

# A generational opportunity

Millennials are growing up, finally buying homes, and setting the stage for the nursery industry's future



Homes under construction off S.W. Roy Rogers Road in Sherwood. All signs are currently pointing to a positive future for the nursery industry, fueled in large part by a potential wave of first-time homebuyers unmatched in recent history. The number of 25- to 35-year-olds in the country is currently almost 50 million. Bump up the top-end age to 44 and it's more than 85 million. PHOTO BY VIC PANICHKUL

BY JON BELL

**B**ACK IN 2005, AL'S GARDEN & HOME opened a new location of its longtime, family-owned garden center on a 10.5-acre site outside of Sherwood, Oregon. At the time, the area was rural, sparse and undeveloped. It took a country drive just to get there.

Not anymore.

Like much of the Portland metro region, developable land around Sherwood has sprouted with new homes, big box stores and other new construction over the past couple of decades. Where Al's in Sherwood may have once been out in the country, now it's not.

Sherwood has added more than 5,000 new residents in the past 15 years. Other Oregon suburbs and cities like Tigard, Tualatin, Wilsonville and Woodburn have grown as well. That growth been good for Al's and other retail garden centers, not to mention the nurseries who supply them.

Now, nurseries and retail garden centers are looking at a long-term — and younger — source of continued growth: mil-

lennials and other younger folks who are growing up, buying homes, starting families and gardening. In fact, right out by Al's Sherwood location, 40 more acres are about to be developed with new housing, much of which will likely be snatched up by younger homebuyers.

"We are definitely seeing it and marketing toward it too," said Mark Bigej, owner of **Al's Garden & Home**, which has four retail centers in Sherwood, Gresham, Woodburn and Wilsonville. "There's a younger trend. We'd seen that slowly over the past several years, but it really started with COVID. There's a distinct difference that we could see. We're just getting lots of younger customers."

Nothing's a sure bet, and situations locally, regionally, or even globally can spring up and change markets almost overnight. But all signs are currently pointing to a positive future for the nursery industry, fueled in large part by a potential wave of first-time homebuyers unmatched in recent history. The number of people aged 25-35 in the country is currently almost 50 million. Bump up the top-end age to 44 and it's more than **>>**



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85 million.

“If you look at the demand from these demographics, the picture is pretty bright,” said Charlie Hall, professor and Ellison Chair in International Floriculture at Texas A&M University. “This is what I think will be a boom period coming up because, after we get through the initial recovery stages of 2024 and 2025, the last five years of the decade will be strong in housing, and that bodes well for us.”

### Millennials 101

So who are the millennials, how many of them are there, and why do they matter? For starters, the Pew Research Center defines Millennials as anyone born between 1981 and 1996, which puts them between ages 27–42; the generation after that is Generation Z. Pew also reported that there were 72.1 million millennials as of July 1, 2019, the year they surpassed the Baby Boomers in number. According to the National Gardening Association, Millennials are responsible for almost 30 percent of the gardening demographic in the U.S.

When COVID hit and people had to stay at home, gardening shot up. The National Gardening Association reported that



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**— Danny Summers, managing director, Garden Center Group**

more than 18 million new gardeners emerged during the pandemic, a good portion of them younger. And many of them, including those who are starting to buy homes, have stuck with it.

“We were worried about whether they would come back or not, but they did,” said Danny Summers, managing director for the Garden Center Group, an alliance of garden centers, service providers and vendors who work together on business solutions designed to help garden centers improve operations. “We were up about 23% (in member sales figures) from 2019 to 2020 and we gained another 12% in 2021. Prior to that, we’d already seen Millennials getting into tropical and house plants, but this was more than that.”

### Housing help

In addition to more green thumbs among the populace, there is also a strong and extended need for new housing. According to tax and audit consultant RSM LLP, the U.S. needs 1.7 million housing units annually between now and 2030

to close a gap in housing. In September, the U.S. Census Bureau reported that housing starts were on pace to hit close to 1.5 million by year’s end.



Despite the demand for new housing, higher interest rates and inflation in recent years have proven to be headwinds, preventing some younger homebuyers from purchasing and some more established homeowners from selling.

“There has been a dearth of existing homes to sell because of the golden handcuff,” Hall said. “People are anxious about selling their homes and then having to turn around and buy something else at a higher rate. That’s limited some of the activity.”

That said, the Federal Reserve Board in early November held rates steady, and while there is still a possibility that rates could be bumped up one more time, Hall said the situation should smooth out over the coming year.

“We should start seeing the Fed, after a short correction next year, ease off on interest rates, which will stimulate housing,” he said.

### Spending wisely

Another good piece of the generational puzzle for the nursery industry is the fact that Baby Boomers are aging and, as Hall put it, “exiting planet Earth.” As this happens, Hall said “trillions of dollars of wealth” held by the Boomers is being transferred to younger generations, many of whom will use it for housing and gardening.

“It will depend on how much saving is going on versus spending,” he said, “but if it continues the way it’s gone with Gen X and the Millennials, they are going to do more spending versus saving, so that’s a bright spot.”

The Axiom 2023 Gardening Outlook Survey underscored Hall’s assumption. It found that 80% of new gardeners planned to spend the same or more in 2023, and both Gen Z and millennials planned to spend significantly more time in the garden this year than last year. Similarly, Axiom’s 2024 survey found that more than half of Gen Z and millennial respondents expect to spend more time gardening in the coming year and nearly three-quarters of them plan to plant

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Millennials and other younger folks who are growing up, buying homes, starting families and gardening, are providing a strong source of growth for nurseries. PHOTO BY KHALETSKI SIARHEI/ADOBE STOCK

more and expand their gardens in 2024. Hall said that's all positive, but it should be taken with a grain of salt.

"That is what they said they were going to do," he said, "but they said they were going to do that in 2022, and we found that they didn't because of weather conditions and some other factors. So there's a difference between what's stated and revealed."

### Making the connection

Although the fundamentals related to millennials look strong for the nursery industry, the opportunity for their business isn't just going to happen on its own. Hall said despite the boost in new gardeners during COVID, the industry will need to work hard to retain them.

"Our industry has done poorly in terms of capturing the new ones and making sure people stay interested," he said. "We have not had a good track record of

keeping them engaged, but it can lead to future sales if we remain relevant to them."

One way to do that is to play up the different beneficial aspects of gardening and plants. Those include environmental, health and lifestyle boosts that come from not only plants but from being active and outside.

"As a generation, millennials are much more interested in connecting with anything organic," Summers said. "I see them loving plants, loving the environment, so I think we've got to keep encouraging that."

Bigej, of Al's Garden & Home, said one of the biggest shifts his company has made to capture the younger crowd is marketing through social media.

"We use different platforms to reach different ages," he said. "It used to be all Facebook, but we've branched out more and we're using Instagram reels and other platforms so that we stay on trend and reach that audience."

Capitalizing on Millennials will also be about connecting with them.

"The key to this is how effectively our garden centers can build a connection with the audience," Summers said. "I don't think there's a question that they are going to be connected to plants and gardening, but there has to be an emotional connection to keep them coming back. I think that's something that some garden centers have done. If they are really listening, I think they'll realize how important it is. The industry has built itself the last 50 years on the Boomers, but this is an even bigger opportunity than that." ©

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*Jon Bell is an Oregon freelance journalist who writes about everything from Mt. Hood and craft beer to real estate and the great outdoors. His website is [www.JBellInk.com](http://www.JBellInk.com).*