



Building for the Generations: Lessons from the United States of America

A recent Harvard report, ‘Housing America’s Older Adults: Meeting the needs of an aging population’, highlighted that America’s older population is in the midst of unprecedented growth. With the ageing of the large baby-boom generation and increased longevity, the 50 and over population is projected to increase about 20 percent by 2030, to 132 million. In just 15 years, one in five people will be at least aged 65. Ensuring that these older adults have the housing they need to enjoy high-quality, independent, and financially secure lives has thus taken on new urgency not only for individuals and their families, but also for the nation.

In this viewpoint for the Housing Learning and Improvement Network, Kathleen McCormick, author and editor of the magazine of the Urban and Land Institute reaffirms that the “silver tsunami” of ageing baby boomers is upon us, and rather than running for cover, housing developers in the United States are stepping up to meet the demands of the age-55-and-older housing market.

Reproduced for the Housing Learning and Improvement Network by
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Introduction

The “silver tsunami” of ageing baby boomers is upon us, and rather than running for cover, housing developers in the United States of America are stepping up to meet the demands of the age-55-and-older housing market.

If traditional golf-oriented retirement communities and assisted living facilities are less popular with baby boomers—those 76.4 million people in the United States born between 1946 and 1964—than they were with their parents, what kind of housing do boomers desire, and where do they want it? According to many builders and developers, the housing choices of those 55 and older are varied and location-dependent, but they reveal a definite trend toward more active and intergenerational living that is closer to family, friends, and their extended community.

“The 55-plus market is really everyone’s market,” says Helen Foster, principal of Foster Strategy in New Orleans, a consultant to developers of housing catering to those 55 and older and intergenerational communities. “We all serve consumers over 55, and if we’re not doing it now, we will.”

The share of households headed by someone at least age 55 will grow every year through 2019, when that category will account for nearly 45 percent of all U.S. households, according to a forecast by the National Association of Home Builders. One in every eight U.S. residents is now 65 or older, and the vast majority of this group, nearly 90 percent, say they want to ‘age in place’ —that is, live in their current home—according to AARP (formerly the American Association of Retired Persons).

Despite those sentiments, some will find themselves needing to move in response to their family’s needs, a change in health, or simply a change of mind. For those boomers who are making a move, what do their new homes look like?

Ageless Living

The short answer is that there is no single trend. The boomer market “is so diverse and large that no one set of factors is compelling to the whole market,” says Foster. “There are boomers who want an urban experience, suburban experience, [or] rural experience, and there’s opportunity in all those areas,” she says.

In the urban market, the amenities are provided through location near diverse cultural experiences, she says. “Developers in suburban or rural areas have to include more experiences on site.” The best places to live, she adds, “are also the best places to retire, with connections to others, choice, mobility, security, and stability. We have to deliver on all of these fronts.” An important point: boomer consumers have to see value in the housing product as well as the lifestyle, because moving to a new home is elective.

Foster says the unique desires of this market generally include single-level living with main-floor master bedrooms, abundant natural light, with attractive views, as well as customization, options, and upgrades in home design and finishes. Communities should be walkable and have easy access to natural spaces and amenities. “Freedom from home maintenance and the ability to ‘lock and leave’ are important,” she says, as are connections to transportation, services, and other places.

“Ageless” communities accommodate everyone, but with “thoughtful attention to the 50-plus consumer,” Foster says. Universal design elements, such as wide sidewalks and curb cuts that accommodate wheelchairs, are generally included in the building or community infrastructure,

but in individual homes, elements such as grab bars in showers are treated as optional add-ons, according to some developers and builders of housing for those over 55.

Age-qualified housing for buildings and communities generally falls into three categories: 1) age restricted, where at least one occupant in at least 80 percent of occupied homes must be age 55 or older, according to federal law; 2) occupied mostly by people 55 or older, with some homes available to younger people and families; and 3) age targeted, with no legal age restrictions, but designed and marketed to appeal to renters or buyers over age 55. Many age-restricted communities have covenants that allow people under the age minimum to live in the community for two weeks to 90 days per year. Seniors' housing that receives state or federal funding, such as low-income tax credits, has other requirements.

Peer Enclaves

In many parts of the United States, boomers are still seeking age-restricted and age-targeted communities. With more than 100,000 residents and dozens of golf courses, The Villages in central Florida was the fastest-growing metropolitan statistical area in the United States from 2012 to 2013, according to the U.S. Census Bureau.

The unincorporated retirement community, which extends over three counties, was number one in unit sales among master-planned communities in the United States in 2012 and 2013, according to John Burns Real Estate Consulting, an independent research firm based in Irvine, California. The firm reports that The Villages led in 2013 with 3,419 net new home sales, a 20 percent increase over 2012.

Active-adult communities throughout the United States had an excellent year in 2013 due to demographics, a strong stock market, and well-qualified buyers with no legacy mortgage issues who found it easy to sell their existing homes, the firm noted in a research report released earlier this year.

Many boomers still prefer resort-style peer enclaves with luxury amenities, sometimes including golf courses.

Since 1999, Horsham, Pennsylvania-based housing developer Toll Brothers has built 73 luxury resort-style communities that are age-restricted or targeted for people 55 and older under the firm's Active Living brand. In Toll Brothers' East Coast market, which extends from Boston to Washington, D.C., the active-living homeowners generally span ages 55 to 60 at move-in, says Kira Sterling, senior vice president for marketing. Some of Toll Brothers' active-living communities, like the Regency at Monroe in Monroe Township, New Jersey, feature amenities such as a U.S. Golf Association-rated nine-hole golf course designed by Arnold Palmer and a 40,000-square-foot (3,700 sq m) clubhouse.

Toll Brothers' active-living homes range from about 1,300 square feet (120 sq m) for under \$300,000 to nearly 2,700 square feet (250 sq m) for up to \$700,000 before pricing in custom add-ons. These homes appeal to buyers who "wish to live in a new home and not have to make tremendous compromises with downsizing," says Sterling. "Buyers can imagine an easier shift to a lower-maintenance active-lifestyle home without having to sell all their furniture."

She says buyers want entertainment space, cathedral ceilings, high-end finishes like granite counters and wood floors, two-car garages, and the freedom to "lock and leave" to travel. An important part of the trend is low maintenance, with landscaping, snow removal, and exterior home maintenance included in the homeowners association fees, she adds.

At the Regency at Prospect, a gated, active-living Toll Brothers townhouse community in Prospect, Connecticut, duplexes, triplexes, and fourplexes with 366 homes are being built amid wooded areas with trails. Half the 177 acres (72 ha) is protected open space. A 15,000-square-foot (1,400 sq m) clubhouse has a fitness/yoga center, a grand hall, a billiards room, a kitchen, an outdoor pool, community gardens, bocce and tennis courts, and a putting green.

Now half built, the Regency draws homeowners from a 20-mile (32 km) radius who want to remain close to their family, friends, and doctors—and the cultural and business attractions of New York City, Hartford, New Haven, and even Boston. A third of the residents are still working. Many have sold big suburban homes in Westchester, for example, and spend winters in Florida. A big part of the appeal of the Regency is the social environment, says Dan Walton, assistant vice president for Toll Brothers' Connecticut division.

Boomers and Millennials

Another segment of the market is gravitating to the vitality of cities, where new downtown apartment and condominium projects intended for millennials have also attracted buyers 55 and older who, perhaps after years of raising families in the suburbs, want the cultural amenities and transit connections provided by dense urban living. Many boomers who are still working want urban employment opportunities nearby.

"The paradigm is shifting," says Foster. "Conscientious developers are developing some very attractive alternatives to age-restricted communities, especially in urban environments where the city has promoted aging in place." At the same time, she says, "builders are figuring out how to build more urban places for age-qualified communities."

"People want a different kind of community," says Chris Achenbach, principal of Zocalo Community Development in Denver. "They don't want to be in a single-generation resort community away from their families. There's a trend back toward community within a more diverse urban fabric." Zocalo's expertise in building downtown Denver apartment projects and the firm's market research—as well as Achenbach's personal experience helping relocate parents and grandparents to the Denver region—have informed the design and amenities for the Grove, the firm's first age-qualified apartments for people 55 or older.

Now under construction at Stapleton, the mixed-use redevelopment of Denver's former airport site, the Grove is designed around "the active Colorado lifestyle and community-building opportunities," says Achenbach. Inside, these opportunities include plans for a central great room, a classroom, a movie theater, a yoga/fitness center, and a community kitchen and pub. Outside amenities intended to encourage residents to be active and social include a pool and spa, a dog park, community gardens with raised beds, and a grove of fruit trees. A "garden house," featuring a workshop, potting shed, and special bike-repair room equipped with an air compressor, bike stands, a workbench, and tools, "makes things easier for people who are downsizing to make a mess," says Achenbach.

Each of the 150 one- and two-bedroom market-rate rental apartments at the Grove will have private outdoor space. The five-acre site is located next to Stapleton's Founders Park and farmers market, and two blocks from retail services and medical offices.

Achenbach says there are many similarities between age-restricted and non-age-restricted dwellings, but for the age-restricted homes, they have "some subtle design differences, like a side-by-side laundry room in most apartments [for more space and ease of doing laundry] and outlets at waist height—intelligent design features that make day-to-day living easier."



Denver-based codevelopers Perry Rose and Urban Ventures are constructing Aria Denver, a 17.5-acre (7 ha) intergenerational infill community in north Denver oriented toward active and healthy living, with a housing mix that includes townhouses, multifamily apartments, condominiums, and cohousing. (Wenk Associates)

Regarding amenities, Achenbach says, “we addressed head-on what people would miss about leaving a house, so we provided outdoor facilities for activities such as gardening.” One amenity for those 55 or older is the classroom, which appeals to boomers’ interests in lifelong learning and volunteering opportunities. Achenbach says Zocalo’s research indicates that perhaps a quarter to a half of the Grove’s residents may be still working.

Early marketing sessions have drawn Denver-area residents wanting to downsize, live there six months a year, or live in an apartment building where they can socialize. But ultimately, Achenbach predicts, the Grove “will tap into the 40-year-olds at Stapleton who want their parents on the East Coast to move here.” The project is targeting a Gold rating under the Leadership in Energy and Environmental Design (LEED) program and is scheduled for June 2015 completion. Eighty percent of the units must have a resident at least 55 years old, in keeping with the law. Intergenerational by Intention

Communities that are considered “naturally intergenerational” leverage connections internally and with the surrounding community. Intergenerational planning can help take the pressure off local institutions and resources and ensure adequate housing for burgeoning populations of older residents. Some developers of master-planned communities are building a percentage of housing for the market made up of people age 55 and older, who typically do not need access to public schools and tend to drive less than younger residents.

Rancho Mission Viejo, a 23,000-acre (9,300 ha) master-planned community in Orange County, California, has four age-qualified neighborhoods for people 55 or older in its gated Gavilan enclave. All residents share the major amenities, such as the parks and a mixed-use village center, but the Gavilan has its own clubhouse and pool. About 6,000 of Rancho Mission Viejo’s planned 14,000 homes, 43 percent, will be reserved for active adults.

“In the larger context, the more diversity you can create in housing, the more intergenerational the community will be,” says Chuck Perry, principal of Perry Rose, a division of the Jonathan

Rose Companies, “We philosophically believe diverse communities are healthier than monocultures, so we try to build mixed-age and mixed-income housing, with a mix of for-sale and rental.”

The winner of a 2007 ULI Global Award for Excellence, Perry Rose’s 27-acre (11 ha) Highlands Garden Village in northwest Denver includes an affordable, independent-living seniors’ apartment building with 300 units as part of the intergenerational mixed-use infill community of single-family homes, townhouses, multifamily apartments, live/work studios, and cohousing. Seniors who live throughout the community, including residents of the Cottage Hill seniors’ apartments, “are aging in place,” says Perry.

Perry Rose is working with Denver developer Urban Ventures to build Aria Denver, a 17.5-acre (7 ha) intergenerational infill community on a former convent property in the northern part of the city. A 72-unit affordable apartment building for seniors, cohousing, rowhouses, condominiums, and a fitness/wellness facility will join already-constructed townhouses and apartments. The focus for Aria, Perry says, is healthy and active living, including community gardens, a commercial farm, and outreach to the surrounding low-income community to make improvements to sidewalks and parks and promote healthier lifestyles.



The Aria Senior Apartments, a 72-unit affordable apartment building for people 62 or older, will have amenities such as a library/business center, an exercise room, and a community room with a kitchen that opens to an outdoor courtyard and community garden. (Oz Architecture)

With so many boomers downsizing, moving to new homes in the cities or elsewhere, what becomes of their large homes in the suburbs? Some boomers who are caring for elderly parents may prefer to remain in the suburbs, where they can more easily retrofit a house or find one that already has an in-law apartment or master bedroom on the main floor. “People make different choices at different times in their lives,” says Perry. He predicts that when the millennials living in urban apartments begin to have families, “we’ll see a shift, with some of them leaving the cities for the suburban homes” their parents are vacating.

Note

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About the author

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About the Housing LIN

Previously responsible for managing the Department of Health's Extra Care Housing Fund, the Housing Learning and Improvement Network (LIN) is the leading 'learning lab' for a growing network of housing, health and social care professionals in England and Wales involved in planning, commissioning, designing, funding, building and managing housing, care and support services for older people and vulnerable adults with long term conditions.

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