

Millennials Inside the Beltway

Committed Urbanists

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Urban Land
Institute

Washington

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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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Executive Summary

This spring, ULI Washington commissioned an update of its survey of Millennials living inside the Beltway conducted in 2015. The question this time is: how much difference does three years make in the lifestyles and attitudes of Washington's Millennial residents? The answer is: surprisingly little. Yes, they are older; yes, a higher share is married or partnered; and yes, homeownership is up. However, the District of Columbia and the suburbs inside the Beltway are not at imminent risk of losing their Millennials: one-half of our survey respondents "love D.C. and plan to stay forever." Those in their mid- to late-30s are even more likely to remain.

Washington, D.C.'s strength as a magnet for well-educated professionals has not diminished since 2015; if anything, the existing Millennial base creates a cumulative draw for others in

their age group, for younger Gen-Zers, and for older adults attracted to a stimulating environment. The similarity of results in ULI's 2015 and 2018 surveys demonstrates that,

The District of Columbia and the suburbs inside the Beltway are not in imminent risk of losing their Millennials. A high percentage of respondents intend to remain in the core of the region, whether or not they have children.

as some Millennials move away, others with remarkably similar attitudes arrive inside the Beltway. Hence, demographic characteristics and opinions stay consistent.

This survey presents a comprehensive view of Millennials living within the Beltway, their housing circumstances, and their attitudes toward living in the District and its adjacent suburbs. Of the 1,369 respondents, 62% live in the District of Columbia and 38% are in selected Virginia and Maryland zip codes inside the Beltway.

As described in the Appendix, this is a “survey of the willing,” rather than a representative sampling of 23- to 40-year-olds dwelling inside the Beltway. Though not statistically representative, the survey results are both intuitively credible and in sync with the 2015 findings.

Figure 1 offers a capsule view of the survey’s key results, which are remarkably positive in terms of satisfaction with neighborhood

amenities and services. A high percentage of respondents intend to remain in Washington and the close-in suburban communities that surround it, whether or not they have children. Apart from the fact that respondents are three years older, the 2018 results show only a few significant differences from the 2015 survey. The results are discussed in detail in this monograph.

The remainder of the Executive Summary elaborates on this year’s highlights.

- 1. Younger Millennials (ages 23 to 32 years old) constitute 59% of the respondents; 41% are 33 to 40. Between the two groups, there are no differences in ethnicity, place of residence, employment locations in the District or the suburbs, whether or not they work full time, or satisfaction with their commutes.**
- 2. The key disparities are:**
 - **60% of the older cohort (age 33-40) are married/partnered, whereas two-thirds of the younger group is single.**
 - **37% of the older households contain children versus just 7% of the younger ones.**
 - **One-half of the older respondents own their homes; three-fourths of the younger ones rent.**
 - **28% of the junior contingent live with roommates, but this is true of only 6% of the 33-40 year-olds. Roommates are less prevalent in the suburbs than in D.C.**
 - **Car ownership expands with age. Nonetheless, three out of 10 respondents do not have automobiles.**
 - **Two-thirds of older Millennials have started or completed post-graduate**

degrees, compared with just under half of the younger set.

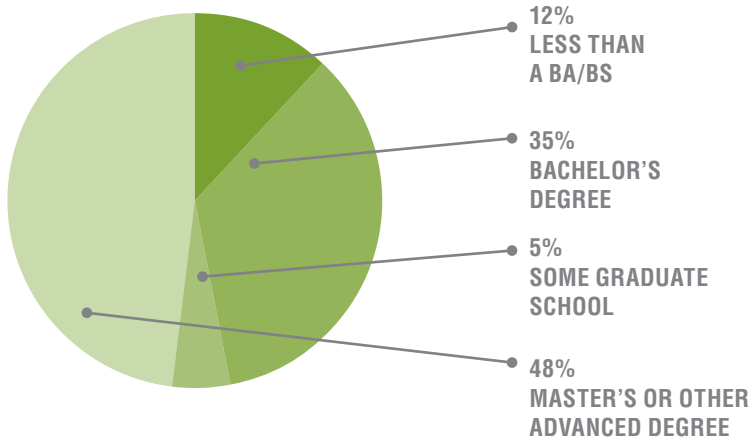
- Incomes also expand with age; married/partnered households typically have two wage earners.
3. 48% of Millennials have advanced degrees, and another 5% are working on them. Only 12% do not yet have a bachelor's degree. These results match those of 2015.
 4. The median income for those with full-time jobs is \$74,188, which is 11% above the 2015 median. That is higher than the national growth rate in personal median incomes. There is no difference in income between respondents living in the District and those in adjacent suburbs.
 5. For the 667 partnered households, the median income is \$141,964.
 6. Demographically:
 - In terms of age and ethnicity, the survey did not yield significant differences by location.
 - More suburban respondents are married/partnered: 51%, versus 41% in the District.
 - Almost one-quarter of suburban households contain children under age 18, as compared with 17% in D.C. By 2021, nearly half of suburban households expect to have children.
 - Among respondents working full time, more than three fourths of those living in the District also work there. Among suburbanites, 41% work in D.C., 31% in Virginia, and 22% in Maryland. (The other 6% work elsewhere.) Of those who work outside the District, 62% live in the suburbs.
- Eight of 10 Millennial households do not contain children under age 18—down from 88% in 2015. Among respondents now living in the District, 59% do not have children and do not expect to have any by 2021. That share is only 45% in the suburbs. Even though most respondents are not currently child-oriented, less than 20% say they **definitely cannot** envision raising children in the District, and only 12% cannot imagine doing so in the close-in suburbs. These shares are smaller than in 2015, suggesting that Millennials are becoming more and more comfortable about residing inside the Beltway for the long term.



Among the respondents who commute to work or school, more use public transit (44%) than drive alone (32%). The same share commute by bicycle or on foot as did in 2015—18%. Commuting patterns vary between the District and the suburbs, though the reliance on public transit is comparable.

Figure 1. Survey Highlights: Millennials Inside the Beltway, 2018

HIGHLY EDUCATED



n=1,369

1/3 CURRENTLY OWN, BUT MOST ASPIRE TO JOIN THEM

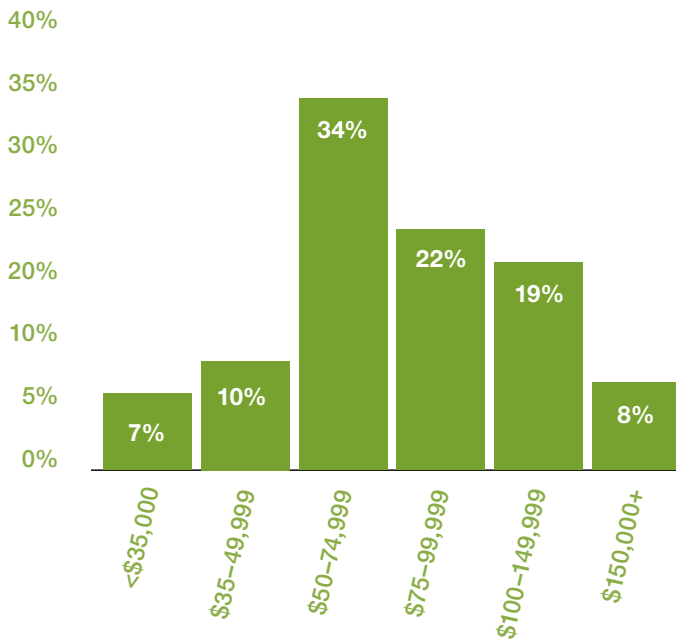
Affordability is an issue, with 57% of renters saying they'd have to move beyond the Beltway to buy housing they could afford.

2/3 EXPECT TO REMAIN WITHIN THE BELTWAY

	EXPECTED LOCATION IN 2021
INSIDE BELTWAY	67%
DON'T KNOW	14%
DIFFERENT METRO AREA	13%
OTHER	6%

n=1,369

HIGH INDIVIDUAL EARNINGS (FULL-TIME WORKERS)



n=1,147

LIMITED ORIENTATION TO CHILDREN

NO CHILDREN NOW, NONE EXPECTED WITHIN 3 YEARS	54%
EXPECT FIRST CHILD WITHIN THREE YEARS	26%
HAVE CHILDREN NOW	11%
HAVE CHILDREN NOW AND EXPECT MORE WITHIN 3 YEARS	9%

n=1,369

VALUED COMMUNITY FEATURES OF NEXT RESIDENTIAL LOCATION*

	TOTAL VOTES
PROXIMITY TO WORK	1,044
PROXIMITY TO SHOPPING, DINING, & ENTERTAINMENT	884
WALKABILITY	867
ACCESS TO PUBLIC TRANSIT	812
PERSONAL SAFETY/HOME SECURITY	705
PROXIMITY TO FAMILY/FRIENDS	606
PUBLIC SCHOOL QUALITY (K-5)	363

n=1,369

*As ranked on a 1-5 scale

BROAD SATISFACTION WITH PARKS, TRANSIT, SHOPPING, ENTERTAINMENT

- Similar attitudes among DC and close-in suburbanites

MILLENNIALS VALUE PARKS

- Use them often and perceive them as safe.

LITTLE FAMILIARITY WITH SCHOOLS

- Few have school-age children
- Content with day care arrangements

HOW MILLENNIAL HOUSEHOLDS HAVE CHANGED SINCE 2015

- Half are married/partnered
- More homeowners
- Fewer roommates
- More w/kids—but still only 20% of households
- More drive to work
- Community involvement growing
- More w/incomes >\$150,000

Twice as many suburbanites commute alone in a car; and three times as many D.C.ers walk or bike to work/school. Six of 10 respondents spend a half hour or less commuting.

Half of Millennial households own bicycles, but 54% of bike owners use them only occasionally or almost never. Even so, 29% of bike owners ride regularly and 16% use them daily. Bikeshares are also used, but Millennials in the DC area are seriously concerned about inadequate or unsafe bike lanes. One-third of all respondents mention this, not just bicycle owners.

As was true in 2015, respondents are sanguine about their housing, like their neighborhoods, and find little to complain about in terms of government services. With respect to the latter, they were not very critical in 2015 but are even less so this year. In addition to insufficient bike lanes, three out of 10 mention the poor condition of streets, sidewalks, and curbs. Both issues were also of concern three years ago.

Questions answered separately by renters and owners are discussed on pages 18 to 22. Though renters are generally satisfied with their current housing, 52% expect to own by 2021; and nearly half believe they could find suitable housing inside the Beltway that they could afford. Two-thirds of renters pay less than 35% of their incomes on rent (not including utilities), which seems reasonable given that most of them are still in their 20s and a considerable number share their housing expenses with roommates.

All respondents were asked about the type of housing they expect to live in three years from now. Here are the answers:

HOUSING TYPE	PERCENT OF TOTAL RESPONDENTS
SINGLE-FAMILY DETACHED HOME	29%
APARTMENT/CONDO IN MID- TO HIGH-RISE	27%
DUPLEX, TOWNHOUSE, ROW HOUSE	27%
APARTMENT/ CONDO IN LOW-RISE STRUCTURE	16%
OTHER	1%

Because these responses cover both ownership and rental, we cannot compare them with the types of units in which participants now live; however, there are plenty of choices within the residential inventory inside the Beltway to accommodate these preferences.

Two-thirds of respondents expect to be homeowners in three years—twice the proportion owning today. Over the last three years, the share of survey participants who are owners rose five percentage points, so it is hard to believe that there will be growth of 33 points between now and 2021. Barriers to homeownership for Millennials have been well-documented in the news media: inability to save enough for a down payment in a high-cost market, student loan debt (affecting borrower credit ratings), and a shortage of affordable starter homes in desirable locations. However, the survey shows that many renters are satisfied with being tenants—at least in the short term.



RESPONDENT DEMOGRAPHICS

ULI's Spring 2018 survey results are remarkably similar to the findings in Spring 2015—to the point where you could think all 1,369 participants were repeat responders.

Because that is definitely not the case, one concludes that the Millennial profile within the Beltway remains consistent, with those who move away being replaced by households with similar characteristics and attitudes. Highlights from the two surveys are in Figure 2.

Figure 2. Basic Demographics of Respondents

	2015	2018
GENDER		
MALE	38%	39%
FEMALE	62%	61%
AGE		
23–32	47%*	59%
33–40	53%*	41%
HISPANIC		
YES	8%	8%
NO	92%	92%
RACE		
WHITE	77%	75%
BLACK	11%	15%
OTHER	12%	10%
MARITAL STATUS		
SINGLE/DIVORCED/WIDOWED	61%	51%
MARRIED/PARTNERED	39%	49%
LIVING WITH CHILDREN <18		
YES	12%	20%
NO	88%	80%
HIGHEST EDUCATIONAL ATTAINMENT		
LESS THAN A BA/BS	12%	12%
BACHELOR'S DEGREE	35%	35%
SOME GRADUATE SCHOOL	7%	5%
MASTER'S OR OTHER ADVANCED DEGREE	46%	48%

	2015	2018
LOCATION		
DISTRICT OF COLUMBIA	62%	62%
SUBURBS INSIDE THE BELTWAY	38%	38%
HAVE A CAR		
YES	68%	69%
NO	32%	31%
HOUSING TENURE		
OWN	28%	33%
RENT	67%	61%
LIVE WITH FAMILY	5%	5%
STUDENT/MILITARY	–	1%
ROOMMATES		
YES	24%	19%
EMPLOYMENT STATUS		
WORKING FULL TIME	84%	84%
WORKING PART TIME	7%	6%
IN SCHOOL, INTERNING, VOLUNTEERING	4%	2%
STAY-AT-HOME PARENT	1%	2%
UNEMPLOYED	2%	4%
OTHER	2%	2%
INCOME FOR FULL-TIME EMPLOYED		
< \$35,000	8%	7%
\$35 – 49,999	18%	10%
\$50 – 74,999	36%	34%
\$75 – 99,999	19%	22%
> \$100,000	19%	27%

*Ages 20–29 and 30–37 in 2015

n=1,369 in 2018, 1,344 in 2015

Source: Lachman Associates surveys, Spring 2015 and Spring 2018.



All Millennials have aged three years since 2015, resulting in changes in respondent characteristics. Most obviously, greater shares are married or partnered now (49%) and own their homes (33% in 2018 versus 28% three years ago). Similarly, fewer have roommates—19% today, compared with 24% in 2015.

Although eight out of 10 respondent households do not contain children, 20% do—up from just 12% in 2015. This change is seen primarily among the older Millennials, as shown in Figure 3 on pages 13 and 14.

Educational attainment is consistently high in the two surveys and across both city and suburban areas inside the Beltway, which reinforces the fact that the District of Columbia provides abundant employment for

people with at least one college degree and often two or more. In both 2015 and 2018, 88% of respondents have a bachelor's degree at a minimum; and in 2018, nearly half have master's or other advanced degrees.

As befits their qualifications, Millennials inside the Beltway have high incomes on average, and earnings have increased during the last three years. Median income for those with full-time jobs was reported at \$74,188 in 2017—over 11% more than the \$66,636 median for 2014. This increase exceeds national growth in personal median incomes for Millennials reported in the U.S. Census Bureau's *Current Population Survey*. Incomes among survey respondents working full time are the same whether they live within the District or in suburban communities inside the Beltway.

On a household basis, incomes have gone up even faster because, with more Millennials married/partnered, two-wage-earner households are prevalent. As discussed later, partnered respondents' median income for 2017 was \$141,964. These households are also skewed older and so have more extensive work experience.

The employment status of respondents is virtually identical in both surveys, with 84% working full time and another 6% employed part time. (The remaining 10% are in school, not working, or stay-at-home parents.) Close to 80% of those who live within the District work or go to school there. Among suburban respondents who are working or going to school, 41% do so in the District, 31% in Virginia, and 22% in Maryland.

Only 11% overall say that they, their spouse, or a roommate works full time from home. However, about one-quarter of respondents or other members of their household work from home part time—one or more days a week. Nearly one in five respondents do work at home in the evenings.

This year, we asked about co-working, with the following results:

- **81% do not use a co-working space at all.**
- **10% use co-working most of the time.**
- **9% occasionally use such space.**

Of those who use co-working facilities regularly and occasionally, 29% travel less than 10 minutes from home, 49% commute 10 to 20 minutes to work, and 22% spend over 20 minutes getting there.

As in 2015, 62% of this year's respondents live inside the District. Suburbanites living in Virginia account for 21% of the total sample, with 16% in Maryland and 1% checking

"other." Survey participants' ages are roughly the same across geographies, as are their ethnic profiles: the proportion of African-Americans in the District is slightly higher and there are more Asians in the suburbs, but the differences are not material.

The biggest distinction between District dwellers and their suburban counterparts is that more of the latter are married/partnered (51% vs. 41% in D.C.). This was not so apparent in 2015, though more of the households with children were in Virginia or Maryland three years ago. Now almost one-quarter of the suburban Millennial households within the Beltway contain young children, as compared with just 17% of their District counterparts. There is no difference, however, in the average number of children in suburban and District households.

Roommates are somewhat less common outside the District boundaries: 16% of suburban respondents have unrelated roommates versus 21% of D.C. participants.

Not surprisingly, the other major difference between District residents and those in nearby suburbs is that car ownership is higher among the latter—over 82%, versus only 61% in the District.

YOUNGER VS. OLDER MILLENNIALS

Six of 10 survey respondents are in the younger age cohort—between 23 and 32—and 41% are in their mid- to late-30s. For such characteristics as ethnicity, residential and employment locations within the District versus suburbs, whether or not they work full time, and satisfaction with their commutes, there are no material differences. However, as highlighted in Figure 3, several contrasts

stand out between the younger and older contingents. For example:

- 60% of Millennials between 33 and 40 are married or partnered whereas two-thirds of those age 23 to 32 are single. On a national basis, the average age of first marriages has risen steadily in the 21st century—to 27.1 years for women and 29.2 for men in 2017.
- As a corollary, 37% of the older cohort live with children versus a tiny 7% among those age 32 or less.
- And 28% of the younger respondents have roommates, which is true of only 6% of those in their mid- to late-30s.
- Unsurprisingly, over half of the older contingent own their dwellings while three-fourths of the younger Millennials rent.
- Car ownership is significantly higher among the older group, though the notable point is that almost one-fourth of those age 33 or older (and their spouses/partners) do not own cars.
- In terms of educational attainment, 62% of the 33- to 40-year-olds have already completed graduate or professional degrees; in the younger cohort, the share is 39%.
- Accordingly, incomes skew higher for older respondents.

Figure 3. Differences Between Younger/Older Millennials

	AGE 23–32	AGE 33–40
MARITAL STATUS		
MARRIED/PARTNERED	34%	60%
SINGLE/DIVORCED/WIDOWED	66%	40%
LIVING SITUATION		
LIVE ALONE	24%	27%
SINGLE PARENT	1%	3%
WITH SPOUSE/PARTNER ONLY	34%	27%
WITH SPOUSE/PARTNER & KIDS	6%	34%
WITH ROOMMATES	28%	6%
WITH PARENTS/RELATIVES	7%	3%

	AGE 23–32	AGE 33–40
HOUSING TENURE		
OWN	18%	53%
RENT	74%	43%
STUDENT/MILITARY HOUSING	2%	1%
WITH RELATIVES	6%	3%
CAR OWNERSHIP		
YES	63%	77%
NO	37%	23%
HIGHEST EDUCATIONAL ATTAINMENT		
LESS THAN A BA/BS	14%	11%
BACHELOR'S DEGREE	42%	23%
SOME GRADUATE SCHOOL	5%	4%
MASTER'S OR OTHER ADVANCED DEGREE	39%	62%
INCOME FOR FULL-TIME EMPLOYED (N-1,147)		
< \$35,000	9%	3%
\$35,000 – 49,999	15%	4%
\$50,000 – 74,999	42%	23%
\$75,000 – 99,999	20%	26%
\$100,000 – 149,999	11%	29%
\$150,000 +	3%	15%

*n=1,369 total: 803 age 23–32, 556 age 33–40 unless otherwise noted
Source: Lachman Associates survey, Spring 2018.*

Figure 3 shows income profiles for individual full-time workers in each age group. We also asked about prior year (2017) total household incomes for the 667 married/partnered couples. The distributions for both 2017 and 2014 (from the 2015 survey) are shown in Figure 4. Respondents' 2017 median income for couples is a healthy \$141,964.

Figure 4. Household Incomes of Millennial Couples

INCOME RANGE	2014	2017
< \$50,000	6%	7%
\$50,000 – \$74,999	8%	9%
\$75,000 – \$99,999	13%	10%
\$100,000 – \$149,999	33%	29%
> \$150,000	40%	45%

n=622 in 2014; 667 in 2017

Source: Lachman Associates surveys, Spring 2015 and 2018.

From a long-term standpoint, one of the most positive differences between the younger and older respondents is the strength of the latter's commitment to remaining in the D.C. area. As portrayed in Figure 5, 56% of the 33- to 40-year-olds agree or strongly agree with the statement "I love the D.C. Metro Area and plan to stay here forever." Only 15% disagree. The younger cohort is more tempered: although 43% agree with the statement, almost one-quarter disagree. After being asked about the metro area, respondents were questioned about whether they are likely to move outside the Beltway. Only 14% said such a move is likely; 86% say they will stay inside the Beltway. These answers are consistent across the age spectrum.

Figure 5. Responses to "I Love the D.C. Metro Area and Plan to Stay Here Forever"

	AGE 23–32	AGE 33–40
AGREE	43%	56%
NEUTRAL	34%	29%
DISAGREE	23%	15%

n=1,369

Source: Lachman Associates survey, Spring 2018.

Housing issues are discussed in detail later in the report, but one notable set of responses should be mentioned in the context of age disparities. When asked to respond to the statement "I can afford to buy a home within the Beltway," the two age groups had very different answers, as shown in Figure 6:

Figure 6. Responses to "I Can Afford to Buy a Home Inside the Beltway"

	AGE 23–32	AGE 33–40
AGREE	31%	52%
NEUTRAL	29%	24%
DISAGREE	40%	24%

n=1,369

Source: Lachman Associates survey, Spring 2018.

Given that over half the older group already owns, this response is consistent with their behavior. It reflects the higher earnings of the older cohort and the greater prevalence of two-income households. The fear that Millennials will be perpetually frozen out of homeownership is not supported by the survey results.



CHILDREN APPEARING—GRADUALLY

Only 12% of 2015 survey respondents lived with children under age 18 in their households. By 2018, the share has risen to 20%, with the growth overwhelmingly in the older cohort. As reflected in Figure 3, 37% of the 33- to 40-year-old respondents live with children versus just 7% of the younger participants. Of the 269 households with children, nearly half have two, as summarized in Figure 7.

Fewer than one in three of these households have children in middle or high schools. Slightly more have kids in elementary schools, but the largest share of children in school are quite young—in nursery schools, pre-schools, or pre-kindergartens. Consequently, it is understandable that 54% of respondents

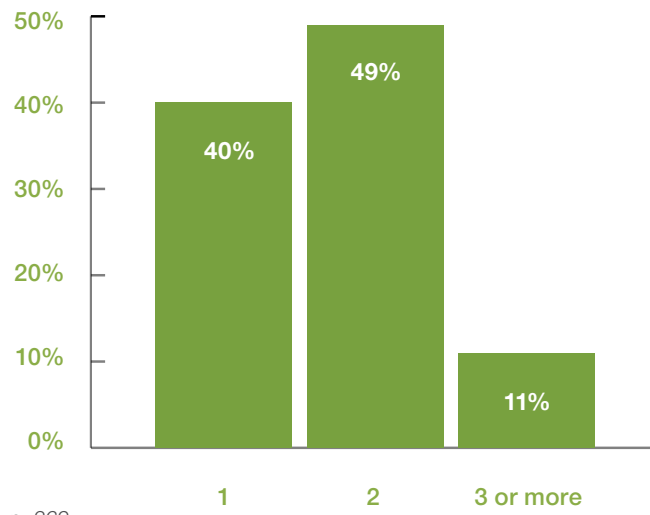
claim to know nothing about the public schools or simply have no opinion. We note, however, that 67 of 100 D.C. respondents with children indicated that the District's free all-day Pre-K program influenced their decisions to live there.

As mentioned earlier, 24% of the suburban households within the Beltway are child-oriented versus 17% of the respondent households living within the District. This difference is meaningful, but we would also emphasize that large numbers of Millennials with children live in Washington, D.C.

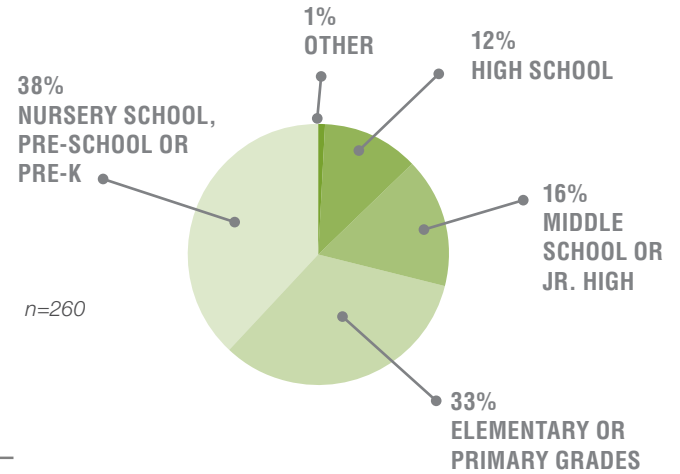
Given the disproportionate concentration of younger children, all 269 respondents living with at least one child were asked whether they needed full-day child care in order to work or go to school. Their answers are also shown in Figure 7.

Figure 7. Children and Child Care

CHILDREN PER HOUSEHOLD



GRADE IN SCHOOL



RESPONDENTS LIVING WITH CHILDREN UNDER 18	
LOCATION	
LIVE IN DC (N=856)	17%
LIVE IN SUBURBS INSIDE THE BELTWAY (N=513)	24%
AGE	
AGE 23–32 (N=803)	7%
AGE 33–40 (N=566)	37%
SCHOOL ENROLLMENT	
ONE OR MORE CHILDREN ENROLLED IN SCHOOL	71%
NEED FULL-DAY CHILD CARE IN ORDER TO WORK OR GO TO SCHOOL	
YES, CAREGIVER COMES TO THE HOUSE/LIVES IN	32%
YES, USE DAY CARE NEAR HOME	27%
YES, USE DAY CARE NEAR WORK	13%
NO, DON'T HAVE VERY YOUNG CHILDREN	28%
OTHER	1%

HOW PARENTS GET CHILDREN TO DAY CARE (N=191)	
WALK	16%
DRIVE	66%
USE PUBLIC TRANSIT	7%
IT VARIES—NOT THE SAME EVERY DAY	9%
OTHER	2%

n=269 unless otherwise noted

Source: Lachman Associates survey, Spring 2018.

A range of detailed follow-on questions addressed quality and convenience of various day care alternatives, but most of the numerical responses are too small to allow for credible conclusions. The exception is that three-quarters of the respondents with children agree that day care quality near their homes is very good.

Getting children to day care takes less than 20 minutes for 86% of the respondents. Furthermore, few complained when we probed on the convenience of getting to work or school after dropping children off at day care or pre-school.

When asked about their expectations of having a child or more children in the next three years, the responses are as follows:

	LIVE IN D.C.	LIVE IN SUBURBS
NO CHILDREN NOW; NONE EXPECTED IN 3 YEARS	59%	45%
EXPECT TO HAVE 1ST CHILD	24%	29%
ALREADY HAVE CHILD/CHILDREN	9%	16%
ALREADY HAVE CHILD; EXPECT MORE	8%	10%

When asked whether they can imagine raising children within the District, less than 20% say “definitely not.” Only 12% cannot envision raising children in suburban settings within the Beltway. These are lower proportions than in 2015, so Millennials are gaining even greater comfort about remaining in Washington, D.C. and its core suburbs.

Overall, 54% do not envision having children within the next three years. Among those living in suburban households within the Beltway, however, the majority have children now or plan to do so by 2021.

When asked whether they can imagine raising children within the District, less than 20% say “definitely not.” Only 12% cannot envision raising children in suburban settings within the Beltway. These are lower proportions than in 2015, so Millennials are gaining even greater comfort about remaining in Washington, D.C. and its core suburbs.

RENTERS

Despite the increase in homeownership among older Millennials, six of 10 survey respondents are renters. This is down 10% from 2015 but is still a substantial majority. And the proportions are roughly the same across geographies within the Beltway.

Almost half of all renters live in mid- and high-rise buildings, as shown in Figure 8. The proportion is higher in the suburbs and lower in the District, where height limitations restrict high-rise construction. As a corollary, more District renters are in duplexes, row houses, or townhouses. Single-family detached home rentals tend to be suburban. The housing stock changes little year to year, so 2018’s rental accommodation profile matches that in the 2015 survey.

Another nearly perfect parallel between 2018 and 2015 is the number of bedrooms in rented units:

- 12% are studios or open loft-styles in 2018.
- 38% have one bedroom.
- 31% have two.
- 19% have three or more.

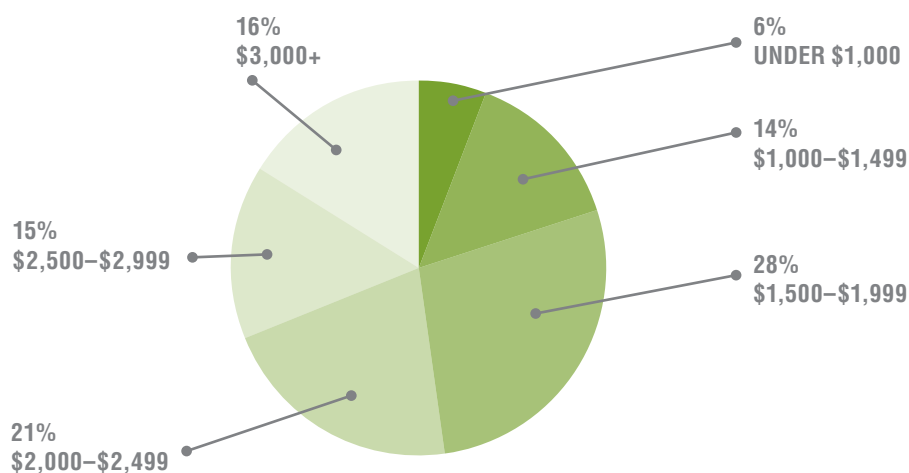
The substantial proportion of larger units reflects the fact that three out of 10 renters

Figure 8. Millennials’ Rental Accommodations

	ALL RENTERS (N=839)	DC RENTERS (N=536)	SUBURBAN RENTERS (N=303)
SMALL WALK-UP BUILDING/ GARDEN APARTMENT COMMUNITY	21%	21%	21%
MID-RISE/HIGH-RISE APARTMENT BUILDING	47%	41%	57%
RENTED CONDO IN MULTI-STORY BUILDING	8%	10%	6%
RENTED DUPLEX, ROW HOUSE, OR TOWNHOUSE	15%	21%	6%
SINGLE-FAMILY DETACHED HOME	6%	4%	9%
GRANNY FLAT/ACCESSORY UNIT	3%	3%	1%

Source: Lachman Associates survey, Spring 2018

Figure 9. Millennials' Monthly Rent



n=839

Source: Lachman Associates survey, Spring 2018

have roommates. Notably, though, a comparable share of renters live alone.

An unexpected finding is that rents have not changed since the 2015 survey. This year's median monthly rent is \$2,000, which is only 3% higher than 2015's reported median of \$1,945. This results from a four-percentage point drop in the share of respondents paying \$1,000–\$1,499/month, while the share in \$2,500–\$2,999/month dwellings rose by three percentage points. The other slices of Figure 9's pie are identical to 2015. In contrast, rentjungle.com data suggest that apartment rents in the District rose 6% between May 2015 and May 2018. It is possible that survey respondents who rent—and move frequently—are taking advantage of concessions for signing new leases or finding other ways to save on their housing costs.

When asked what percentage of their income is being spent on rent, respondents say:

SHARE OF INCOME SPENT ON RENT	% OF RESPONDENTS
LESS THAN 25%	27%
BETWEEN 25 AND 34%	38%
BETWEEN 35 AND 49%	24%
50% OR MORE	11%

In answering this question, renters were instructed to consider just their share of the rent if they have roommates. Couples or those living alone were requested to base their answer on total household income. The fact that two-thirds are paying less than 35% of their incomes on rent seems reasonable, especially considering their relatively high incomes. Sharing rent with one or more roommates also reduces monthly outlays. In 2018, 11% of tenants indicate they



live in some type of affordable rental unit.¹ This question was not included in the 2015 survey, so we do not have a trend line. The percentages cited by respondents may seem low to those familiar with rent burden studies in Washington and other high-cost metro areas. It is important to note that respondents did not include the cost of utilities that are not part of their rent payments.²

¹ Affordable rentals could be units set aside for low- or moderate-income households through inclusionary zoning, other state or local government programs, federal low-income housing tax credits, or federal subsidies.

² We note that 54% of full time workers with incomes below \$50,000 indicate that they pay more than 35% of income for rent exclusive of utilities, suggesting that Millennials with lower incomes can struggle with rent burdens. This was also true of renter couples with incomes below \$75,000, where 44% are paying rent requiring more than 35% of their combined earnings.

Overall, 22% are “very satisfied” with being renters at the present time, and 30% are “satisfied”—so half are comfortable as tenants. The remaining 48% say that, although renting is not their preference, it is the best choice for now. In 2015, 38% were in this somewhat dissatisfied group, so renters’ frustration has increased as Millennials have aged.

The survey offers a list of 10 reasons why renting could be appealing, and respondents were asked to choose up to three that best match their perspectives. Six out of 10 like the fact that management takes care of maintenance and repairs. The second most frequent response, cited by 45%, is that renting provides flexibility in deciding how long to stay. Similarly, one-third of the tenants appreciate not having to make a long-term commitment to a specific location

or residence. In fourth place, 25% believe that renting is more affordable than ownership.

Renters are a peripatetic lot, and young tenants are especially prone to moving. When queried about how many times they moved in the last three years, renters responded:

NUMBER OF MOVES	SHARE OF ALL RENTERS
0	24%
1	38%
2	24%
3+	14%

In terms of how long they are likely to stay in their current dwellings, 57% say one year or less. This matches the prediction of renters in 2015. This year, the 90% who plan to stay in place less than three years were asked to select the three most important of 11 possible reasons for wanting to move. The top selections:

- **Half plan to buy a home.**
- **39% need more space.**
- **30% expect to take a job or go to school outside Metro Washington.**
- **18% plan on having a first child or more children and will need a bigger home.**
- **18% want to live closer to work/reduce commuting time.**

One survey after another documents Millennials' strong aspirations toward homeownership, and this one is no different: among those who now rent, 52% expect to be owning within three years. When asked if they think they could find the appropriate type/size of dwelling if they were ready to buy today, they answer:

YES, IN THE DISTRICT	19%
YES, IN SUBURBS INSIDE THE BELTWAY	25%
NO, I WOULD HAVE TO MOVE FURTHER OUT	56%

These responses match those in 2015, so the good news remains: nearly half of all renters think they could acquire suitable housing within the Beltway.

Having said that, affordability is a big issue. Renters were asked, "Does the high price of for-sale housing in the greater Washington area deter you from buying a home at the present time?" Their responses:

YES, FOR SURE	67%
SOMEWHAT	11%
NO, I COULD AFFORD TO BUY IF I WANTED TO	3%
I COULD AFFORD THE MONTHLY COST BUT LACK THE DOWN PAYMENT	8%
NOT READY TO CONSIDER BUYING, SO NOT AN ISSUE	11%

NerdWallet³ recently identified the 10 best cities for new college graduates starting out, based on America's 100 largest cities by population. Arlington, Virginia is #2 and Washington, D.C. is #6. Arlington falls within the Beltway and is included in ULI's survey geography. In discussing the characteristics of their selected cities, the researchers say, "Cities with high rents can still be a good place to start out. Rent accounts for, on average, 26% of median income for residents 25 years and older with a bachelor's degree in the top 10 cities, compared with nearly

3 <https://www.nerdwallet.com/blog/credit-cards/best-cities-for-recent-college-grads/>

Figure 10. U.S. Homeownership Rate by Age of Householder, 2007–2017



Source: U. S. Census Bureau

25% in all 100 places. . . [which] suggests that, although high living expenses can be a burden, other factors—such as higher incomes—can make up for it.”⁴ According to the article, Arlington has the highest rents among the top 10 cities and those rents typically account for 30% of the incomes of young professionals living/working there.

OWNERS

One-third of this year’s survey respondents own their homes, up five percentage points from 2015; however, ownership is much higher in the older age group: 53% of those age 33 to 40 are now owners versus just 18% of the 23- to 32-year-olds. Figure 10 illustrates

national homeownership rates by age of householder, and the Millennials inside the Beltway match the pattern across the country. The share of Millennials owning homes is now slowly trending upward, after hitting a low point in 2012–2013.

Three-fourths of our survey’s homeowners indicate that this is the first home they purchased for their personal use. Figure 11 presents the differences in types of housing units owned by people living in the District versus those in suburbs inside the Beltway. City residents are equally divided among condominiums/co-operatives; single-family attached styles (duplexes, townhouses, and row houses); and single-family detached homes. In contrast, six of 10 suburbanites own detached homes, and less than a quarter have condos or co-ops.

⁴ Andrew L. Wang, “The 10 Best Cities for New Grads Starting Out,” www.marketwatch.com, 2018.

Figure 11. Type of Housing Owned

	LIVE IN DC	LIVE IN SUBURBS
CONDO/CO-OP	34%	23%
DUPLEX, TOWNHOUSE, ROW HOUSE	33%	17%
SINGLE-FAMILY DETACHED HOUSE	33%	60%

n=445

Source: Lachman Associates survey, Spring 2018

Residential longevity is a bit higher than in 2015: today, half the owners have been in the same residence for over three years; 30% for one to three years; and 20% for less than a year.

When explaining where they lived prior to their current address, responses differ sharply depending on whether participants now live in the District or in the suburbs within the Beltway. (See Figure 12.) Among the suburban homeowners, nearly three out of 10 moved from the District. Another 31% simply moved within the same suburban community, and a similar share moved from a different

D.C. suburb. In contrast, close to eight out of 10 District owners already lived inside Washington, D.C. before purchasing their current residence. In both locations, only one-tenth of respondents migrated into the metro area from elsewhere.

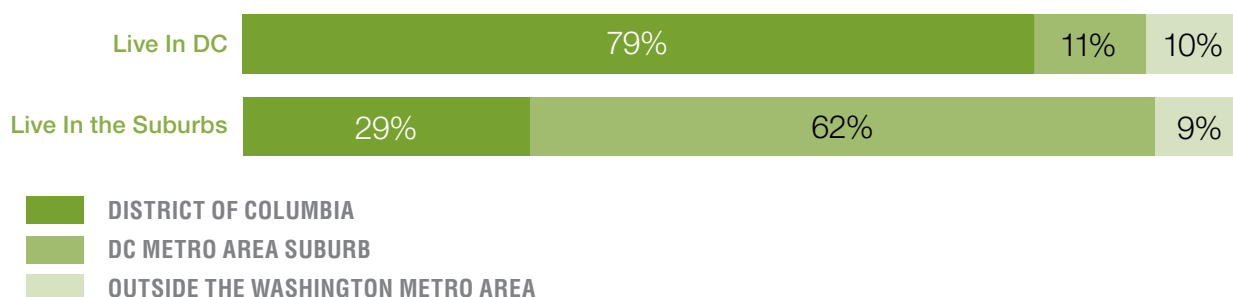
The survey listed 11 possible reasons for buying a home, and respondents were asked to identify their top three motivations. The results are:

- 47% say owning a home offers stability and certainty.
- 46% believe owning a home is a good long-term investment.
- 42% wanted more space and privacy.
- 31% are conscious of escalating housing prices.

The same four top-rated factors were cited in 2015's survey.

Of the 445 owners, 36% agree that high housing prices certainly deterred or delayed their decision to buy—up from only 25% in 2015. In both years, another one-third say high prices were somewhat of a deterrent. Nonetheless, many Millennials are buying—

Figure 12. Location of Homeowners' Prior Residence



n=445

Source: Lachman Associates survey, Spring 2018

and doing so within the Beltway. Overall, our respondents are content with their residential decisions.

TRANSPORTATION

Even though 69% of survey households have a car (including 82% of those living in the Virginia and Maryland suburbs inside the Beltway), only 32% typically drive alone to work or school. Another 3% carpool. (See Figure 13.) Car ownership hasn't increased since 2015, but commuting alone by car is up six percentage points in the last three years. This could be a function of Millennials' aging, a need to drop children off along the way, or frustration with METRO's crowded conditions, ongoing repairs, or service delays.

Remarkably, 44% of Millennials commute by public transit, and another 18% walk or bike. Only a handful of American center cities offer so many travel options. In fact, Redfin gives Washington, D.C. a Transit Score of 70, the fourth highest in the country; only San Francisco, New York, and Boston receive better scores.⁵

As illustrated in Figure 13, our respondents' commuting patterns did not change much between 2015 and 2018. Behind these numbers are a few key differences between those who live in the District and the suburbs inside the Beltway. Twice as many suburbanites commute in a car by themselves; three times as many D.C.ers walk

5 Amy Musser, "The Best Cities for Living Without a Car," www.redfin.com, February 6, 2017.

Figure 13. Millennials' Commuting Methods*

	2015	2018
PUBLIC TRANSIT	47%	44%
(METRO RAIL ONLY)	(28%)	(28%)
(METRO RAIL + BUS)	(9%)	(10%)
(BUS ONLY)	(10%)	(6%)
DRIVE ALONE	26%	32%
CARPPOOL	3%	3%
WALK/BIKE	19%	18%
TAXI/UBER/LYFT	5%	3%

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

n=1,281 in 2015; 1,244 in 2018

Source: Lachman Associates surveys, Spring 2015 and 2018.

or bike to work or school. Public transit usage is similar for both groups.

Commute times are very reasonable for most Millennials: six of 10 spend a half hour or less getting to and from work or school.

Survey respondents were questioned about how important METRO station access/proximity was in selecting or staying in their current residential location. The answers:

ONE OF MY TOP 3 FACTORS	60%
A PLUS, BUT NOT ESSENTIAL	31%
NOT A PRIORITY	7%
I DIDN'T VALUE IT BEFORE I MOVED HERE, BUT I DO NOW	2%

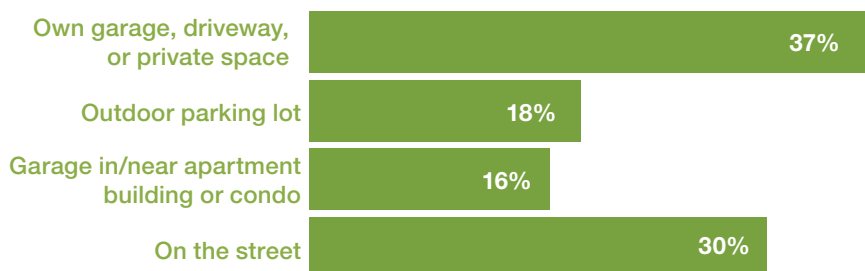
The 2015 results were very similar. Notably, the response pattern is the same for Millennials in the close-in suburbs and in the District. Even so, riders complain about undependable service, limited evening and weekend schedules, and crowded trains and buses.

When questioned about how respondents use their cars, the 2018 answers don't vary much from 2015. In 2018, study area Millennials use their cars for many reasons other than commuting:

- To visit friends/family who don't live in my neighborhood (79%)
- To do shopping at stores outside my neighborhood (78%)
- To do grocery shopping (75%)
- To go to restaurants, bars, etc. not nearby (58%)
- To go to concerts, theater, movies, etc. (48%)
- To go to parties and other social events (45%)

Almost four of 10 respondents with cars are fortunate enough to park in their own garage, driveway, or a private space adjacent to their home, as shown in Figure 14. This is up from 29% in 2015 and, in part, reflects the higher homeownership rate. Neighborhood streets are still a common parking location for automobile owners, with 30% trying to find spots as close to home as possible. The remainder use a garage or outdoor lot in or near their apartment/condo building.

Figure 14. Where Millennials Park Cars Overnight



n=945

Source: Lachman Associates survey, Spring 2018.

Millennials like Uber, Lyft, etc. Only 14% of respondents use them daily, but 39% employ them frequently and an additional 38% use them a couple of times a month. Only 9% have no need for this service, a sharp drop from the 24% who claimed they had no need three years ago. Respondents use Uber *et al* late at night (69%), after drinking (65%), to reach places ill-served by public transit (56%), to go to an airport, to travel quickly in inclement weather (42%), and/or when going to a location where parking is difficult (40%). Usage has clearly increased since 2015.

Half the surveyed Millennials' households own bicycles. Of those, 54% use them only occasionally or almost never. At the other end of the spectrum, 29% of bike owners ride regularly; and 16% use their bicycles daily. Bike sharing, either through Capital Bikeshare or newer providers using phone apps, attracts an additional group of riders: 16% of all respondents use bike sharing a lot, and another 13% ride in good weather. Two-thirds of Millennials applaud bike share programs but rarely use them, if at all. Many respondents have safety concerns and believe dedicated bike lanes are badly needed on more streets. This suggestion arose in response to several questions about public services, as was also true in 2015.

PARKS, RECREATION, AND SOCIALIZING

In 2015, we learned that Millennials value public parks and use them heavily. This year's survey did not ask as many questions about parks or recreational activities because the results were so uniformly positive in the last survey and we assumed they would not have changed much. Instead, we confirmed that the view of parks remains positive

and that they are still considered notable neighborhood amenities.

In 2018, eight of 10 respondents rate the condition of Washington's public parks as excellent or good. In terms of safety, 57% say they always feel safe in the parks, and another 36% feel safe most of the time. Overall, opinions about parks are as good or better today as three years ago. Among 2018 respondents, 38% say that parks influence their willingness to remain in their neighborhood or community. In 2015, older Millennials used parks more heavily than the younger cohort, so it is reasonable to assume that enthusiasm will continue as the Millennial generation ages.

In terms of socializing with friends, the most popular places to gather (with multiple choices possible) are: at a restaurant (74%), at home (72%), and at a bar (59%). Nothing else comes close. The only change since 2015 is a drop in going to bars, which were mentioned by two-thirds of the earlier respondents. Perhaps this change also reflects the aging of the respondent group, and its increasing family orientation.

Preferred locations for weekend socializing are diverse, with the favorites being:

VISITING DISTRICT NEIGHBORHOODS KNOWN FOR ENTERTAINMENT AND RESTAURANTS	38%
DIVERSE LOCATIONS, WITH NONE DOMINATING	21%
STAY HOME OR IN RESPONDENT'S APARTMENT COMPLEX	18%
VISIT FRIENDS IN THEIR HOMES	14%

When asked how their weekend activities might vary three years from now, just over one-quarter anticipate no change. Almost

half believe they will spend more weekend time with family and friends; close to one-third expect to have more personal time; and one-quarter hope for more “play” opportunities. Less than 12% think they will spend more time on civic or charitable efforts. (More on that subject shortly.)

OTHER NEIGHBORHOOD FEATURES AND AMENITIES

In addition to parks and recreational facilities, respondents were asked to identify the best attributes of their current residential neighborhoods. They could choose up to three of nine options and/or add attributes of their own. Their selections are shown in Figure 15 and are broken out for District and suburban dwellers. The first three characteristics—walkability, safety, and nearby shops and services—match the 2015 results. Demographic diversity (ages, races, household types) ranks fourth this year (third in the District and fifth in the close-in suburbs). The characteristic that emerges as more

significant this year is “Quiet, not congested.” This growing preference—along with other lifestyle changes such as more married/partnered couples, fewer Millennials with roommates, a higher share of child-oriented households, and less interest in socializing in bars—reflect the fact that our respondents are getting older.

Looking forward, we asked respondents to identify the five community features that would be most important if/when they move, and we requested that they rank them from #1 to #5. The results are shown in Figure 16. As was true in 2015, proximity to work is ranked first by one-third of survey participants, followed by walkability and access to public transit. Looking at the “total votes” column on the right side of Figure 16, there are changes from 2015. Proximity to work still draws the most votes, but the second rank goes to proximity to shopping, dining, and entertainment, which was in fourth place three years ago. Walkability and access to transit drop to third and fourth—down one rank. Personal safety/home security remains in the fifth spot.

Figure 15. Best Neighborhood Attributes*

	LIVE IN DC	LIVE IN SUBURBS	TOTAL
WALKABLE	61%	53%	58%
STABLE/SAFE	39%	50%	43%
SHOPS/SERVICES	28%	33%	30%
DEMOGRAPHIC DIVERSITY	31%	21%	28%
QUIET/NOT CONGESTED	24%	23%	24%
LIVELY/TRENDY	28%	17%	23%

*Respondents could select up to three attributes.

n=1,369

Source: Lachman Associates survey, Spring 2018.

Figure 16. Important Community Features of Next Residential Location

FACTOR	NUMBER OF RESPONSES BY RANK					TOTAL VOTES
	1ST	2ND	3RD	4TH	5TH	
Proximity to work	436	171	169	128	140	1,044
Proximity to shopping, dining, entertainment	87	179	260	185	173	884
Walkability	213	178	193	146	137	867
Access to public transit	169	211	153	134	145	812
Personal safety/home security	150	138	137	149	131	705
Proximity to family/friends	88	169	102	143	104	606
Pleasant ambiance/building upkeep	19	44	61	97	126	347
Public school quality (K–5)	91	83	54	45	90	363
Quiet residential neighborhood	46	49	56	63	68	282

n=1,369

Source: Lachman Associates survey, Spring 2018.

Figure 17 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 every factor is highlighted in yellow. Walkability and access to public transit are two of Washington’s most valued attributes and, as shown, both are rated as critical by a majority of Millennials—though they receive somewhat lower scores than three years ago. The share of respondents rating access to transit as critical dropped by nine points.

One-third of survey respondents consider “affordability of apartments/condominiums with two or more bedrooms” to be critically important; and the same is true of both “availability of affordable single-family homes”

and “availability of affordable townhouses or row houses.” These ratings match those in 2015. When the number of respondents who check “desirable” for the three affordability attributes is combined with the “critical” allocations, over 60% of Millennials express serious concern about the cost of housing.

The one neighborhood quality that half consider not at all important is “plenty of kids’ activities.” This also stood out in 2015 and again highlights how few of the Millennial households are child-oriented.

“Residents’ diversity” is also an interesting case. In 2015, 55% of respondents rated it as critical or desirable. This year, the proportion valuing diversity is 63%, or almost two-thirds of all Millennials.

Figure 17. Rating of 16 Neighborhood Qualities

	CRITICAL %	DESIRABLE %	SLIGHTLY IMPORTANT %	NOT AT ALL IMPORTANT %
LOTS OF RESTAURANTS	14%	63%	18%	6%
LOTS OF BARS	7%	39%	30%	24%
PLENTY OF KIDS' ACTIVITIES	9%	22%	21%	49%
RESIDENTS THAT ARE LIKE ME	10%	40%	35%	16%
WALKABILITY	57%	34%	8%	1%
VIBRANCY	22%	53%	20%	5%
QUIET AREA	16%	44%	32%	8%
CONDITION OF HOMES, COMMERCIAL BUILDINGS, STREETS, ETC.	33%	52%	13%	2%
SOPHISTICATION	11%	37%	36%	16%
RESIDENTS' DIVERSITY	17%	46%	25%	12%
PROXIMITY TO GOOD TRANSIT SERVICE	51%	35%	12%	2%
CONVENIENT RETAIL STORES	19%	56%	22%	4%
ARCHITECTURAL CHARACTER/ VISUAL APPEAL	17%	48%	29%	7%
AVAILABILITY OF APARTMENTS OR CONDOS WITH TWO OR MORE BEDROOMS THAT I/WE COULD AFFORD	34%	29%	18%	18%
AVAILABILITY OF WELL-DESIGNED TOWNHOUSES OR ROWHOUSES THAT I/ WE COULD AFFORD	34%	34%	18%	14%
AVAILABILITY OF SINGLE-FAMILY HOMES THAT I/WE COULD AFFORD	34%	29%	17%	20%

n=1,369

Source: Lachman Associates survey, Spring 2018.

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

- **33% say bike lanes are insufficient and/or unsafe, and responses are consistent across geographies. This is the same share as in 2015, but this complaint ranked third then rather than in the first-place spot this year.**
- **31% mention the condition of streets, curbs, and sidewalks and, again, responses do not vary between the District and the suburbs inside the Beltway. This was the #1 complaint in 2015, when it was cited by 40% of participants.**

No other service was deemed inadequate by more than 20% of this year's respondents. In 2015, 36% highlighted mass transit (just 18% now) and 29% were unhappy with public schools. This year, only 19% mentioned dissatisfaction with schools. This could suggest that, as more Millennials have actual experience with the public schools, their opinions are more positive.

As in 2015, respondents are not paranoid about safety, do not seem to have experienced much crime,⁶ and do not complain about policing. This is encouraging, as good local government services will be important in retaining Millennials inside the Beltway.

IMPORTANCE OF RETAIL

Convenient retail stores selling everyday necessities are highly desirable neighborhood amenities, as indicated in Figures 16 and 17. Most residents are well served in their current locations, with more than half (55%) saying they live within a 10-minute walk of a full-service supermarket; another 21% are within a 10-minute drive. In terms of pharmacy access, an even higher share (63%) are within a 10-minute walk and another 19% are within a comparable drive.

Nearly three out of four survey participants are within a 15-minute walk of a neighborhood business district, up slightly from 2015. Even though 22% rate shopping quality, variety, and convenience in their neighborhoods as excellent and another 43% say the shopping is good, 40% of Millennials report shopping primarily online for such non-convenience items as clothing or gifts. Small independent shops come in a distant second, cited by 20%. This pattern duplicates our 2015 findings.

As a corollary, 38% of respondents receive delivered packages—other than food or groceries—at least once a week. Another half get packages a few times a month. More than two-thirds say they have a secure place for deliveries if no one is home.

In contrast to their package deliveries, only 18% have prepared food or groceries home delivered at least once a week. However, 63% eat out for dinner at least weekly.

⁶ 17% of all respondents say they had a bike stolen while living in Washington. ULI did not ask explicit questions about other crimes.



CIVIC INVOLVEMENT

Nearly 60% of ULI's 2015 respondents said they were not involved in any neighborhood, religious, civic, or political activities. Three years later, engagement increased somewhat: in this survey, the uninvolved share dropped to 52%.

Among those engaged with their communities, the activities most frequently mentioned are:

- **Charitable or service groups not related to education: 17% (14% in 2015)**
- **Farmers' markets: 14% (13% in 2015)⁷**

- **Religious groups: 13% (10% in 2015)**
- **Festivals and celebrations: 8% (8% in 2015)**

The order is consistent; but in two cases, participation rose a bit over the three-year period.

A new question this year asked whether the respondent's building or neighborhood has a web site, blog, Facebook page, or other social media presence for sharing information and publicizing activities. Over half say "yes"; but of those, only one-quarter use it frequently and half do so occasionally. Looking ahead, this is likely to be an expanding activity.

⁷ Respondents could be involved as shoppers/consumers as well as volunteers.

Appendix A

TWO SOMEWHAT DIFFERENT PERSPECTIVES: ULI AND KOGOD

In the interim years between the ULI 2015 and 2018 surveys, American University's Kogod School of Business issued yearly reports on Millennials titled *The Greater Washington Index*. A comparison of the two studies is included here to broaden the perspective of the ULI Washington survey findings. One of the biggest differences is that the Kogod survey expands the area of inquiry outside of the Beltway. It can be surmised that those living closer in to the center of the region make higher salaries and are generally more satisfied with their quality of life. Longer commutes for those outside the core seem to be more prevalent although concerns about housing costs are clearly top of mind for all respondents.

Methodologically, Kogod's 2017 survey had 502 respondents, as compared with 1,369 for ULI in 2018. Both define Millennials the same way in terms of birth years and both are online surveys relying upon "willing" respondents rather than scientifically-designed samples. Again, Kogod takes a metro-wide perspective, whereas ULI concentrates inside the Beltway. As a result, the demographics of Kogod respondents are different from those in ULI's surveys. One significant variance is that 19% of Kogod's respondents report living with parents or grandparents, as compared with just 5.5% of ULI's participants.

A critical question behind the Kogod surveys is: "Can the Washington area keep its Millennials?" ULI Washington had the same

concern when it undertook its first survey in 2015: essentially, would Millennials remain within the Beltway as they aged, partnered, and had children? ULI's findings then—and now—are more sanguine than Kogod's. Some differences may simply be interpretive. For example, Kogod concluded in 2017: "Only a very small percentage [of Millennials surveyed] say they are being pushed away by high costs, limited housing choices and bad traffic, yet those items are top-of-mind when Millennials are asked about the downsides of the region. The reality seems to be that Washington is not a long-term fit for many Millennials." Kogod emphasizes concerns over three "Cs": costs, commutes, and crime. ULI's respondents stress over housing costs but not their commutes and certainly not crime.

Kogod's and ULI's surveys cover different geographies, which produces a few stark contradictions in findings, as well as a few similarities. ULI's 2018 survey asked a few identical questions to get opinions from Millennials living within the Beltway, and then compared the responses with Kogod's survey covering the metro area as a whole. Here are the findings:

- **Half of ULI's participants "love D.C. and plan to stay here forever," which is much higher than Kogod's 28%. As significantly, 40% of Kogod's Millennials explicitly disagree with the statement versus just 19% of ULI's. (See pie chart in Figure 18.) Residents inside**

the Beltway are far more content—to the point that 86% of ULI’s survey participants who plan to stay in the metro area claim they are likely to remain within the Beltway.

- That said, the second set of pie charts in Figure 18 are less divergent: 46% of Kogod’s respondents agree that they “basically live paycheck to paycheck,” versus 36% in ULI’s survey. However, almost half of ULI’s participants disagree whereas only a third of Kogod’s sample disagrees. A key explanation: Millennials within the Beltway are better educated and have higher incomes.
- Both surveys asked respondents to look ahead three to five years and rank their top three of six goals. The #1 rankings in each survey are ordered consistently, though the emphasis varies:

	ULI 2018	KOGOD 2017
GET IN BETTER FINANCIAL SHAPE (SAVE MONEY, PAY DOWN DEBT, ETC.)	33%	28%
FAMILY (MARRIAGE, HAVING KIDS, RAISING KIDS, ETC.)	27%	22%
MOVE AHEAD IN MY CAREER	19%	20%
ENJOY MYSELF (TRAVEL, TIME WITH FRIENDS, HOBBIES, ETC.)	14%	14%
BUY A HOUSE	4%	10%
GET ADDITIONAL EDUCATION	3%	6%

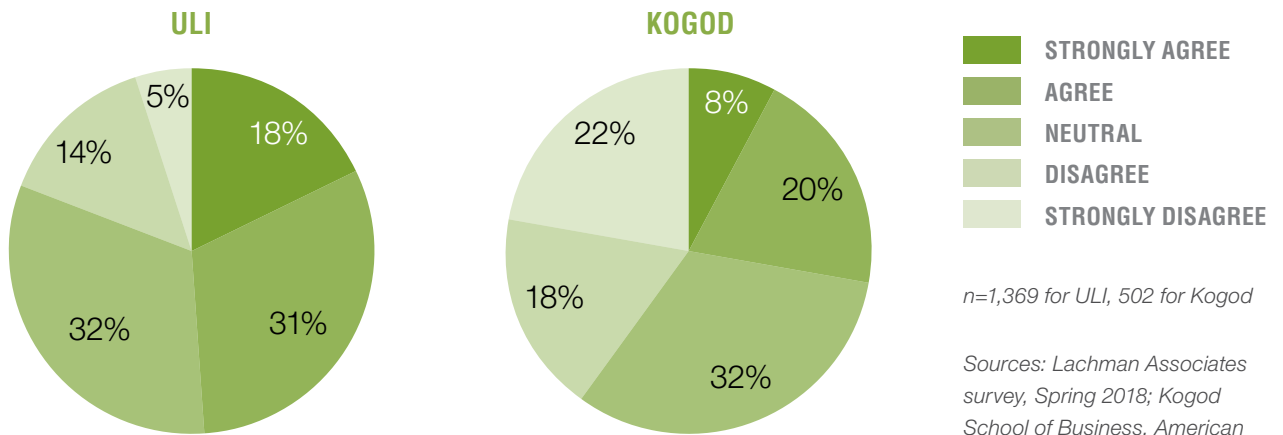
Somewhat more D.C.ers focus on financial progress, and more metro residents cite purchasing a home as their primary goal.

- Commuting is more challenging for Millennials living outside the Beltway, as shown in the third pie chart in Figure 18. Three out of 10 Kogod respondents say “My commute is killing me,” versus two of 10 ULI respondents. In fact, 60% of those surveyed within the Beltway disagree with the statement. In ULI’s survey, 62% of respondents have a commute of one-half hour or less, versus 43% of Kogod’s sample. A meaningful difference.

A critical question behind the Kogod surveys is: “Can the Washington area keep its Millennials?” ULI Washington had the same concern when it undertook its first survey in 2015: essentially, would Millennials remain within the Beltway as they aged, partnered, and had children? ULI’s findings then—and now—are more sanguine than Kogod’s.

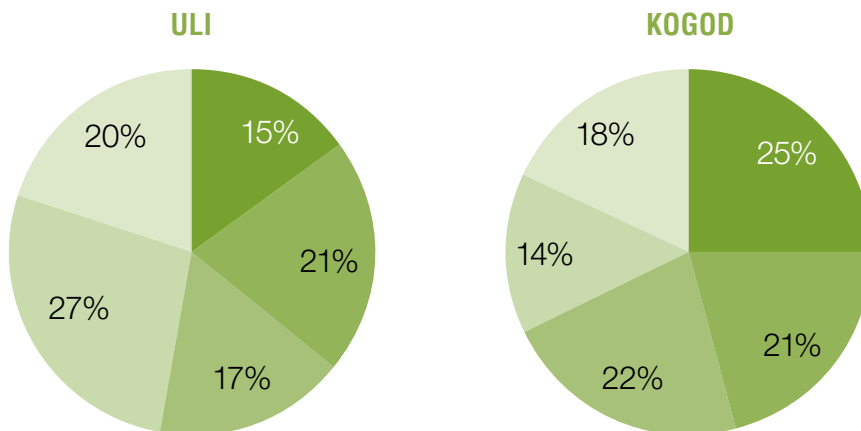
Figure 18. Comparison of ULI and Kogod Survey Results

I LOVE DC AND PLAN TO STAY HERE FOREVER

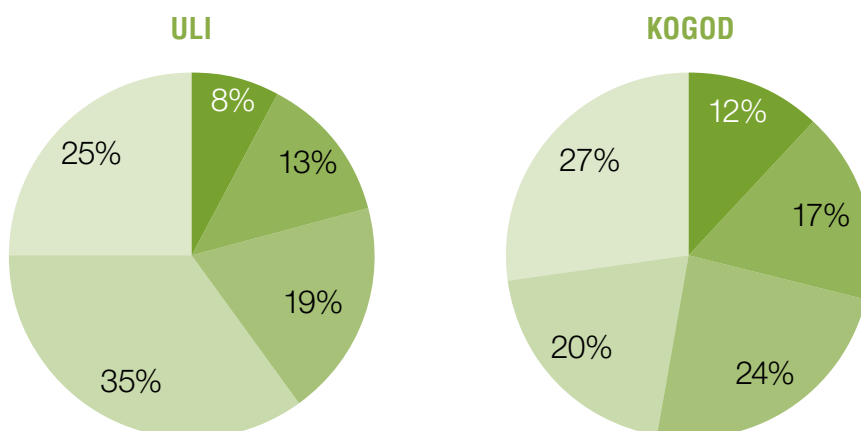


Sources: Lachman Associates survey, Spring 2018; Kogod School of Business, American University, Millennials: 2017 Greater Washington Index.

I BASICALLY LIVE PAYCHECK TO PAYCHECK



MY COMMUTE IS KILLING ME



Appendix B

ULI WASHINGTON 2018 SURVEY METHODOLOGY

This is a follow-on survey to one conducted three years ago for ULI Washington. The purpose then, as now, was to understand Millennials' perspectives on living inside the Beltway,⁷ with an 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 national survey research company. The earlier 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 questions. A total of 1,344 surveys were completed: 693 obtained through Qualtrics and another 651 generated through outreach efforts by ULI Washington to its contacts and affiliates.⁸

For the current survey, Lachman Associates followed the same procedures and worked

once again with Qualtrics. This survey was conducted from April 17 to May 1, 2018 with the same Millennial cohort, now ages 23-40. This time, 1,369 surveys were completed: 700 obtained through Qualtrics and another 669 generated through ULI Washington's outreach efforts.

Because of the limited geographic area from which respondents were drawn for both surveys, and the consequent smaller pool of potential respondents, no attempt was made to be representative. Rather, these can be described as "surveys of willing Millennials" living inside the Beltway. Nonetheless, based on comparisons with national Millennial surveys and with discrete data sets on various topics, these surveys appear to be surprisingly representative. Furthermore, 2018 survey results mesh in an almost uncanny way with the 2015 findings.

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

8 As in 2015, to increase the 2018 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 20 local neighborhood blogs
- Young Leader groups at six local real estate professional associations (ULI, AIADC, NAIOP Northern VA, DCBIA DLD, NAIOP DC/MD, CREW)
- Moms on the Hill
- Fannie Mae Young Professionals Group
- Staff at two large private real estate companies
- 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.

About the Authors

M. LEANNE LACHMAN is president of Lachman Associates, a real estate consulting firm serving private and institutional investors. She is also an executive-in-residence at Columbia University's Graduate Business School and is on the board of Lincoln National Corporation.

After an early career in 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 subsequently 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*. She 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.

She formed Deborah L. Brett & Associates in 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. Brett is the author of *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.

DR. LAWRENCE J. BECKER assisted with survey design, sampling, and statistical analysis. He holds a PhD in social psychology from the University of California at Davis and has extensive experience in market and advertising research.





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