larger purchases

Westside near the Presbyterian Rust Medical Center.

Travis Thom, owner and qualifying broker of Venture Realty Group, said eventually some will look to buy homes. "They will slowly, in phases and waves, release themselves into the housing market, first as renters, then as first-time homebuyers, often with the help of their parents as the market starts to improve," Thom said. He added that Echo Boomers are initially hesitant to buying a home, partially because of the negative experience many of them watched their parents go through, such

as high rates of foreclosure, particularly in the last six years. He said the desire for home ownership is greater when the appeal of the live/shop/play community of an urban designed development is offered — such as ABQ Uptown and Cottonwood Mall areas, as well as the redevelopment of Winrock Mall.

"New urbanism lifestyles that offer shopping, entertainment and dining within a quarter mile radius is most desirable to this generation," he said.

Thom added that the demand for rentals is being partially met by new apartment construction in Downtown, such as the Silver Moon and 517 Gold Ave. developments. Construction on the new 150-unit Silver Moon Lodge Apartments is set to start soon near 10th Street and Central Avenue, while a New Jersey developer has begun the first phase of a residential development at 517 Gold Ave. in the eight-story former federal office building.

Eagle, an Echo Boomer himself, said the lack of employment opportunities for the generation will remain a huge issue.

"However, one of the benefits of higher unemployment for Gen. Y is that instead of working, many are turning to higher education, especially here in Albuquerque," Eagle said.