



7 Baby Boomer Housing Trends to Watch

From renovations to walkable neighborhoods, here's what boomers want now.

By Tom Sightings

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Many baby boomers say they want to retire to the Sunbelt. Most of the rest of us – those who have recently retired or who are planning to retire – want to stay closer to home. (There are always a few who go against the grain and plan to retire in Minnesota or Maine.) But even homebodies expect that they'll likely sell their old suburban home and move to new quarters, which may be less expensive, more comfortable and more appropriate for their new stage of life as retired empty nesters.

So whether you're in Sarasota, Florida, Saratoga, New York, or Sausalito, California, here are seven ways baby boomers are looking at their retirement home.

1. Boomers want to pay off their mortgage. Most baby boomers, especially older boomers born before 1955, own their own home. They've been paying a mortgage, faithfully and relentlessly, for most of their adult lives. For these people, a primary goal is to finally pay off the mortgage and own their home free and clear. For many, paying off the mortgage is an important threshold – a crucial step they feel they need to take before they can even consider retirement.
2. They want to lower their housing expenses. It's not just the mortgage. For many boomers, the equity they've built up in their home is the largest asset they have. According to a recent Merrill Lynch survey of 6,000 adults, on average, home equity among homeowners age 65 and older is more than \$200,000. Many boomers look forward to moving to a smaller house or a less-expensive neighborhood to free up some of their equity to pay for travel, medical expenses, home renovations or other "extra" expenses they know they'll face at some point in the years ahead.
3. Boomers want more convenience. A smaller home sometimes means less maintenance, less work and less worry. But not always. Most boomers have "been there, done that" with older homes that have history and "character." They want modern appliances, energy-efficient doors and windows, spacious kitchens, an open floor plan with lots of light and fresh, new décor. Boomers are done with the "shabby chic" look of the 1990s. And a lot of them, suffering from bad ankles, bad knees and bad hips, are opting for one-story housing.

4. They want a walkable neighborhood. Boomers have spent half their lives in the car, commuting to work and ferrying kids to soccer games and dance lessons. Now many are harking back to their earlier years when they lived on a block with a grocery store down the street and restaurant on the corner – except now it’s a health-food store down the street and a funky coffee emporium with Wi-Fi on the corner.

5. They want to renovate. Boomers are not shy about investing in their homes. In addition to adding comfort and style, they are also starting to make their homes more age-friendly. They don’t want to slip and fall, so they toss out the scatter rugs and instead install carpeting or wood floors; they bring in extra lighting to help them see better, and they are no longer are embarrassed when grab bars begin to make an appearance in their bathrooms.

6. Boomers want to remain on their own. According to the Merrill Lynch survey, only about 10 percent of baby boomers say they want to move to any kind of retirement or age-restricted community. They instead want to stay in their own homes, in their own neighborhood, with their own friends, and if they think they might need help with personal care – or if they need extended care – they’d prefer to get all those services at home.

7. They want to be close to family or friends. For those retirees who opt to stay in their old, comfortable hometown, most say the primary reason is to remain connected to family and friends. But those who plan to move away also tend to cite family reasons as well – moving to be near children and grandchildren. As one couple who moved from New York to Oregon and bought a house in their daughter’s neighborhood advised, “It’s fine to relocate to be near your kids. But make sure you like where you’re moving to – that you’d like the area even if your kids weren’t there. Because you never know when they’ll get a new job and move halfway across the country again.”

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