

Better places to retire?

New options vie with old favorites for your housing dollars

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Will baby boomers reinvent retirement or will they settle into a retirement not all that different from other recent generations? It could be a while before we know the answer, but one trend is clear: Marketers of everything from prescription drugs to mutual funds are scrambling to get a piece of the enormous buying power of this 78-million-member generation. Housing developers may be scrambling hardest.

The housing industry is luring buyers by creating communities that emphasize a more active retirement, something that they believe boomers want. Housing developments geared or restricted to the 55-and-up crowd are beginning to offer more outdoor activities and a lifestyle that's part cruise ship, part health club, says David Schless, president of the American Seniors Housing Association, a trade group for companies that finance, build, and operate senior communities. Developers are scrapping shuffleboard courts in favor of hiking trails, kayaking docks, and Harley-Davidson clubs.

"Boomers tell us retirement isn't about stopping anything, it's about starting something new," says Caryn Klebbe, corporate communication manager for the Del Webb brand of Pulte Homes, a major developer of active adult communities. In addition to providing a new assortment of action-packed amenities, these communities are sprouting up in areas of the country not traditionally thought of as retirement havens.

To make the most of this new retirement era, Stan Hinden, author of "How to Retire Happy" (McGraw-Hill, 2006), has two words of advice: Plan ahead. Finding the right spot for your retirement means investigating the choices and locales that will fit your lifestyle best. To give you a hand, here's a rundown of the latest trends.

CONSIDER YOUR OWN BACKYARD

Clichés to the contrary, most retirees choose to stay put instead of moving to sunnier places. According to a 2006 report by AARP, 9 in 10 Americans ages 60 and over said they preferred to stay in the same house or county. Indeed, currently less than 10 percent of the people over age 60 move, says demographer William Frey of the Brookings Institution, a nonprofit policy-research group. Of those who do, about half remain in the same county.

As a result, over the next several years Florida may get more competition for the title of "most retired to" state. "Florida is the major destination state for interstate migrants 60 and over, but its attraction is declining," says Charles Longino, a demographer of aging at Wake Forest University. "In 2000, it received 19 percent of all older migrants, down from 26 percent in 1980." Only two Florida cities, Jacksonville and Orlando, made the list of the 20 cities with the fastest-growing populations over 55 between 2000 and 2005.

The fastest-growing areas for folks age 65 and over are now in the West and Southwest, including Albuquerque, N.M., Colorado Springs, Phoenix, Las Vegas, and Austin, Dallas, and El Paso, Texas. In the South, the most popular cities are Atlanta and Raleigh, N.C.

Not surprisingly, developers of retirement housing have followed the migration. "Retirement communities that focus on leisure lifestyles still tend to dominate in the Sun Belt, although they are cropping up near northern cities for people who do not wish to move so far away," says Longino.

BACK TO SCHOOL

The hottest trend for senior settlements right now is college towns. Retirement communities associated with colleges and universities have sprung up in about 60 towns nationwide, connected to such schools as Cornell, Duke, Notre Dame, Penn State, and Stanford. These settings offer active retirees lots of attractive amenities, including free or reduced-price classes, cultural activities, and sporting events, as well as jobs, a youthful vibe, excellent teaching hospitals, low crime rates, and good restaurants.

The campus connection benefits both the schools and retirees. "Schools that face a dwindling population of traditional students can gain a loyal group of seniors who will help build the school's endowment," Schless says. "Seniors have access to lifelong learning, intergenerational living, and top-notch medical care."

The types of housing vary widely. Some are condo or apartment developments designed for independent living. Others are continuing-care communities--large complexes with apartments, assisted-living facilities, and nursing homes. Such communities let people move easily from one level of care to the next as needs change.

Residents of the Village at Penn State, for example, can take exercise classes, including Pilates, Tai Chi, and water aerobics, taught each day by Penn State phys-ed instructors or interns in the Village's wellness center. Students from Penn State's music department perform monthly recitals. The 250 Village residents may also take free classes at the university and get reduced rates on golf, tennis, and lessons from Penn State athletes. And they get priority access to Penn State football and basketball tickets as well.

Galloway Ridge at Ferrington, in Pittsboro, N.C., is a continuing-care retirement community connected to Duke University Health Systems. Its residents can use the 20,000-square-foot Duke Center for Living and Fitness, which boasts an indoor pool, indoor track, the latest exercise equipment, and a staff of exercise physiologists who teach a wide variety of exercise classes. A Duke physician is on hand two days a week, and residents can take courses at Duke or at three other colleges within an 18-mile radius.

About 300 more communities across the country have less official but still rich connections to the colleges and universities in their area. For

example, Westminster Village in West Lafayette, Ind., is two miles from Purdue University. Although it's not officially affiliated with Purdue, it has close ties to the school. Many of the residents are alumni or former employees of the university and make frequent trips to campus to attend athletic and cultural events.

The price of an apartment in a campus retirement complex can be steep. Entrance fees range from \$100,000 to \$750,000 and up. In addition, most charge monthly fees of \$1,000 to \$4,000 or more, which typically cover meals, housecleaning, activities like lectures and recitals, and medical care.

Retirees, however, can move into college towns more cheaply if they buy their own homes. Although a private home won't offer all the amenities or the convenience of a campus retirement complex, homeowners still have access to many cultural activities and other attractions, perhaps with senior discounts.

Coldwell Banker's 2006 College Home Price Comparison Index found that more than one-third of the housing markets with major universities offered 2,200-square-foot homes priced at or below the national median for an existing home. Tulsa, Okla., was the most affordable college town in the survey, with houses that averaged \$148,575.

CITIES OFFER CULTURE AND JOBS

More retirees are also living in large metropolitan areas where they enjoy the same kind of robust, culturally rich environments found in university towns.

"Future retirees will continue to stay near the cities that they moved to in their 40s and 50s, while they were still working," says Frey. "They can continue to enjoy museums and theater, and at the same time stay connected to their networks of family, friends, and business contacts." And of course, there may be a college or two located in or near the city.

With one of the nation's fastest-growing population of folks 55 and older, Raleigh, N.C., is home to the North Carolina Symphony, an art museum that was one of only three in the country able to snag last year's "Monet in Normandy" blockbuster exhibit, and the Research Triangle Park, the world's largest research campus, with more than 130 high-tech companies in such fields as biotechnology, pharmaceuticals, and information technology.

Retirees with children who work in the Research Triangle can be near the grandkids, and the concentration of employers means job opportunities for residents who wish to work--and many of them do.

A survey of nearly 2,000 baby boomers conducted by Harris Interactive for the National Association of Realtors released last October found that one-third of the respondents said they planned to alternate between work and leisure activities after they retired, and another 35 percent said that they wanted to work at least part time or start a business.