

Homes of Retirees: I Want It My Way

A fascinating Merrill Lynch survey turns conventional wisdom on its head

By Richard Eisenberg | February 25, 2015

Pretty much everything you think you know about the homes where today's retirees live and want to live is wrong, based on the results of the new Merrill Lynch/Age Wave survey, "Home in Retirement: More Freedom, New Choices."

Living in sunny-weather abodes after long-distance relocations? Generally not. The survey found that among people 65 and older who moved last year, 83 percent chose to remain in the same state. (This finding echoes a Better Homes and Gardens Real Estate survey last year.) And just 48 percent of retirees told Merrill Lynch they live in a place with "pleasant climate/weather."

Living in downsized homes — condos, rental apartments and houses smaller than where they lived before? Only sometimes. "About half of people we surveyed didn't downsize at all when they moved," said AgeWave President and CEO Ken Dychtwald, who calls this "the downsize surprise."

In fact, 30 percent who've moved since retiring upsized their homes, mostly to make room for family members to visit or to live with them.



Ken Dychtwald

Renovating for aging concerns (things like widened hallways, ramps and bathroom grab bars)? Nope. Fewer than 10 percent of retirees who plan to stay in their home in retirement and have renovated did so to make it easier to get around their homes if their health worsens or installed a ramp, lift or elevator to avoid climbing steps. Among retirees who've renovated, the most popular improvement was "creating a home office" (35 percent).

Cynthia Hutchins, Director of Gerontology at Merrill Lynch, said "most people plan to work in retirement and a home office helps them do that." The average retiree, she noted, "is not thinking about what it'll be like when I'm 'old old.' They want to be relevant and connected."

Said Dychtwald: "What we see with boomers is a desire to shape-shift to make their homes match their dreams and desires. I've never seen anything quite like it."

Living around only people their age? No thank you. Roughly two-thirds (67 percent) of people 65+ said they prefer neighbors of diverse ages and generations; by contrast, just 53 percent of

adults under 35 said that. Turns out, only 7 percent of retirees today live in age-restricted communities.

In a blog post I wrote last year, Better Homes and Gardens Real Estate President and CEO Sherry Chris told me that retirees “want diversity now; they want to live with people of all ages.”

Living in homes they’ve settled for? Quite the contrary. Two thirds of retirees surveyed said they’re living in “the best homes of their lives.” And if they don’t like the homes they’re in, “they’ll find a place they like better,” Dychtwald said.

“I was taken by how delighted people were, saying they were living in the best homes of their lives,” said Dychtwald. “They’ve crossed what we call the Freedom Threshold.”

By that, he means that when the retirees were younger, they often had to live where they could get their kids to school or commute to work. “Now they’re free from those anchor points and can live where and how they want,” said Dychtwald.

Added Hutchins: “The Freedom Threshold supports the idea that people are now living longer in retirement.”



Cynthia Hutchins

Retiring Near Family

And they’re often moving to take advantage of that. A striking 64 percent of retirees said they’re likely to move at least once in retirement. So much for aging in place.

The No. 1 reason retirees have moved, according to the survey: Wanting to be closer to family (29 percent). As a New Jersey dad whose two twentysomething sons are living in L.A., I can relate.

And nearly half the retirees who said they won’t move (48 percent) explained it was because family was nearby. Move or no move, Dychtwald said many retirees want to turn their empty nest “into a welcoming home where the kids and grandkids can come and stay and have fun and make memories.”

How to Retire In Your Best Home

I asked Dychtwald what he’d recommend to pre-retirees who want to make where they live in retirement the best homes of their lives.

“This is the beginning of a new chapter and, for many, it’s a fantastic chapter — particularly for the first 10 or 15 years. So think of what matters to you, now that you have independence,” he said. “What are your priorities for a home? Do you want a living room? Do you want to live in an area where you can take quiet walks? Do you want to be close to restaurants? Then, get as as many of those things as you can, rather than stay on autopilot and pine over days gone by.”

Maybe you'll downsize; maybe you won't.

Dychtwald said the survey's findings show him that for your best lifestyle in retirement, "you can change where you are, you can appreciate it or you can go someplace else and match the life you want to be living."

One more thing: Try to pay off your mortgage as soon as you can. Losing that expense, the Merrill Lynch report notes (and I second) can create greater financial security and peace of mind.

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