Shaping the Future: Demographic Trends and Their Impact on Housing and Economic Growth

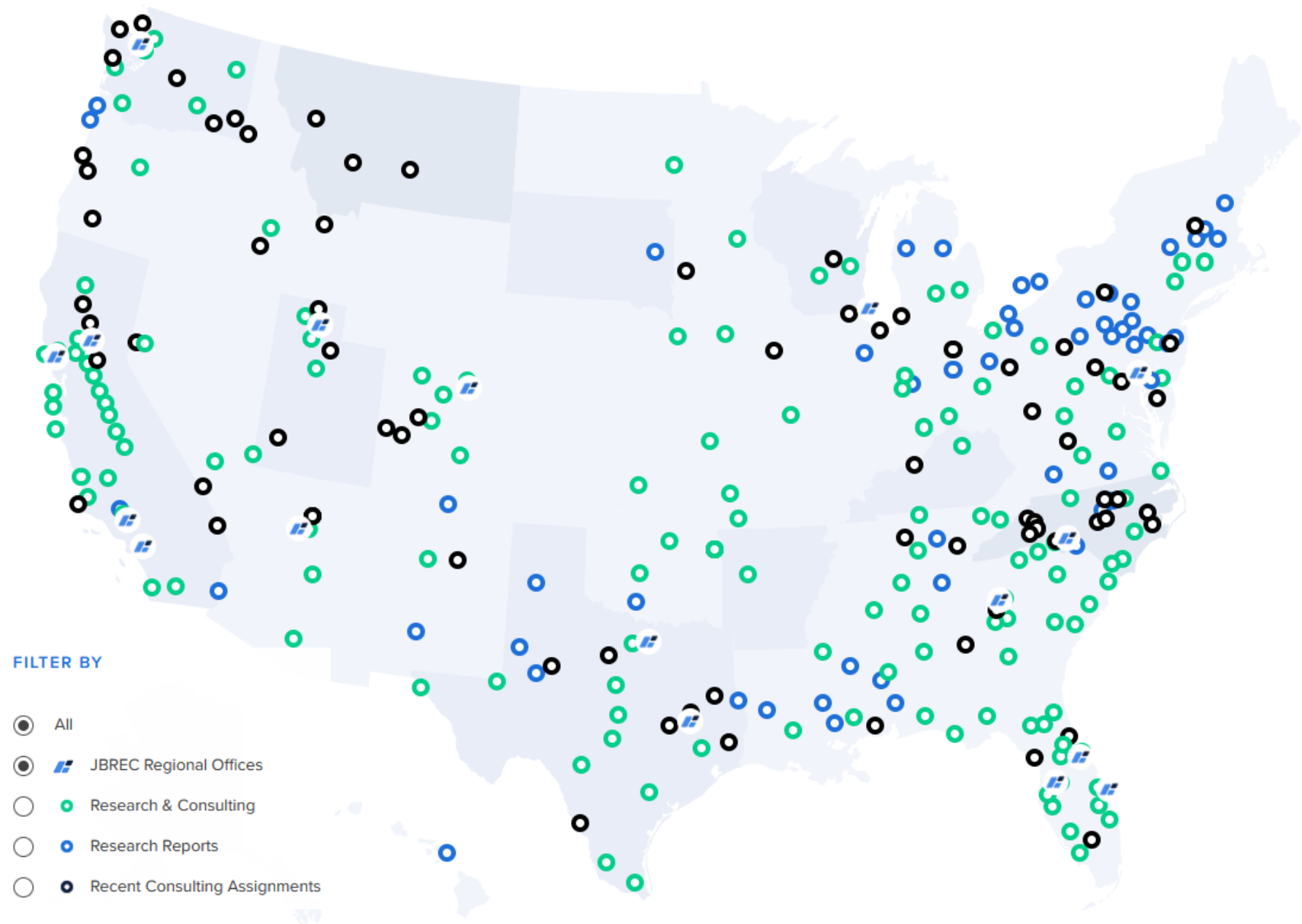**JOHN BURNS**
RESEARCH & CONSULTING

New Mexico Builders Summit
May 16, 2025
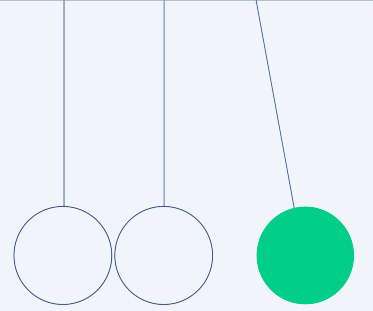
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John Burns Research and Consulting (JBREC) provides independent research and consulting services related to the US housing industry.

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We research the market from every angle for our diverse client base— and along with our clients.

TOP DOWN

Burns US Housing Analysis and Forecast
Published January 19, 2023

BIG SHIFTS AHEAD
DEMOGRAPHIC CLARITY FOR BUSINESSES
JOHN BURNS
CHRIS PORTER

MONTHLY TREND SUMMARIES
14 Industry Exec Surveys
Consumer, Design,
Public Companies,
Monthly Webinar

NEW**HOME**TRENDS
INSTITUTE
by John Burns Research & Consulting
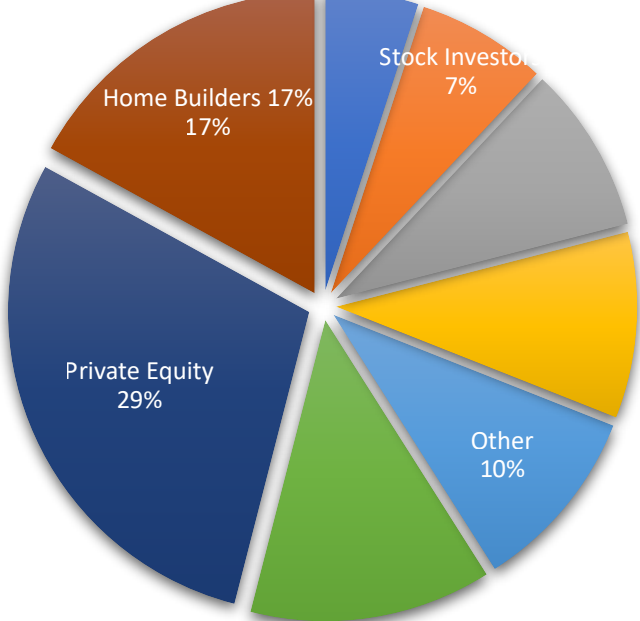
SPECIAL REPORTS & WHITE PAPERS

Investor Mania 2.0
How Data, Technology, and Yield Chasing Are Revolutionizing Housing While Raising Risk Levels

AMERICA'S NEEDED HOUSING CONSTRUCTION

Easing Distress on the Horizon

Student Debt and Delayed Homeownership

Stock Investor 7%

Home Builders 17% 17%

Private Equity 29%

Other 10%

BOTTOM UP

Building Product Mfg

Custom Consulting Services

Current Statistics and Grades

Grade	Metric	Current	Last Month
CURRENT DEMAND			
B	Annualized Existing Home Sale Closings (75)	138,410	142,914
A+	Employment Growth	162,300	149,800
A+	Unemployment Rate	2.5%	3.0%
AFFORDABILITY			
C	Burns Affordability Index (Housing Cost to Income Ratio)**	33.2%	31.4%
F	Burns Under/Overpriced Market Index (a)	65.4%	56.7%
C+	Burns Home Value Index (BHVI)***	218.1	221.2

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We take a holistic view on residential real estate by aggregating insight from multiple avenues.
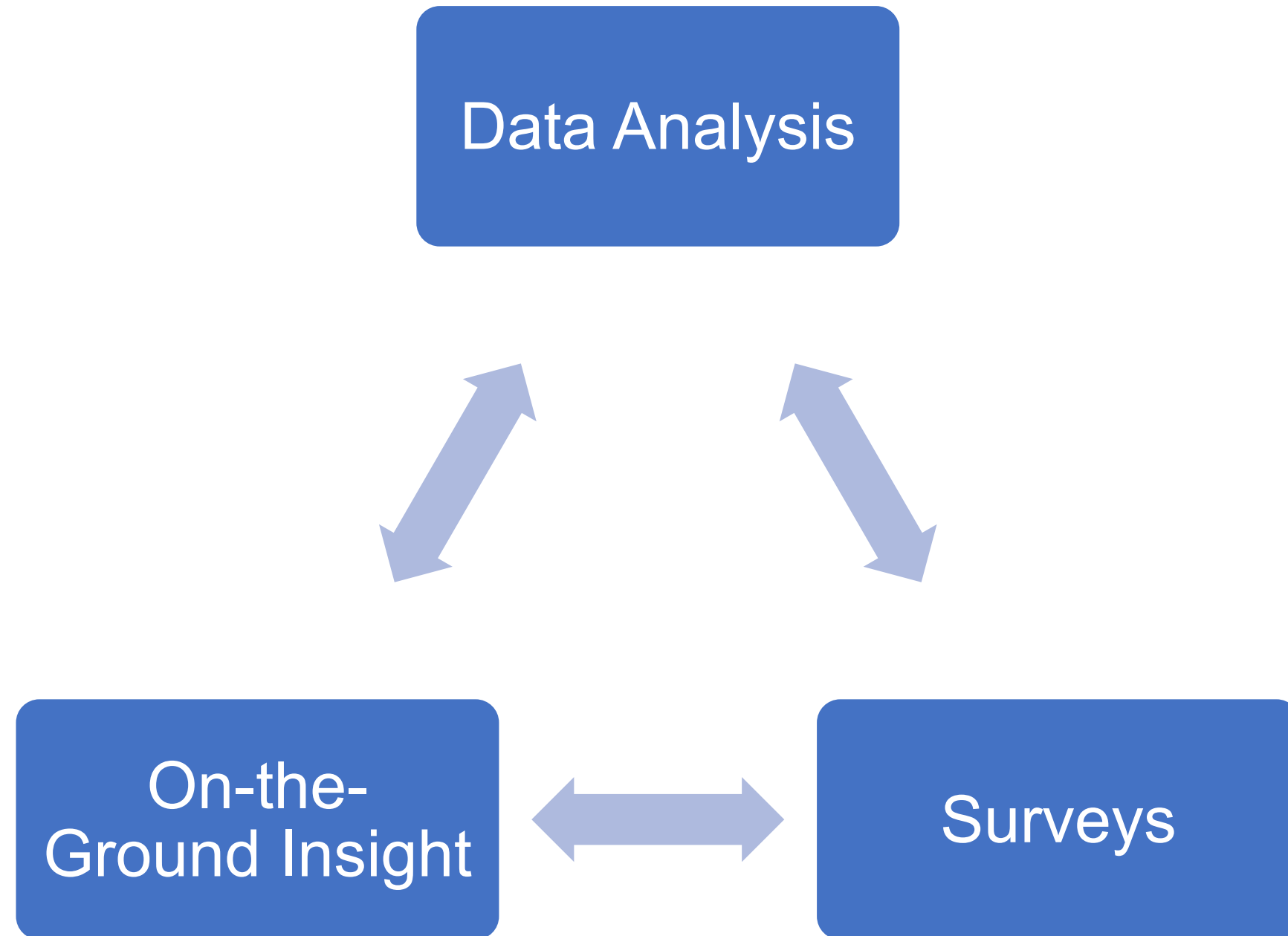
Why demographics? It is a seemingly slow-moving, but truly powerful force.
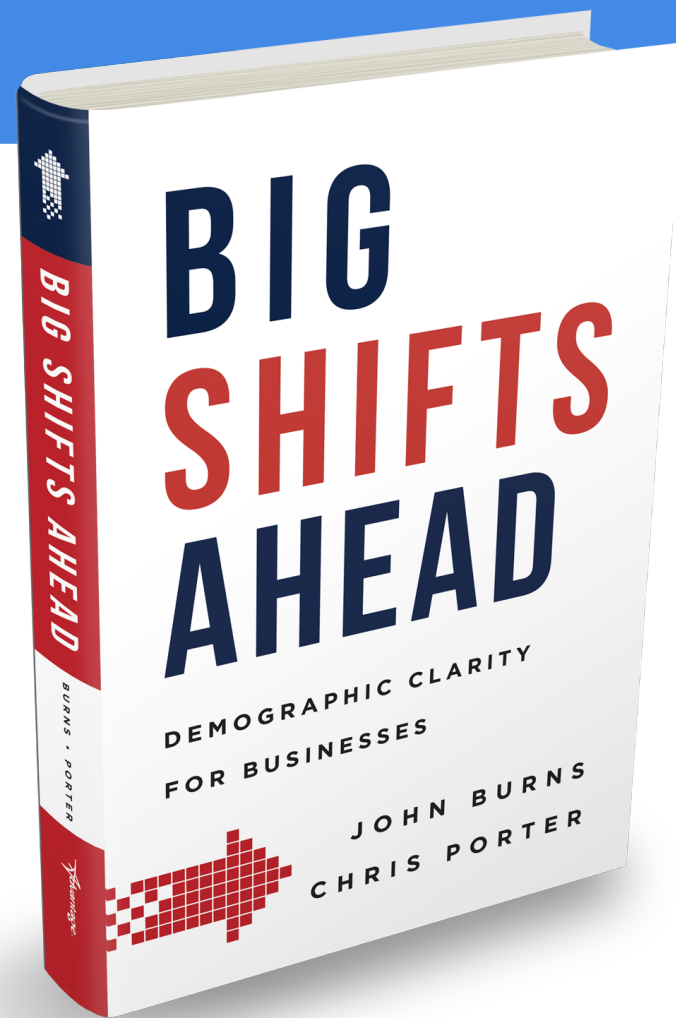
Big Shifts Ahead: Demographic Clarity for Businesses
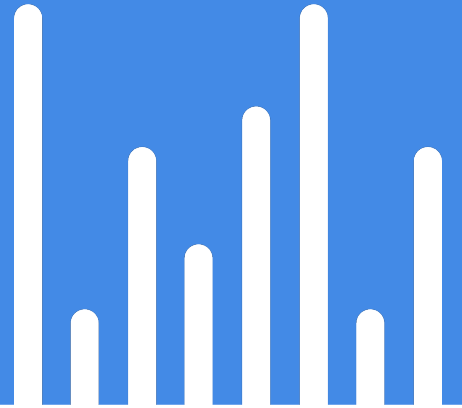
Bringing more clarity to executives on demographic trends

Three major frameworks:

- Redefining the Generations

- The Four Big Influencers of Demographic Shifts

- The 4-5-6 Rule for Demographic Predictions

Redefining the Generations
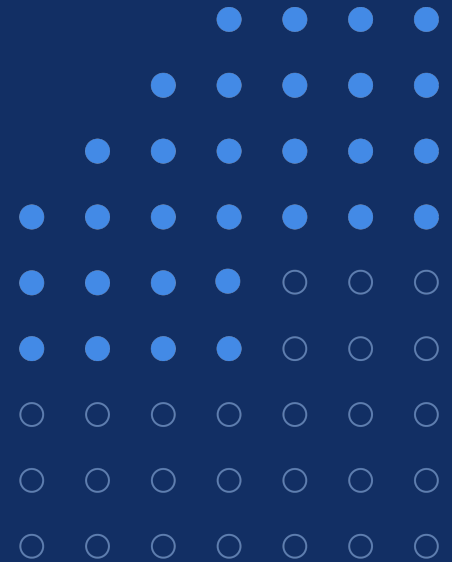
Conventional generation definitions are too broad and uneven...

US Births

Greatest Generation
Born 1901-1927
(27 years)

Silent Generation
Born 1928-1945
(18 years)

Baby Boomers
Born 1946-1964
(19 years)

Generation X
Born 1965-1980
(16 years)

Millennials
Born 1981-1996
(16 years)

Generation Z
Born 1997-2012
(16 years)

Generation Alpha
Born 2013+
(?? years)
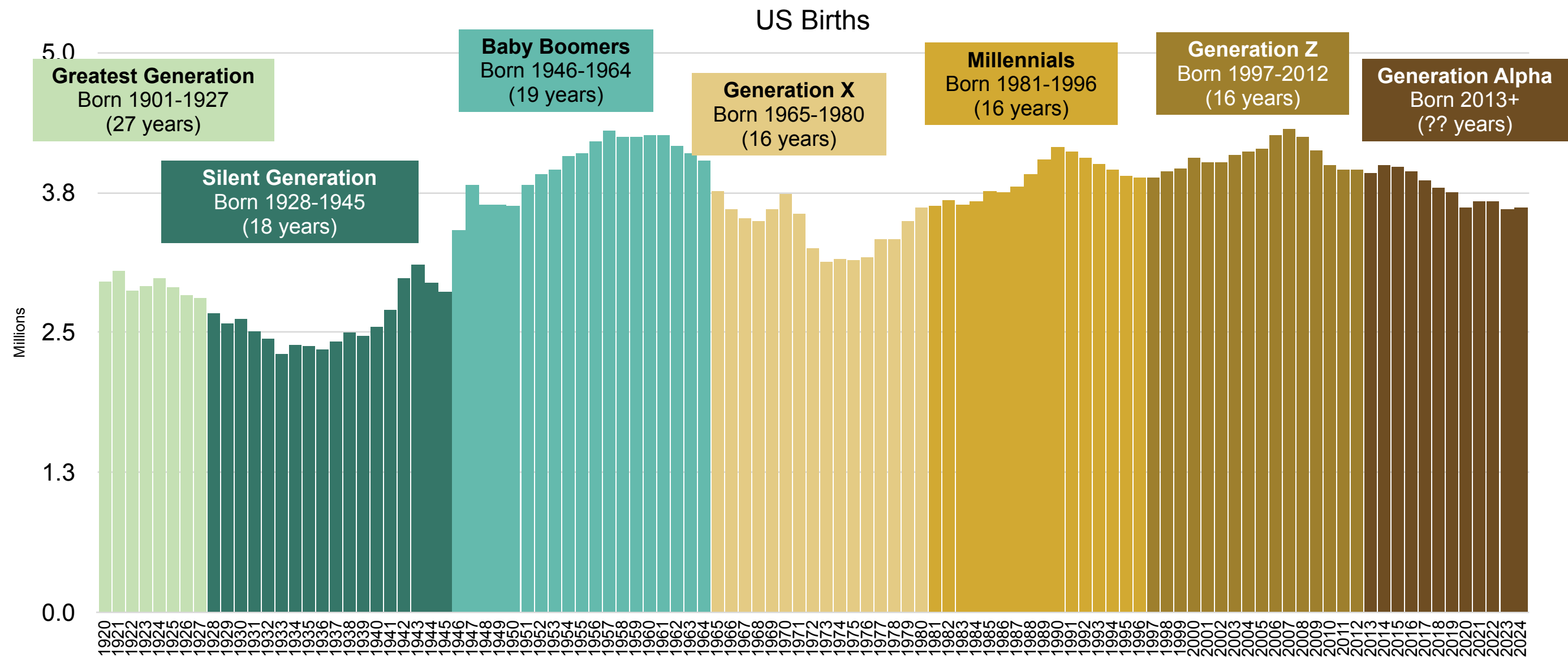
Source: Pew Research Center, Centers for Disease Control and Prevention

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…and few could agree on generational definitions.

Born to range

It turns out who millennials are depends on who's defining them. Birth-year ranges from select studies, articles and demographers.

Synchrony Financial
TD Ameritrade (1)
DMW Direct Reports
Boston.com — The shortest range: nine years
Newsweek
Mark McCrindle
PwC
Gallup (1)
Pew (1)
Gallup (2) — Average range
NYTimes (1)
Pew (2)
NYTimes (2)
TransUnion
TD Ameritrade (2)
American Progress
NYTimes (3)
Goldman Sachs
NYTimes (4) — The longest ranges: 25 years
Elwood Carlson
Howe and Strauss*
White House
Bob Bowman, MLB

1975 1980 1985 1990 1995 2000 2005 2010

CNBC

Who are the Millennials?

2015 CNBC survey of the popular press estimated:

- Born **1981** to **1998**, on average (**18 years**)
  - Some as few as 9 years in length
  - Some as long as 25 years

Each end of the range have had very different life experiences!

Note: *Demographers Neil Howe and William Strauss
Source: Individual publications, reports and demographers

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Redefine generations by decade born to simplify your decision making.

2024P US Population by Year Born
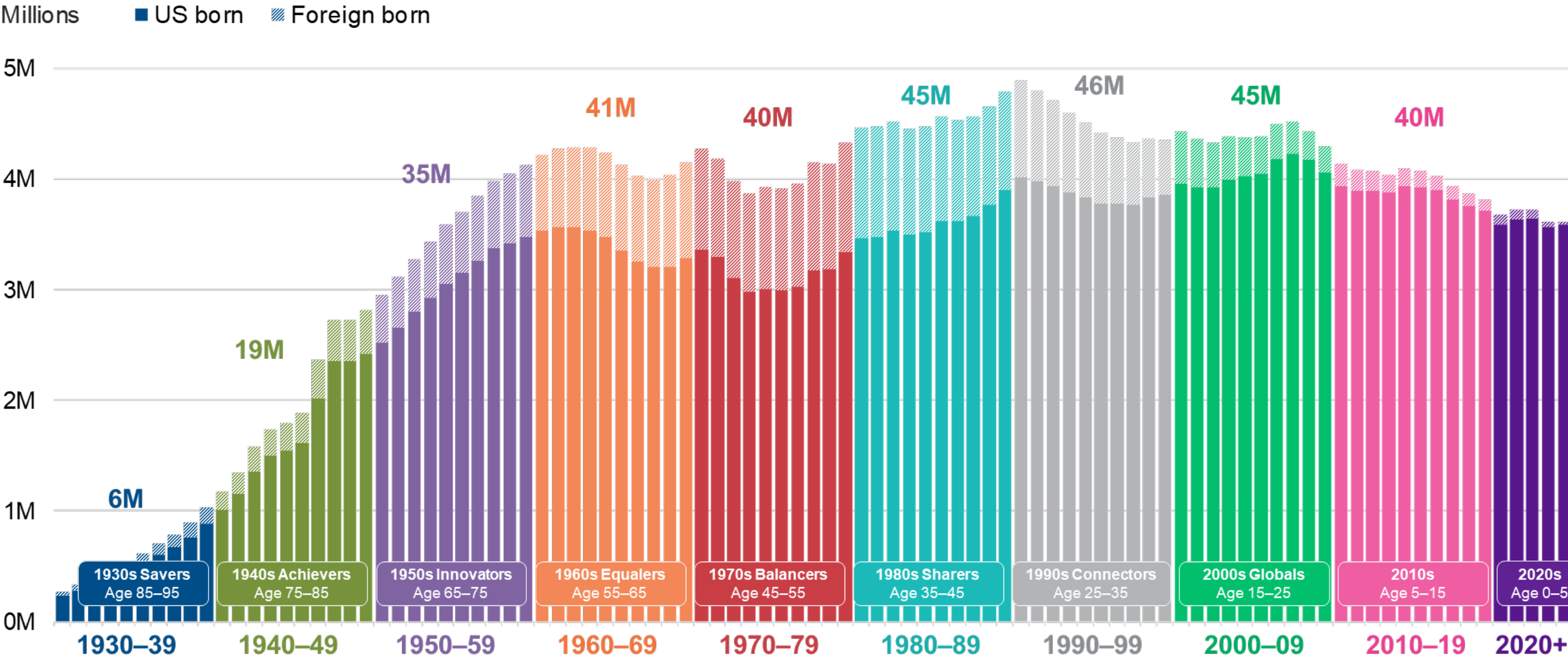
Millions ■ US born ▨ Foreign born

6M — 1930s Savers, Age 85–95 — 1930–39
19M — 1940s Achievers, Age 75–85 — 1940–49
35M — 1950s Innovators, Age 65–75 — 1950–59
41M — 1960s Equalers, Age 55–65 — 1960–69
40M — 1970s Balancers, Age 45–55 — 1970–79
45M — 1980s Sharers, Age 35–45 — 1980–89
46M — 1990s Connectors, Age 25–35 — 1990–99
45M — 2000s Globals, Age 15–25 — 2000–09
40M — 2010s, Age 5–15 — 2010–19
2020s, Age 0–5 — 2020+

Birth Years

Source: John Burns Research and Consulting, LLC tabulations of US Census Bureau data

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Takeaway 1:
Largest population turns 33-37 in 2025.

2024P US Population by Year Born
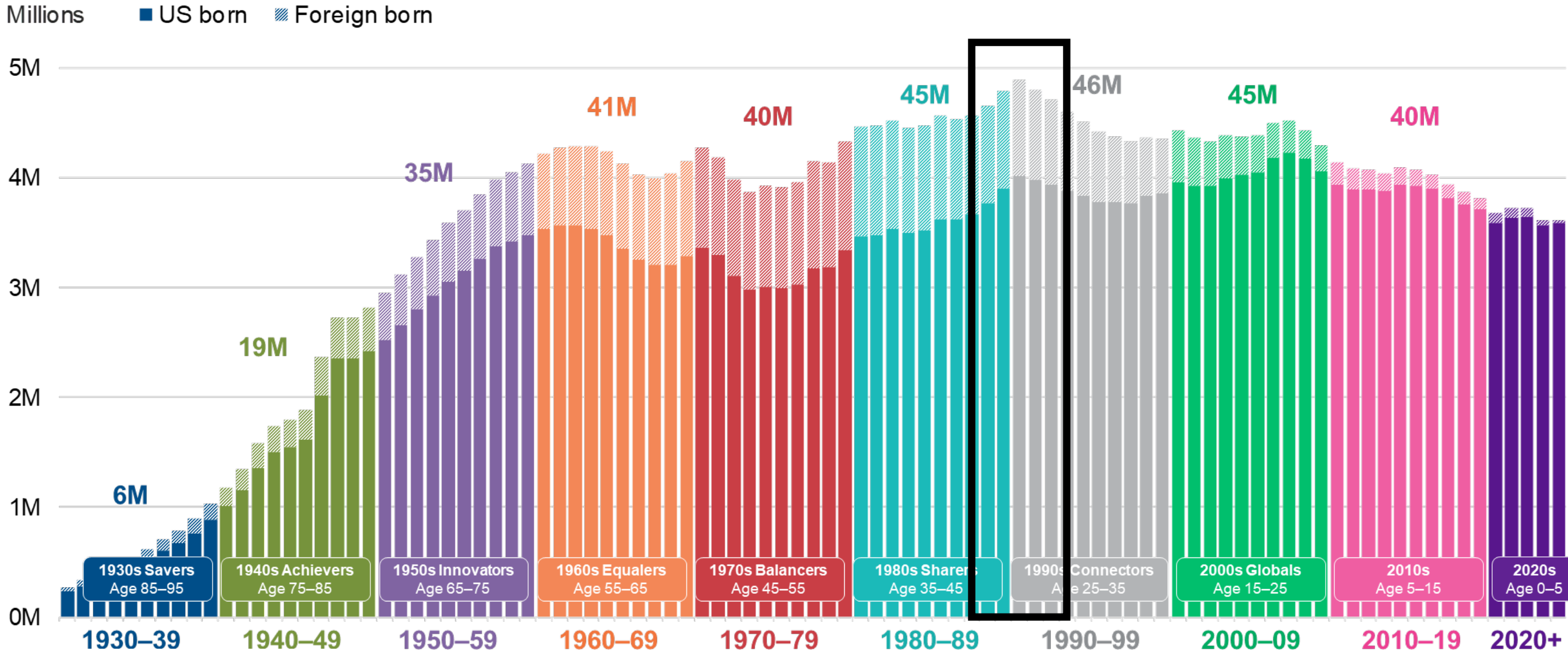
Source: John Burns Research and Consulting, LLC tabulations of US Census Bureau data

The age of first-time buyers gets increasingly older.
The first of the 1990s-born Connectors is now approaching the median age.

Median Age of First-Time Home Buyer
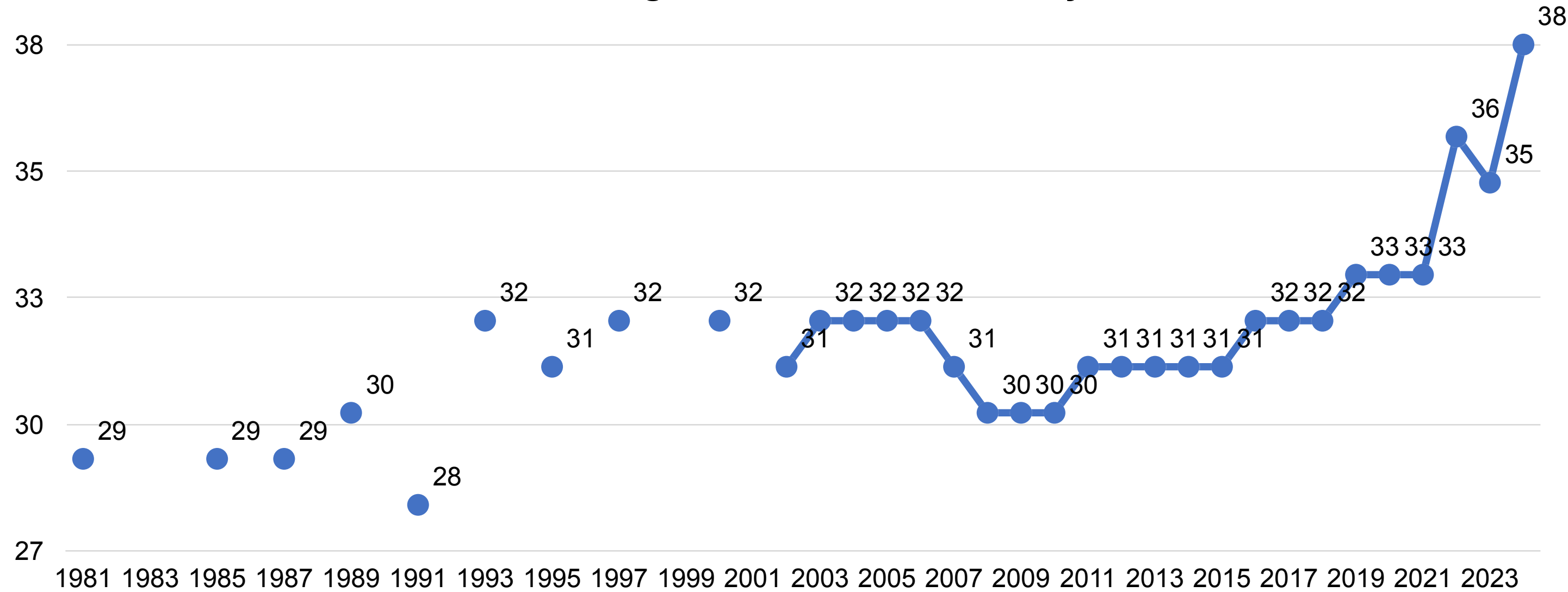
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Takeaway 2:
Higher birth years in the 2000s is a tailwind for demand for a while

2024P US Population by Year Born
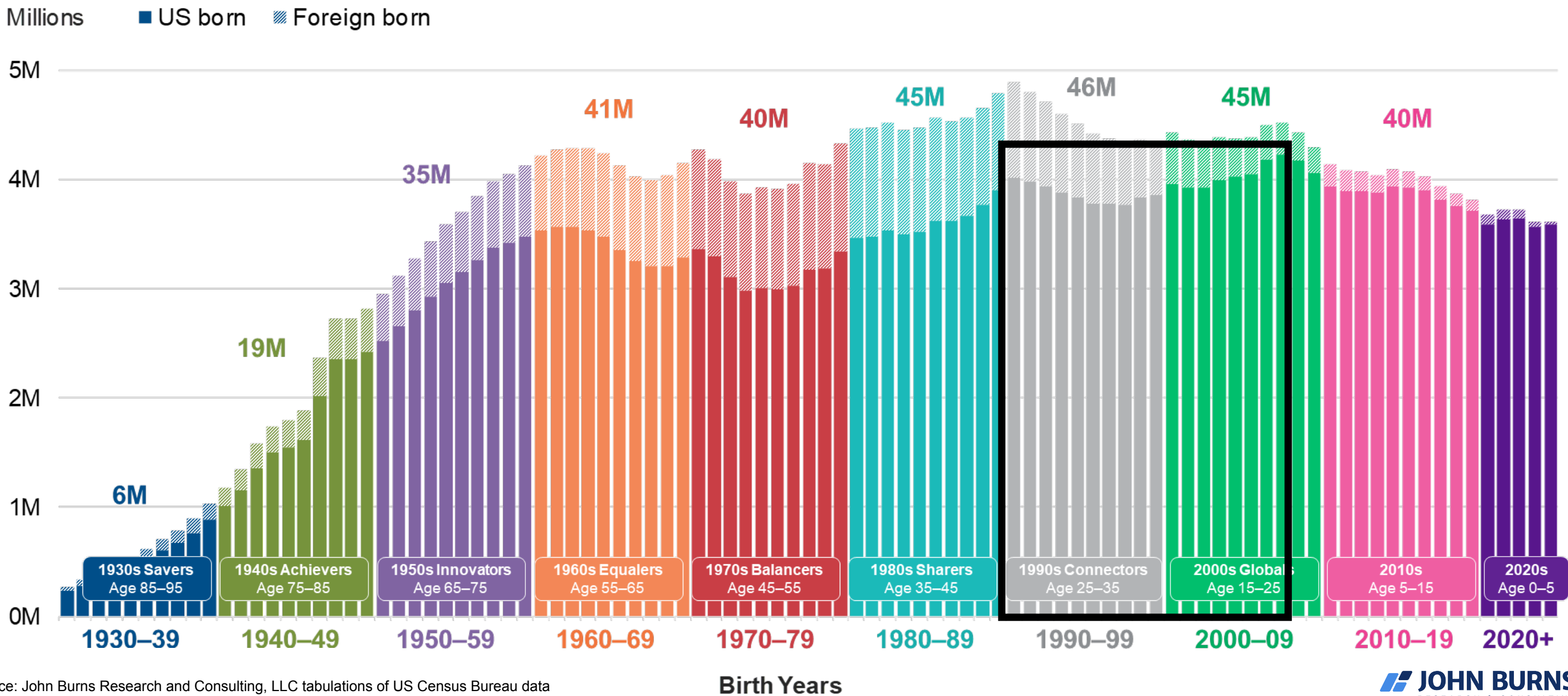
Millions ■ US born ▨ Foreign born

Source: John Burns Research and Consulting, LLC tabulations of US Census Bureau data

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Fewer US adults are reaching typical "adult" milestones by age 30.

Percentage of US 30-Year-Olds Reaching 'Adult' Milestones

■ 1984　■ 1994　■ 2004　■ 2014　■ 2024
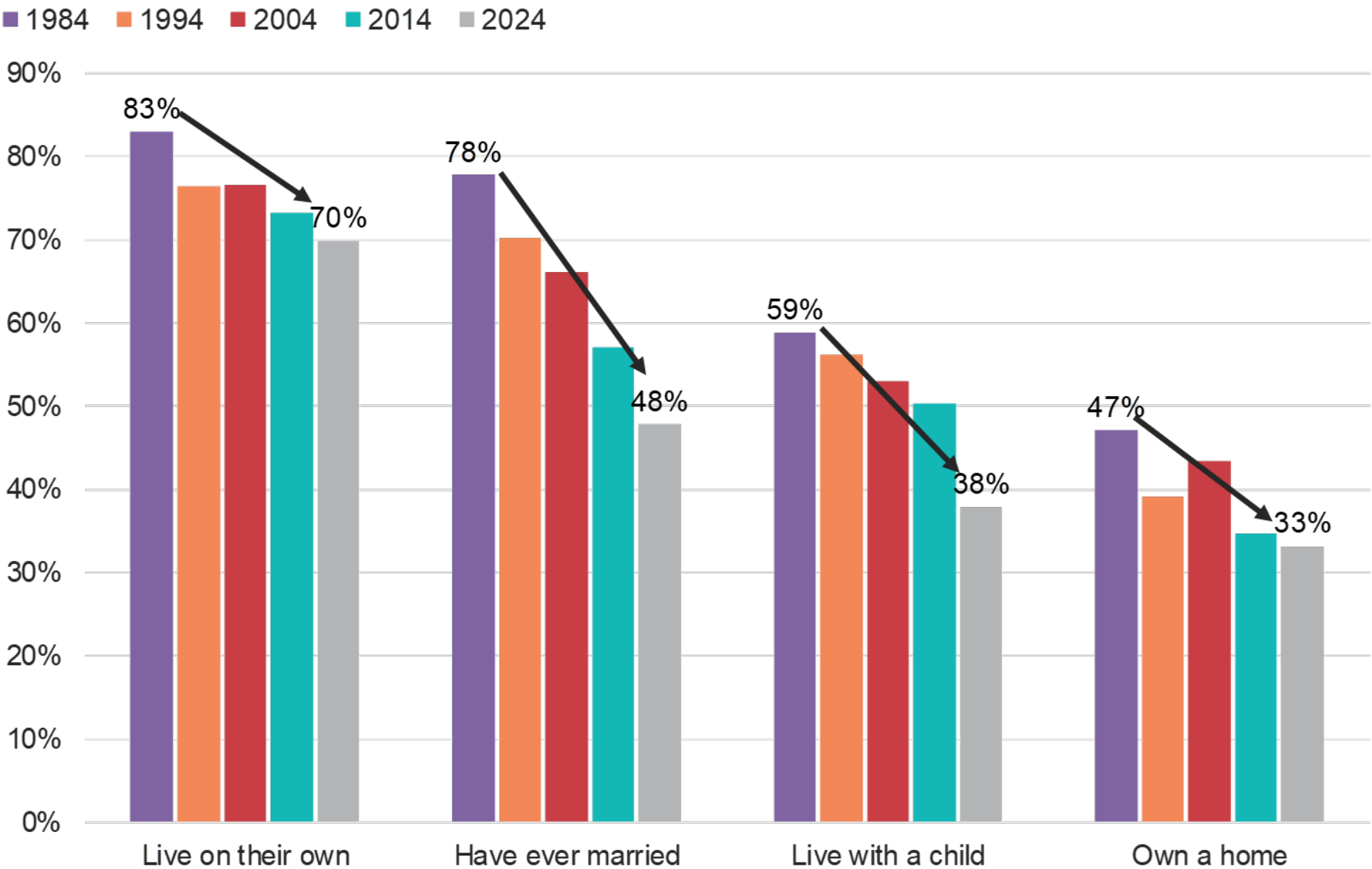
With each successive generation, US adults have been waiting longer to move out on their own, get married, have kids, and buy homes.

US adults are staying renters longer than previous generations, becoming homebuyers later in life.

Sources: John Burns Research and Consulting, LLC, tabulations of U.S. Census Bureau Current Population Survey Annual Social and Economic Supplement via IPUMS-USA (Data: 2024, Pub: Mar-25)

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Pent-up demand for housing from young adults living at home with parents is significant, and is beginning to unfurl.

US 25–34 Year-Olds Living with Parents

- - - - 1962–2024 avg. (11%)

16%
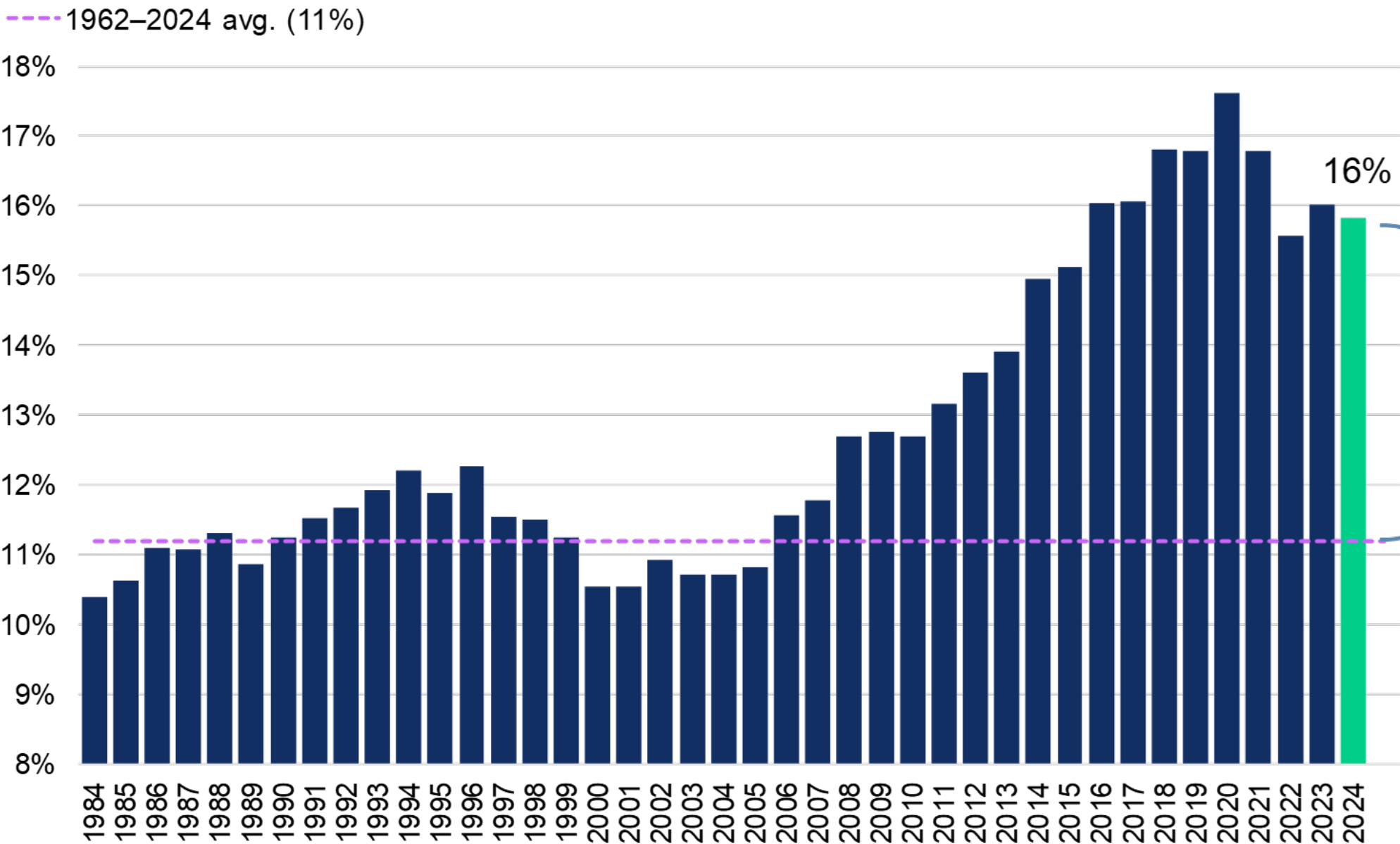
Every -1% drop in the share of 25–34-year-olds living at home translates to 450K more young adults renting or owning homes.

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Takeaway 3:
Younger generations <u>will</u> get larger with age due to immigration

2024P US Population by Year Born

Immigration tends to pick up as people age into their 20s and 30s.
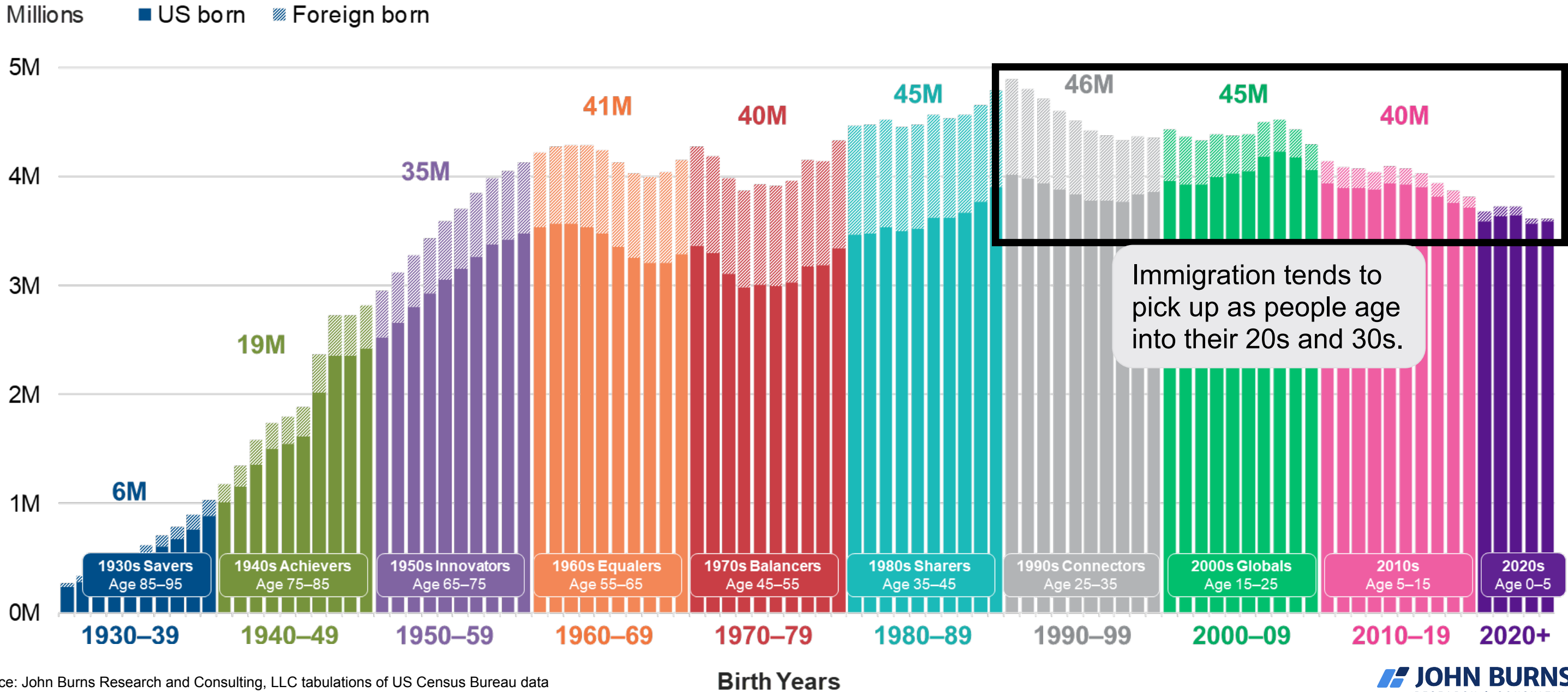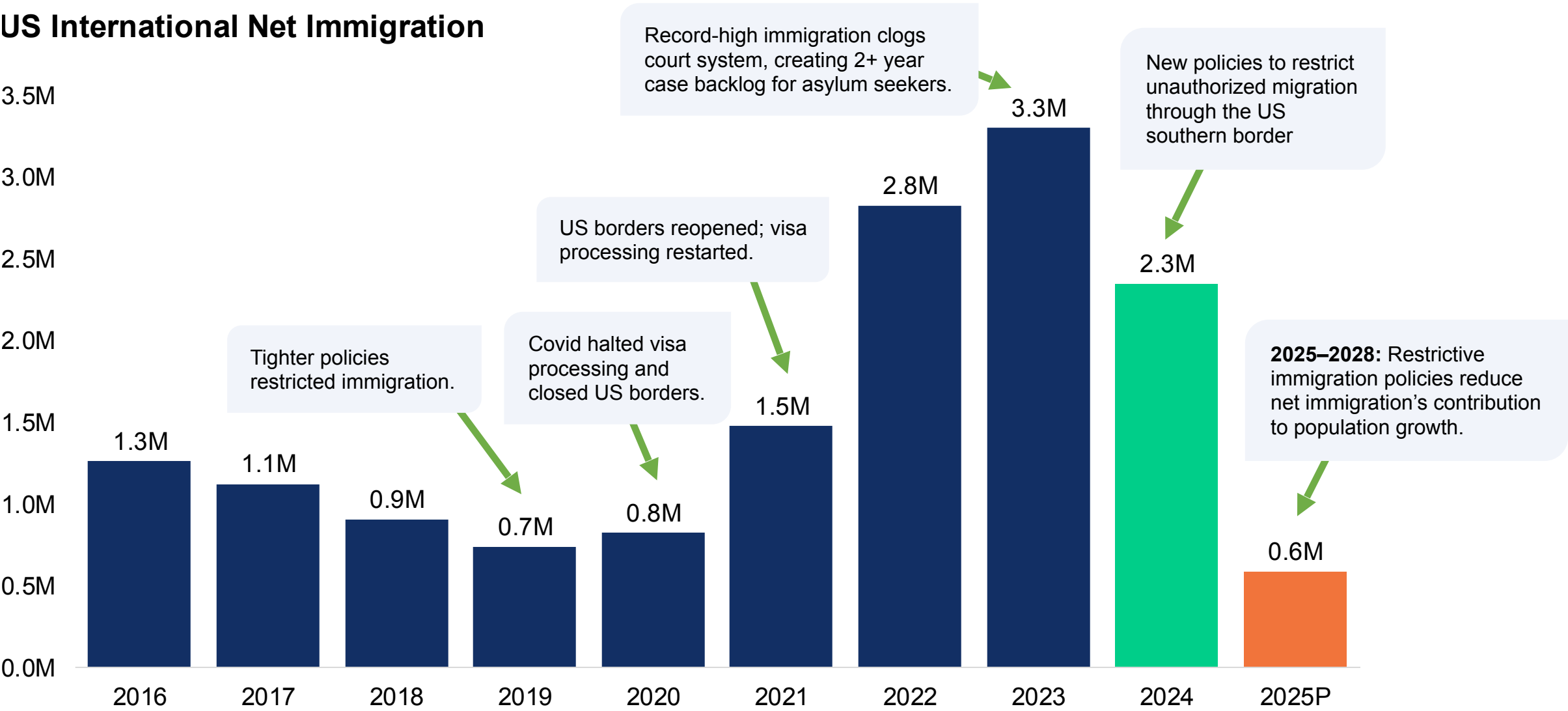
Source: John Burns Research and Consulting, LLC tabulations of US Census Bureau data

The amount by which these younger generations will grow depends on government policy—which can be difficult to predict.

US International Net Immigration

Record-high immigration clogs court system, creating 2+ year case backlog for asylum seekers.

New policies to restrict unauthorized migration through the US southern border

US borders reopened; visa processing restarted.

Tighter policies restricted immigration.

Covid halted visa processing and closed US borders.

2025–2028: Restrictive immigration policies reduce net immigration's contribution to population growth.

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025P	2029P–(avg.)
	1.3M	1.1M	0.9M	0.7M	0.8M	1.5M	2.8M	3.3M	2.3M	0.6M	

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Takeaway 4:
The number of retirees continues to grow.

2024P US Population by Year Born

Millions   ■ US born   ▨ Foreign born

Source: John Burns Research and Consulting, LLC tabulations of US Census Bureau data

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The 65+ population in the US will rise 21% between 2025 and 2035, with 13M (net) more people aging into this group over 10 years.

US Population Aged 65+
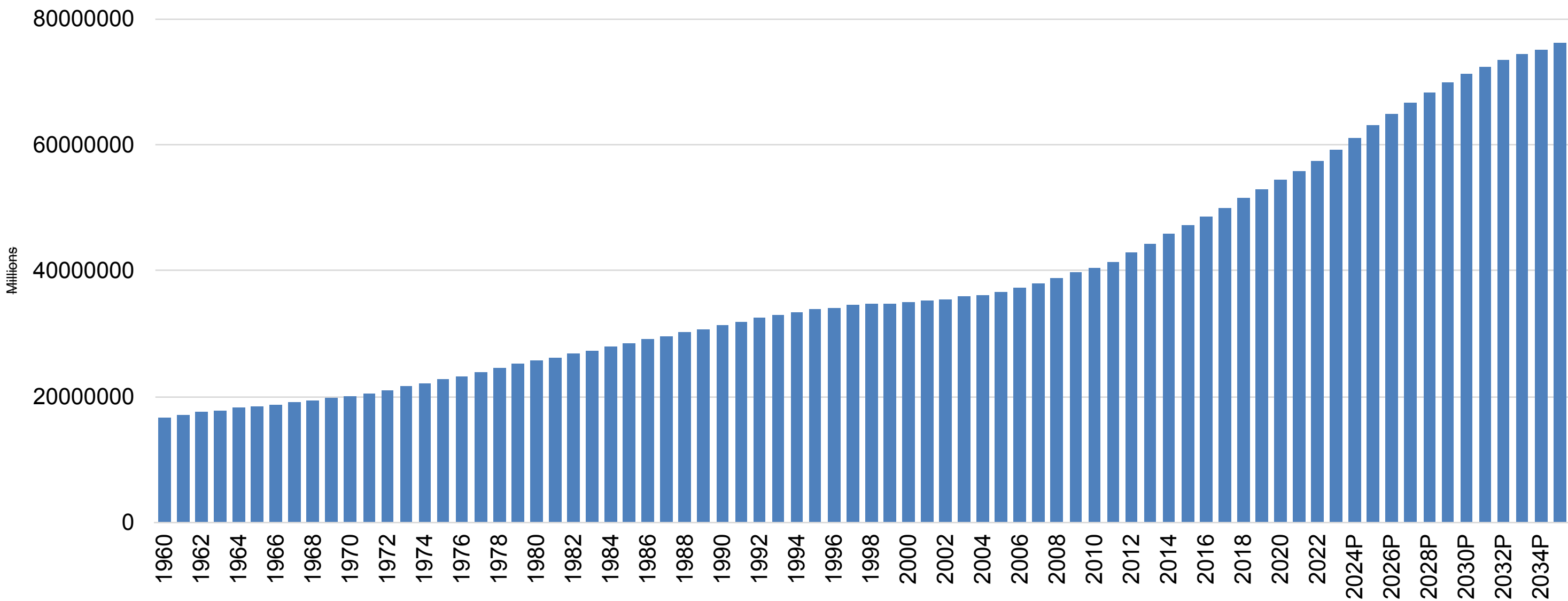
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Takeaway 5:
Working-age population is barely growing, contributing to tight labor market

2024P US Population by Year Born

Millions ■ US born ▨ Foreign born

6M — 1930s Savers, Age 85–95, 1930–39
19M — 1940s Achievers, Age 75–85, 1940–49
35M — 1950s Innovators, Age 65–75, 1950–59
41M — 1960s Equalers, Age 55–65, 1960–69
40M — 1970s Balancers, Age 45–55, 1970–79
45M — 1980s Sharers, Age 35–45, 1980–89
46M — 1990s Connectors, Age 25–35, 1990–99
45M — 2000s Globals, Age 15–25, 2000–09
40M — 2010s, Age 5–15, 2010–19
2020s, Age 0–5, 2020+

4.2 million people turning 65 this year
4.4 million people turning 20 this year

The population pool from which we pull workers is growing slowly

Birth Years

Source: John Burns Research and Consulting, LLC tabulations of US Census Bureau data

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Labor shortages could emerge in 2025–2026 as fewer working-age immigrants enter the US labor force, slowing growth in pool of potential employees.

US Annual Working-Age Population Growth (Age 20–64)
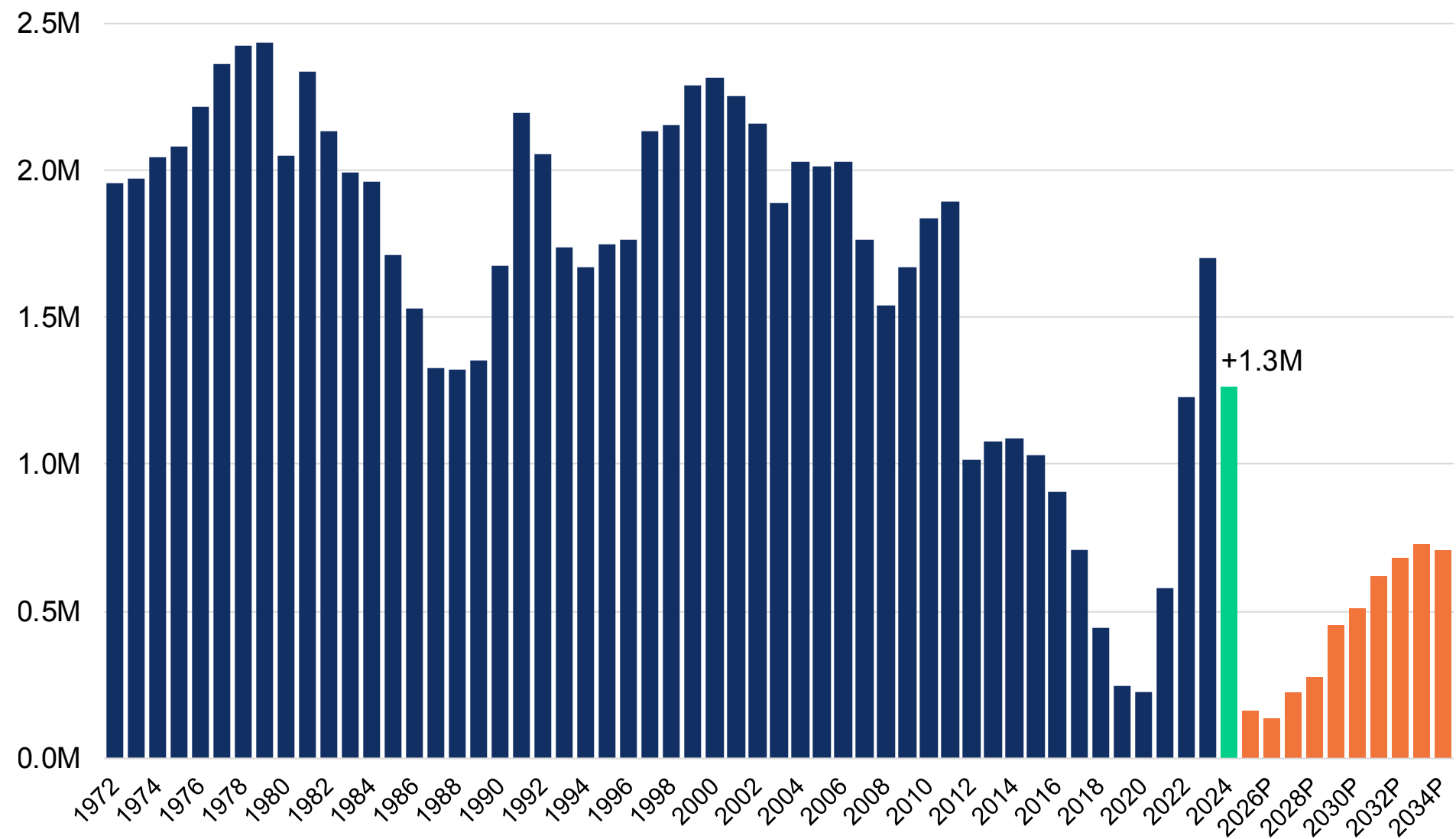
+1.3M
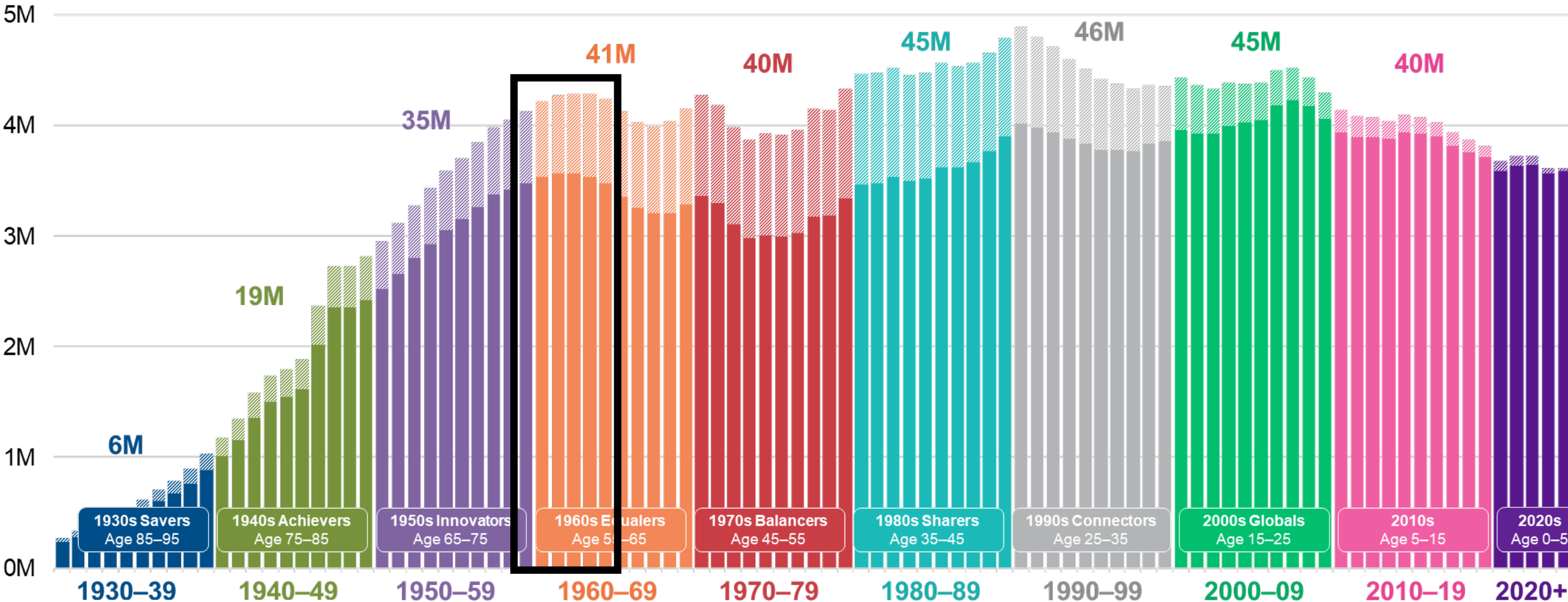
Sources: John Burns Research and Consulting, LLC, tabulations of U.S. Census Bureau Population Estimates and the Congressional Budget Office; Projections: JBREC (Data: 2024, Pub: Mar-25)

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New Mexico Demographics
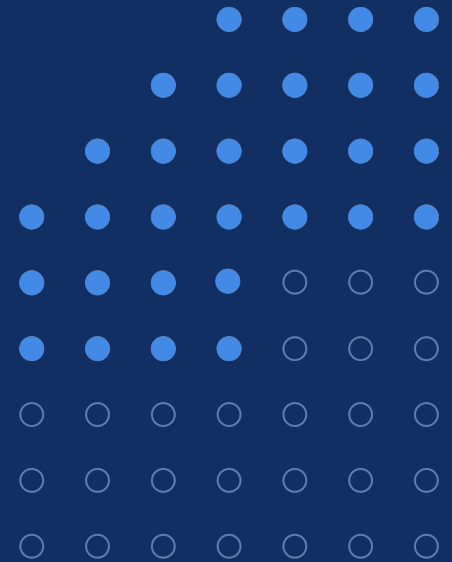
New Mexico's population distribution looks a lot like the nation, skewing slightly older.

2024 Population by Generation: New Mexico

Legend: ■ US-Born Total ▨ Foreign-Born Column1

X-axis (Generation (Age Range in 2024)):
1930s Savers (85+), 1940s Achievers (75-85), 1950s Innovators (65-75), 1960s Equalers (55-65), 1970s Balancers (45-55), 1980s Sharers (35-45), 1990s Connectors (25-35), 2000s Globals (15-25), 2010s (5-15), 2020s (0-5)

Y-axis: 0, 50,000, 00,000, 50,000, 00,000

Source: John Burns Research and Consulting, LLC (Pub: May-25)
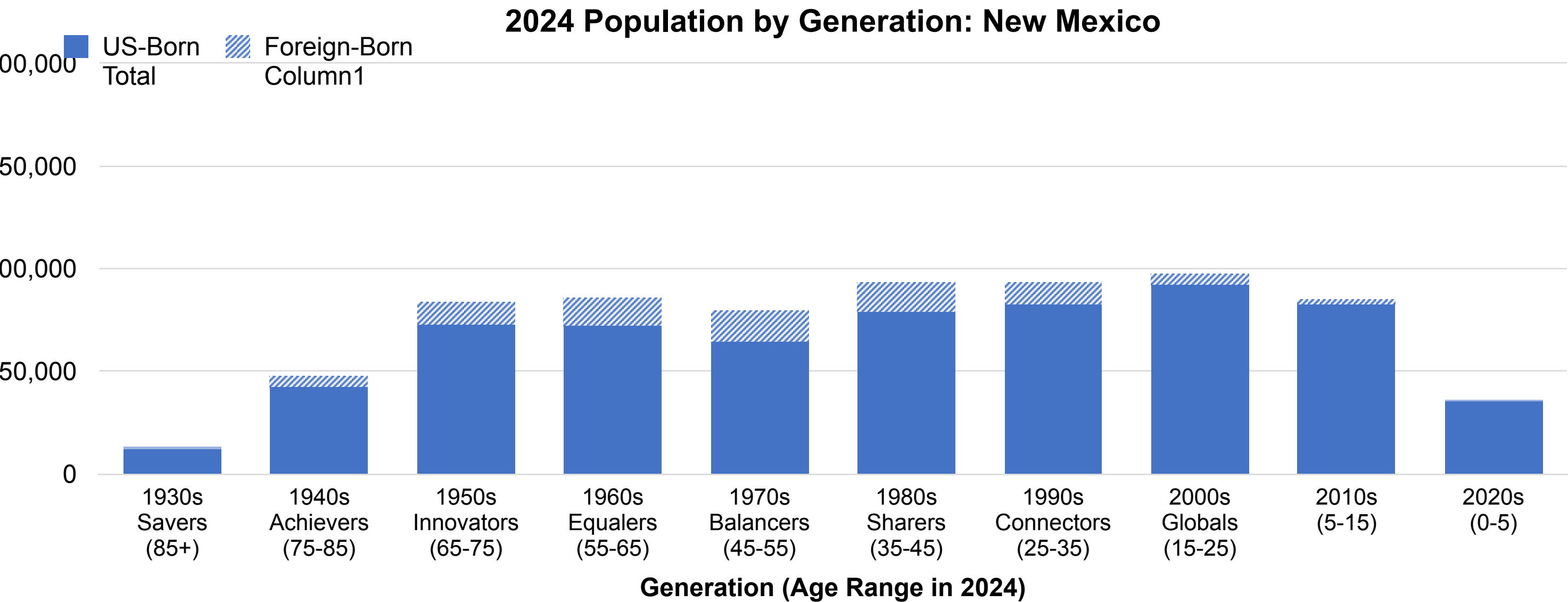
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Looking at just the shape of the population distribution, Albuquerque looks like the state overall. Las Cruces skews younger, while Santa Fe skews older.

New Mexico
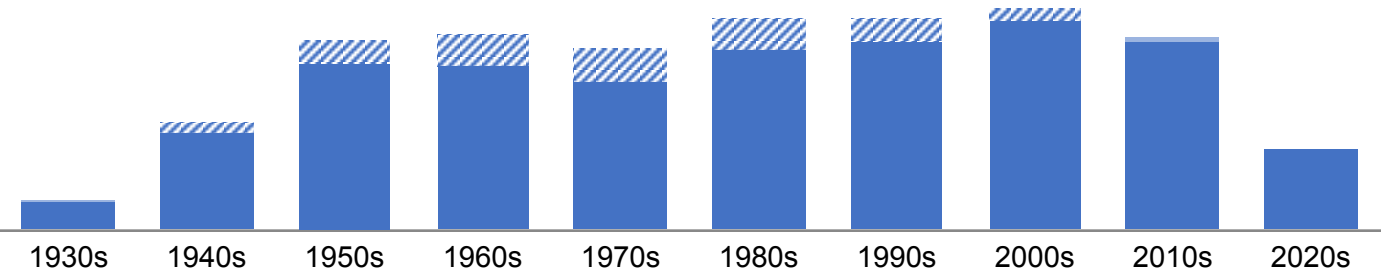
Albuquerque MSA
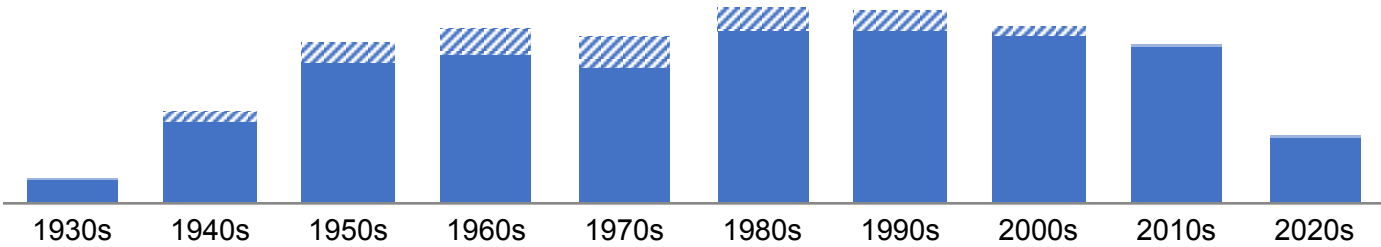
Las Cruces MSA
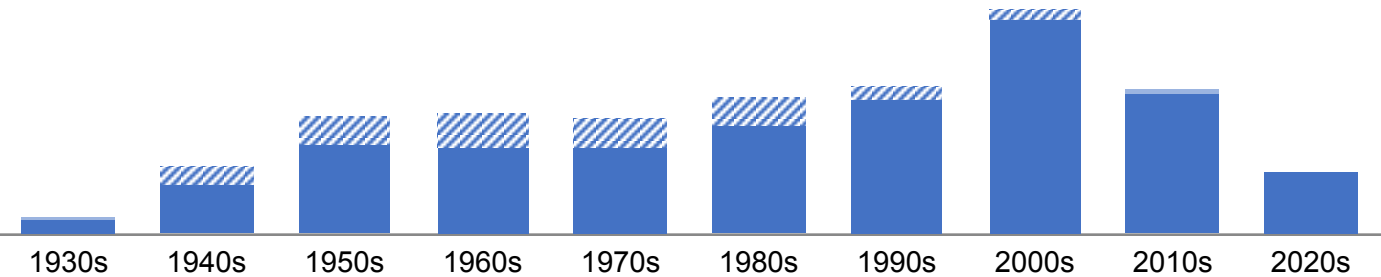
Santa Fe MSA
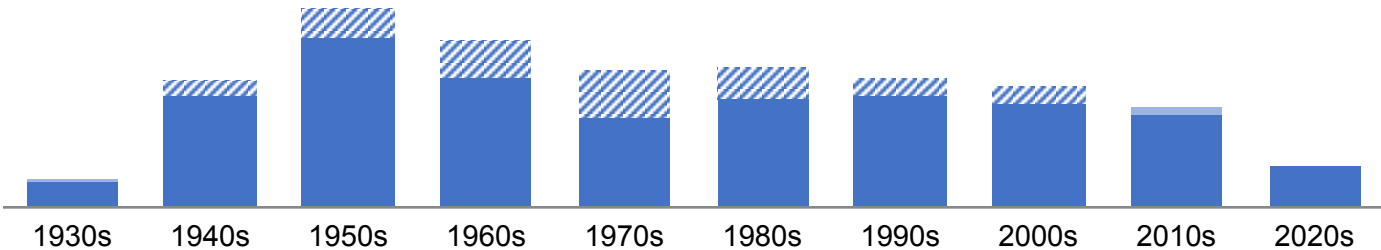
Source: John Burns Research and Consulting, LLC (Pub: May-25)

The largest population in Albuquerque is 25-45, which aligns with renters and first-time buyers.

2024 Population by Generation: Albuquerque MSA

Legend: US-Born Total; Foreign-Born Column1

X-axis — **Generation (Age Range in 2024)**: 1930s Savers (85+), 1940s Achievers (75-85), 1950s Innovators (65-75), 1960s Equalers (55-65), 1970s Balancers (45-55), 1980s Sharers (35-45), 1990s Connectors (25-35), 2000s Globals (15-25), 2010s (5-15), 2020s (0-5)

Source: John Burns Research and Consulting, LLC (Pub: May-25)

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The largest jumps in homeownership are between 18-24 and 25-34, as well as to 35-44. By their 60s, 80%+ of households own their home.

2023 Homeownership by Age of Householder: Albuquerque MSA

Householder Age Range
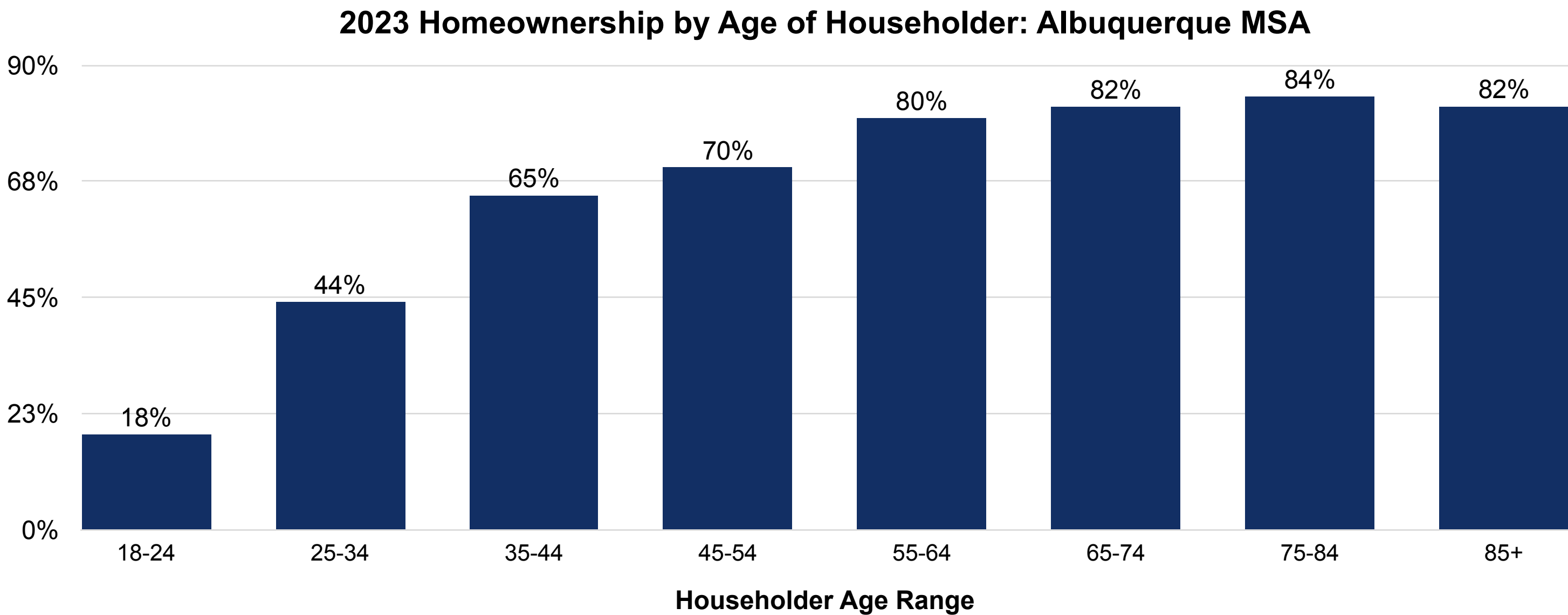
Source: John Burns Research and Consulting, LLC tabulations of 2023 American Community Survey 1-Year Estimates (Pub: May-25)

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Skew to younger in Las Cruces is influenced by NMSU.

2024 Population by Generation: Las Cruces MSA
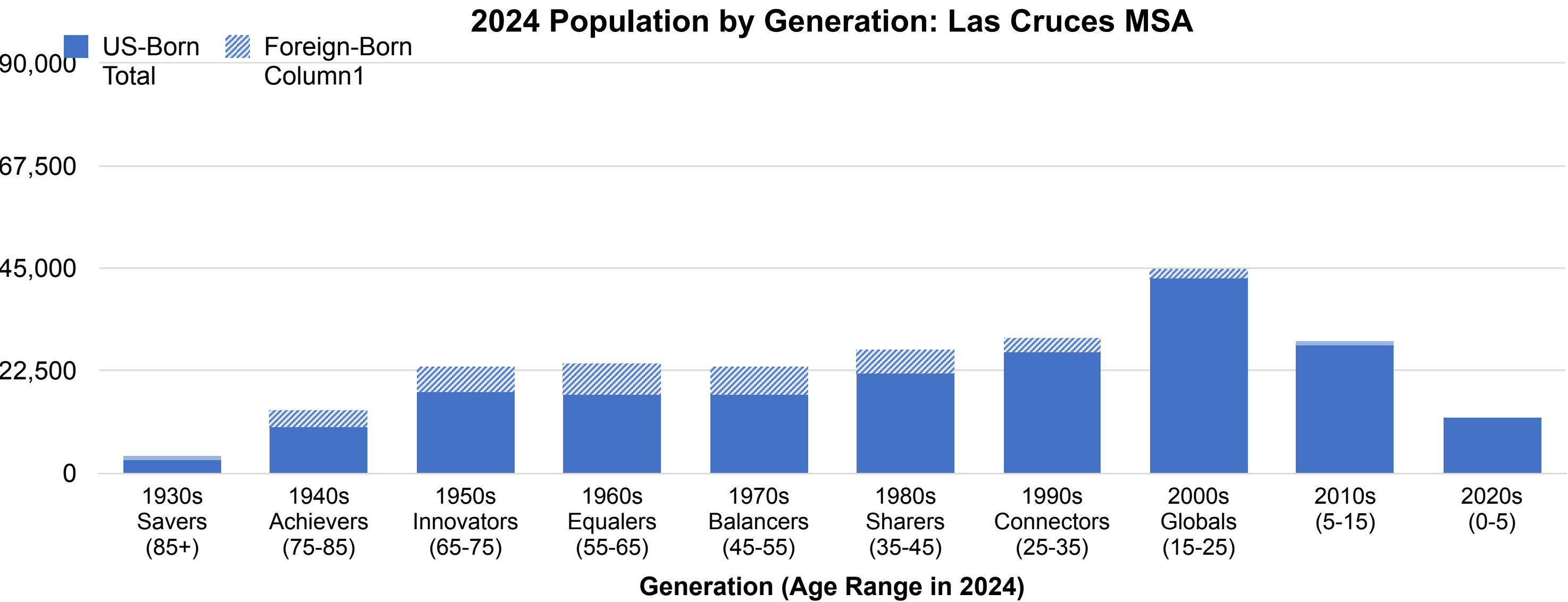
Skew to older population in Santa Fe is an outsized share of retirees.

2024 Population by Generation: Santa Fe MSA

Legend: US-Born Total, Foreign-Born Column1

X-axis (Generation (Age Range in 2024)):
- 1930s Savers (85+)
- 1940s Achievers (75-85)
- 1950s Innovators (65-75)
- 1960s Equalers (55-65)
- 1970s Balancers (45-55)
- 1980s Sharers (35-45)
- 1990s Connectors (25-35)
- 2000s Globals (15-25)
- 2010s (5-15)
- 2020s (0-5)

Y-axis: 0, 15,000, 30,000, 45,000, 60,000

Source: John Burns Research and Consulting, LLC (Pub: May-25)
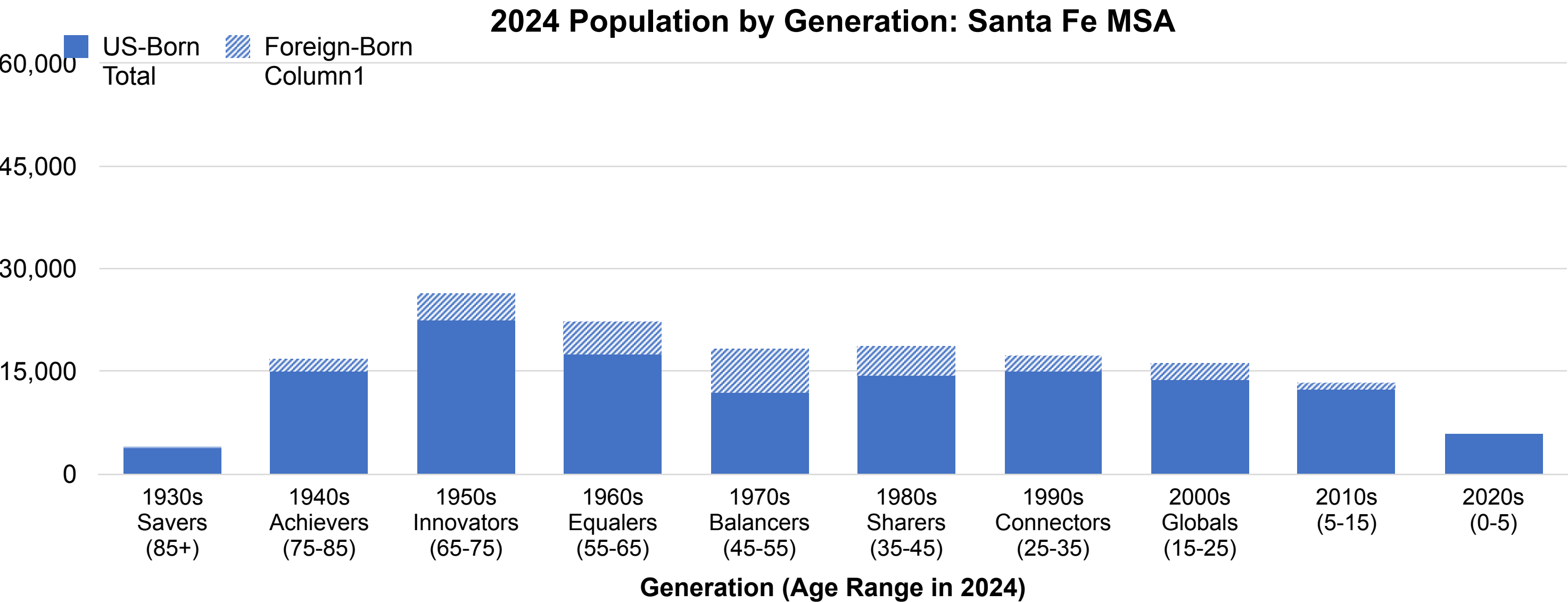
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A small baby bump in 2021 nationally, but births are trending back down once again.

US Births, Trailing 12 Months
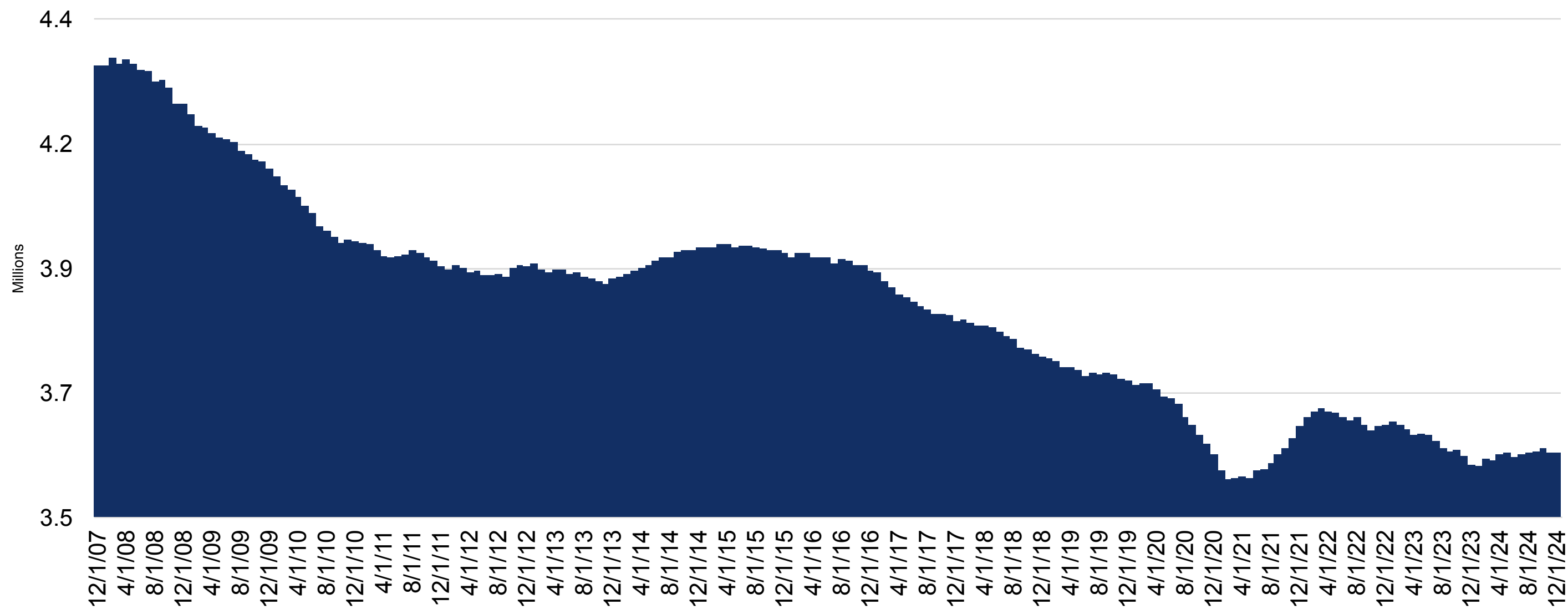
Source: John Burns Research and Consulting, LLC tabulations of Centers for Disease Control data; 2024 data is provisional rolling 12 months through December

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Very similar trends in births in New Mexico.

New Mexico Births, Trailing 12 Months
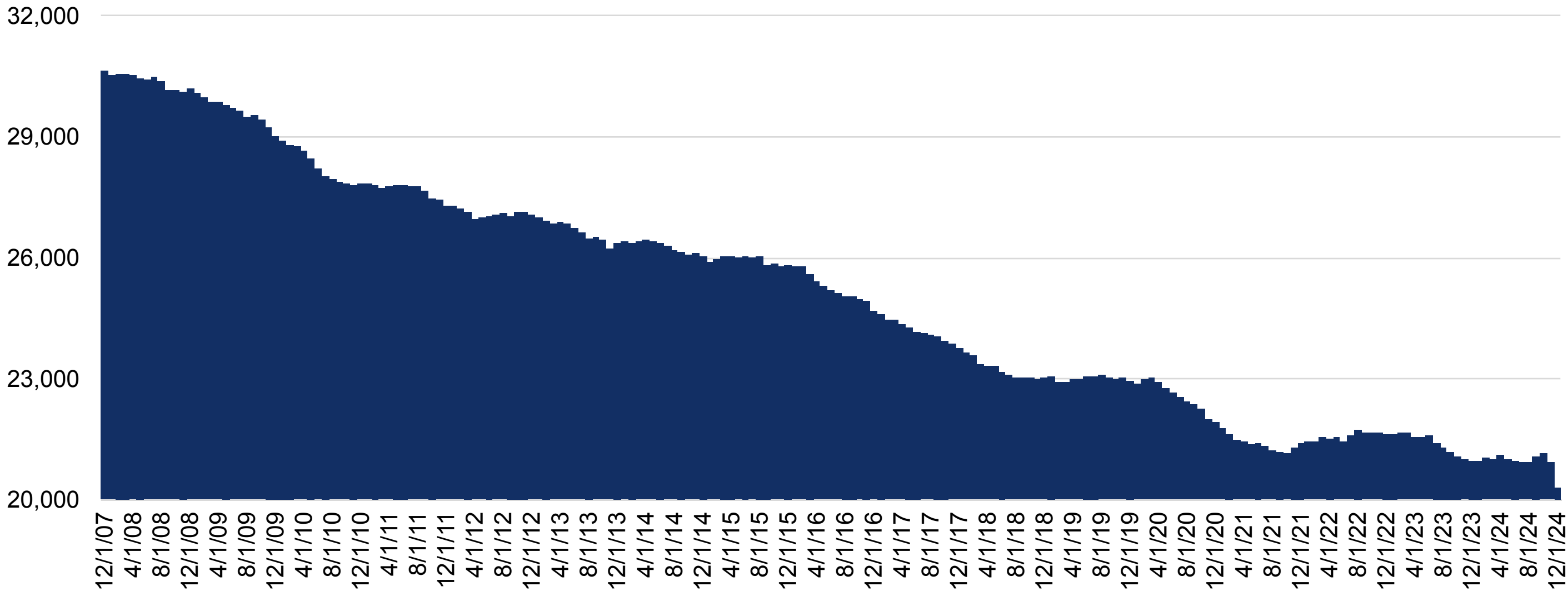
Source: John Burns Research and Consulting, LLC tabulations of Centers for Disease Control data; 2024 data is provisional rolling 12 months through December

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Natural population growth—births minus deaths—no longer adds to the overall population growth, which is driven by migration at this point.

New Mexico Births and Deaths, Trailing 12 Months
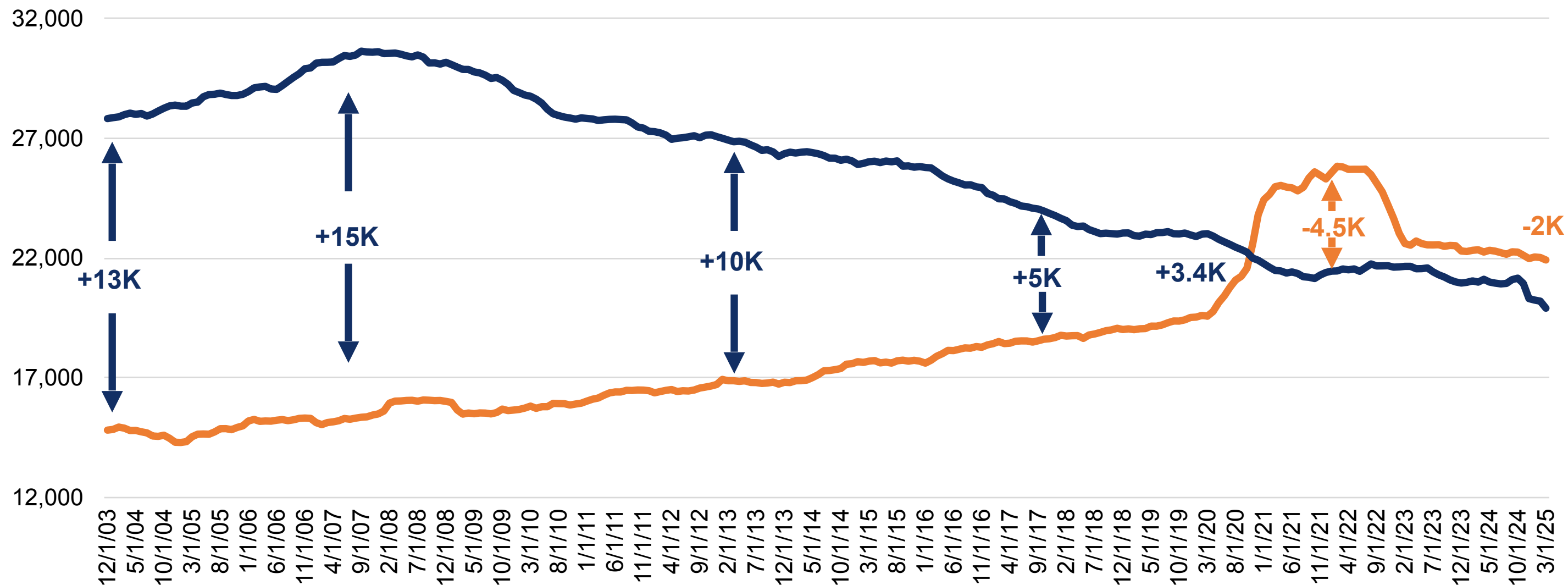
+13K

+15K

+10K

+5K

+3.4K

-4.5K

-2K

Source: John Burns Research and Consulting, LLC tabulations of Centers for Disease Control data; 2024-2025 data is provisional rolling 12 months

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Deaths in New Mexico are gradually slowing, counter to the long-term upward trend.

New Mexico Deaths, Trailing 12 Months
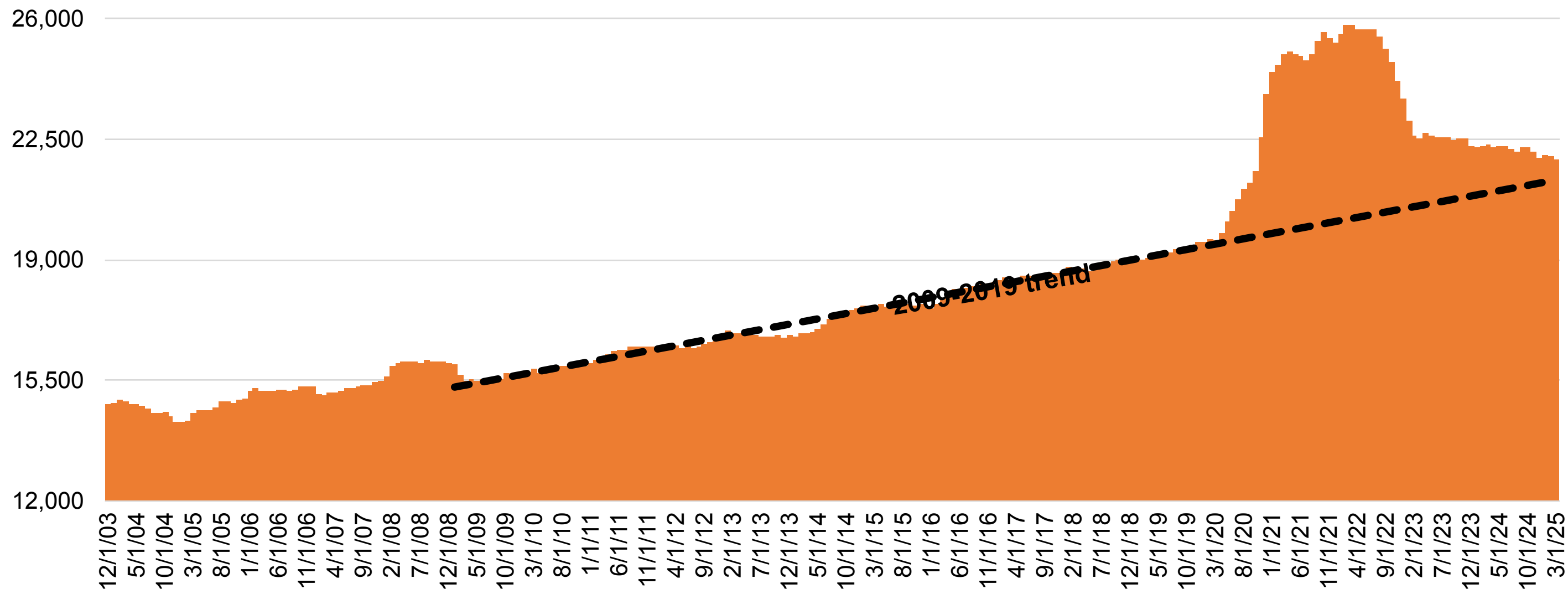
2009-2019 trend

Source: John Burns Research and Consulting, LLC tabulations of Centers for Disease Control data; 2024-2025 data is provisional rolling 12 months

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Net migration into Albuquerque has slowed notably from 2019-2021. Most net gains recently for the metro have been from elsewhere in New Mexico.

Metro Net Household Moves in Current (Domestic Moves Only)

Albuquerque, NM
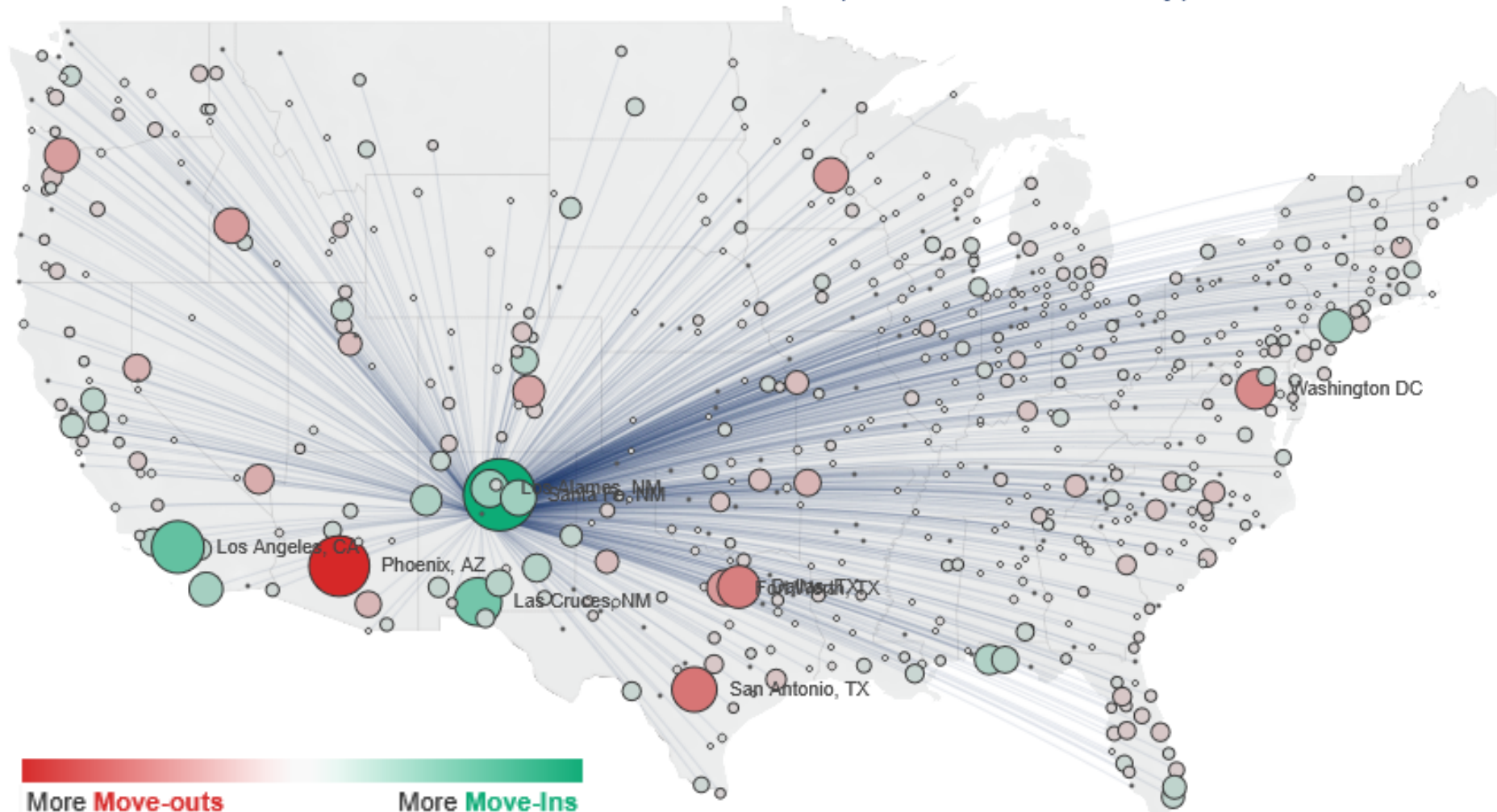
Top Origins of Net Move-ins:
- Santa Fe, NM
- Los Angeles, CA
- Las Cruces, NM
- Los Alamos, NM
- Las Vegas, NM

Top Destinations of Net Move-outs:
- Phoenix, AZ
- San Antonio, TX
- Dallas, TX
- Washington, DC
- Fort Worth, TX

More Move-outs   More Move-Ins

Source: John Burns Research and Consulting, LLC, based on change of address data from Melissa Inc. **Domestic moves only.**
This data shows the share of household moves by origination or destination metro area, including the option to filter by in-state or out-of-state only. Top or bottom five markets are labeled.
*Metro Division. **Current is defined as a 12m Moving Sum from the latest data month.

Data note: Markets align with the US Office of Management and Budget's (OMB) revised 2025 Core Based Statistical Area delineations. Moves data now includes all US counties, including those outside metro areas. These changes ensure consistency with government sources and will impact historical data.

Data: Feb-25, Pub: May-25

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Net migration into Las Cruces also appears to have slowed notably in the last year. Most originations of moves to Las Cruces are from out of state.

Metro Net Household Moves in Current (Domestic Moves Only)

Las Cruces, NM
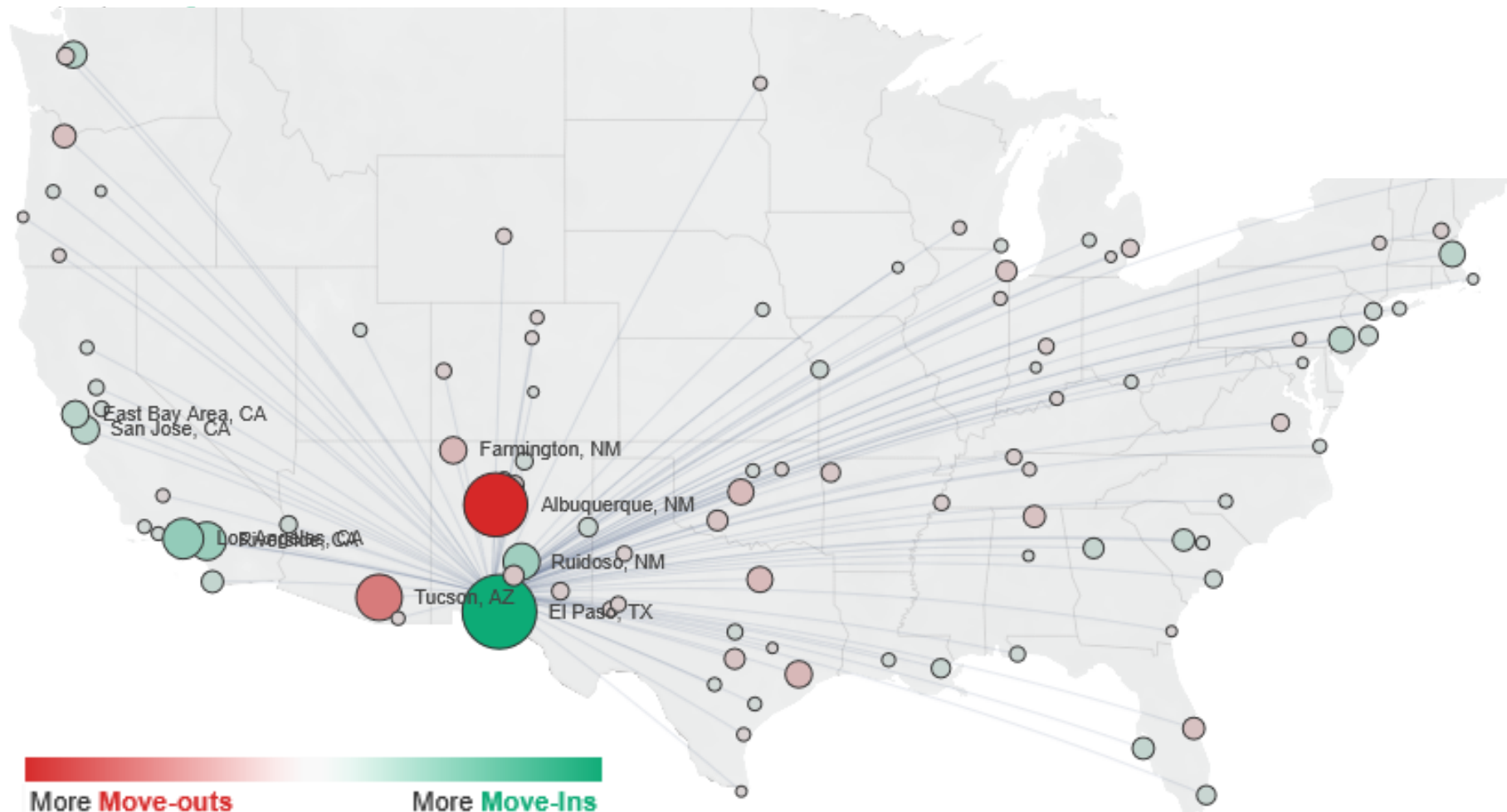
Top Origins of Net Move-ins:
- El Paso, TX
- Los Angeles, CA
- Riverside-San Bernardino, CA
- Ruidoso, NM
- San Jose, CA

Top Destinations of Net Move-outs:
- Albuquerque, NM
- Tucson, AZ
- Houston, TX
- Farmington, NM
- Oklahoma City, OK
- Dallas, TX

More **Move-outs**   More **Move-Ins**

Source: John Burns Research and Consulting, LLC, based on change of address data from Melissa Inc. **Domestic moves only.**
This data shows the share of household moves by origination or destination metro area, including the option to filter by in-state or out-of-state only. Top or bottom five markets are labeled.
*Metro Division. **Current is defined as a 12m Moving Sum from the latest data month.

Data note: Markets align with the US Office of Management and Budget's (OMB) revised 2025 Core Based Statistical Area delineations. Moves data now includes all US counties, including those outside metro areas. These changes ensure consistency with government sources and will impact historical data.

Data: Feb-25, Pub: May-25

Net migration into Santa Fe remains positive, though at a much slower pace. Biggest net gains are from big cities out of state.

Metro Net Household Moves in Current (Domestic Moves Only)
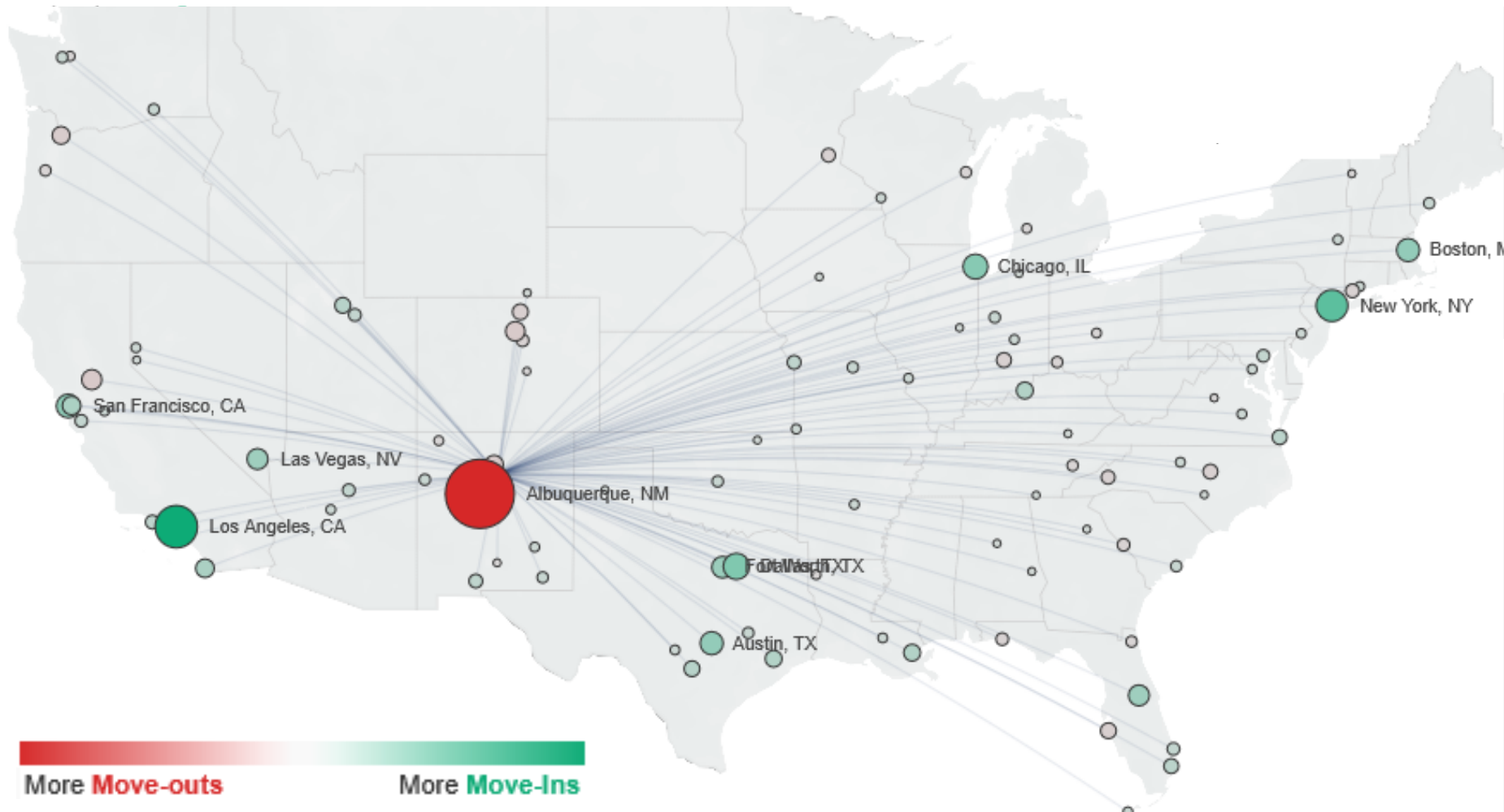
Santa Fe, NM

Top Origins of Net Move-ins:
- Los Angeles, CA
- New York, NY
- Dallas, TX
- Chicago, IL
- San Francisco, CA

Top Destinations of Net Move-outs:
- Albuquerque, NM
- Sacramento, CA
- Boulder, CO
- Espanola, NM
- Portland, OR

More **Move-outs**   More **Move-Ins**

Source: John Burns Research and Consulting, LLC, based on change of address data from Melissa Inc. **Domestic moves only.**
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Data: Feb-25, Pub: May-25

2003-2013: Growth in the young adult (20-34), empty nester (50-64), and retiree (65+) years.

New Mexico Population Growth by Age Group, 2003-2013 (Thousands)
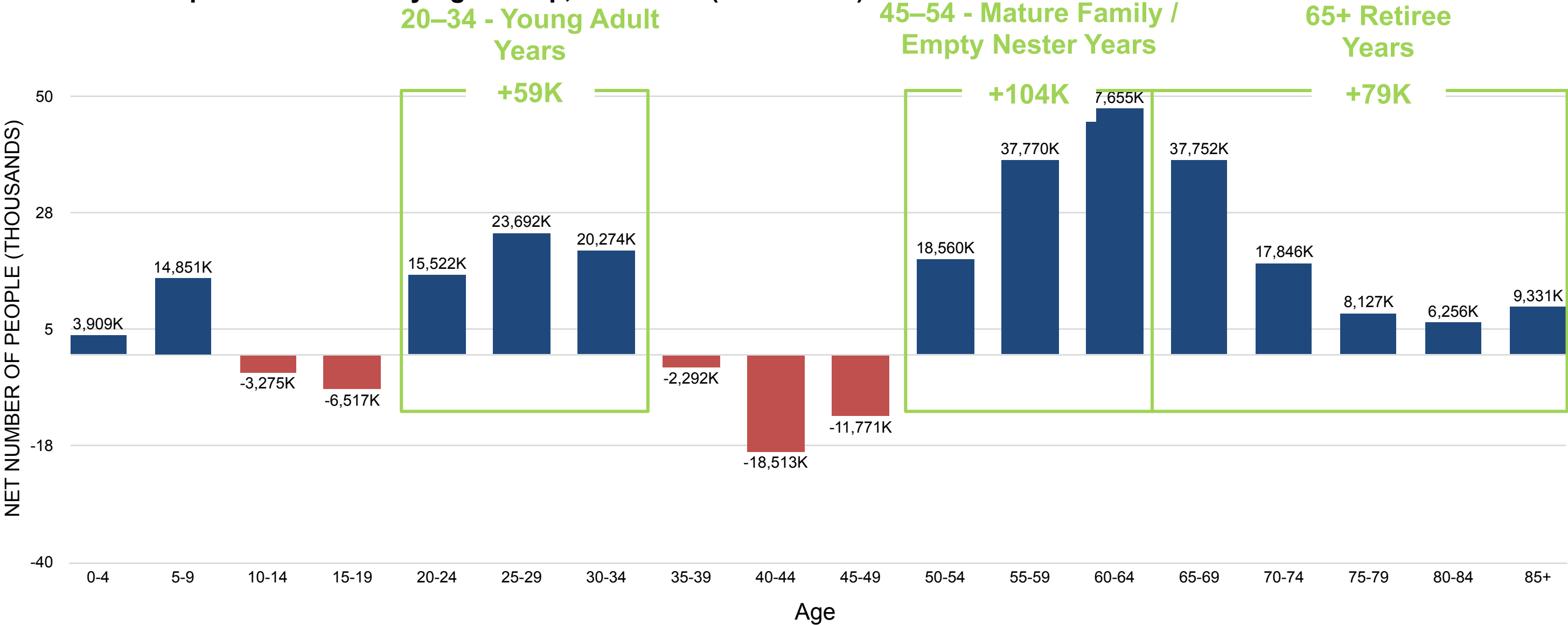
Source: John Burns Research and Consulting, LLC tabulations of US Census Bureau data

2013-2023: Growth shifts to the young adult / young family years (30-44) and retiree (60+) population.

New Mexico Population Growth by Age Group, 2013-2023 (Thousands)
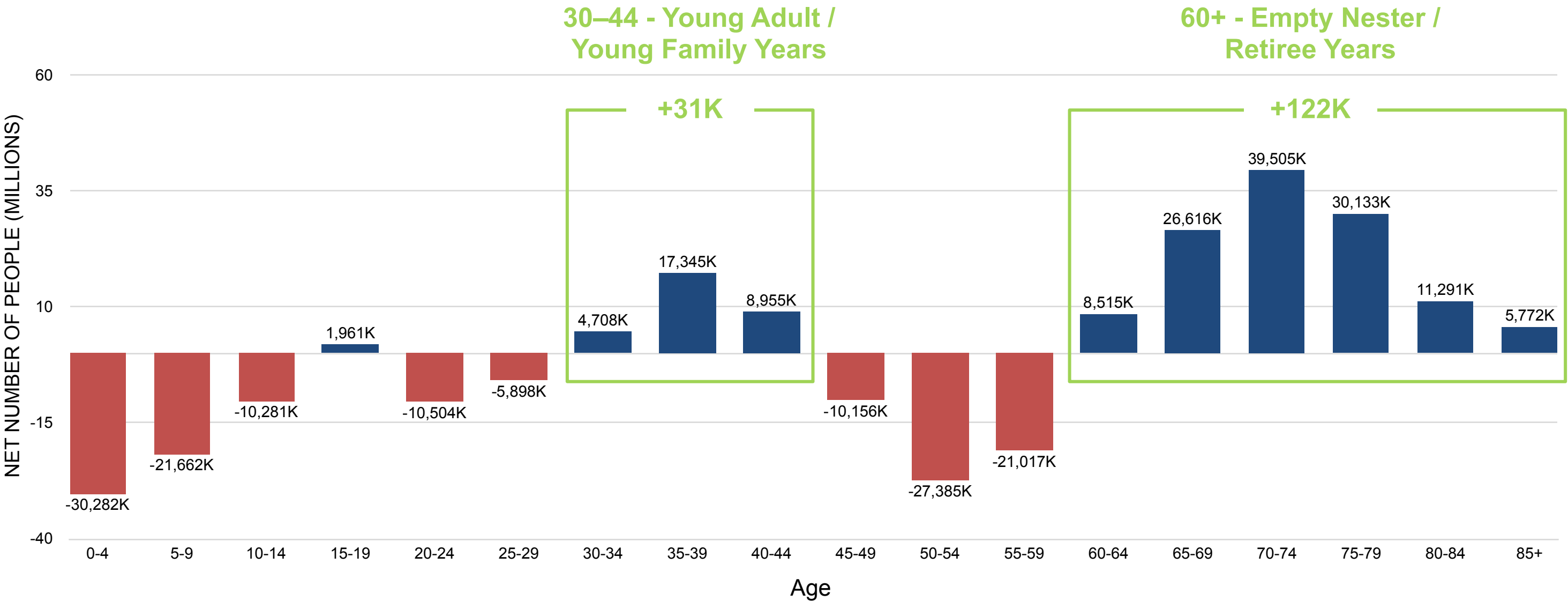
Source: John Burns Research and Consulting, LLC tabulations of US Census Bureau data

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The growth of the working-age population has been flat to slightly negative for the last decade.
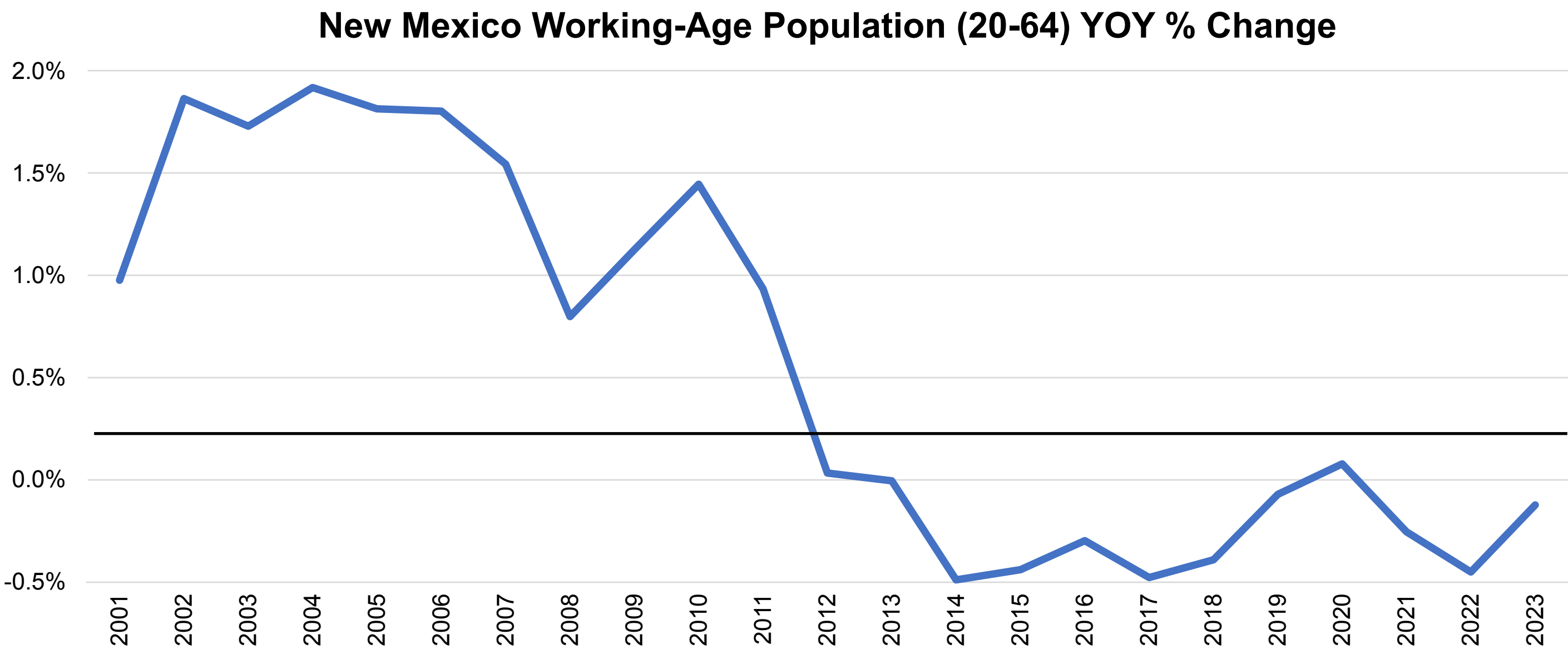
New Mexico Working-Age Population (20-64) YOY % Change

Job growth had tracked well with working-age population until the GFC, and caught up by 2019—just before the pandemic disrupted.
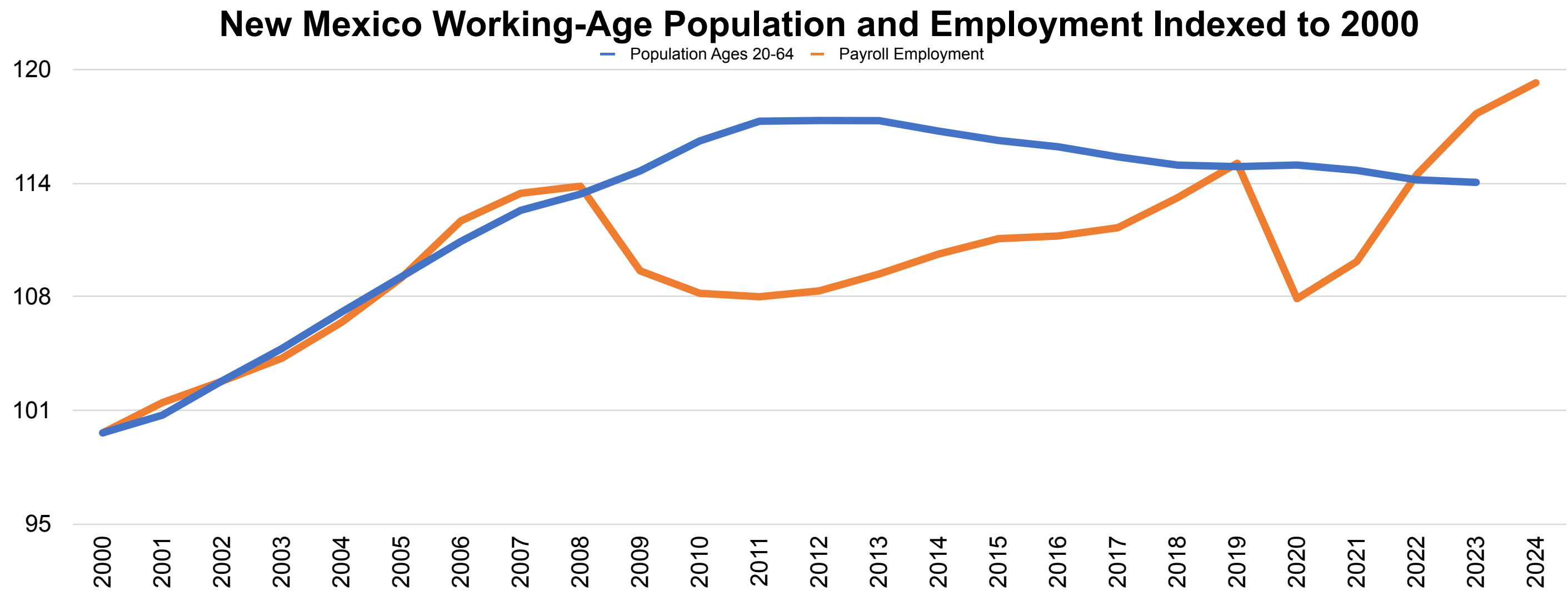
New Mexico Working-Age Population and Employment Indexed to 2000

— Population Ages 20-64 — Payroll Employment

The Four Big Influencers
of Demographic Shifts
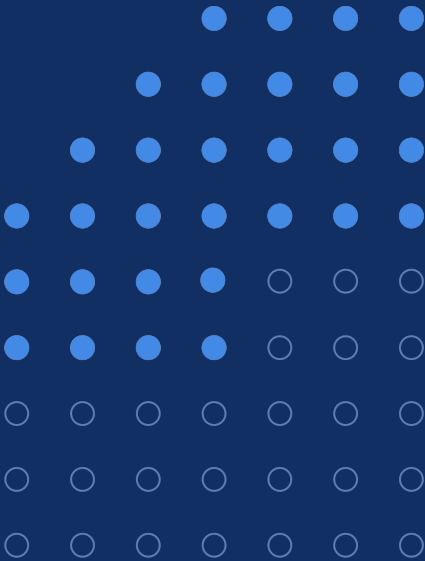
The Four Big Influencers have all come to play in significant ways—and all at once—over the last five years.

Economic Conditions
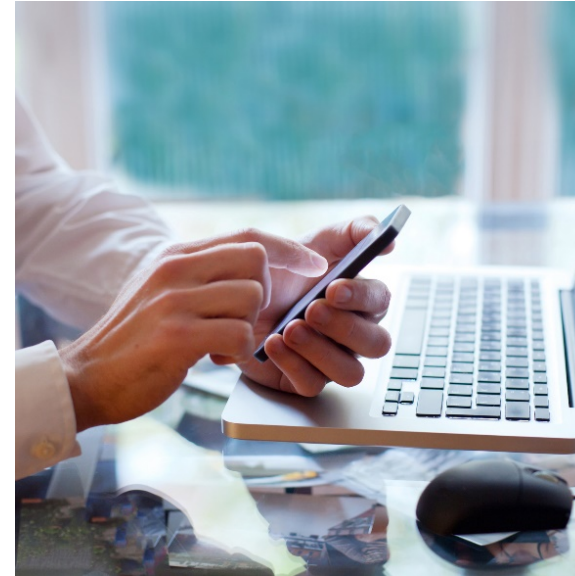
Societal Shifts

Government Policies

Technological Advancements

The 4-5-6 Rule for Demographic Predictions

4

The 4 Big Influencers

1. Government Policies
2. Economic Cycles
3. Technology Advances
4. Societal Shifts

5

During 5 Main Life Stages

1. Childhood
2. Early Career
3. Family Formation
4. Late Career
5. Retirement

6

Help Answer 6 Key Consumer Questions

1. How?
2. What?
3. When?
4. Where?
5. Who?
6. Why?

How many will there be and how much money will they have?

What will they purchase?

When will they purchase?

Where will they live/spend?

Who will buy and who will they live/spend with?

Why will they buy certain products and not others?

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Four Big Influencers:
Government Policies
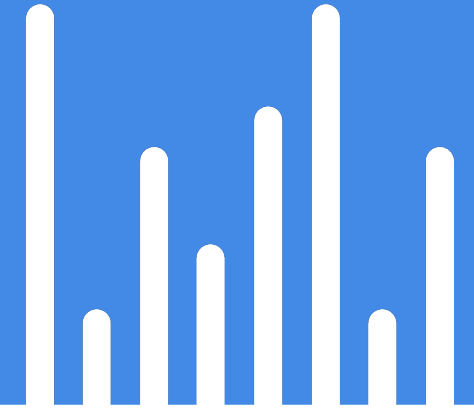
Lockdowns in the early days of the pandemic put the importance of "home" at the forefront.

2020 and 2021 were the right conditions for a surge in household formation—despite a global pandemic. Many of these have now reversed.

- Pent-up demand among a large young-adult population
- Higher savings as a result of government stimulus
- Wage growth as a result of labor shortages
- More emphasis placed on the importance of the home
- Desire for more space (e.g., roommates splitting up)
- More freedom to relocate due to work-from-anywhere policies
- Record-low mortgage rates
- Moratoriums on foreclosures, evictions

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Nearly 14% of Americans are immigrants, impacted by 1980s and 1990s government policies.

Foreign-Born Share of US Population

Majority of foreign-born US population born in Europe

- 1900: 14%
- 1910: 15%
- 1920: 13%
- 1930: 12%
- 1940: 9%
- 1950: 7%
- 1960: 5%
- 1970: 5%
- 1980: 6%
- 1990: 8%
- 2000: 11%
- 2010: 13%
- 2020: 14%
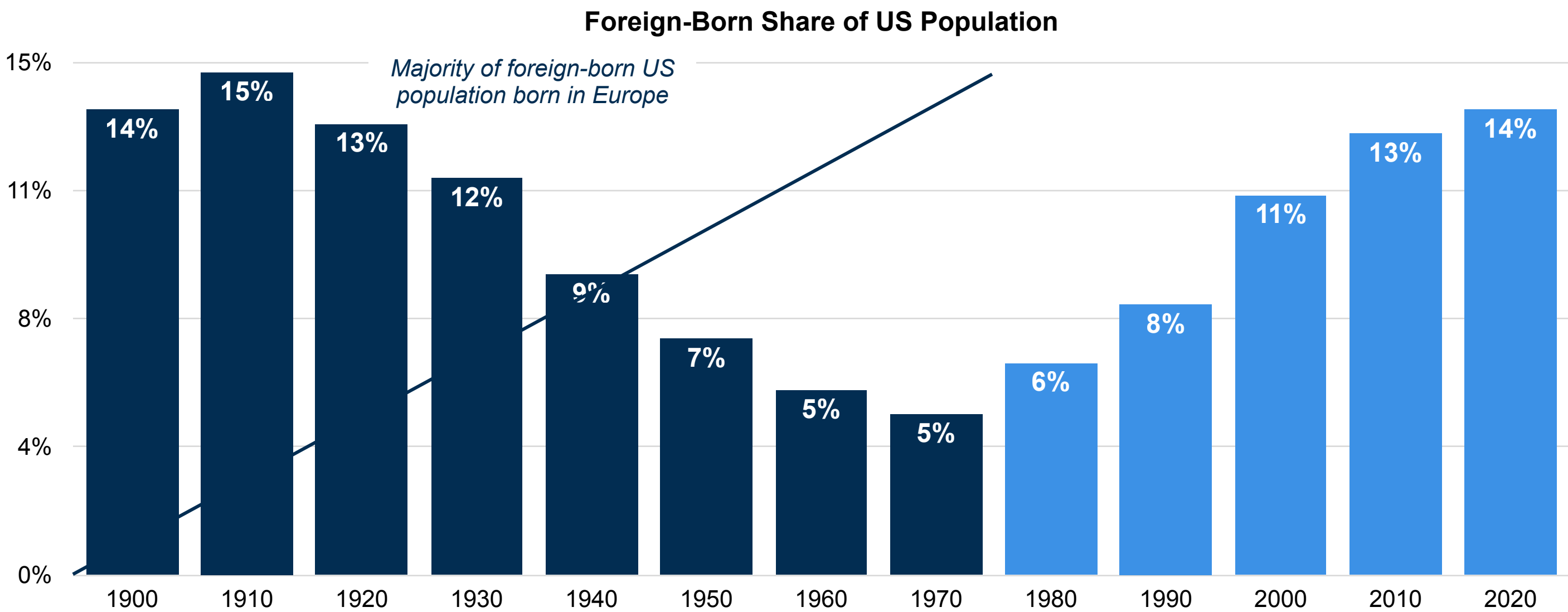
Sources: John Burns Research and Consulting, LLC calculations of US Census Bureau Decennial Census data; 2020 estimated based on 2019, 2021 American Community Survey 1-Year Estimates

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Increasingly, population growth in the US is becoming more dependent on immigration as natural population growth slows.

US International Net Immigration

Record-high immigration clogs court system, creating 2+ year case backlog for asylum seekers.

New policies to restrict unauthorized migration through the US southern border

US borders reopened; visa processing restarted.

Tighter policies restricted immigration.

Covid halted visa processing and closed US borders.

2025–2028: Restrictive immigration policies reduce net immigration's contribution to population growth.

Year	Value
2016	1.3M
2017	1.1M
2018	0.9M
2019	0.7M
2020	0.8M
2021	1.5M
2022	2.8M
2023	3.3M
2024	2.3M
2025P	0.6M
2029P–	(avg.)

Sources: John Burns Research and Consulting, LLC, tabulations of U.S. Census Bureau Population Estimates and the Congressional Budget Office; Projections by JBREC (Data: 2024, Pub: Mar-25)

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The US labor force has expanded since 2019 due to 5M additional foreign-born workers, helping propel job growth.

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Mortgage rates: Multiple generations had rarely seen rising rates – until now.

30-Year Fixed-Rate Mortgage Rate

Source: Freddie Mac

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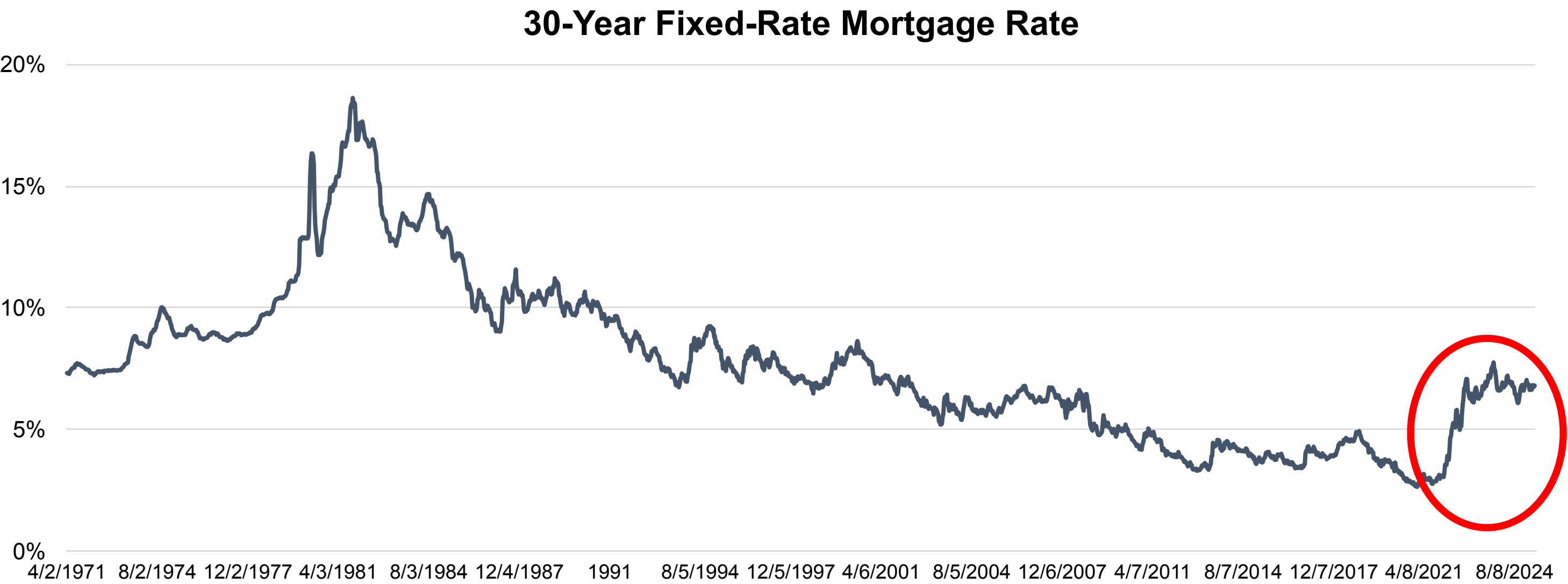
82% of outstanding mortgages are locked in at rates less than 6%—likely less moving, as people are less likely to want to trade up to a higher rate.

Share of Mortgage Loans Outstanding by Mortgage Rate

Legend: ≤3% | 3.01%–4% | 4.01%–5% | 5.01%–6% | ≥6%
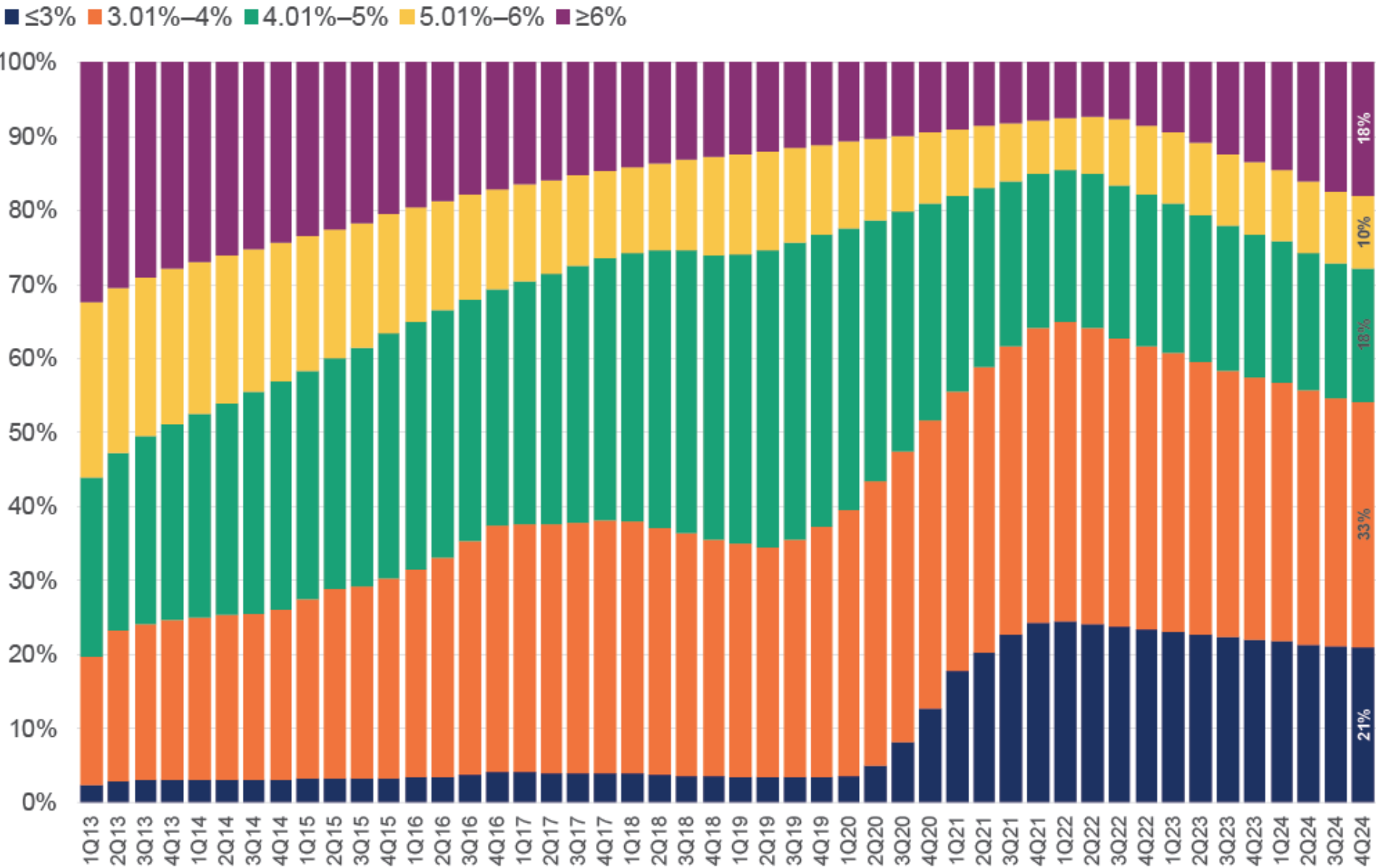
We are past the days of peak lock-in during 1Q22, when 92% of borrowers had a mortgage rate below 6%.

Source: FHFA; National Mortgage Database (NMDB); John Burns Research and Consulting, LLC (Data: 4Q24, updated quarterly†)
As seen in *Burns US Housing Analysis and Forecast*

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Add to that the significant rise in home prices over the last 5 years, and affordability becomes so much more challenging.

Cumulative Change in Home Value Since February 2020
Burns Home Value Index™

— United States (150 Market Rollup)   — Albuquerque MSA   — Las Cruces MSA   — Santa Fe MSA

Source: John Burns Research and Consulting, LLC (Data: Apr-25, Pub: May-25)
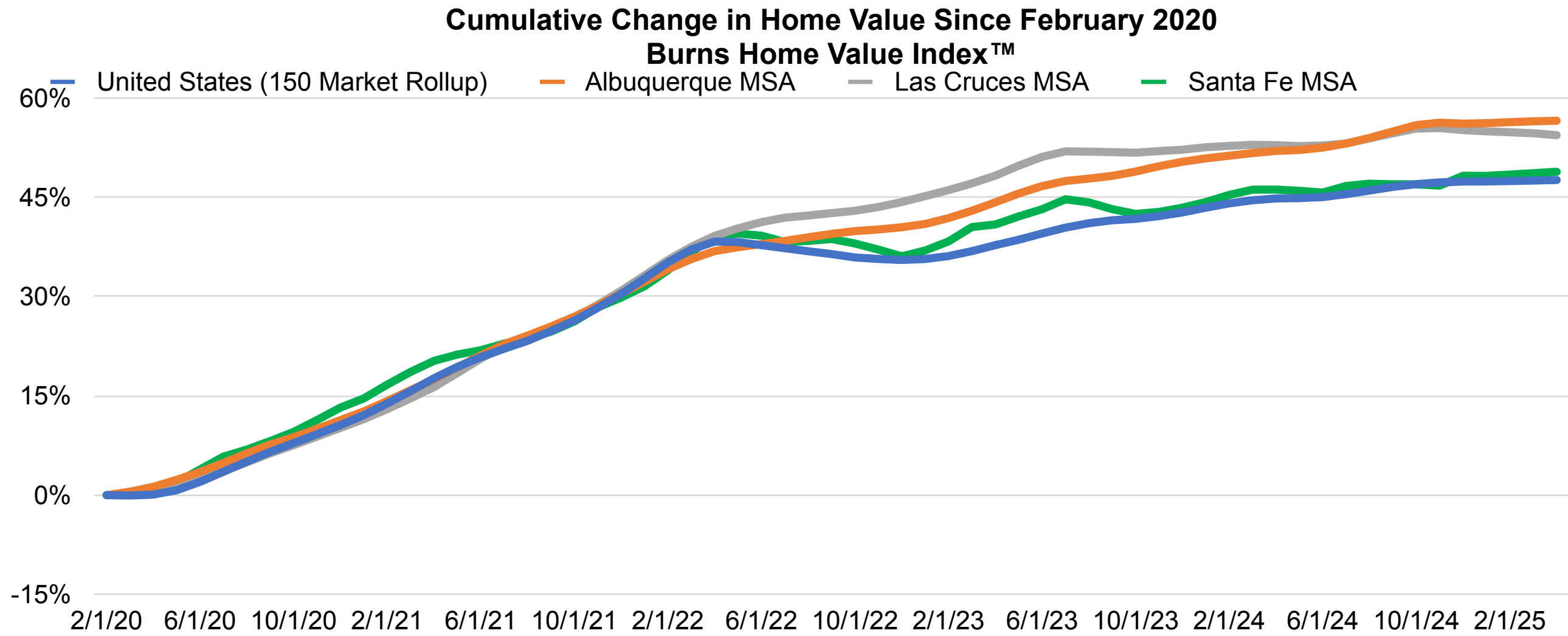
JOHN BURNS
RESEARCH & CONSULTING

Relative to the nation, New Mexico's metros have relatively average affordability (housing costs relative to incomes).

Burns Affordability Index™
Housing-cost-to-income ratio
Top US markets, at a 6.8% mortgage rate (rate for April 2025)

| Metro	%
San Francisco*	81%
San Jose	79%
Orange County*	75%
Los Angeles*	70%
San Diego	63%
Miami*	60%
New York*	59%
East Bay Area*	57%
Seattle	51%
Boston	44%
Riverside-San Bern.	43%
Orlando	42%
Salt Lake City	41%
Sacramento	41%
Santa Fe	41%
Tampa	41%
National	40%
Portland	39%
Las Vegas	39%
Dallas*	39%
Denver	38%
Nashville	38%
Austin	37%
Las Cruces	35%
Phoenix	35%
Houston	35%
San Antonio	35%
Jacksonville	34%
Charlotte	34%
Washington DC	34%
Albuquerque	33%
Raleigh-Durham**	33%
Chicago**	30%
Philadelphia	30%
Atlanta	30%
Minneapolis	29%
Indianapolis	25%

Very Expensive — San Francisco to Seattle
Expensive — Boston to Tampa
Average — Portland to Atlanta
Affordable — Minneapolis to Indianapolis

Burns Affordability Index
- >50% Very Expensive
- 40%–50% Expensive
- 30%–40% Average
- 20%–30% Affordable
- <20% Very Affordable

Metro division **combination of metro divisions (except Raleigh-Durham, which is a combination of metros)
Source: John Burns Research and Consulting, LLC (Data: Apr-25, Pub: May-25)
As seen in *Burns Regional Analysis and Forecast*

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What really matters is how today's affordability environment feels—especially to locals—compared to its own history.

Burns Affordability Index – National
Median Housing Cost / 125% of Median Income Ratio
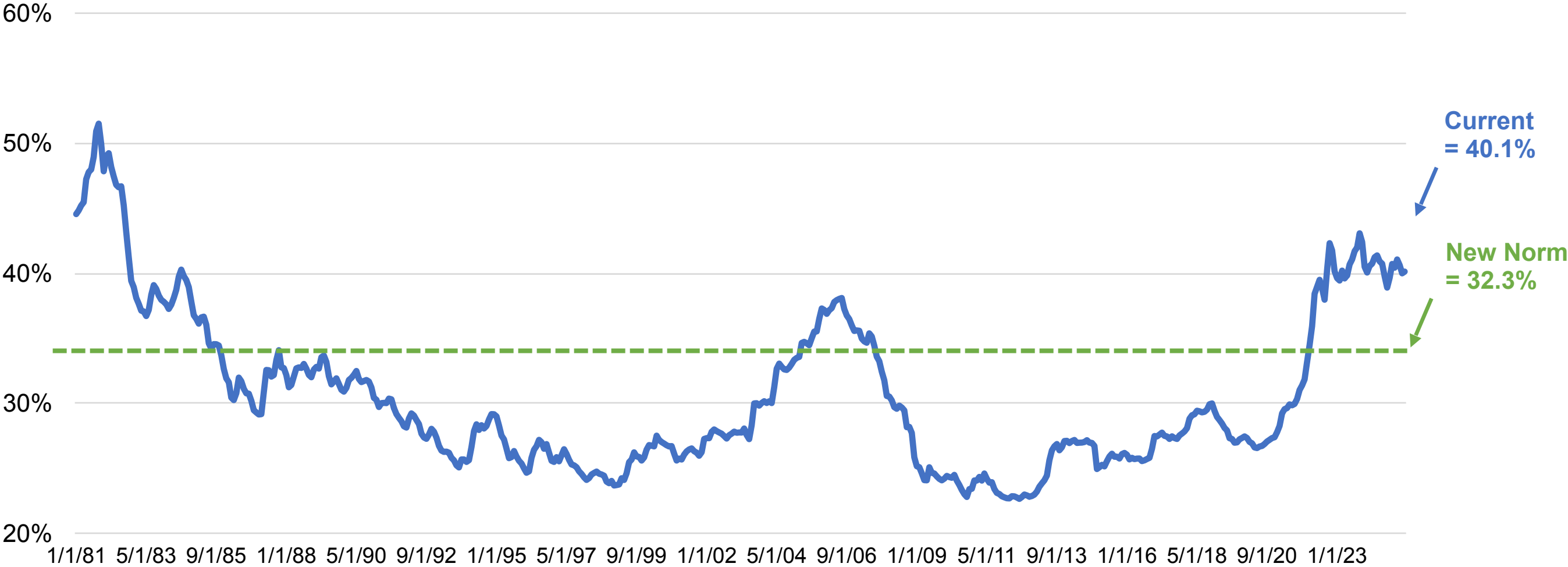
Current = 40.1%

New Norm = 32.3%

Methodology: Payments on a purchase of the median priced home with 10% down, a 30-year fixed rate mortgage payment, property taxes, property insurance and mortgage insurance purchased by a household with 125% of the median income (to represent a typical buyer of the median-priced home).
Source: John Burns Research and Consulting, LLC *US Housing Analysis and Forecast* (Data: Apr-25; Pub: May-25)

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Albuquerque's all-in housing costs feel 32% overpriced to local buyers than normal.
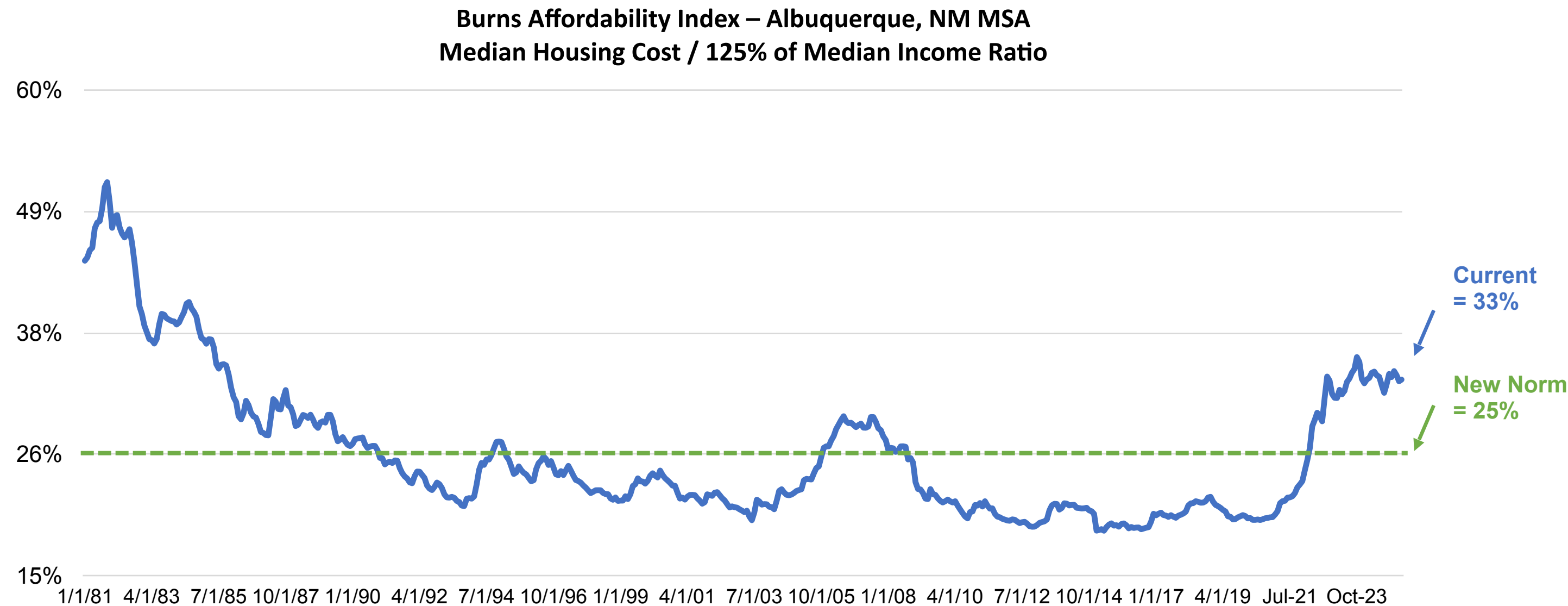
Burns Affordability Index – Albuquerque, NM MSA
Median Housing Cost / 125% of Median Income Ratio

Current = 33%

New Norm = 25%

Methodology: Payments on a purchase of the median priced home with 10% down, a 30-year fixed rate mortgage payment, property taxes, property insurance and mortgage insurance purchased by a household with 125% of the median income (to represent a typical buyer of the median-priced home).
Source: John Burns Research and Consulting, LLC *US Housing Analysis and Forecast* (Data: Apr-25; Pub: May-25)
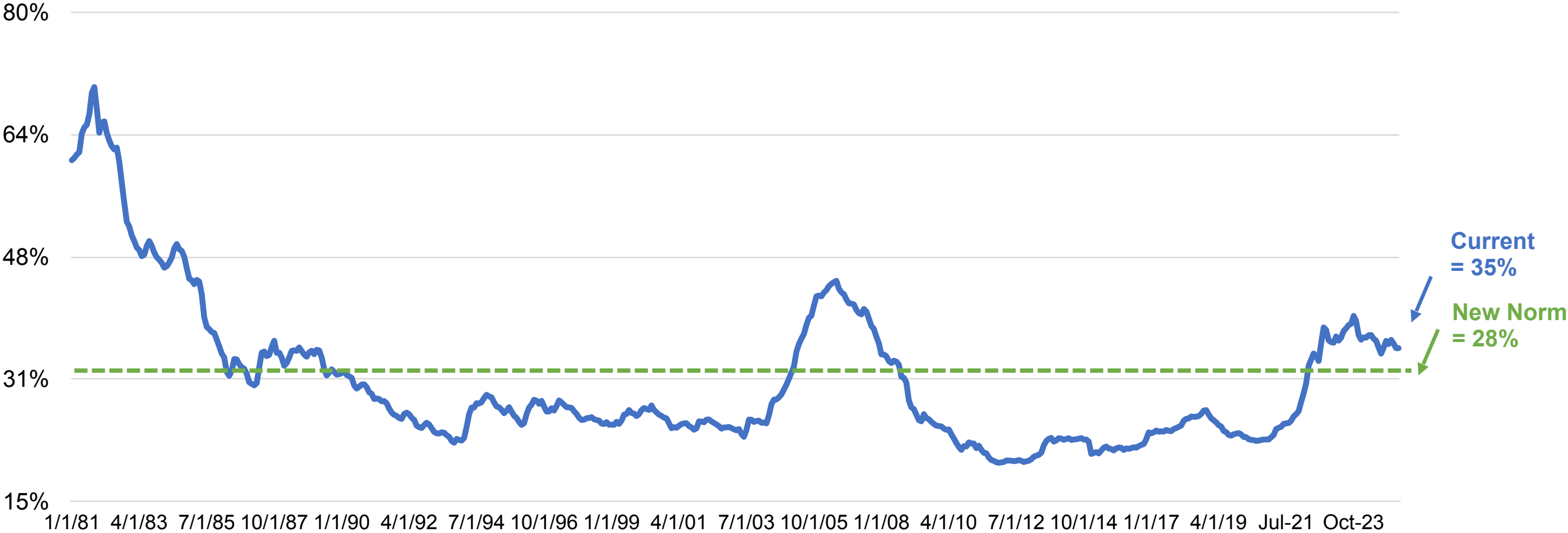
JOHN BURNS
RESEARCH & CONSULTING

Las Cruces' all-in housing costs feel 27% overpriced to local buyers than normal. Not as overpriced as the market felt in the mid-2000s.

Burns Affordability Index – Las Cruces, NM MSA
Median Housing Cost / 125% of Median Income Ratio

Current = 35%

New Norm = 28%

Methodology: Payments on a purchase of the median priced home with 10% down, a 30-year fixed rate mortgage payment, property taxes, property insurance and mortgage insurance purchased by a household with 125% of the median income (to represent a typical buyer of the median-priced home).
Source: John Burns Research and Consulting, LLC *US Housing Analysis and Forecast* (Data: Apr-25; Pub: May-25)

JOHN BURNS
RESEARCH & CONSULTING

Santa Fe's all-in housing costs feel 25% overpriced to local buyers than normal.

Burns Affordability Index – Santa Fe, NM MSA
Median Housing Cost / 125% of Median Income Ratio
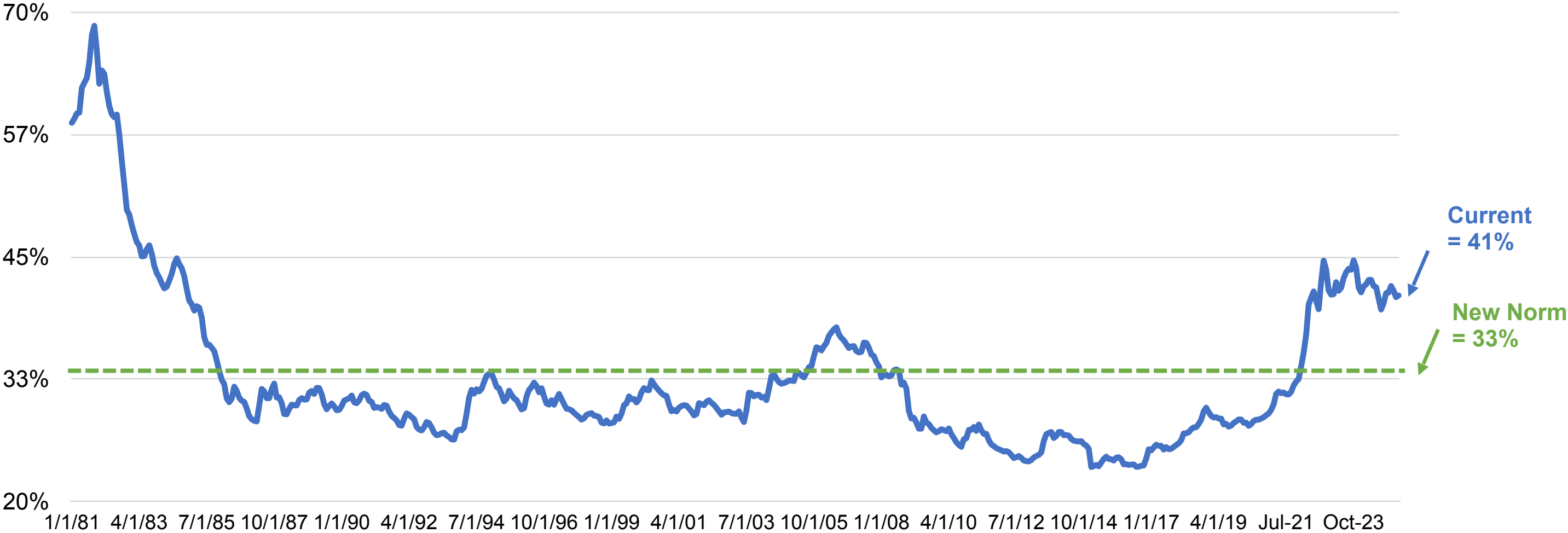

Current = 41%

New Norm = 33%

Methodology: Payments on a purchase of the median priced home with 10% down, a 30-year fixed rate mortgage payment, property taxes, property insurance and mortgage insurance purchased by a household with 125% of the median income (to represent a typical buyer of the median-priced home).
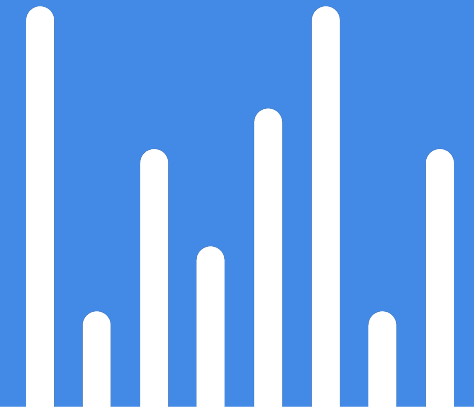Source: John Burns Research and Consulting, LLC *US Housing Analysis and Forecast* (Data: Apr-25; Pub: May-25)

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The economy is still chugging along, namely with jobs, but cracks are beginning to show.

Monthly US Payroll Employment Growth
Thousands, SA
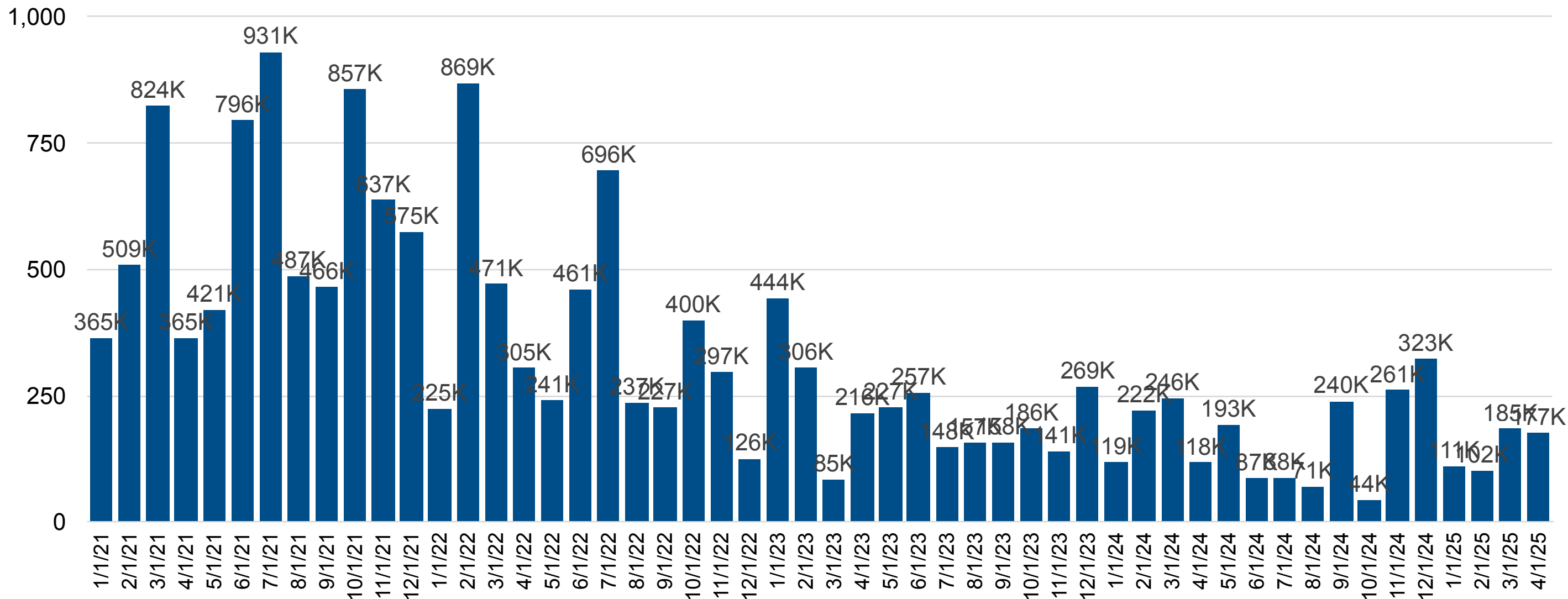
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Nationally, jobs are 4.3% higher in New Mexico than pre-pandemic levels, only slightly trailing the national average of 4.8%.

Non-Farm Payroll Employment
Seasonally Adjusted, Indexed to January 2020

Legend: United States, New Mexico

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High in-migration markets have benefited most in terms of job growth.
The major markets in New Mexico are now at or above peak employment.

Recovery of Payroll Jobs (% of Pre-Covid Peak)
Through March 2025

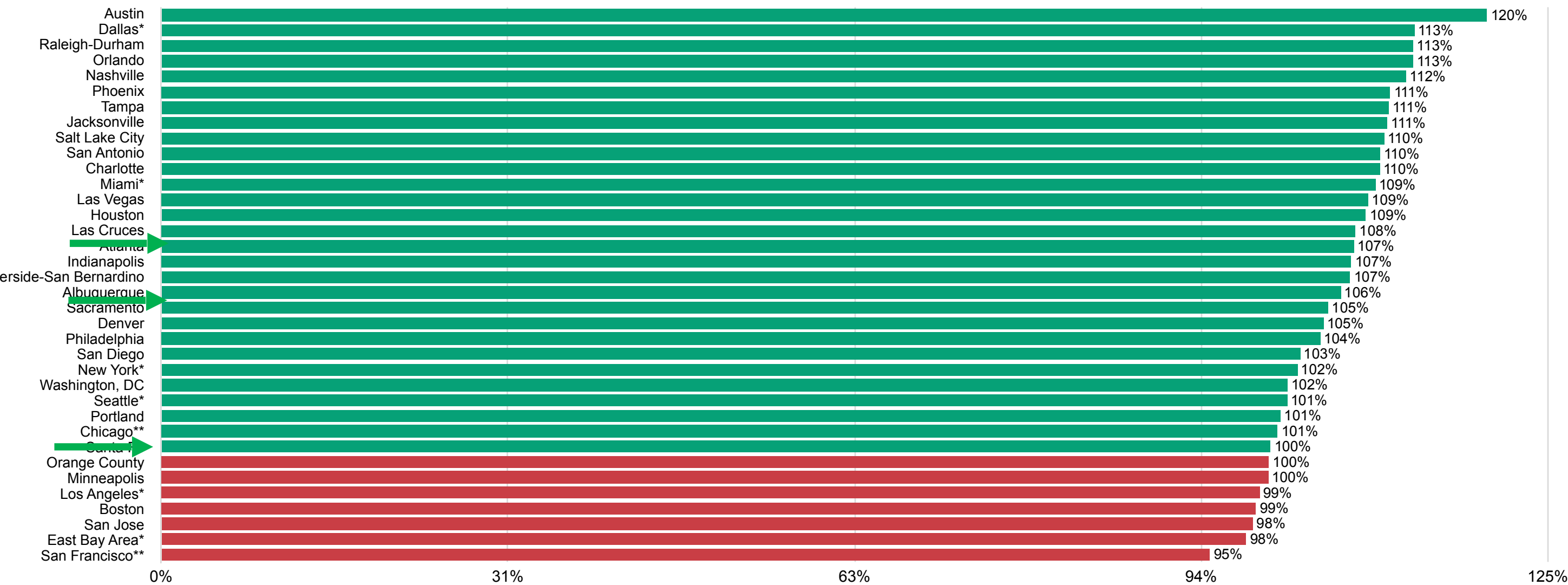| Market	Recovery
Austin	120%
Dallas*	113%
Raleigh-Durham	113%
Orlando	113%
Nashville	112%
Phoenix	111%
Tampa	111%
Jacksonville	111%
Salt Lake City	110%
San Antonio	110%
Charlotte	110%
Miami*	109%
Las Vegas	109%
Houston	109%
Las Cruces	108%
Atlanta	107%
Indianapolis	107%
Riverside-San Bernardino	107%
Albuquerque	106%
Sacramento	105%
Denver	105%
Philadelphia	104%
San Diego	103%
New York*	102%
Washington, DC	102%
Seattle*	101%
Portland	101%
Chicago**	101%
Santa Fe	100%
Orange County	100%
Minneapolis	100%
Los Angeles*	99%
Boston	99%
San Jose	98%
East Bay Area*	98%
San Francisco**	95%

*Metro division **Combination of metro divisions (Raleigh-Durham is a combination of multiple metros.)

Recovery measured against peak payroll employment (seasonally adjusted) which for most markets was in January or February 2020. Trough employment (seasonally adjusted) for these markets was April or May 2020.

Source: John Burns Research and Consulting, LLC tabulations of Bureau of Labor Statistics data. (Data: Mar-25, Pub: May-25)

As seen in *Burns Regional Analysis and Forecast*

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Household formation dropped off significantly in the downturn of the late 2000s – this delayed formations for the 1980s-born Sharers.

**Net US Household Growth
YOY %, Annual Average**

Low levels of formations ~ 620K per year

Source: John Burns Research and Consulting, LLC
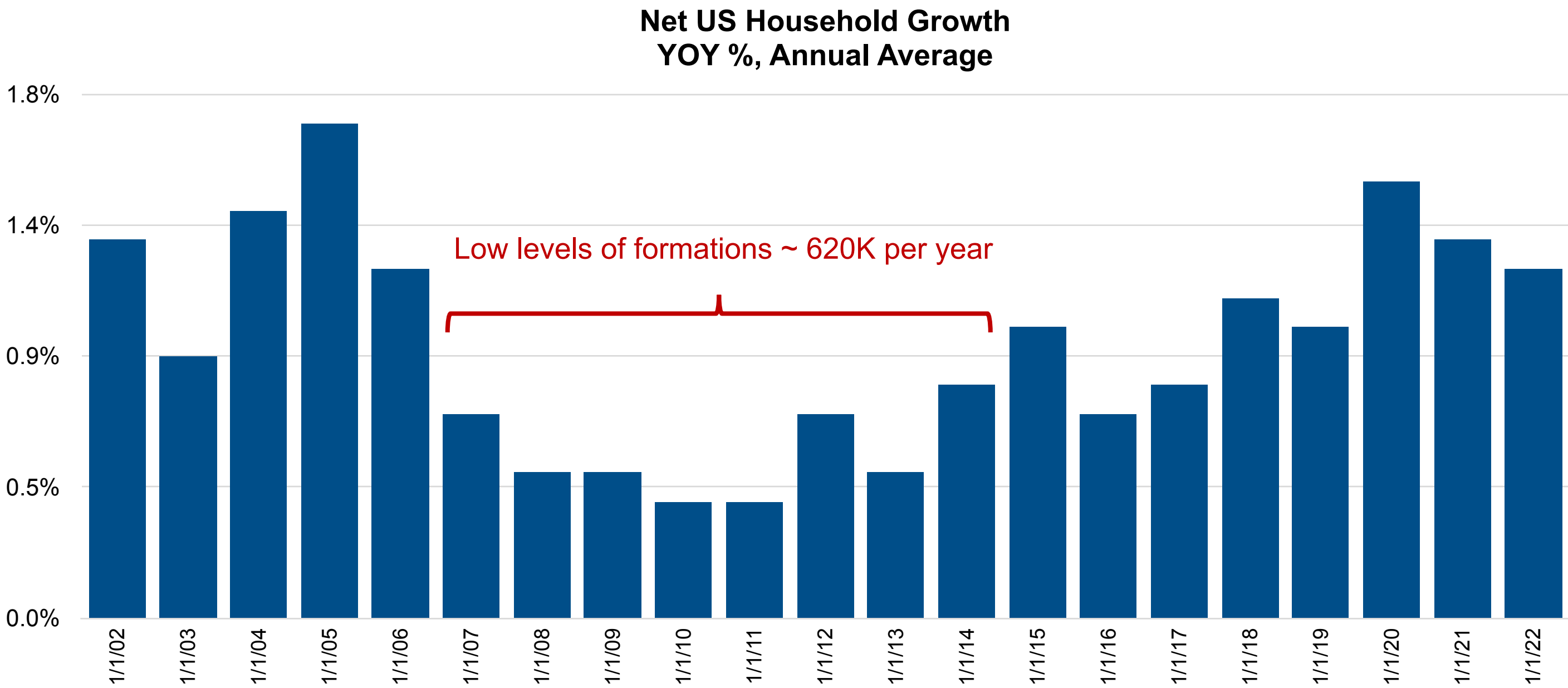
JOHN BURNS
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Economic-driven delays in household formation would most likely impact the late 1990s- and early 2000s-born populations in the near term.

2024P US Population by Year Born
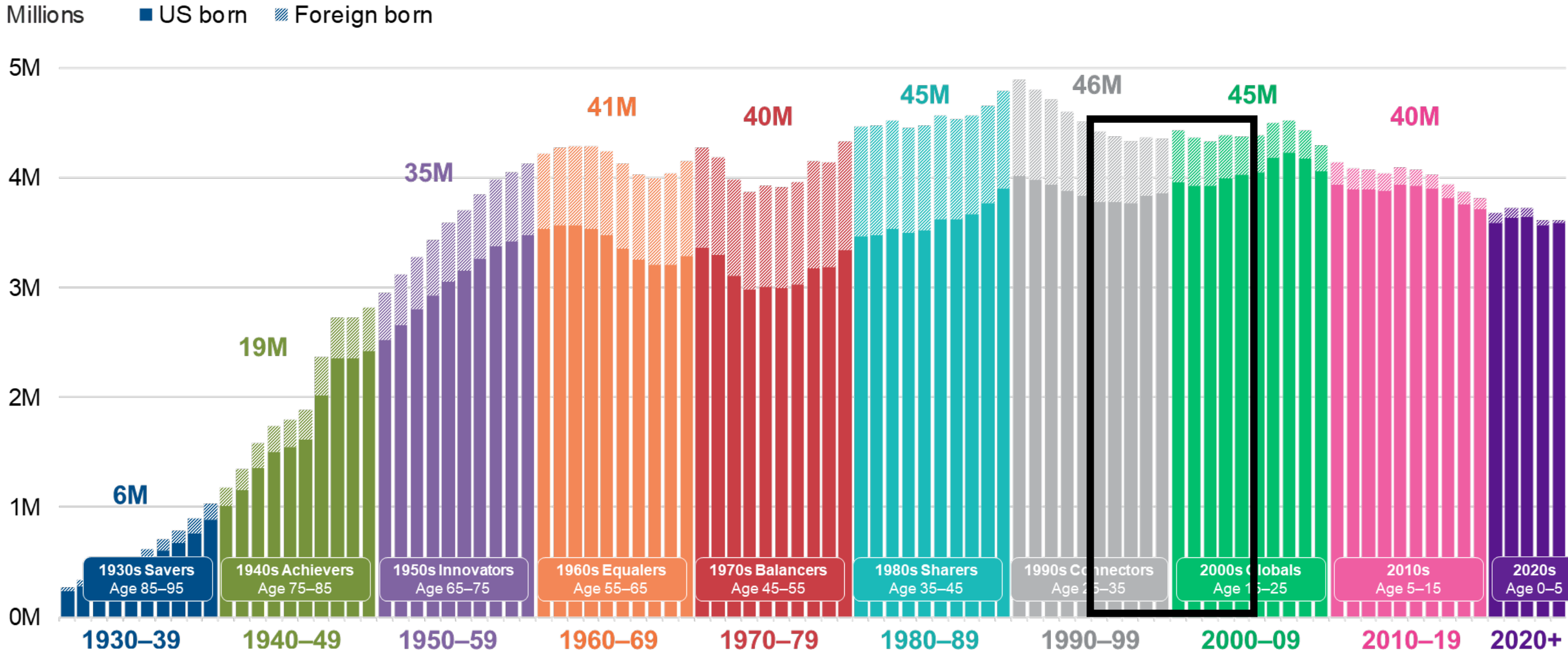
Millions   ■ US born   ▨ Foreign born

Source: John Burns Research and Consulting, LLC tabulations of US Census Bureau data

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One saving grace in the economy: working-age population is barely growing, keeping labor markets tight—and translates to income growth.

US Annual Working-Age Population Growth (Age 20–64)
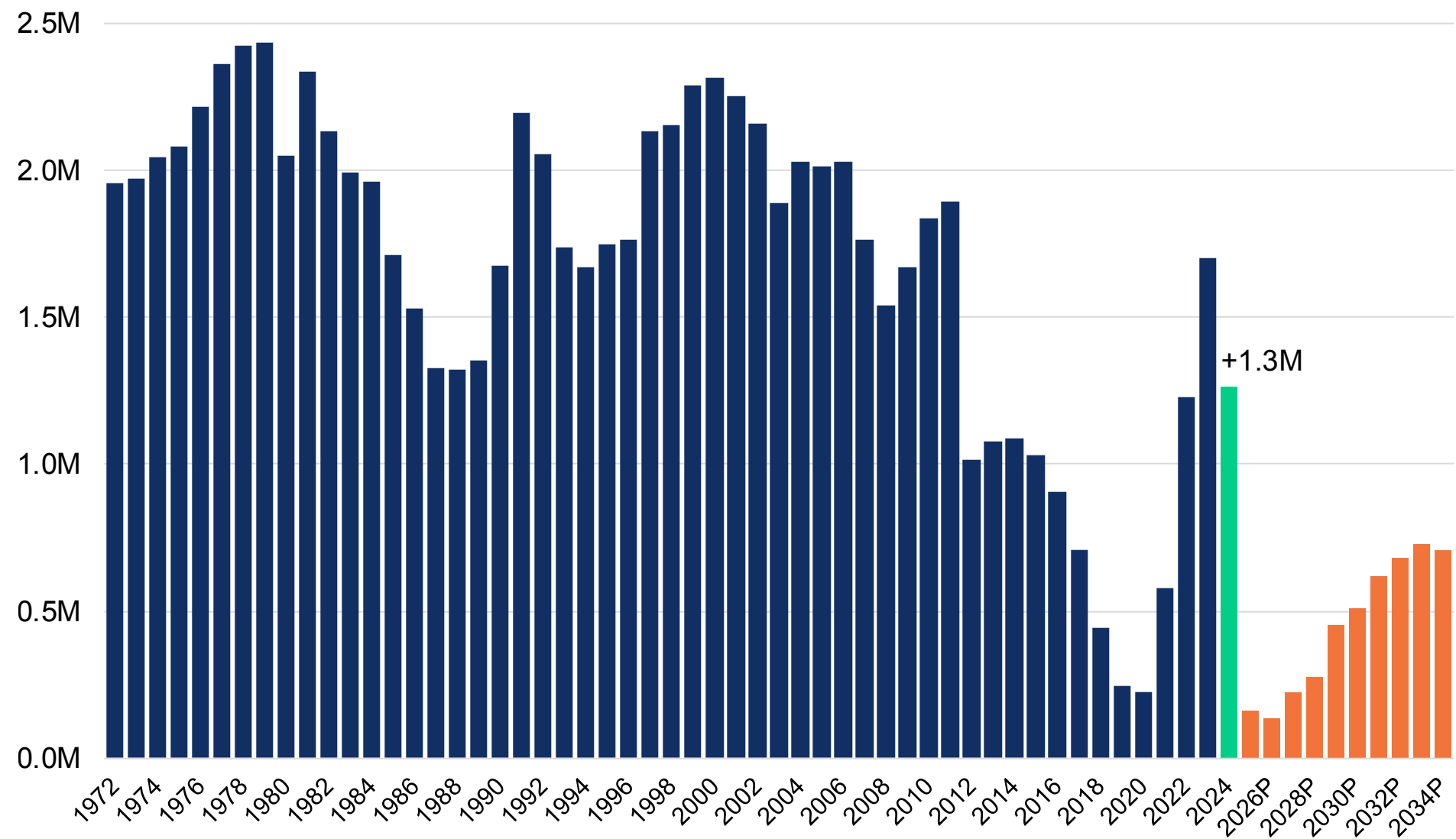
Source: US Census Bureau; John Burns Research and Consulting, LLC (forecasts) (Pub: Mar-25)

Four Big Influencers:

Technology Advances
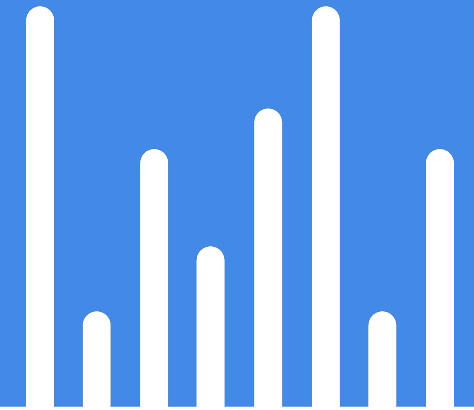
The ways technology has shifted society in the last five years are too numerous to count.

We may be inclined to think that the pandemic created technologies like Zoom and Instacart.

instacart

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Work from home (and work from anywhere) created more housing demand, especially in outlying areas where there is more land.

Exurban Home Building Sweet Spot
- **Housing is more affordable**
- **Land is readily available**

The Great American Move of 2020 and 2021

People raced to get out of a house they don't care for, helped by government stimulus and very low mortgage rates.

NEW HOMES

APARTMENTS

SINGLE-FAMILY RENTALS

COMMERCIAL REAL ESTATE

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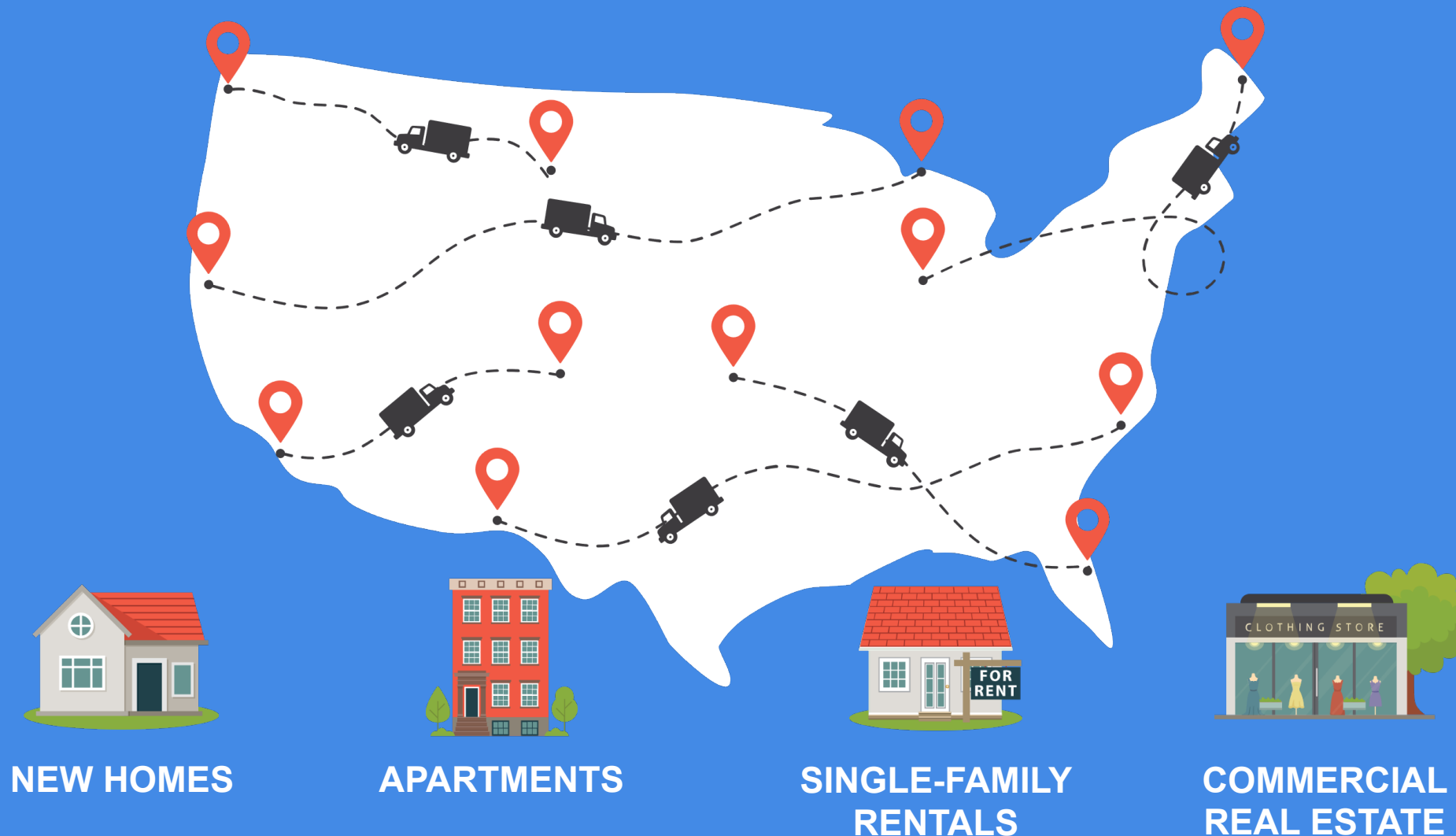
Florida, Texas, Southeast, and mountain states clearly benefited from the Great American Move. Migration has slowed since.

Net Domestic Migration Rate
(Domestic Migration as a Share of the Prior Year's Population)

2020-2021

2023-2024

Net Domestic Migration Rate

5%

0%

-5%

Domestic migration rate is the growth of the population due solely to people moving into / out of an area. Measured July-July.
Source: John Burns Research and Consulting, LLC tabulations of US Census Bureau Population Estimates (2022 Vintage)

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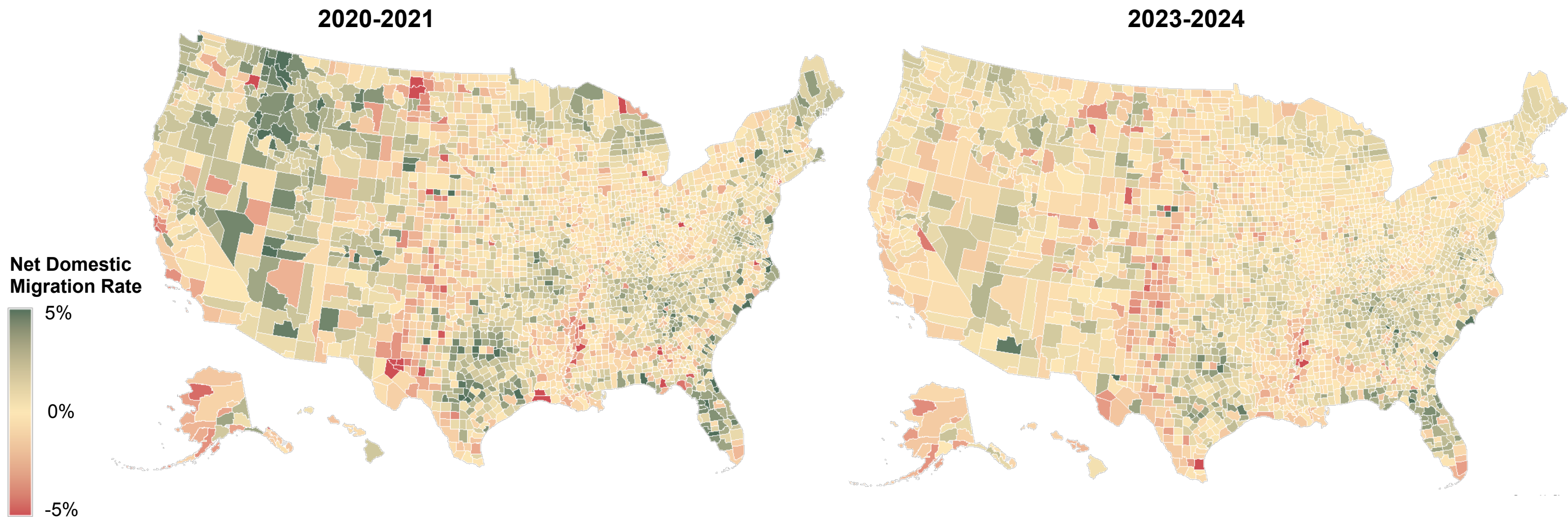
This is a significant, permanent shift and development opportunity.

- **High-speed internet and laptops have enabled working from home,** akin to:
  - Mass production of automobiles enabling the Great Northern Migration to Michigan and Illinois in the early 1900s
  - Mass production of air conditioning enabling the Great Southern Migration to Florida, Georgia and Texas in the 1950s and 1960s
  - The Federal-Aid Highway Act of 1956 made commuting feasible, enabling suburban housing in the 1950s and 1960s

- The more recent demographic shift
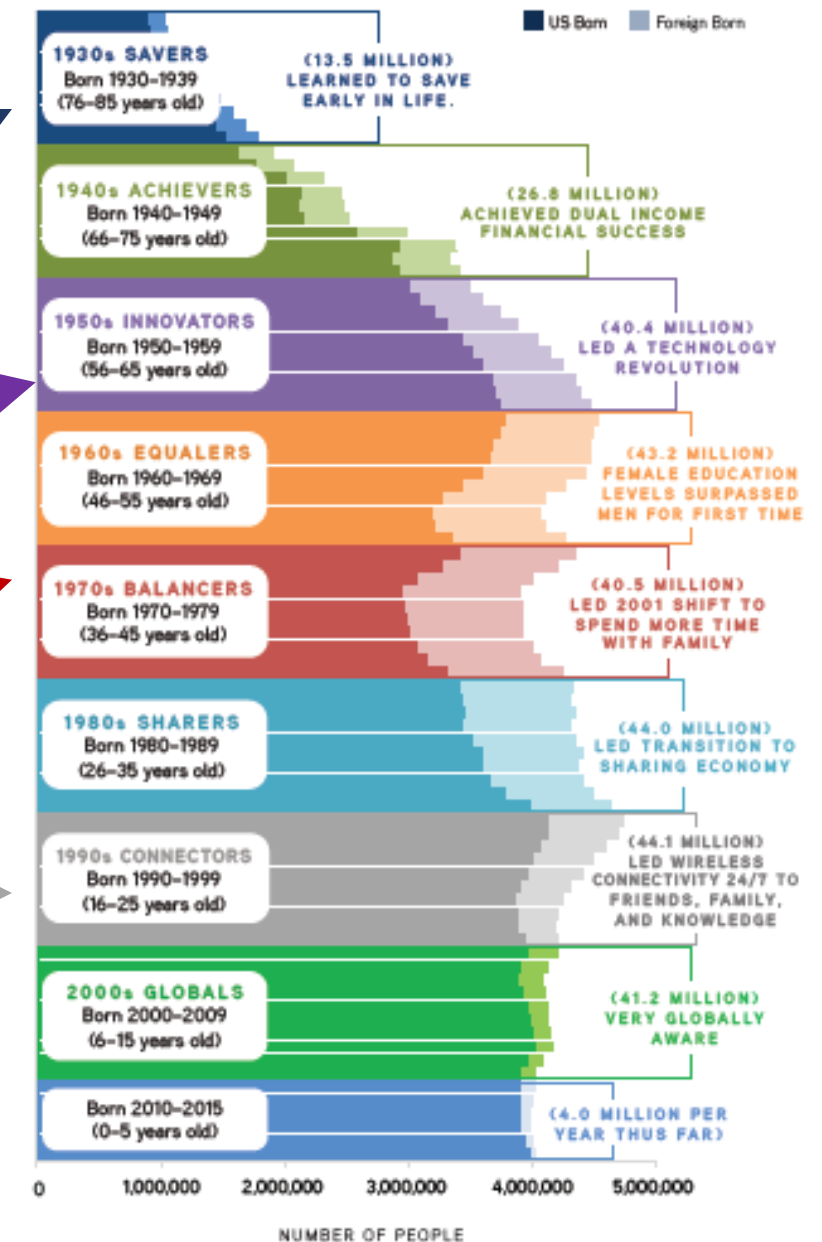 - Those born in the 1990s, which we dubbed The Connectors in our 2016 book Big Shifts Ahead, had already been shifting society toward living connected via technology

EACH DECADE LED A SIGNIFICANT SHIFT IN SOCIETY.

FIGURE 2.2 2015 US Population by Place of Birth

US Born   Foreign Born

1930s SAVERS Born 1930–1939 (76–85 years old)
(13.5 MILLION) LEARNED TO SAVE EARLY IN LIFE.

1940s ACHIEVERS Born 1940–1949 (66–75 years old)
(26.8 MILLION) ACHIEVED DUAL INCOME FINANCIAL SUCCESS

1950s INNOVATORS Born 1950–1959 (56–65 years old)
(40.4 MILLION) LED A TECHNOLOGY REVOLUTION

1960s EQUALERS Born 1960–1969 (46–55 years old)
(43.2 MILLION) FEMALE EDUCATION LEVELS SURPASSED MEN FOR FIRST TIME

1970s BALANCERS Born 1970–1979 (36–45 years old)
(40.5 MILLION) LED 2001 SHIFT TO SPEND MORE TIME WITH FAMILY

1980s SHARERS Born 1980–1989 (26–35 years old)
(44.0 MILLION) LED TRANSITION TO SHARING ECONOMY

1990s CONNECTORS Born 1990–1999 (16–25 years old)
(44.1 MILLION) LED WIRELESS CONNECTIVITY 24/7 TO FRIENDS, FAMILY, AND KNOWLEDGE

2000s GLOBALS Born 2000–2009 (6–15 years old)
(41.2 MILLION) VERY GLOBALLY AWARE

Born 2010–2015 (0–5 years old)
(4.0 MILLION PER YEAR THUS FAR)

0   1,000,000   2,000,000   3,000,000   4,000,000   5,000,000

NUMBER OF PEOPLE

Source: John Burns Real Estate Consulting, LLC calculations of US Census Bureau 2014 National Projections

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AI is still very early on, though it definitely will transform businesses. It's clear that, at this point, human intelligence remains vital.

Four Big Influencers:

Societal Shifts

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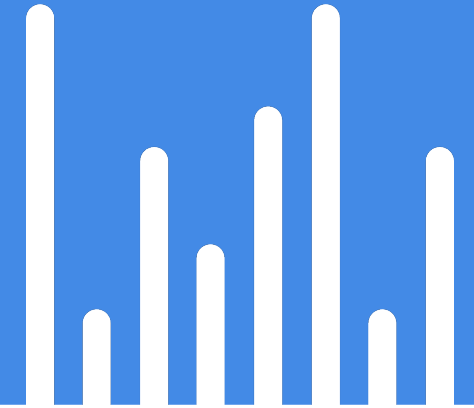
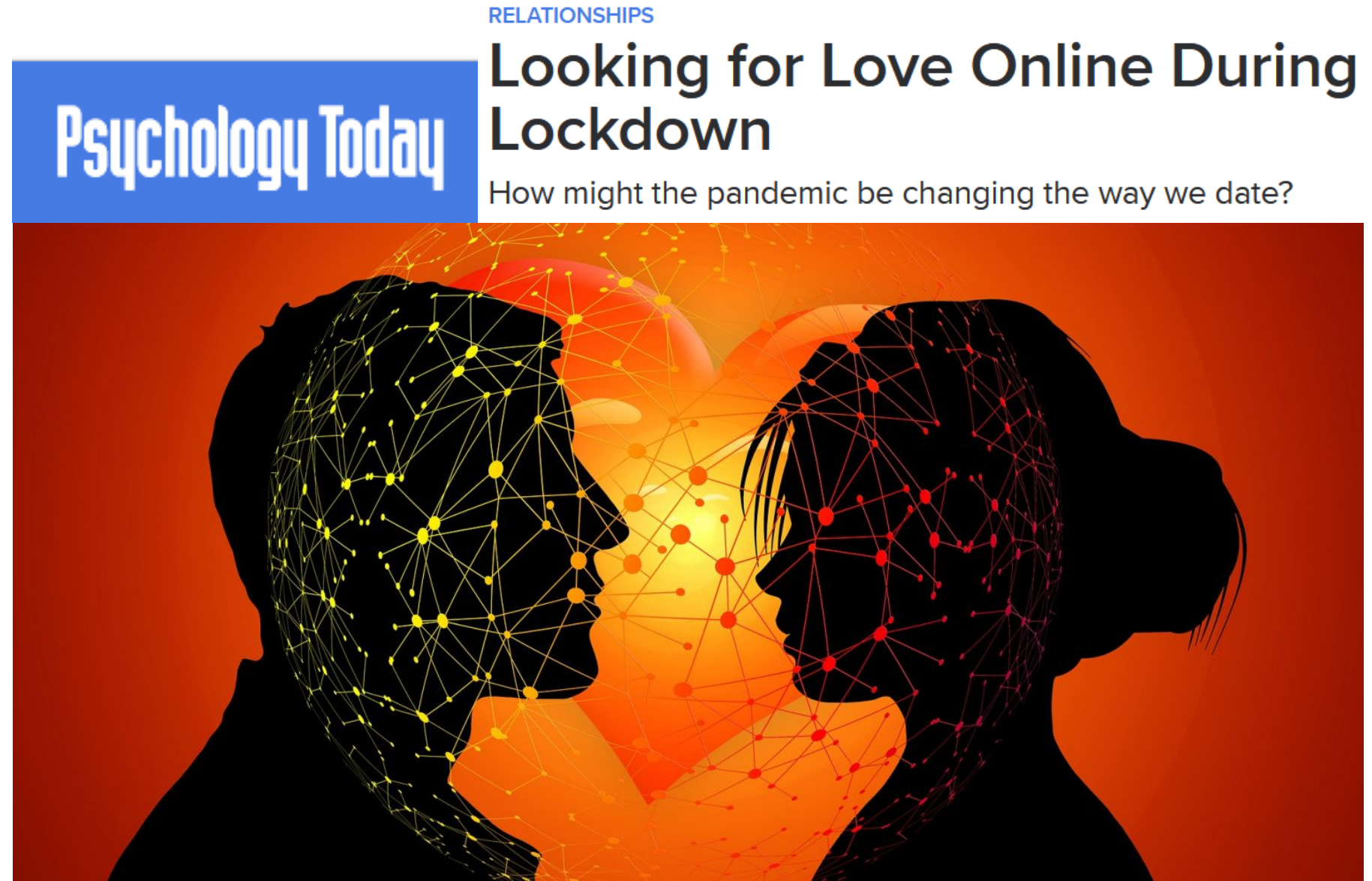## Similar to the post-9/11 period, there does seem to be a resetting of priorities – what is most important?

Dating and weddings were both disrupted during the pandemic.

Do delays in dating push marriage and family formation further out?

Or does it speed these up, making up for lost time?

"If I ever have to go through something like the pandemic again, I don't want to do it alone."

Psychology Today

RELATIONSHIPS

Looking for Love Online During Lockdown

How might the pandemic be changing the way we date?

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Retirees are moving to be closer to family

Golf has been replaced as the amenity in retirement by being close to adult children and grandkids

Rethinking the starter home

The large, single-family detached "American Dream" home is increasingly out of reach. Alternatives are on the rise.

[Photo: The Villas at Nexton]

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Expect shared spaces

Communal living is expected to rise, both in the form of co-living and multigenerational living.

Grand-mates: Generations Sharing a Special Bond (and Sometimes the Rent)

More young adults are moving in with their grandparents, in a trend known as "skipped-generation" households.

Nearly one-third of Americans ages 18 to 25 live at home with parents or other relatives and the number of skipped-generation households where grandparents and their adult grandchildren cohabitate are increasing.
– *New York Times*

[Photo: The New York Times]

Expect smaller spaces

Amid a dearth of affordable options, cottage homes ranging from under 900 to around 1,500 square feet arrive as the next iteration of the starter home

wee-Cottage®

[Photo: Boulder Creek Neighborhoods]

BOULDER CREEK
NEIGHBORHOODS®

wee-Cottage®
a smaller home for a fuller life

Boulder Creek's wee-Cottages® are charm personified: they offer right-sized single-family detached one- and two-story homes, giving home buyers the chance to live in a great community at a more attainable price point.
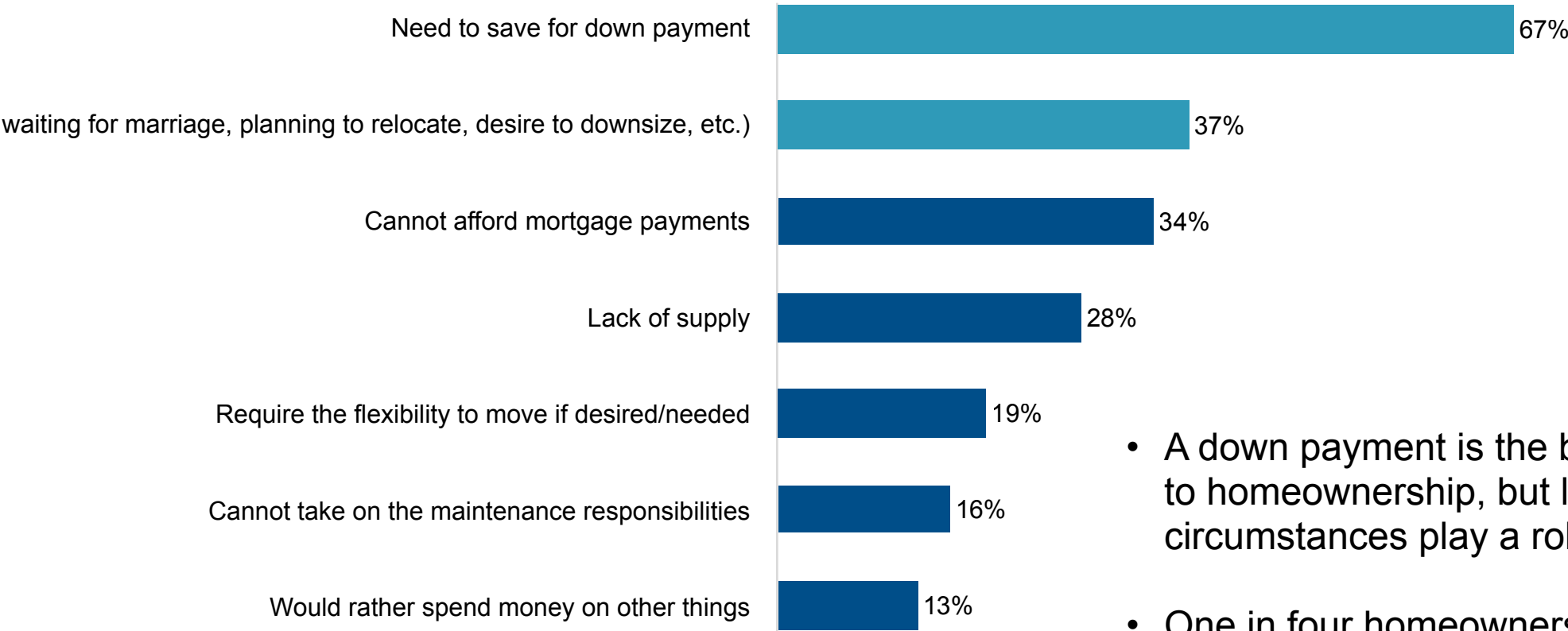
NEW **HOME** *TRENDS*
INSTITUTE
by John Burns Research & Consulting

JOHN BURNS
RESEARCH & CONSULTING

Expect rental spaces

More people are choosing single-family build-to-rent homes as an alternative to purchasing a starter home

Reason(s) that renters who find homeownership to be important currently rent instead of own*
Households with income of $50,000+

Villas at Nexton
[Photo: The Villas at Nexton]

| Reason	%
Need to save for down payment	67%
waiting for marriage, planning to relocate, desire to downsize, etc.)	37%
Cannot afford mortgage payments	34%
Lack of supply	28%
Require the flexibility to move if desired/needed	19%
Cannot take on the maintenance responsibilities	16%
Would rather spend money on other things	13%

[Photo: The Villas at Nexton]

- A down payment is the biggest hurdle to homeownership, but life circumstances play a role, too.

- One in four homeowners would prefer to rent if it allowed them to live in a home that met their exact needs.[1]

NEW **HOME**TRENDS
I N S T I T U T E
by John Burns Research & Consulting

Source: New Home Trends Institute by John Burns Research and Consulting, LLC survey of 1,347 US homeowners and renters age 18+ with household income of $50,000+. Survey fielded July 12–17, 2022.
*Note: Percentages will not total to 100%, as respondents were instructed to select all that applied to them.
[1] New Home Trends Institute by John Burns Research and Consulting, LLC June 2021 survey of 1,242 homeowners with a net worth of $100,000+ (excluding those who never plan to move).

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Adjusted for inflation, US net worth remains high for those born in the 1950s and 1960s. Younger generations are now accumulating wealth as they age.

Inflation-Adjusted US Net Worth by Decade Born
Trailing 4-quarter average, 3Q24 dollars
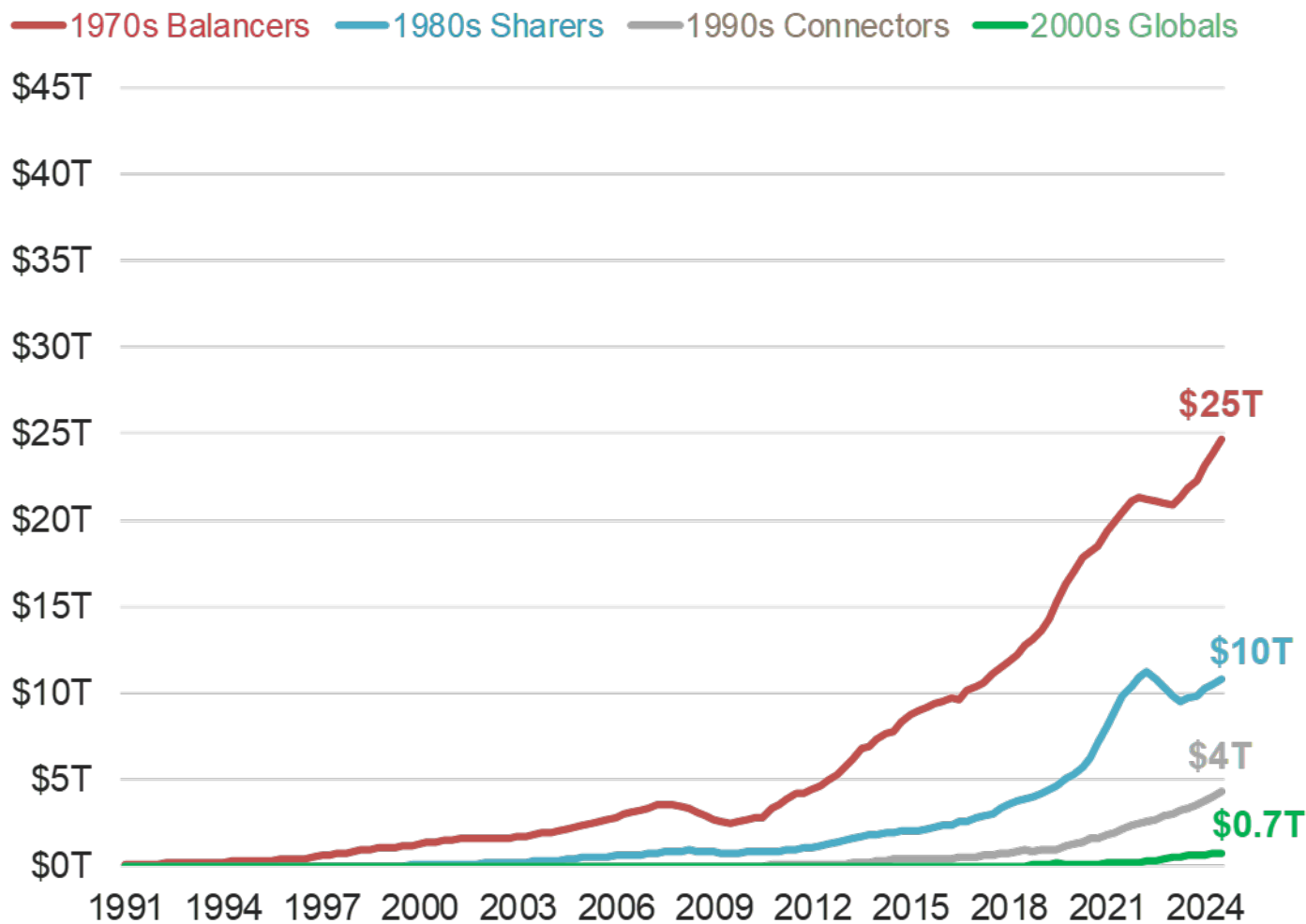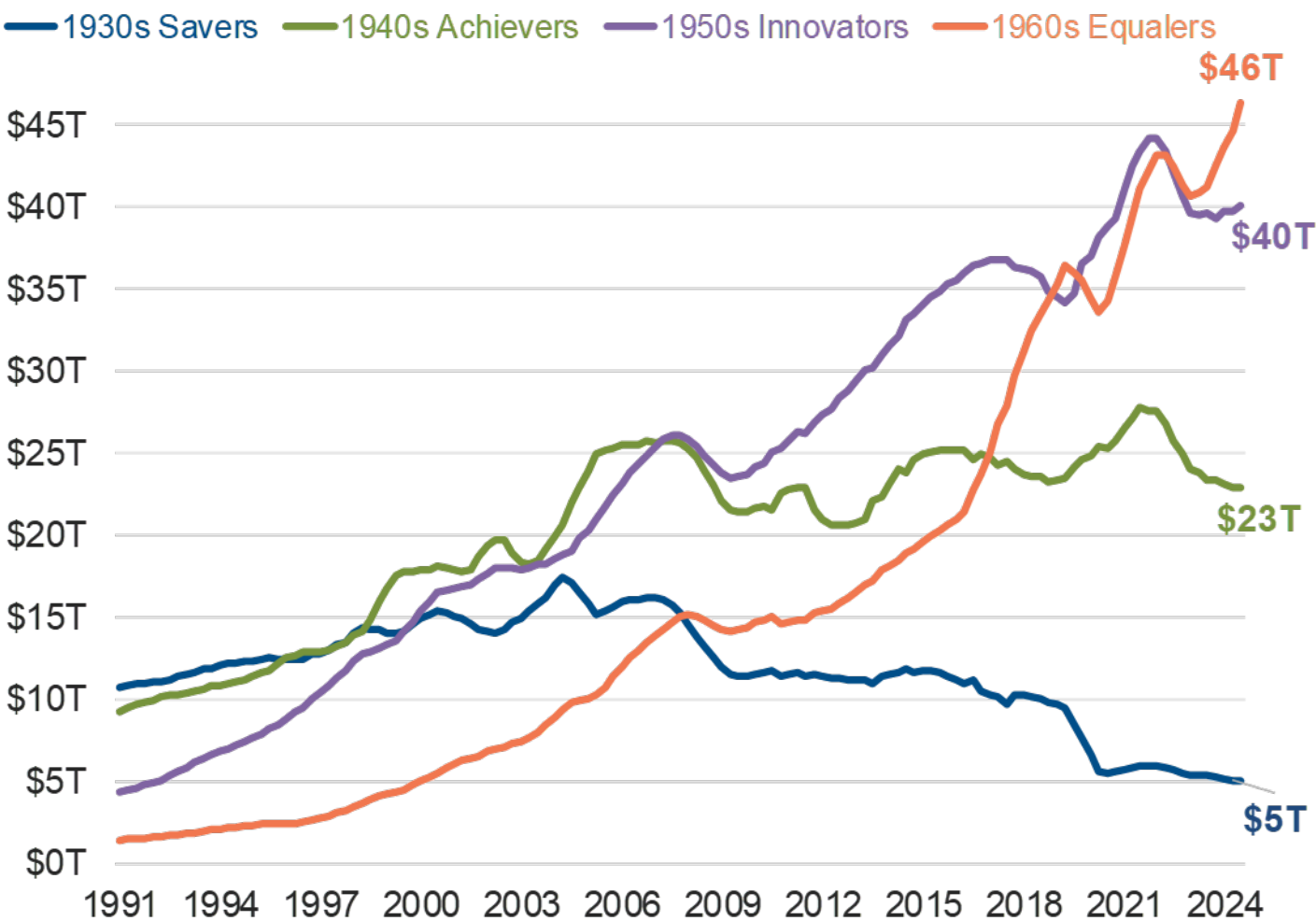
Sources: John Burns Research and Consulting, LLC, tabulations of Federal Reserve Survey of Consumer Finances/Distributional Financial Accounts (Data: 3Q24, Pub: Mar-25)

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Faced with affordability challenges, 2 in 5 Gen Z'ers get financial assistance from their family for living expenses.

Received/receives financial assistance from family for living expenses
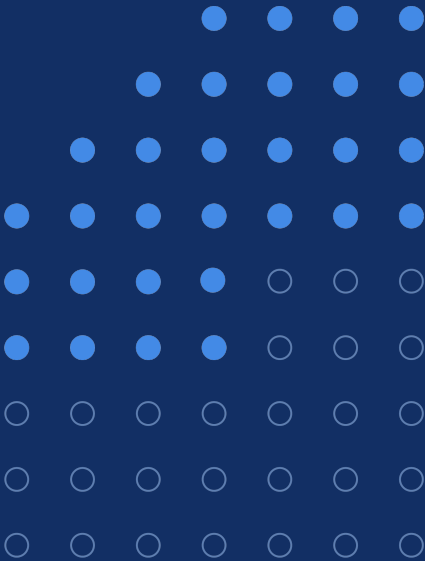*Share of Gen Z respondents who are homeowners or renters by tenure*

■ Yes ■ No

Category	Yes	No
Homeowners	42%	58%
Renters	40%	60%
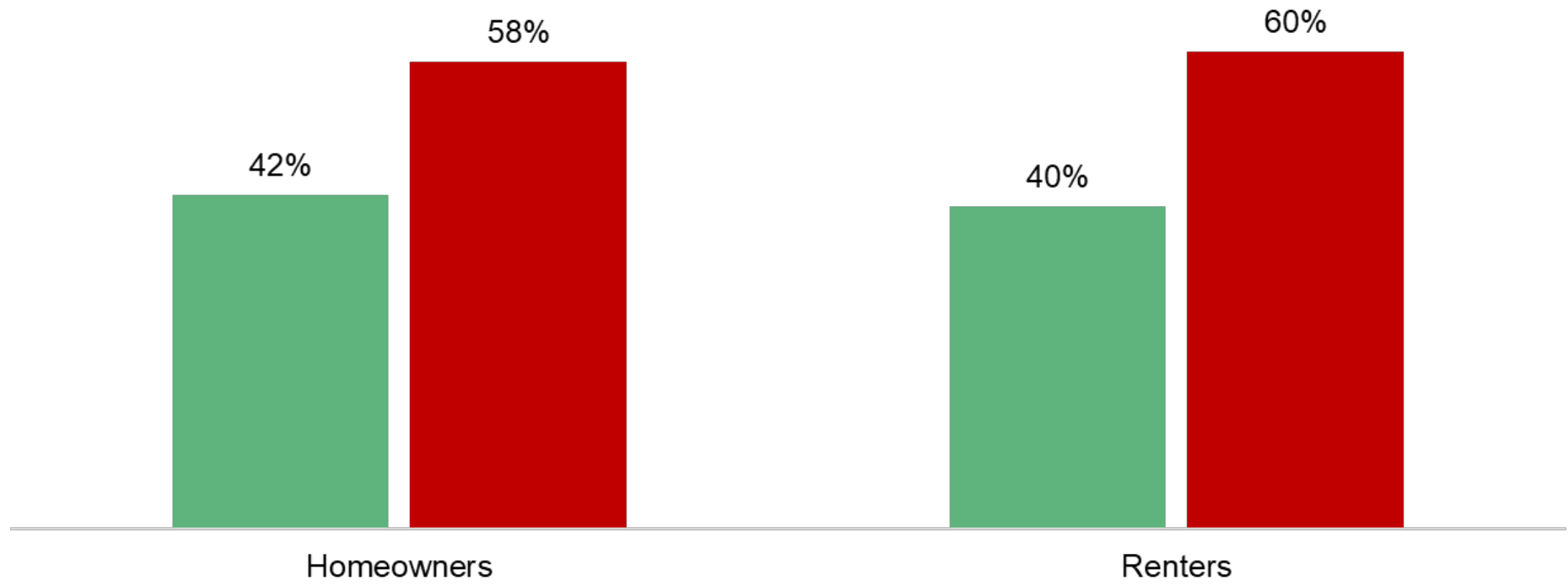
Source: New Home Trends Institute by John Burns Research and Consulting, LLC December 2023 survey of 640 Gen Z respondents age 18+.
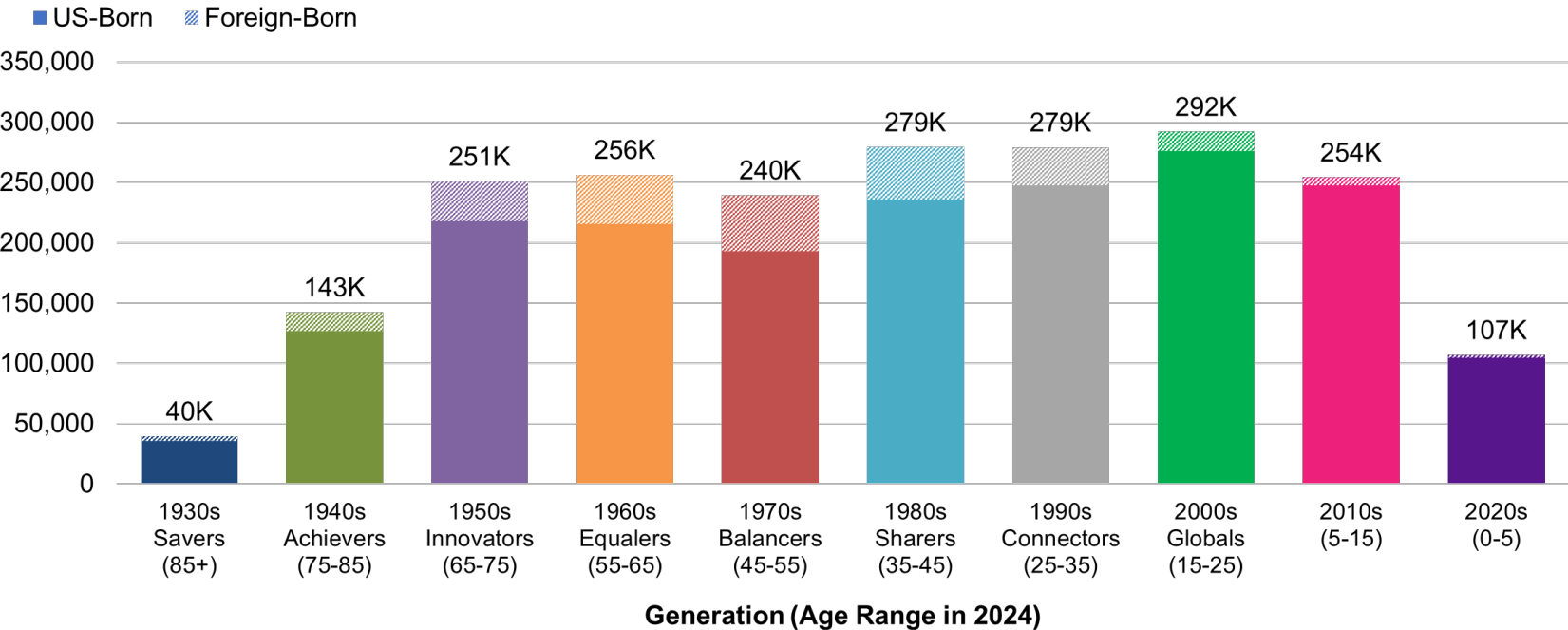
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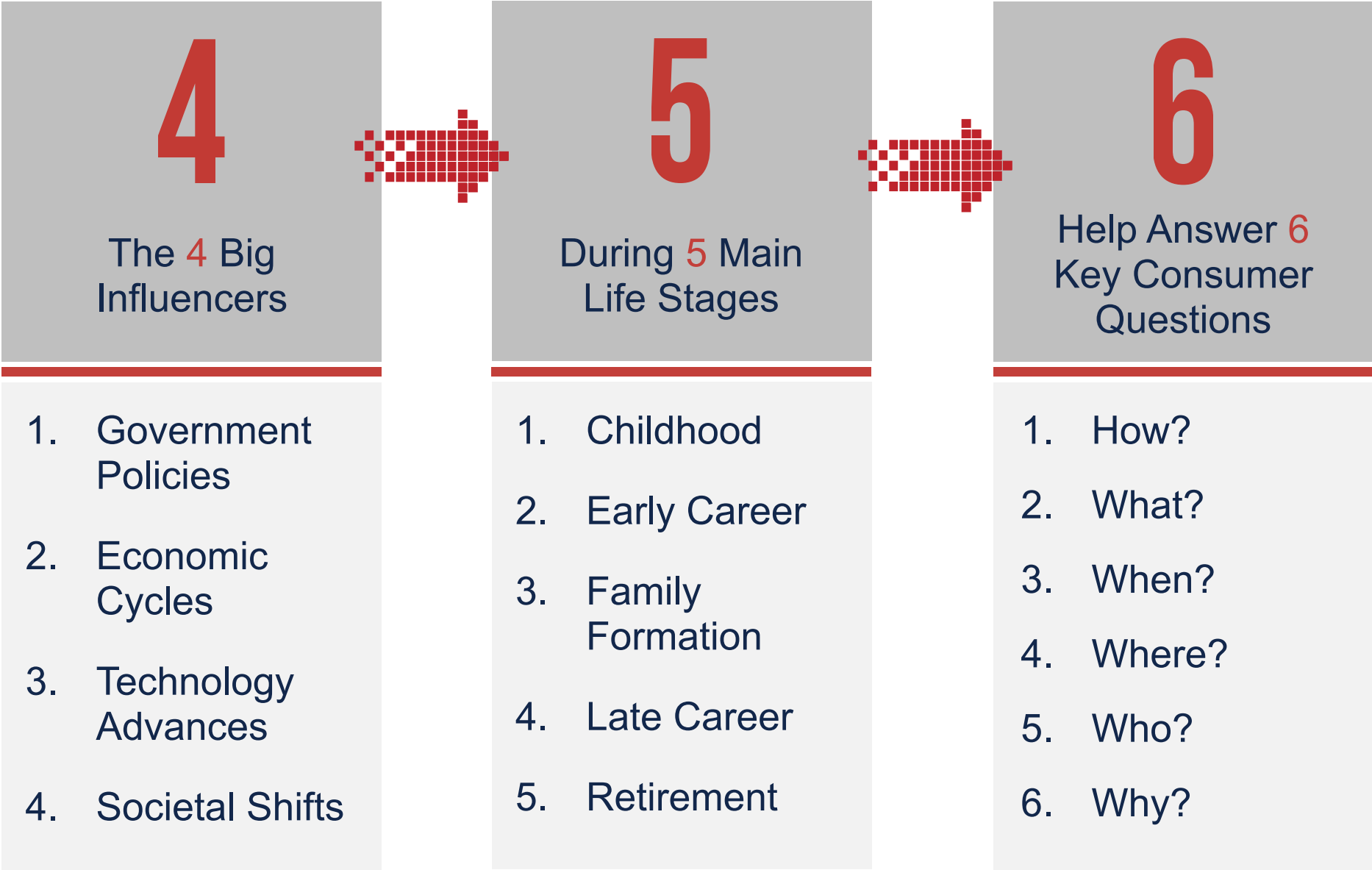# Conclusions

Takeaways from the decade-born generations:

- Solid adult population and household growth should be a demographic tailwind in the near term, based on US-born population

- Immigration trends will determine just how much the adult population grows though

- Aging contributes to the shift to an older population, though there are pockets of growth within younger cohorts too

- The labor market should remain tight for the foreseeable future

2024 Population by Generation: New Mexico

■ US-Born ▨ Foreign-Born

Generation (Age Range in 2024)	Total
1930s Savers (85+)	40K
1940s Achievers (75-85)	143K
1950s Innovators (65-75)	251K
1960s Equalers (55-65)	256K
1970s Balancers (45-55)	240K
1980s Sharers (35-45)	279K
1990s Connectors (25-35)	279K
2000s Globals (15-25)	292K
2010s (5-15)	254K
2020s (0-5)	107K

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Consider the 4-5-6 Rule as a lens anytime something significant changes in the Four Big Influencers.

4

The 4 Big Influencers

1. Government Policies

2. Economic Cycles

3. Technology Advances

4. Societal Shifts

5

During 5 Main Life Stages

1. Childhood

2. Early Career

3. Family Formation

4. Late Career

5. Retirement

6

Help Answer 6 Key Consumer Questions

1. How?

2. What?

3. When?

4. Where?

5. Who?

6. Why?

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How should residential companies navigate US demographic shifts?

Our recommendations
Based on long-term US demographic trends

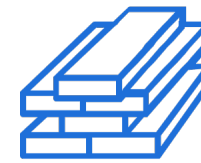**Homebuilders and land developers:**

Plan for potential near-term labor challenges.

Purchase land in path-of-growth areas farther from US employment centers and target retirees and first-time buyers with fewer children.
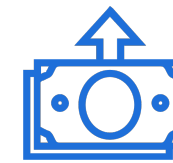
Rental developers:

Prepare for a potential slowdown in new renters as immigration policy shifts in 2025.

Building products manufacturers:

Help larger builder customers increase efficiency and limit cost growth.

Private equity investors and lenders:

Identify the types of companies to the left and fund their execution.

Source: John Burns Research and Consulting, LLC (Pub: Mar-25)

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A member of our team will send the slides via email within 48 hours.

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