

Smart Moves: Moving and shaking in retirement

by Ellen James Martin • *Published: March 14, 2015*

Over the next 10 years, the number of U.S. households led by someone 65 or older will increase by nearly 11 million. And a surprising number of those older people could soon move to larger, rather than smaller, homes.

“Stunningly, three out of 10 older households who’ve already moved actually upsized. And many more are renovating the place where they now live,” said Ken Dychtwald, a psychologist and author who heads Age Wave, a consulting firm that tracks aging trends (www.agewave.com).

Age Wave partnered with Merrill Lynch to produce a new study of baby boomer housing and lifestyle preferences that included a nationally representative survey of more than 3,600 older Americans of retirement age.

According to the survey, retirees’ top reasons for upsizing were to have a home large enough for family members to visit (33 percent) or to live with them (20 percent). One out of six retirees has a “boomerang” child who’s moved back in with them.

Although a surprising number of retirees are upsizing, the Merrill Lynch study reveals that a solid segment of older Americans still plan to downsize. Those in this category cite multiple factors including greater freedom from financial burdens (64 percent) and fewer upkeep demands (44 percent).

Are you a boomer perplexed by the array of housing choices available to you? If so, these tips could prove helpful:

Factor in both your preferences and those of your partner.

If you’re expecting to retire and live on your Social Security plus limited withdrawals from a small retirement fund, you may have no choice but to step down to a smaller, less-costly-to-maintain property. But if you’ve accumulated more substantial retirement assets, you and your spouse could have many more interesting housing options and may need to reconcile differences of opinion.

Rosemary McMonigal, a residential architect who’s advised clients for 31 years, recommends that couples with differing visions create priority lists and acknowledge the validity of each other’s housing preferences.

McMonigal said many of her retirement-age clients favor downsizing over upsizing. Still, she said it’s not unusual for one member of a pair to prefer a larger habitat to gain more personal space.

If you and your spouse disagree on how large a home to buy for your retirement needs, McMonigal suggests you let go of preconceptions and find a way to compromise.

“Discussion works,” she said.

Try to avoid buying a retirement property with superfluous rooms.

McMonigal is a proponent of the “not so big home” philosophy espoused by widely quoted architect and author Sarah Susanka. As such, she argues that most retirees are happier living in a space no larger than they can actually use rather than trying to pursue a fantasy ideal.

For instance, she said buyers should question the commonly held notion that a home should have multiple dining areas, including a formal dining room, an in-kitchen eating area and an informal dining nook off the kitchen.

McMonigal also suggests you question the common assumption that you should have a dedicated media room and a huge master suite complete with a spacious master bathroom and an adjoining sitting room.

“Most people don’t have the time or inclination to use a sitting room for conversation or reading. For that reason, one large armchair in the master bedroom is enough. And media rooms usually go unused, as do extra bathrooms,” she said.

Realize that the floor plan you select is as important as the size of your home.

Would you like to downsize, but have agreed with your spouse to buy a bigger place?

If so, Ashley Richardson, a long-time real estate agent affiliated with the Council of Residential Specialists (www.crs.com), recommends you look for a home that seems intimate despite its large size.

“It’s easy to feel lonely when rattling in large spaces you rarely use, especially if all your grown children live far away,” Richardson said.

To locate a large home where you’ll feel comfortable, she recommends you avoid a property with a two-story atrium or ceilings that soar 10 feet or higher. Also, avoid a property with an oversized formal living room that you’ll rarely use. Instead, look for a place with a relatively large family room where you can both dine and entertain.

“Lots of people like having their family room right off the kitchen, which is the area where people spend most of their time,” Richardson said.

Remember that the home you buy for retirement may not be your last purchase.

Many people assume that when they buy a home for retirement, they’ll live there for the rest of their lives. But it’s very common for homebuyers in their 60s to go on to later live in two or three other places during their retirement years.

If you have sufficient financial assets to consider a wide array of alternatives in terms of housing size and location, Dychtwald suggests you investigate a short list of options before committing to a move.

“Remember those college tours you took your kids on? You could do the same to check out different locations and types of housing for your retirement years,” he said.

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