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**Personal Note**

An important part of the Real Estate market is devoted to senior transition. If you or your family or friends need a professional REALTOR, I'd appreciate your referrals!

*At Your Service*  
**UPDATE**



Volume XI, Issue 9

**An Eye To The Future**  
 The aging population



nances to maintain their standard of living into extended old age and remaining independent, yet secure as long as possible. These challenges translate directly into distinct trends in the housing industry.

Aging in place

Many aging baby boomers as they approach retirement are choosing to remain in their own homes and live independently as long as possible. Others, for whom this may not



As 77 million Baby Boomers move into their senior years, addressing the diverse needs of this housing sector has become a hot topic for builders, developers and Realtors. With seemingly endless alternatives, there are a few housing trends taking hold that merit additional investigation. Today's baby boomers face many challenges and opportunities never before seen in the real estate market place. Generally speaking they are healthier, more active, better educated and wealthier than any previous generation. Simultaneously they also face the challenges of taking care of elderly parents, managing their fi-

be an option are finding themselves downsizing their belongings and moving in with their adult children. In either case, the aim is to age-in-place, live safely, independently and comfortably, regardless of age or agility level. This trend is opening up a whole new industry in both remodeling and new construction to accommodate the needs of

these baby boomers.

Universal Design Features which can be applied to remodeling projects, are most commonly used in new construction due to the structural requirements for successful implementation. Universal design features improve the safety and utility of homes specifically useful to the aging and those with limited mobility. These features compensate for reduced strength, reduced mobility and agility and help to improve balance and coordination. The AARP has put together a collection of design recommendations and additional information on Universal Design on its web site at [www.aarp.org/families/home\\_design/](http://www.aarp.org/families/home_design/)

Remodeling to accommodate the needs of the aging can take on some surprising requirements. While adding a main floor bedroom and bath are a common project, adding additional parking or driveway space or adding an additional computer nook may be exactly what is needed. Understanding the remodeling requirements for an aging population has become such a hot topic that the National Association of Home Builders (NAHB) has created a new CAPS certification. This "Certified Aging In Place Specialist" designation certifies that architects, builders and remodelers are trained in the unique requirements of an aging population.



### Second Home Ownership

The U.S. second home market is gearing up for what is virtually certain to be a series of record years for sales volume. This new wave of second home purchasers- the leading edge of baby boomer demographic; are far more investment oriented than their predecessors, according to a new national study conducted by the National Association of Realtors. The NAR study of a national statistical sample found that the typical purchaser is 56 years of age, married with no children living at home under the age of 18 and is relatively affluent, with a household income of \$92,000. This is a key demographic component to the baby boomer surge that is just beginning.

A key sub-trend documented by the study shows that nearly 30% of all buyers expect to convert their second homes into their primary homes sometime in the future. That move would provide a neat way to get maximum use of the federal \$250,000/

\$500,000 tax-free capital gains exclusion.

Example: A married couple in their mid-50's right now could buy a second home in a resort community, rent it out for the next five to seven years, then sell their principal home tax-free, and convert the rental home to their new principal residence. That would start the tax clock ticking again on their resort residence, and allow them to pocket all gains on the house tax-free (up to the \$500,000 limit) after just 24 months of ownership and use.

### Assisted Living, Active Adult Communities and CCRC's

The growth of this category of senior living communities has been dramatic over the last 10 years. Between the challenging task of maintaining a home and the desire to be near healthcare service providers, the attraction of a fully contained community is obvious.

Atlanta has recently been named to the list of the top 10 communities in the country for retirees. This distinction is in part due to our moderate climate, excellent health care facilities and the range of options available to aging homeowners.



- Active Adult Communities in the Atlanta area have been built by a number of developers, Florida based Del Webb, The Orchards Development Group and Levitt & Sons. These active adult communities typically offer a clubhouse, pool, activities director and yard maintenance. Individual residences can be either stand alone or in clusters of 2-4 units. Homes are designed for single story living and feature designs and amenities that are suitable for aging homeowners. Most active adult communities do not have healthcare service providers on-site or on-staff, however many are built to be convenient to local hospitals and doctors centers.
- CCRC's are continuing care retirement communities. They are so named because they address the entire continuum of care with healthy seniors moving into independent living apartments, but having the security of knowing they can "age in place" thanks to assisted living and skilled nursing services on site. The number of CCRC's nationally has risen sharply over the past 25 years from 274 in the early 1980's to 2240 in 2005. Atlanta is home to a number of CCRC's. One such development, Lenbrook, near Phipps Plaza, is undergoing a \$165 Million expansion. In testament to the demand for these types of properties, 122 of the 142 new units have already been pre-sold despite the fact that construction won't be complete until 2009. Certain CCRC's offer specialized services with designated residential locations for specialty healthcare focusing on therapy/rehabilitation and memory disorders.

In summary, today's aging baby boomers are finding a multitude of residential alternatives to suit their individual needs. Their demands are driving revolutionary trends and developing specialized housing standards which were unheard of long ago. Maximizing quality of life, caring for aging parents and preserving hard earned nest eggs are proving not to be mutually exclusive objectives. In the next 20 years, with nearly 1/3 of the US population being over 50 year old, a revolution in the housing market is just beginning.