

GENERATION RENT

Most millennial will be living in rented accommodation

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In the mid-1990s around one in 20 families with children lived in the private rented sector. Now more than one in five do. More than half of all private renters are now over 35. A form of tenure once confined to urban centres and university cities has spread to the suburbs and small towns. [Security of tenure is a big issue](#). The norm in England is a 12-month lease with no obligation to renew, whereas continental European countries offer much more security. Germany, for instance, gives tenants who behave themselves an indefinite right to remain in their homes.

Developers regard Millennials – who want to live in dense urban areas, to prioritise convenience above all and ideally to travel on foot rather than by car – [as the core target market for mixed-use developments](#). Millennials also want community and mixed-use developments to incorporate amenities that encourage socialising, such as co-working spaces and gyms. Mixed-use developments are a response to a change in consumer behaviour as, with the rise of convenience culture, physical retailers are suffering and struggling to attract younger shoppers through their doors.

Homeowners are benefiting from the coronavirus crisis, with cheap borrowing and government tax cuts driving real estate prices to an all-time high last year - but [ownership is further out of reach for the young, particularly in London](#) where the value of property has almost doubled in the last decade. There are implications for the productivity of the economy. High housing costs can make it hard for workers to relocate, depriving companies of talent and robbing young people of opportunities for better jobs and pay. Gary Stevenson, an inequality economist and former Citibank trader, warns that London house prices could double again. "It makes social mobility completely impossible and housing completely inaccessible for the bottom 50 or 60 percent of society.

CO-LIVING

Is co-living an answer to isolation?

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Tomer Bercoviz, chief executive of fast-growing co-living brand Vonder, believes Covid will enhance demand for co-living from people who have spent months in isolation, living alone or within their limited support bubble. That's why Vonder is focussing more on community than a communal living experience. Their goal is to improve how people live, work and socialise.

[New development Vonder Skies](#) contains over 100,000 sq ft of residential space over five floors and includes state-of-the-art amenities and unique courtyards. 271 apartments provide options from studios to one-bedroom and two-bedroom flats. Average apartment size is 37 square metres. Vonder are seeing high demand, especially from young professionals. Leasing options - minimum of three months – are flexible.

Tenants belong to a true, active and supportive community but are still able to enjoy their alone-time in their spacious private spaces. Vonder's philosophy goes beyond housing to a way of life. Curated events and content provide people with the opportunity to connect, experience and embark on new urban adventures.

Some have advocated that [building community networks within student accommodation](#) can help address isolation and associated mental health issues.

In late 2019, the report Emerging Trends in Real Estate Europe picked co-living as the sector with the third-best prospects for the coming year. By autumn 2020, it had slipped to 14th out of 27.

FURTHER READING

