Baby Boomers Open Door to New Housing Options

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Healthier, wealthier, and with plans to work into their 70s, America’s 78 million Baby Boomers are throwing a wrench into the retirement housing market, rejecting the senior ghettos represented by cookie-cutter retirement communities and condominiums of days past, for new forms of affinity living and aging-in-place strategies.

Given the almost two decade age span that comprises the Boomer age cohort [birth years 1946-1964], there is an equally broad array of family types and lifestages which dictate housing preferences. From the relatively new phenomenon of 3+ adult households [aging parent or adult child moving into the Boomer home], to younger, bustling second and blended families, to single adults, a number of new housing formats have evolved in response.

Confident Consumers

Boomers have money, and they’re not afraid to spend it. While the Boomer generation comprises just 25% of the U.S. population, it controls more than 70% of financial assets and wields 50% of discretionary spending power.

According to a 2006 study conducted by the National Association of Realtors, the housing implications for this high earning and big spending demographic segment are clear—Boomers believe in the value of real estate and most have added it to their financial portfolio. Eighty percent of Boomers own a home and fully 25% own at least one additional type of real estate such as a vacation home, land or rental property. Some 3.5 million Boomers moved in 2005 and 10 percent expect to buy real estate in the next twelve months.
Working Retirements

As they have since birth, the Boomer contingent is re-shaping social norms and expectations to conform to their needs and thinking. Boomers both want and need to work and three-quarters of Boomers plan to work in retirement. Some want to stay mentally active and engaged in life through their work, often a new and stimulating second career. Others will need to work longer to offset investment losses in the market downturn of 2000-2001, to support frail parents, to augment the wages of adult children starting independent lives, to provide for younger children, and to supplement retirement savings.

A recent Merrill Lynch study suggested that more than one-third of Boomers plan to move in and out of the work force throughout retirement, cycling between interludes of employment and recreation. From a design perspective, this means Boomers trading up or down in the housing market will be looking for in-home offices or libraries with hi-speed Internet connections and wireless capabilities that can double as guest rooms if needed.

Aging in Place

The vast majority of Boomer homeowners expressed intent to either stay in their current home during retirement [47%] or start out in their current domicile, then move to a new home later [23%]. For years, it was expected that retirees would join the exodus to warm climate states like Florida, Arizona and North Carolina, where the more temperate weather usually was accompanied by a lower cost of living.

That trend has down a 180° turnaround. In a 2005 Pulte Homes study, 60% of Boomers expressed a desire to remain part of a heterogeneous community with a vibrant cultural and recreational life. Shuffleboard has been replaced by snowboarding for these adventure-seeking Boomers who intend to live life with gusto. Boomers see themselves as the emotional and social centers of their families and want a homestead that can both accommodate family gatherings and adapt to their changing physical abilities by including wider, wheelchair-friendly hallways and reinforced bathroom walls to accept the addition of grab bars and transfer seats when needed.
Family Matters
While financial concerns dictate the ultimate choice of retirement location [two-thirds of Boomers mentioned affordable housing/location as their primary selection criteria], proximity to family was a factor in 42% of those decisions. Second families or delayed marriages keep Boomers bound to a local community longer, as children finish out their high school and college years in a familiar locale.

En suite bedrooms, especially those located on the first floor of a home, are especially popular among Boomers with extended families who anticipate that an elder parent or relative may be moving in, or an adult child might return to the nest to save funds for a rental security deposit or home downpayment.

Jewel Box Homes
What do Boomers want? Think marble floors, granite countertops, commercial-grade appliances, vegetable sinks, bidets, bathroom refrigerators, built-in vacuums, separate showers, steam rooms and Jacuzzis, eyebrow windows, French doors, interior gardens and water features, renewable flooring surfaces, in-home recycling centers, media rooms with built-in screens and projection systems, dual master suites with walk-in closets—all rendered on a smaller scale in a 2,000 square foot floor plan.
At the Boomer thinking firm Age Lessons, we refer to this phenomenon as “jewel box” housing, full amenity homes built on a smaller scale and confined to a single story. In the Boomer world, downsizing is proving to be a decidedly upscale activity, a matter of designing the best of everything into a smaller footprint.

These jewel box homes are often built in small clusters of no more than two dozen units and sold on a fee-simple basis with a homeowners association responsible for common elements like a guard house and gardens as well as exterior maintenance.
Affinity Living

Workaholic Boomers who have never taken time to indulge their interests or pursue their hobbies are making up for lost time by literally living their dream in affinity housing communities. Organized around shared niche interests, examples include Bison Ranch in Arizona, where seniors live like modern cowboys; or Rainbow Vision in New Mexico, one of the 21 communities designed for the GBLT [gay/lesbian/bi-sexual/transsexual] senior market; or Sunset Hall in California, where free-thinking elders organize drum circles and debate social justice issues.

Lifelong Learning

Among the best educated segment in the world, almost one-third of Baby Boomers have earned a college degree, and returning Boomers represent 10% of undergraduate enrollment at universities today. A major offshoot of the affinity living concept is the lifelong learning community, developed nearby, adjacent to, or in the case of The Clare high rise in Chicago, Illinois, literally attached to a major university.

College-centric housing developments include Academy Village near the University of Arizona, Holy Cross Village across from Notre Dame University, University Commons near the University of Michigan and Kendal at Hanover near the Dartmouth University campus. Seniors enjoy the intellectual stimulation of formal education and participating in a multi-generational, culturally rich community.

Golden Girls Redux

Surprising fact—22% of Boomer households comprise a single person. Recognizing the need for socialization in their later years, Boomers are forming their own mini-communities based on longstanding friendships and shared interests. In a riff on the 80s sitcom “Golden Girls”, Boomers of both genders are pooling funds, purchasing homes and creating an extended faux family unit that shares amenities such as a personal chef, personal trainer, masseuse, cleaning and maintenance services and the like.
Also known as housesharing or dorming, elders harken back to the communal aspects of their college days, combining luxurious private suites with amenities located in common areas. Generally located in a neighborhood setting, these shared homes blend into the environment, offering all the privacy and creature comforts of a single family home and all the companionship of a non-traditional family constellation.

**Lifestage Rules**
Contrary to popular belief, the Boomers do not represent a single type of individual or family unit. They run the age gamut from 40s to 60s, with family size from singles to multi-generation households with infants and elders under one roof, and career trajectories ranging from the fast track to the working retired. Their housing preferences are equally varied, reflecting the near term needs of their lifestyle and family situation.

Lifestage dictates in large part the amenities and settings preferred by different Boomer segments. But what they have in common are a few core desires:

- Remain an active member of a multi-generation community
- Age in place in the familiar setting of their own home
- Enjoy luxurious appointments on a smaller scale, with the convenience of single-story living and contract maintenance
- Participate fully in life by living near family, friends, universities and recreational areas that develop their bodies and minds

For developers, this translates into a number of different development opportunities, on a smaller scale than the original Sun City template, with niche appeal to a common demographic with shared interests that enables extremely efficient, targeted marketing campaigns.
Laurel Kennedy is president of Age Lessons, the Boomer thinking firm [part think tank, part consulting firm] that converts knowledge of the Baby Boomer cohort into business opportunities and policy recommendations for private and public sector clients. The company provides a barometer on Boomer needs, wants and values in five life areas: finance/money, wellness/body, values/spirit, career/work and social/play. For more information, contact Ms. Kennedy at 773.252.0123 or visit the web site www.agelessons.com