

Millennials Inside the Beltway

OPTIMISTIC URBANISTS

M. Leanne Lachman & Deborah L. Brett | September 2015



Urban Land
Institute

Washington

ABOUT ULI AND ULI WASHINGTON

ULI is a nonprofit research and education organization supported by its members, representing the entire spectrum of land use and real estate development disciplines working in private enterprise and public service—including leading property owners, investors, advisors, developers, architects, lawyers, lenders, planners, regulators, contractors, engineers, university professors, librarians, students, and interns.

ULI Washington is one of ULI's largest District Councils worldwide, with over 2,000 members. We welcome membership and participation from individuals working in both the public and private sector who share our commitment to responsible land use to sustain the growth and prosperity of the National Capital region.

Through District Council sponsored educational forums and events such as a Trends conference, community outreach programs, and avenues for active dialogues between private industry, environmental organizations, and public agencies, we provide industry expertise to community leaders, allowing them to create solutions to local and regional issues. The opportunity to influence local development and land use remains the focus and achievement of ULI Washington.

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Introduction

Washington, DC, like many other urban regions, is evolving demographically. The Millennial/Gen Y population, the largest cohort in history, has been moving in and, with their individuality and influence, reshaping how we work, eat, shop, and get around. For example, it's been shown that many Millennials prefer to walk rather than drive, which is supported by the fact that one-third of our respondents do not own a car—almost twice the proportion nationally.

This generation attracts both national studies and media attention. ULI Washington was interested in honing in on the characteristics of the Millennial generation living in the District of Columbia and the close-in suburbs of Maryland and Virginia inside the beltway.

According to the results of the study, the 20–37 year-old cohort in the Washington region is thriving for now and their needs, for the most part, seem to be satisfied. They are generally older, more educated, and have higher incomes than their counterparts nationally.. Housing affordability

is an issue, but Gen Yers are dealing with the problem by doubling up in housing units or living in smaller spaces. As we look to the future, it is difficult to predict whether their presence will truly shift the underlying fundamental values of Washington and our close-in suburbs. Will new trends in housing, entertainment, retail, and transportation continue to evolve as the sharing economy and entrepreneurial spirit become the norm? How will Millennials' needs change as they grow older and form families?

This 2015 survey sponsored by ULI Washington is intended to serve as a baseline for future surveys to track trends over time, especially as more Millennials marry and have children. The survey is also meant to provide information for public officials and the real estate industry as they create policies and products to respond to the needs of this cohort. The report contains many insights and facts to consider.

ULI Washington will be sharing the survey results with its members and other interested organizations to spur dialogue and best practices related to meeting the needs of this generation.

ABOUT THE AUTHORS

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market analysis with Real Estate Research Corporation, where she was president and chief executive officer for eight years and initiated the *Emerging Trends in Real Estate* publication, Lachman moved into portfolio management for pension funds. She spent 13 years as a partner with Schroder Real Estate Associates, which was sold to Lend Lease Real Estate Investments, where she was head of real estate strategies. Lachman is widely published and is a frequent speaker. She is a ULI governor; is listed in *Who's Who in America*, *Who's Who in Finance and Industry*, and *The World Who's Who of Women*; and received the James Graaskamp Award for pragmatic real estate research in 1997 from the Pension Real Estate Association. She was awarded a BA from the University of Southern California and an MA from Claremont Graduate University.

DEBORAH L. BRETT is a real estate and planning consultant for a wide range of public and private organizations, providing project-related market analyses. Areas of specialization include development planning, commercial revitalization, market-rate and affordable housing, mixed-use projects, and transit-oriented development. Brett formed Deborah L. Brett & Associates, based in Plainsboro, New Jersey, in 1993. She previously served as senior vice president and director of consulting services at Real Estate Research Corporation in Chicago. In her 18-year career there, she directed land use policy studies for many government agencies and prepared development strategies and analyses for private clients. Brett holds a master's degree in urban and regional planning from the University of Illinois at Urbana-Champaign. She is a longtime member of



ULI and a frequent contributor to its publications, including *Real Estate Market Analysis: Methods and Case Studies*, used by real estate and planning programs at many universities. Brett is also a member of the American Institute of Certified Planners and Lambda Alpha, the real estate and land economics honorary society.

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Executive Summary

This Spring 2015 Millennial¹ survey sponsored by ULI Washington, a district council of the Urban Land Institute, discovered an upbeat young population remarkably satisfied with their housing, their neighborhoods, and their transportation alternatives. The District of Columbia and the inner suburbs inside the Beltway are not at imminent risk of losing Gen Yers: nearly two-thirds of those who are 30 years of age or older plan to be living inside the Beltway in three years. Among all respondents, half are receptive to raising children inside the Beltway (with many already doing so), and another 30% say “maybe” they would.

Washington is a solidly established magnet for the educated elite. The dining, entertainment,

recreational, residential, and retail vibrancy supported by Gen Yers draws older people from Gen X, Baby Boomers, and seniors. The area’s dynamism will also attract members of the next generation, which is as large as Gen Y. So the excitement of living in D.C. and its

¹ “Millennials” and “Generation Y” are synonyms and describe young adults turning 20 to 37 in 2015. These two generational descriptors are used interchangeably in the monograph.

close-in suburbs—and the revitalization that has accompanied it—will be hard to stall or reverse: some Gen Yers will choose to relocate to outlying communities to raise children, but ample in-migrants can be expected to replace them.

As described in the Appendix, this was a “survey of the willing,” rather than a representative sampling of Gen Yers living inside the Beltway in urban neighborhoods. Qualtrics, a survey research firm, generated 693 responses from people born in 1978–1995 and living within specified zip codes inside the Beltway. Another 651 survey completions were originated by ULI’s public outreach efforts through social media; local blogs; news articles; apartment owners and developers who made tenants aware of the survey; plus younger members of ULI, NAIOP, and other industry organizations. The 1,344 total completions far exceeded expectations and yielded a sample that is remarkably representative when compared to the national Gen Y survey that Lachman Associates conducted in November 2014 for UDR.²

This survey presents a comprehensive profile of Millennials living inside the Beltway, their housing circumstances, and their attitudes toward living in the District and its adjacent suburbs. Of the 1,344 respondents, 61% live in the District of Columbia and 39% are in selected Virginia and Maryland zip

codes inside the Beltway. Though not statistically representative, the survey results are both intuitively credible and in sync with national Gen Y surveys conducted by Lachman Associates and published by ULI over the last five years.

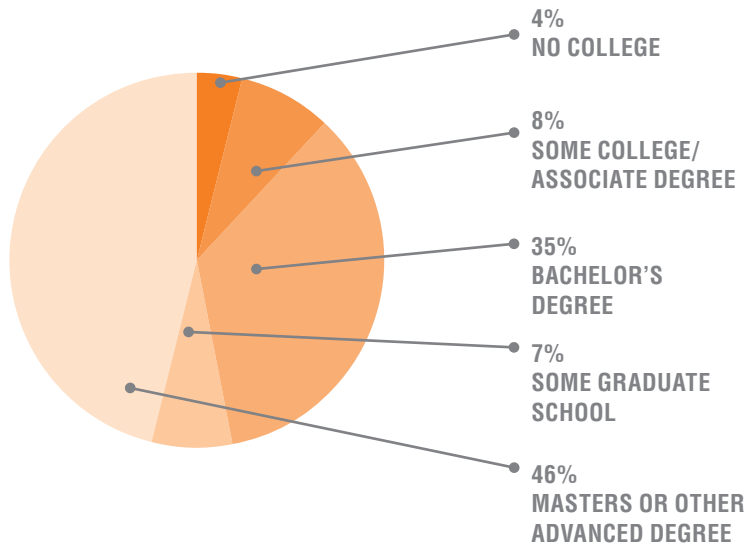
In key respects, the sample from the District and close-in suburbs mirrors Gen Y in the United States. This is true of marital status, racial mix, housing tenure, satisfaction with housing, and frequency of residential moves. However, Washington’s respondents are older and far more educated—and therefore have higher incomes compared with national trends. Also, 84% are employed full time vs. 62% nationally. Only 5% live with parents, as compared to 21% in the country as a whole. Females are overrepresented, Hispanics underrepresented, and merely 12% of our Washington-area respondents live with children. One-quarter of the current respondents have roommates vs. 18% nationally. One-third do not own a car—almost twice the proportion nationally, which is a testament to availability and ease of alternative transportation options—such as public transit—in Washington. Pet ownership is well below Gen Y’s high national average.

Figure 1 offers a capsule view of the survey’s key findings, which are remarkably positive in terms of satisfaction with current housing units and neighborhood amenities and respondents’ intent to remain inside the Beltway, whether or not they have children. The remainder of the Executive Summary elaborates on these highlights.

2 M. Leanne Lachman and Deborah L. Brett, *Gen Y and Housing: What They Want and Where They Want It*. [Washington, D.C., Urban Land Institute, 2015].

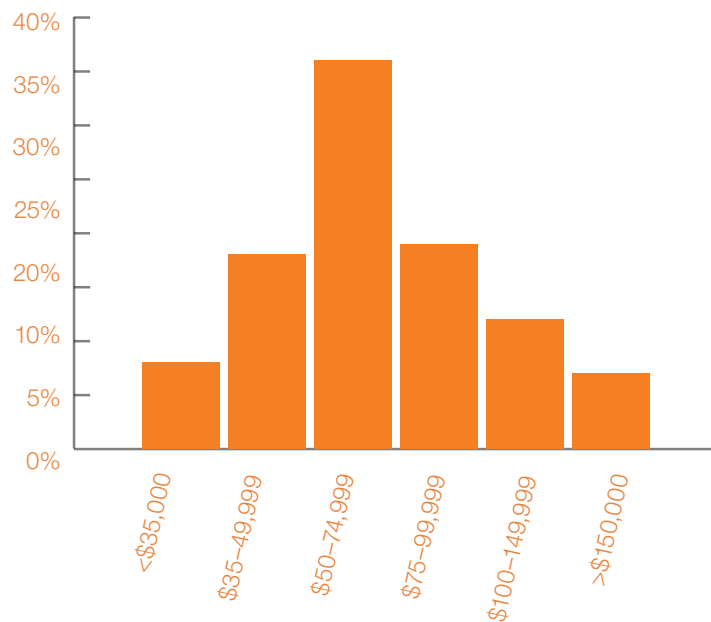
Figure 1. Survey Highlights: Millennials Inside the Beltway

HIGHLY EDUCATED



n=1,344

HIGH INDIVIDUAL EARNINGS (FULL-TIME WORKERS)



n=1,133

2/3 CURRENTLY RENT; BUT MOST ASPIRE TO OWN

Affordability is an issue, with 58% of renters saying they'd have to move beyond the Beltway to buy housing they could afford

EXPECT TO REMAIN WITHIN THE BELTWAY

	EXPECTED LOCATION IN 2018
INSIDE BELTWAY	60%
DON'T KNOW	20%
DIFFERENT METRO AREA	14%
OTHER	6%

LIMITED ORIENTATION TO CHILDREN

	RESPONDENTS AGE 20–29	RESPONDENTS AGE 30–37
NO CHILDREN NOW; NONE EXPECTED WITHIN 3 YEARS	77%	43%
EXPECT CHILD WITHIN 3 YEARS	17%	38%
HAVE CHILDREN NOW	3%	9%
HAVE CHILDREN NOW AND EXPECT MORE WITHIN 3 YEARS	3%	10%

n=1,344

BROAD SATISFACTION WITH PARKS, TRANSIT, SHOPPING, ENTERTAINMENT

Attitudes similar among both
District and close-in suburban
residents

MILLENNIALS VALUE PARKS

Use them often and perceive
them as safe

LITTLE KNOWLEDGE OF SCHOOL QUALITY

Too few school-age children

VALUED COMMUNITY FEATURES OF NEXT RESIDENTIAL LOCATION

	TOTAL VOTES
PROXIMITY TO WORK	1,056
WALKABILITY	934
ACCESS TO PUBLIC TRANSIT	909
PROXIMITY TO SHOPPING, DINING, ENTERTAINMENT	894
PERSONAL SAFETY/HOME SECURITY	761
PROXIMITY TO FAMILY/FRIENDS	576
PUBLIC SCHOOL QUALITY (K–5)	244

n=1,344

Source: Lachman Associates Survey, Spring 2015.

Approximately two-thirds of Gen Yers in this region own a car. Even when they have cars, Millennials prefer to commute by public transit, walking, and/or biking.

Overall, Gen Yers living inside the Beltway are content with their neighborhoods and homes. For example:

- Among homeowners, 70% are “very satisfied” with their tenure choice, and 30% are “satisfied.” This is consistent among D.C. and inner suburban homeowners.
- Three-fourths of renters believe their residence is big enough for their needs.
- In evaluating their current neighborhoods, over two-thirds of respondents say that walkability is its best attribute. Ranked second—but 24 percentage points lower—is stability and safety. Among District residents, walkability also ranks first, followed by “lively/trendy area;” safety and stability ranks third.
- Among owners, 59% believe that homes are good long-term investments.
- Approximately two-thirds of the sample own a car—85% of homeowners, 61% of renters. More than a third park on the

street—but most say they find spaces relatively easily. Even when they have cars, Millennials prefer to commute by public transit, walking, and/or biking. The most frequently cited use of a car is to visit friends or family, followed by shopping and entertainment; cars also provide a means of getting out of town on weekends and traveling for vacation.

- 65% of respondents say Metro access is among their top three reasons for selecting or staying in their current location; this answer is true for 69% of renters and 61% of owners.
- Nine of 10 Gen Yers feel safe in neighborhood parks. Nearly 40% say parks are an asset they would not want to lose, and the same proportion use parks/open space at least weekly, weather permitting.
- Within D.C., 16% rate the condition/maintenance of parks as “excellent” and 58% as “good.”
- A very small share of respondents have experienced car theft or vandalism or had a bike stolen.
- Six of 10 respondents live within a 10-minute walk of a full-service supermarket. 34% rate their local market “excellent” and another 45% say it is “good.” An even higher percentage live within 10 minutes of a pharmacy. Other neighborhood retail facilities are not rated as favorably, as is discussed later in the report.

Figure 2 illustrates respondents’ overall satisfaction with public services—within the District and inner suburbs. Millennials are remarkably pleased, and there are no significant variations between the District and the inner suburbs. Only a small fraction of respondents have school-age children, and most others do not know about the quality of public or private schools. When asked if they could envision raising

children in the District in three years, only 30% of respondents said “definitely not;” however, most of those people were already living outside the District. Less than 8% of D.C. residents responded so negatively.

Many Gen Yers have made strategic location decisions: a high proportion of those with children or expecting to have them in the next three years

now reside in suburban communities, albeit inside the Beltway. In the short to intermediate term, they are unlikely to move into the District. In contrast, most people currently living in the District do not expect to have children in the near future. (The age profile of survey respondents is consistent across geographies: Gen Yers within D.C. are no younger, on average, than those who live in close-in suburbs.)

Figure 2. Satisfaction with Community Services

	VERY SATISFIED	SOMEWHAT SATISFIED	SOMEWHAT DISSATISFIED	VERY DISSATISFIED	DON'T KNOW OR NO OPINION
PUBLIC SCHOOLS					
TOTAL	8%	11%	13%	10%	58%
DC	6%	11%	13%	10%	60%
SUBURBS	12%	11%	13%	10%	54%
PARKS AND PUBLIC RECREATION					
TOTAL	27%	32%	23%	14%	3%
DC	25%	33%	25%	13%	3%
SUBURBS	29%	31%	20%	16%	4%
PUBLIC TRANSIT ACCESS AND SERVICE					
TOTAL	32%	27%	21%	18%	2%
DC	33%	28%	20%	18%	1%
SUBURBS	31%	25%	22%	19%	2%
ENTERTAINMENT					
TOTAL	25%	31%	24%	17%	2%
DC	27%	29%	24%	18%	2%
SUBURBS	23%	33%	25%	16%	2%

	VERY SATISFIED	SOMEWHAT SATISFIED	SOMEWHAT DISSATISFIED	VERY DISSATISFIED	DON'T KNOW OR NO OPINION
SHOPPING					
TOTAL	21%	34%	26%	17%	2%
DC	20%	33%	30%	16%	2%
SUBURBS	22%	37%	20%	20%	2%
SAFETY					
TOTAL	22%	32%	29%	15%	1%
DC	16%	35%	35%	13%	1%
SUBURBS	31%	27%	21%	20%	2%
MAINTENANCE OF STREETS AND SIDEWALKS					
TOTAL	16%	38%	29%	16%	1%
DC	15%	37%	31%	15%	1%
SUBURBS	18%	38%	27%	16%	1%

n=1,344

Source: Lachman Associates Survey, Spring 2015.

A majority of respondents (54%) dwelling in the District expect to remain there for the next three years. Another 21% are not sure. 14% predict they will relocate to other metropolitan areas in three years' time. Older Gen Yers are more likely to have firm plans to remain in the greater Washington area.

Less than a third of total respondents are inclined to move beyond the Beltway but intend to remain within the greater Washington area. Participants express a consistent interest in living in walkable places with good transit access, rather than in traditional auto-oriented subdivisions.

Millennials aspire to homeownership. Among respondents, 67% currently rent and 28% own. When asked about their expected housing tenure in three years, however, 63% say they will be owners and only 37% will rent. On this subject, there is no difference between residents of the District and those in close-in suburbs.³ What will probably temper this goal are down payment requirements for home mortgages and a pervasive

³ Lachman Associates' surveys of Generation Y over the last five years consistently reflect a strong intent for home ownership. In terms of timing, Millennials' intentions are generally very optimistic.



concern about affordability because of escalating prices in desirable neighborhoods.

Among current renters, 58% say they would have to go beyond the Beltway to find the type and size of home they want to buy at a price they could afford; 23% think they could find affordable housing within suburbs inside the Beltway; but only 19% believe they could find appropriate units

within the District. Owners are less negative, with 43% saying that high prices were not a deterrent or delaying factor in their purchase decisions. Half the owners were committed to the communities in which they bought and did not consider moving to less costly neighborhoods further out. As prices rise, Millennials who have already managed to acquire homes are inclined to stay put, even as their families expand.



Respondent Demographics

Figure 3 summarizes basic demographics of the current survey (D.C. Sample) and the nationally representative survey conducted in November 2014 (National Sample) and highlights differences.

Percentages shown for the D.C. Region sample are for all responses. In a few instances, there are notable differences between respondents living within the District itself and those residing in close-in Virginia and Maryland suburbs. For example, more suburban households have children now and/

or expect to have them within the next three years. Fewer District residents have cars, and more have roommates. For several key variables, though, there are no appreciable differences, including: the mix of older and younger Gen Yers, marital status, and housing tenure.

Figure 3. Basic Demographics of Respondents

	NATIONAL SAMPLE	D.C. REGION SAMPLE	OBSERVATIONS
GENDER			
MALE	49%	38%	D.C. sample skewed female
FEMALE	51%	62%	
AGE			
20–29	57%	47%	D.C. sample skewed older
30–37	43%	53%	
HISPANIC			
YES	22%	8%	D.C. Hispanic share too small to analyze
NO	78%	92%	
RACE			
WHITE	73%	77%	Not far off but, given D.C.'s population, blacks are underrepresented
BLACK	15%	11%	
OTHER	12%	12%	
MARITAL STATUS			
SINGLE/DIVORCED/ WIDOWED	62%	61%	Two samples match
MARRIED/PARTNERED	38%	39%	
LIVING WITH CHILDREN <18			
YES	28%	12%	Far fewer households with children in D.C.
NO	72%	88%	
HAVE A CAR			
YES	83%	68%	Much reduced car ownership in D.C.
NO	17%	32%	

	NATIONAL SAMPLE	D.C. REGION SAMPLE	OBSERVATIONS
PET OWNER			
YES	57%	37%	Fewer pets in D.C.
NO	43%	63%	
HOUSING TENURE			
OWN	26%	28%	Home ownership shares match; more renters in D.C.; fewer living with parents
RENT	50%	67%	
LIVE WITH FAMILY	21%	5%	
STUDENT/MILITARY	3%	–	
ROOMMATES			
YES	18%	24%	Higher in D.C.—but not overwhelmingly
EMPLOYMENT STATUS			
WORKING FULL TIME	62%	84%	D.C. skewed to full-time workers
WORKING PART TIME	15%	7%	
IN SCHOOL, INTERNING, VOLUNTEERING	9%	4%	
STAY-AT-HOME PARENT	4%	1%	
UNEMPLOYED	6%	2%	
OTHER	4%	2%	
INCOME FOR FULL-TIME EMPLOYED			
< \$35,000	29%	8%	Much higher earnings than national average: median of \$66,636 in D.C. vs. \$48,125 nationally. Tied to higher percent of full-time workers, higher educational attainment, & character of D.C. job market
\$35–49,999	24%	18%	
\$50–74,999	27%	36%	
\$75–99,999	12%	19%	
> \$100,000	8%	19%	

Sources: UDR/Lachman Associates Survey, November 2014 (n=1,270) and ULI DC/Lachman Associates Survey, Spring 2015 (n=1,344).

Figure 4. Reason for Washington Location

GREW UP IN WASHINGTON AND/OR ACCOMPANIED PARENTS	22%
CAME FOR SCHOOL AND STAYED	20%
CAME FOR A JOB/FOLLOWED SPOUSE	46%
GREAT PLACE TO LIVE	9%
MILITARY	1%
OTHER	2%

n=1,344

Source: Lachman Associates Survey, Spring 2015

As noted earlier, in comparison with Millennials nationally, the sample of Washington Gen Yers who responded to the survey is skewed older, tends to be employed full time, and has spent far more time in school. (47% have advanced academic degrees vs. 18% in the national sample.) Hence, their incomes are higher, and they are more able (at least in theory) to afford local rental rates and housing prices. Even so, two-thirds are renting, as compared to half in the national sample; and among those renters, one-quarter have roommates. This may be attributable to the high cost of housing in the region, a survey finding that will be explained in more detail later in the report.

Educational attainment is a standout feature among this survey's respondents. Nine out of 10 have at least a bachelor's degree, and nearly half have an advanced degree. Overall, the District of Columbia has a highly educated population, so the respondents are not unique. However, they are atypical vis-à-vis national averages. A corollary is that median incomes of full-time employees are 40% higher among Washington respondents than in the national sample. For married/partnered households, which often have two wage-earners, incomes are even higher.

As shown in Figure 4, nearly half the respondents chose to locate in Washington because of job opportunities—either theirs or a spouse's. One fifth came to attend school and then stayed—an important statistic that many other cities would like to replicate in order to retain knowledge workers. Another 22% were born in the Washington area or arrived as children. One-quarter of those surveyed said they came to Washington, in whole (8%) or in part (16%), for the opportunity to be part of the local and/or national political environment, including working on Capitol Hill.

Six of 10 respondents live within the District boundaries, as reflected in Figure 5, with the remainder fairly evenly divided between close-in suburbs in Virginia and Maryland. When asked where they envision living in 2018, 36% cite D.C., 24% say suburbs inside the Beltway, and only 5% see themselves in Virginia's or Maryland's outer suburbs—those beyond the Beltway. These percentages are probably all low because one-fifth of participants say they don't know or are not sure where they'll be living; many of those will probably remain in their current neighborhoods.

Figure 5. Location of Current and Future Residences

	CURRENT LOCATION	EXPECTED LOCATION IN THREE YEARS
IN D.C.	62%	36%
VA - INSIDE BELTWAY	21%	13%
MD - INSIDE BELTWAY	17%	11%
VA - OUTSIDE BELTWAY	–	2%
MD - OUTSIDE BELTWAY	–	3%
OTHER METRO AREA	–	14%
DON'T KNOW/NOT SURE	–	21%

n=1,344

Source: Lachman Associates Survey, Spring 2015.

Employment locations largely mirror residential ones: 60% work within the District, 27% are employed in Virginia or Maryland locations inside the Beltway, and 13% work outside the Beltway. Only 2% work from home full time, though some respondents report that spouses work from their residences.

YOUNGER VS. OLDER MILLENNIALS

Gen Yers in their 30s are overrepresented in the survey: of the 1,344 participants, 714 are 30 to 37 years old (an 8-year cohort) whereas 630 are in the 10-year span of 20 to 29. The split is about the same inside D.C. and in the inner suburbs. In breaking out responses by the two age groups, we found some notable differences:

- **77% of those in their 20s are single vs. just 47% of participants in their 30s.**

- **Similarly, only 4% of 20- to 29-year-olds live with children, as compared with 18% of respondents in their 30s. (The latter is still a low ratio by national standards.)**
- **92% of the older group work full time vs. 76% of the younger group.**
- **As one would expect, those in their 20s have lower incomes. Even so, one in five younger full-time workers makes over \$75,000. For those in their 30s, half earn more than \$75,000. A household needs an \$80,000 income to afford \$2,000 in monthly rent (the approximate median in the survey), assuming 30% of income devoted to rent and utilities. This is why affordability is a concern raised by many respondents, especially the younger contingent.**
- **60% of those in their 20s have cars vs. 75% of those in the 30 to 37 group.**

Figure 6 shows the variations in living situations between Gen Y's younger and older cohorts.

Figure 6. Living Situation by Age of Respondent

	% OF THOSE AGE 20–29	% OF THOSE AGE 30–37	% OF TOTAL RESPONDENTS
LIVE ALONE	22%	25%	24%
LIVE W/SPOUSE OR PARTNER ONLY	29%	42%	36%
LIVE WITH ROOMMATES	38%	12%	24%
LIVE W/CHILDREN	4%	18%	12%
LIVE W/RELATIVES	8%	2%	5%

n=1,344

Source: Lachman Associates Survey, Spring 2015.

Apart from the fact that more older Millennials have formed families, the most notable difference relates to roommates. Almost 40% of those in their 20s live with one or more roommates vs. less than one-eighth of those in their 30s. Although over half of those with roommates would prefer to live alone, the other half like sharing their homes with others.

- Nationally, one-fifth of Gen Yers still live with their parents and/or other older relatives, and 40% of those returned home after living independently. In the Washington sample, only 8% of the 20-somethings and a mere 2% of those in their 30s live with older relatives. It may be that remaining or returning home is a suburban rather than an in-city phenomenon because suburban homes tend to be larger, with more bedrooms and/or a basement.
- 82% of younger Gen Yers rent their housing units, compared to 54% of those age 30 to 37. There are no significant differences in the types of rentals they occupy; however,

68% of renters in their 20s are “very satisfied” or “satisfied” with renting, whereas only 44% of those in their 30s are as sanguine. This suggests that the inclination to own increases as Millennials age.

- A standard quip about Gen Yers being slow to mature is: “Age 30 is what 20 used to be.” Once they reach 30, many scramble to settle down with partners, perhaps have children, buy homes, purchase insurance, evaluate retirement savings options, etc. This explains some of the differences between the older and younger contingents in our survey.

CHILDREN—OR NOT

One of the premises that occasioned ULI’s survey was a concern that Gen Yers would flee the District when they married and had children—and thereby reduce central Washington’s vitality as a place to live and work. Hence, many survey questions focus on schools and other neighborhood amenities that serve children. As it turns out, barely 12% of respondents

Among those expected to be caring for children over the next three years, 30% said they could definitely imagine doing so within the District, 19% said “probably,” and 30% said “maybe.”

have children living with them, and 60% of those have just one child. Only 57 respondents have children in nursery or pre-schools, 41 in elementary grades, and 22 in middle or high schools. Consequently, many respondents have no opinions about schools or other child-oriented services. Among the younger contingent, this may not be a subject they think about yet. The sample sizes for those with children—and with relevant opinions—are too small to provide statistical relevance.

Two-thirds of those with children need day care for a baby, toddler, or pre-schooler in order to work or attend school themselves. Given that a significant number of additional respondents expect to have their first child in the next three years, day care will be an important issue for more Millennials—regardless of whether very young children are cared for at home, in their neighborhoods, or at/near their parents’ jobs.

A higher percentage of child-oriented households are already living in the close-in suburbs (51% of the total) than within D.C., so many Gen Yers seem to have already selected the school districts they wish to be within. Among the 785 respondents who say they do not intend to have a first child in the next three years, 63% live in the District but only 37% are in the inner suburbs.

A number of survey questions focus on where people envision raising their children in the future. Among those who expect to be caring for children over the next three years, 30% said they could definitely imagine doing so within the District; another 19% said “probably,” and 30% said “maybe.” Only 30% said they definitely could not imagine doing so. This is an unexpectedly positive result for D.C. However, the people who say they might have children over the next three years will not be dealing with school issues for several years.

Respondents who expect to be raising children within the next three years were asked about a number of factors that could influence whether they remained in or moved into the District of Columbia, and the results are presented in Figure 7. Answers are broken out for people currently living within the District and those living outside the District but inside the Beltway in Virginia or Maryland. What is particularly interesting is the proportion of suburbanites with children in their households who are willing to consider moving into the District.

Schools, day care options, after school programs, and recreational activities are all very important and can be used to influence parents’ location decisions. About one-third of suburbanites and 10% of District residents would not live in D.C. with children under any circumstances: these are remarkably low figures.

Figure 7. Factors Influencing Where Children Will Be Raised

DCers Suburbanites	I/WE'D BE MUCH MORE LIKELY TO MOVE TO OR REMAIN IN DC	I/WE'D BE SOMEWHAT MORE LIKELY TO MOVE TO OR REMAIN IN DC	I/WE WOULDN'T MOVE TO OR STAY IN DC UNDER ANY CIRCUMSTANCES
GREATER CERTAINTY THAT MY KIDS CAN ATTEND A GOOD PUBLIC SCHOOL OR CHARTER SCHOOL	77%	19%	4%
	41%	36%	23%
GREATER CERTAINTY THAT MY KIDS CAN ATTEND A GOOD PRIVATE OR PAROCHIAL SCHOOL	34%	49%	17%
	16%	45%	39%
CREATION OF NEW PARKS WITH CHILDREN'S PLAY AREAS, BALL FIELDS, ETC.	39%	55%	6%
	22%	49%	29%
EXPANDED RECREATION PROGRAMS FOR CHILDREN	37%	54%	9%
	19%	50%	31%
MORE EXTRA- CURRICULAR ACTIVITIES (SPORTS TEAMS, SCHOOL CLUBS, ETC.)	39%	53%	9%
	20%	48%	33%
MORE CULTURAL ACTIVITIES DESIGNED FOR CHILDREN	35%	55%	10%
	22%	46%	32%
MORE DAY CARE CHOICES	58%	32%	10%
	32%	40%	29%
MORE AFTER-SCHOOL CARE PROGRAMS FOR PRIMARY AND MIDDLE SCHOOL STUDENTS	49%	42%	9%
	26%	46%	28%

n=329 for D.C.ers; 230 for suburbanites

Source: Lachman Associates Survey, Spring 2015.

RENTERS

Two-thirds of Gen Yers in both the District and close-in suburbs rent their housing units. As shown in Figure 8, 27% live in high-rise buildings with eight or more stories and an equal percentage rent single-family homes, duplexes, row houses, or townhouses. Because of height limitations in the District, an above average share of renters is found in mid-rise buildings and typical Washington row houses, townhouses, etc. The opposite is true in Virginia and Maryland suburbs inside the Beltway.

In terms of bedrooms:

- **13% live in studios or open loft-style units.**
- **38% have one bedroom.**

- **28% have two.**
- **21% have three or more.**

The high share of larger units reflects the fact that one-fourth of respondents have roommates.

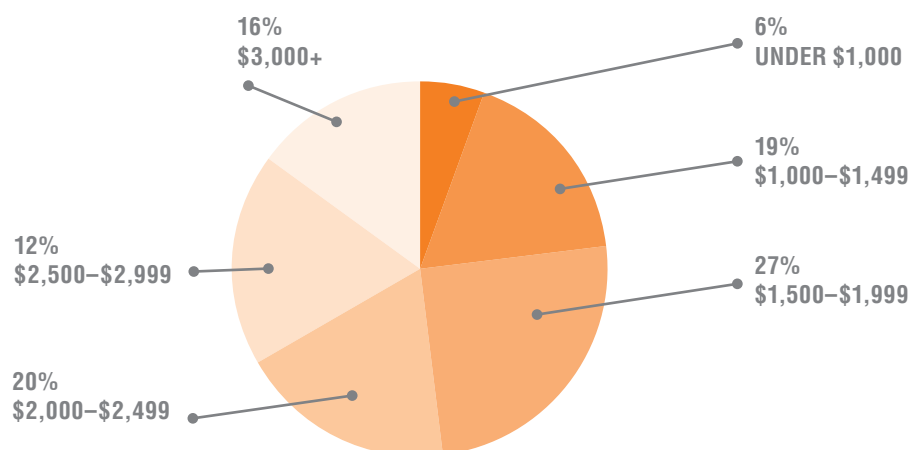
Three-fourths of renters think their current residence is large enough to meet their household needs. When asked what additional spaces they would like, however, half mentioned private outdoor space (backyard, patio, balcony), more storage space, additional bath(s), and additional bedroom(s). In response to a query about whether the high rents in greater Washington are a deterrent to moving to a bigger rental unit or one with more amenities, 77% of respondents say, “yes, for sure” and another 16% say that is somewhat true. Affordability is clearly on the minds of Gen Y.

Figure 8. Gen Y's Rental Accommodations

	ALL RENTERS (N=904)	DC RENTERS (N=558)	SUBURBAN RENTERS (N=346)
SMALL WALK-UP BUILDING, 2–6 UNITS, 2–3 STORIES	14%	15%	11%
GARDEN APARTMENT COMMUNITY, 2–3 STORIES	8%	5%	13%
MID-RISE APARTMENT BUILDING, 4–8 STORIES W/ELEVATOR	18%	21%	14%
HIGH-RISE APARTMENT BUILDING, 8 OR MORE STORIES	27%	20%	38%
RENTED CONDO IN MULTI-STORY BUILDING	6%	7%	5%
RENTED DUPLEX, ROW HOUSE, OR TOWNHOUSE	19%	26%	8%
SINGLE-FAMILY DETACHED HOME	8%	6%	11%

Source: Lachman Associates Survey, Spring 2015.

Figure 9. Gen Y's Monthly Rent



n=898

Source: Lachman Associates Survey, Spring 2015

Participants' rents portrayed in Figure 9 include estimated utility costs. The median monthly rent is \$1,945, which is considerably higher than the \$1,307 figure reported in the 2013 American Community Survey issued by the U. S. Census Bureau.

When asked about satisfaction with being a renter,

- **23% are "very satisfied."**
- **39% are "satisfied."**
- **38% say renting is not their preference but is the best choice for now.**

Young adults are known to move frequently, so it is no surprise that six of 10 renters in the D.C. survey expect to remain in their current unit for a year or less. Merely 8% envision being in the same unit for three or more years. When asked why they will move over the next three years, the most common answers are:

- **Plan to buy a house or condo (46%).**
- **Need more space (37%).**
- **Working or going to school outside the D.C. metro area (34%).**

- **Want to live closer to work/reduce commute (20%).**
- **Want a backyard (19%).**

Almost all Gen Yers aspire to homeownership, and this is consistent in one survey after another. Only 37% of respondents expect to be renting in three years, even though two-thirds are tenants today.

All renters were asked, "If you wanted to buy now, do you think you could find the type and size of housing you want, at a price you can afford, inside the Beltway?" The responses:

- **Yes, in the District (19%).**
- **Yes, in the suburbs inside the Beltway (23%).**
- **No, I/we would have to move further out (58%).**

Again, the affordability issue rears its head. As reflected in other responses in the survey, the high cost of housing in the District and the close-in suburbs is the most important factor limiting the potential for Gen Yers to remain inside the Beltway.

OWNERS

Fewer than three out of 10 survey respondents own their residences, so the sample size of 373 owners is less robust than that of renters. Therefore, the data should be considered indicative rather than definitive.

As reflected in Figure 10, nearly half of all owners have lived in their current dwellings for less than two years. In fact, about eight out of 10 are first-time buyers, and that proportion is consistent between the District and the close-in suburbs.

Six out of 10 owners reside in the District. Only 17% moved into D.C. from the suburbs; 72% already lived in the District; and 12% came from outside the metropolitan area. Among suburban owners living inside the Beltway, 66% originated in suburbs; 23% came from the District; and 11% moved from outside the metro area. This suggests very modest net outflow from the District.

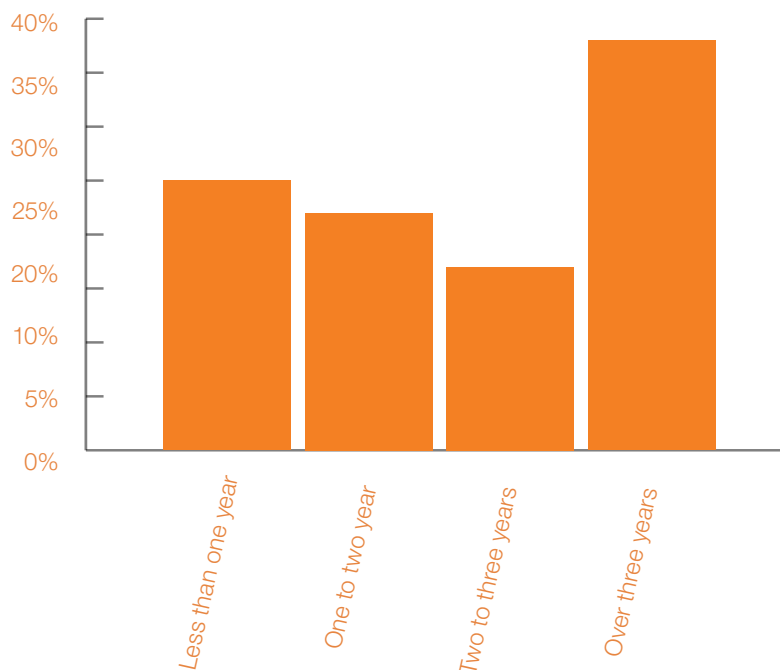
When asked about their most important motivations for buying, with participants able to select up to three of 11 reasons, the answers are:

- **Owning is a good long-term investment (59%).**
- **Owning offers stability and certainty (42%).**
- **I/we wanted more space/more privacy (40%).**
- **Housing prices keep going up, so I/we bought before it got even more expensive (37%).**

Among those who purchased within the District, the last point ranked third rather than fourth.

Current owners' median purchase price was \$435,000, and the average was \$494,000. 87% of owners used money saved from earnings or investments to make the downpayments on their homes, though 29% acknowledge receiving gifts from parents or other relatives in whole or in part.

Figure 10. Owners' Duration in Current Residence



n=373

Source: Lachman Associates Survey, Spring 2015.

When asked whether high prices in the greater Washington area were a deterrent or delaying factor in their purchase decisions, the answers were:

- **Yes, for sure (25%).**
- **Somewhat (32%).**
- **No (43%).**

High prices were a slightly greater deterrent for suburban buyers than for those in the District. Overall, though, owners are less negative about prices than Millennial renters. About seven out of 10 are “very satisfied” with being a homeowner, and virtually all the rest are “satisfied.”

When queried as to whether they considered moving to another community in the greater Washington area where housing costs are lower, the responses are (multiple answers allowed):

- **Yes, but we couldn't find a home we liked (17% overall, but just 14% among District owners compared with 23% for suburban ones).**
- **Yes, but the location was less convenient (43%).**
- **Yes, but we would have been in an inferior school district (7%).**
- **No, we were committed to this community (cited by 48% overall—53% of those in the District vs. 38% in close-in suburbs).**

Again, participants demonstrate ongoing resolve to remain inside the Beltway.

AFFORDABILITY

Although both renters and owners express high satisfaction with their current housing situations, the issue of affordability pops up numerous times in responses to this survey. Already mentioned is

Six out of 10 owners reside in the District. Only 17% moved into D.C. from the suburbs; 72% already lived in the District; and 12% came from outside the metropolitan area. Among suburban owners living inside the Beltway, 66% originated in suburbs; 23% came from the District; and 11% moved from outside the metro area. This suggests very modest net outflow from the District.

the comment by 58% of renters that they would have to locate beyond the Beltway to purchase affordable homes. In evaluating that seemingly high share, one should bear in mind that not everyone has (or will have) the wherewithal to buy: because they can't or don't save money for a downpayment, because they are still in school or are paying down student loans, because they have not yet settled in jobs, or simply because they don't want the responsibility of ownership. That said, however, 38% of the survey's renters would prefer to own. Also, 72% of those with roommates say they cannot afford to live alone.

All respondents were asked what could be done to make homeownership more affordable in the communities in which they live. Nine choices were



available, with multiple responses permitted.
Their answers:

- **Anything to decrease costs, such as a first-time buyer incentive or tax credit, lower interest rates, etc.—76%**
- **Assistance with downpayments—62%.**
- **No other choice captured 25% interest, but the range of write-in responses included:**
 - Allow more accessory dwellings.
 - Ease restrictions on basement apartments.
 - Forgive student loans.
 - Eliminate or modify D.C.'s height limitations.
 - Allow micro dwellings.
 - Cap profits from flipping.
 - Challenge anti-building attitudes of neighborhood groups.
 - Provide incentives for public employees.
 - Improve schools where homes are affordable.
 - Prohibit tear-downs.

One respondent mentioned the Open Doors program administered by DCHFA, which provides a downpayment loan for first-time buyers earning \$125,580 or less. Some credit unions also offer low downpayment mortgages to young borrowers. Assistance is available for first-time buyers; but more publicity would be helpful, as would additional programs.

TRANSPORTATION

Even though 68% of survey households—and 75% for those in their 30s—own automobiles, only 26% of commuters drive by themselves to get to work or school, as reflected in Figure 11. Another 3% carpool. Those in the “other” category sometimes drive and sometimes take public transit.

Counting the “others” who are fitful transit riders, half of all Millennials inside the Beltway commute by public transit. For residents of the District, the proportion is slightly higher. 61% of commuters travel 30 minutes or less each way.

Figure 11. Gen Y's Commuting Methods*

	% OF COMMUTERS
PUBLIC TRANSIT	47
(METRO RAIL ONLY)	(28)
(METRO RAIL + BUS)	(9)
(BUS ONLY)	(10)
DRIVE ALONE**	26
CARPOOL	3
WALK/BIKE	19
OTHER	5

* Means of commuting to work or school "most of the time"

**22% of renters and 33% of owners

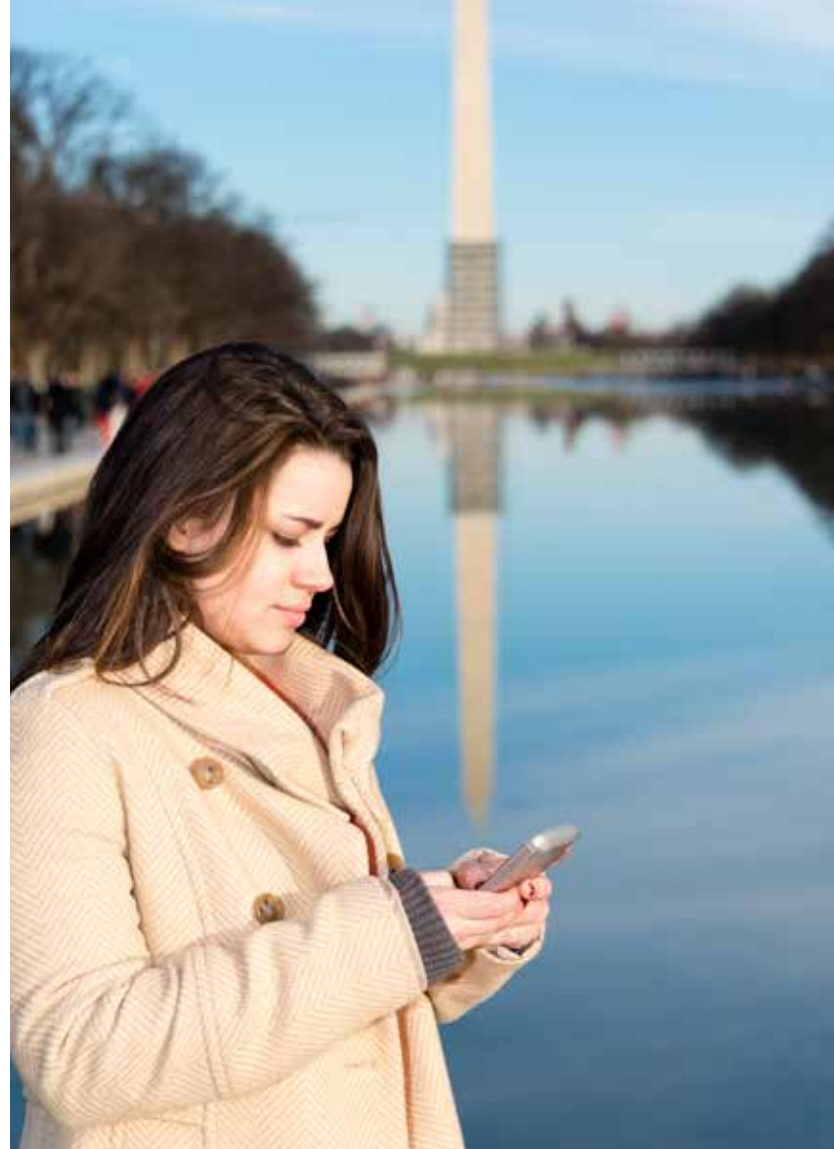
n=1,281

Source: Lachman Associates Survey, Spring 2015.

In light of these findings, it is understandable that 65% of all respondents rank "access to the Metro" among the top three reasons for selecting or staying in their current residence. When asked to evaluate the relative importance of "Proximity to good transit service" as a residential neighborhood characteristic, the answers are:

- **Critically important—60%.**
- **Desirable—29%.**
- **Slightly important—8%.**
- **Not at all important—3%.**

Public transit is highly valued in Washington, D.C. and, as was shown in Figure 2, almost 60% of survey respondents are "very satisfied" or "somewhat satisfied" with the access and service. This is as true for residents of close-in suburbs as for District Gen Yers, which reflects Metro's regional reach. Given the criticality of Metro, it is



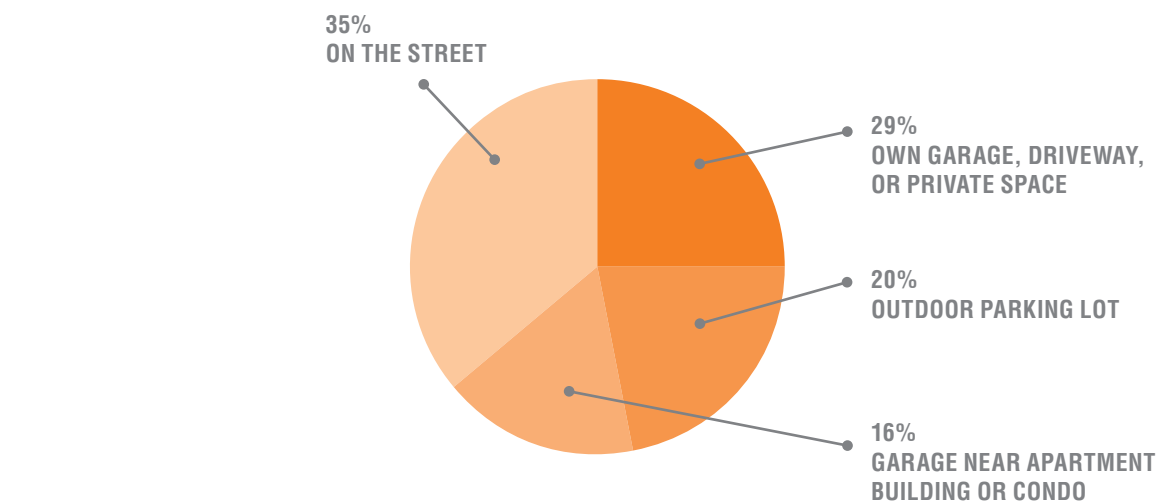
essential that service remain frequent and reliable and that equipment be well maintained.

When questioned about how they use their cars, owners' responses, according to the frequency of mention, are:

1. **Visit friends and family (84%).**
2. **Shop beyond the neighborhood (80%).**
3. **Buy groceries (76%).**
4. **Go to work or school at least sometimes (60%).**
5. **Go to restaurants or bars (60%).**
6. **Attend concerts, theater, movies, or entertainment (55%).**
7. **Go to parties or other social events (49%).**

This frequency pattern is identical for residents of both the District and close-in suburbs.

Figure 12. Where Gen Y Parks Cars Overnight



n=909

Source: Lachman Associates Survey, Spring 2015.

As shown in Figure 12, neighborhood streets are the most common parking location for automobile owners, with 36% trying to find spots as close to their homes as possible. Three out of 10 are fortunate enough to park in their own garage, driveway, or a private space adjacent to their home, and 16% use a garage in or near their apartment or condo building.

Among respondents who park on the street, 37% say finding a space is easy, 49% experience some difficulty, only 7% say it's a real hassle, and a final 7% would prefer to use a garage or parking lot but find the expense prohibitive. Owners have an easier time finding street parking than renters, which probably reflects the relative densities of their neighborhoods.

Use of such car sharing systems as Zip Car or Car2Go is surprisingly modest. Only 5% of respondents report using a car share at least once a week (8% of those living within the District, where auto ownership is lower). More use them a

couple of times a month—26% of total participants and 34% who live in D.C. Nearly two-thirds of the sample say they have no need for such services; this is remarkably close to the 63% of Gen Yers nationally who do not feel a need for car sharing.

The opposite is true of taxi substitutes like Uber, Lyft, etc.: 39% use them frequently (47% of District residents), and an additional 37% employ them a couple of times a month. Only 24% have no need of this service; among District residents, it is a lower 17%. Gen Yers use Uber et al late at night (65%), after partying (58%), to reach places ill-served by public transit (47%), to go to an airport, to travel quickly in inclement weather, and/or when going to a place where parking will be difficult.

Half the surveyed Millennials own bicycles. Of those, 62% use them only occasionally or almost never. At the other end of the spectrum, 26% of bike owners (13% of the total sample) ride them regularly; and 13% of bicycle owners (6.5% of

all respondents) use them daily. The Capital Bikeshare program attracts an additional group of users: 14% of all respondents use bike sharing a lot—mostly D.C. residents because the program is more accessible to them. Another 47% applaud the program but rarely use it. Many Gen Yers emphasize the need for more dedicated bike lanes to improve safety.

PARKS AND RECREATION

Generation Y not only values parks but uses them heavily, as portrayed in Figure 13. Overall, 42% say they frequent parks or open spaces at least once a week, weather permitting. Only 17% say they rarely or never go to parks; among D.C. residents, it is an even lower 14%. Usage is heavier among Gen Yers in their 30s than among those aged 20 to 29.

In order, favorite park activities are:

- Walking.
- Relaxing.

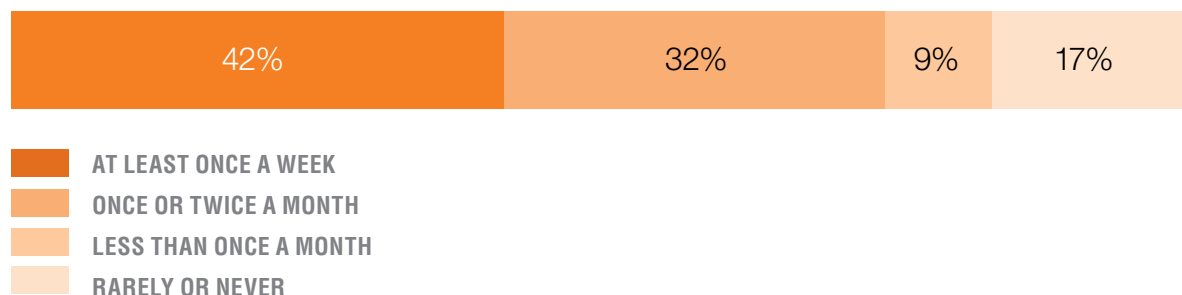
- Meeting friends.
- Jogging/running.
- Picnics.

Over 90% feel safe in the parks all or most of the time—a very positive judgment.

Forty percent of all respondents (51% of owners) say parks are an important asset they would not want to sacrifice. Half consider parks nice but not a key factor in deciding where to live, and 10% do not see them as especially valuable. Private recreation options are also important. When asked what facilities are available in their neighborhoods (with the ability to identify as many as appropriate), the most common are:

- Dance and/or yoga studio.
- Health club/gym without a pool.
- Movie theater.
- Health club/gym with a pool.
- Live theater, music, or other performance venue.
- Tennis courts.
- Spinning studio.

Figure 13. Gen Y's Park Usage



n=1,344

Source: Lachman Associates Survey, Spring 2015.

When queried about which private facilities are used at least once a month, the most often mentioned is a health club/gym without a pool. Importantly, 28% of survey respondents (but just 21% in the District) live in buildings with a lot of recreational amenities. A gym/exercise room is most common, followed by a pool and a clubhouse/community room.

In terms of socializing with friends, the most popular places to gather (with multiple choices possible) are: at a restaurant (77%), at home (73%), or at a bar (66%). The rankings are the same for District residents and for close-in suburbanites. With respect to likely locations for socializing after work, the most popular choice is a District neighborhood known for restaurant and entertainment options (31%). These trendy areas are more heavily frequented by renters than owners. The next most popular, cited by just under a quarter of respondents, is a place close to home, followed by a location near work or school. Very few Gen Yers go to suburban entertainment or restaurant concentrations, and an even smaller share socialize in their buildings/residential communities. However, 19% say no single location dominates.

OTHER NEIGHBORHOOD AMENITIES

In addition to parks and recreational facilities, renters were asked to identify the best attributes of their current neighborhoods. They could choose up to three of nine options and/or add their own items. In order of priority, their selections are shown in Figure 14.

All respondents identified and ranked the five community characteristics that would be most important in choosing their next places to live. As shown in Figure 15, proximity to work is of top importance—receiving the most votes as #1 and also getting the greatest total votes. Surprisingly, but consistent with other answers in the survey, walkability is the second most important feature. Access to public transit is a close third, followed by proximity to shopping, dining, and entertainment. In fifth place overall is personal safety/home security. Sixth is proximity to family and friends—generally a valued factor for Millennials. Elementary school quality is a distant seventh—presumably because so few respondents have children living with them.

Figure 14. Best Neighborhood Attributes

	OVERALL RANKING	DISTRICT RANKING
WALKABLE NEIGHBORHOOD	1	1
STABLE AND SAFE NEIGHBORHOOD	2	3
NEARBY SHOPPING AND SERVICES, NOT ONLY HOUSING	3	5
LIVELY, TRENDY AREA	4	2
DEMOGRAPHIC DIVERSITY (AGES, RACES, HOUSEHOLD TYPES)	5	4

n=1,344

Source: Lachman Associates Survey, Spring 2015.

Figure 15. Important Community Features of Next Residential Location

FACTOR	NUMBER OF RESPONSES BY RANK					TOTAL VOTES
	1ST	2ND	3RD	4TH	5TH	
PROXIMITY TO WORK	467	180	147	135	127	1,056
WALKABILITY	194	218	198	192	132	934
ACCESS TO PUBLIC TRANSIT	187	211	197	157	157	909
PROXIMITY TO SHOPPING, DINING, ENTERTAINMENT	99	177	247	184	187	894
PERSONAL SAFETY/HOME SECURITY	149	130	169	146	167	761
PROXIMITY TO FAMILY/FRIENDS	85	192	96	102	101	576
PUBLIC SCHOOL QUALITY (K-5)	92	74	69	80	60	244

n=1,344

Source: Lachman Associates Survey, Spring 2015.

Figure 16 summarizes the responses to a second question about the relative importance of different qualities in selecting a residential neighborhood. Each item is ranked as “critical,” “desirable,” “slightly important,” or “not at all important.” The percentages show the distribution of votes in each row; and the most frequent response for each factor is highlighted in yellow. Walkability

and access to public transit are clearly two of Washington’s most valued attributes—and serve to retain residents. As shown in Figure 16, both are neighborhood characteristics rated as critical by a majority of Gen Y respondents. The last three qualities, which relate to affordable, larger housing units, are rated as “critical” by over a third of Gen Yers and nearly as many rate them “desirable.”

Figure 16. Rating of 16 Neighborhood Qualities

	CRITICAL %	DESIRABLE %	SLIGHTLY IMPORTANT %	NOT AT ALL IMPORTANT %
LOTS OF RESTAURANTS	13	65	17	5
LOTS OF BARS	7	41	29	23
PLENTY OF KIDS' ACTIVITIES	5	23	23	49
RESIDENTS THAT ARE LIKE ME	10	46	32	5
WALKABILITY	61	32	6	2
VIBRANCY	23	49	24	4
QUIET AREA	15	47	32	6
CONDITION OF HOMES, COMMERCIAL BUILDINGS, STREETS, ETC.	32	55	12	1
SOPHISTICATION	9	38	38	15
RESIDENTS' DIVERSITY	13	42	31	14
PROXIMITY TO GOOD TRANSIT SERVICE	60	29	8	3
CONVENIENT RETAIL STORES	22	55	20	4
ARCHITECTURAL CHARACTER/ VISUAL APPEAL	16	52	27	5
AVAILABILITY OF APARTMENTS OR CONDOS WITH TWO OR MORE BEDROOMS THAT I/WE COULD AFFORD	35	28	18	18
AVAILABILITY OF WELL-DESIGNED TOWNHOUSES OR ROWHOUSES THAT I/ WE COULD AFFORD	37	34	15	14
AVAILABILITY OF SINGLE FAMILY HOMES THAT I/WE COULD AFFORD	36	29	17	19

n=1,344

Source: Lachman Associates Survey, Spring 2015.

For Gen Yers, desirable neighborhood amenities include restaurants, condition of all buildings (commercial and residential), convenient retail stores, architectural character/visual appeal, vibrancy, quiet (perhaps in conflict with vibrancy!), and “residents who are like me.”

Respondents were also asked about public services they deem inadequate and were given the opportunity to mention up to three. The most common complaints:

- **40% mention the condition of streets, curbs, and sidewalks.**
- **36% cite mass transit.**
- **34% say bike lanes are insufficient and/or unsafe.**
- **29% pinpoint public schools.**

Within the District, the order is slightly different: the conditions of streets and sidewalks is first, but public schools are second, bike lanes are third, and mass transit is fourth. Both in the District and in close-in suburbs, police protection is mentioned sixth—after snow removal. Survey respondents do not seem to have experienced much crime and don’t complain about police. Again, this is encouraging from the standpoint of provision of local government services.

IMPORTANCE OF RETAIL

Convenient retail stores selling everyday necessities are highly desirable neighborhood amenities, as indicated in Figure 16. Most respondents are well served in their current residential locations, with 59% saying they live within a 10-minute walk of a full-service market; and for D.C. Millennials, the proportion is nearly two-thirds. Only 4% live more than a 15-minute walk from a supermarket. As importantly, 80% rate their supermarkets as good to excellent. An

Seven of 10 respondents live within a 15-minute walk of a neighborhood business district with a diverse range of stores; however, 40% rate non-grocery neighborhood shopping as fair to poor (45% in the District). When asked where they prefer to shop for clothes, shoes, gifts, and items other than convenience needs, responses vary but the largest number say they buy online. One-fifth favor small, independent stores in their neighborhoods. Very few respondents are excited about going beyond the Beltway to shop.

even higher share (68% of all participants and 74% of those in the District) have a pharmacy within a 10-minute walk of home. Quality and proximity of convenience retail have improved in the District over the last 10 to 15 years, with one result being the high level of satisfaction expressed in this survey.

Seven of 10 respondents live within a 15-minute walk of a neighborhood business district with a more diverse range of stores; however, 40% rate



non-grocery neighborhood shopping as fair to poor (45% in the District). When asked where they prefer to shop for clothes, shoes, gifts, and items other than convenience needs, responses vary but the largest number say they buy online. One-fifth favor small, independent stores in their neighborhoods. Very few respondents are excited about going beyond the Beltway to shop.

Millennials enjoy dining out, with 60% saying they do so for dinner at least once a week; most of the remainder dine out a few times a month. A notable 7% claim to eat out almost every night; some of those may be people who work long hours who eat in or near their places of employment.

SAFETY AND SECURITY

Although certainly something to which Gen Yers pay attention, survey respondents do not express vulnerability with regard to personal safety in their neighborhoods, a point that will be reassuring to local governments. About 15% of participants experienced car theft or vandalism while living inside the Beltway, and the same proportion say a bicycle has been stolen; but they seem to take these affronts in stride.

As mentioned, people feel safe in local parks, on public transit, walking in their neighborhoods, and parking on the streets.

CIVIC INVOLVEMENT—NOT!

A widely recognized characteristic of Generation Y is the value they place on feedback—both giving it and receiving it. Hence, we expected high civic engagement; but that proved untrue. Almost 60% of survey respondents are not involved in any neighborhood, community, religious, civic, or political activity. There is no difference by residential location, whether within the District or in Virginia or Maryland suburbs inside the Beltway.

Of those who have some involvement, the most frequently mentioned are:

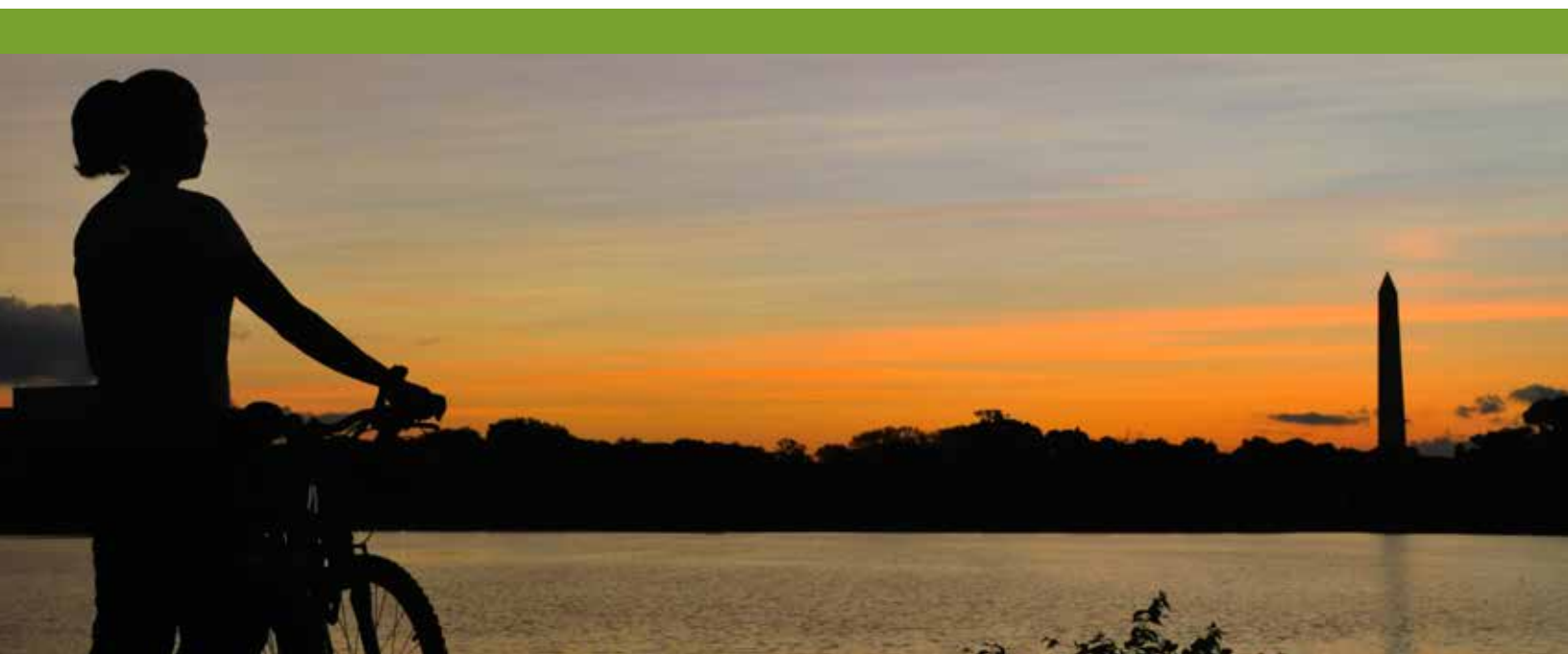
- **Charitable or service groups not related to education—14%.**
- **Local farmers' markets—13%.**
- **Religious congregations—10%.**
- **Festivals and celebrations—8%.**

No other activities received 100 votes from the 1,344 participants.

Only 37% of respondents occasionally send comments to government agencies about local public services that need improvement and, among those, one-fifth think it is pointless to bother with such communication. Just over 4% say they comment frequently about public services.

Among homeowners, over half send comments frequently or occasionally. For renters, the proportion is barely above one-quarter. There could be potential here for local governments to solicit opinions from residents—and thereby encourage engagement with Millennial constituents.

Experiments are underway with social networking sites that would target city or neighborhood residents and serve as a local Craig's or Angie's List, organizing mechanism for street fairs, alert system for utility shutdowns or transit service interruptions, advertising or booking vehicle for local businesses, etc. Nextdoor is one such start-up that is based in California. This concept may well appeal to both Millennials and their local governments and serve to improve communication in both directions.



Conclusion

Millennials living inside the Beltway express a great deal of satisfaction with their housing units, their neighborhoods, public services including parks and transit, and convenience retail stores. They also demonstrate ongoing resolve to remain within the Beltway.

Like a handful of other core cities that are magnets for the educated elite, Washington draws Gen Yers with one or more college degrees who can earn above average salaries and afford an active lifestyle. They frequent restaurants, bars, clubs, concerts, sports events, yoga studios, trendy shops, and personal service providers. And they deem walkable neighborhoods and reliable public transit as essential.

Dynamism is self-perpetuating. The vibrancy inside the Beltway is pulling in more Gen Yers (as some

inevitably migrate out), as well as Gen Xers and Empty Nesters. Also, the generation coming after the Millennials is equally large and will be drawn to the same lifestyle. Hence, Washington, D.C.'s prospects are extremely positive.

One limiting factor is housing affordability. One-quarter of the renters surveyed have roommates, though half of them would prefer to be living alone. When asked whether they could find the type and size of housing unit they want, at a price they can afford, inside the Beltway, 58% of the renters

say no, they would have to move further out. The high cost of housing in the District and the close-in suburbs is the most critical factor limiting the potential for Millennials to stay. Their desire for homeownership is strong; but even well-educated, hard working, 30-somethings have finite resources.

The high cost of housing in the District and the close-in suburbs is the most critical factor limiting the potential for Millennials to stay. Their desire for homeownership is strong; but even well-educated, hard working, 30-somethings have finite resources.



Appendix

ULI WASHINGTON 2015 SURVEY METHODOLOGY

To understand Gen Y's perspectives on living inside the Beltway¹, with a particular eye toward their intentions about continuing to reside in the area and learning what would encourage them to do so, Lachman Associates LLC designed an online survey administered by Qualtrics, Inc., a major survey research company. The survey was conducted over a one-month period from May 15 to June 15, 2015, during which time Beltway residents ages 20 to 37 were recruited to take the survey. Respondents were required to answer all survey questions. A total of 1,344 surveys were completed: 693 obtained through Qualtrics and another 651 generated through outreach efforts by ULI Washington to contacts and affiliates.²

Lachman Associates' prior Millennial surveys (conducted over the past five years and published by ULI) involved sampling at a national level and were designed to be nationally representative of Gen Y in terms of a set of major demographic variables. Because of the limited geographic area from which respondents were drawn for the current survey, and the consequent smaller pool of potential respondents, no attempt was made to be representative. Rather, this survey can be described as a "survey of willing Gen Yers" living within the Beltway. Nonetheless, it is surprisingly representative in many respects.³

1 The area within the Beltway was defined by a list of zip codes provided by ULI Washington.

2 To increase the survey response pool, ULI Washington circulated the survey link to a variety of groups and companies who have an interest in D.C.'s Millennial population, including:

- Over 30 local neighborhood blogs
- Young Leader Groups at six local associations (ULI, AIADC, NAIOP VA, DCBIA DLD, NAIOP DC/MD, CREW)
- Two significant multifamily developer/owners
- Staff at four large private real estate companies
- The Real Estate Group (REG)
- Students at university real estate and architecture programs in D.C., MD, and VA
- Hickok Cole Architects
- ULI Washington District Council

These groups and organizations, and their individual members, made the survey link available to D.C.-area residents by including it in websites, blogs, Facebook pages, news articles, notices to tenants, etc. Special thanks are due to Jonathan O'Connell, Washington Post real estate reporter, who tweeted the link on his Twitter account, an act that netted a robust response the day of the tweet.

3 See Figure 2 in the body of the report.





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