

Exclusive

Examining Multifamily Millennials And The Rent-By-Choice Market

APRIL 28, 2016 | BY JENNIFER LECLAIRE

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MIAMI—Millennials and **multifamily** continues to be a hot topic—with some debate. With Millennials representing the largest generation in history, it's important for developers to get on the right side of the discussion.

Brad Capas, president of **CapasGroup Realty Advisors**, has some strong insights into the debate. Of this he's certain: Millennials are opting for smaller units.

“Unit sizes are trending smaller, largely due to ever increasing land and construction costs,” Capas tells GlobeSt.com. “Millennials focused on affordability have proven to be ideal tenants for these smaller units as they are willing to trade unit size for location and a lower monthly rent payment.”

Beyond the pure Millennial market is what Capas calls the “renter-by-choice” market. Many Millennials fall into that category but there are two issues to consider. Some Millennials are [opting for single-family homes](#) and the renter-by-choice market is broader than Millennials. Still, there are some distinctions on price tolerance.

“Rental developers are also keenly aware of the renter-by-choice market which is generally less price sensitive than the Millennials,” says Capas. “In many instances, renters by choice can afford to purchase a home but prefer to rent.”

What would cause affluent consumers to rent instead of buying? Capas points to several common reasons.

“Reasons include alleviation of maintenance responsibilities, foreclosure or other unfavorable home ownership experience and the lifestyle flexibility of renting versus owning,” Capas says. “These generally older and affluent tenants are attracted by the high quality and extensive amenities offered by contemporary rental apartments and are willing to pay for such luxuries.”