



Active-Adult Builders Target Urban Locales

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By **JENNIFER LISLE**

Exit 9 on the New Jersey Turnpike is not what you'd call a scenic retiree destination. About 35 miles from Manhattan, it leads into downtown East Brunswick, N.J., a jammed highway of strip malls, office buildings and parking lots.

But when Iris Kislin first thought about downsizing from her North Brunswick, N.J., home three years ago, she refused to consider living anywhere far from her favorite on-ramp, where she's caught the bus into Manhattan for her job as a theatrical agent for the past 35 years. "There are a lot of 55 and older communities in Monroe, but that's off exit 8A, which is another 15-20 minutes south," says Mrs. Kislin, 69. Then, in late 2002, she saw a sign advertising Somerset Run, a new active-adult community in Somerset, N.J., 10 to 15 minutes from exit 9. She bought immediately and moved in last May.

"We had lived in North Brunswick for 44 years, and I didn't want to go to some farm community where there's just a bunch of apple orchards," says Mrs. Kislin, who still commutes into Manhattan. As they focus on the consumer needs of the 78 million baby boomers who will be contemplating retirement in the next five to 10 years, home builders specializing in retiree communities have been expanding their footprints into metro areas, such as New York, Chicago, Detroit and Los Angeles. They hope that many, like Mrs. Kislin, will be reluctant to give up urban amenities and cultural variety and will want to stay near the cities where they've worked and raised children for many years.

Staying Put

Though retirement specialists say that seniors long have had a desire

to stay nearby and live a maintenance-free lifestyle, builders say that active-adult communities are not every boomer's cup of Perrier. Developers will have to work hard to get them to move even within the same county.

"The older people get, the less likely they are to move," says Andy Kochera, who reports on data from the U.S. Census as a senior policy specialist for the AARP (formerly the American Association of Retired Persons). "And if they do move, most of them will stay in the same area."

According to the U.S. Census, of people 55 and older, roughly 1 in 20 will move in a given year. Of those who move, three-quarters will stay in the same state and half will stay in the same county, says Paul Emrath, assistant staff vice president of housing policy research for the National Association of Home Builders. Mr. Emrath also says that most cities have a sizable population of seniors, which favors the idea of building for them.

"But the typical senior in these areas, a 65-year-old, owns his own home without much debt and is generally happy to stay there. You will really have to build the right product at the right price point and market it the right way to attract him away from that," says Mr. Emrath.

Builders are hoping that active-adult communities placed within metro areas, many of which are carefully stocked with boomer-friendly amenities, will do just that.

Since 80% of boomers surveyed by the AARP say they plan to continue working past the age of 65, part of the appeal, builders say, will be that residents will have access to the city and employment. "Being a certain age doesn't mean you're ready for the back porch," says Mrs. Kislin, whose husband passed away last year. She works part time at home and in New York City and is very involved in her community.

Enter the Boomers

Developers say they are targeting their communities less toward retirees and more toward empty-nesters who may or may not continue working.

Dave Schreiner, vice president of adult business development for Pulte Homes, which owns Del Webb, says that couples first start thinking about making a lifestyle change when their children leave home. "In most cases, it's not retirement," says Mr. Schreiner.

According to a 2004 Del Webb survey of baby boomers, 30% of baby boomers who are considering purchasing a home in an age-qualified active-adult community prefer a community in an urban location. Until 2001, Del Webb's focus was limited to Sunbelt areas like Arizona, Nevada and Florida. But since 2002, the company has doubled the number of communities it opened in four-season regions, and, of the company's next 100 projects, half will be within metro areas like Chicago, New York and Detroit.

"Now there's scale to go after these markets," says Mr. Schreiner, referring to the baby-boomer generation, or those born between the years 1946 and 1964. "The size of the market, about twice the size of the generation before them, means that what used to be a small niche is now a big trend." To attract them, Del Webb communities will provide a host of boomer-targeted "wellness" services that include nutrition counseling, blood-pressure monitoring and flu shots.

Mr. Schreiner also says that because boomers are more computer-savvy, the communities will feature tech-minded amenities like intranets within the community and online programming for local news, social activities and recreational scheduling.

Ginsburg Development Corp. (GDC), in Hawthorne, N.Y., is among developers targeting the high-end empty-nester market, figuring that boomers, who may have invented the concept of "upgrade," won't be in the market for a dowdy condo with plastic-plant decor.

"These are people who've been very successful, and they want to downsize from the large family house but want to upgrade in every other way," says Mr. Gissen. Thus, single-family homes at Kensington Woods, GDC's highest-end development in New Rochelle, N.Y., which opened last year, are sprawling, three-bedroom luxury homes priced from \$1.3 million to \$1.5 million. "At first we were just going to leave space for elevators -- two closets on top of each other. But in the end, they all wanted the elevators, so we built them all with elevators," says Mr. Gissen.

Other developments are attracting the smaller but growing percentage of empty-nesters who want to live in downtown areas, like Manhattan, Chicago, Los Angeles and Hartford, Conn.

"The amenities here are everything outside the front door," says Jeff Lee, president of The Lee Group, an urban residential-real-estate company in Los Angeles.

The company opened the Flower Street Lofts last year directly across the street from the Staples Center Stadium in Los Angeles and a few blocks of thundering four-lane traffic away from The Civic Center, Walt Disney Concert Hall and the Museum of Contemporary Art. Mr. Lee expected about 8% to 10% of its residents to be empty-nesters but to his surprise found the percentage in the range of 10% to 15%. "They're over 62, but they're not necessarily retired. They're making lifestyle changes, and they want to be downtown where the action is," says Mr. Lee.

A Hard Sell

Sandi Lutz and her husband Dale moved into downtown Hartford, Conn., at the ages of 55 and 58, respectively, to be closer to new career opportunities as well as cultural amenities they now have the time to appreciate. "We had always lived in a home, in areas where the kids could go to good schools. But we've seen how our kids live in Boston, and we always said we would retire in a city so we could really soak up the culture," says Mrs. Lutz, who raised her children in Weston, Conn., and outside of Rochester, N.Y.

When her husband left his banking job at JP Morgan Chase & Co. in Rochester, the couple house-hunted in Boston, but found it too expensive. Instead, they moved into a three-bedroom townhouse on the grounds of The Goodwin Estate, a former historic mansion in the West End section of Hartford, which GDC is developing into a townhouse community targeted mostly to empty-nesters. Mrs. Lutz, a former television producer, will work part-time at a local station; her husband hopes to teach business courses at a local college.

But even with amenities, Realtors say it will take more education on the part of the builders to change homebuyers' attitudes about age-targeted communities.

Steve Goddard, relocation director for Re/Max All Cities Realties in Manhattan Beach, Calif., says that developments that are age-targeted is a hard sell for people who aren't already looking for that kind of community. "No one ever likes to think they're old enough for places that have age associations," he says.

-- *Ms. Lisle is a free-lance writer in Los Angeles.*