Housing Turnover by Older Homeowners:
Implications for Home Improvement Spending as Baby Boomers Age into Retirement

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Research Overview

- Over the coming decades boomers are expected to release a very large amount of housing onto the market.

- What kind of housing will be turned over in terms of the age and condition of the housing? Who will buy this housing?

- How much remodeling and repair activity will take place before and after the sale?

- We looked at the recent experience of older homeowners so as to anticipate the impact boomers will have on turnover and remodeling trends.
A Large Share of Sellers are Over Age 55

Distribution of sellers by age, 1995-2005

- Under 25: 3%
- 25-34: 23%
- 35-44: 25%
- 45-54: 18%
- 55-64: 13%
- 65-74: 9%
- 75+: 10%

Older Sellers Have Lived in their Home for Many Years

Share of sellers by age and years in home for sales from 1997-2007

Older Sellers Sell Older Housing

Share of purchases by year home was built

Age of Seller


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Older Owners Spend Less on Home Improvements


Majority of Housing Turned Over Goes to Younger Buyers

Share of sales of older sellers (age 55+) by age of buyer, 1997-2007

Younger Buyers Purchase Lower-Valued Homes from Older Sellers

Median buyer-reported value of homes purchased (Thousands of 2007$), all sales 1997-2007

Recent Buyers Spend Considerably More on Home Improvements Than Recent Sellers


Buyers Focus Remodeling Dollars on Discretionary Projects

Share of average remodeling spending across all owners, 1996-2007

Notes: Other Interior includes other room additions and alterations; flooring, paneling and ceiling; insulation and other major interior projects. Exterior & Systems includes roofing, siding, windows/doors, deck/porch, attached garage/carport, plumbing, electrical, HVAC and major appliances. Other Property includes driveways, walkways, fencing, detached patio, deck, garage or shed, and recreational structures.
What Can We Expect As Baby Boomers Age Into Retirement?

- Boomers will likely mirror the recent experience of older owners and turn over a large amount of older homes in need of upgrades to younger buyers.

- Yet boomers have already made different housing choices (more likely to live in newer homes and in suburban locations).

- Declining mobility in recent years also suggests more baby boomers may choose to age in place, implying significant upgrading to accommodate their changing needs.