



EXECUTIVE BRIEF

A Real Estate Agent's Guide to Understanding Baby Boomers

Understand – and overcome – this generation's reluctance to sell their homes in today's market.

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Meet the Baby Boomers

Whether they're our family, friends, or we identify as one, the baby boomer generation is familiar to us all. They account for 71.6 million in the U.S. alone, and many real estate agents are boomers themselves. No matter your demographic, it pays to stay educated on this audience's behavior in the marketplace. That's because they have the highest rate of home ownership in the country, at 42 percent. Almost half of them owned a home by the age of 35, and nowadays 75% of them possess real estate. But their reasons for owning a home have changed, as have their behaviors. The most notable trend is that they now sell slower than ever, creating a challenging marketplace.

This guide will help you better understand - and overcome - boomers' reluctance to sell, through sharing insights, advice, and hot tips that will help transition the most determined hunker downer into a savvy seller.



Selling the Home Sale

Just because boomers are selling more slowly, doesn't mean they're opposed to it. 43% of sellers today are boomers, with 37% of them wanting to move closer to family and friends, and 20% wanting to downsize. But the high ownership ratio and low selling rate has created a low inventory in a high-demand housing market. This bottlenecked industry currently favors sellers, but that dynamic won't last. Over the next decade, experts project a housing exodus will take place as older homeowners leave the market and the supply finally outpaces demand. So, why are they resisting selling?

- More boomers are "aging in place" - a growing trend that eschews nursing homes and care facilities in favor of domesticity. 77% of them over 50 are choosing to stay in their homes, and nearly 90% of them, 65 and older, want to stay put in their current living situation for as long as possible.
- Many accommodate "boomerang children" who come and go from their parent's homes.
- Some resist selling due to financial debt and uncertain economic prospects.
- A tighter housing market causes some of them to hold on to their real estate rather than risk letting go and not finding a suitable replacement.



The pandemic caused 4 in 10 boomers to support family members, delaying moving plans for 65% of the population.

Selling now offers boomers a huge advantage. Here's how you can overcome common reasons to help them change their mindset and location:

Reason #1: I'm Comfortable Where I'm At

Aging-in-place boomers usually live in a house built for their pre-retirement selves. Moving can mean upgrading to a living situation more conducive for their current phase of life. First-floor primary suites, bathrooms with large shower access, French-door refrigerators, and technology options like intercoms, security cameras, and smart lighting all count, as does moving away from snow-bound or remote areas that can create challenges as they age. They don't need to sacrifice their dream of aging in place; they only need to let go of the idea that staying put will make that choice easier.

Reason #2: If I Move, I Lose Space

Some boomers know that moving means downsizing, and don't want to risk alienating boomer children or limiting aging-in-place options. They should view it as "right-sizing:" choosing real estate that fits better with their next phase of life. Downsizing can lower mortgage payments, increase liquid assets, and allow them to place the extra money towards debt or retirement. Smaller homes are also easier to care for and can allow them to relocate closer to children and age-appropriate resources and activities.

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Reason #3: I'm Not Financially Equipped

Contrary to what boomers in financial straits may think, they're better positioned to sell than anyone. A low-inventory market places sellers at an advantage, allowing them to make a profit that can allow them to pay off outstanding debts and mortgages, reinvest the money, place it toward retirement, and minimize the risk entailed in selling after retirement, when it may be even harder to recover from any losses.

Reason #4: I Can't Find the Right Home to Buy

You should encourage boomers to think outside the box when exploring selling options. Renting instead of buying is trending amongst home sellers, primarily because of its increased flexibility and expanded options. For those who are holding out for the right home, or looking for change, renting is a significantly lower expense in the near term. It also allows them to take risks that were unimaginable as a homeowner. Traveling the world for a year, renting an RV, or hiking the Appalachian Trail...These are just a few of the possibilities that can whet their appetite for change.



How to Find and Engage with Boomers

Now that you know how to help boomers sell, you'll first need to reach them. Here's where farming tools (named for Focused Area Research Marketing) come in handy. These tools allow you to pull together and analyze data on properties and their owners to inform campaigns that will help you meet certain objectives which may include reaching a specific this demographic. You can work with your title company to access the best farming tools and learn how to use them. Knowing how to pull, analyze, and use the right data will empower you to grow your business. To find boomers, you could use filters on a farming tool to narrow your search:

1. Choose a location and search for specific details like owners that have lived in their homes for 20 years or longer.
2. Think of reasons that they would want to sell and search accordingly. Homes with stairs, for instance, are harder to manage when they get older. Bigger houses may indicate an empty nest.
3. Look for equity insights which will give you an understanding of whether the person living in a particular house has the financial ability to sell or move.

Once you've learned as much as you can about your target audience, you can build out a tailored marketing strategy by:

- **Running ads and content campaigns** on platforms like Facebook. Here, you'll want to position yourself as the friendly neighborhood real estate agent + expert by sharing neighborhood insights, market updates, and any information that demonstrates your expertise. Research groups on Facebook that boomers in that area frequent.
- **Engaging on social media** for optimal exposure. Offer eye candy by posting photos of top real estate picks, host a LiveStream meet-and-greet, and encourage people to ask you questions on Facebook.
- **Sharing success stories** of happy customers, ideally those that resemble your audience, as testimonials are one of the most powerful marketing techniques available to you.
- **Partner with a tech-forward and customer-centric Title & Escrow provider** to ensure that the closing process is seamless and smooth. Not only will this ensure a faster close, but help you gain a reputation for great service.

While smart technology use is crucial these days, the basics can still work wonders. While handwritten notes in mailboxes has been a successful tactic over the years, why not update that approach by sending out personalized gifts?

Millennials make up 37% of today's home buyers and it is important to appeal to them. As always, it's helpful to start by knowing what they want.

Tips to Modernize a Home to Appeal to Millennial Buyers

You've found your client and helped them overcome their reluctance to sell. Now, the focus turns towards helping them secure top dollar when listing their homes. Millennials make up 37% of today's home buyers and it is important to appeal to them. As always, it's helpful to start by knowing what they want. 29% of millennials want a new home as part of starting a family; 40% want that home to be in a modern style. This preference works well for boomers, who also favor modern or ranch-style dwellings. Colonial, Cape Cod, and mid-century modern homes rank as millennial's least favorite.

Beyond exterior aesthetics, millennials are seeking homes with ample amenities. At least 62% want a nice kitchen, outdoor space, and a home office, while about half want open-concept layouts and a home gym. With these facts in mind, you can help your boomer clients 'millennialize' their home by following these recommendations.

- **Showcase its family value:** Family-oriented millennials will want to know about the games of basketball played in the driveway, the dining room feasts, and the forts built in the backyard. Sellers should retain these personal touches, as they symbolize that the next owners can find the same familial bliss.
- **Tap into millennial preferences:** Make renovations that speak to millennials. Turn the basement into a home gym, a spare room into an office, or bring down the wall between the dining room and kitchen to facilitate an open-concept layout.



- **Make every inch count:** The ideal home size for most millennials is 2,400 square feet. Smaller homes will need to go the extra mile by incorporating the right amenities and design details. Think high-tech lighting, luxury materials, and state-of-the-art appliances. Open-floor plans, light paint colors, abundant natural light, and creative storage options will also help. Whether it's converting the tool shed to a clubhouse or painting it all white, be thorough and creative when exploring possibilities.
- **Boost curb appeal:** Millennials may buck tradition elsewhere, but when it comes to a good first impression, curb appeal still counts. Research found that 79% of U.S. home buyers today want a spacious and manicured lawn. You likely have some other ideas as to how to groom a home's exterior, but it's still worth exploring platforms like Pinterest and Instagram to see what's trending.
- **Incorporate smart technology:** One study discovered that 86% of millennials are willing to pay more for a home with smart tech technology. Smart lighting solutions, entertainment integrations, smart appliances, security systems, and even lawn watering tools are all worth considering.

Even if the home doesn't sell to millennials, few prospective buyers can say "no" to a well-tailored home with modern amenities and creative touches.

Overall, it is important to first understand and address the foundational drivers behind the changing behavior of the baby boomer demographic and then use your expertise to offer them the right solution to easily transition into the next stage in life.

At Doma, we take a revolutionary approach to the entire closing process, combining new technology with over 60 years of expertise and service. Our expert local team, based in 80+ branches, is committed to helping you deliver a closing that generates positive word-of-mouth and cements future business.

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