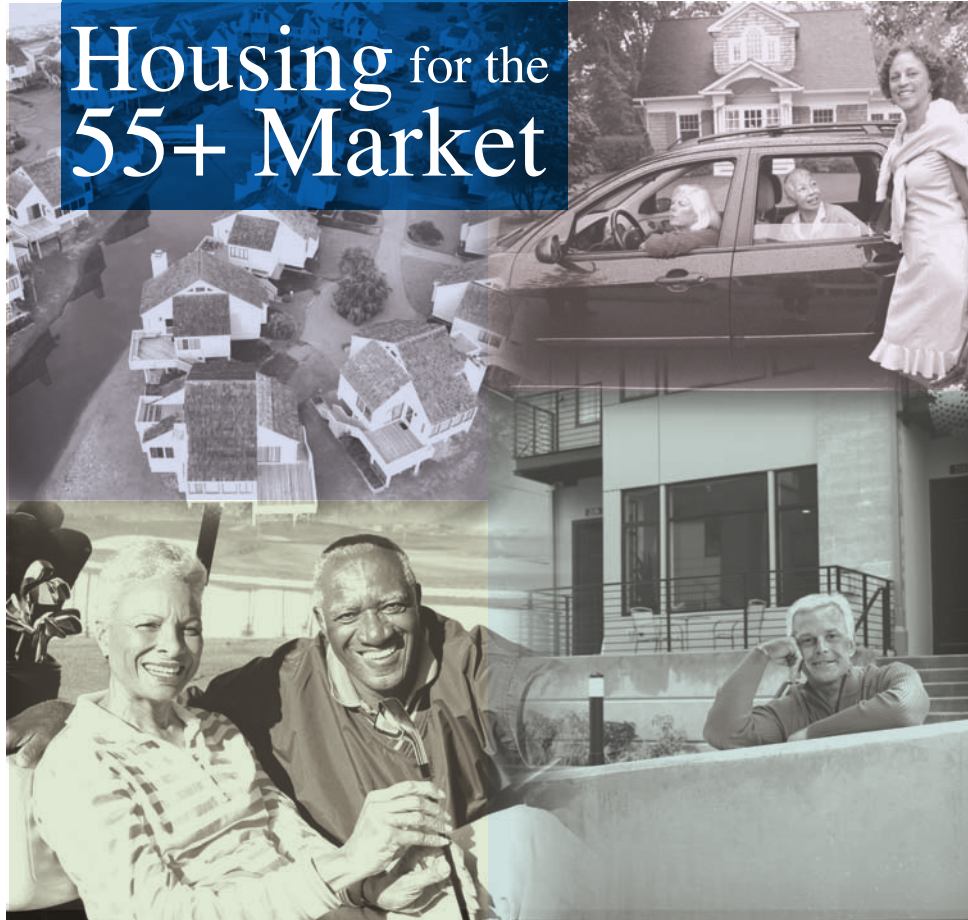


REPORT

Housing for the 55+ Market



Trends and Insights on Boomers and Beyond

APRIL 2009



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Table of Contents

- Executive Summary**..... 4
 - Key Findings..... 4
 - Methodology 5
- Chapter 1: 55+ Neighborhoods and Housing Characteristics**..... 7
 - Where 55+ Households Live by Tenure and Structure Type 7
 - Where 55+ Households Live by Community Type..... 9
 - Presence of Community Amenities 12
 - Presence of Other Community Characteristics 16
 - Overall Rating of Current Community and Homes..... 23
- Chapter 2: 55+ Recent Movers**..... 27
 - Reasons for Moving..... 27
 - Trends in Reasons for Moving..... 31
 - Reasons for Choosing a Community..... 33
 - Age Distribution by Community Type..... 37
 - Current Market: Household Size and Type 39
 - Current Market: Race and Education of Household Head 44
 - Current Market: Household Income and Share of Home Workers..... 48
 - Number of Other Homes Looked at Before Moving In 52
- Chapter 3: New Construction for the 55+ Market**..... 56
 - Dollar Value of New Construction..... 56
 - Basic Characteristics of New Construction 57
 - Why Households Choose New Homes..... 59
 - How New Housing Units Compare with Previous Residences 61
 - How New Home Purchases Are Financed..... 63
- Chapter 4: 55+ Housing Market Shares and Projections**..... 65
 - One-Fifth of All Home Buyers are Age 55+ and Their Share Is Rising 65
- Appendix: Additional Tables**..... 69

Executive Summary

The Baby Boomers, who are currently age 45 to 63, have had an impact on society, starting with their childhood to their transition into retirement. Recognizing the importance of this influential generation on the housing industry, the MetLife Mature Market Institute (MMI) and the National Association of Home Builders (NAHB) embarked on a research project that closely examined the 55+ population—the Boomers as well as older cohorts—preferences in homes and communities as well as the housing industry’s response to consumer demand. The end result is *Housing for the 55+ Market: Trends and Insights on Boomers and Beyond*, one of the most comprehensive reports dedicated to this segment.

This report is the first in a series of components on housing for the 55+ market and is based on data from the most recent American Housing Surveys (AHS) from the U.S. Census Bureau. Although the data covers all types of housing and households, the research concentrates on age-qualified active adult communities, other non-age-qualified 55+ owner-occupied communities (not explicitly age-restricted but nevertheless occupied primarily by people age 55+), and age-restricted rental communities. All homes occupied by household heads 55 years old and older are presented for comparisons. In select cases, data is also presented on housing characteristics for households under age 55 for comparisons. The report looks closely at trends that emerged during a six-year period from 2001 to 2007, the first time this information has been made available for active adult communities.

The report analyzes where older households live, 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. Other components to be published include consumer preference and builder surveys with a gap analysis to show any differences in perceptions.

According to the U.S. Census Bureau (Current Population Survey), the number of Americans age 55 or older has increased from 52.2 million (accounting for 21% of the total population) in 1990 to 59.3 million (still about 21%) in 2000, and to 70.6 million (23%) in 2007. Based on NAHB’s forecast, the 55+ population will grow to 76.6 million (25% of the population) in 2010, and to 85.3 million (26%) in 2014. Consequently, demand for housing designed for older Americans has been growing and is expected to continue to grow.

Key Findings

- The majority of 55+ households do not live in age-restricted (also called age-qualified) or other 55+ communities, yet that number is on the rise. 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, most 55+ respondents indicated they were happy with their current homes.

- 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.
- Home and community location relative to work location are important for 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 number 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 younger buyers (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 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. The trend is likely to continue, and the 55+ housing market is likely to become more racially and ethnically diverse.
- Even though we 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 is based on the 2007 American Housing Survey (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 not only by the age of the occupants and structure type, but by community type. Based on the information available in the AHS, 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. The AHS first began asking the relevant questions on 55+ communities in 2001, therefore this is the earliest that trends in these types of communities can be tracked.

The decision to examine particular types of 55+ communities in detail is based not only on the availability of responses to particular questions in the AHS, but also on the ability to capture a sufficient number of observations to analyze. The AHS is a survey of all housing in the U.S., and some types of 55+ housing communities comprise a relatively small share of the total housing stock. The definitions of 55+ community types employed here capture at least 20 observations in each cell, even when the analysis is restricted to recent movers or new construction, and it was considered inadvisable to partition the data more finely than this.

Each of the chapters in this report focuses on a different aspect of the 55+ housing market. Chapter 1 describes the existing 55+ communities and housing characteristics. Chapter 2 studies the demand side of the 55+ housing market by examining characteristics and mobility trends of 55+ recent movers. Chapter 3 analyzes the supply side of the market by looking at the new construction serving the 55+ housing market. Chapter 4 presents 55+ market projections into 2010.



Chapter 1

55+ Neighborhoods and Housing Characteristics

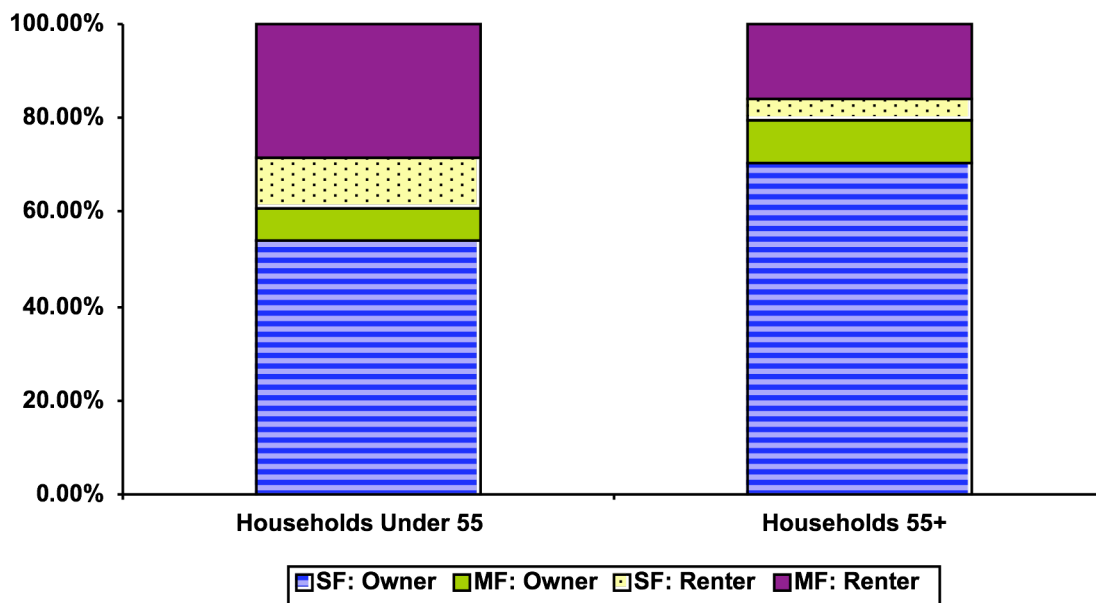
This chapter presents detailed information on where older households live, including characteristics of the communities and how satisfied older households are with them. The information in this chapter is intended to increase understanding of the 55+ housing market in terms of the surrounding neighborhood and what community characteristics may attract consumers.

Where 55+ Households Live by Tenure and Structure Type

Most 55+ Households Own Single-Family Detached Homes

Homeownership rates are very high among households headed by someone age 55 or older. Consistent with this tendency, well over two-thirds of 55+ households own single-family detached homes. This is well above the share for younger households, as Figure 1.1 below shows. An additional 9% of 55+ households own multi-family condominiums, which is also noticeably above the under-55 household share.¹

Figure 1.1: Distribution of Single-Family and Multi-Family Housing in 2007



¹ For purposes of this report, single-family attached units are included in multi-family. The total number of units in the single-family attached category is relatively small, and including them in the multi-family total impacts the multi-family tabulations only slightly. In practice, multi-family town homes and single-family attached units are often difficult to distinguish from each other, even for an expert observer.

Shares of 55+ Homeowners Have Been Stable Over Time

Fifty-five plus homeownership and renter status has been extremely stable over the course of the AHS, with homeownership in the 71% range and renter status at about 16% throughout this time period. In comparison, while single-family ownership for those under 55 has been stable at about 54% to 55%, renting has increased slightly over that same period.

Table 1.1: Household Tenure and Structure Type 2001–2007

	Share of Households Under 55				Share of Households 55+			
	Multi-Family		Single-Family Detached		Multi-Family		Single-Family Detached	
	Owner	Renter	Owner	Renter	Owner	Renter	Owner	Renter
	%				%			
2001	6.05	29.89	54.29	9.77	9.13	15.80	70.65	4.42
2003	6.12	29.16	54.57	10.14	9.09	15.50	70.86	4.55
2005	6.51	28.35	54.91	10.23	9.46	15.56	70.57	4.41
2007	6.51	28.40	54.20	10.89	9.02	15.74	70.56	4.68



Where 55+ Households Live by Community Type

Over a period of years, NAHB economists have worked with HUD and the U.S. Census Bureau to improve the quality of the data that federal government collects on 55+ housing markets. One result of these efforts is that, beginning in 2001, the AHS began asking respondents whether the buildings or neighborhoods they live in are age-restricted, and if not, whether they are occupied mostly by people age 55+.

This new question gives us the opportunity to distinguish 55+ communities from other community types. The question on age restriction is important because age-restricted (or, as it is often called in the industry, age-qualified) communities may have different amenities designed to attract older people, and it will be useful to know what these amenities are. The second part of this question, designed to identify communities that have attracted people age 55+ even though these communities are not age-qualified, also provides useful information. Some of these communities are likely to be close substitutes for age-qualified properties, in which case they represent a significant part of the 55+ housing supply. By using the age-restricted status and information on communities occupied mostly by residents age 55+, along with information on structure type and ownership status, we classify different types of communities as shown in Table 1.2. This classification scheme was devised to handle the new data available in the AHS and does not necessarily reflect schemes used elsewhere.

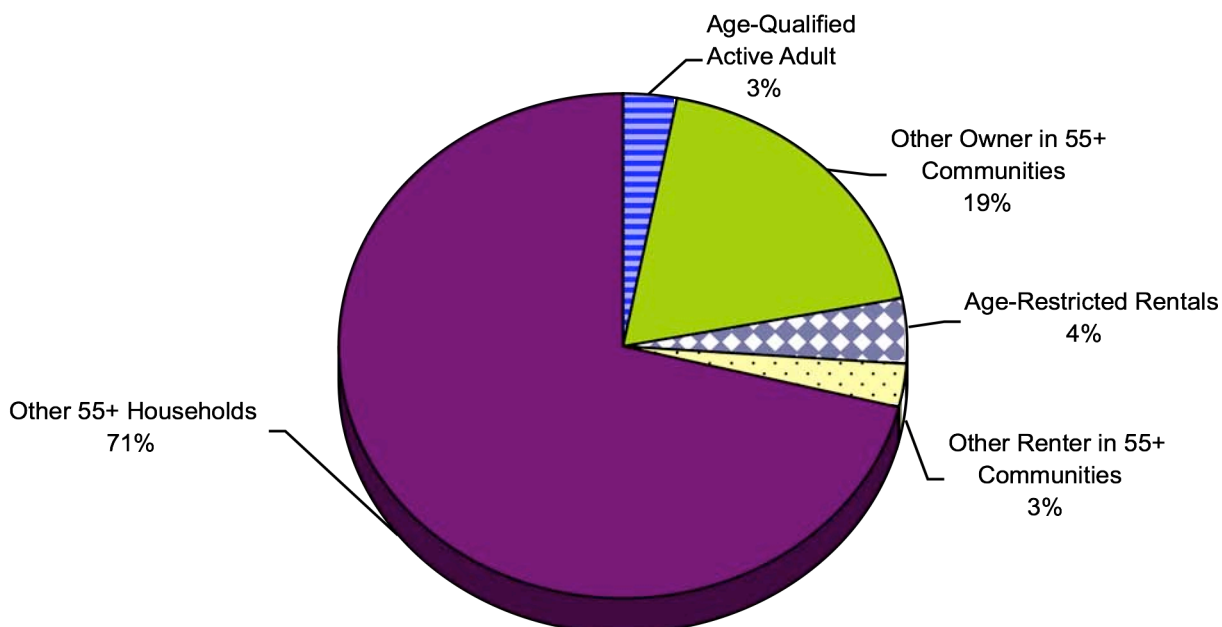
Table 1.2: Households by Community Type and Homeownership: 2007

Community Type	Multi-Family		Single-Family Detached		Total
	Owner	Renter	Owner	Renter	
Age-Qualified Active Adult	465,983	0	689,899	0	1,155,882
Other Owner in 55+ Communities	829,675	0	6,547,433	0	7,377,108
Age-Restricted Rentals	0	1,506,624	0	56,502	1,563,126
Other Renter in 55+ Communities	0	835,416	0	427,180	1,262,596
Other 55+ Households	2,198,603	3,737,270	20,224,044	1,355,183	27,515,100
Total 55+ Households	3,494,261	6,079,310	27,461,376	1,838,865	38,873,812
No Seniors	4,222,207	18,542,645	35,050,481	7,084,049	64,899,382
Total	7,716,468	24,621,955	62,511,857	8,922,914	103,773,194

Most 55+ Households Do Not Live in Age-Qualified Active Adult or Other 55+ Communities

As shown in Table 1.2, age-qualified active adult housing accounts for just over a million of the 38.9 million 55+ households in the U.S. in 2007. “Other” 55+ owner-occupied communities identified by homeowners who reported their neighbors are mostly 55 and older, although the neighborhoods (or the buildings for multi-family residents) are not explicitly age-qualified, account for 7.4 million. Seventy-one percent of 55+ households, however, live in communities that are neither age-qualified nor occupied mostly by people over age 55 (see Figure 1.2).

Figure 1.2: 55+ Household Distribution in 2007



Age-qualified active adult and age-restricted rentals are two specific community types that clearly represent distinct segments of the housing market. The other 55+ owner-occupied community category is somewhat nebulous, but it accounts for a relatively large share of the 55+ households and thus forms a potentially important component of the market that should not be ignored. These three community types are of special interest for the rest of this chapter. Other community types that can be identified either contain too few households to tabulate or do not isolate a distinct enough part of the housing market to tabulate.

Age-Restricted Communities are Becoming More Widespread

As shown in Tables 1.3 and 1.4, an ever increasing number of 55+ households now choose to live in age-qualified active adult communities. As a result, their share among all 55+ households reached 3% in 2007, compared to about 2% in 2001–2003. This increase represented an increase of 423,155 in age-qualified active adult households over that period.

As the number of Baby Boomer households appropriate for active adult housing increases over the next decade, the number of residents in this type of housing is expected to increase even further.

Table 1.3: 55+ Household Distribution by Community Type

Community Type	2001	2003	2005	2007
	%			
Age-Qualified Active Adult	2.2	2.0	2.7	3.0
Other Owner in 55+ Communities	19.0	15.1	18.9	19.0
Age-Restricted Rentals	3.2	2.9	3.7	4.0
Other Renter in 55+ Communities	3.8	3.2	3.5	3.2
Other 55+	71.8	76.8	71.1	70.8

Table 1.4: Number of Households by Community Type

Community Type	2001	2003	2005	2007
Age-Qualified Active Adult	732,727	689,082	1,018,742	1,155,882
Other Owner in 55+ Communities	6,374,299	5,205,327	7,005,812	7,377,108
Age-Restricted Rentals	1,060,883	1,003,332	1,372,424	1,563,126
Other Renter in 55+ Communities	1,280,281	1,106,286	1,312,481	1,262,596
Other 55+	24,080,224	26,553,808	26,393,129	27,515,100
Total 55+ Households	33,528,414	34,557,835	37,102,588	38,873,812
No Seniors	65,514,116	64,430,550	64,828,879	64,899,382
Total	99,042,530	98,988,385	101,931,467	103,773,194

Presence of Community Amenities

Many Households Report Having Access to Open Spaces and Recreational Facilities

The AHS contains data on a substantial number of community characteristics. Table 1.5 shows amenities that developers of 55+ housing may provide (e.g., recreational services) or at least consciously take into account when planning the project (e.g., a location near water). Among these particular amenities, open space within half a block and recreational facilities are the most common. For single-family detached homes, more than 41% of the 55+ households have open space within half a block; this percentage is similar to the households under 55. A slightly smaller number (34%) of the 55+ multi-family households have open space in their communities, and this percentage does not vary much by age.

Almost 52% of 55+ multi-family households reported having recreational facilities in their communities, and this percentage increases with age. A smaller share, about 38%, of single-family detached households reported having recreational facilities in their communities. Recreational facilities include any of the following: a community center or clubhouse, golf course, walking/jogging trails, private or restricted-access beach, park, or shoreline. Clearly, it would be useful to identify individual recreational features, such as private-access beaches or golf courses, for example, to distinguish communities that are different from others in a significant way. However, the U.S. Census Bureau, in order to preserve respondent confidentiality, combines all recreational amenities into one category on the AHS data file that is made available to the general public.

Table 1.5: Community Amenities in 2007: Single-Family Detached and Multi-Family Households

	Age of Household Head					
	Under 55		55 or Older			
	Under 45	45 to 54	55 to 64	65 to 74	75+	Total 55+
Single-Family Detached	%					
Open space within ½ block	40.2	43.2	43.9	43.0	35.8	41.6
With recreational facilities	36.2	38.1	38.0	39.0	36.4	37.9
Community services provided	18.2	18.2	18.7	18.8	20.2	19.1
Building not on the waterfront but water within ½ block	14.1	14.8	14.3	13.4	10.1	12.9
Gated community	5.1	5.0	5.3	6.9	5.2	5.7
Building located on the waterfront	2.0	1.5	2.9	3.0	4.0	4.0
Multi-Family	%					
Open space within ½ block	33.1	32.4	35.1	32.4	33.7	33.9
With recreational facilities	44.2	42.6	44.6	50.7	60.6	51.5
Community services provided	17.8	17.8	21.9	24.7	39.1	28.3
Building not on the waterfront but water within ½ block	11.5	10.6	10.7	10.4	13.4	11.5
Gated community	19.7	16.6	15.2	20.4	21.4	18.6
Building located on the waterfront	1.6	3.3	4.0	4.1	3.8	3.3

Many Age-Qualified Active Adult and Age-Restricted Rental Communities Provide Recreational Facilities and Community Services

Although the incidence of most community amenities does not vary much with the age of the head of household, there are substantial differences based on the type of community. For example, about 74% of age-qualified active adult or age-restricted rental communities provide recreational facilities, while only 44% of other 55+ owner-occupied communities provide recreational facilities.

Table 1.6: Community Amenities in 2007 by Community Type

	Age-Qualified Active Adult	Other 55+ Owner-Occupied Communities	Age-Restricted Rental
	%		
With recreational facilities	74.3	44.3	75.2
Open space within ½ block	37.6	42.5	39.5
Community services provided	36.7	22.0	56.8
Gated community	33.6	7.5	27.8
Building not on the waterfront but water within ½ block	16.6	13.3	11.2
Building located on the waterfront	4.9	6.5	3.2

Another example is the presence of community services, which, as defined in the AHS, include shuttle buses and day care centers. The share of households in apartment buildings with community services does increase somewhat with age, but the greatest differences are seen when looking across community types. Age-restricted rental communities have the highest incidence (57%) of community services, while only 22% of other 55+ owner-occupied communities provide community services.



Having Open Space Within Half a Block Is Becoming More Common Across 55+ Households and Communities

As Tables 1.7 and 1.8 show, having open space within half a block is becoming more common, thus developing into a universal trend covering all types of 55+ housing and communities.

Table 1.7: Trends in Amenities: 55+ Single-Family Detached and Multi-Family Households

	2001		2003		2005		2007	
	Multi-Family	Single-Family Detached	Multi-Family	Single-Family Detached	Multi-Family	Single-Family Detached	Multi-Family	Single-Family Detached
	%							
Open space within ½ block	27.5	35.8	28.7	36.9	32.7	39.0	33.9	41.6
With recreational facilities	45.3	31.6	45.8	29.9	44.5	29.3	51.5	37.9
Community services provided	27.7	20.3	27.1	18.5	26.7	17.6	28.4	19.1
Building not on the waterfront but water within ½ block	11.0	11.8	11.7	12.4	11.7	13.0	11.5	12.9
Building located on the waterfront	3.8	3.9	3.2	3.9	3.4	3.7	3.3	4.0
Gated community	14.7	3.1	14.4	3.3	13.7	3.3	18.6	5.7



The Residences at Bulle Rock
Photo Credit: Charlie Pruett Photography

In addition, the AHS shows that age-qualified active adult communities are more likely than other communities to provide recreational facilities, although in 2007 the share turned out to be higher in age-restricted rental communities.

Table 1.8: Trends in Amenities by Community Type

	2001			2003			2005			2007		
	Age-Qualified	Other 55+ Owner	Age-Restricted Rental	Age-Qualified	Other 55+ Owner	Age-Restricted Rental	Age-Qualified	Other 55+ Owner	Age-Restricted Rental	Age-Qualified	Other 55+ Owner	Age-Restricted Rental
	%											
With recreational facilities	81.2	37.0	70.2	77.1	37.8	74.4	73.2	34.7	70.6	74.3	44.3	75.2
Community services provided	43.9	22.1	52.1	43.3	20.5	51.5	34.9	18.6	55.5	36.7	22.0	56.8
Open space within ½ block	33.9	35.2	25.9	35.1	34.7	33.8	33.5	39.9	34.7	37.6	42.5	39.5
Gated community	30.9	5.2	21.3	35.9	4.8	21.6	30.6	5.3	22.3	33.6	7.5	27.8
Building not on the waterfront but water within ½ block	21.0	13.0	9.5	19.0	13.8	14.3	18.4	13.7	12.6	16.6	13.3	11.2
Building located on the waterfront	4.8	6.8	3.8	6.0	5.8	1.8	3.7	6.1	4.0	4.9	6.5	3.2

Age-Qualified Active Adult Homes Are More Often Near Water, in a Gated Community, and in Communities with Recreational Facilities

Homes in age-qualified active adult communities are more likely to be located near a body of water (within half a block or 300 feet), although only an average share of the homes themselves are actually on the waterfront. In the case of active adult homes, of course, the community may be on a waterfront even though this is not the case for every home in the community. According to a previous NAHB article, being on a waterfront increases property value more than any of the other neighborhood characteristics identified in the AHS.²

The AHS also asks respondents whether their communities are surrounded by walls or fences preventing access by persons other than residents. If the answer is yes, the home is classified as being in a gated community. According to this definition, in 2007, 34% of age-qualified active

² Paul Emrath, “How Features of a Home Impact Its Price,” *Housing Economics*, November, 2004. <http://www.nahb.org/generic.aspx?sectionID=734&genericContentID=33077>. The statistical model used to generate the result can also be accessed online interactively: <http://www.nahb.org/generic.aspx?sectionID=784&genericContentID=32911>.

adult homes are in gated communities, in contrast to only 6% for 55+ single-family detached households in general.

Presence of Other Community Characteristics

Community Nuisances Are Less Common Among 55+ Households

The AHS collects information on a variety of other neighborhood characteristics. Many of these are characteristics that develop over time and are not necessarily planned for by developers, such as heavy street noise. The following tables show that many of these nuisances (crime, trash, abandoned buildings) are less common among older households. This is consistent with the notion that households seek to move into locations free from particular nuisances and, as a household ages, it tends to be more successful at this.

Table 1.9: Other Community Characteristics in 2007: Single-Family Detached Households

	Age of Household Head					
	Under 55		55 or Older			
	Under 45	45 to 54	55 to 64	65 to 74	75+	Total 55+
Nearby Characteristics	%					
Single-family home within ½ block	96.5	94.9	94.2	94.3	94.9	94.4
Public elementary school within 1 mile	61.3	63.2	59.9	55.5	64.5	59.5
Business within ½ block	23.2	20.5	18.6	18.1	18.4	18.4
Parking lot within ½ block	17.1	15.6	13.6	12.9	12.5	13.2
Railroad/airport/4-lane highway within ½ block	12.8	12.1	12.5	11.4	11.7	12.0
Mobile home within ½ block	8.8	8.3	9.7	11.7	9.8	10.3
Factories within ½ block	3.5	3.4	2.4	2.9	2.5	2.6
Other Characteristics	%					
Majority of neighbors 55+	13.9	19.4	21.6	25.1	29.9	24.7
Apartment building in neighborhood	13.6	11.6	11.2	10.6	10.2	10.8
Nearby units are younger	10.3	11.0	11.7	13.5	15.0	13.1
Nearby units are older	7.8	8.1	7.9	7.2	7.0	7.5
Characteristics That Are Satisfactory	%					
Satisfactory neighborhood shopping	97.5	97.7	97.6	97.5	97.5	97.5
Satisfactory police protection	92.4	93.3	92.4	93.3	93.8	93.0
Satisfactory public transportation	48.9	48.1	44.5	42.5	46.4	44.4
Nuisance Characteristics	%					
Roads within ½ block need repairs	37.3	36.2	35.4	36.0	35.2	35.5
Heavy street noise	21.9	19.5	21.2	22.1	22.1	21.7
Community crime	15.7	14.6	12.3	11.1	8.9	11.1
Trash within ½ block	7.7	6.2	5.6	5.6	5.4	5.5
Buildings with bars on window within ½ block	7.0	7.3	6.5	6.8	6.7	6.6
Abandoned buildings in neighborhood	5.1	4.4	3.8	3.6	3.3	3.6

Table 1.10: Other Community Characteristics in 2007: Multi-Family Households

	Age of Household Head					
	Under 55		55 or Older			
	Under 45	45 to 54	55 to 64	65 to 74	75+	Total 55+
Nearby Characteristics	%					
Public elementary school within 1 mile	79.4	83.2	86.4	87.6	63.1	86.0
Single-family home within ½ block	71.2	73.2	74.9	72.7	68.0	72.0
Parking lot within ½ block	64.4	57.6	57.6	57.5	64.8	59.9
Business within ½ block	60.6	58.2	54.4	52.1	51.4	52.8
Railroad/airport/4-lane highway within ½ block	27.5	24.1	25.8	24.2	22.5	24.3
Factories within ½ block	7.8	9.8	7.2	7.5	5.0	6.5
Mobile home within ½ block	3.8	4.1	3.5	2.8	2.0	2.8
Other Characteristics	%					
Apartment building in neighborhood	80.5	74.0	70.7	68.6	69.2	69.6
Nearby units are younger	14.3	14.2	12.5	10.9	9.8	11.2
Nearby units are older	8.6	8.2	7.9	10.3	13.5	10.4
Majority of neighbors 55+	6.0	10.9	16.9	23.0	32.9	22.6
Characteristics That Are Satisfactory	%					
Satisfactory neighborhood shopping	97.9	97.9	97.6	98.1	98.5	98.0
Satisfactory police protection	92.2	91.9	93.1	94.2	97.3	94.8
Satisfactory public transportation	80.2	82.6	80.2	78.9	77.0	78.1
Nuisance Characteristics	%					
Roads within ½ block need repairs	46.1	43.9	40.8	39.7	31.6	37.4
Noise from walls/ceilings	36.8	28.9	26.5	20.4	14.7	21.0
Heavy street noise	30.7	32.4	32.6	26.5	21.7	27.4
Community crime	24.2	22.0	20.2	17.7	10.5	16.3
Buildings with bars on window within ½ block	17.9	23.1	21.1	19.9	12.9	18.1
Trash within ½ block	16.7	14.8	11.0	9.1	5.1	8.5
Abandoned buildings in neighborhood	7.8	7.2	6.1	4.3	2.8	4.5

Not Many Trends for Neighborhoods of 55+ Households, Except for Increase in Satisfaction with Shopping and Slight Reduction in Street Noise

Tables 1.11 and 1.12 show how community characteristics changed from 2001 to 2007. The shares of households reporting various characteristics are similar across years, without many obvious trends in one direction or the other, except for trends in the increased satisfaction with neighborhood shopping. Where the percentage shifts moderately in a particular year in a way that has no obvious explanation, it is important to remember that these results come from a survey that is subject to sampling errors which are a source of variation in the numbers.

One area where there is a clear distinction between communities is in satisfaction with public transportation. Fewer single-family households are likely to say there is satisfactory public transportation in comparison to multi-family households.

Table 1.11: Trends in Other Characteristics: 55+ Single-Family Detached Households

	2001	2003	2005	2007
Nearby Characteristics %				
Single-family home within ½ block	90.1	90.3	92.0	94.4
Public elementary school within 1 mile	61.7	61.1	57.2	59.5
Business within ½ block	14.9	13.9	14.6	18.4
Mobile home within ½ block	10.0	8.8	9.8	10.3
Parking lot within ½ block	8.6	8.7	9.8	13.1
Railroad/airport/4-lane highway within ½ block	8.5	8.6	9.1	12.0
Factories within ½ block	2.2	2.0	2.1	2.6
Other Characteristics %				
Majority of neighbors 55+	26.4	22.6	23.4	24.7
Nearby units are younger	12.5	12.2	13.0	13.1
Apartment building in neighborhood	9.5	8.6	8.8	10.8
Nearby units are older	7.6	6.8	7.5	7.5
Characteristics That Are Satisfactory %				
Satisfactory police protection	92.9	93.0	92.5	93.0
Satisfactory neighborhood shopping	78.8	79.3	78.8	97.5
Satisfactory public transportation	46.6	46.0	45.5	44.4
Nuisance Characteristics %				
Roads within ½ block need repairs	30.5	33.0	34.0	35.5
Heavy street noise	25.9	24.3	23.2	21.7
Community crime	10.6	9.9	10.6	11.1
Trash within ½ block	6.1	5.7	5.6	5.5
Buildings with bars on window within ½ block	6.1	6.1	5.2	6.6
Abandoned buildings in neighborhood	3.2	3.2	3.1	3.6

Table 1.12: Trends in Other Characteristics: 55+ Multi-Family Households

	2001	2003	2005	2007
Nearby Characteristics %				
Public elementary school within 1 mile	76.1	72.3	75.9	86.0
Parking lot within ½ block	47.4	49.0	48.1	59.9
Business within ½ block	44.3	42.5	44.1	52.8
Railroad/airport/4-lane highway within ½ block	17.4	18.0	17.9	24.3
Factories within ½ block	4.6	5.0	4.2	6.5
Mobile home within ½ block	2.5	1.9	2.5	2.8
Other Characteristics %				
Apartment building in neighborhood	61.2	60.1	61.5	69.6
Majority of neighbors 55+	27.9	23.6	24.8	22.6
Nearby units are older	11.3	10.0	11.1	10.4
Nearby units are younger	10.4	10.1	10.0	11.2
Characteristics That Are Satisfactory %				
Satisfactory police protection	95.4	94.8	94.8	94.8
Satisfactory neighborhood shopping	90.2	90.0	90.3	98.0
Satisfactory public transportation	79.0	80.4	78.2	78.8
Nuisance Characteristics %				
Heavy street noise	33.4	33.1	30.0	27.4
Roads within ½ block need repairs	32.3	33.3	33.6	37.4
Noise through wall/ceiling	19.1	19.8	19.7	21.0
Community crime	18.2	18.3	16.1	16.3
Buildings with bars on window within ½ block	12.7	11.7	11.5	18.1
Trash within ½ block	8.8	9.3	8.1	8.5
Abandoned buildings in neighborhood	5.1	4.5	3.9	4.5



**Age-Restricted Rental Properties Are Usually Near Parking Lots...
and the Tendency Is Becoming More Common**

Again, there are substantial differences in the incidence of various neighborhood characteristics based on community type. Parking lots, which are commonly found near multi-family buildings in general, are even more common near age-restricted rental structures. In 2007, 81% of the age-restricted rental units, and 60% of 55+ multi-family residences in general, are located within half a block of a parking lot, compared to 13% for single-family detached homes occupied by 55+ households (see Table 1.13, Table 1.14, and Table 1.15).

Among the community nuisances, roads that need repair and street noise are the top two nuisances reported in all community types. Although all communities share similar percentages of having these nuisances, residents in age-qualified active adult homes are less likely to report these nuisances.

Table 1.13: Trends in Other Characteristics by Community Type: Age-Qualified Communities

	2001	2003	2005	2007
Nearby Characteristics	%			
Public elementary school within 1 mile	100.0	60.2	34.7	81.1
Single-family home within ½ block	67.7	66.3	71.8	78.8
Parking lot within ½ block	24.7	24.0	18.5	27.4
Business within ½ block	11.9	12.5	8.2	16.9
Railroad/airport/4-lane highway within ½ block	10.2	9.4	7.5	10.5
Mobile home within ½ block	4.0	2.5	4.2	7.2
Factories within ½ block	1.9	1.2	1.2	1.2
Other Characteristics	%			
Apartment building in neighborhood	22.2	19.9	16.7	25.1
Nearby units are older	9.8	5.3	6.5	8.5
Nearby units are younger	6.2	4.3	4.4	6.5
Characteristics That Are Satisfactory	%			
Satisfactory police protection	97.5	97.3	97.0	97.1
Satisfactory neighborhood shopping	89.5	91.8	86.5	98.8
Satisfactory public transportation	52.0	49.2	44.3	49.2
Nuisance Characteristics	%			
Roads within ½ block need repairs	17.0	19.2	17.8	25.4
Heavy street noise	14.1	12.5	11.4	15.3
Noise from walls/ceiling	10.1	8.9	8.3	8.8
Community crime	6.7	7.2	5.9	10.8
Buildings with bars on window within ½ block	5.8	3.5	3.3	4.9
Trash within ½ block	2.8	1.0	1.8	1.6
Abandoned buildings in neighborhood	0.8	1.1	1.0	3.0

Table 1.14: Trends in Other Characteristics by Community Type: 55+ Owner-Occupied Communities

	2001	2003	2005	2007
Nearby Characteristics %				
Single-family home within ½ block	84.7	87.1	88.5	91.9
Public elementary school within 1 mile	60.7	61.8	61.1	62.0
Business within ½ block	17.4	15.9	18.6	20.7
Parking lot within ½ block	13.2	13.0	14.0	17.2
Mobile home within ½ block	9.8	8.5	9.5	11.1
Railroad/airport/4-lane highway within ½ block	8.9	10.1	9.7	12.6
Factories within ½ block	2.1	2.1	2.5	2.8
Other Characteristics %				
Apartment building in neighborhood	14.0	13.4	13.4	13.9
Nearby units are younger	11.3	11.2	10.8	11.4
Nearby units are older	9.5	7.8	8.2	9.0
Characteristics That Are Satisfactory %				
Satisfactory police protection	93.4	93.5	92.2	92.1
Satisfactory neighborhood shopping	78.3	80.4	78.1	97.1
Satisfactory public transportation	48.5	48.2	47.9	45.0
Nuisance Characteristics %				
Roads within ½ block need repairs	28.0	31.0	32.1	34.5
Heavy street noise	27.1	25.2	25.8	23.3
Noise from walls/ceiling	14.3	12.8	11.9	14.0
Community crime	10.3	11.5	11.8	10.8
Buildings with bars on window within ½ block	7.3	7.5	6.6	7.8
Trash within ½ block	6.0	4.6	5.2	5.8
Abandoned buildings in neighborhood	3.4	3.7	4.1	3.7

Table 1.15: Trends in Other Characteristics by Type of Community: Age-Restricted Rental Communities

	2001	2003	2005	2007
Nearby Characteristics %				
Public elementary school within 1 mile	100.0	100.0	42.6	44.0
Parking lot within ½ block	69.2	71.7	70.6	81.3
Single-family home within ½ block	62.2	56.6	58.2	68.7
Business within ½ block	53.3	45.1	50.2	60.5
Railroad/airport/4-lane highway within ½ block	21.0	17.9	20.6	30.4
Factories within ½ block	4.3	4.0	4.2	7.3
Mobile home within ½ block	3.7	1.7	2.3	3.5
Majority of neighbors 55+	0.0	0.0	0.0	0.0
Other Characteristics %				
Apartment building in neighborhood	64.7	59.8	62.9	73.7
Nearby units are older	24.5	23.9	23.5	23.5
Nearby units are younger	9.6	9.7	8.5	12.4
Characteristics That Are Satisfactory %				
Satisfactory police protection	96.0	96.0	96.1	96.7
Satisfactory neighborhood shopping	87.5	88.2	89.5	99.2
Satisfactory public transportation	81.9	79.7	77.6	80.5
Nuisance Characteristics %				
Roads within ½ block need repairs	29.8	27.2	31.7	34.2
Heavy street noise	29.8	25.3	23.4	19.0
Community crime	14.0	13.4	11.7	11.3
Noise from walls/ceilings	11.5	13.1	13.4	14.9
Buildings with bars on window within ½ block	9.1	6.1	5.9	11.9
Trash within ½ block	6.5	5.0	5.0	7.2
Abandoned buildings in neighborhood	3.6	2.9	2.8	3.7

Overall Rating of Current Community and Homes

Respondents were asked in the AHS to rate their current communities and homes on a scale of one to ten—with ten being the best, one the worst. Tables 1.16 and 1.17 show trends in overall ratings of communities and homes. On average, 55+ households rate their communities and homes highly. Households in 55+ communities are more satisfied than other 55+ households. As high as the ratings are among 55+ households in general, they are even higher in age-qualified active adult communities.

Table 1.16: Trends in Average Ratings of Communities and Homes

	2001	2003	2005	2007
Average Rating of Current Community				
55+ Single-Family Detached	8.4	8.4	8.5	8.5
55+ Multi-Family	8.1	8.1	8.2	8.2
Age-Qualified Active Adult	8.8	9.0	8.9	8.8
Other 55+ Owner-Occupied Communities	8.5	8.6	8.6	8.6
Age-Restricted Rental	8.3	8.5	8.7	8.7
Average Rating of Current Home				
55+ Single-Family Detached	8.6	8.6	8.7	8.7
55+ Multi-Family	8.3	8.3	8.4	8.3
Age-Qualified Active Adult	8.9	9.0	8.9	8.9
Other 55+ Owner-Occupied Communities	8.7	8.7	8.7	8.8
Age-Restricted Rental	8.6	8.8	8.8	8.7

(Scale of 1 to 10; 1=worst, 10=best)

Table 1.17: Trends in Share of Households Giving Their Communities and Homes a High Rating

	2001	2003	2005	2007
Percent of Household Rating Their Current Community a 9 or 10				
55+ Single-Family Detached	52.0	52.2	52.6	52.8
55+ Multi-Family	45.1	46.3	48.7	47.5
Age-Qualified Active Adult	65.1	69.3	68.0	64.0
Other 55+ Owner-Occupied Communities	54.6	54.4	56.0	58.1
Age-Restricted Rental	54.1	58.4	60.0	61.3
Percent of Household Rating Their Current Home a 9 or 10				
55+ Single-Family Detached	56.5	56.5	58.1	57.6
55+ Multi-Family	48.3	49.1	51.1	48.8
Age-Qualified Active Adult	67.3	68.6	64.4	64.8
Other 55+ Owner-Occupied Communities	59.5	58.8	60.3	62.2
Age-Restricted Rental	56.0	63.1	63.5	60.0

(Scale of 1 to 10; 1=worst, 10=best)

Comparing satisfaction by structure type, the average rating is higher for 55+ households in single-family detached homes than for those in multi-family housing units, 8.7 compared to 8.3. Tables 1.16(a) and 1.16(b) in the Appendix show overall ratings of communities and homes by community type.

Although overall community and home ratings are high in general, the older the household, the higher they are (see Table 1.18). While households in single-family detached units tend to give higher ratings to their current communities than households in multi-family units do, this is not the same for all age groups. Households age 75+ on average rate multi-family communities slightly higher.

Table 1.18: Overall Rating of Current Community and Home in 2007

	Age of Household Head					
	Under 55		55 or Older			
	Under 45	45 to 54	55 to 64	65 to 74	75+	Total 55+
Average Community Rating						
Single-Family Detached	8.0	8.2	8.3	8.5	8.6	8.5
Multi-Family	7.4	7.6	7.8	8.1	8.7	8.2
Average Home Rating						
Single-Family Detached	8.2	8.4	8.6	8.8	8.8	8.7
Multi-Family	7.5	7.8	7.9	8.2	8.7	8.3

(On a Scale of 1 to 10; 1=worst, 10=best)



Brookhaven at Johns Creek – Ansley
Photo Credit: Chris Laney

Table 1.19 shows that while 49% of single-family detached households age 55 to 64 rate their current communities as a “9” or “10,” this rises to nearly 57% for households age 75 and older (see Table 1.19(a) in the Appendix for community ratings by age of household head for multi-family households).

Table 1.19: Overall Rating of Current Community in 2007: Single-Family Detached Households

	Age of Household Head					
	Under 55			55 or Older		
	Under 45	45 to 54	55 to 64	65 to 74	75+	Total 55+
	%			%		
1	0.4	0.5	0.5	0.2	0.6	0.4
2	0.6	0.6	0.4	0.2	0.3	0.3
3	0.9	0.6	0.5	0.7	0.4	0.5
4	1.3	1.0	0.8	0.8	1.0	0.8
5	5.3	4.5	4.4	3.9	3.7	4.1
6	6.2	4.6	4.9	4.0	3.6	4.3
7	16.0	13.3	11.3	9.3	9.0	10.1
8	29.2	29.7	28.1	25.8	25.0	26.6
9	18.1	18.6	19.3	18.6	17.9	18.8
10	22.0	26.8	30.0	36.5	38.5	34.1
Average: SF Detached	8.0	8.2	8.3	8.5	8.6	8.5

(On a scale of 1 to 10; 1=worst, 10=best)

The same trend continues for home satisfaction, as shown in Table 1.20. While 54% of single-family detached households age 55 to 64 rate their current homes as a “9” or a “10,” the share rises to nearly 61% among households age 75+ (see Table 1.20(a) in the Appendix for home ratings by age of household head for multi-family households).

Table 1.20: Overall Rating of Current Home in 2007: Single-Family Detached Households

		Age of Household Head					
		Under 55		55 or Older			
		Under 45	45 to 54	55 to 64	65 to 74	75+	Total 55+
		%		%			
1	0.4	0.2	0.2	0.1	0.4	0.2	
2	0.2	0.2	0.2	0.1	0.1	0.2	
3	0.5	0.3	0.3	0.2	0.3	0.3	
4	0.9	0.6	0.5	0.5	0.3	0.4	
5	3.8	3.6	3.2	3.0	3.1	3.1	
6	4.9	3.7	3.3	2.6	2.9	3.0	
7	16.2	12.7	10.5	8.3	6.9	8.9	
8	31.7	30.6	27.5	25.1	25.3	26.3	
9	17.4	18.3	19.2	18.1	16.5	18.2	
10	24.0	29.9	35.1	42.1	44.2	39.5	
Average: SF Detached	8.2	8.4	8.6	8.8	8.8	8.7	

(On a scale of 1 to 10; 1=worst, 10=best)

This is consistent with the low incidences of community nuisances reported by older households and suggests that developers of age-qualified housing for older residents have a substantial hurdle to overcome in attracting these residents away from their current homes and neighborhoods, with which they are generally quite satisfied.

Chapter 2

55+ Recent Movers

This chapter studies the current 55+ housing market by looking at the 55+ households who moved recently. Moving is one of the most common ways to adjust housing consumption, and the reasons for moving can reflect the actual need for housing. In addition to examining reasons for moving and mobility trends, this chapter provides detail on demographics, income, and other characteristics of 55+ movers. It presents information on household size, education and race of the household head, household income, etc. The information provided in this chapter creates a better understanding of the demand side of the current 55+ housing market.

To get a sample large enough to make detailed comparisons, the AHS sample included households who moved within the past two years.

Reasons for Moving

Family Reasons Are Important

The AHS asks respondents who moved recently the reasons they moved. Multiple reasons are permitted, so the percentages may not total 100.

The reasons for moving are tabulated for households who moved into single-family detached homes and into multi-family units separately (see Table 2.1 and Table 2.2). In both cases, family/personal-related reasons are cited most frequently by 55+ households. Such family reasons may include the desire to live close to another family member or other relatives. Generally speaking, the older the household head, the more likely the household is to move because of family-related reasons.

Higher Quality Units Are Attracting 55+ Households

For the recent 55+ movers into single-family detached homes, another important reason for moving is better quality housing units. This is true, even more so, for the under-55 households. Many 55+ households moving into multi-family homes also are looking for higher quality units, but less expensive housing is an important concern for many of them too. Less expensive housing includes cases where respondents are moving because they want less expensive homes to maintain as well as cases where they are looking for lower rents.

Older Households Are Less Interested in Moving into a Larger Place

Twenty percent of households under age 45 in single-family detached housing indicate wanting a larger place as one of the reasons for moving. For the older households, there are fewer and fewer who are still considering moving because they need a larger place (see Table 2.1).

Table 2.1: Reasons Households Chose to Move in 2007: Single-Family Detached Households

	Age of Household Head					
	Under 55		55 or Older			
	Under 45	45 to 54	55 to 64	65 to 74	75+	Total 55+
	%					
Family/personal-related	7.2	8.3	14.7	20.6	19.5	16.9
Want a better quality house/apartment	14.4	14.3	15.0	10.4	6.8	12.8
Want a larger place	20.0	14.2	10.6	5.9	2.2	8.3
Change in marital status	4.9	6.3	5.1	2.8	2.9	4.2
Establish own household	16.0	7.6	5.6	3.5	1.1	4.5
Change jobs	10.3	11.5	8.0	2.9	0.0	5.6
Want less expensive housing	2.9	3.0	5.0	4.4	0.0	4.3
Change owner/renter status	8.9	6.7	5.1	4.6	2.5	4.6
Closer to work/school	8.8	7.7	6.2	3.8	0.0	4.8
Financial/employment-related	3.8	5.2	3.5	4.6	1.1	3.5
Private company/person wanted it	2.5	3.3	3.0	2.0	3.2	2.8
Disaster loss in previous unit	0.7	1.1	1.6	0.4	2.8	1.4
Forced by government	0.2	0.0	0.2	0.9	1.0	0.5
Other reasons	15.1	22.2	25.0	34.3	33.5	28.6



Many Older Households Reported Moving for Reasons Not Captured by the Survey

For both single-family detached and multi-family residents, a large percentage of them reported moving for “other reasons.” It is possible that some of the 55+ households in the AHS are moving because of safety and health concerns, although the AHS is not designed to provide this information.

Table 2.2: Reasons Households Chose to Move in 2007: Multi-Family Households

	Age of Household Head					
	Under 55		55 or Older			
	Under 45	45 to 54	55 to 64	65 to 74	75+	Total 55+
	%					
Family/personal-related	8.3	9.4	11.5	14.3	22.8	14.8
Want a better quality house/apartment	10.3	10.1	11.4	10.6	4.7	9.7
Want a larger place	10.0	8.4	8.4	2.5	1.6	5.5
Change in marital status	6.1	9.1	8.4	8.3	11.1	9.0
Establish own household	15.0	7.6	6.5	4.4	3.6	5.3
Change jobs	11.5	7.6	6.2	1.6	0.0	3.7
Want less expensive housing	5.8	7.8	8.4	11.5	10.1	9.5
Change owner/renter status	2.6	4.5	3.7	3.3	2.9	3.4
Closer to work/school	14.5	10.3	6.8	6.8	3.3	6.0
Financial/employment-related	4.7	5.6	5.1	10.7	2.9	5.9
Private company/person wanted it	2.6	4.9	3.3	4.9	1.8	3.4
Disaster loss in previous unit	0.7	2.0	1.5	2.2	2.8	2.0
Forced by government	0.7	0.8	0.0	0.0	0.5	0.1
Other reasons	16.2	21.9	27.5	30.3	43.8	31.9

Age-Qualified Active Adult Customers Are Less Likely to be Looking for a Larger Home

In many cases, the share of movers reporting a particular reason for moving is broadly similar within a structure type (single-family detached or multi-family), regardless of whether the housing is age-qualified or not. There are exceptions, however. For example, larger units are less often desired by households moving into age-qualified active adult housing compared to 55+ households moving into single-family detached housing in general. In 2007, no surveyed households moving into age-qualified active adult homes reported moving because they wanted larger housing units (see Table 2.3), compared to 8% of 55+ households moving into single-family detached homes in general (see Table 2.1).

Many Households Moving into Age-Restricted Rental Homes Are Looking for Better Quality and Less Expensive Housing

Table 2.3 shows that almost equal percentages of movers into age-restricted rentals are attracted by these two attributes. Fewer of them are moving for other reasons in comparison to age-qualified and other 55+ owner-occupied communities. The AHS data does not specify what other reasons would include.

Table 2.3: Reasons Households Chose to Move in 2007 by Community Type

	Age- Qualified Active Adult	Other 55+ Owner- Occupied Communities	Age- Restricted Rental
	%		
Family/personal-related	18.6	20.7	22.3
Want a better quality house/apartment	8.4	8.1	13.3
Want a larger place	0.0	8.5	3.7
Change in marital status	9.6	5.7	7.8
Establish own household	2.7	4.2	4.7
Change jobs	4.0	5.7	1.9
Want less expensive housing	7.5	5.5	13.1
Change owner/renter status	2.3	5.6	3.8
Closer to work/school	2.8	3.7	4.6
Financial/employment-related	10.2	3.1	6.0
Private company/person wanted it	0.0	2.0	3.0
Disaster loss in previous unit	0.0	0.5	1.8
Forced by government	0.0	0.0	0.6
Other reasons	53.0	38.0	34.0

Trends in Reasons for Moving

When the Economy Is Bad, 55+ Households Are Less Interested in a Large Single-Family Home... Those Moving into Multi-Family Units Are More Concerned about Finding a Less Expensive Home

Tables 2.4 and 2.5 show trends in major reasons for moving. In some cases, there is at least some relationship between economic conditions and the reasons people move. In the recession year of 2001, for example, fewer than usual 55+ households moved because they wanted larger housing units and more of them moved because they wanted a less expensive place to live. When the economy improved in 2003, relatively more 55+ households started to look for larger housing units and the budget became less of a concern. Better quality housing and family reasons remained two important reasons for moving, without much variation from 2001 to 2005.

Table 2.4: Trends in Reasons Households Chose to Move by Structure Type

	2001		2003		2005		2007	
	Single-Family Detached	Multi-Family	Single-Family Detached	Multi-Family	Single-Family Detached	Multi-Family	Single-Family Detached	Multi-Family
	%							
Family/personal-related	20.7	15.8	18.3	19.8	21.8	19.3	16.9	14.7
Want a better quality house/apartment	14.0	10.8	12.5	10.1	13.3	9.7	12.8	9.7
Want a larger place	7.9	5.9	9.9	5.7	8.8	6.1	8.3	5.4
Change in marital status	7.0	9.1	6.4	8.5	7.1	7.1	4.2	9.0
Change owner/renter status	6.9	6.2	4.9	5.1	4.1	4.1	4.6	3.4
Closer to work/school	6.3	5.9	4.8	4.8	4.0	4.5	4.8	6.0
Establish own household	5.7	6.6	5.1	5.5	6.6	6.0	4.5	5.3
Change jobs	5.2	4.7	4.0	3.7	5.4	4.3	5.6	3.7
Want less expensive housing	5.1	13.4	4.2	9.2	4.5	10.5	4.3	9.5
Financial/employment-related	3.3	5.8	2.7	4.9	3.1	6.4	3.5	5.9
Private company/person wanted it	1.5	4.2	3.0	2.7	2.2	2.8	2.8	3.3
Forced by government	1.0	1.7	0.4	1.1	0.6	0.5	0.5	0.1
Disaster loss in previous unit	0.4	1.5	1.0	0.3	0.6	0.8	1.4	2.0
Other reasons	35.4	34.8	31.6	31.6	33.0	34.8	28.5	31.9

Even when the economy is improving, fewer age-qualified adults are moving because they want a larger home. As shown in Table 2.5, fewer households are interested in finding a larger place. Those moving into age-qualified active adult communities have been reporting this reason less and less frequently. In 2007, not a single surveyed household listed this reason.

Table 2.5: Trends in Reasons Households Chose to Move by Community Type

	2001			2003			2005			2007		
	Age-Qualified	Other 55+ Owner	Age-Restricted Rental	Age-Qualified	Other 55+ Owner	Age-Restricted Rental	Age-Qualified	Other 55+ Owner	Age-Restricted Rental	Age-Qualified	Other 55+ Owner	Age-Restricted Rental
	%											
Family/personal-related	13.5	15.4	22.6	18.9	15.9	29.3	17.8	22.5	24.9	18.6	20.7	22.3
Want a better quality house/apartment	10.1	13.8	11.0	9.6	10.1	14.6	17.6	10.1	12.8	8.4	8.1	13.3
Want less expensive housing	9.3	5.8	18.2	5.5	6.5	13.5	4.7	7.4	16.2	7.5	5.5	13.1
Change in marital status	8.0	7.4	10.3	5.2	10.9	7.8	7.9	5.8	6.2	9.6	5.7	7.8
Want a larger place	5.9	8.0	4.0	4.9	9.9	3.1	1.3	10.1	3.4	0.0	8.5	3.7
Financial/employment-related	5.4	3.7	6.4	3.3	3.2	4.0	3.1	2.2	9.6	10.2	3.1	6.0
Change owner/renter status	5.4	6.1	7.8	3.8	2.1	7.8	0.0	6.2	2.3	2.3	5.6	3.8
Establish own household	3.1	6.8	4.2	4.1	2.4	5.7	5.1	3.6	4.6	2.7	4.2	4.7
Closer to work/school	2.2	8.2	1.7	4.2	4.8	2.2	1.7	4.5	1.8	2.8	3.7	4.6
Change jobs	0.0	4.0	2.4	2.4	1.8	0.0	0.0	4.6	1.7	4.0	5.7	1.9
Private company/person wanted it	0.0	0.7	4.6	2.2	0.8	0.7	0.0	0.9	3.4	0.0	2.0	3.0
Disaster loss in previous unit	0.0	0.0	1.5	0.0	0.0	0.0	0.0	0.0	1.0	0.0	0.5	1.8
Forced by government	0.0	1.0	1.4	0.0	0.0	1.9	0.0	0.4	0.0	0.0	0.0	0.6
Other reasons	56.4	40.8	46.0	47.1	44.0	33.8	56.6	39.3	38.6	53.0	38.0	34.0

Reasons for Choosing a Community

Many 55+ Households Choose Communities for Their Design and Looks, Especially Age-Qualified Active Adult Communities

A substantial share of 55+ households chose a community because they liked the design. It is the reason for choosing a community most often cited by households moving into single-family detached homes. The share motivated by community design peaks at ages 55 to 74. For the 55 to 64 age bracket, the housing unit itself is the second most common reason for choosing a community (see Table 2.6).

Table 2.6: Reasons for Choosing a Community in 2007 by Structure Type

	Age of Household Head						
	Under 55		55 or Older				
	Under 45	45 to 54	55 to 64	65 to 74	75+	Total 55+	
Movers into Single-Family Detached Units							%
Like the design/looks	26.2	27.4	33.0	34.1	20.3	31.8	
Like the housing unit	28.8	33.2	28.2	24.6	24.4	26.7	
Close to friends/relatives	23.6	18.2	23.7	25.3	28.3	24.7	
Close to work	30.3	29.8	23.2	7.7	3.4	16.6	
Close to leisure activities	9.0	10.0	13.6	9.3	9.2	11.9	
Good schools	21.4	16.9	6.5	4.5	2.4	5.5	
Other public services	3.7	3.5	6.7	3.3	2.3	5.2	
Convenient public transportation	3.2	3.5	3.1	2.9	1.1	2.8	
Other reasons	13.9	16.2	16.0	19.4	15.0	16.8	
Movers into Multi-Family Units							%
Like the design/looks	17.1	19.6	19.4	25.7	21.5	21.3	
Like the housing unit	10.2	13.7	13.8	16.9	13.3	14.4	
Close to friends/relatives	23.6	18.2	23.7	25.3	28.3	34.2	
Close to work	40.1	36.2	29.9	8.0	1.4	18.3	
Close to leisure activities	10.4	8.9	8.8	9.3	11.9	9.6	
Good schools	12.5	8.6	2.3	0.7	0.8	1.6	
Other public services	5.1	7.3	6.7	6.7	12.1	7.9	
Convenient public transportation	8.5	9.8	7.4	9.3	4.7	7.2	
Other reasons	17.8	19.9	21.6	21.4	24.5	22.2	

The reasons 55+ households who moved into multi-family homes chose a community are broadly similar to the reasons motivating 55+ households moving into single-family homes, although movers into apartments are more likely to cite family reasons. In addition, multi-family movers cite a location near public transportation and other public services somewhat more often than single-family detached movers. The AHS does not provide detail on what other public services may include.

No matter which home structures (single-family or multi-family) movers chose, a large portion of the households reported “other reasons” for choosing a community. Again, it is possible that many older customers may be looking for safe communities or communities with easy access to medical services, among other considerations.

In single-family detached housing, the most commonly reported reason for choosing a community is the design and looks of the community, followed by the housing unit itself and closeness to relatives. These reasons are cited even more often by respondents who moved into age-qualified active adult communities (see Table 2.7). One difference is that age-qualified active adult customers are more likely to look for leisure activities. The share attracted by leisure activities is 24% among those moving into age-qualified active adult housing, while only 12% of the 55+ households living in single-family detached homes reported moving because of closeness to leisure activities.

Compared to the residents in other communities, fewer of those moving into age-restricted rental units are motivated by the community design and the housing units themselves. Instead, other public services and convenient public transportation become important factors in attracting independent-living residents. For example, 9% of the households in age-restricted rental communities reported choosing a community because of the public services, while only 5% of the households reported this in other 55+ owner-occupied communities; about 7% of the households in age-restricted rental units reported choosing communities because they were convenient to public transportation, while only 2% of the households who moved into age-qualified active adult homes cited public transportation as a reason (see Table 2.7).

Table 2.7: Reasons for Choosing a Community in 2007: Movers into 55+ Communities

	Age- Qualified Active Adult	Other 55+ Owner- Occupied Communities	Age- Restricted Rental
	%		
Like the design/looks	53.6	33.6	21.4
Like the housing unit	27.7	27.3	14.6
Close to friends/relatives	39.9	30.5	38.4
Close to work	8.8	16.2	6.1
Close to leisure activities	24.1	19.5	12.9
Good schools	0.0	3.1	0.2
Other public services	7.2	5.3	9.2
Convenient public transportation	2.4	2.9	6.9
Other reasons	20.1	19.9	23.7

Being Close to Work Is Becoming Increasingly Important for Age-Qualified Active Adult Customers

While shares of households reporting various reasons for choosing an age-qualified active adult community stayed stable over time, being close to work is now cited more frequently. As shown in Table 2.8, these communities now attract higher shares of younger adults who are still working and thus more concerned about a convenient commute to work. In addition, 55+ multi-family customers most often cite nearness to friends and family as a reason for choosing a community (see Table 2.11).

Table 2.8: Trends in Reasons for Choosing a Community, Movers into Age-Qualified Active Adult Communities

	2001	2003	2005	2007
	%			
Like the design/looks	47.6	35.3	44.1	53.6
Like the housing unit	35.2	27.1	22.2	27.7
Close to leisure activities	23.1	24.5	21.9	24.1
Close to friends/relatives	19.7	23.0	28.3	39.9
Other public services	4.8	4.5	3.2	7.2
Close to work	2.0	3.2	6.4	8.8
Good schools	0.0	0.0	0.0	0.0
Convenient public transportation	0.0	0.0	2.3	2.4
Other reasons	22.4	28.6	24.4	20.1

Table 2.9: Trends in Reasons for Choosing a Community, Movers into Other 55+ Owner-Occupied Communities

	2001	2003	2005	2007
	%			
Like the design/looks	37.8	35.3	43.9	33.6
Like the housing unit	37.4	28.5	32.8	27.3
Close to friends/relatives	24.7	27.3	22.7	30.5
Close to leisure activities	16.0	14.3	13.7	19.5
Close to work	8.5	10.1	14.4	16.2
Other public services	6.4	2.6	3.8	5.3
Convenient public transportation	3.5	1.7	3.1	2.9
Good schools	2.5	1.5	4.2	3.1
Other reasons	17.2	17.9	15.2	19.9

Table 2.10: Trends in Reasons for Choosing a Community, Movers into Age-Restricted Rental Communities

	2001	2003	2005	2007
	%			
Close to friends/relatives	34.2	36.9	36.2	38.4
Like the design/looks	22.9	23.8	21.2	21.4
Other public services	20.9	6.7	8.1	9.2
Like the housing unit	15.6	12.0	14.1	14.6
Close to leisure activities	10.5	10.1	6.4	12.9
Convenient public transportation	9.5	5.3	6.8	6.9
Close to work	4.6	1.5	3.1	6.1
Good schools	0.7	0.3	0.0	0.2
Other reasons	31.2	25.8	27.6	23.7

Table 2.11: Trends in Reasons for Choosing a Community: 2001–2007

	2001		2003		2005		2007	
	Single-Family Detached	Multi-Family	Single-Family Detached	Multi-Family	Single-Family Detached	Multi-Family	Single-Family Detached	Multi-Family
	%							
Like the design/looks	32.0	25.5	27.1	22.5	30.3	26.3	31.8	21.3
Like the housing unit	31.8	15.6	25.5	13.8	28.4	15.6	26.7	14.4
Close to friends/relatives	25.8	28.1	19.9	30.0	20.3	27.1	24.7	34.2
Close to leisure activities	11.6	10.1	7.2	7.1	7.4	8.1	11.9	9.6
Close to work	11.4	14.8	10.2	11.8	12.1	13.2	16.6	18.2
Good schools	5.1	2.8	3.4	1.3	3.8	1.6	5.5	1.6
Other public services	4.5	10.9	2.5	3.9	3.2	7.2	5.2	7.9
Convenient public transportation	2.0	8.7	1.3	5.3	1.7	7.2	2.8	7.2
Other reasons	20.3	27.2	21.5	20.6	22.4	25.5	16.8	22.2

Age Distribution by Community Type

Age-Restricted Rental Communities Attract Mostly Households Well Above the Age 55 Cut-Off

Compared to age-qualified active adult or other 55+ owner-occupied, age-restricted rental communities attract relatively older households. As shown in Table 2.12, a significantly higher share (almost 18%) of the households who moved into age-restricted rental communities is 85 and older. In contrast, less than 4% of the households who moved into age-qualified active adult communities and about 3% of the households who moved into other 55+ owner-occupied communities are 85+.

Another interesting feature of the 55+ housing market is that in the age-restricted rental market, the majority of customers (more than 60%) are 75+, while in the age-qualified active adult housing market, the age distribution is concentrated in the younger age brackets (55 to 59, 60 to 64, 65 to 69). Other 55+ owner-occupied communities attract even younger customers. Sixty percent of customers in this market are under 65. Thus, we can see that customers in the age-restricted rental market tend to be older than customers in other 55+ housing market segments (see Table 2.12).

Table 2.12: Age of Households Moving into 55+ Communities: 2007

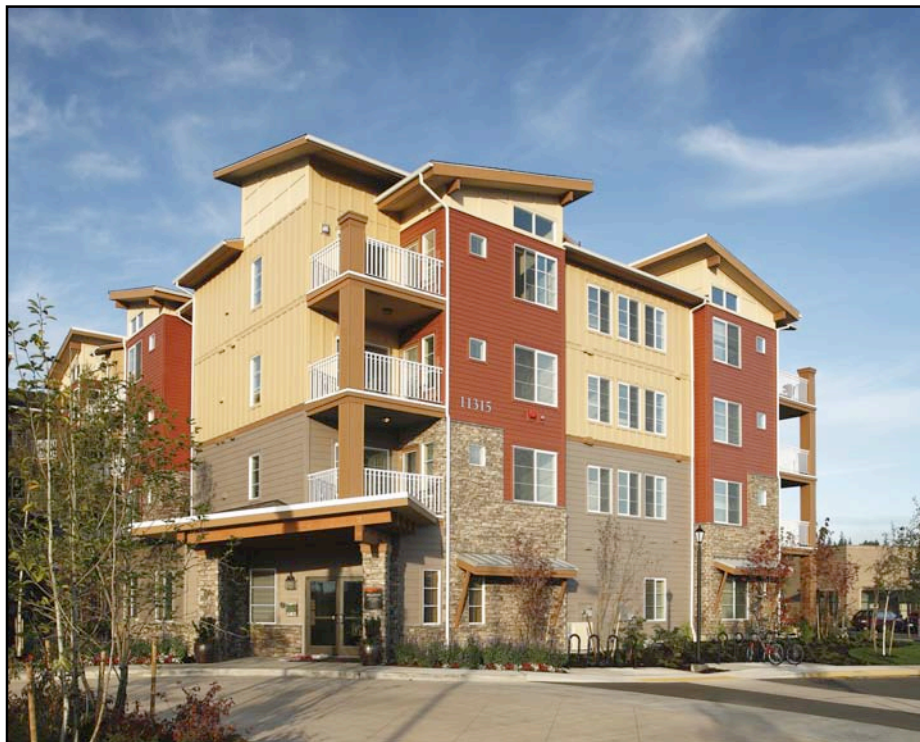
	Age-Qualified Active Adult	Other 55+ Owner-Occupied Communities	Age-Restricted Rental
	%		
Under 55	1.1	14.5	1.6
55 to 59	19.6	24.8	10.3
60 to 64	18.3	20.5	13.3
65 to 69	27.2	15.1	9.0
70 to 74	12.4	12.3	13.6
75 to 79	12.5	5.1	10.4
80 to 84	5.4	4.8	24.4
85+	3.7	2.9	17.5

Age-Qualified Active Adult Communities Are Increasingly Attracting Households Under Age 60 Who Are Still Working

As Table 2.13 shows, the share of households in age-qualified active adult communities younger than 60 almost doubled from 2001 to 2007, exceeding 20% in 2007. However, other 55+ owner-occupied communities continue to attract higher shares of younger households.

Table 2.13: Trends in Age of Households Moving into Age-Qualified Active Adult and Other 55+ Owner-Occupied Communities

	2001		2003		2005		2007	
	Age-Qualified	Other 55+ Owner	Age-Qualified	Other 55+ Owner	Age-Qualified	Other 55+ Owner	Age-Qualified	Other 55+ Owner
	%							
Under 55	0.0	1.3	0.0	0.8	0.0	9.8	1.1	14.5
55 to 59	11.1	31.5	17.8	26.2	17.2	26.2	19.6	24.8
60 to 64	22.6	25.9	20.1	29.0	15.6	17.7	18.3	20.5
65 to 69	24.6	13.8	19.9	18.5	14.6	18.7	27.2	15.1
70 to 74	13.2	10.8	19.6	11.4	19.8	10.7	12.4	12.3
75 to 79	12.9	10.2	10.2	6.7	19.3	6.5	12.5	5.1
80 to 84	9.3	6.7	7.8	5.0	5.6	7.5	5.4	4.8
85+	6.3	0.0	4.6	2.4	7.9	2.8	3.7	2.9



Reunion at Redmond Ridge
Photo Credit: Brian Parks

Current Market: Household Size and Type

55+ Single-Family Detached Customers Are Most Often Two-Person Households

As shown in Table 2.14, the average household size decreases for older households in both the single-family detached and multi-family housing market. In the single-family detached market, it drops from 3.2 persons per household under age 45 to 1.8 persons per household age 75+.

Table 2.14: Household Size in 2007: Movers into Single-Family Detached and Multi-Family Units

	Age of Household Head					
	Under 55		55 or Older			
	Under 45	45 to 54	55 to 64	65 to 74	75+	Total 55+
Single-Family Detached %						
1 person	13.1	18.9	26.7	22.8	40.9	27.4
2 persons	24.8	30.8	46.0	63.0	42.3	50.2
3 persons	21.3	21.1	14.2	8.6	12.6	12.4
4 or more	40.7	29.1	13.1	5.6	4.2	10.0
Average	3.2	2.8	2.2	2.0	1.8	2.1
Multi-Family %						
1 person	33.8	45.6	58.6	64.8	76.7	64.2
2 persons	32.6	30.7	28.1	30.5	21.1	27.0
3 persons	17.5	12.4	7.4	2.0	1.4	4.8
4 or more	16.1	11.3	6.0	2.8	0.8	4.1
Average	2.3	2.0	1.6	1.4	1.3	1.5

55+ Multi-Family Customers Are Most Often One-Person Households

Not surprisingly, the multi-family housing market has a smaller average household size and a higher share of one-person households. In the single-family detached housing market, only 27% of 55+ movers are one-person households; this number increases to 64% in the multi-family housing market. These households do not include people living in group quarters, such as nursing homes, and it is important to keep this in mind when interpreting the numbers, especially for the 75+ age bracket.

In Both Single-Family Detached and Multi-Family Housing Markets, the Average Size of 55+ Households Has Been Stable Over Time

In recent history, there has not been much change in the size distribution of 55+ households. As shown in Table 2.15, the shares of 55+ households with one, two, and three or more persons in 2007 were almost identical to the shares recorded in 2001. The total number of households in these categories has grown over the past decade in proportion to the increase in the total number of 55+ households.

Table 2.15: Trends in Household Size: 55+ Movers into Single-Family Detached and Multi-Family Units

	2001		2003		2005		2007	
	Single-Family Detached	Multi-Family	Single-Family Detached	Multi-Family	Single-Family Detached	Multi-Family	Single-Family Detached	Multi-Family
	%							
1 person	26.1	60.5	26.2	62.8	26.5	63.2	27.4	64.2
2 persons	53.1	30.4	52.1	28.6	52.7	29.1	50.2	27.0
3 persons	9.7	5.0	11.1	5.7	12.5	4.8	12.4	4.8
4 or more	11.1	4.2	10.6	3.0	8.3	2.9	10.0	4.1
Average	2.2	1.6	2.2	1.5	2.1	1.5	2.1	1.5

Age-qualified active adult and other 55+ communities attract mostly two-person households, while age-restricted rental communities attract mostly singles (see Table 2.16). Specifically, 84% of all households moving into age-restricted rental residences in 2007 are one-person households, and very few have more than two persons. Comparing the percentages of one-person households in 55+ communities (age-qualified active adult, other 55+ owner-occupied and age-restricted rentals), 55+ single-family detached, and 55+ multi-family housing, we see that age-restricted rental homes have the highest share of one-person households.

Table 2.16: Trends in Household Size by Community Type

	2001	2003	2005	2007
Movers into Age-Qualified Active Adult Communities				
%				
1 person	43.0	51.8	47.3	29.3
2 persons	57.0	46.5	46.7	65.6
3 persons	0.0	1.7	6.0	1.7
4 or more	0.0	0.0	0.0	3.3
Average	1.6	1.5	1.6	1.8
Movers into Other 55+ Owner-Occupied Communities				
%				
1 person	23.5	29.3	21.5	31.5
2 persons	63.8	56.7	61.1	54.1
3 persons	6.4	8.8	9.0	8.2
4 or more	6.3	5.2	8.6	6.2
Average	2.0	1.9	2.1	2.0
Movers into Age-Restricted Rental Communities				
%				
1 person	71.5	85.9	85.9	84.1
2 persons	26.9	12.9	13.0	14.7
3 persons	1.6	1.2	1.1	0.4
4 or more	0.0	0.0	0.0	0.7
Average	1.3	1.2	1.2	1.2

In Single-Family Detached Homes, Married Couples without Children Account for Almost 50% of the 55+ Market

We classify households into six mutually exclusive categories, as shown in Table 2.17. As discussed before, two-person households are common in the 55+ single-family detached housing market. By looking at the household types, we see that this market consists of mainly married couples without children.

Table 2.17: Household Type in 2007

	Age of Household Head					
	Under 55		55 or Older			
	Under 45	45 to 54	55 to 64	65 to 74	75+	Total 55+
Single-Family Detached	%					
Married couple with children	40.1	27.9	9.1	1.6	1.4	6.1
Married couple without children	14.2	26.7	47.2	60.1	33.5	49.1
One person–male	8.1	10.5	11.0	10.0	13.4	11.0
One person–female	5.0	8.4	15.8	12.8	27.5	16.4
Single parent	20.0	14.8	5.7	3.2	3.5	4.8
Other	12.5	11.7	11.3	12.3	20.8	12.7
Multi-Family	%					
Married couple with children	13.7	6.5	4.5	0.5	0.0	2.6
Married couple without children	9.9	14.0	16.7	23.3	15.8	18.0
One person–male	19.4	23.9	25.3	22.4	20.7	23.6
One person–female	14.4	21.7	33.2	42.4	56.1	40.6
Single parent	20.9	16.4	5.4	2.6	0.0	3.5
Other	21.8	17.5	14.9	8.9	7.5	11.8

One-Person Households Headed by Females Dominate the 55+ Multi-Family and Age-Restricted Rental Market

For all 55+ market segments (single-family detached, multi-family, age-qualified active adult, etc.) shown in this chapter, the share of one-person female households is larger than the share of one-person male households. However, the largest gap between these two shares is in the age-restricted rental housing market.

Table 2.18: Trends in 55+ Household Types Moving into Single-Family Detached and Multi-Family Units

	2001		2003		2005		2007	
	Single-Family Detached	Multi-Family	Single-Family Detached	Multi-Family	Single-Family Detached	Multi-Family	Single-Family Detached	Multi-Family
	%							
Married couple with children	6.2	2.4	6.8	2.2	5.5	1.9	6.1	2.6
Married couple without children	51.6	22.9	49.0	19.6	49.7	21.0	49.1	18.0
One person-male	8.8	19.9	10.5	18.9	9.2	17.8	11.0	23.6
One person-female	17.3	40.5	15.7	43.9	17.4	45.4	16.4	40.6
Single parent	5.5	3.7	6.3	4.2	5.3	3.8	4.8	3.5
Other	10.6	10.5	11.7	11.2	13.0	10.1	12.7	11.8

In the age-qualified active adult housing market, married couples without children account for the largest share. Not surprisingly, households with children are seldom found in age-qualified active adult or age-restricted rental communities.

Table 2.19: Trends in Household Types by Community Type

	2001	2003	2005	2007
Age-Qualified Active Adult Communities %				
Married couple with children	0.0	0.0	0.0	0.0
Married couple without children	50.6	42.8	47.4	61.9
One person–male	5.7	14.4	7.9	7.6
One person–female	37.3	37.5	39.4	21.8
Single parent	0.0	0.0	0.0	1.5
Other	6.4	5.3	5.3	7.3
Other 55+ Owner-Occupied Communities %				
Married couple with children	3.7	5.4	6.5	4.2
Married couple without children	63.2	55.0	55.9	54.1
One person–male	6.1	8.2	6.7	8.3
One person–female	17.4	21.2	14.7	23.2
Single parent	4.5	1.9	4.7	1.2
Other	5.1	8.4	11.4	9.0
Age-Restricted Rental Communities %				
Married couple with children	0.0	0.0	0.0	0.0
Married couple without children	23.5	11.8	11.5	11.3
One person–male	16.4	17.6	15.9	19.8
One person–female	55.2	68.3	70.0	64.3
Single parent	1.5	0.3	0.6	1.7
Other	3.5	2.0	2.0	2.9

Current Market: Race and Education of Household Head

55+ Household Heads Are More Likely to Have an Advanced Degree

Education is an important factor that can impact the home buying decision. If nothing else, different marketing strategies may be more appropriate for prospective buyers with different levels of education. Comparing the education attainment of the 55+ customers in the market for single-family detached homes to the 55+ customers in the multi-family housing market, we see that a larger share of customers in the market for single-family detached homes have college degrees or more advanced education. Advanced professional degrees beyond a bachelor's degree are most common in the 55 to 74 age bracket. Of course, people over age 55 have had more time in which to acquire the degree. Some people return to school for advanced degrees after a considerable period of time in the workforce.

Table 2.20: Household Educational Attainment in 2007 by Structure Type

	Age of Household Head					
	Under 55		55 or Older			
	Under 45	45 to 54	55 to 64	65 to 74	75+	Total 55+
Single-Family Detached	%					
Advanced degree	9.6	13.7	15.0	15.4	6.1	14.1
Bachelor's	22.4	18.7	18.6	17.0	8.1	16.9
Some college but no bachelor's	33.0	30.8	31.5	22.7	23.9	28.2
High school diploma but no college	23.8	27.9	24.0	29.3	36.0	26.9
Some high school or lower	11.3	8.9	10.9	15.6	25.9	14.0
Multi-Family	%					
Advanced degree	8.5	7.7	11.8	10.4	8.8	10.8
Bachelor's	20.4	13.9	15.7	10.4	12.5	13.8
Some college but no bachelor's	32.4	28.9	28.9	26.2	22.1	26.7
High school diploma but no college	25.7	34.2	25.7	26.2	30.8	27.0
Some high school or lower	13.1	15.3	17.9	26.7	25.8	21.8

The Share of 55+ Customers with Advanced Education Is Increasing

College attendance, in general, and advanced education, in particular, have become increasingly widespread, and this is reflected in 55+ housing markets over time. For example, the share of 55+ households with an advanced degree has increased steadily from 12% in 2001 to 14% in 2007 in the market for single-family detached homes and from 7% to almost 11% in the multi-family market (see Table 2.21).

Table 2.21: Trends in Educational Attainment of 55+ Movers into Single-Family Detached and Multi-Family Units

	2001		2003		2005		2007	
	Single-Family Detached	Multi-Family	Single-Family Detached	Multi-Family	Single-Family Detached	Multi-Family	Single-Family Detached	Multi-Family
	%							
Advanced degree	12.4	7.1	12.9	8.2	13.3	9.6	14.1	10.8
Bachelor's	14.0	12.3	16.8	13.9	15.2	14.5	16.9	13.8
Some college, but no bachelor's	27.8	23.0	28.5	24.8	30.4	25.2	28.2	26.7
High school diploma, but no college	26.1	25.6	23.5	25.8	25.3	27.4	26.9	27.0
Some high school or lower	19.7	31.9	18.3	27.3	15.8	23.4	14.0	21.8



Regency at Prospect
Photo Credit: Frank Gilroy

Many Age-Restricted Rental Customers Lack a College Education

Comparing the education of the 55+ household heads in different markets shows that well over half of the age-restricted rental customers in 2007 are comprised of households without a college education. In contrast, more than 70% of customers for age-qualified active adult and other 55+ owner-occupied communities have at least some college education. This finding is consistent with the fact that households in age-restricted rental markets generally have lower average income (discussed later in this chapter), and the supposition that age-restricted rental communities may be government-subsidized.

Table 2.22: Trends in Educational Attainment by Community Type

	2001	2003	2005	2007
Age-Qualified Active Adult Communities %				
Advanced degree	15.1	19.1	16.4	15.4
Bachelor's	16.4	15.7	12.0	21.8
Some college but no bachelor's	18.0	34.8	35.0	35.7
High school diploma but no college	33.7	24.0	32.9	21.5
Some high school or lower	16.8	6.3	3.8	5.6
Other 55+ Owner-Occupied Communities %				
Advanced degree	14.0	17.2	12.4	17.9
Bachelor's	14.9	21.5	19.0	19.6
Some college but no bachelor's	33.7	28.1	32.9	34.8
High school diploma but no college	26.2	22.5	25.2	19.7
Some high school or lower	11.2	10.7	10.5	8.0
Age-Restricted Rental Communities %				
Advanced degree	4.7	5.9	7.1	4.4
Bachelor's	7.9	9.7	12.7	10.8
Some college but no bachelor's	28.8	23.4	19.4	28.1
High school diploma but no college	24.6	34.3	31.1	29.2
Some high school or lower	34.0	26.7	29.7	27.5

55+ Market Has Become More Diverse but Still Dominated by Households Led by White Non-Hispanic Heads

Although it is not surprising to see that the majority of the 55+ housing market consists of white, non-Hispanic households, age-qualified active adults attract an even greater share of white, non-Hispanic households. Overall, 88% of recent movers to age-qualified active adult communities are white, non-Hispanic, compared to 83% of recent movers to other 55+ owner-occupied and 74% of recent movers to age-restricted rental communities.

The shares of minorities in the 55+ single-family housing market have been quite stable, around 18%, from 2001 to 2005; however, the shares increased to 23% in 2007 (see Table 2.23). The share of minorities also trended upward in 2007 in age-qualified and other 55+ owner-occupied communities. The trend is likely to continue, and the 55+ housing market is likely to become more racially and ethnically diverse since the share of minorities is even higher among younger households in the single-family and multi-family markets, as shown in Table 2.24. Past immigration rates, which have been relatively high in recent decades, also suggest that the trend toward a greater share of minorities among older households will continue. Most immigrants come into the U.S. before they are age 55, so increased diversity in the 55+ population will occur naturally as the result of immigration rates.

Table 2.23: Trends in Share of Households with White Non-Hispanic Heads

	2001	2003	2005	2007
55+ Movers into	%			
Single-Family Detached	82.6	81.1	81.7	77.0
Multi-Family	68.9	71.4	70.1	67.5
Movers into 55+ Communities	%			
Age-Qualified Active Adult	93.1	90.9	93.9	88.0
Other 55+ Owner-Occupied	87.9	84.5	86.3	82.8
Age-Restricted Rental	72.9	78.0	73.4	73.9

Table 2.24: White Non-Hispanic Share of Recent Movers by Structure Type

	Age of Household Head					
	Under 55		55 or Older			Total 55+
	Under 45	45 to 54	55 to 64	65 to 74	75+	
	%					
Single-Family Detached	69.0	74.3	77.9	72.8	82.1	77.0
Multi-Family	52.8	54.3	61.2	66.1	83.7	67.5

Current Market: Household Income and Share of Home Workers

Average Income for 55+ Single-Family Detached Customers Is Almost \$70K

Not surprisingly, the average income of households in the markets for both single-family detached and multi-family housing peaks for households age 45 to 54 and then decreases as age increases. Of course, for 55+ households, accumulated wealth becomes more important as a means of financing living arrangements.

The 55+ customers in the single-family detached housing market earn on average \$33,000 more than the 55+ customers in the multi-family housing market. A high share of the 55+ multi-family customers are at the low end of the income distribution.

Table 2.25: Income in 2007 for Movers into Single-Family Detached and Multi-Family Units

	Age of Household Head					
	Under 55		55 or Older			
	Under 45	45 to 54	55 to 64	65 to 74	75+	Total 55+
Single-Family Detached Units %						
Under 20K	11.0	9.5	13.7	16.5	30.4	16.5
20-39.9K	21.6	19.0	16.5	33.9	42.0	24.4
40-59.9K	18.8	17.6	20.0	19.3	15.8	19.3
60-79.9K	17.0	13.2	13.3	8.6	2.5	10.7
80-99.9K	11.1	11.4	9.7	9.4	2.2	8.7
100-149.9K	12.3	16.7	15.0	7.8	6.1	11.9
150K+	8.3	12.5	11.8	4.4	1.1	8.5
Average	\$74,120	\$85,347	\$81,865	\$55,985	\$38,135	\$69,537
Multi-Family Units %						
Under 20K	27.4	29.3	39.3	54.0	46.8	44.4
20-39.9K	31.4	32.0	25.7	23.9	34.6	27.3
40-59.9K	18.1	16.6	15.1	8.8	8.2	12.0
60-79.9K	10.8	9.5	7.9	5.1	5.4	6.7
80-99.9K	5.3	4.8	3.2	3.5	1.6	2.9
100-149.9K	4.8	4.3	4.7	1.8	1.7	3.3
150K+	2.3	3.5	4.2	3.0	1.6	3.3
Average	\$43,309	\$44,245	\$41,715	\$33,533	\$27,885	\$36,642

As shown in Table 2.26, average income of 55+ movers increased between 2001 and 2007, although there was a small decline in 2005.

Table 2.26: Trends in Income of 55+ Movers by Structure Type

	2001		2003		2005		2007	
	Single-Family Detached	Multi-Family	Single-Family Detached	Multi-Family	Single-Family Detached	Multi-Family	Single-Family Detached	Multi-Family
	%							
Under 20K	27.6	52.5	25.5	49.1	22.0	51.7	16.5	44.4
20-39.9K	23.5	23.6	25.8	24.3	22.7	23.1	24.4	27.3
40-59.9K	17.3	9.4	15.5	12.1	22.5	11.0	19.3	12.0
60-79.9K	10.0	6.8	10.1	6.6	10.9	5.9	10.7	6.7
80-99.9K	6.9	3.0	7.2	2.6	8.5	2.9	8.7	2.9
100-149.9K	7.9	1.7	7.3	2.4	7.6	3.3	11.9	3.3
150K+	6.7	3.0	8.6	3.1	6.0	2.1	8.5	3.3
Average	\$64,606	\$35,536	\$66,967	\$37,461	\$58,624	\$31,731	\$69,537	\$36,642

The Share of High-Income Households in the Age-Qualified Active Adult Market Is on the Rise

The average income of age-qualified active adult customers has been significantly lower than the average income of households moving into other 55+ owner-occupied communities. In 2007, the situation reversed, as age-qualified active adult communities attracted significantly higher shares of high income households. More than 20% of their customers earned \$100,000 or more in 2007, compared to less than 5% in 2001. Almost two-thirds of age-restricted rental customers earn less than \$20,000. Of the various 55+ market segments, customers in the age-restricted rental market have by far the lowest average income, around \$20,000 in 2007.

Table 2.27: Trends in Income of Movers by Community Type

	2001	2003	2005	2007
Age-Qualified Active Adult Communities %				
Under 20K	23.1	30.7	28.7	18.5
20-39.9K	37.0	21.0	28.5	18.3
40-59.9K	18.6	19.6	19.8	16.4
60-79.9K	7.8	10.7	6.8	9.5
80-99.9K	8.7	9.3	8.5	16.6
100-149.9K	4.8	5.1	4.7	11.4
150K+	0.0	3.6	3.0	9.3
Average	\$40,389	\$45,252	\$45,936	\$76,473
Other 55+ Owner-Occupied Communities %				
Under 20K	19.4	20.7	15.5	11.8
20-39.9K	26.2	27.5	23.1	24.9
40-59.9K	19.5	19.4	22.3	14.3
60-79.9K	13.4	7.0	14.2	14.2
80-99.9K	5.0	7.9	6.8	9.7
100-149.9K	10.3	6.1	9.0	16.1
150K+	6.2	11.4	9.0	9.0
Average	\$64,278	\$78,105	\$72,634	\$74,633
Age-Restricted Rental Communities %				
Under 20K	73.5	74.3	77.0	64.5
20-39.9K	18.4	18.5	16.9	25.8
40-59.9K	4.6	7.0	1.4	5.8
60-79.9K	0.6	0.0	2.4	1.2
80-99.9K	0.0	0.0	1.4	1.4
100-149.9K	0.0	0.0	0.8	0.6
150K+	2.9	0.3	0.0	0.6
Average	\$26,284	\$16,485	\$16,227	\$19,860

In Both Single-Family Detached and Multi-Family Housing Markets, the Share of Customers Who Work at Home Is on the Rise

Beginning in 2005, there was a significant increase in the share of home workers in the single-family detached housing market, and a big jump in both multi-family and single-family markets in 2007 (see Table 2.28). Although the reason for this can't be determined with certainty, it is possible that companies are more willing to let employees work at home as technology makes transmitting information electronically easier. If this trend continues, the implication for builders of active adult housing is that demand for office space inside the home will increase.

The share of customers who work at home is larger in the single-family detached housing market than the share in the multi-family housing market, and the differences remain throughout the 2001–2007 period. In addition, 14% of customers in age-qualified active adult communities work at home, compared to 13% in other 55+ owner-occupied communities and 4% in age-restricted rental communities.

Table 2.28: Trends in Share of Movers Who Work at Home

	2001	2003	2005	2007
55+ Households Moving into	%			
Single-Family Detached	9.9	8.7	11.5	16.7
Multi-Family	5.6	5.9	6.7	13.2
Movers into	%			
Age-Qualified Active Adult	11.2	5.1	5.0	14.4
Other 55+ Owner-Occupied Communities	5.7	8.4	11.9	12.7
Age-Restricted Rental	1.9	1.3	0.8	4.1

Table 2.29: Share of Movers in 2007 Who Work at Home by Structure Type

	Age of Household Head					
	Under 55		55 or Older			
	Under 45	45 to 54	55 to 64	65 to 74	75+	Total 55+
	%					
Single-Family	27.7	32.0	24.4	6.1	2.2	16.7
Multi-Family	24.5	23.8	20.9	6.6	1.7	13.2

Number of Other Homes Looked at Before Moving In

Customers for Single-Family Detached Housing Look at More Homes before Buying

The AHS asks respondents how many other homes they look at before moving into their current homes. In the single-family detached housing market, 55+ customers on average look at 12 other homes before choosing a unit (see Table 2.30). This is not drastically different from younger households. Customers who choose multi-family housing look at considerably fewer units (about six) before moving in. One possible explanation is that customers tend to spend less effort on choosing a unit if they are planning to rent instead of buy.

Table 2.30: Number of Other Homes Looked at in 2007 Before Moving Into Single-Family Detached and Multi-Family Units

	Age of Household Head					
	Under 55		55 or Older			Total 55+
	Under 45	45 to 54	55 to 64	65 to 74	75+	
Single-Family Detached Units	%					
0 home	11.4	12.5	15.1	26.6	17.9	18.5
1-2 homes	12.6	10.8	9.7	13.1	11.5	10.8
3-5 homes	25.2	21.6	19.4	19.0	18.1	19.2
6-10 homes	23.5	22.9	19.1	14.3	18.9	17.8
11-20 homes	15.9	17.3	18.8	16.9	20.5	18.4
21 and more homes	11.5	15.0	17.8	10.2	13.2	15.4
Average	10.7	12.3	13.3	9.4	10.3	12.0
Multi-Family Units	%					
0 home	13.5	16.3	15.5	25.1	21.8	19.0
1-2 homes	21.5	24.1	22.1	26.7	26.7	24.1
3-5 homes	36.7	33.1	28.2	20.6	30.2	26.8
6-10 homes	17.1	15.8	17.1	11.1	14.6	15.2
11-20 homes	8.1	6.4	12.7	12.4	5.9	11.3
21 and more homes	3.2	4.4	4.5	4.2	0.9	3.7
Average	5.7	5.8	6.5	5.9	4.0	5.9

Table 2.31: Trends in Number of Other Homes 55+ Households Look at Before Moving into Single-Family Detached and Multi-Family Units

Number of Homes	2001		2003		2005		2007	
	Single-Family Detached	Multi-Family	Single-Family Detached	Multi-Family	Single-Family Detached	Multi-Family	Single-Family Detached	Multi-Family
	%							
0	25.0	27.9	26.3	26.9	24.3	27.1	18.5	19.0
1-2	13.9	20.7	13.2	23.0	13.2	22.8	10.8	24.1
3-5	20.0	27.1	19.4	27.4	18.7	22.7	19.2	26.8
6-10	15.6	14.1	16.4	12.3	19.6	16.2	17.8	15.2
11-20	14.5	8.0	15.7	6.8	12.4	8.0	18.4	11.3
21+	11.0	2.2	8.9	3.7	11.9	3.3	15.4	3.7
Average	10.7	4.6	8.7	5.4	9.8	5.2	12.0	5.9



Majority of the Age-Restricted Rental Customers Do Not Look at More Than Two Other Homes

Compared to a typical 55+ single-family detached buyer, customers of age-qualified, active adult or other 55+ owner-occupied communities looked at even more homes, 14 and 15, on average before choosing a unit (see Table 2.32). In contrast, customers in the age-restricted rental market tend to look at fewer than three homes before making a decision. It may be that the low-income customers typical of this market do not feel they have many options in the marketplace. Again, this is consistent with the hypothesis that many of the age-restricted rental units are subsidized.

Table 2.32: Trends in Number of Other Homes Buyers Look at Before Moving in by Community Type

	2001	2003	2005	2007
Age-Qualified Active Adult %				
0 home	12.4	27.3	19.9	19.9
1-2 homes	10.3	12.0	16.2	8.6
3-5 homes	18.6	19.8	10.3	20.4
6-10 homes	23.4	13.8	29.7	21.5
11-20 homes	25.3	9.7	13.5	13.7
21 and more homes	10.1	17.5	10.5	15.9
Average	11.6	13.0	10.1	13.6
Other 55+ Owner-Occupied %				
0 home	24.5	19.1	18.1	9.1
1-2 homes	14.8	5.6	13.7	9.3
3-5 homes	21.9	20.1	20.2	18.2
6-10 homes	18.3	26.1	18.6	21.7
11-20 homes	9.0	17.0	17.5	19.2
21 and more homes	11.6	12.2	11.9	22.5
Average	9.6	12.4	10.8	15.1
Age-Restricted Rental %				
0 home	37.3	33.8	36.4	28.7
1-2 homes	32.8	33.3	28.3	34.4
3-5 homes	17.3	23.5	16.5	23.2
6-10 homes	7.7	5.5	14.1	9.8
11-20 homes	3.7	2.4	2.6	4.0
21 and more homes	1.2	1.6	2.1	0.0
Average	2.8	2.6	3.6	2.8

Customers Who Choose Age-Qualified Active Adult or Other 55+ Owner-Occupied Communities Are More Likely to Shop for Homes in Multiple Neighborhoods

The AHS also contains information on whether the households looked at other neighborhoods before moving. In general, customers who chose single-family detached homes in a 55+ community (either age-qualified or otherwise occupied mostly by 55+ households) put in more effort finding their new homes. In recent years, more than half of the customers who chose to live in “other 55+ owner-occupied communities” looked at multiple neighborhoods before moving in. This share was the highest share of any of the 55+ market segments, 58%, in 2007.

On the other hand, a relatively small share, 33% of 55+ customers for age-restricted rentals and 43% of 55+ multi-family movers, looked at more than one neighborhood before moving.

Table 2.33: Trends in Tendency to Look at Homes in More than One Neighborhood before Making a Decision

	2001	2003	2005	2007
55+ Households Moving into	%			
Single-Family Detached	43.0	40.2	44.8	48.4
Multi-Family	39.6	34.1	38.5	42.5
Movers into	%			
Age-Qualified Active Adult	52.7	36.9	46.7	53.2
Other 55+ Owner-Occupied Communities	44.4	47.9	51.0	57.8
Age-Restricted Rental	32.1	29.5	32.5	33.0

Chapter 3

New Construction for the 55+ Market

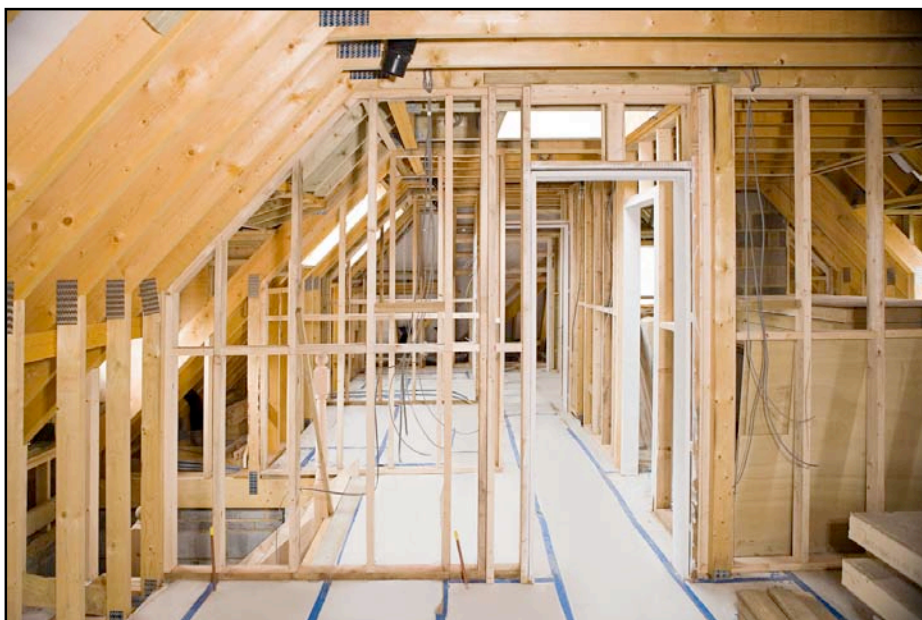
All tabulations are for new construction only. Newly built units are defined as units occupied by recent movers who report that they are the first occupants of housing units. This definition can be problematic in age-restricted rental and other rental markets, where the turnover rate is high and residents may not be the first occupants even in fairly new structures, or in some cases not know for certain whether they are the first occupants or not. To avoid any of these problems, the tabulations in this chapter are restricted to owner-occupied properties.

Because this chapter analyzes the AHS sample restricted to new construction, the number of observations on which the tables are based is considerably smaller than in previous chapters, which tabulated characteristics for all homes, irrespective of their vintage.

Dollar Value of New Construction

Prices for Age-Qualified Active Adult Units are \$300K on Average, Not Much Different from Prices on Other New Homes Purchased by 55+ Households

Table 3.1 shows home values for new housing units occupied by 55+ households. The table includes both averages and medians. When the distribution is skewed (i.e., the homes at the top end are very expensive compared to what the majority of buyers or renters occupy), it tends to pull the average above the median (the median cuts the distribution in half, so that half of the homes are more expensive than the median; half are less expensive).



Compared to other new homes purchased by 55+ households, the average price in age-qualified active adult communities is lower, but the median price turned out to be higher in 2005 to 2007. This suggests that although the age-qualified active adult housing is not primarily serving the lower end of the market, it was not attracting the few buyers at the very top end until recently. The average values of new homes in 55+ communities are in line with those reported by the U.S. Census Bureau in 2007 (average = \$313,600; median = \$247,900), but the median values are somewhat higher (U.S. Census Bureau, Construction Reports, Series C-25, New One Family Homes Sold and For Sale). The value of homes purchased by other 55+ buyers is higher than the U.S. Census Bureau's estimates. This is reasonable given the overall wealth of 55+ home buyers.

Table 3.1: Home Value for New 55+ Construction

	2001	2003	2005	2007
Average Home Value by Communities				
Age-Qualified Active Adult	\$209,826	\$195,667	\$309,038	\$298,667
Other 55+ Communities	\$256,110	\$251,166	\$393,562	\$300,402
Other 55+ New Home Buyer	\$249,847	\$269,556	\$357,273	\$366,744
Median Home Value by Communities				
Age-Qualified Active Adult	\$180,000	\$180,000	\$320,000	\$300,000
Other 55+ Communities	\$200,000	\$200,000	\$300,000	\$274,000
Other 55+ New Home Buyer	\$192,000	\$200,000	\$258,000	\$280,000

Basic Characteristics of New Construction

New Age-Qualified Active Adult Homes Are Somewhat Smaller Than Other New Homes Purchased by 55+ Households

As shown in Table 3.2, age-qualified active adult units tend to be smaller than new homes in other owner-occupied 55+ communities (i.e., where most of the residents are 55+ anyway) or new homes purchased by 55+ new home buyers not in 55+ communities. This is true whether the new homes are measured by square footage, number of bedrooms, or number of bathrooms. Nevertheless, the new age-qualified active adult units are not tiny, averaging more than two-and-a-half bathrooms and more than 2,300 square feet of living space in 2007. The average number of rooms for this type of community has increased from 2005 to 2007, whereas it has decreased for the other two community types.

In terms of size characteristics, the new homes purchased in other owner-occupied 55+ communities used to stand between age-qualified active adult and new homes purchased by 55+ buyers outside of any type of 55+ community, but now show a tendency to become just as large as new homes purchased by other 55+ buyers.

Even though we would expect home value and home size to be related, this does not appear to be the case in 2001 to 2005. The overall rapid price appreciation across homes of all sizes during this period appears to be driving these results.

Table 3.2: Trends in Size of Homes Built by Community Type

	2001	2003	2005	2007
Age-Qualified Active Adult				
Average square footage	1,844	2,718	2,059	2,329
Median square footage	1,700	2,000	1,950	2,400
Average number of rooms	5.22	5.40	5.83	6.35
Average number of bedrooms	2.37	2.25	2.37	2.83
Average number of bathrooms	1.95	2.05	2.10	2.51
Other Owner-Occupied 55+ Communities				
Average square footage	2,474	2,413	2,815	3,247
Median square footage	2,100	2,000	2,300	2,100
Average number of rooms	5.58	6.53	7.18	6.30
Average number of bedrooms	2.66	2.67	3.15	2.98
Average number of bathrooms	2.21	2.31	2.48	2.55
55+ Buyers, but Not in 55+ Communities				
Average square footage	2,700	2,893	2,520	2,979
Median square footage	2,060	2,300	2,400	2,400
Average number of rooms	6.59	6.58	7.05	6.73
Average number of bedrooms	3.14	3.04	3.22	3.36
Average number of bathrooms	2.52	2.45	2.54	2.62



Why Households Choose New Homes

For New Age-Qualified Active Adult Home Buyers, Room Layout and Community Design Are Important

Consistently, the dominant reason households choose a particular new, age-qualified active adult home is the room layout and design of the unit. In 2007, more than 70% of the new home buyers in age-qualified active adult communities chose the home for this reason. The right size came in a distant second at 40%. There are some other differences between buyers in age-qualified communities and other 55+ new home buyers. For example, new home buyers in age-qualified active adult communities are somewhat more likely to choose a unit because of financial reasons, and somewhat less likely to be concerned about construction quality.

Table 3.3: Trends in Reasons Buyers Choose New Homes Built in Age-Qualified Active Adult Communities

	2001	2003	2005	2007
Reasons for Choosing the Housing Unit				
	%			
Like room layout/design	83.2	59.1	68.5	71.2
Exterior appearance	27.4	28.5	27.5	20.4
Financial reasons	14.2	12.0	24.8	38.9
Like the size	37.2	42.5	25.8	39.8
Construction quality	31.2	32.1	20.1	19.2
Like the kitchen	34.0	26.8	18.9	21.1
Like the view	10.3	14.2	15.0	33.9
Other reasons	12.3	5.8	18.7	11.0
Reasons for Choosing the Community				
	%			
Like the community design	47.5	52.3	50.9	64.3
Close to friends/relatives	20.6	28.1	32.1	34.9
Close to leisure activity	20.5	39.5	24.4	24.0
Like the housing unit	48.6	33.9	25.4	16.9
Close to public service in community	3.9	8.6	0.0	10.6
Close to public transportation	0.0	0.0	0.0	2.9

Table 3.4: Trends in Reasons Buyers Choose New Homes Built in Other 55+ Communities

	2001	2003	2005	2007
Reasons for Choosing the Housing Unit %				
Like room layout/design	53.0	62.1	57.4	64.5
Exterior appearance	36.0	21.0	21.8	15.9
Financial reasons	13.3	14.0	3.5	12.0
Like the size	31.2	31.5	23.0	36.4
Construction quality	49.2	40.8	38.9	40.9
Like the kitchen	12.4	9.3	14.6	5.6
Like the view	32.0	16.2	15.6	27.6
Other reasons	14.7	10.8	8.2	22.6
Reasons for Choosing the Community %				
Like the community design	54.9	38.3	53.6	33.7
Close to friends/relatives	31.2	40.2	26.8	33.9
Close to leisure activity	23.4	17.8	21.3	39.6
Like the housing unit	35.8	24.8	31.6	31.3
Close to public service in community	9.6	3.5	2.5	7.3
Close to public transportation	5.5	0.0	2.5	0.0

Table 3.5: Trends in Reasons 55+ Buyers Choose New Homes Not Built in 55+ Communities

	2001	2003	2005	2007
Reasons for Choosing the Housing Unit %				
Like room layout/design	55.7	41.3	50.0	53.4
Exterior appearance	20.0	16.4	21.5	21.8
Financial reasons	16.3	9.6	8.8	9.6
Like the size	29.5	21.4	20.6	27.2
Construction quality	28.9	20.5	29.1	30.6
Like the kitchen	12.0	5.4	14.5	10.9
Like the view	16.9	7.3	10.6	12.5
Other reasons	15.6	17.6	20.3	21.9
Reasons for Choosing the Community %				
Like the community design	44.6	36.6	39.7	34.7
Close to friends/relatives	24.4	18.5	17.3	25.4
Close to leisure activity	12.1	6.5	10.9	9.1
Like the housing unit	26.1	22.5	29.7	30.2
Close to public service in community	5.7	2.1	3.7	5.4
Close to public transportation	1.2	0.2	1.2	1.0

How New Housing Units Compare with Previous Residences

Households Moving into New Age-Qualified Active Adult Communities Are Trading Up in Quality, but Not Necessarily Price

The AHS asked recent movers a series of questions about their new homes compared to their previous residences. More than 60% of those who bought new homes in age-qualified active adult communities reported that they were moving into better units. None reported that they were moving into units that were worse than their previous residences. However, less than a third of these active adult movers said that their new homes cost more than the old ones (see Table 3.6). In comparison, non-community 55+ new home buyers are more likely to move up in terms of cost (see Table 3.8).

Almost All Customers for New Age-Qualified Active Adult Homes Previously Owned Single-Family Homes

Among 55+ new home buyers, the share who are moving out of an existing, owner-occupied, single-family home is very high. This is especially true among new home buyers in age-qualified active adult communities and other 55+ communities, where the share of previous single-family homeowners is close to 100%.

Table 3.6: Trends in New/Previous Unit Comparisons, Buyers of New Homes in Age-Qualified Active Adult Communities

	2001	2003	2005	2007
	%			
New housing unit costs more	32.3	34.0	41.5	28.6
New housing unit costs less	10.2	37.9	39.5	27.5
New housing unit is better	57.9	75.1	62.1	61.3
New housing is worse	10.4	7.5	0.0	0.0
New neighborhood is better	48.1	53.8	47.9	43.7
New neighborhood is worse	5.4	0.0	3.9	7.8
Previous residence condo/co-op	0.0	8.8	8.4	8.3
Previous residence owned	95.4	78.7	97.0	95.9
Previous residence single-family	85.2	76.6	100.0	92.0
Previous residence multi-family	9.3	13.1	0.0	8.0

Table 3.7: Trends in New/Previous Unit Comparisons, Buyers of New Homes in Other 55+ Communities

	2001	2003	2005	2007
	%			
New housing unit costs more	47.0	20.2	53.0	24.4
New housing unit costs less	23.0	45.8	27.0	40.5
New housing unit is better	57.3	64.9	73.8	52.1
New housing is worse	6.1	7.5	0.0	9.0
New neighborhood is better	52.6	47.4	59.5	40.3
New neighborhood is worse	4.2	7.0	0.0	2.3
Previous residence condo/co-op	23.7	3.7	5.5	5.3
Previous residence owned	83.6	87.2	85.6	95.2
Previous residence single-family	83.7	92.3	85.2	96.1
Previous residence multi-family	14.5	0.0	7.4	0.0

Table 3.8: Trends in New/Previous Comparisons, 55+ Buyers of New Homes Not in 55+ Communities

	2001	2003	2005	2007
	%			
New housing unit costs more	44.8	50.9	39.4	50.9
New housing unit costs less	29.3	18.0	29.1	24.6
New housing unit is better	67.5	74.0	71.5	73.8
New housing is worse	3.6	6.8	5.7	1.9
New neighborhood is better	53.0	47.6	47.0	47.8
New neighborhood is worse	5.1	9.0	5.4	4.2
Previous residence condo/co-op	13.4	9.2	7.8	8.8
Previous residence owned	82.7	80.2	81.5	85.2
Previous residence single-family	86.0	84.2	83.6	88.1
Previous residence multi-family	10.5	11.1	9.0	6.6

How New Home Purchases Are Financed

Many Age-Qualified Active Adults Do Not Need a Loan but the Share Who Do Not Is Declining

One of the traditional reasons builders have been attracted to the age-qualified active adult segment of the housing market is that many of the buyers in this market segment are able to finance their purchases out of accumulated wealth, rather than out of current income. This means that the market for age-qualified active adult housing should be relatively stable and not fluctuate as much as other segments of the housing market do in response to changes in interest rates or the overall business cycle. Data from the AHS supports this view of the marketplace. Roughly half of the buyers for new, age-qualified active adult homes in 2007 needed to take out a mortgage. For those who did, the median loan to value ratio was 65%. More than 90% of the new age-qualified active adult home buyers who made a down payment reported that it came from the sale of previous homes.

Table 3.9: Trends in Financing New Homes Purchased in Age-Qualified Active Adult Communities

	2001	2003	2005	2007
Take out a mortgage	30.6%	42.8%	41.4%	51.2%
For Those with Mortgages				
ARM share	0.0%	0.5%	0.0%	20.7%
Median loan to value ratio	0.71	0.67	0.45	0.65
Source of Down Payment %				
Sale of previous home	70.8	90.3	100.0	92.1
Savings or cash on hand	29.3	9.7	0.0	0.0
Other sources	0.0	0.0	0.0	7.9
No down payment	0.0	0.0	0.0	0.0

Table 3.10: Trends in Financing New Homes Purchased in Other 55+ Communities

	2001	2003	2005	2007
Take out a mortgage	54.4%	47.0%	60.1%	39.7%
For Those with Mortgages				
ARM share	4.1%	3.2%	8.5%	0.0%
Median loan to value ratio	0.65	0.39	0.56	0.61
Source of Down Payment %				
Sale of previous home	75.1	64.5	64.5	78.2
Savings or cash on hand	24.9	28.7	33.5	11.6
Other sources	0.0	6.7	2.0	10.2
No down payment	0.0	0.0	0.0	0.0

Table 3.11: Trends in Financing New Homes Purchased by 55+ Households, but Not in 55+ Communities

	2001	2003	2005	2007
Take out a mortgage	54.7%	57.3%	58.4%	70.2%
For Those with Mortgages				
ARM share	2.2%	1.1%	2.0%	3.1%
Median loan to value ratio	0.69	0.68	0.64	0.59
Source of Down Payment				
	%			
Sale of previous home	46.3	63.5	56.2	62.6
Savings or cash on hand	45.5	20.0	30.9	24.8
Other sources	5.7	10.5	3.0	12.6
No down payment	2.5	6.0	10.0	1.8



Brookhaven at Johns Creek – Ansley
 Photo Credit: Chris Laney

Chapter 4

55+ Housing Market Shares and Projections

One-Fifth of All Home Buyers Are Age 55+ and Their Share Is Rising

Table 4.1 shows how much of various housing market segments 55+ customers and communities account for in three market segments: all 55+ households, 55+ households moving into age-qualified active adult communities, and 55+ households moving into “other” 55+ communities (non-age-qualified, but where most residents are 55+). The numbers in the table represent shares of the total market. For example, the first number in “All 55+” column is 12.2%, which means that 55+ households account for about 12% of the households that change addresses and move into different housing units in a given year (see Table 4.2 for the market demand data).

The number moving into rental units includes those moving into units that benefit from government subsidies. Given the nature of custom homes, which are built on an individual customer’s lot, there is a question about whether or not a custom home built in an age-qualified community is conceptually valid.

The 55+ households have somewhat different tendencies than younger customers. Because older households are more likely to buy homes—and especially to buy new homes—55+ households account for almost 20% of the home buying market, and about 24% of the market for new homes. Among buyers, older customers have a somewhat greater tendency to “buy”³ custom homes, so 55+ households account for about 30% of the market for new custom homes. Reflecting the ever-increasing number of Baby Boomers reaching the 55+ criteria for age-qualified communities, the shares of 55+ households have been on the rise across all home buyer categories.

³ Custom homes are defined as those built on the customer’s lot, with the owner either hiring a general contractor or in some cases functioning as the general contractor himself or herself. Technically, these homes do not go through a sale in the same sense as a spec home in a residential subdivision, but for simplicity, this chapter includes people who acquire new custom homes among the home buyers.

As shown in Table 4.1, 55+ (age-qualified and other 55+) communities account for close to 6% of the home buying market, thus suggesting that most of 55+ home buyers are moving into communities that are not classified as 55+ communities.

Table 4.1: 55+ Housing Market Shares

	2001			2003			2005			2007		
	Age 55+	Age-Qualified	Other 55+ Community	Age 55+	Age-Qualified	Other 55+ Community	Age 55+	Age-Qualified	Other 55+ Community	Age 55+	Age-Qualified	Other 55+ Community
	%											
All recent movers	12.2	1.7	2.5	13.2	1.7	2.3	14.1	2.0	2.7	14.8	2.2	2.5
Movers into rental units	9.7	2.0	1.7	10.8	2.0	1.6	11.4	2.4	1.7	12.1	2.4	1.7
Home buyers	16.3	1.2	3.7	17.0	1.3	3.6	18.2	1.3	4.3	19.3	1.8	3.9
Existing home buyers	15.0	0.9	3.4	16.4	0.9	3.6	17.6	1.1	4.3	18.1	1.3	4.1
New home buyers	20.9	2.3	4.7	19.4	2.8	3.5	20.9	2.3	4.1	23.9	3.7	3.5
New for-sale home buyers	19.3	3.1	4.2	19.1	3.0	3.6	20.0	2.6	3.8	22.2	4.2	3.4
New custom home buyers	24.3	0.7*	5.9	26.1	0.0*	1.9	24.3	1.1*	5.5	29.3	2.1*	3.8

The “” shown in cells for buyers of new homes in age-qualified communities indicates that the number of observations in this cell is too small to distinguish from zero.*

Table 4.2: 55+ Housing Market Demand

	2001	2003	2005	2007
Age 55+				
All recent movers	1,631,774	1,777,656	2,042,602	2,084,086
Movers into rental units	807,295	897,785	988,233	1,065,641
Home buyers	824,479	879,872	1,054,370	1,018,445
Existing home buyers	593,257	686,104	819,407	750,937
New home buyers	231,223	193,768	234,963	267,509
New for-sale home buyers	148,947	183,135	176,722	187,656
New custom home buyers	82,276	10,633	58,242	79,853
Age-Qualified				
All recent movers	225,498	227,556	287,396	310,052
Movers into rental units	163,139	162,908	210,969	213,872
Home buyers	62,359	64,648	76,427	96,181
Existing home buyers	36,369	36,209	50,752	55,141
New home buyers	25,991	28,439	25,675	41,040
New for-sale home buyers	23,704	28,439	23,037	35,261
New custom home buyers	2,287*	0*	2,639*	5,779*
Other 55+ Community				
All recent movers	332,035	317,061	393,085	358,301
Movers into rental units	145,409	129,965	146,339	150,746
Home buyers	186,627	187,096	246,746	207,555
Existing home buyers	134,098	151,905	200,418	168,202
New home buyers	52,529	35,191	46,328	39,353
New for-sale home buyers	32,611	34,405	33,169	29,086
New custom home buyers	19,918	786	13,160	10,268

**There are very few observations in the cells for age-qualified custom homes. There is also a question of whether or not it makes sense to talk about custom homes, which are built on an individual customer's lot, in age-qualified communities.*

In 2009, Only About 47,000 Housing Starts Are Projected in 55+ Communities

The housing industry is currently going through its most severe downturn since the U.S. Census Bureau began producing statistics on new construction shortly after World War II. NAHB's current housing forecast for 2009 calls for 360,000 single-family housing starts, 130,000 multi-family starts, 364,000 new single-family home sales, and 5.42 million existing single-family

home sales. The number of single-family housing starts in the forecast is down nearly 80% from the high point of more than 1.7 million in 2005. The forecast calls for housing activity to rebound in 2010, but only to levels that will still be relatively weak in historical perspective.

Projections for the 55+ market generally follow the trends for the overall forecast, but also take into account the rising trends in 55+ market shares, driven largely by underlying population dynamics. The annual 55+ projection estimates reported in Table 4.3 are generated by applying the trends in the AHS percentages to NAHB's forecast of housing activity for calendar year 2008–2010. The 2009 estimates show that housing units sold to or occupied by 55+ households will account for about 126,000 housing starts, with about 85,000 of these single-family, and 47,000 in communities that are either age-qualified or otherwise occupied primarily by 55+ customers. The estimates also show that 55+ customers account for almost 85,000 of the projected new single-family sales, and almost 900,000 of the projected existing single-family homes sales in 2009. All these numbers are projected to increase in 2010, but from the very weak levels shown in the 2009 forecast.

Table 4.3: 55+ Housing Market Projections

	2008		2009		2010	
	Total Sold to or Occupied by 55+ Households	In Age-Qualified or Other 55+ Communities	Total Sold to or Occupied by 55+ Households	In Age-Qualified or Other 55+ Communities	Total Sold to or Occupied by 55+ Households	In Age-Qualified or Other 55+ Communities
Housing Starts	249,228	94,473	125,899	46,694	174,468	63,563
Single-Family	149,702	50,517	85,504	28,853	129,468	43,689
Multi-Family	99,526	43,956	40,395	17,841	45,000	19,874
New Single-Family Existing Sales	111,078	33,760	84,461	25,670	124,945	37,974
Sales of Existing Single-Family Homes	881,793	285,772	896,336	290,485	1,021,076	330,911

Appendix

Additional Tables

Table 1.16(a): Overall Rating of Current Community in 2007 by Community Type

	Age-Qualified Active Adult	Other 55+ Owner-Occupied Communities	Age-Restricted Rental
	%		
1	0.3	0.4	0.2
2	0.0	0.3	0.5
3	0.4	0.2	0.8
4	0.2	0.6	0.9
5	3.1	3.0	3.5
6	2.8	3.2	3.8
7	5.5	9.5	7.8
8	23.6	24.9	21.3
9	20.0	19.2	16.3
10	44.0	38.9	44.9
Average	8.8	8.6	8.7

(On a scale of 1 to 10; 1=worst, 10=best)

Table 1.16(b): Overall Rating of Current Home in 2007 by Community Type

	Age-Qualified Active Adult	Other 55+ Owner-Occupied Communities	Age-Restricted Rental
	%		
1	0.3	0.2	0.5
2	0.0	0.2	0.5
3	0.0	0.1	0.2
4	0.1	0.3	0.3
5	2.9	2.7	3.7
6	2.2	2.5	3.6
7	6.5	7.4	7.8
8	23.2	24.5	23.5
9	19.6	18.6	16.3
10	45.2	43.6	43.8
Average	8.9	8.8	8.7

(On a scale of 1 to 10; 1=worst, 10=best)

Table 1.19(a): Overall Rating of Current Community in 2007, Multi-Family Households

		Age of Household Head					
		Under 55		55 or Older			
		Under 45	45 to 54	55 to 64	65 to 74	75+	Total 55+
		%		%			
1	1.5	1.5	1.2	1.0	0.4	0.9	
2	1.0	0.7	0.8	0.8	0.1	0.6	
3	2.1	2.0	1.6	1.1	0.5	1.1	
4	2.8	2.8	1.9	0.8	1.1	1.4	
5	10.1	8.1	7.3	7.7	3.3	6.1	
6	8.4	7.1	8.2	5.2	3.4	5.9	
7	18.2	17.2	14.0	13.1	8.2	11.9	
8	27.6	27.6	26.7	23.8	23.6	24.9	
9	13.9	13.8	16.0	17.4	18.1	17.1	
10	14.3	19.3	22.3	29.0	41.5	30.4	
Average: Multi-Family		7.4	7.6	7.8	8.1	8.7	8.2

(On a scale of 1 to 10; 1=worst, 10=best)

Table 1.20(a): Overall Rating of Current Home in 2007, Multi-Family Households

		Age of Household Head					
		Under 55		55 or Older			
		Under 45	45 to 54	55 to 64	65 to 74	75+	Total 55+
		%		%			
1	1.0	1.2	0.9	0.3	0.2	0.5	
2	0.7	0.4	0.6	0.4	0.1	0.4	
3	1.4	1.4	1.2	0.6	0.2	0.7	
4	2.0	2.1	1.7	1.0	0.7	1.2	
5	8.5	8.2	6.7	5.9	3.9	5.6	
6	9.0	6.1	6.0	6.5	2.8	5.0	
7	20.6	14.8	14.6	12.6	6.8	11.5	
8	29.8	29.9	28.7	25.3	24.4	26.4	
9	13.0	15.2	16.6	16.4	19.0	17.3	
10	14.1	20.7	23.2	31.0	41.9	31.5	
Average: Multi-Family		7.5	7.8	7.9	8.2	8.7	8.3

(On a scale of 1 to 10; 1=worst, 10=best)

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