

Dear Clients,

The youngest generation in the real estate market are those who were born between 1982 and 2004 and are known in today's society as "The Millennial" generation. Typically, the era we are in now is the first opportunity this generation has had the opportunity to seriously consider buying their own home.

Certainly, they are not taking the same approach as their parents and grandparents before them.

Never has a generation of first time homebuyers entered the market with the recent real estate recession fresh on their minds while carrying record high student loan debt and faced with high unemployment rates while the mortgage industry continues to make it more difficult than ever to pursue a favorable home loan. It's no wonder that the Millennial Generation has not been so quick to jump on the home ownership train in pursuit of the Canadian Dream!

As a generation, the Millennials have the unique position to have witnessed their parents and grandparents struggle with real estate, after buying their first home in their 20s and early 30s. They saw the frustration and despair as many lost family homes and fortunes as the economy headed south into a deep recession. It's natural that many Millennials were soured on the whole idea of home ownership...but it shouldn't.

The perfect time to buy

There are two conditions that affect every homebuyer – the price of the home and the price of money.

Home prices dipped to their lowest value somewhere around 2010-12. Since then, prices have slowly been increasing. Today there are still many affordable homes on the market, but prices are continuing to climb and it is unlikely, short of another economic disaster that prices will ever be this low again.

It's important to remember that real estate is a long-term investment that has traditionally done very well for a lot of people in a lot of different circumstances.



Real estate prices always seem to come back and flourish – based on the economic theory of ‘Supply & Demand.’ The other condition that will have a great bearing on the purchasing power of the Millennial homebuyer is the cost of money which translates into home loan interest rates. Today, interest rates are still in the range of historical lows.

Mentors

While your real estate agent will be legally responsible for the transaction and should have the most detailed information that is important there is nothing like having a mentor who has been through the experience and made their own mistakes and enjoyed their own successes. Perhaps a parent, grandparent of a colleague at work can share what they did right and what they did wrong. Many times the stories they share are dated and the facts may be off – but the experience is real and worth your weight in gold if it helps you avoid a pitfall or helps you find the perfect home.

Neighborhoods

Millennials, like no generation before them, have more information at their fingertips (on any topic they desire) and know how to easily access it. While the data that comes to them from the Internet is very important, there is no substitute for driving a neighborhood.

There are a lot of different elements to picking out the right neighborhood – especially if it is one you may not be familiar with. Location is not only important to the Millennial buyer today but will be a strong factor when it comes to reselling the property and nothing is more important to the value of a home than its location.



Patience is a virtue

Millennials are not the only generation that want instant gratification – it happens to the best of us. You must realize that the process takes several months at best and may extend out six months to a year or even longer. There are many hurdles to overcome and until escrow closes almost anything can happen and set the process back. Purchasing a home is not for the faint at heart and should the process should be approached with persistence.

Take your time and don't rush into a situation that makes you feel like your settling. While it is unlikely that what you end up with may not include every attribute of your dream home, it's important to know what you are willing to compromise on and what you're not. Don't allow anyone to pressure you into jumping into something because you can. Slow down, continue to research and continue to take the advice of your real estate agent and mentors. Take the time to know and understand the buying process and you'll be in a much better position to make a knowledgeable decision.

Parting thoughts

The process is a long and complicated one that only you are in control of. You can make as many offers on as many different homes as you are interested in. You can go through the negotiation process on several different homes (try to limit yourself to one at a time) without actually making the commitment to buy. You only get to hand the money over (fund a home loan) once – and only if you are happy with the property...so choose wisely and buy a home that will truly make you a happy Millennial Homeowner! ((Information cited from <http://myvalleynews.com/real-estate/>))

