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The New Paradigm – Millennials

This demographic has become the largest population group in American history, even larger than the Baby Boomers. However, they do have something in common with Baby Boomers. Their culture and lifestyle have been determined by their early environmental upbringing.

Millennials were raised on the Internet, social media, and all things digital. They are social animals, value-oriented, interested in sustainability and an urban lifestyle. As a result, they are flocking to cities, renting apartments, and bicycling is their preferred mode of transportation,

In the past, the economy was the driving force for the commercial office market. Today, however, Millennials are changing the world of commercial real estate. Cities, booming with new Millennials, are reaching record occupancy levels while the suburbs are still recovering from the Great Recession. The national vacancy rate in cities is 25 percent less than in

suburban markets, and office rental rates in cities are 35 percent higher.

Buildings themselves are changing to meet the new demand. Higher density, dogs, and bikes are typical for today's urban office buildings. To foster creativity and productivity, space design has become radically different. Workstations are now adjacent to the windows; employees plug into available desks; and kitchens are no longer just for eating, but are now for working, socializing, and collaborating.

The bottom line is that this new paradigm is just the beginning. As Baby Boomers retire, the skyrocketing Millennial population will dominate not only commercial real estate, but our lifestyles as well. We better get used to it because it's their world; we're just living in it.

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