

GOOD LIVING: FINANCIAL PLANNING FOR THE HEALTHY, WEALTHY AND WISE.

# Retirement housing redefined

Will boomer retirees be able to afford what they want?

## Job one – retire mortgage-free

One of the key goals of retirement planning, says Chris Eynon, a financial advisor with Rogers Group Financial, is to retire mortgage-free. "That asset is then there to provide them with shelter for the rest of their lives, be it in the principle residence or by selling the principle residence to create an income to pay for a different type of shelter, such as independent retirement facility or assisted living."

For clients who don't own their principle residence, long-term care insurance may be useful as an alternative. "But if my clients already own their home, it will effectively be their long-term care insurance."

For this reason, reverse mortgages can be problematic. "A lot of clients don't really understand the impact it'll have on their estate or on future financial decisions. It may increase their ease of living now, but it can seriously impact them when they need to transition out of the home."



PHOTO: KA-KEI LAW

Vancouver-based financial advisor Chris Eynon says while most retirees assume they'll get money out of their current home through downsizing, the trick is they might also end up paying a premium to live closer to the city or in an upscale adult-oriented community, leaving little or no residual capital. While this sobering prospect is prompting many retirees to carefully consider their housing options, Mr. Eynon says it pays to be mortgage-free by the time you reach retirement. "That asset is then there to provide them with shelter for the rest of their lives, be it in the principle residence or by selling the principle residence to create an income to pay for a different type of shelter, such as independent retirement facility or assisted living."

Boomers have repeatedly redefined culture since the '60s and are now redefining the term 'retirement home.'

In a recent study conduct-

ed by Ipsos for RBC, 60 per cent of baby boomer respondents said in retirement they preferred to stay exactly where they are – in their current home and neighbourhood.

Conversely, that means about 40 per cent of boomers will potentially be on the move. Further, 89 per cent said they preferred a home that was close to nature and within

walking distance of retail.

In higher-priced markets such as Vancouver, boomers are finding that the good life is available – but may come at a steeper cost than anticipated. "One of the trends I've seen," says Chris Eynon, financial advisor with Rogers Group Financial in Vancouver, "is people scaling down in size but not value. They usually anticipate that they'll get money out of their home (through downsizing), but it is often much less than expected. There are a lot of people who move from a detached home to a condo, who want to be closer to the city centre, where the action is, and where condos cost as much as detached homes further out."

Another trend Mr. Eynon has witnessed in Vancouver's real estate market is family co-housing – seniors or boomers who move into suites in their children's home in order to reduce their cost of living. "Sometimes the motivation is achieving their own goals. Sometimes it is so their children can achieve their goals of owning a house. Parents are considered better tenants than strangers. I've seen it occur with both couples and widows."

Boomers with an eye on retirement living might also consider another option – renting. Mr. Eynon says, "Ownership comes with all the maintenance costs, replacing the roof and appliances over time, and property tax. Particularly if they're moving into a neighbourhood they're unsure of, I encourage my clients to look seriously at renting. You have a fixed amount to pay and greater flexibility. When you're ready to move on to an assisted living facility, you don't

have the complications of selling your home."

The sale of the primary residence can be invested to fund rental payments, he says. "Most people like the security of owning, but I think renting certainly bears looking into at that point in your life."

Ronaye Matthew has found both a home and a career in another option that is proving popular with boomers – community co-housing. A resident of environmental-award-winning Cranberry Commons in Burnaby (a suburb of Vancouver) Ms. Matthew is a co-housing development consultant currently at work on Belterra, a co-housing project in development on nearby Bowen Island.

The owners of the Bowen Island property, Stephanie Legg and Roger McGillivray, have held it for over 20 years. "They live in a lovely single family home on Bowen, but they've gotten to the point where they're tired of the maintenance and want to create an opportunity to connect with people in a closer kind of community environment," says Ms. Matthew.

Co-housing can sound a lot like condo living, but the differences are quite profound, beginning with an intention to create community. In strata housing, she says, there are challenges for new owners around privacy and shared ownership. "When I worked in conventional development, we used to call the people who were moving into condos for the first time 'condo-maniacs.'

"It doesn't happen the same way in co-housing. It's an interesting paradox – you think you'll have less privacy when you know your neighbours, but in fact there ends up being a high level of respect for privacy and a sense of knowing what works and doesn't work. There are far less of the anxieties that come up in condos where people are forced to live in close contact with people they don't know."

While many co-housing developments are family-centred, co-housing with a focus on the needs of seniors is a growing trend. "I would say a large percentage of boomers are looking for an environment that is going to support them in the aging process – people with common values and common ideas can get together and pay for extended care while maintaining control of their environment," says Ms. Matthew.

The aim, she says, is "to create beautiful, compact, accessible and connected communities that are environmentally sustainable and within walking distance of amenities. It's an opportunity to live a less expensive, simpler lifestyle with the potential for connection and support among neighbours." ■

# Stop the market rollercoaster. I want off.

Had enough of the market's sudden drops and hairpin turns? Get growth potential and guarantees on your capital. To learn more, visit [standardlife.ca/ideal/en](http://standardlife.ca/ideal/en) or talk to your advisor about Standard Life's **Ideal Segregated Funds**.

**For the financial realities of life.**

Retirement

Investments

Insurance

## Co-housing option opens a new door

Remember communal living from the '60s? Today, boomers are leading a trend towards "co-housing" – private communities premised on shared common areas and amenities and neighbourly philosophies.

Vancouver-based co-housing development consultant Ronaye Matthew says in the 22-unit community she lives in, there are 3,600 square feet of common amenities. "There's a grand piano, as our community has a lot of musicians and we often have musical events. Although each home has its own complete kitchen, there's a large common kitchen used for preparing shared meals a few times a week for those who wish to participate, and for member events such as weddings, birthdays and anniversaries. When babies are born, the community takes over cooking for the family for the first month, so the common house ends up being a place to store food."

There is a lounge area, children's play area, an office with a computer, a meeting room where people with home businesses can meet clients, and a guest suite. "It's the heart of the community – one of the things that helps to bond people," says Ms. Matthew.

For more information on co-housing, visit [cohousing.ca](http://cohousing.ca).