

Who's Downsizing? Not These Retirees

By Krystal Steinmetz | February 27, 2015

Bigger is often better when it comes to choosing a home for the golden years.

Contrary to a common belief, half of American retirees didn't downsize in their last move, according to a new home retirement study by Merrill Lynch. In fact, 30 percent of those surveyed favored moving into a larger home. One of the study's focus group participants said:

After our kids left home, we got an even bigger house. We have kids and grandkids all over the country and wanted space for them to visit.

The study also projected that retirees and others nearing retirement age (every day, 10,000 baby boomers turn 65) will have a big impact on the housing market in the United States. In fact, during the next 10 years, senior households (ages 65 and older) will make up nearly all the household growth.

Andy Sieg, head of Global Wealth and Retirement Solutions for Merrill Lynch, said in a statement:

How and where our nation's aging population chooses to live will have widespread implications on the way homes are designed, the resources people will need, and how communities and businesses nationwide should prepare. For most retirees, their home is more than just a financial consideration – it's a place where family and community come together, and can represent treasured memories or independence.

Two-thirds of retirees said they're living in the "best home of their lives."

Other study highlights include:

- **Home sweet home.** Despite what you might think, not all retirees are rushing off to Florida, Arizona and other warm weather states. Of retirees who moved last year, 83 percent stayed in the same state.
- **Home improvements.** Households of those ages 55 and older make up nearly half (47 percent) of all spending on home renovations in the United States. Although some home renovations are age-friendly improvements (10 percent) such as wider hallways, bathroom grab bars and ramps, the most common improvements are creating a home office (35 percent) and improving curb appeal (34 percent).
- **Senior neighborhoods?** About two-thirds (67 percent) of retirees said they prefer to live in neighborhoods with diverse ages. Just 7 percent of retired Americans live in age-restricted communities.

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