

As Millennials Choose To Rent Rather Than Buy, What Can Developers Do?

Over the next ten years, the UAE will be one of the most youthful developed countries in the world. With such a high percentage of young people within the Emirates, the power of millennials and Generation Z on the real estate market is a key driver. However, according to the Deloitte Global Millennial Survey 2019, only 49% of millennials and 52% of Generation Z respondents aspire to buy their own home.

Millennials value experiences and as such they rate the opportunity to see the world, travel and earn high salaries that can pay for these experiences, as most important. For real estate developers, this means that just building attractive properties is not necessarily going to be enough to incentivize young generations to purchase. Buying a home has to make sense financially, so that they can continue to do the activities and experiences that inspire them.

A 2017 study by David Fagundes, *Buying Happiness: Property, Acquisition, and Subjective Well-Being*, revealed that happiness doesn't necessarily come from the purchase of a property directly. Rather, it comes from providing a means to happiness when it furthers memorable experiences or social connections. Therefore, millennials considering buying property must do more than just research the potential capital appreciation or future rental yields. They must investigate how buying a home in a certain area is going to allow them to pursue their interests, foster closer relationships with friends and family, and enjoy daily activities.

One way in which developers are appealing to millennials is by creating innovative, flexible payment options that allow the purchase of a property to be as affordable as renting. It therefore becomes not just an investment in property, it becomes a savvy lifestyle choice that allows millennials to pursue their interests.

The type of facilities available in new developments is also important. Various global reports over the past couple of years have highlighted the necessity for effective fitness and exercise facilities for the population is therefore paramount, so developers must ensure appropriate options when designing properties, such as gyms and swimming pools.

As communities expand, so too must the access to quality, affordable housing with the correct facilities to enable younger generations to establish happy lifestyles. This is critical to the economic success of the capital and in helping the UAE Government reach its goals of making the country amongst the top five happiest countries in the world by 2021.

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