

MILLENNIAL LIVING IN 2018:
INSIGHTS FOR THE UK
BUILD-TO-RENT SECTOR

getlivinggetlivinggetliving

FOREWORD	4
EXECUTIVE SUMMARY	6
<hr/>	
KEY FINDINGS	
-	
OWNING VS RENTING	8
CHOOSING WHERE TO LIVE	10
CHANGING WAYS OF WORKING	12
MILLENNIAL MONEY	14
TRAVELLING AND COMMUTING	16
<hr/>	
MILLENNIAL LIVES	
-	
PLACEMENT YEAR PIONEER - MOLLY	17
GERMAN LESSONS - ROB	18
EAST VILLAGE STOPOVER - MELISSA	19
<hr/>	
ARTICLE	
-	
IT'S NOT SO BAD FOR GENERATION RENT	20
<hr/>	
CONCLUSION	22

getlivinggetlivinggetlivinggetlivinggetlivinggetliving

Foreword

WE COMMISSIONED THIS REPORT TO MARK GET LIVING'S FIFTH ANNIVERSARY. SINCE 2013 WE'VE LED THE CHARGE FOR A BETTER WAY OF RENTING. NOW WE'RE LOOKING BEYOND LONDON AND TAKING WHAT WE'VE LEARNT TO CITIES ACROSS THE UK.



When we opened East Village at the end of 2013, Uber and Deliveroo were still new to London, WeWork launched its first London location the following year, and Amazon's Alexa entered UK homes in 2016.

Since Get Living launched, the way people live and work has changed forever.

This is especially true among the generation labelled 'Millennials'. In 2013 they were in their teens and twenties, and now they've grown up in a new on-demand subscription society - where it's increasingly common to rent, rather than buy - challenging the assumptions of their Baby Boomer parents.

We've seen these shifts and recognise that our customers - our residents - need to be at the heart of what we do. We've

also found that many choose to rent. It suits their lifestyle, their life stage and offers them a better living experience.

In our first five years we've ignored the preconceptions around Millennials.

We've found this generation are responsible renters, so we scrapped the standard six-week security deposit. They want to feel secure in their home, so we offered longer tenancies. They need flexibility, so we have a break clause after six months. They want transparency, so we've never charged fees. They're a generation that's savvy, safety-conscious and always connected. They don't just eat avocados.

Now, as we grow outside of London, we wanted to see how far this is reflected nationwide. What do those living and

working in cities and towns across the UK think about home owning vs renting? What makes them choose the places they live? How are their views on living and working changing?

What we found was a picture of caution around property investment, optimism around incomes and an openness to flexible working that is a real departure from previous generations. And, while the majority of renters see benefits to renting, the property sector still has a lot to prove.

Too often landlords are concerned with their property, agents are focused on the landlord and renters themselves are treated as an inconvenience, rarely as a customer. To us that seems short-sighted. According to the Resolution Foundation, 40% of Millennials will rent into their

forties. Renting is no longer a stop-gap before owning, but a long-term lifestyle.

So, as we look ahead to the next five years, it's clear that these shifts can't be ignored. From looking at these findings and listening to our residents we recognise these attitudes are spreading across generations. Among our older residents we find the same demand for flexibility, transparency and convenience - they are the 'Millennial-minded'.

It's time to change the way homes are built, managed and experienced.

One sign of change has been the growth of the build-to-rent sector. Since we launched East Village - widely seen as the start of the sector - the British Property Federation reports that there

are now more than 100,000 build-to-rent homes complete or planned. These homes are owned by institutions and managed for long-term rental, where the focus is on building homes and places that people want to live in for a long time.

We hope this report provides insight, provokes discussion and challenges perceptions. There's now a huge opportunity to build homes and neighbourhoods that empower this generation and those to come. For us that means we need to continue to make renting a simpler, fairer and positive experience - not just in London but across the UK.

NEIL YOUNG, CEO, GET LIVING

“

What we found was a picture of caution around property investment, optimism around incomes and an openness to flexible working that is a real departure from previous generations.

”

Executive summary

WHAT DO MILLENNIALS REALLY THINK OF LIFE IN A RENTED HOME? ARE 'GENERATION RENT' TRULY YEARNING TO OWN A PROPERTY?

Or are they in the vanguard of the new Sharing Society, where people are less interested in following in the footsteps of their home-owning parents and would rather make a fortune from Bitcoin?

Get Living has sought to answer these questions and a host of others about Millennials' lifestyles in ground-breaking research carried out in cities across the UK in March and April 2018. The result is a highly illuminating picture of how their worlds are changing.

But why carry out this research in the first place? Many believe Millennials are frustrated by not getting on the housing ladder quickly enough. However, there

are signs, particularly in London, that the tide is now turning away from home ownership.

As house prices in the capital begin to fall, our poll of 3,065 21 to 35-year-olds showed that a high proportion of those who had bought homes have advised their renting counterparts to stay where they are.

Rising values are no longer a given and, with our poll showing that annual travel costs are 59% higher for home owners than for renters and that 57% consider property investment over the next five years to be 'high risk', it is not surprising that many Millennials say they should keep renting.

There are other factors at play, too. The rollercoaster ride in value for Bitcoin has excited many Millennials, with one in five seeing it as an appealing investment

proposition compared with relatively slow-moving property values.

Finally, the appeal of renting has grown, with 9 in 10 Millennials seeing the benefits and appreciating the flexibility it offers if their circumstances change.

Lifestyles have become more flexible and fluid.

The digital world is increasingly enriching Millennials' lives, with almost two in three subscribing to the likes of Netflix and Amazon Prime and almost half choosing to network online.

But while Millennials are confident in the online world, they are less sure of their own decisions over personal finances. Almost twice as many of those polled said their parents' generation is better informed over their money than their generation.

“
As house prices in the capital begin to fall, our poll of 3,065 21 to 35-year-olds showed that a high proportion of those who bought homes have advised their renting counterparts to stay where they are.
 ”

They are confident in their futures, expecting their income to almost double over the next five years. In London, optimism is even greater, with Millennials expecting a 119% rise in income by 2023. As life in Britain becomes more fluid in every way – from working patterns to ways of shopping and spending leisure time – Generation Rent appears to be happier to continue its flexible and outward looking lifestyle rather than being tied down to more conventional ways.

Shifting population patterns and changing lifestyles are leading Britain towards the German renting model enjoyed for decades by the parents of one of our interviewees.

For now, our poll of 3,000-plus Millennials shows that, for many, renting is a deliberate decision and is no longer considered money down the drain.

RENTING IS NOW THE NORM AMONG MILLENNIALS.

In 2013, for the first time, private renters in the UK overtook owner-occupiers aged 25-34. According to the Government's latest English Housing Survey, this trend has since sped up.

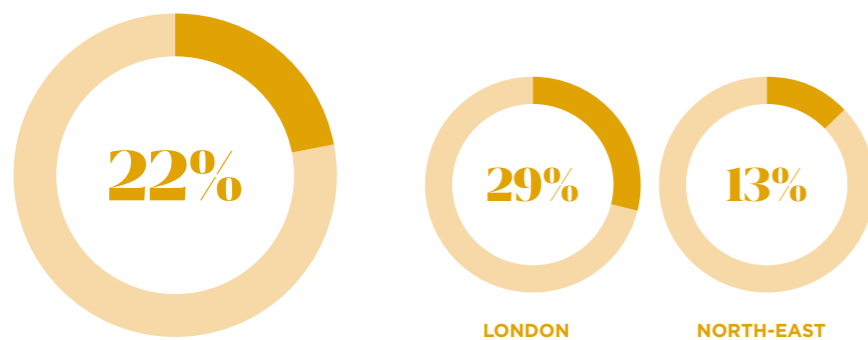
- **There are 787,000 annual moves in the private rented sector, with private renters living on average in their homes for 4.3 years.**

- **Accompanying this trend has been the arrival of the concept of 'build-to-rent', offering high standards of design and placemaking combined with enhanced resident services.**

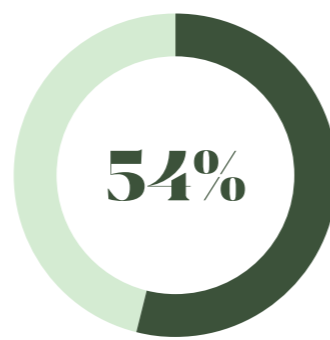
Build-to-rent has its roots in the United States, where its more than two million rental homes are known as 'multi-family'. Build-to-rent itself was first brought to the UK in 2013 by Get Living, when the first residents moved into East Village – a new neighbourhood in Stratford, East London – formerly the London 2012 Athletes' Village.

- **There are now more than 100,000 build-to-rent homes, complete or in planning, across the UK, which are raising standards to meet the changing lifestyles and expectations of this new generation of renters.**

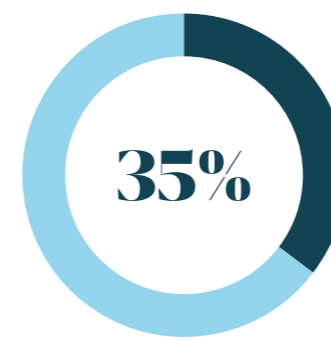
MILLENNIALS LIVING WITH PARENTS



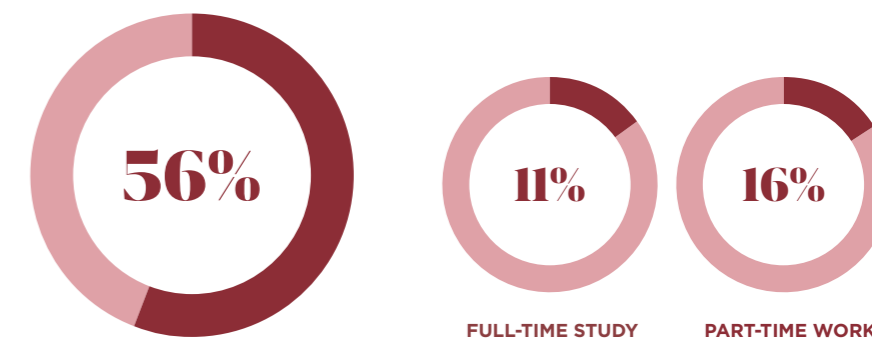
MILLENNIALS LIVING WITH PARTNERS



MILLENNIALS WHO ARE PARENTS



MILLENNIALS WORKING FULL TIME



INSIGHT

Owning vs renting Millennials question property investment

WHEN WE ASKED MILLENNIALS HOW THEY SAW THE PROSPECTS FOR PROPERTY INVESTMENT OVER THE NEXT FIVE YEARS, THEIR ANSWERS WERE HIGHLY CAUTIOUS.

Among Millennial homeowners almost half (45%) would recommend to first time home buyers that they continue to rent for now.

The perception of property as a risky investment is highest among London Millennials, with 62% saying it is a 'High Risk' venture, a figure only surpassed by those in the West Midlands, with 63% agreeing with their contemporaries in the capital.

Leading mortgage provider Halifax reported in April 2018 that London house prices are falling at their fastest rate in nine years, dropping 3.2% between January and March - the sharpest decline since the global financial crisis.

An average of 57% of Millennials consider investing in property over the next five years where they live to be 'High Risk'. This view is as common amongst those renting a home as living in their own property.

Almost three in four of our survey respondents (74%) believe there are better investments than property, and this increases to 83% for men.

For Millennials the soaring performance of Bitcoin - followed by an almost equally profound correction - holds more intrigue than the prospect of steady growth in house prices. This translated to 21% of Millennials polled believing Bitcoin represents a better investment than property.

RENTING BENEFITS

Almost nine in ten (89%) Millennials agree there are benefits to renting.

The clearest benefit was the ability to easily move if circumstances change (59%), and with Millennials spending less time in their jobs than previous generations, the ability to re-locate easily is another reason why rental accommodation is becoming more popular.

Avoiding the need to make repairs and avoiding maintenance costs (41%) are also seen as good news by Millennial renters.

DISILLUSIONED MILLENNIAL HOMEOWNERS

It is striking how disillusioned many Millennial homeowners are, particularly compared to their renting peers.

More than half (57%) of homeowners say they underestimated the actual cost of buying their first home and 45% say their ongoing total monthly costs are much

higher than when they were renting. No doubt stagnating house prices have made cynics out of some homeowners, with 37% of those who had bought their own home complaining that the value of their property had dropped over the last 12 months.

A recurring theme of our research is that buying a home drives Millennials to less convenient locations, with 49% of homeowners agreeing that "I lived in a more convenient location when I rented", with some stark regional differences as well.

For homeowners in Leeds, the proportion saying they lived in a more convenient location when they rented rises to 57% and to a striking 72% for those in Glasgow. The equivalent data for Birmingham and Manchester also supports this with 50% and 55%, respectively.

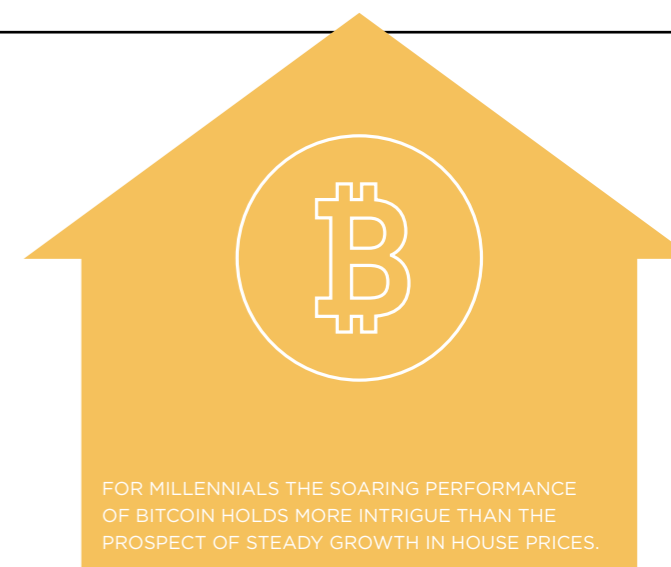
This isn't just an issue for leisure time and their current commute. Of the Millennial homeowners polled, an alarming 45% agreed that they "have not pursued some great job opportunities because of the inconvenient location where [they] live." The number increases to 49% for homeowners in Leeds and 60% for those in Glasgow.



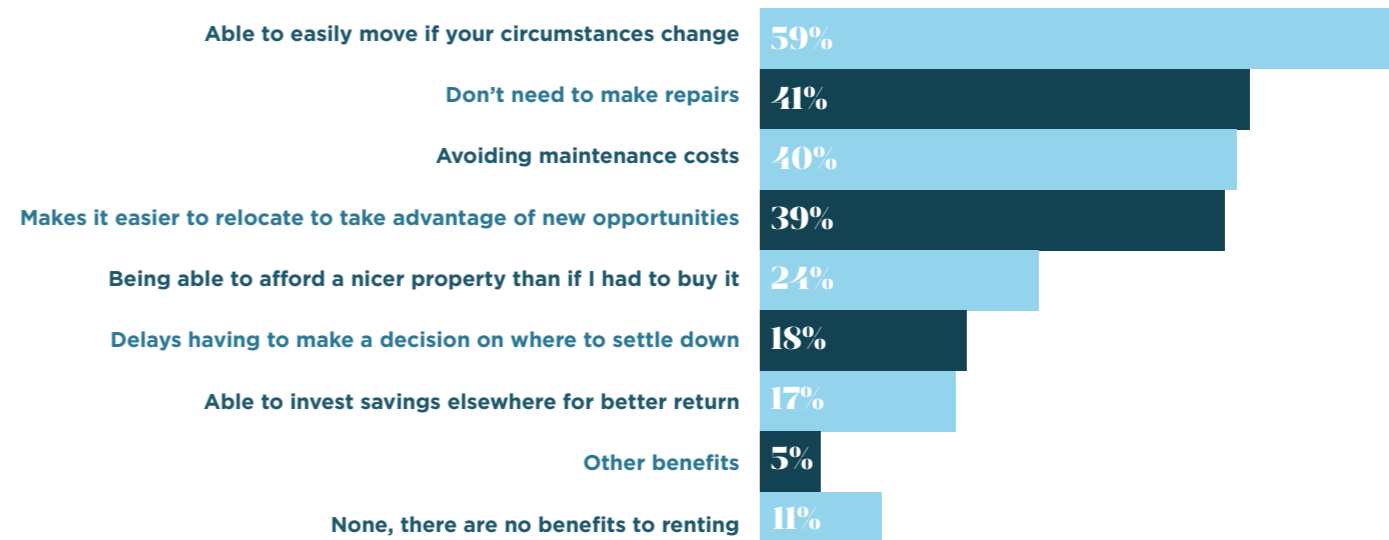
57% OF MILLENNIALS CONSIDER INVESTING IN PROPERTY OVER THE NEXT FIVE YEARS WHERE THEY LIVE TO BE 'HIGH RISK'.



ALMOST THREE IN FOUR RESPONDENTS TO OUR SURVEY BELIEVE THERE ARE BETTER INVESTMENTS THAN PROPERTY, AND THIS INCREASES TO 83% FOR MEN.



IN YOUR OPINION, WHICH OF THE FOLLOWING ARE BENEFITS TO RENTING INSTEAD OF OWNING THE PROPERTY YOU LIVE IN?



INSIGHT

Changing ways of living

Choosing where to live

WHEN LOOKING FOR SOMEWHERE TO LIVE MILLENNIALS ARE INFLUENCED BY THE COST, THE FEELING OF SAFETY AND HOW WELL CONNECTED THE LOCATION IS.

Millennials are undoubtedly price sensitive, with 64% saying that the 'cost of living' was the most important feature of where they live. Although there's a significant gender divide on this with 71% of women considering it important compared to 57% of men.

Cost of living is also the most important criteria for those living in or frequently travelling to Birmingham (65%), Glasgow (66%), Leeds (67%), and Manchester (64%).

For those in London however, 'transport links' is the most important criteria with 59% selecting it as important.

LOCATION, LOCATION, LOCATION

More than half of those polled (53%) agreed that they lived in a more convenient location when they rented, which lead to - what aspects of where you live make the biggest difference?

64% agreed that living close to better facilities and services would help free up time, and half of Millennials (49%) agreed that they'd pay more to live centrally as it would reduce other costs.

ONLINE LIVES

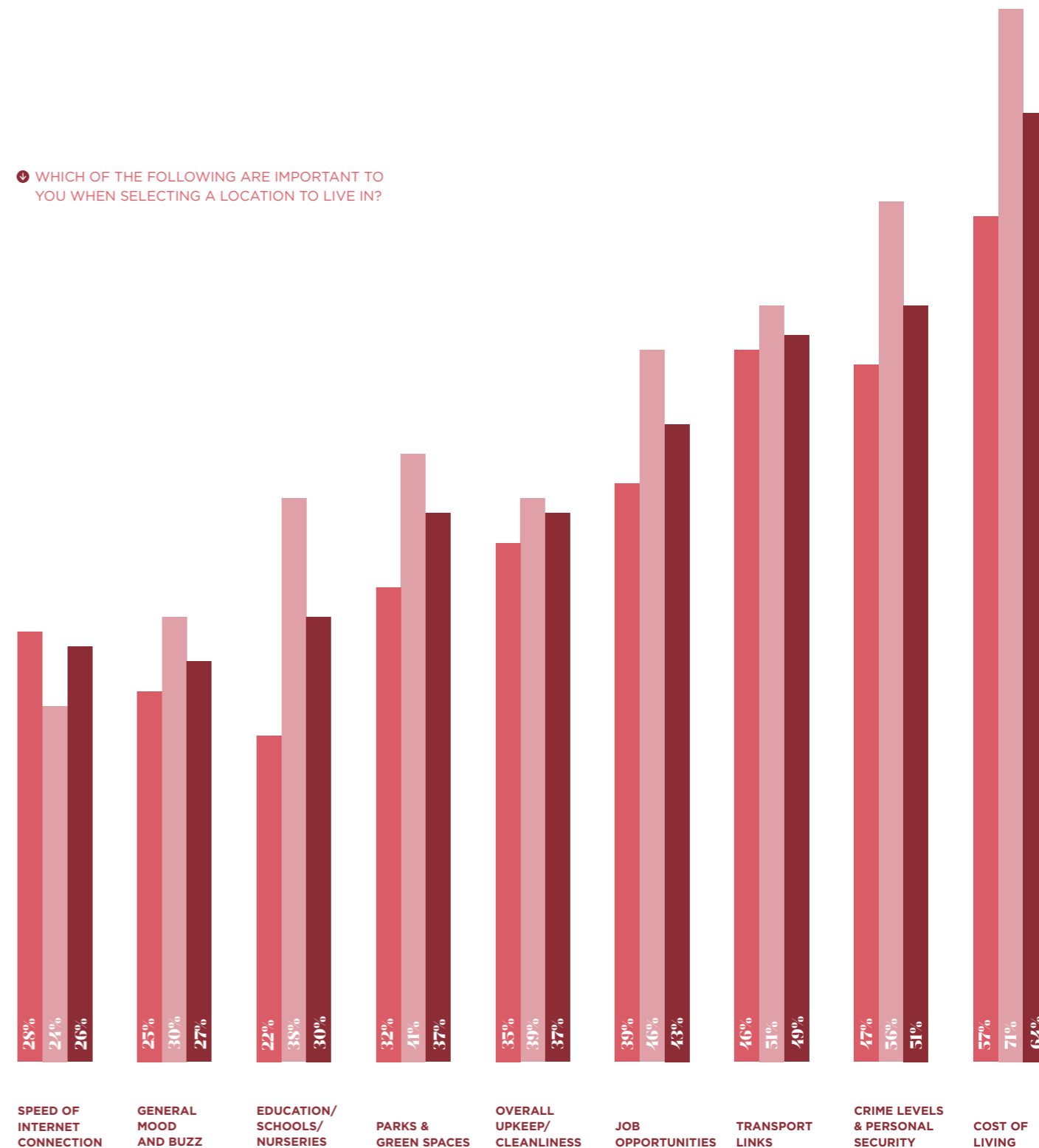
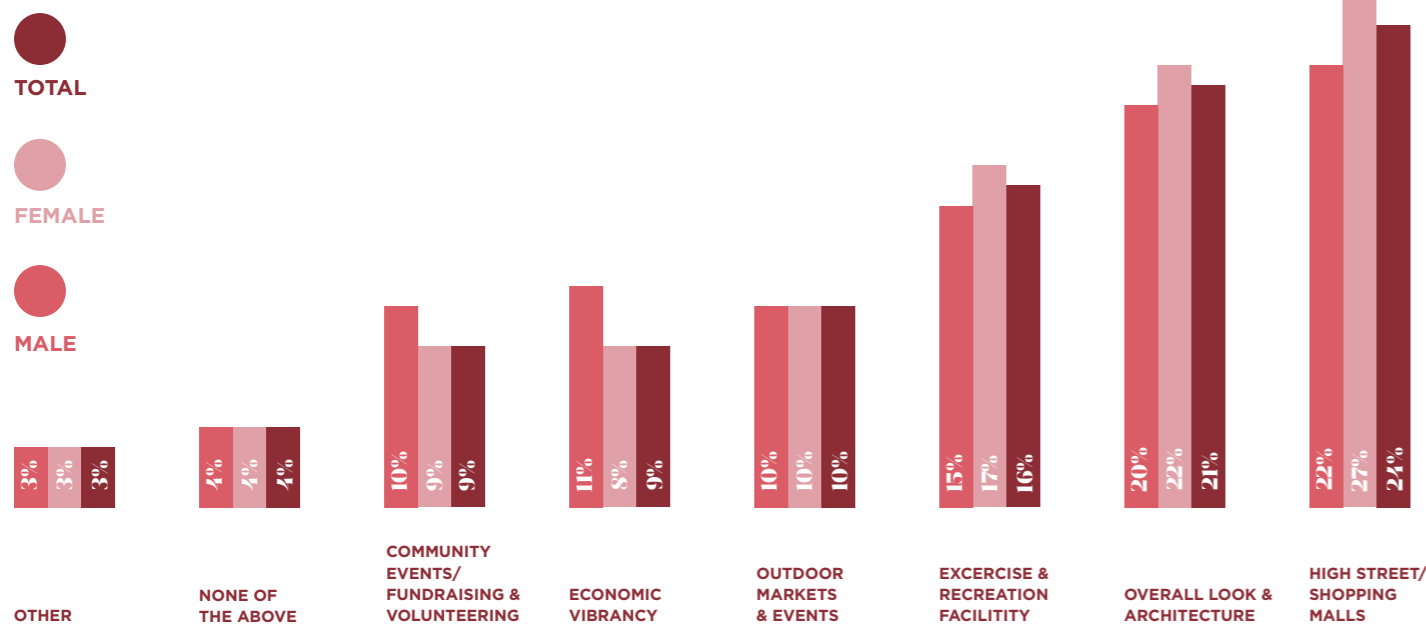
A high proportion of Millennials are doing much of their day-to-day tasks online and

we expect to see this grow, especially in the home. While just 17% currently adjust their heating online or through an app, half of Millennials (50%) would prefer to do it this way.

Unsurprisingly most Millennials have online subscriptions from Netflix and Amazon (63%) to Spotify (48%) but running counter to the assumption that 'all Millennials use Uber' over half have never used the app (51%) highlighting regional differences in accessibility and attitudes to transport (see more detail in 'Travelling and Commuting').

Millennials are quite clear that not everything should be diverted online, with more than half (54%) still preferring to meet new people in person.

WHICH OF THE FOLLOWING ARE IMPORTANT TO YOU WHEN SELECTING A LOCATION TO LIVE IN?



INSIGHT

Changing ways of working

Flexible is best

WHEREAS THEIR PARENTS' AND GRANDPARENTS' GENERATION WERE SCHOOLED TO SPEND DECADES IN THE SAME WORKPLACE, THREE QUARTERS OF THE MILLENNIALS WE POLLED SAY THAT WORKING FROM HOME IS APPEALING TO THEM.

Even when asked if they would like to work from home and risk "not interacting with people in person", 75% of Millennials said this appealed, with only 9% calling this option "very unappealing".

Home working was expected to transform the work place in the 1990s, but never took off as people who had grown up to anticipate going to work in an office rejected the idea, or their employers decided they could not be trusted.

Millennials, however, powered by better technology, have no such qualms. This is most apparent amongst those with a partner and children, with 78% saying that home working is appealing.

START-UP BRITAIN

Starting up a company is seen as appealing to over two thirds of Millennials across the UK (68%), and particularly for those living in London (75%).

For those 68% who are attracted by the idea of starting their own company, 60% would also like to work in a shared office space with other companies and shared communal spaces.

Start-ups are also attractive employers, with more than half (58%) saying working for a start-up and being given equity in the business, instead of a higher wage, is very attractive.

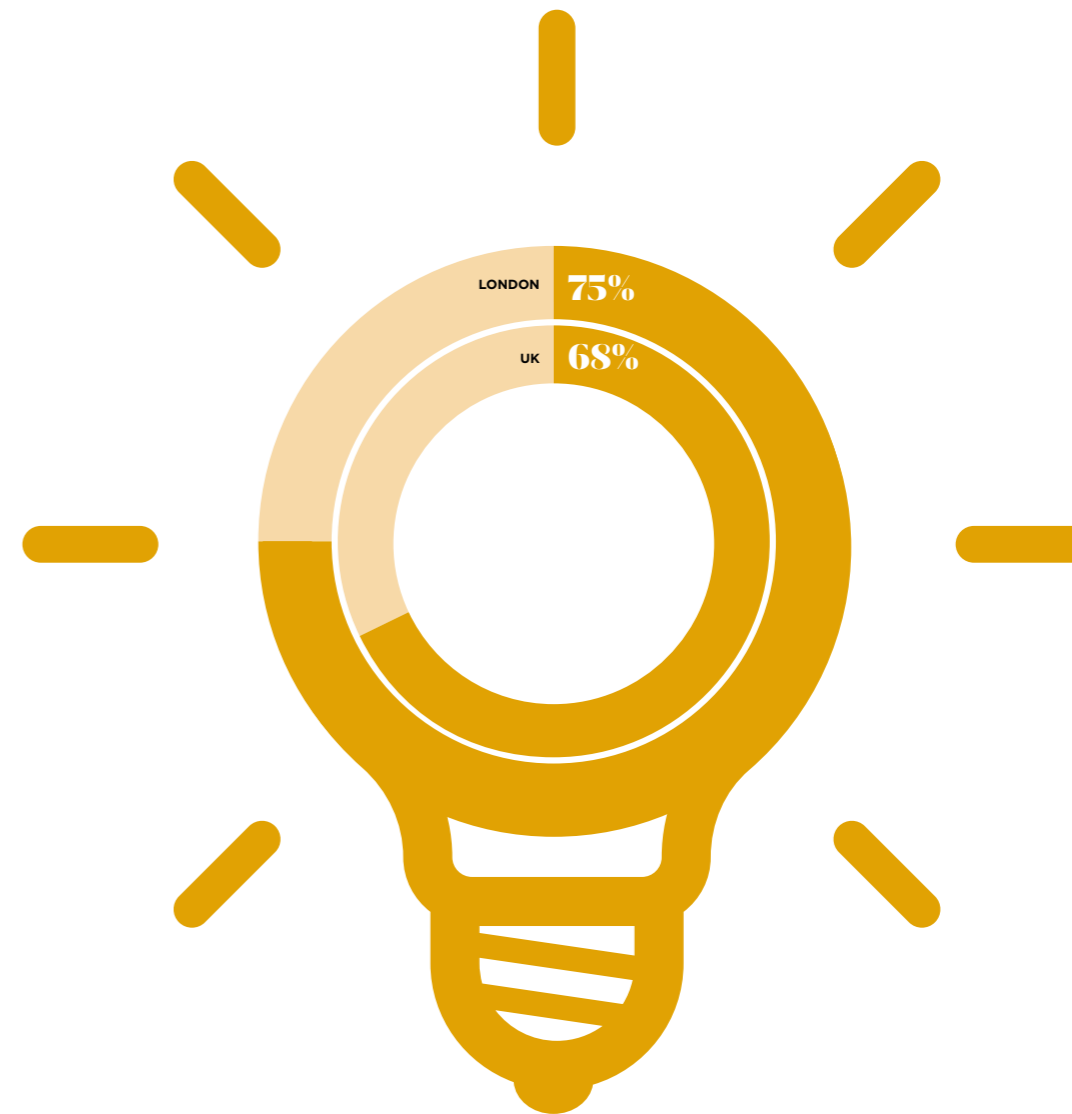
EMPLOYER LOYALTY WEAKENS

Britain's Millennials are clearly ambitious, but at the same time cite a series of obstacles they believe are holding them back as they plot their futures.

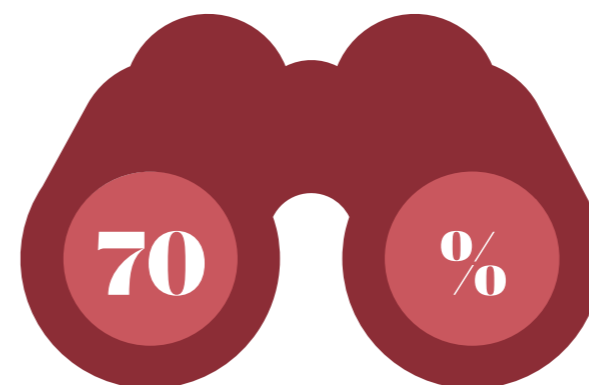
Employers might be concerned to learn that 70% of Millennials are either open to the idea of another job, or actively looking for another role.

That's not to say that they'll take the first job offered. Millennials are discerning. Many say they would be willing to take pay cuts for the right job, especially if they don't feel they fit in or don't perceive a positive work culture where they currently are.

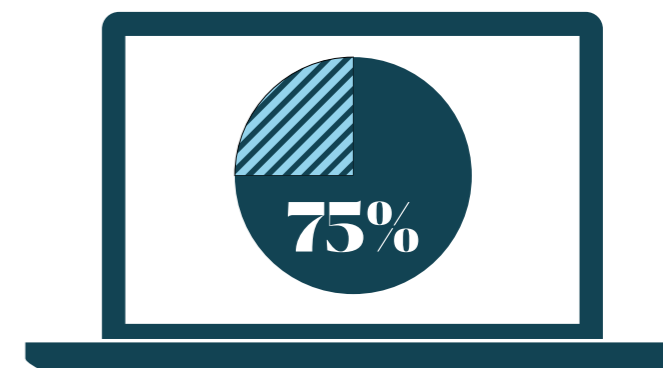
Other factors for switching jobs quickly include having too much work to do, resulting in an uneven work-life balance. Environmental and social consciousness also drives Millennials. Companies whose mission doesn't match their values are in danger of losing staff.



1 MILLENNIALS THAT FIND THE IDEA OF STARTING UP A COMPANY APPEALING



2 MILLENNIALS THAT ARE EITHER OPEN TO THE IDEA OF ANOTHER JOB, OR ACTIVELY LOOKING FOR ANOTHER JOB



3 MILLENNIALS THAT WOULD LIKE TO WORK FROM HOME AND RISK "NOT INTERACTING WITH PEOPLE IN PERSON"

INSIGHT

Millennial money

Balancing act

77% OF MILLENNIALS ARE EITHER JUST BALANCING THEIR INCOME AND EXPENDITURE (55%) OR INCREASINGLY IN DEBT (22%).

Many Millennials feel they are working hard to stand still. While mean annual incomes for Millennials in London reach £37,000 and 27% of those polled are in a position to save money each month – crucial for a deposit on a house – in the East of England only 17% can afford to save, with a mean annual income of £24,000 a year.

OPTIMISTIC ON INCOME

However, Millennials are striving for more, expecting their income to almost double over the next five years.

Those in London polled the most optimistic in anticipating an 119% increase, followed by Wales and the

North West, expecting their salary to increase by 101% and 99% respectively in the next five years, compared with an average 90%. The gloomiest over their prospects are East of England Millennials, who expect a rise of 54%.

Anticipated career progression plus almost ten years of inflation-rate or sub-inflation pay increases appear to have built up a pent-up demand. Especially as the cost of living has outstripped pay rises for much of this time.

Those who presently rent have a higher expectation of their income increasing (+92%), compared with those that own (+85%).

MILLENNIALS VS BABY BOOMERS

Millennials are in no doubt about the generational differences with their parents.

They are better at networking than their parents' generation but they are also clear that Mum and Dad are savvier when it comes to saving.

The differences are stark, with only 14%-15% saying their parents' generation are better at networking or looking for jobs. A clear reference to the rise of online platforms like LinkedIn, which have only taken hold in the UK within the last ten years sees 45% of Millennials networking online.

However, Millennials are humble in deferring to their parents' knowledge on a range of other issues, with 47% conceding that their elders are better informed in personal finance management, how the economy works (40%), how to rent or buy a home (43%), and how to save money (48%).



● LONDONERS EXPECT THEIR INCOME TO RISE IN THE NEXT FIVE YEARS



● MILLENNIALS WHO ARE IN A POSITION TO SAVE MONEY EACH MONTH

● MILLENNIALS EITHER BALANCING THEIR INCOME AND EXPENDITURE OR IN DEBT



INSIGHT

Travelling & commuting

Renters save on the commute

MILLENNIAL RENTERS SPEND FAR LESS ON THEIR ANNUAL COMMUTE THAN MILLENNIAL HOMEOWNERS: £638 COMPARED WITH £1,016.

While it has become generally accepted that owners pay more on travel than renters, this figure is a surprise, with the gap not previously believed to be so steep.

This might explain the comparatively high level of Millennial commuters who typically drive as their main means of transportation, with 44% of those surveyed using a car compared with 34% using public transport. While Glasgow falls below the national average at 42%, the number of Millennials who typically drive as their main means of transportation rises when you look at Leeds (46%), Birmingham (48%) and Manchester (47%).

Cyclists were also lower than anticipated, accounting for 13% of Millennials. Millennial homeowners are more likely to travel in a typical week by bike, with 16% of owners using a bicycle compared with 12% of renters.

Commuting is clearly beginning to grate for Millennials, with 27% of those polled saying they would like to do less travelling to work, with the figure rising to 31% for homeowners who typically spend 21% more time travelling than renters as they travel further to work and incur greater expense.

CHANGING APPROACH TO TRAVEL

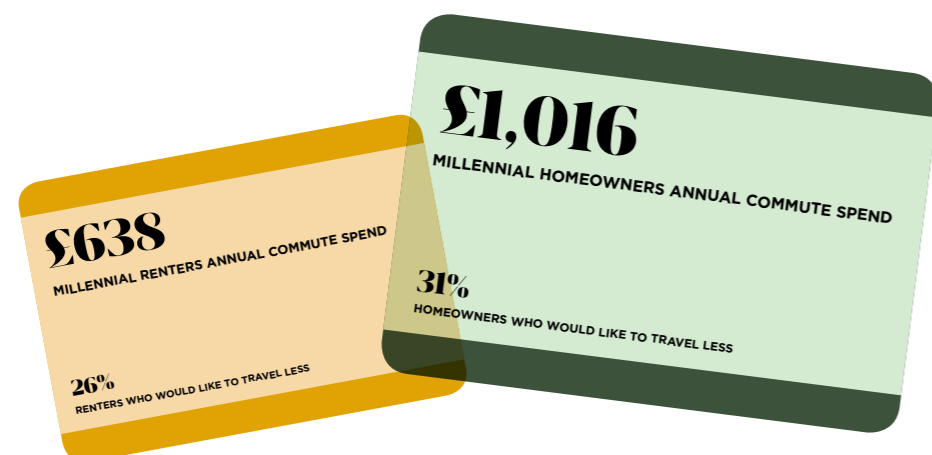
While just over half (51%) of Millennials have never used a ride-sharing app like Uber, one in four (27%) regularly travel this way. There's a clear geographical split here with Uber used by two thirds of those living in city centre locations (66%), with 40% using regularly.

A majority of Millennials expect autonomous (self-driving) vehicles to be a part of their weekly lives by 2025. In fact, 19% of those polled expect autonomous vehicles to be a weekly feature of their lives within just three years – although 29% stated they believe autonomous vehicles will never be a part of their weekly lives.

LESS LOVE FOR DRIVING

One in three of the Millennials we polled don't have a driving license, and the figure rises to 42% for renters.

Across the UK's biggest cities this sticks closely to one in three, Birmingham (28%), London (29%) and Manchester (26%), in particular – and in some other regional cities such as Leeds (34%) and Glasgow (30%) where cycle networks, public transport and ride-hailing are improving – an increasing proportion see little need to learn to drive.



INTERVIEW

Placement year pioneer – Molly

MOLLY, 21, WHO WAS BROUGHT UP IN SUSSEX, IS CURRENTLY LIVING IN LONDON ON A PLACEMENT YEAR. SHE ADMITS TO BEING DISORGANISED WHEN IT COMES TO PICKING A HOME, SO SHE DIDN'T WANT TO SPEND AGES SCOURING LONDON AND ASSESSING THE MERITS OF A STRING OF PRIVATE LANDLORDS.

It was a massive advantage to her therefore that her employer introduced her to Get Living. "Not having a deposit to pay is good," she says, and bathrooms were crucial too. "We have girls and guys mixed so really wanted two bathrooms as we didn't want to have to share."

"My housemate did most of the organising so for me it was a case of 'if it fits that criteria then great'.

Having the management team in the neighbourhood seven days a week means she's enjoying the benefits of a more reliable landlord, so when she loses her key or the dishwasher breaks people are always at hand.

Right now, Molly is working a few days a week in Milton Keynes, but she still comes back to her apartment each night, as she prefers to be home rather than staying in a hotel.

"In terms of the social aspect, it's really sociable. We all go out for drinks together and Get Living has already organised a couple of events."

But she's also found other benefits of being part of a close-knit community. "It's silly things like when we had a party we decided to buy Easter eggs for our neighbours as an apology for the noise. I don't think you'd be able to do that in other areas. It's like living in a small neighbourhood."

For Molly, ownership "isn't an option for now".

"It's hard to get on the property ladder so renting is something we will have to do for a while anyway." She maintains "the ultimate goal is ownership and that's the view of many young professionals" but acknowledges volatile property prices are putting people off buying in the short term.

"Location is key to me, both for the ability to commute easily plus being somewhere safe. I've had the option of being further out, but I wouldn't want to do that at this stage as I'm having fun and like it here. Later in life as I'm looking to own I'd consider being further out just to get on to the housing ladder, but it would be a compromise."

“**Location is key to me, both for the ability to commute easily plus being somewhere safe.**”



INTERVIEW

German lessons — researcher Rob

“MY PARENTS ARE CONVICTION RENTERS”, SAYS ROB, 34, AN ACADEMIC ON SECONDMENT TO THE BANK OF ENGLAND IN LONDON.

Until he was 16, Rob lived with his parents in Germany, where the idea of buying a home never occurred to them. “In Germany there is a lot more long-term renting, with people staying in the same apartment for 10 or 15 years,” he says.

Historically, house prices in Germany have remained flat, due to a large land supply and a relatively stable population. However, population growth is now driving increased demand and, according to the Bundesbank, flats and houses appreciated in value by 5.6% in the first nine months of 2017.

Nonetheless, only 53% of German households are property owners, compared with 67% across the Eurozone and 63% in the United Kingdom. According to the English Housing Survey, UK home ownership reached its peak of 71% in 2003. Rob continues: “My parents have made long-term investments in their rental property – like a new kitchen – because they see it as their home. I was brought up to think the same way.”

Rob is living in build-to-rent accommodation at East Village while seconded to London. At a later stage, he may break with his parents’ tradition by buying a home in the UK – but not because he necessarily wants to. “Elsewhere in the UK, there is the danger that you can be moved on by the landlord.”

German renters enjoy strong security of tenure. Most tenancies are indefinite and only in very limited circumstances can landlords evict tenants.

In England, where assured shorthold tenancies of 6–12 months are standard, landlords are able to evict tenants at the end of the initial contract period without justification.

Though he has been lucky himself, Rob has seen the impact of this at first hand: “I had friends who were forced to leave their rented apartment just three months before their wedding, which caused them real problems.”

In common with many Millennials, Rob appreciates the better transport links and access to entertainment that renting in London gives him. General mood and buzz, community feel and great transport connections are what matter to him most when assessing where to live.

He particularly appreciates the way that renting with quick travelling time to the Bank of England allows him a flexible working life, spending time at his office, sometimes working in cafes and even catching up on Saturday nights at home if he has a deadline to meet.

“I may buy in the UK at some point, but if I had the flexibility in renting that Get Living offers in the place where I wanted to live, I would definitely stay renting.”



“**My parents have made long-term investments in their rental property – like a new kitchen – because they see it as their home. I was brought up to think the same way.**”

INTERVIEW

East Village stopover — Melissa



HAVING SOLD THEIR HOUSE IN LONDON’S BERMONDSEY AND BOUGHT A NEW HOME IN NEWHAM, MELISSA, 31, AND HER PARTNER ARE RENTING IN EAST VILLAGE WHILE THEIR NEW HOUSE IS REFURBISHED.

She has been struck by the ease of living in build-to-rent accommodation compared with buying a home, and the financial benefits, with no deposit or estate agents’ fees. However, she remains a fan of the long-term prospects for property investment.

Not that her new home is purely an investment – far from it: “We do think of buying property as an investment, but we primarily think of our new property as our long-term home.

“But what you also get from buying your home is a sense of security. We know that in the case of some private landlords the owner may decide that they no longer want to rent the place out, and where does that leave you?”

Melissa also believes many renters are at the mercy of steep hikes in their rent, while homeowners can benefit from fixed rate mortgages to keep their costs largely under control.

In her native Canada build-to-rent developments are common, so she has been surprised that the concept is new in the UK.

She enjoys the cafes, green space and connectivity of her home in East Village and expects to see even more benefits

from living close to Stratford station when her job in public health research moves from Victoria to Canary Wharf.

By buying a home further away from Stratford’s transport links in Newham, Melissa accepts that she and her partner are reducing their connectivity, but sees this as a worthwhile trade-off given what she sees as the benefits of owning their new home.

Even so, in common with many Millennials, Melissa would like to spend less time travelling, and the premium placed on leisure time means that the three most important features dictating where she wants to live are rapid transport, green spaces and exercise and recreational facilities.

Unfortunately, her role limits the ability to work flexibly, but among her friends and colleagues, she estimates that 30%-40% work from home on a regular basis; some (including her partner) have explored office space in new co-working areas springing up over London.

Having bought their new home, Melissa sees herself and her partner as part of a diminishing breed: Millennials able to buy their own home.

“In the UK it is difficult being a first-time buyer. People are renting for a lot longer than in my parents’ generation, and I think build-to-rent will catch on here as it has in Canada.”

OPINION

It's not so bad for generation rent

CLARE VOOHT, FREELANCE WRITER, AS FEATURED IN TIME OUT AND THE INDEPENDENT, IS STARTING TO SEE WHY BUYING A HOUSE MIGHT NOT BE ALL IT'S CRACKED UP TO BE.



'Millennials set to rent for the rest of their lives', 'Millennials' home ownership hopes dashed by a broken housing market', and 'Millennial housing crisis engulfs Britain' are just a few of the headlines that come up after a Google search containing 'millennials' and 'home ownership'.

I know I'm not the only one who's sick of hearing about the housing crisis, how we're all locked in to pay exorbitant rents for the rest of our lives, and that we'll never get even one of our Nike Airs on the elusive housing ladder – and of course it's all our own fault for liking avocados and prosecco.

I'm not going to argue that the UK's housing market isn't broken. It is. Or that I don't want a home of my own one day. I do. Who wouldn't choose the security of home ownership over living under the whims of a private landlord who might not feel like fixing that leaking tap today? Of course we want that security – and all the more so because we're told we'll never have it.

But perhaps it's time for a change of perspective. For better or worse, this is the situation we're going to be in until the

housing crisis is solved – and don't get me wrong, it should be solved – by building more homes, limiting foreign ownership and reforming the planning system.

By 2025, 60% of people in London will be renting their homes, according to PwC. So, however depressing, while it's our reality, how about we stop making the majority of the capital's population feel even worse about it?

Widespread home ownership is a fairly modern phenomenon – in 1918, less than a quarter of households owned their own home, and that number only passed 50% in the 1970s. Buying is not the norm in 'renters' paradise' Germany, for example, where tenants get better deals and prices are tightly controlled.

In the past two weeks, two different homeowner friends have told me about the major housing issues they're having to deal with, and the rapidly depleting bank balances that come with that.

One hired builders for a simple job, only for them to uncover serious structural damage that needed fixing, while the other's leaking ceiling was a job that

“

In the past two weeks, two different homeowner friends have told me about the major housing issues they're having to deal with, and the rapidly depleting bank balances that come with that.

”

couldn't wait, and had to be prioritised above a summer holiday. Her exact words were, 'Never buy a house, it's awful.' Last time my boiler broke, I made a quick phonecall to my landlord and it was sorted and paid for within 24 hour – and I still got my two weeks in the Caribbean.

Provided your landlord is reasonable – and I do I realise I'm lucky to have a decent one – you'll never have a £10,000 surprise if you suddenly discover a structural issue with your home.

And in our large renter numbers, there's a sense of power – a new wave of rental companies are realising that it's worth competing for millennials' business, and providing attractive incentives for renters. More people are actively choosing to rent for longer because they no longer believe buying a house is the right option for them. Since Brexit, with falling house prices and widespread uncertainty, many are choosing to wait.

Meanwhile co-living has been lauded as a way to combat loneliness in big cities and to solve the housing crisis, and many of these communal buildings are run by

professional build to rent landlords – that I hope will provide a reliable, service orientated alternative to many of those notorious independent landlords who don't play by the rules.

For me, renting allows me to live close to central London, within walking distance of the galleries, bars and buzz of the South Bank. I wouldn't want to live miles away from my friends and my job – I want to be where everything happens.

Living in a suburb, with a tidy garden plot and not much more to do in the evenings than stay in or choose between a couple of mediocre pubs and a generic takeaway doesn't appeal to me. I love my inner-city life, where my dinner options on any given night are only limited by the number of different countries there are in the world. Some of the world's best culture is on my doorstep, and if I want to I am free to drop everything, move out and travel for a month then come back and start again – something I might think twice about if I owned a house.

As our economy continues to change, there are other ways to invest and save money than in property or traditional

savings accounts. Get Living's recent survey found that 21% of millennials see Bitcoin as a more viable investment option than owning property.

I won't stop wanting to buy a house overnight – I still hope I will be able to, one day, however unlikely that might be – but there are still positives to being a renter in a city where renters, in my generation, are the majority. It's time to stop making millennials feel bad that they will never have the chance to own property, and focus on the positives of living a lifestyle where many people rent.

For our parents' generation, property ownership was the be all and end all, but our generation cares more about experiences, being free to travel, making memories and having a life well lived – and we have many more opportunities in that sense than our parents did. We're not as dispossessed as the media would have you believe – it's time to celebrate that freedom.

CLARE VOOHT, WRITER

Conclusion

THIS STUDY OF MORE THAN 3,000 UK MILLENNIALS SHOWS HOW THE WORLD IS CHANGING. FOR MANY, RENTING SUITS THEIR LIFE STAGE AND LIFESTYLES AND FOLLOWS A TREND THAT'S NOW ESTABLISHED IN NORTH AMERICA AND MUCH OF EUROPE. THE ASSUMPTION THAT THEY'RE ALL DISILLUSIONED BY AN INABILITY TO BUY MAY BE EXAGGERATED.

Millennials may also be shrewder than they've been portrayed. Why should they buy a property when the prospects of it rising in value are distant, at least when compared with other investment prospects?

Caution around home ownership shouldn't be confused with pessimism for the future. Millennials are backing themselves in most cases to almost double their income over the next five years but this doesn't automatically translate to a desire to plough money into property, and sacrifice the flexible living with all its benefits that they enjoy now.

In a fluid society, where Millennials have strong aspirations to improve their income while maintaining a positive work-life balance, the importance of leading a flexible life should not be under-estimated. As ties to the workplace loosen, the ability to move is crucial for Millennials, with 59% of those renting singling this out as the key benefit.

With changing sentiment across living and working, it's time to reassess what Millennials really want from their homes and neighbourhoods.

METHODOLOGY

This research was conducted online with n=3,065 millennials (aged 21 to 35 years old), living across the United Kingdom from 28th March - 4th April 2018.

Results were weighted on gender overall and gender within each region of the United Kingdom to ensure representativeness.

Further information on the results and methodology can be obtained by emailing dan.healy@fticonsulting.com

Please note that the standard convention for rounding has been applied and consequently some totals may not add up to 100%.

“
Caution around home ownership shouldn't be confused with pessimism for the future.
 ”



GET LIVING IS LEADING THE CHARGE FOR A BETTER WAY OF RENTING. NO DEPOSITS, NO FEES, LONGER TENANCIES.

A trailblazer in the UK's 'Build-to-Rent' sector, Get Living is best known for its 1,500 homes in East Village E20, the former London 2012 Athletes' Village. Get Living opened its second location in Elephant and Castle in 2017 and has further homes in development in London, Glasgow and Leeds.

Get Living scooped its third Landlord of the Year accolade at the 2018 RESI Awards.

getliving.com

FTI'S STRATEGY CONSULTING & RESEARCH PRACTICE REGULARLY CONDUCTS PRIMARY AND SECONDARY MARKET RESEARCH, DELIVERING IN-DEPTH MARKET AND STAKEHOLDER ANALYSES TO HELP CLIENTS SOLVE COMPLEX BUSINESS AND COMMUNICATION REQUIREMENTS.

Working closely with industry sector experts within FTI Consulting, the team rigorously researches stakeholder perceptions, clients' brands, operations and views from the financial markets.

Its international network enables the team to conduct research in all relevant countries, employing its expertise and knowledge of the market research industry and methodologies to deliver optimal levels of strategic and indicative insight for clients.

fticonsulting-emea.com



getlivinggetlivinggetliving

getliving.com