

Some boomers are not moving after their children leave home for good

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Susan and Louis Solomon's youngest child left home for good two years ago.

They have lived in their Margate home for 40 years. They will be married for 45 years in May and, at 65 and 66, are at the older end of the baby boomer spectrum.

Just because they have the ability to downsize to a smaller home does not mean they will do it.

America is aging. As people age, they tend to move around less. This trend spans all age groups, including boomers, the generation born between 1946 and 1964, said Paul Bishop, vice president of research for the National Association of Realtors.

Some real estate experts believe the baby boomer generation is not selling the homes their children grew up in as quickly as previous generations. This delay is keeping some potentially desirable homes off the market longer and could be contributing to higher house prices.

There is also the possibility that boomers may just be more nostalgic than previous generations.

"Susan and I have been in real estate for quite a while now, and what I have seen is, regardless of what someone gets for their home, seller's remorse," Louis Solomon said. "The memories, it's hard to let go. You look at a wall. You look at a painting. You look at something, and it brings back so many years of fun, love and warmth, and it's just tough to get rid of."

The country has not built enough smaller homes for older people without children to live in, which increases the incentive for boomers to stay put, Bishop said.

Besides these factors, there were many homeowners who, if they were not underwater with their residences, lost equity due to the housing-market collapse and the 2007-09 recession, which also may have kept some boomers in their homes, Bishop said.

This may no longer be a significant issue, he said.

The housing market is balanced if there is a six-month supply of houses available for everyone to buy a home, Bishop said.

"Since 2015, there has been a four-month supply available," Bishop said. "Sellers have more of an advantage in the market."

If Dee Landgraf, 71, wanted to put her three-bedroom, three-full-bath, two-story house that sits on 30 acres of land in Egg Harbor Township for up sale, she would likely find buyers for it, especially parents who wanted to expose their children to suburban and rural living.

Landgraf has been living in the house she designed and built with her late husband for 43 years and has been an empty nester for 10 years.

"It's my little oasis in the middle of a nasty world. I love the woods. I love the animals. I'm a bird watcher. I much prefer this to urban living," said Landgraf, who owns a loud parrot, which was given to her as a gift.

Landgraf's mother, who is still alive, lived in the house Landgraf grew up in in Hanover Township, Morris County, until she was 90. She is now 96.

"An apartment or a condo does not appeal to me in the least because it would be like culture shock for me coming from this to that. A smaller house — I think about it every time I rake the leaves, every time I shovel the snow, every time I have to get up and wash my windows on the second floor," Landgraf said. "That's when I think about it, thinking, 'I'm getting too old for this.'"

For Landgraf, the ideal situation would be to have her younger son, Zak Landgraf, 37, move into her house with two of her five grandchildren, and for her to have a granny house built on the property with a small living room/kitchen, a bathroom and a bedroom.

There is a shortage of one-story, new-construction retirement homes for those 55 and older, said Carlo Losco, president of Balsley Losco Realty in Northfield.

In most of the country, the recessionary cycle started to end in late 2014 and 2015, but because of the Atlantic City casino closings and foreclosures, South Jersey home values didn't start coming up until 2017, Losco said.

Two new issues have come up that will keep empty-nest boomers in their homes longer, Losco said.

First, interest rates have moved up 1.5 percentage points.

Second, the tax reform legislation of this year instituted a new \$10,000 cap on state and local tax deductions (SALT), which means homeowners in states with higher property taxes and higher home values, such as New Jersey, would be impacted the most.

On the positive side, the reopening of two casinos in Atlantic City, and 15,000 new jobs for people in relatively small Atlantic County, have been helpful for the local economy and creating more demand in the housing market and raising home values.

The question for the boomers who do want to sell their homes and downsize is how long will the recovery sustain itself locally, Losco said.

Will the supply and demand for housing overshadow the higher interest rates and the considerable tax considerations?

"I think we will sustain our recovery," Losco said.