



Surprise! Retirees 'upsized' housing

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By Jackie Crosby | March 1, 2015

Retiring baby boomers are turning the conventional wisdom about simplifying and downsizing on its head.

A good chunk of the 65-and-older set are moving into larger homes or sinking big bucks into remodeling projects to create the homes of their dreams.

“More and more people are trying to turn the empty nest into a nurturing nest,” said Ken Dychtwald, CEO of the marketing consulting firm Age Wave, which, with Merrill Lynch, commissioned a new report on housing and retirement.

“Retirees are reinvisioning the role of the home.”

An estimated 4.2 million retirees moved into a new home in the past year, and over the next decade, nearly all of the nation’s household growth will come from Americans 65 and older.

This change in housing will affect everything from high-tech gadgetry that can help people age in place to the level of investment states will make to provide services to support an aging citizenry.

With their newfound freedom from work and family obligations coupled with a strong desire to grow old in “the best home of their lives,” retirees already are driving new housing trends, according to the survey of more than 3,600 Americans.

The results came with what researchers described as a “downsize surprise.” Almost a third of retired baby boomers chose to move into a bigger home, and almost 20 percent moved into one of the same size.

Many retirees said they wanted more space so children or parents could move in, or to make their holiday visits or extended stays more comfortable.

Others sank money into remodeling projects to make their homes “more attractive, more comfortable and more versatile,” according to the report.

“Home is the place where people are reinventing themselves,” said David Tyrie, head of retirement and personal wealth solutions for Bank of America Merrill Lynch.

Retirees with investable assets greater than \$250,000 are more likely to upsize than the total retiree population (42 percent vs. 30 percent) and are less likely to downsize.

When it comes to the second phase of retirement, typically when people hit their 80s, baby boomers plan to seek out ways to stay in their homes if they’re able. The survey suggests some creative options, such as cohousing, where retirees live together and help support one another where needed.

Another trend includes a “village” model, letting people live near one another and coordinate services, such as grocery delivery or snow shoveling.

Dychtwald said he expects more “social innovation” in the years ahead, including communal living “to help people feel more grounded and secure.”

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