



STEREOTYPE # 1

The Gen Xer is a

Slacker

When the Generation X term was first coined by Douglas Coupland in his 1989 novel by the same name, the oldest in this generation were about 25 years old. In the years before that time, the space shuttle Challenger exploded, the Iran-Contra scandals had taken place, the Soviet Union dissolved and federal deficits were at an all-time high. Parents worried that their children would not surpass them economically for the first time in American history.

At that time, Gen X did seem to be a generation adrift. They didn't have the social causes of the boomers before them, or the life-altering experiences of world wars or nationwide depression as did the earliest generations of the last century. Gen X went to college in record numbers, but they didn't exactly take the workplace by storm. Who could blame them? They grew up in the economic downturn of the 1970s.



factor

Fear not. It is possible to lease to this moving target, the ever-autonomous Generation X. Though small in comparison to their boomer and Gen Y bookends, Gen X still holds the cards on 18% of the Gross Domestic Product (GDP).

KATHERYN FREEBERG, CPM

The generation gap has always existed, although western culture predominantly used this phrase that references behavioral differences between generations during the 1960s. It was then that the first televisions tuned into the baby boomer generation's social revolution.

As the Internet grows and the world shrinks, behavioral differences between emerging generations are more noticeable than at any other time in the history. This is powerful, real-time knowledge for real estate professionals and goods and service providers. Distinct behavioral purchasing patterns of customers by age group are readily available for discerning marketers — that is, as long as they do not limit their initiatives by getting stuck in the generation gap. Simply stated, when the ship comes in, don't be at the airport. Repeating formulas that worked well in the short past will quickly become outdated by advancing technology and lose a huge, generational market share.

Identify the market

In the 2008 marketplace, consumers span four distinct generations:

Age 63-plus: Traditionals — approximately 60 million, born 1945 and before.

Age 44 to 62: Baby boomers — approximately 77 million, born 1946-1964.

Age 28 to 43: Generation X — approximately 40 million, born 1965 to 1980: demographers have not reached a consensus on the cutoff date and some insist on 1976 as the dividing age between X and Y. Those born during the five-year period between 1976 and 1981 are often referred to as Cuspers and exhibit characteristics of both Generation X and Y.

Age to 7 to 27: Generation Y—approximately 70 million, born 1981 to 2001; includes the echo boomers born 1989-1993. Recently, the term Millennials has been used by some experts to refer to the generation for all births in 1978 and beyond; some apply the term for births after 1994. Some reports cite 80 million Gen Y'ers have been born since 1980. When adding immigration, this brings an estimated population total to 90 million, making it the largest generation to date in the history of the U.S.

While it is prudent to pay attention to the emerging, giant Millennial generation, the average age of apartment dwellers is 38 — still Generation X, according to a study by the National Multi Housing Council (NMHC) conducted by SatisFacts Research, LLC.

The purrfect lease

During the 6th century B.C., Persian invaders surrounded the Egyptian city of Memphis. The invading King Cambyses II of Persia was well informed on the peculiar nature of his target. Instead of hurling fireballs over the walls of Memphis, he cata-

prove of Egyptian cat worshipping; he just needed to be informed in order to capitalize on the fact. The same truth applies to generational marketing.

Gen X is the 13th American generation. There are seminars, studies and books on how to deal with Gen X employees, as the once dropped-out, subsequently super-capitalized boomers attempt to motivate and relate to members of their immediate propagation. The tattooed MTV generation has surprisingly evolved into a family centered lifestyle. They use their vacation time, do not volunteer for overtime and demand a personal life, which is a mystery to many baby boomer bosses.

Gen X is small in comparison, sandwiched between two generational giants, having the greatest debt, just coming into their own wealth and controlling approximately 18 percent of the Gross

teen years old, Gen X'ers are the original techies, with keyboard in hand since their teens. They expect service providers to be wired and willing to relate to their email, cell, and Web-based communications. They are impatient for information.

Gen X'ers head 28 percent of the nation's households. In a survey conducted by the National Association of Home Builders (NAHB), Gen X home ownership rates register a little higher than the baby boomer counterparts at the same age. The study polled for choices in home and apartment features, and the results showed X'ers are looking for larger spaces with more amenities than their baby boomer predecessors. NAHB reports that 68 percent of Gen X'ers want four bedrooms in their home, 70 percent want a whirlpool tub, 40 percent would like a media room and 73 percent said they wanted a home office. Technology retrofit wiring is essential. The home office is important so they can work variable schedules and be with their families. The term living room is extinct to Gen X'ers. They

STEREOTYPE # 2

Gen Xers are

morally bankrupt

In the early 90s, when this generation was first named, it seemed they were destined to become the most cynical, unengaged, uninteresting generation in American history. It can easily be argued that this generation got a slow start: slow to move out of their parents' homes, slow to find a calling in life. It seems, however, that one of the places they are trying to make a mark is in the reinstatement of the family.

Gen X are marrying and having children; while they got a slow start and married later in life, they are posting a lower divorce rate. Other pro-family trends are present as well. Large numbers of women are staying home to raise their children. According to census data, the number of mothers in the workplace fell for the first time in 25 years from 59 percent in 1998 to 55 percent in 2000. Gen X dads are taking their role in the family more seriously as well. Many men are choosing a more moderate career path to spend more time with their families. In fact, there has been a 54 percent increase in stay-at-home dads since 1986.

Statistics show that Gen X has become more traditional, even conservative in their viewpoints than once thought possible for such a generation of supposed contrarians. According to Richard Thau, a Gen X expert and founder of Third Millennium, a Gen X advocacy group, "The most conservative people in the U.S. are married Gen Xers with children." According to 2002 marketing research data, approximately 70 percent of Gen Xers believe they will do a better job of raising their children than the generation before them.

pulted cats. The Egyptians immediately surrendered, being worshippers of cats. To allow feline torture was unthinkable — even at the price of their freedom. King Cambyses did not need to approve or disap-

prove of Egyptian cat worshipping; he just needed to be informed in order to capitalize on the fact. The same truth applies to generational marketing.

Considering that the Internet is only fif-



Domestic Product (GDP). Members grew up with both parents working and over 50 percent had parents who were divorced. They are the initial latchkey kids: self-reliant, street smart, in control, independent and they have high expectations. The Gen X

prefer combination living spaces that include kitchen and dining and they crave lots of natural lighting.

HKS Hospitality, a Dallas-based architecture and interior design firm applies insight on Gen X and the ever-adapting baby boomer lifestyle into the themes they create for multi-billion dollar construction clients. They recognize the Gen X gravitation to simplicity, kinetics, engagement and value orientation. Their design of Hyatt Place, a new semi-service hotel brand, includes a great room that transforms a cocktail bar into

a breakfast bar and has worktables, multi-level movable seating, and light buffet with gourmet coffees — but there is no office desk. Even the workstations in the guest suites are mobile. HKS has plans for developing zones in lieu of walls to keep pace with Gen X'ers lifestyle preferences. Bedding upgrades, granite countertops and walk-in showers are added features. Starwood Hotels & Resorts has launched a new brand of hotels: Aloft. The Aloft theme is designed around high ceilings to enhance natural lighting, oversized showers and spacious workspaces that appeal to the Gen X guest.

Median income in the U.S. has leveled and even dropped over the last thirty years. Gen X has faced wavering economic conditions that have driven them to a new definition of success. One consumer report analyzed by MarketSmarter Consulting revealed that younger Gen X members exhibit buying habits that match those of 46 year-old males. They are well prepared before they purchase anything. Gen X'ers research the Internet before they buy and they come equipped with their price comparison sheets. They are hype-resistant, value centered, and **not** brand loyal. X'ers are more inclined to purchase a home than rent when it is more cost-effective, and favorable financing has made it so; although they have short-term ownership in mind.

Their propensity toward home ownership is a surprise to many economists considering their independent nature. Ann A Fishman, president of Generational-Targeted Marketing Corp, reports that Gen X'ers are focused on home and comfort, and they are willing to mix styles and purchase on all cost spectrums to maintain their identity in lieu of creating an image to impress others. Bruce Tulgan, author of *Winning the Talent Wars* and president of RainmakerThinking, Inc., advises that Gen X'ers do not want to be sold. He encourages sellers to be straight

with them — they are the most informed generation of purchasers to date.

Jennifer Brezicha, director of operations for The Dermot Company's 3,000 units in New York says there is a distinct difference between Gen Y and Gen X apartment shoppers. "We list our available apartments with photographs of our product and the neighborhood on Craigslist.com and emails flood in. Gen X'ers are generally laid-back and practical. Here in New York, many shoppers hire a broker to find an apartment for them, but not this group. They say, "Why pay a broker?" They have the listings, they know what they want, they are checking prices and they resist help. Location is usually the most important factor in leasing to that age group. Each neighborhood provides a special appeal — whether it's their favorite deli or dry cleaners or mode of transportation — they are into their lifestyle. We send them an application by email, they send us back a completed application and we make arrangements for their move-in. They prefer email communication."

Locating the market

Identify your community's demographic market by studying existing residents. Analyze demographic reports from your accounting software, auditing, or by conducting a resident survey. If you are leasing new construction, look closely at your competitor's profile.

Gen X'ers are easy to locate: they are shopping, surfing, selling, buying and playing on the Internet; approximately 85 percent of those ages 30 to 49 are Internet users according to Pew Research. U.S. Internet users are estimated at 220 million in mid 2008. 77 percent of people who are relocating shop online according to *USA Today*. The graph below shows Internet users by age as of May 2008 by Pew Reports.

Approximately 85 percent of Gen X



STEREOTYPE # 3

Gen Xers are

rebels

Most people associate youth with rebellion. After all, the boomers redefined the term in the late-1950s and 1960s. In a 1974 Gallup poll, 40 percent of boomers said they would be better off without their parents. Things have changed significantly. According to Gallup, more than 90 percent of teens today report being very close to their parents.

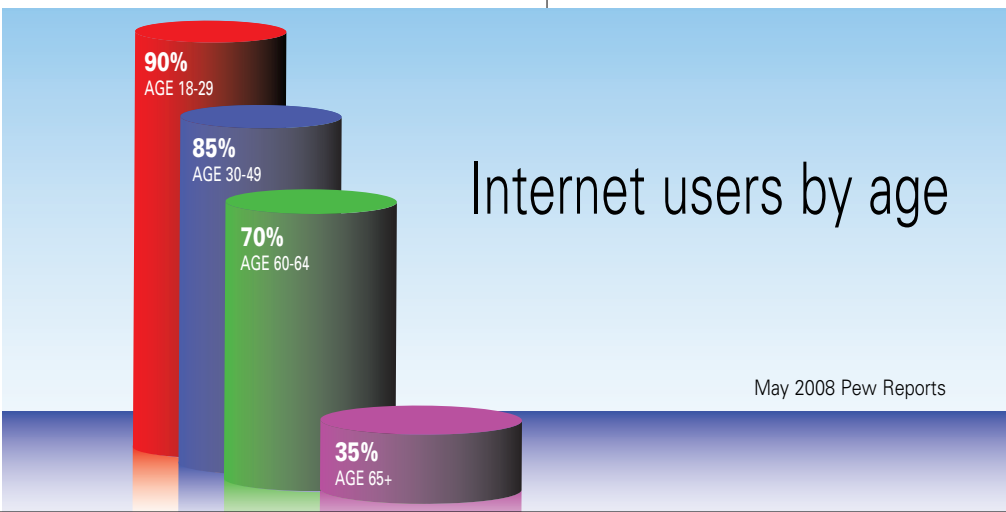
What has changed is what conformity looks like. It is not surprising to find honor students with green hair and college virgins with four tattoos. Relying on stereotypes about what green hair and tattoos signify can get marketers into trouble when it comes to the under-40 group in the venire. Appearances can be deceiving.

Even more interesting is their conservative slant and return to religion: 89 percent believe in God and 70 percent attend regular services. (David Demko, *Millennium Manifests Gen-Xer Moral Majority*).

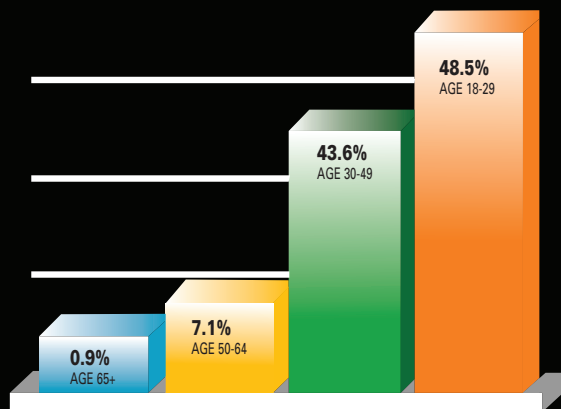
members are Internet users.

Realty DataTrust, makers of VaultWare, provides 625,000 apartment communities online availability information. They report that 40.3 percent of all leads in 2007 are from prospects ages 30 to 49. 43.6 percent of age 30 to 49 shoppers reserve apartments with no prior visit.

43.6 percent of Internet apartment shoppers age 30 to 49 made online applications



2007 Site unseen online reservations



Source: VaultWare-Realty Data Trust 2007

for apartment leases sight unseen.

Internet Listing Services (ILS) are the most popular sources used by Internet apartment shoppers, although statistics prove that over 50 percent of all leases originate from the property Website; understandable since the listing services perform in such a competitive environment. 42.1 percent of availability sessions were initiated through ILS' in April 2008 according to Realty DataTrust. Marketing to Gen X, Gen Y, and baby boomers requires a presence in ILS'. Apartments.com, the largest apartment ILS, reports that 44.9 percent of visitors to their Website are from ages 25 to 44. Typical visitors view two to four Websites. Apartment shoppers search through qualifying data for location, pricing, amenities, single family dwellings, condominiums, furnished, unfurnished, corporate, short-term, student, military, senior and income-restricted sorting features. The resulting search provides listings with a photographic showcase and details of floor plans, map, features, pricing, management, video, and lease online options. Internet leads are forwarded to the apartment community via email, facsimile and telephone. Some of the most popular listing services are:

www.Apartments.com
www.ApartmentGuide.com
www.ApartmentFinder.com
www.Craigslist.com
www.Rent.com

Mobile technology is poised for an explosion into wireless broadband accessibility that will bypass many wireless carrier restrictions to access the Internet. It is currently estimated that 38 wireless devices are sold every second, a rate of one billion every twenty-four months. The FCC is requiring the spectrum being abandoned by television

broadcasters as they go digital to be made available only for networks that allow consumers to use any application and device. This ruling will change the mobile telephone industry — consumers will have more freedom and greater accessibility to the mobile Web in the near future (*USA Today* January 10, 2008).

Mobile technology opens a wide door for apartment marketing. Prospects can drive by your property at 2:00 am, dial your published phone number and receive information on your current special in text format, visit your .mobi website, and complete a request for more information to be sent to them via their choice of media. You can VoIP (Voice over Internet Provider) your message: publish the equivalent of a radio commercial with sound effects with no time limitations and an option to connect directly to your leasing office phone number. The phone number can be included on all your print media and accessed via your Website.

Residents can pay rent by phone, or submit a maintenance request. List your .mobi Website address on your Internet service listings and prospects can instantly access your mobile advertising interface.

Practical guides to leasing to leasing to Generation X

To many real estate professionals, it is staggering to comprehend that people will reserve an apartment sight unseen—and when they do make a reservation, 58 percent are outside office hours at approximately 7 pm to 10 pm.

Steps to success

To effectively lease to Gen X, it is necessary to tap into their universal perspective. Work through any generational prejudices and presumptions. Listen to their music and visit some of their popular social networking

places like www.YouTube.com and www.SecondLife.com.

Train sales/leasing staff on the importance of relating to the generational preferences and purchasing practices of Gen X, especially if they are baby boomers or Millennials. Be sure they are equipped with adequate Internet access, online prospecting and response tools to market through the Gen X'ers media of choice: Internet, email, and text messaging.

Offering prospects and residents an array of electronic payment options, including online check payment, is a win-win; their needs for choice, access and control are achieved and you secure a renter plus get good funds in the bank faster. NWP Services Corporation, a company that provides electronic payment services for the Multifamily housing industry, reports that 63 million online households pay at least one bill online and over 75 percent (or 47.9M) of those pay directly at a billers Website.

Consider revamping the leasing facilities to accommodate Gen X'ers pricey, yet comfort-craving preferences, and perhaps revise staffing. Take advantage of the models to accommodate the Gen X love of casual space. Stock your model with application forms, leases, calculator, snacks and beverages. Make your Gen X prospects comfortable and do their paperwork on the spot: after all, they dodge an office atmosphere whenever possible.

Every multifamily property must have a unique Website with effective marketing, interactive, and relational tools, as demanded by members of Gen X. A Website is the only marketing channel where you can tell the entire story of your product and make your best presentation — 24/7. The time it takes to lease an apartment can be significantly reduced through an effective Web presence, and the total number of work hours as well. It is not mysterious that a person can lease an apartment sight-unseen when Gen X'ers grew up playing iconic video games. They are totally comfortable and familiar in a virtual environment. They have already moved in once they have taken the online virtual tour, placed scaled virtual furniture with interactive design in a floor plan they have selected, and decided the price-to-value meets their expectations. All that is left is to select their apartment from the online availability, choose a location from the online site map, fill out the online lease application and pay the deposit — online. Once the lease application is approved, they can digitally sign their online lease and make arrangements by email to pick up their keys. They are in con-

trol: their favorite thing.

Green is the most significant color for the new millennium. In a survey conducted by Iconoculture.com, 41 percent of people ages 30-44 said they would be willing to spend more money for "environmentally-friendly." Institute a recycling program for your community, a water conservation program, consider adopting an environmental sponsorship and make your initiatives known to your prospective residents by publishing updates on your Website and the community newsletter.

With 19 percent of the average population of apartment dwellers working from home as reported by the NMHC study, and Gen X'ers preferences for home offices, retrofit your apartment units with high-speed Internet and adequate electrical wiring to facilitate a quick home office set-up. Wireless Internet options are becoming more accessible through satellite feeds for condominiums and apartment buildings.

As for Gen X'ers who actually visit the property before leasing, remember that generational experts reiterate how direct and hype-resistant they are. The leasing/sales professional may not know the prospect's date of birth prior to making an appointment, since collecting such pre-qualifying information might violate the Housing Act of 1988 prohibiting discrimination because of race, color, religion, sex, familial status,

handicap or national origin. When it becomes obvious that the prospect is a Gen X'er, staff should be prepared for the nuances of leasing to those who do not want to be sold.

Have a rent versus own scenario on hand. With unpredictable mortgage rates, Gen X'ers will look closer at the apartment market for housing choices.

Expect them to be in a hurry, allow them control of the conversation.

Focus on value and utility.

Statistics show that most online apartment shoppers will look at three competitive Websites before scheduling an appointment. It is essential to be informed on the details of the property's competition. The Gen X shopper will have a price comparison

list whether the agent sees it or not.

Don't sell the living or dining room; they do not relate. It is an office, media room, entertainment room or workout room.

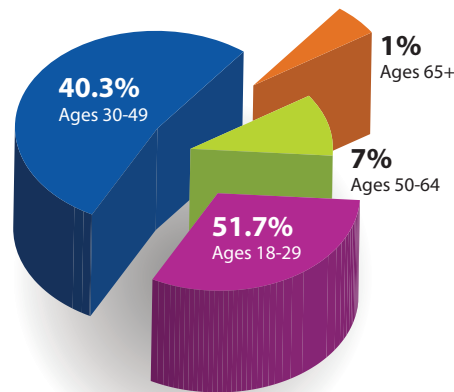
Gen X'ers are known for frequenting restaurants; neighborhood restaurant information should be at the top of the property's location amenities.

Snail mail is a wasted stamp; communicate with them via email, cell phone or text messaging, or instant messaging.

Give them information quickly and respond quickly to their feedback. ■■

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2007 Internet apartment shoppers by age

Source: VaultWare-Realty Data Trust 2007



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