



## **Most retirees feel right at home**

By Nanci Hellmich | February 25, 2015

There's no place like home. Just ask retirees.

About two-thirds (65%) of retirees says they're living in the best home of their lives, a new survey shows.

Those who plan to continue living in the same place say it's because they love their home, they have family and friends who live close by and they don't want to lose their independence. Plus, they love their community.

And if they need extra care as they get older, most say they want to receive help in their own home, according to a national survey of more than 3,600 respondents from all social and economic groups. Most respondents were over age 50; 1,668 were already retired. It was sponsored by Merrill Lynch in partnership with Age Wave.

That said, many retirees choose to either move or remodel in order to have their home be the best one of their lives. In fact, 64% of retirees say they are likely to move at least once during retirement. About 37% have already done so, and 27% anticipate doing so at some point, the survey shows. The top reason they give: wanting to be closer to family.

Many retirees have a lot of "emotional value in their home," says Andy Sieg, head of Global Wealth and Retirement Solutions for Bank of America Merrill Lynch.

Government data show that 81% of all U.S. adults 65 and older are homeowners, and 72% of them have paid off their mortgages, he says. "Homeowners who are 65 and older have \$4 trillion in home equity. That's a powerful underpinning in the freedom that is being expressed here."

The new survey found:

- When retirees moved, 51% moved to a smaller home, 30% moved to a larger home and 19% got one about the same size.
- The main reasons they give for downsizing: lower monthly housing costs and less maintenance.
- The top reasons for moving to a bigger home: more room for family members to visit or live with them.

The data show that many retirees are "turning their empty nest into a nurturing nest," says gerontologist Ken Dychtwald, CEO of Age Wave.

They not only want to enjoy their homes themselves, but they want to have a place where their kids, grandkids, friends and others can come and enjoy it too, he says. "They are thinking of this as a time to bring family together and make new memories in their home."

The survey found that by age 61 the majority of people pass a "freedom threshold" and feel freer to choose where they most want to live, partly "because they are no longer largely anchored to their homes because of their children's lives or their work responsibilities," Dychtwald says. "They feel far freer to choose where they want to live that at any other time in their lives."

For the first half of retirement, people might stay in the home they love or relocate to a smaller or larger house or take in roommates or knock down walls and remodel, he says.

Almost half (47%) of all spending on home renovations is being done by those who are over the age of 55, he says. The survey shows that the most common renovations by retirees are: creating a home office, improving the curb appeal of their home and upgrading their kitchen and bathrooms.

In the second half of retirement, when people grow older and reach their late 70s and 80s, they may have health challenges and have more difficulty with stairs, but they still want to age in place, Sieg says.

The survey found that most (85%) retirees say their top preference for receiving extended care, if they ever need it, is to have it in their own home. Only 10% say their top preference is an assisted living facility; 4%, a family member's home and 1%, nursing home.

Dychtwald believes as people get older they "may find it's very costly or lonely to live in an apartment or big house by themselves so we're going to see more people having roommates, and enjoying the benefits of shared housing. We're going to see the growth of virtual villages where people help each other with chores, shopping or shoveling snow. This generation is going to find ways to make their money last longer by taking advantage of these sharing opportunities with others in their age group."

Other survey findings:

- 80% of retirees are interested in new technologies that cut their home expenses, such as smart thermostats or apps that control appliances.
- 76% are interested in technologies to monitor their health at home such as sensors, alerts or medication reminder apps.
- 64% are interested in home technologies that to connect them with family and friends, such as video chat and interactive devices.

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