



More Boomers Are Upsizing Into Bigger Retirement Homes to Accommodate Family

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NEW YORK (MainStreet) — Joe and Ruth Castanheira are from Ohio, but they moved to a bigger house in Fountain Hills, Ariz. for their retirement.

The newly married couple, both in their 60s, wanted a home that would accommodate the size of their blended family in a location that was closer to Ruth's ailing relative.

"We bought our dream home in Arizona in order to enjoy resort-style living during our retirement, fully expecting frequent visits and vacations from our family," Castanheira told *MainStreet*. "As it turns out, some of them have decided to relocate here as well."

The Castanheiras are among the 49% of retirees who didn't downsize in their last move as well as the 30% who instead moved into larger homes, according to a new study called "Home in Retirement: More Freedom, New Choices" released by Merrill Lynch and Age Wave.

"Retirees have more options today than ever before," said Brenda Hendrickson, an independent certified senior advisor. "They are moving to larger homes upon retirement, because they feel confident with their investments and feel they are doing fairly well."

It used to be that retirees downsized because they no longer need a large living space. The mindset has shifted. Of those who upsized their living space, 33% of retirees did so in order to have a home large and comfortable enough for family members to visit, according to the Merrill Lynch study. Some 20% upsized so that family members would be comfortable enough to even live with them.

"The upscale homes in Florida have two downstairs master suites separated by sound proof walls because of snoring," said Dr. Sam Sugar, founder of the Americans Against Abusive Probate Guardianship in Miami. Whatever the amenities -- whether increased space or quiet accommodations -- retirees are increasingly willing to pull out all the stops for their relatives' comfort.

That can be increasingly necessary, because 16% of retirees have a boomerang child who has moved back in with them.

"A cohesive family is wonderful if you have loving children and grandchildren, but too many of

us come from dysfunctional families, which can lead to disastrous circumstances if one child perceives a sibling is receiving special treatment,” Sugar told *MainStreet*.

In addition to moving to old stand-by Florida or Arizona like the Castanheiras, retirees are flocking to California, Oregon, Washington, New Mexico, Nevada, Georgia, North Carolina and South Carolina.

“It is interesting to see the way in which retirees continue to prefer in-home care despite a boom in assisted living and nursing home options,” said Mark Thorndyke, a financial advisor with Merrill Lynch.

A few factors to keep in mind before upsizing are maintenance, care and repair of the home and home owner association fees.

“Retirees may want to consider spending what they would receive in the sale of their current home to avoid house payments,” said Melody Juge, founder and managing director of Life Income Management. “Fees go up overtime, but usually retirement income does not. Also the cost of the move needs to be detailed, considered and well-budgeted.”

One downside of upsizing is that retirees face unprecedented longevity. That coupled with that fact that fewer work in retirement and face increasing family obligations than in preceding generations can add financial strain.

“The equity you tie up in your home by upsizing will most likely reduce the amount of income your portfolio will produce,” Thorndyke told *MainStreet*. “That is one way you can decide if you want to spend your money on upsizing your home.”

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