

Active Adult Expectations in the 2019 Housing Market and Beyond

55places National Housing Survey



Executive Summary

The 2019 55places National Housing Survey asked over 2,500 potential and recent homebuyers interested in active adult communities about what they look for in a home, community, and real estate agent, as well as other relevant aspects of the homebuying process.

Introduction

Baby boomers are an unprecedented generation in many ways, including how they continue to shape the way Americans live and age. There are an estimated 50 million Americans aged 65 and over, while the youngest members of the baby boomer generation won't turn 65 for another 10 years. According to Pew Research, 10,000 people retire every day. That means more Americans will look to active adult communities during their retirement homebuying process than ever before. But, what drives so many people to active adult communities?

“Baby boomers are now reaching the age when moving to an active adult community is the ideal opportunity for them. Reaching retirement age is a life-changing event. Many boomers now want to downsize, experience a maintenance-free lifestyle, and pursue more social opportunities. It’s exciting that there are so many choices for baby boomers, and it will be interesting to see how their preferences impact options for the next generation.”

- Bill Ness

The 2019 55places National Housing Survey went straight to the source and found out what active adults were looking for in a home, community, real estate agent, and everything else that goes into the homebuying process. The responses bucked commonly held beliefs of a changing retirement landscape, but they also hinted at a greater shift towards newer destinations, home preferences, and lifestyle choices, even if those trends happen over decades and not years.

“The desires of active adults don’t typically change on a day to day basis or even year over year. The things that are important to active adults today will likely continue to be so in the coming years.

It’s common for tastes to change and evolve, but they typically do so over longer periods of time. Whereas decades ago, golf and shuffleboard were the primary sports for active adults, those have fallen behind pickleball and bocce over the last decade.”

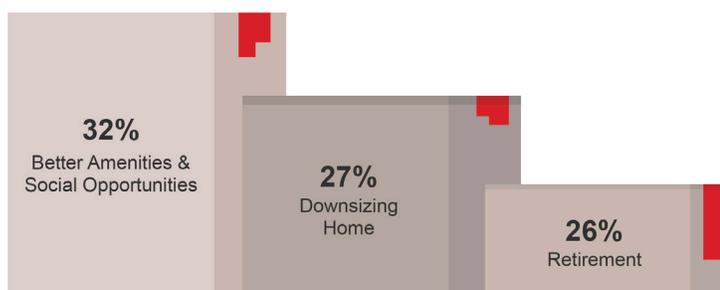
- Bill Ness

Who are the respondents?

Almost 97 percent of respondents are over the age of 55, with the two largest age groups being 60 to 64 and 65 to 69. These two groups represent over 50 percent of the answers. Among respondents, 57 percent are retired, but despite that being the majority, there are still 28 percent of people working full time.

In terms of the homebuying process, 39 percent are not planning on purchasing a home in the next 12 months. On top of that, over 40 percent of users started their online home and community search 12 months or more before they expected to purchase a home.

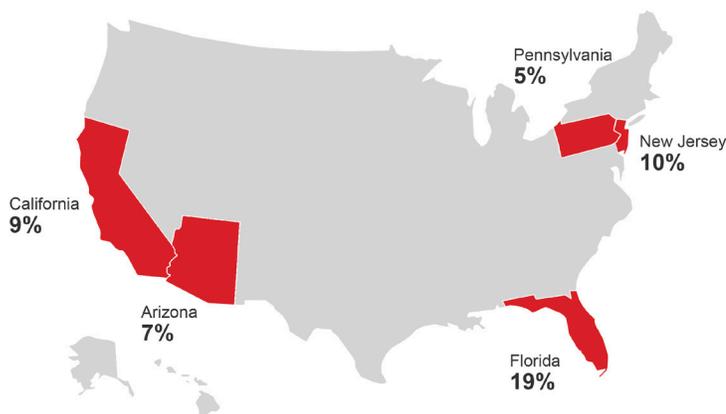
The survey also found that the respondents' reasons for moving varied quite a bit, with nine of the 13 answers to this question getting over or just under 20 percent. The top three in descending order are retirement, downsizing home, and the top answer, better amenities and social opportunities, which comes up frequently throughout the survey.



There's a common thought that states with more moderate climates are growing in popularity among retirees, but the list of desired states to move to remains static. Florida is the top answer at 19 percent, while New Jersey came in at nearly 10 percent, and California at 9 percent. Arizona was next, just under 7 percent, and Pennsylvania was the fifth most selected at 5 percent. Despite that, there is expected to be growth in non-traditional retirement states over the next decade.

"I anticipate more growth in places like the Carolinas as many active adults from the northeast opt for alternatives to the typical retirement destination of Florida. Low cost states like Texas should continue to grow in popularity, as well as states that promote outdoor activities like Colorado and Utah."

- Bill Ness

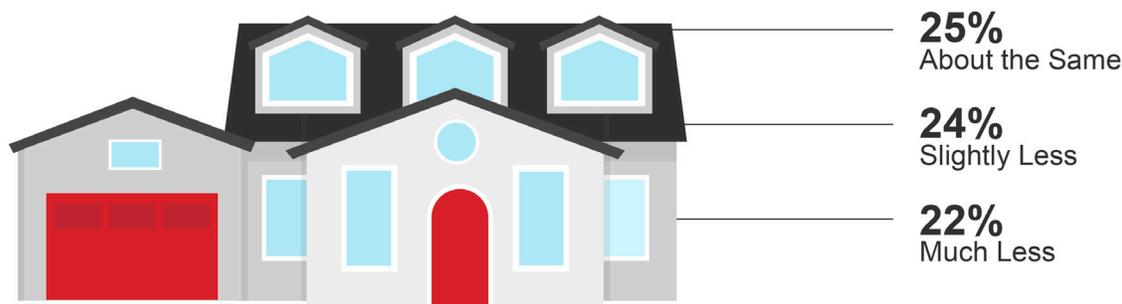


What are they looking for in a home?

The housing survey found that one of the most important aspects of purchasing a home in a 55+ community is single-story living. 48 percent of respondents marked it as the most important feature in their new home, while having a garage came in at 45 percent, and a modern kitchen received 35 percent.

While downsizing was the second highest reason for moving, the definition of downsizing appears to be different than what traditionally comes to mind. Almost 73 percent of respondents currently live in a single-family home, while 66 percent said they want their next home to also be single family, eschewing traditional downsizing options like condos and townhomes.

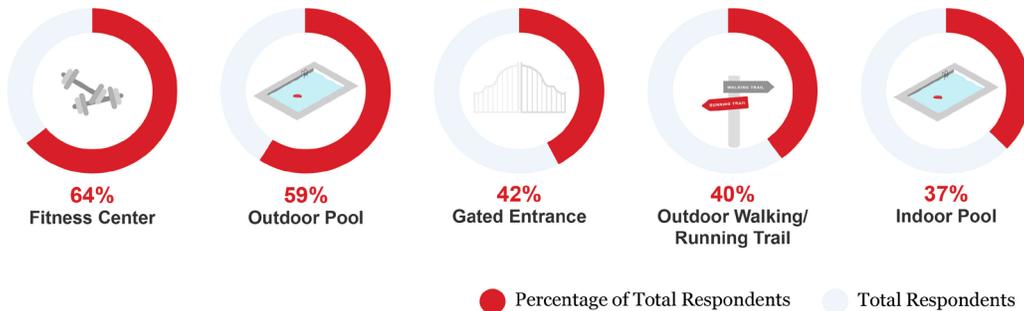
When it comes to price, respondents were split on how much they expected their new home to cost compared to their current home. 25 percent expect it to be about the same, while 23 percent and 22 percent said slightly less or much less, respectively.



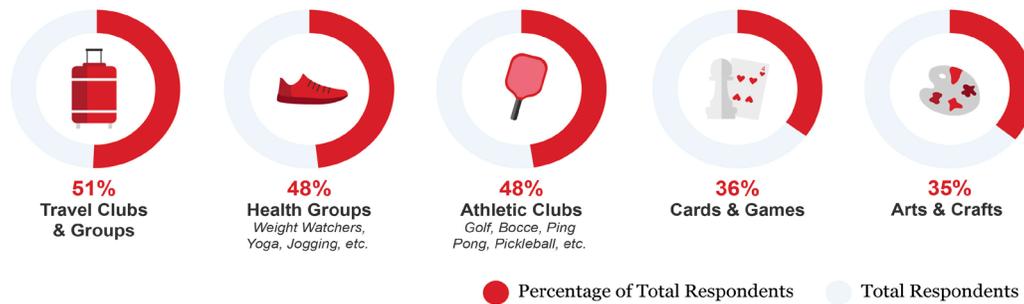
When it comes to financing, paying cash or using a traditional mortgage are still the preferred methods; 43 percent said they would pay with cash, and 44 percent would go with a fixed-rate mortgage. Only 2.6 percent of respondents planned on using The 62+ Loan™ or HECM for Purchase loan on their next home. Despite the benefits for many active adult buyers, there's a clear lack of visibility for the HECM for Purchase loan.

What are they looking for in a community?

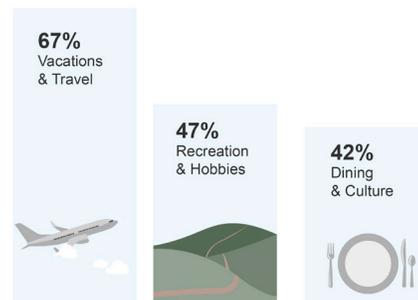
The five most desirable amenities in a future community are a fitness center, an outdoor pool, a gated entrance, outdoor trails, and an indoor pool.



In terms of lifestyle, the top five clubs and activities were travel clubs, health groups, athletic clubs, cards and games, and arts and crafts.



This echoes the top three responses to the question about where active adults expect to spend their money in retirement. Vacations and travel was the clear top choice at 70 percent. Recreation and hobbies was next at 47 percent, while dining and culture was 42 percent.



Interestingly, an age restriction doesn't seem to be as important to respondents as a community's amenities and lifestyle. 35 percent say an outgoing, social community of like-minded people describes an active adult community, compared to 26 percent who simply say an age restriction defines active adult community.

Even more telling, 56 percent of respondents said they would live in either an age-restricted or all ages community if it had the home, amenities, and lifestyle they desire. Less than one percent said they would only move to a community with an age restriction.

What do they want in an agent?

75 percent of respondents said their most valuable resource in a home search is the internet, while 40 percent said real estate agents, and 21 percent said word of mouth. Despite the internet being the most important tool to many, 75 percent were at least very likely to use a real estate agent in their home search.

For 43 percent of respondents, they'd first contact an agent during their search for a specific neighborhood or community. 29 percent said they would contact an agent during their search for a specific home, 13 percent said they would contact an agent when ready to make an offer on a home, and 12 percent would contact an agent before

starting their search.

In terms of what respondents desired out of a real estate agent, knowledge of search area was selected 79.5 percent of the time, while responsiveness was chosen 62 percent of time. The next highest was availability at only 32 percent.

80%
Knowledge of Search Area

62%
Responsiveness

32%
Availability



The top three most desired benefits active adults hope to gain from an agent include price negotiations, comparable property listings, and pictures of homes and features.

Email was the preferred contact method with 86 percent saying they like or strongly like emails. Text messages were the second most desired communication method with 57 percent of respondents saying they like or strongly like text messages. Online chat and video chat were the most disliked contact methods with 59 and 65 percent of respondents saying they dislike or strongly dislike these methods.



59%
Price Negotiations



43%
Pictures of Homes & Features



54%
Comparable Property Listings

	Strongly Dislike	Dislike	Like	Strongly Like
Email			40%	46%
Phone			27%	15%
Text Message			33%	24%
Video Chat	26%	26%		
Online Chat	38%	21%		

Conclusion

Much of the conversation around active adult communities over the last few years has been about changes. Changes in lifestyle, amenities, and most notably, location.

Del Webb, a popular active adult builder in the U.S., just opened their first community in the Tampa area in over 50 years. In that time, they opened several communities in less traditional retirement states like Indiana, Michigan, and Minnesota. Despite this, the 2019 55places National Housing Survey indicates that while change is happening, it's at a steady pace.

Besides changes in popular retirement locations, the next few years should see several other types of changes.

“More and more people will seek out non-traditional active adult communities. Meaning, we'll see the popularity of more intimate communities of several hundred homes or less continue to pop up closer to larger population centers.”

Then, there's the emerging 55+ rental community option, which offers locations in urban areas with the same types of amenities and lifestyle options active adults desire from traditional communities.

“More active adults will seek out 55+ apartment home rental communities such as those offered by the Overture and Solea brands. These communities offer all the benefits of an active adult community but without the hassles of homeownership, plus they're closer to city centers than traditional active adult communities.”

Finally, there's how active adults will purchase their homes.

“We should see more active adults who favor non-traditional ways to pay for their homes, such as the The 62+ Loan™, so buyers can keep more of their own money in their bank account and spend it on the things they truly love such as travel and spoiling their grandkids.”

Methodology

This survey was conducted online through SurveyMonkey within the United States by 55places.com from July 12, 2019 to August 12, 2019 among 2,888 55places.com users. For complete survey methodology please contact 55places.com