

Special: Feature

The Real Estate Professional: Meeting The Needs Of The Senior Buyer

BY MARC GOULD

As a real estate broker or agent, when you have a senior client, his/her needs require different approaches and skill sets. And, their needs may be further broken down by age: the 50-64 group and the 65+ category. The findings in a recent survey may debunk many long-held beliefs about this market niche.

By any measure, Americans today are living longer, healthier, more active lives, and the way they manage their financial and lifestyle decisions after age 50 reflects the tremendous change in the way our culture defines aging.

One place this change is having a dramatic impact is in the real estate office, where agents and brokers are finding that they need to apply different approaches and skill sets when serving the unique ex-

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pectations and needs of the fast-growing over-50 market.

Just how vast is this senior market?

◆ Every seven seconds another American turns 50, according to AARP.

◆ By 2012, 40% of the U.S. population will be age 55 or older, the National Association of Home Builders (NAHB) reports. By 2014, when the last of the Baby Boomers turns 50, NAHB predicts there will be 85 million Americans age 55 and over.

◆ Eighty-one percent of persons age 65 or older own their homes, according to the U.S. Census Bureau.

BOOMERS VS. SENIOR CITIZENS: DIFFERENT ERAS, DIFFERENT MOTIVATIONS

When working with seniors, it's important to understand that those in the 50-64 age group have dramatically different needs than those in the 65+ category.

The Baby Boom generation consists of more than 75.4 million Americans born between 1946 and 1964. Lifestyle decisions are behind their most recent, or upcoming, real estate purchase and many

will move one or more times before settling on a final retirement destination.

Their parents, who were born in the post-World War I and Depression periods, are facing many decisions about how and where to spend their final years. For this group, housing that is affordable allows them to remain independent, and is close to community services and family is at the top of the list.

In 2006, the SRES® Council conducted its latest survey of homebuyers titled "Moving Forward: 50 & Beyond." When I completed reading this fascinating and comprehensive report, I found myself focusing on two notions. The first is the falsehood of many long-held beliefs about needs and desires of senior homebuyers (my favorite being the notion that most seniors retire to a warm climate away from their families and that large numbers are buying homes in "active adult communities"). The second is that this market is really many "micro-segments."

SURVEY FINDINGS

Among the survey's key findings:

◆ Half of older seniors surveyed purchased a home within 12 miles of their former neighborhood and 25% relocated within 25 miles. Older seniors moved closer to high-quality community services (81%) and activities (31%) and selected more affordable housing (23%).

◆ Unlike their parents, the younger se-

niors surveyed were seeking a better neighborhood (41%), a shorter commute (26%), a second or vacation home (20%) or a larger home (18%).

◆ Ninety-five percent of older buyers said price was their number one consideration, and 57% reported that home size also was a factor. Younger buyers (age 50-64) were driven by the quality of the neighborhood (77%) and commute time (40%). These factors have helped drive greater numbers of senior buyers of all ages to the suburbs, the survey results indicated.

◆ Only 16% of recent 65+ seniors and 5% of younger seniors bought homes in active adult communities.

◆ Regardless of their age, senior buyers want an agent who is knowledgeable about the market area and quickly responds to inquiries.

◆ Of those senior buyers who used the Internet during the buying process, 94% of senior buyers did so to research comparable prices and 42% turned to the Internet to find an agent.

SERVING THE DIVERSE SENIOR MARKET

What are the keys to attracting and serving the unique needs of senior clients? Well, the skills acquired by any successful real estate professional are a required foundation—the rest is nuance and an understanding of this unique group.

Use technology.

Almost two-thirds of recent senior homebuyers used the Internet during their purchase process. Individual agent websites were among the most-frequented online destinations. Kathy Sperl-Bell, ABR, CRS, SRES of RE/MAX Realty Group in Lewes, Delaware, employs two websites that feature information of specific interest to senior buyers — including an e-newsletter titled “Boomers & Beyond.” Today, 90% of her business is with senior clients.

Check your stereotypes about seniors at the door.

“Many of them don’t even view themselves as seniors,” notes Wendy Furth, SRES, an agent with RE/MAX Olson & Associates in Northridge. Furth primarily serves older seniors who bought their homes in the 1950s, ’60s and ’70s and are making what often is their final home pur-

chase. “Most of them lead very vibrant and active lives,” she says.

Build trust by investing time.

Dr. H. Nathan Booth, long-time advisor to the Council and SRES® designee advises, “When you enter the home on the first visit, be prepared to spend at least two hours.”

“I really try to slow people down,” adds Sperl-Bell. “This is a big decision. They need to make sure it’s a good fit, particularly if they are considering buying in an active adult community. They need to know all the options and want to know that you can provide the level of service they expect.”

Listen.

Most seniors appreciate the chance to discuss their needs and concerns with a trusted advisor — provided that individual takes the time to listen.

Explain.

“It’s a little like working with first-time buyers: You have to make sure they understand every step, because it may have been a long time since they have done a transaction and a lot of things have changed,” says Furth. Many will not be familiar with changes in the treatment of capital gains, for example. “They’re also not used to forms that run 18 pages or all the inspections that are commonly required today. You need to be right by their side the whole time.”

Ask questions.

Many younger senior couples haven’t yet had discussions about their retirement and housing goals, says Sperl-Bell. Asking questions elicits important information and exposes any differences of opinion. For instance, she asks her buyers whether their current purchase is intended to be an interim relocation or a final destination. Their answer helps determine whether she needs to suggest homes with Universal Design features, such as wider doorways to accommodate wheelchairs or other special retrofits that younger senior buyers may not otherwise consider.

Engage other decision-makers.

Determine if clients want their adult children involved in the process and whether these individuals will be a help or a hindrance, advises Booth. But, always keep in the forefront of your mind where

your fiduciary responsibility lies.

Acknowledge emotions.

Moving from a cherished family home is traumatic for many. “Remember that when someone puts away the plaster cast of their grandchild’s hand, they are packing up their life and they may never unpack it at the other end,” Furth says.

Become an information clearinghouse.

Build an extensive network of accountants, tax advisors, estate planners, attorneys, insurance and moving companies and other vendors who understand and cater to seniors. “You’ve got to be a clearinghouse, and you have to know where to go for answers to questions that are beyond the scope of your expertise as an agent,” says Booth.

Become an advocate.

Monitor and become an advocate for local, state and federal legal and regulatory developments that apply to seniors or may affect them.

Be culturally sensitive.

Know the demographics of your market and understand how cultural and religious attitudes and practices impact senior housing decisions, keeping in mind, however, applicable Fair Housing laws.

SRES® HELPS YOU GROW YOUR BUSINESS

As the number of seniors grows, so too will the demands placed on real estate professionals to deliver specialized service to this market. That’s why the SRES® is such a valuable designation and business asset. Additionally, the children of these satisfied clients often become future clients.

“To really serve your clients well today, I believe you have to have a business focus and become a true resource,” says Sperl-Bell, who became a REALTOR® only five years ago after moving to Delaware following a career in high-tech. “Through the benefits and training that come with my SRES® designation, there’s a way to become a really valuable resource to my community.”

And, that is the true value we provide to our clients. ■

– Marc Gould