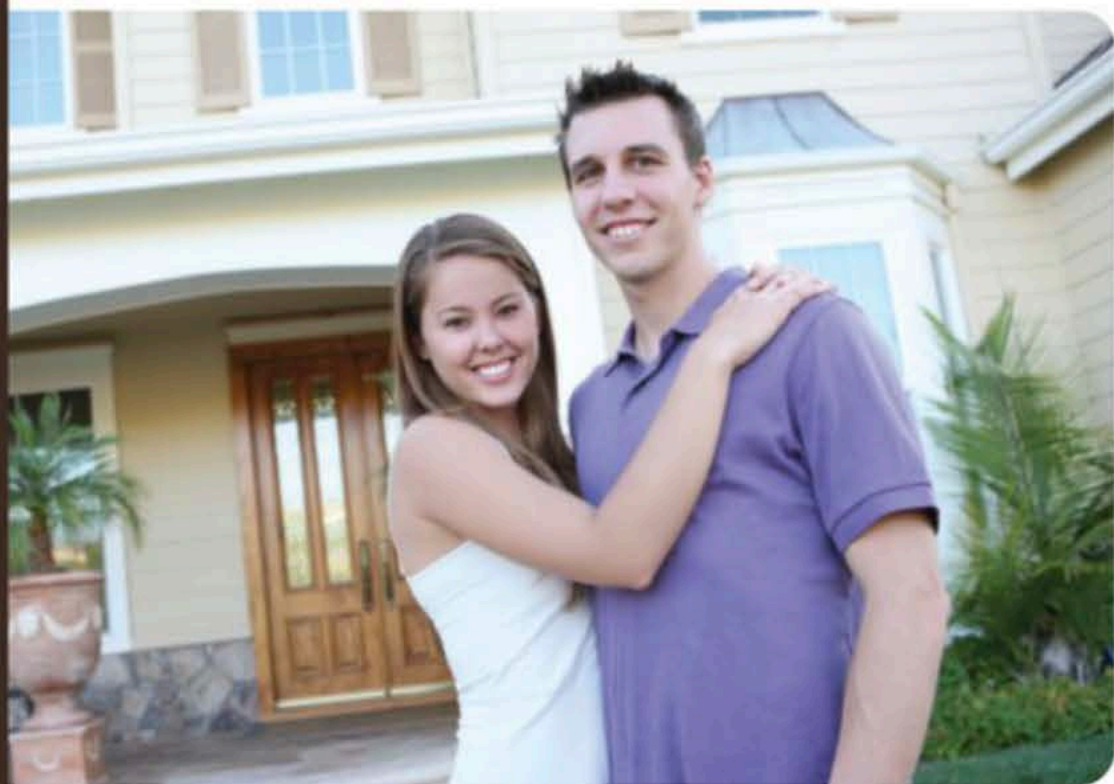


MILLENNIALS: THE NEXT GAME CHANGER



Keep your eye on the millennial generation as emerging game changers in the local real estate market.

Home valuations in many Santa Clara and San Mateo county locations have appreciated by over 50% since the 2008 recession and continue to grow. I suggest that cheap money is the #1 factor driving this impressive growth: Institutional lending at historically low interest rates has enabled many borrowers to participate in the market recovery, and borrower enthusiasm for virtually free money is reflected in current price levels.

Of course, there's more to the equation than cheap money. The market also always needs confident buyers and willing sellers. Identifying the latter is a current challenge, though not an uncommon one. Heavy investing in our local tech sector, enhanced by the same cheap money that's driven home sales, has fueled confidence and increased salaries for technology workers who are now competing for homes as well as top jobs.

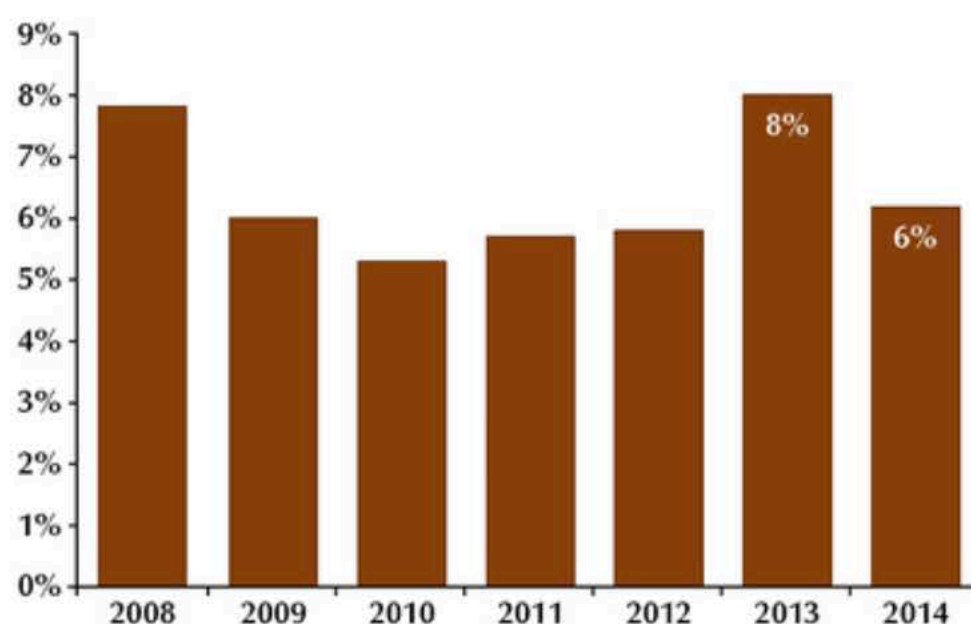
As a sixth-generation native to Silicon Valley, I've witnessed significant changes in the overall landscape that only continue to accelerate. As the millennial generation enters the local housing market in increasing numbers, for example, expect this demographic to influence real estate demand for years to come. Although Millennials don't necessarily follow the same timelines and expectations as their parents (when to drive, move away from home, get married, have children, etc.) they are the future of our communities, from future homeowners to business and community leaders.

The millennial generation is brimming with smart, talented and enthusiastic individuals who want to change the world. In my experience, many are good at saving and have solid long-term

plans for their lives. While Millennials aren't yet the largest segment of today's real estate market, just wait. These young individuals will ultimately start families and inevitably become keenly interested in quality schools, communities, and homes.

The future is bright for this generation and I'm excited to witness the transformation. In fact, my sense is that we'll soon see headline news stories in the media about Millennial participation in the local real estate market that rivals the substantial coverage of foreign investors. The latter have received so much press that we now have the stereotype of foreign nationals with suitcases of cash buying up local housing stock as never before—with no end in sight.

From my perspective as a Broker Associate serving Santa Clara and San Mateo counties, international buyers are a steady—but hardly a new—segment of the local market. Over the last 13 years, I've personally helped many foreign nationals from all parts of our great world to locate and purchase primary homes and investment properties here. What motivates their interest? Numerous factors, such as relocating to a new home as a recent immigrant, establishing residency for a business, enabling a US-based education for children, or diversifying an investment portfolio, to name a few.



Percentage of International Buyers: US Real Estate

While foreign investment accounts for a relatively small segment of overall market activity (see chart), demand by international buyers is strong and steady and has become a more significant part of our current market than in previous cycles. But for all their strength and influence, keep your eye on the Millennials. They're the next wave of market movers and they have their own set of unique needs when buying different from the generations before.

Contributed by Nicholas French, Broker Associate at Sereno Group. More in-depth local real estate articles and free newsletter sign-up at realtornickfrench.com/newsletters.



About

Nicholas French

As a 6th generation Bay Area native, Nicholas French has a deep understanding and unmatched passion for the local markets—from the Peninsula to the South Bay. Throughout his 13 years in the real estate business, he has consistently been ranked as a top-performing agent and in the highest 1% (by volume).

Nicholas brings a wealth of knowledge, experience, strong negotiation skills and professionalism to his practice and is well respected by his colleagues—important in the bay area market where multiple offers are the norm and agent-to-agent relationships matter.

The backbone of Nicholas' business revolves around his philosophy of providing added value to his clients during all phases of their real estate needs—not just the transaction—resulting in a stress-free journey for you.

2014 Sales: \$61,108,003

2014 Transactions: 42


Total Career Transactions: 345

Personal Information:

Nicholas is an avid swimmer, cyclist and runner and competes in several IRONMAN triathlons each year. He and his wife make their home in Los Altos Hills and are expecting their first child—a baby boy—in January.

NICHOLAS FRENCH

369 South San Antonio Road, Los Altos, CA 94022 • 650.773.8000
nicholas@serenogroup.com • realtornickfrench.com • CalBRE# 01350085

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