

## HIGHLIGHTS

# Housing for the 55+ Market

## Trends and Insights on Boomers and Beyond



### Overview

The MetLife Mature Market Institute (MMI) and the National Association of Home Builders (NAHB) collaborated on a research project that examined trends in the 55+ population's preferences in homes and communities as well as the housing industry's response to consumer demand.

*Housing for the 55+ Market: Trends and Insights on Boomers and Beyond* is the first report in a series on housing for the 55+ market, and is based on data from the 2001 through 2007 American Housing Surveys (AHS) from the U.S. Census Bureau.

The report analyzes where older households are located, characteristics of communities and the overall satisfaction with them, and the types of communities that the 55+ market prefers. The report also looks at recent 55+ movers, finding out why they moved and from where, as well as other key demographic information, such as household size, education, race, and income. Also covered is an inventory of new construction, including the dollar value, basic characteristics,

motivations of the buyer or renter, comparisons to the previous home, and how new home purchases are financed. Finally, the report looks at the market share of 55+ households and forecasts construction in 2009 and 2010.

### Key Findings

- ▶ Most homeowners age 55+, like their parents, are choosing to “age in place,” but a large and growing number—more than 1.2 million households—are choosing to move to communities designed to meet their needs. The share of those living in active adult age-restricted communities grew from 2% in 2001 to 3% in 2007. Residents in this type of community registered the highest satisfaction rates. However, the large majority of 55+ respondents indicated they were happy with their current homes regardless of community type.
- ▶ The main reasons for moving to a 55+ owner-occupied community were family or personal reasons, financial or employment reasons, and the desire to have a higher quality home. In multi-family communities, family was the number one reason, but reducing costs and increasing quality were also top priorities.
- ▶ Within the community, design and looks were most important to 55+ single-family home buyers, while closeness to family and friends was a higher priority in age-restricted rental and multi-family communities.



Brookhaven at Johns Creek – Ansley  
Photo Credit: Chris Laney

- ▶ Home and community location relative to work location are important for a growing number of 55+ households. Proximity to work as the reason for choosing a community among 55+ movers into single-family detached homes jumped from 11% in 2001 to 17% in 2007. In addition, the percentage of 55+ households working from the home rose rapidly over the six-year period. The number of movers into other 55+ owner-occupied communities rose from 6% in 2001 to 13% in 2007.
- ▶ Active adult communities are attracting more buyers who are younger (i.e., age 60 and under).
- ▶ Female-headed households dominate the multi-family and age-restricted rental market.
- ▶ The share of home buyers in age-qualified communities with some college education or more has increased in the past six years, from 50% in 2001 to 73% in 2007.
- ▶ The share of all 55+ buyers of newly built homes using a mortgage has increased significantly in the past six years, except for other 55+ communities which declined from 54% in 2001 to 40% in 2007.
- ▶ The projected number of housing starts in 55+ communities will fall in 2009 as the housing economy continues to weaken and prospective buyers find it difficult to sell their current homes, but production will begin to revive in 2010.
- ▶ The share of minorities has trended upward in age-qualified and other 55+ owner-occupied communities, and is likely to continue. The 55+ housing market is likely to become more racially and ethnically diverse.
- ▶ Even though one would expect home value and home size to be related, this does not appear to be the case in 2001–2005. The overall rapid price appreciation across homes of all sizes during this period appears to be driving these results.

## Methodology

The information in this report includes the 2007 AHS, the most recent release of this ongoing data collection, and observed trends in the AHS between 2001 and 2007. The AHS is designed by the U.S. Department of Housing and Urban Development (HUD) and the U.S. Census Bureau to capture a relatively large amount of information about the physical characteristics of the units in which Americans live. Characteristics are tabulated by the age of the occupants, structure type, and community type. Based on the information available, three types of 55+ communities can be defined: age-qualified active adult communities, other non-age-qualified 55+ owner-occupied communities (those that are not explicitly age-restricted but nevertheless are occupied by adults age 55 +), and age-restricted rental communities.

### For More Information

Visit [www.MatureMarketInstitute.com](http://www.MatureMarketInstitute.com) to access *Housing for the 55+ Market: Trends and Insights on Boomers and Beyond*.



### The MetLife Mature Market Institute®

Established in 1997, the Mature Market Institute (MMI) is MetLife's research organization and a recognized thought leader on the multi-dimensional and multi-generational issues of aging and longevity. MMI's groundbreaking research, gerontology expertise, national partnerships, and educational materials work to expand the knowledge and choices for those in, approaching, or caring for those in the mature market. For more information about the MetLife Mature Market Institute, please visit: [www.MatureMarketInstitute.com](http://www.MatureMarketInstitute.com).