

# “Tweeners” Are on the Rise in the Minnesota Housing Market

In Minnesota, a new housing market category – or should we say non-category – is on the rise. Tweeners (those considered to be between two recognized categories) are driving the housing market. Like millennials, they like to be in close proximity to where they work and play. But much more similar to the baby boomers, they also want to plant their roots in an area where they plan to stay. They’re often just starting to raise families, yet don’t want to let go of a vibrant community and move into the more traditional suburban community. So, where do they go? According to local RE/MAX real estate professionals, they’re flocking to lake communities near larger city centers to get the best of both worlds.

A huge factor in the home buying decision making process is the environment, and a key word that REALTORS® are hearing more about is the “built” environment. Buyers often want to know what amenities an area as a whole has to offer, not just the physical home amenities. This generation wants a walkable community. According to local RE/MAX REALTORS®, large cities like Minneapolis are a beacon for millennials. They have breweries, wineries, coffee shops and many other “fun” amenities to draw in the young buyer or renter. All of these community features, in larger cities, are usually within walking distance of where the buyer lives and works. According to a recent poll by the National Association of REALTORS® (NAR) and the Transportation Research and Education Center at Portland State University, millennials prefer walking over driving by a significantly larger margin than any other generation.

But, surprisingly, this has also started to trend for the boomers. It’s become almost passé for a baby boomer to migrate to traditional retirement communities and locations known for attracting snowbirds (think Florida and Arizona). Boomers are now doing a 180 and heading straight back in to the urban cities often marked off for the youth. In a 2015 NAR report, they indicated that between July 2013 and June 2014 only 11 percent of buyers age 50-59 closed on homes in urban areas and central cities. The number for the same period in 2015 was 13 percent.

This brings us to the tweeners - the middle aged young(ish) adults that historically have moved out to the suburbs. Areas like Scott County in Minnesota are drawing the twener demographic to the community in droves. The City of Prior Lake has developed from resort community, to twener heaven through development and city planning. While not walkable for shopping and work, the community has made headway in adding in trails, paths and parks to ensure it’s



**National Association of REALTORS® lists Gen X (what we are calling tweeners) as making up 26 percent of homebuyers last year. Further, 26 percent of Gen X buyers were first-time buyers**

2016 Home Buyers and Sellers Generational Trends Report



**While millennials favor convenience of access to jobs (60%) and affordability (50%), Gen X favors convenience to a job (50%), quality of school districts (41%), and distance to schools (34%)**

2016 Home Buyers and Sellers Generational Trends Report

favorable for 'walkability'. Recreational activities such as biking, golfing, boating and other traditional "lake" activities give the community a lake lifestyle vibe while still being close in proximity to fun "city" amenities. Clocking in at around 35 miles to downtown Minneapolis, the Minnesota Transit Authority has an active transit system that runs between the lake community and city.

Often times, these buyers are willing to pay more to get the homes that they want, in the area that they want. The median sales price of a home in Prior Lake has increased by more than 11 percent when comparing July 2015 to July of this year. Neighboring areas are seeing much of the same, with the median sales price in Savage increasing by seven percent for the same period.

These communities offer the best of both worlds to the Minnesota tweener, and real estate experts expect that trend to continue.



**Buyers, overall, plan to live in their homes for a median of 14 years while 26 percent say that they are never moving. For buyers 35 and younger (millennials) the expected stay length is 10 years, while boomers (61-69 years old) is 20 years.**

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