

New retirement living: Not a shuffleboard in sight

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The Arizona Republic

Jan. 18, 2006 05:25 PM

Baby boomers who refuse to concede that they are getting old are changing the way home builders think about retirement housing.

Builders long ago discarded the notion that retirement buyers wanted nothing more than a languid game of shuffleboard or golf followed by an afternoon nap. These days, retirement communities are bristling with fitness centers, nature trails and cyber cafes and the sales pitch emphasizes starting new rather than getting old.

"It used to be about the golden years," said Drew Smith, spokesman for Shea Home's Trilogy retirement division. "We talk about it (now) as a place where you start your second life. It's not about slowing down."

At the year's major home builders trade show in Orlando last week, people packed into sessions on how to cash in on boomers, the approximately 76 million people born in the United States between 1946 and 1964 after World War II. The National Association of Home Builders says the fastest-growing part of the housing market is the 50-plus segment of buyers that includes boomers, empty nesters, pre-retirees and other categories of older buyers. People age 55 or older bought nearly a fifth of the 1.1 million new homes sold in the country in 2003.

Builders who hope to sell to boomers know they can't offer a one-size-fits-all houses. They say boomers are not a monolithic group but a collection of diverse niches with a variety of demands. Some want luxury touches, some care more about hiking than golf, others want a place for a home-based business or a jazzy home theater. And while boomers may plan their weekends around mountain biking or tennis, they still like conveniences like shower benches, downstairs bedrooms and built-in night lighting. Builders are trying to keep in tune with all of that. And those who miss the mark miss the chance to cash in on boomers' estimated \$2 trillion in spending power.

Boomers are rejecting old assumptions about retirement, either by choice or necessity. Some people start second careers, perhaps opening a small business, sometimes out of their home. Also, the pension safety net is being cut away and medical care no longer is guaranteed so there is more impetus to remain employed past the typical retirement age.

And traditional notions about paying off the homestead and staying put aren't as valid as they used to be. The national real estate boom has given many homeowners an equity windfall that lets them consider buying a new house without taking on a great deal of

debt, if any.

"Many of them have paid off their homes but with appreciation, they have the opportunity to buy a new home with cash and have money to spare," said Jacque Petroulakis, spokeswoman for Pulte Homes, whose Del Webb division was a retirement housing pioneer with its Sun City communities.

Experiential lifestyle

Jose Hinojosa, 57, exemplifies the new wave of boomer buyers. He and his wife, Kady, 45, shopped all over the Valley, in Sedona and in Palm Springs, Calif., before they bought a house on the golf course in Trilogy at Vistancia, the big housing project near Lake Pleasant in Peoria.

Jose Hinojosa flew helicopters in the Army for 26 years before taking a job supervising a financial services company's mail operations in Phoenix and Sacramento.

He retires from that job in September and expects to take advantage of something Shea emphasizes in its marketing - a resort or experiential lifestyle - where they hike, bike, swim, play tennis and golf, and ride mountain bikes.

"We didn't want anything to do with an old folks community," he said. "We're not looking for that kind of lifestyle."

They downsized from a 4,000 square foot house on a third of an acre to 3,000 square feet with a compact design and much less upkeep. A bonus: They paid \$434,000 about 18 months ago for the new home and figure it has doubled in value.

"That was just good timing," Jose said. "It wasn't an intentional investment. It was just a circumstance kind of thing."

Aging actively

This year, Shea projects that it will close on 2,000 retirement units. By 2020, the company expects that number to hit 100,000 - houses, condos or town homes. One of its Trilogy communities is near Microsoft Corp.'s Redmond Wash., headquarters. Some models sell for more than \$1 million.

Cyber cafes are popular at Trilogy developments, with people checking stocks and sending e-mail before heading to the gym, Smith said. There are eight Trilogy communities in three Western states, the newest near northern California's wine country. Shea is considering creating a boutique winery where residents could take winemaking classes.

"Words like 'retirement' just don't appeal to boomers," Smith said. "We are really careful in our language. They are looking more for individuality and ways to express

themselves."

Sun City and other "active adult" brands are crucial to Pulte's business. The company says these communities account for a third of its business. Pulte has expanded and refined its Sun City brand. It has two new Sun Cities coming to the market in Arizona this year, one in Buckeye and another as part of an all-ages Anthem project in Florence. The company also sells to the retirement market with its "by Del Webb" communities.

Pulte is increasingly using a brand strategy to attract certain segments of buyers. The latest is the new Fireside communities the company is testing in the Phoenix area, an upscale all-ages enclave that also appeals to boomers who may have sacrificed while raising children and want to treat themselves to amenities like dual master bedrooms with big walk-in closets.

More flow than boom

The emphasis on baby boomers as a market segment often ignores two aspects: one is that while the oldest ones just turned 60 this year, the youngest ones are just 41. And while about two-fifths will retire with enough assets to live comfortably, the remaining three-fifths could be facing tougher financial times.

Still, there are enough of them that home builders are scrambling to find their niche among them.

"Every one thinks it's a tsunami wave," said Tracy Lux, president of a Florida sales and marketing consultant firm that focuses on the mature market. "But it's not. It's a constant flow."

The older boomers, also called active adults, seem to be garnering a disproportionate share of home-builder interest. Many at the International Builders Show in Orlando last week said they are gearing up their efforts to build homes for that market.

One reason is that research shows that many of the leading boomers will move during the latter part of their lives. It may be to a second home, primary home or simply a vacation home. Or it may just be an investment home. What may be different from past retirees is that boomers may not give up their primary home.

"They want to be latchkey children," Lux said. "They want to be able to lock up the home and go."

In Orlando, builders received plenty of advice from people already immersed in that market.

"People in their 60s don't want to be called seniors," said Lewis Goodkin, who heads Goodkin Consulting in Miami. "And many don't want to live in adult-only developments."

"They want insulation without isolation," he added. "They want to see younger people."

For those who do choose age-restricted communities, they are often seeking the rules and structure those communities typically provide.

Not all about golf

Beyond whether they choose age-restricted communities or open communities, many boomers, especially empty nesters, are looking for maintenance free or at least minimal maintenance homes. Having extra bedrooms is important but so are those that allow them opportunities to socialize with other community residents, said David Clinger, president of David Clinger Associates, a planning and design firm based in Golden, Colo.

In some master-planned communities, the standard gym has mushroomed into 5,000-square foot fitness centers. Clubhouses have become standard.

"It's not just about being on the golf course," said Lux, president of Trace Marketing, a Florida-based marketing consulting firm focusing on the mature market. "It's fitness centers, hobbies and crafts, classes. It's really a chance to meet people."

In many instances, boomers are driving what is becoming standard for many builders: 10-foot ceilings, posh master bedrooms and master bathrooms, open living spaces where living rooms, dining rooms and kitchens are not separated by walls (at least for homes under 3,000 square feet) and seamless outdoor-indoor living features. But they are asking builders to consider some of their needs as they age. "Aging in place" features include major bedrooms on the first floor, higher sitting commodes, showers with built-in benches for sitting and easier handling faucets. It's all intended to make living easier.

"Most are not in denial," Lux said. "They know what's coming."