



# Growing Up Digital: Millennial and Gen Z Renters

Generational differences — and why they should matter to multifamily



# Are we really still talking about millennials?

**Yes.**

And now, their younger Generation Z siblings are making their way into the rental market, so we need to be talking about them too. Together, these digitally savvy, mobile-first generations are driving — and changing — the apartment business. And they are going to shape it for years to come.

In order to stay relevant in the multifamily industry, we need to understand what makes these cohorts tick — and then make changes in our businesses to meet new consumer expectations. From where you develop your next property to how you design your tenant portals, knowing who these renters are, and what makes them different, can help you stand out and drive returns.

At Zillow Group, we are obsessed with two things: consumers and data. By deeply understanding renters — our shared consumers — we can anticipate their needs and design products and experiences that help them find their way home into your properties.

We also believe in transparency and unlocking information to bring it into the light. The data presented in this book is from the Zillow Group Consumer Housing Trends Report 2018, the largest-ever survey of U.S. renters, home buyers, sellers and owners, examining the characteristics, aspirations and home-related priorities of more than 13,000 households.

We hope you can use these insights to make proactive and smart decisions that help perpetuate success and growth at your company and build community at your properties.

Sincerely,

**Greg Schwartz**

President, Media and Marketplaces

# Why Gen Z and millennials matter to the multifamily industry

1.

## Millennial and Gen Z renters\* account for 65% of all renters

These groups are a huge portion of the market, and they are only going to get bigger. These are your renters now and your renters of the future.

2.

## Younger renters are your customers today

Compared with Gen X and baby boomer renters, Gen Z and millennial renters are the most interested in apartment living (74% and 58% respectively).

3.

## Over half of them are considering buying instead

A sizable 49% of Gen Z renters and 52% of millennial renters say they considered buying.

*\*Renters refers to people who moved in the past year and rent their homes.*

# Similarities between millennial and Gen Z renters

## They are mobile-centric searchers

Adult members of Gen Z (ages 18-23) have never known a time when they couldn't "Google it." They were between 8 and 12 years old when the iPhone launched, and they've literally been raised on mobile. Millennials are just as digitally savvy.

## They are avid researchers

Gen Z use an average of 3.1 resources and millennial renters use an average of 2.9 resources in their search. Much of the information they cite as important to them is only found online.

## Who is Gen Z?

While the majority of Gen Z (ages 8-23) still live at home with their parents, the adult segment of this generation is already making an impact in the rentals space. And their numbers are growing. Gen Z is set to overtake millennials as the largest generation by 2020.<sup>1</sup>

1. US Census  
Bureau Population  
Projections, 2017



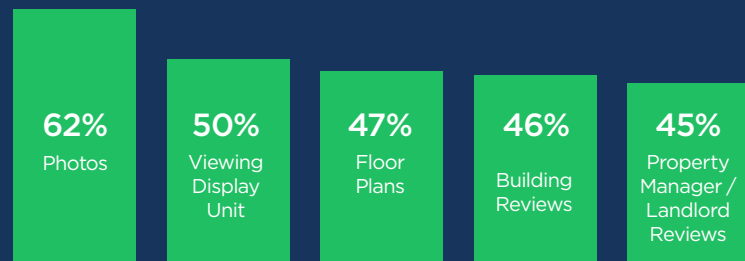


# What do millennial renters look for?

## They want to visualize their experience

Millennial renters want to imagine what it's like to live in the neighborhood, in the building and in a specific unit. Visuals are key to deciding what is right for them.

### Importance of resources used to choose a home:



## They are likely to transact online

**55%**

submit at least one rental application online

**27%**

electronically sign their lease online

**38%**

pay their rent online (and 64% would ideally like to pay it online)



## Millennials care about their neighborhood

**73%**

say being in a safe neighborhood is very or extremely important

**58%**

say it's very or extremely important their neighborhood is walkable

**46%**

say their home has to be in their preferred neighborhood

## They expect the fastest response times

**72%**

say they expect a reply in a day or less (and many want to hear back within a few hours)

# What do Gen Z renters want?

## They are accustomed to instant service

They have only known an on-demand world and expect speed in all interactions.

## They are trying to offset costs

**52%** rent homes that come furnished compared with 28% of all renters

**37%** say it's difficult to save for upfront rental costs like application fees, security deposits and first/last month's rent



It's all about work

**70%**

say their commute to work or school is very or extremely important in their decision of which home to rent



## Gen Z renters are not that concerned about neighborhoods

**29%**

say being in their preferred neighborhood is not very, or not at all important

**23%**

say being close to shopping and leisure has no influence on their decision

**20%**

say being in a walkable neighborhood has no influence on their decision

## Shared living is a requirement

Gen Z renters are young, and roommates are a necessity. Affordability is a struggle for these first-time renters, who cite it as their biggest problem. They're new at this, and 28% say they had problems determining how much home they can afford.

**37%**

live with roommates, compared with 17% of all renters

**15%**

get help from parents or other family members, compared with 7% of all renters

## They're not ready to stay put

**32%**

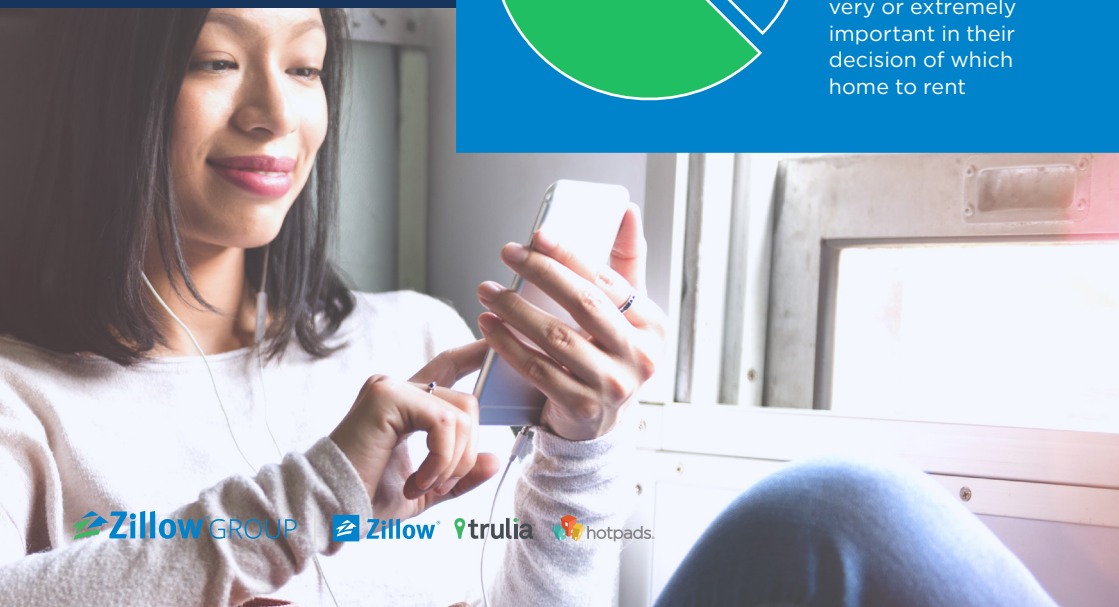
are thinking about moving now

**12%**

say they have no plans to move

**73%**

of those who plan to move within a year say they expect to move into another rental







# Position yourself to appeal to these generations

## Millennials

**Promote your neighborhood.** Millennial renters want to know how the area around your building meets their needs. Let them know why it's the best place for them to live!

**Help them visualize living in your building.** Provide floor plans so they can imagine how their belongings will fit. And be sure what you present online matches what you, your properties and services are like in real life.

**Respond quickly.** Given the sheer size of this cohort, recognizing their communication preferences is critical.

**Transact online when and where you can.** Don't forget to promote it.

**Deliver data.** Millennials want to know everything, particularly around neighborhoods and area features.

## Gen Z

**Empathize.** Gen Z renters are new to living on their own. With that comes cash constraints. Give them a breakdown of what to expect to pay in rent, deposits and utilities at your property. Don't forget to explain the lease terms to them.

**Market your building, not the neighborhood.** Make note of the shared amenities and spaces.

**Be quick, informative and empowering.** Gen Z was raised online. They believe they have a right to on-demand services and speed.

**Promote proximity to work.** Point out the main bus and train routes, and highlight your proximity to major employers and universities.

**Market move-in ready features.** These renters don't have a lot of stuff (yet), and they are looking to get into your property fast!



## More information

[zillow.com/marketing/rental-property-advertising](https://zillow.com/marketing/rental-property-advertising)



@zgrentals

#zgrentals

Download the full report today for more exclusive renter insights:

[zillow.com/report/2018/](https://zillow.com/report/2018/)

 **Zillow** GROUP |  **Zillow**  **trulia**  **hotpads**