



Rodney's Take

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Millennials Get Screwed Again

In 2017, my wife and I moved from Tampa to a small town halfway between Houston and Galveston. We'd bought our last home in Tampa at the absolute bottom in early 2012. That was a fluke. While we did quite well on the home, that has not been our norm. We're now in abode No. 10. Typically, we buy at a decent price, sell at a modest profit, and then watch the price of our former home zoom out of sight. The *Wall Street Journal* tells me that's about to happen again with the home we recently moved out of.

We moved from Tampa to Texas to be closer to aging parents and family in general. We found a small island (literally) community, where most of the homes are on stilts and golf carts are not just acceptable but the preferred mode of transportation. Our home was on the water on Clear Lake, which empties out into Galveston Bay and the Gulf of Mexico. It was perfect... or so it seemed.

While I liked the neighbors, eventually I was reminded why I don't go to the beach in high season. Everyone is on vacation and out to prove it. Our neighbors were very friendly... and likely to burst into song at any minute, usually a Jimmy Buffett tune or a song by the kind of band my lovely wife calls "dead guys with guitars." The neighbors also were fond of regaling us with many kinds of old Southern rock at any time of the day or night, often by means of karaoke and a powerful microphone, sometimes with an audience of neighbors who parked their golf carts in our yard. We sold that home and made a nice profit in late 2019, but it's worth much more now. (I am still glad not to be paying the flood insurance on that house.)

We moved to a golf course community, even though I don't particularly like golf. I like the view as I work. The home we bought was large and had good bones, but it was a travesty when we moved in. The sellers had lived there for 30 years but had done nothing—or nothing good—to the property. The flowerbeds were overrun with weeds and pots from Home Depot (usually long divested of their original plants and half-buried in the ground), and the property had no fence, even though it was on the No. 1 hole of the golf course by the clubhouse. On a typical weekend morning, it was not unusual to see 20 or more carts all swarming that first tee box... We loved having the course in our back yard, but the fence was a must-have.

My wife and I took the home as a personal challenge. After all, this was to be our “forever home,” to be decorated as we wanted. It had plenty of space for when our kids came home with their kids. We spent several years and a lot of money on that home, and it worked. From the renovated bathrooms to the wrought iron fence, it was transformed. But, as the old saying goes, “If you want to make God laugh, tell him your plans.”

When I got my cancer diagnosis, I knew that the clock was ticking. My wife and I agreed that she neither needed nor wanted to maintain a big house, so we went on the hunt for a smaller, one-level home. I worried about getting my money out of a large, two-story home on a golf course. But it turns out, demographics once again were working for me. While I might not have hit the jackpot on any of the homes we owned before, the prices on (almost) all of them were on the upswing when we moved. It turns out that if you can wait a bit, being in Gen X can have its benefits. Millennials want what we have, and there's lots of them.

I bought my now-forever home and spent six weeks getting things done to it—like fresh paint, new floors, and an electric winch in the attic—before we moved. As for that winch, it helps to have great friends like Thom Hall and his son Jacob, who showed up just as we moved and made it happen. Thanks, Thom and Jacob!

With the market in the deep freeze, I wasn't sure what to expect in terms of getting a decent value on the house we were selling. The only comps were homes that needed a lot of work. We listed our large home on the market on a Friday, and by that afternoon we'd gotten several offers, including one at list for cash. We went with an offer over list, and took a backup cash offer well over list the next day. Golf is back in style, and the Millennials are itching to move to bigger homes.

The problem, as we all know, is inventory.

We had specific issues to address, which is why we moved. Otherwise, we'd still be in the house on the golf course. But in time, sellers like me will have reasons to move. Their priorities will change, or buyers will step up a bit more to make it worth it to sell. It happened in the late 1970s and early 1980s when the Boomers bought their first homes. It's happening as Millennials take the plunge, even with high prices and what must seem to them like high mortgage rates. Too many Millennials are waiting on the sidelines. Eventually, they will jump in.

I was born in the early part of Gen X (with a birthday in the mid-1960s). If I wanted to make the most on my real estate, I would have held on a little longer, knowing the huge Millennial generation is right behind me. But I know something else. Few people, including me, are looking at their personal demographics when buying homes. People instead look at whether they need more space or less, more amenities or less, etc. Whether entire generations are leading or following them is almost irrelevant. In 10 or 15 years, when the buyers who purchased my home on the golf course decide it's time to go, chances are they will make a bundle selling that house. That's okay with me. I enjoyed that home, and I'll enjoy my new one. And when it's time for us to move, a wave of Millennials will have begun looking to buy what I currently have.

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Got a question or comment? You can contact us at info@hsdent.com