

When a Market Cools, Active Adults Take Pause



With disposable incomes and wide-ranging motivations to buy real estate, the 50+ segment is certainly a strong market to build for; but it's the group's savvy and experience that makes it the hardest segment to lure when the housing market puts on its breaks.

With a cooling market comes a psychology of fear market-wide: consumers who withhold their buying decisions, and wait to see what happens to home prices before buying at what they believe to be the peak of the market – a sentiment that active adults are all too familiar with. Because 50+ buyers have the hindsight from having been through downturns before, they have even more reason to sit still until the market takes a turn for the better. So what should you do to capture these buyers, who have the money to spend but aren't convinced the time is right? Build a great place.

Active adults are as diverse as they are fragmented, and they will buy anything, anywhere, if it is appealing enough. Whether it's a car, a home or a computer, as long as the product has a certain charm and functionality that sees its way into the minds of boomers, then making a purchase isn't out of the question. That the real estate market isn't perfect becomes incidental.

Housing professionals, and particularly those that target the 50+ segment, have to put on a new hat – one that steps away from the conventional and embraces the functional and creative. A product that evokes a perception of being different, better and cooler can help in breaking the static cycle. Of course, the icebreaker will be a confluence of factors (as price can always be a motivator), but product design and placemaking will certainly be at the top of the list.

You'll also need to understand your buyer in the context of the target geographical area. With proclivities that run the gamut, the 50+ buyer is hard to pigeonhole; there isn't a cookie-cutter profile of what today's active adult likes to do or buy. So with these disparate tastes and lifestyles in mind, consider the psychographic profile and cultural influences in the market in which you're looking to build. Are incomes lower, higher or somewhere in between? What are their interests and possible motivations to move? Is it a move-down market, a move-up market, or a second home market? Does your site offer significant external orientation, such as mountain views or open space access? Or does it imply an internal orientation, such as an infill site that offers an enclave of new product in a secure community?

To aid in your quest to answer such questions, think research – both consumer and competitive focused. This is one area that builders often dismiss, yet is critical in a market where knowing your buyer could mean the difference between a sale and nothing at all. Getting into the mind of the buyer will help unlock what their motivations are, and delivering what a buyer wants will prompt a buyer to respond.

Even in a weak market, the opportunity to sell is alive and well – that is, if you do your due diligence. **50+**

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