



8 Surprising Facts About Retirees and Their Homes

By Marlene Satter | February 26, 2015

The common wisdom is that retirement is pretty much a period of doom-and-gloom, thanks to worries over money, and that retirees are selling their homes to downsize and save a buck. But a new survey from Merrill Lynch and Age Wave has come up with some findings that don't quite fit those stereotypes. Not in the least.

1. Freedom to choose

You might think older people are pretty much constrained by family obligations or health concerns to live in certain areas, but they'd beg to differ with you. In fact, the percentage of retirees saying that they are now free to live pretty much anywhere they want to increases steadily as they age. In fact, they're twice as likely to say so as people who aren't retired and who are still tied to the twin obligations of workplace location and family needs.

For those aged about 52, 30 percent say they're free as a bird, but there's a really steep increase from that point onward. By the time they're 61, 56 percent say they can live anywhere; the upward trend continues until they hit about age 72.

2. Relief from home-related financial concerns

It's probably no surprise, after all the real estate upheavals and bubbles over the last several years, that more older people own homes than younger people. In fact, four out of five of those 65+ do. But what may be unexpected is that 72 percent of those 65 and older have paid off their mortgages, freeing them from that monthly payment. That goes a long way toward making retirement more carefree.

3. They love where they are

Not only do 65 percent of retirees say that they're living in the best home of their lives, they're also happier than non-retirees with other things about where they live. Seventy-nine percent say their homes are comfortable; 75 percent say they're in a safe community; 62 percent say that home is a good place to handle family visits and 48 percent are even happy with the weather.

4. Memories count more than money

Yes, many are so attached to their homes and the memories that they made there that they'd abandon the chance to fly south (or west, or some other compass point) to be able to live within the walls that sheltered them earlier in life. In fact, among those who are staying put, 54 percent said "I love my home" was the top reason.

Another surprise, or maybe not: the older they get, the more important the memories in that home are than the money it could bring. Among homeowners under age 35, 52 percent said the financial value of their homes was more important than its emotional value (48 percent). Among those ages 65-74, that number rose to 56 percent. For even older folks, those 75 and older, the number rose to 63 percent.

5. The majority of retirees move at least once during retirement

While they aren't citing the weather as the reason to relocate, 64 percent of retirees say they're likely to do so at least once; 37 percent have already done so and another 27 percent anticipate a change in homes.

The top reason they give for the upheaval is the desire to be closer to family (29 percent). Other pressing concerns are cutting home expenses (26 percent), health changes (17 percent), a change in marital status (12 percent), empty nest (7 percent) and or simply wanting the cash from the sale of the home they're leaving (7 percent).

6. Downsizing is dull

Maybe this is the biggest surprise: 49 percent of those who changed homes did not downsize, and 30 percent actually moved into a bigger home — to accommodate family visits during vacations and holidays or to help out a grown child who may need to return to the nest.

Of course, the 51 percent who did downsize not only cut their maintenance expenses but saved themselves a lot of work in no longer needing to care for such a large home.

7. Retirees are getting the home of their dreams

One thing retirees are doing is spending and fixing their way to the home of their dreams, even if that's the house they've been living in for years. Forty-seven percent of those 55+ are spending for renovations, and they're putting a lot of money into it: \$90 billion a year. In fact, older folks' spending on home renovations has risen substantially between 2003 and 2013, while spending among younger people slowed or decreased. Those aged 55-64 saw spending on renovations increase by 4 percent, while those aged 65+ saw it increase by a whopping 26 percent for the same period.

What's interesting is what they're spending on.

Home offices are the single most frequent addition, at 35 percent; after that came curb appeal (a surprising 34 percent), kitchen upgrades (32 percent), bathroom upgrades (29 percent) and bathroom safety features (28 percent).

And lest you think they're all about stair elevators or shower bars, they're also looking at new technologies that will reduce home expenses, monitor or optimize health, maintain their homes or connect with friends and family.

8. Retirees want to mix with the young folks

Only 7 percent of retirees in the study moved into age-restricted communities. In fact, 67 percent did not want to live in a community that was confined to their own age range, but preferred to be among a range of ages.

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