

## Business Briefing: how the attitudes of the next generation are changing the property market

Written by The Conversation

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Generation X and Y are equally, if not more aggressive than baby boomers when investing in property. Chris Devers/Flickr, [CC BY-NC-ND](#)

Generations X and Y are becoming just as, or even more aggressive, than the baby boomers as investors. An example of this are the “rentvestors”, who still don’t live in their own home, but have an investment property.

There’s been a change in culture over the generations when it comes to the property market, says researcher Ilan Wiesel from the University of Melbourne.

“It’s the shift from housing as a home, as a right, to housing as a commodity,” he says.

This is reflected in that 60% of household wealth is in people’s homes. But for younger people, like Generation Y, there are some who choose to move around for work so tying themselves to one location doesn’t have the same appeal.

Looking at the baby boomers, there are two types of security that drive people’s feelings about property. One is a sense of financial security but another is tied to a sense of continuity, in knowing you have a home and how that affects your identity.

If you look at the advertisements for properties through the generations, certain aspects of these changing ambitions are highlighted, says researcher Robert Crawford from the University of Technology Sydney.

After the war and the great depression, people felt hard done by and that it was time for a reward, that reward was owning a home.

“The advertisements really play on this, but it’s a dream,” says Crawford.

In the advertisements of the 1980s this changed again as size and location of properties became more of a feature than just owning a home.

“As more and more people begin to realise their dreams of home ownership, the next [point] is - owning a home isn’t as much of an achievement, so I’ll have to own a particular size of home,” Crawford adds.

The rental market is also changing with generations, as more renters have a high income and rent for longer, says Professor Kath Hulse from the Swinburne University of Technology.

In comparing this to other countries, Hulse says there is a culture of treating tenants differently too.

“Germany has a very stable rental system... there’s a lot more security of tenure and it’s very common if someone sells the house, to sell it with the tenant, they don’t have to get out.”

“Whereas in our case it’s almost automatically assumed that if you buy a house with a tenant or if you want put your house on the market, the first thing you do is to ask the tenant to leave,” she says.

Over time some policies, like the First Home Buyers Grant, have had some impact on changing the behaviour of people in relation to the property market but with the danger of a flow on rise in house prices.

“Part of it is to make the rental sector a better place to live, with better more modern regulation and better quality of service... and then people might have a real choice as to what they want, rather than feeling like they have to move into home ownership,” Hulse says.

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