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PERSONAL BUSINESS -- PLACES TO RETIRE

Hot Spots That Have Cooled Lure Savvy Retirees



Sinking housing prices are stressing homeowners. But behind "for sale" signs in some desirable locales lie golden opportunities for retirees who can choose when and where they want to move.

To identify some of the best values in places to retire, we talked to industry insiders who follow housing trends, checked national real estate databases, and contacted local brokers.

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What follows are snapshots of four markets that have cooled considerably in recent months. Our fab four are all fast-growing communities blessed with natural beauty and an array of activities. They happen to be in the East and West, but similar softness has shown up in Texas, Michigan, and other parts of the country.

Bend OREGON

Central Oregon's largest city is a onetime timber town that turned to tourism—skiing, camping, hiking, and fishing in the nearby Cascade Mountain Range—for growth. Then, in the late 1990s, Bend became one of those sleepy mountain towns, like Bozeman, Mont., and Coeur d'Alene, Idaho, that started popping up on "Best Places to Retire" lists. Construction boomed, the population doubled (to 75,000)—and so did housing prices.

Bend still has everything that made it so livable in the first place, including clean air, views of snow-capped mountains, and a mild climate that keeps it sunny and dry most of the year. But the influx of Californians, which contributed to the real estate boom, has slowed to a trickle. Just 106 single-family homes were sold in September—two-thirds fewer than in the same month in 2005. The town now has a 15-month inventory of homes for sale. "There's a slump in the market, no question," says Michael Caba, an appraiser at Bratton Appraisal Group.

The best deals are in high-end homes that developers built on speculation. Bill Berger, who runs the local office of Hasson Company Realtors, has watched the asking price of one new 2,700-square-foot house sink from \$579,000 in February to \$439,000 now. It has oak floors, a great room with fireplace, and a master bedroom on the first floor with French doors opening to a deck with mountain views. "Prices got too high," he says. "Now they are coming back to reality."

San Diego, CALIFORNIA

One of the most rapidly appreciating real estate markets during the boom, this part of Southern California has been hit hard. Foreclosures are up, and builders are dumping inventory on sites such as [ushomeauction.com](#). The median home price, which had more than doubled this decade, to a peak of \$622,000 in May of last year, has settled back to a recent \$595,000, according to the California Association of Realtors.

Some of the strongest growth came from what locals call the North County, an area just up Interstate 5 from the city of San Diego. Here are some real gems of beachfront communities—Del Mar, Solana Beach, Cardiff by the Sea. In Carlsbad, Jim Klinge, a Realtor who runs a Web site called [bubbleinfo.com](#), says the one-story homes favored by retirees have been holding up better than two-story ones but are still seeing steep price cuts. He has been following a three-bedroom, Mediterranean-style villa purchased in January, 2006, for \$950,000 and listed now at \$849,000.

Go farther inland and you can get more house for your money in communities such as Rancho Bernardo. Like many of her fellow brokers at Prudential ([PRU](#)), Nellie Hanlon uses a suggested price range as a way of ginning up offers. She listed a Spanish-style three-bedroom, two-bath house on a golf course at a range of \$575,000 to \$630,000. "We're not saying the seller will accept \$575,000," she says, "just that he'll respond to offers at that price."

Thanks to newly built Highway 56, it's a short hop to the beach, the Del Mar Thoroughbred Club, or the Torrey Pines Golf Course, a public course on the ocean. You can even use San Diego's transit system to explore downtown, from the rejuvenated Gaslamp nightlife district to the museums of beautiful Balboa Park.

Miami, FLORIDA

The city has done much to spiff up its image, from the \$1,000-a-night boutique hotels that have opened along South Beach to the new performing arts center and design district on the mainland. Now, dozens of construction cranes punctuate the skyline, erecting high-rise condos in place of old buildings and parking lots.

Those changes, along with the usual sun and fun, have attracted a huge number of speculators as well as wealthy South Americans and other foreigners buying second homes or investment properties. Some 19,000 condos are expected to come online in the city over the next two years, with much of the action along Brickell Avenue and Biscayne Boulevard, two main thoroughfares.

But with prices falling, many buyers are expected to walk away from their deposits. "It's going to be a bloodbath," says Kevin Tomlinson, a Realtor who writes about the scene at Southbeachrealestateblog.com.

Local real estate professionals say the best bets lie in Miami Beach, in the middle of the island, where the renowned Fontainebleau Hotel, featured in the 1964 James Bond classic film *Goldfinger*, is in the midst of a \$1 billion renovation. The hotel has built one condominium tower with units it rents to guests when the owners are not in residence and has another under construction.

Michele Redlich, a broker at Coldwell Banker, says buyers should focus on buildings constructed in the past decade with units occupied by the owners. Plenty of them are on the water with killer views and all the amenities of resort living: tennis courts, clubhouses, spas, and beach attendants.

Many have been on the market for months. Redlich just sold a two-bedroom, two-bath unit on the 28th floor of the Green Diamond Condominiums with beach and bay views that had been listed in June for \$899,000. It sold for \$765,000—furnished. "He paid \$472,000," she says. "He'll still make money."

Fort Mill SOUTH CAROLINA

When it opened in March, 2006, Sun City Carolina Lakes sold 400 homes in the first month. That was a record for Del Webb Corp., which decades ago pioneered the "active adult" community in Sun City, Ariz. Now owned by Pulte Homes ([PHM](#)), Del Webb has since spread to 21 states as far north as Michigan and Massachusetts.

The cooling housing market is taking a toll here as potential buyers scratch their plans until they can sell their properties back home. Houses at Carolina Lakes start at \$170,000 but can run as high as \$800,000 on premium lots near a lake or golf course. While Del Webb isn't exactly slashing prices, it's now more willing to deal on extras, perhaps throwing in a free golf cart or fancier landscaping to get a house sold. Plus, to drum up interest, it has increased its community-events budget, sponsoring a fall festival recently that drew would-be buyers.

The community is about 18 miles south of Charlotte. That gives residents access to sports, cultural amenities, and a major airport, along with the solitude of 1,200 acres of forests and lakes. It also keeps them in South Carolina's friendly tax climate. Folks 65 or older are exempt on the first \$50,000 in assessed value of their homes. The state also reduced school taxes last year in favor of a higher sales tax.

The development has a 40,000-square-foot recreation center where 125 clubs meet for everything from Bible study to kayaking. Jay Hanselman, a retired aircraft salesman who lived most of his life in Pennsylvania, moved into Carolina Lakes in January and now helps run the car club. He showed off his 1957 Chevrolet convertible at a recent event. "If you're bored," he says, "it's your own stinking fault."

By Christopher Palmeri

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