

# The SRES<sup>®</sup> PROFESSIONAL

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NOTE: Social distancing necessitates altering your real estate business activities, especially when working with clients who are particularly vulnerable to COVID-19.

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# Professional Development 10 Minutes at a Time

## Build Your Skills with Microcourses

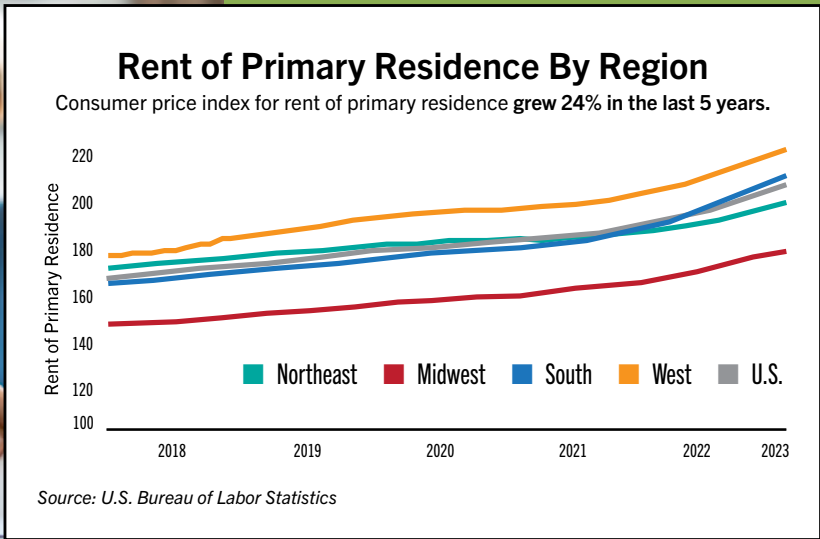
Want to grow your career and learn new skills, but don't know where to begin? The Center for REALTOR® Development offers cost-effective, quick, and easy online learning to build your skills in consumable, ten-minute lessons. The Center for REALTOR® Development has curated a robust library of microcourses taught by top real estate instructors. In short increments of time, you can learn what you need, when you need it.

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- **Best Apps & Tools for Real Estate Safety with Craig Grant**
- **Educating Clients Through Stories with Brian Woods**
- **Temperament & Behavior of Today's Generations with Rich Hart**

> Browse through our library of microcourses at [learning.realtor](https://learning.realtor).




# The Current Market, and What it Means for SRES® Clients

The housing market has undergone a rapid and significant transformation, marked by fluctuations in home prices and mortgage rates happening faster than usually expected. Additionally, the emergence of remote work has caused many individuals to relocate to new cities, resulting in far-reaching impacts on various aspects of life, including workplace cultures, the cost of living, and housing affordability. As a result, the cost to buy or rent a home has increased nationwide, making affordable housing difficult and real estate much more expensive. With economic difficulties recently, transactions have been low for many real estate professionals.

However, NAR indicates a glimmer of hope as we look forward to the rest of 2023. Mortgage rates are expected to decrease and stabilize around below 6% in the second half of the year, while home prices will hold steady in most parts of the country with a minor change in the national median home price. Home sales are expected to decline by approximately 11.1% from 2022 figures, and the ongoing labor shortage is likely to result in fewer new builds. While some may worry that a decline in sales will lead to a real estate market crash or decline, real estate economists are

quelling those concerns saying the lack of inventory means a crash is unlikely.

Overall, the housing market is expected to stabilize, with some fluctuations in specific areas. These trends are nationwide, affecting everyone, including real estate professionals like yourself. Home affordability remains a primary issue, as home prices, mortgage rates, and rent costs have all increased since early 2020, while incomes have not kept pace. As a result, Americans are spending a significant portion of their monthly income on housing.

As an SRES® designee, it is critical to understand how these changes impact those in the 55+ community. For some, the increase in the cost of living, particularly as it relates to housing, will affect when and how they will retire. This edition of the SRES® Professional examines home affordability and the challenges and benefits that the current market poses for boomers and seniors. In it, you will gain insight into the future of senior housing, how boomers and seniors will finance their retirement, and how to consider price-point and lifestyle features when choosing where to live. 

Source: [nar.realtor/events/nar-real-estate-forecast-summit](https://www.nar.realtor/events/nar-real-estate-forecast-summit).



# A New Generation, A New Approach

## Lessons Learned from Senior Living Leaders

As the Baby Boomer Generation enters retirement, understanding their unique priorities, expectations, and demands is crucial for success as a Seniors Real Estate Specialist®. By recognizing and catering to these factors, you can better connect with, assist, and attract clients from this dynamic group.

The senior living industry (which consists of independent living, assisted living, and nursing care communities) is transforming to meet the demands of aging boomers, with a focus on affordability and the client experience in addition to care standards. Leaders in the industry are discussing how to improve overall wellness by prioritizing affordability, lifestyle, and empowerment, and top companies are implementing these priorities to stay ahead.

Although these efforts will help bolster the senior living industry, most people will never reside in one of these facilities. If trends continue, the vast majority of seniors will live independently and age in place. According to *The Association of Community Living*, only 37% of seniors will ever reside in a senior care facility, as most who need support opt to live at home or with family members. Still, there are important lessons SRES® designees can apply from the shift happening in the senior living industry. Affordability, lifestyle options, and autonomy are top concerns for the Baby Boomer Generation, and understanding how they impact your clients is a smart move. Read on for insights into why these are prime concerns for seniors and how they affect their housing options.

Senior communities are using research-based solutions to create environments that are more senior-friendly, with client happiness and wellness being paramount. Luc Maurice, President and founder of a group of senior living communities in Canada, expressed that socialization and price-point are essential to meeting his goal—maximizing happiness for his clients. Similarly, Sunrise Senior Living who has over 270 senior living locations throughout North America is curating lifestyle options for residents. Their goal is to replicate life outside of the facility by offering various activities to match a wide-range of interests including hiking trips, sports, concerts, and community outreach experiences. All of these efforts are made to promote wellness and appeal to aging baby boomers.

# 1 Function and affordability matter:

Similar to their predecessors, baby boomers value affordability and functionality when selecting housing. With the cost of housing on the rise, when, how, and where boomers choose to retire may shift. Some have abandoned an urban lifestyle in favor of quiet, more affordable housing in rural areas—a trend that will likely continue. With rent rates on the rise, others will consider renting out their primary residence while they live with family, travel, or make a smaller unit their new home. Boomers are more likely to consider creative ways to make housing more affordable, and many will need to change their plans.


# 2 Lifestyle is paramount:

Many boomers watched their parents live longer than expected, thanks to medical advancements and elder care options; many watched them live years beyond autonomy and activity. As a result, the Baby Boomer Generation prioritizes thriving over surviving. Lifestyle factors are important to them, and they are intentional about planning their lives around fulfilling experiences and relationships. When asked what they envision for their retirement years, many plan to remain active: beginning a new job, starting a business, continuing their education, traveling, and spending time outdoors. And no matter where they choose to live and what limitations they may face in the future, lifestyle and experience are top priorities.

# 3 They want it their way:

Known to be goal-centric, self-assured, and creative, baby boomers are less traditional than previous generations, and want imaginative solutions. According to *Psychology Today*, boomers value community and socialization more than their elders and are likely to want housing solutions that allow for interaction with other people. Industry experts understand this, and are building senior communities that meet these demands. From facilities organized like communes to high-rise buildings with apartments and restaurants that simulate urban living, creativity and socialization are getting prioritized. There is a demand for housing experts who think of out-of-the-box ways to meet a client's wants. Impress your clients by listening to their aspirations, and then offering imaginative ideas on how they can meet their goals.

To find a suitable housing option for your clients, it's essential to understand their budgetary, lifestyle, and aspirational needs for the next phase of their lives. Honor their independence and creativity by asking them about their vision and priorities for retirement, allowing them to take the lead in the conversation. Baby boomers are used to being in charge, and by seeking to understand their goals, you can provide tailored recommendations that align with their unique needs and desires. This will also give you valuable insights into what's most important to them and direct them towards properties that will enable them to achieve their retirement vision.

Taking the time to understand your clients' retirement priorities will not only help you find the right housing option but also build trust and a strong working relationship with them. By empowering your clients to make informed decisions that align with their goals, you can help them transition into the next phase of their lives with confidence and ease. 

#### Sources:

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National Information Center: Senior Housing News. (2018, July 16). Senior Living Providers Discuss Changing Demographics and More at NIC Conference. Senior Housing News

Administration for Community Aging: <https://acl.gov/lrc/basic-needs/how-much-care-will-you-need>

Haven Senior Investments: <https://havenseniorenvestments.com/blog-post/2021-assisted-living-statistics/#:~:text=National%20senior%20living%20statistics,seniors%20live%20in%20nursing%20homes>

Psychology Today: <https://www.psychologytoday.com/us/blog/boomers-30/202110/the-10-core-values-baby-boomers?amp>





# How To Make Your Retirement Savings Last

Are you financially ready for retirement? Here are some ways that people over 50 are choosing to stretch their resources and find more economic security:

## Utilize Retirement Catch-Up Programs:

The IRS offers an opportunity for individuals who are 50 years or older to increase their yearly retirement contributions through catch-up contributions. This provision allows people who may be underprepared for retirement or those who want to further bolster their already-healthy retirement savings to invest more each year as they approach retirement age. The specific catch-up contribution limits vary depending on the retirement plan and the year, but you can get more information about these contributions by consulting with a financial planner or reaching out to the IRS.

More information can be found on the IRS website's "Retirement Topics" section titled Catch-Up Contributions: [bit.ly/retirement-topic](https://www.irs.gov/retirement-topics)

**Wait on Social Security:** Signing up for social security benefits as soon as you are eligible for benefits seems appealing, however, there are pros

to delaying. Those who opt to receive benefits starting at 62 received a reduced amount, while those who hold off receive approximately 8% more year after year. Those who choose to delay until they are 70 to claim their benefit end up with about 132% of the regular benefit amount, meaning they will experience less financial pressure as they age. If you are able to work longer and forgo benefits in your 60s, holding off can allow you more financial freedom in your 70s, 80s, and beyond.

**Stay in the Workforce:** As people approach retirement age, some are opting to stay in the workforce longer. If you are looking to make your savings stretch, continuing in your current career, transitioning to a different company, or exploring a new industry is an option. Depending on your ability, staying in the workforce can alleviate financial strains and, in some cases, enhance your well-being. Working part-time or in a role that is less stressful and more enjoyable can make the prospect of

work more appealing. Beyond the financial benefits, staying employed can also provide social and emotional advantages.

## Research Social Programs for Seniors:

There are many federal and local programs that support seniors. Most communities have numerous resources that can help. Connect with local nonprofit organizations and senior-focused groups in your area to learn about the programs and services that are available to you. Visit your local senior center for help, or reach out to one of these nationwide organizations to learn more about the assistance you qualify to receive:

### NATIONAL COUNCIL ON AGING:

[bit.ly/security-for-seniors](https://www.nationalcouncilonaging.org/)

Phone: (571) 527-3900

### THE UNITED WAY

<https://www.211.org/>

Phone: 211

Count on an SRES® to guide you through the process of buying or selling your home, making the transaction less stressful and more successful.

The Seniors Real Estate Specialist® (SRES®) designation is awarded by the SRES® Council, a subsidiary of the National Association of REALTORS® (NAR).

To learn more about SRES® and access various consumer resources, please visit [seniorsresource.realtor](https://seniorsresource.realtor.com).





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