

Today's Senior Tribute



Section 1

Generational Overview

Learning Objectives:

- Understand how to communicate with each generation
- Learn what makes up our different generations
- Understand why the different generations matter

The G. I. Generation

Born between 1901 and 1925, the G. I. Generation in 2018 is aged 92+

The G.I. Generation grew up during the Great Depression and World War II. Because of this economic instability they emphasize saving money and paying cash for cars, homes, and household items. This generation tends to be frugal and unwilling to spend unnecessarily. Retiring before the arrival of email, they tend to rely on face-to-face communication.

During the depression, men took care of business matters and a gentlemen's handshake was as good as a contractual agreement. Most women did not work outside the home. When the war effort began, women stepped into new roles in industry, business, and family, challenging social roles and sparking the suffrage movement. As the men of the G.I. Generation returned home from war, they started families that would become the Baby Boomer generation.

A few famous people from the G.I. Generation:

John Wayne, Rosa Parks, and Queen Elizabeth II

Seven Presidents are from this generation:

Nixon, Kennedy, Johnson, Reagan, Bush, Ford and Carter

Music, Movies & TV:

Big Band & Jazz, Casablanca, The Honeymooners

Discussion: What are some of the difficulties in working with someone less technologically fluent in the modern age?

The Silent Generation

Born between 1926 and 1945, the Silent Generation in 2018 are aged 73 to 91

Coming of age during the great depression and WWII, the Silent Generation were taught to be spendthrifts, cautious with money, and are considered to have traditional values. This generation is very loyal and must trust those with whom they do business. Although too young to serve in WWII, this generation was very much affected by the economic changes caused by the war, including the post-war economic upturn.

Much like the G.I. generation, they pay cash for most purchases. Because this generation grew up before the popularization of computers in the home, the preferred method of communication is generally in person or a phone call. This generation frequently enlists help from their children and grandchildren to manage their finances, estate, and health.

They are called the Silent Generation because no United States president was born into this generation.

A few famous people from the Silent Generation:

Jackie Kennedy, Colin Powell, Elvis Presley and Marilyn Monroe

Music, Movies & TV:

Doo Wop and Rock and Roll, Rebel Without a Cause, American Bandstand

Discussion: What social and economic factors could explain why no president was born in this generation?

The Baby Boomer Generation

Born between 1946 and 1964, the Baby Boomer Generation in 2018 is aged 54 to 72

Growing up after the economic hardship of the depression and war, the Baby Boomers are less financially cautious than their parents and grandparents. Named for the uptick in population during an era of prosperity, this generation comprises the largest demographic. The wealthiest consumers and most educated generation, they are very influential, and their needs are constantly shaping policy.

The Baby Boomers are credit friendly and unconcerned with acquiring debt. Living through the Civil Rights movement, Woodstock, and the Vietnam War, this generation is acutely aware of the dynamic nature of social roles. This is the first computer-age generation, and, according to Facebook, comprises the majority of its users. They prefer email as their primary form of communication. Because they often care for both their children and their parents, they are sometimes called the Sandwich Generation.

A few famous people from the Baby Boomer Generation:
Oprah, Bill Gates, and Al Gore

Presidents from this Generation:
Bill Clinton, Donald Trump, and George W. Bush

Music, Movies & TV:
The Beatles, The Rolling Stones, Easy Rider, Leave it to Beaver

Discussion: How does the computer influence communication and spending habits of the Baby Boomer generation?

Generation X

Born Between 1965 and 1976, Generation X in 2018 are aged 39 to 55

Navigating adolescence in the 1980's, Generation X inherit the financially cavalier mindset of their Baby Boomer parents. Very credit friendly to the point of risky, they are thought of as a spending generation. Driven by results rather than personal connections, this generation is not brand loyal and isn't concerned with doing business outside the family.

A tech-savvy generation, they are self-sufficient in finding data for themselves, they rely on email and text messaging for communication, and they are often responsible for making decisions for their aging parents.

A few famous people from Generation X:
Jodie Foster, Vin Diesel and Tiger Woods

Presidents from Generation X:
Barak Obama

Music, Movies & TV:
Heavy Metal, Punk, Terminator, Friends and MTV

Discussion: What does the mindset of this generation suggest about the economic stability of this era? How was the housing market influenced by this?

Generation Y

Born between 1977 and 1994, Generation Y in 2018 are aged 20 to 38

The first generation born with computers in the home, Generation Y relies heavily on technology and wants information delivered immediately. A generation of multitaskers living in an age of instant gratification, they prefer text messaging to communicate, and rely on social media trends for news and information.

Sometimes called the Echo Boomers because of their near equal population uptick or called Millennials for coming of age at the turn of 2000, this generation is also known as the right now generation due to their lack of patience and impulsive spending habits. A well-educated generation, they generally amass debt readily, however, their interest in purchasing a home is different than their parents and grandparents. Often opting for smaller, more affordable housing, a trend has started to travel and experience more by having less.

A few famous people from Generation Y:

Paris Hilton, Britney Spears, and Beyoncé Knowles

Music, Movies & TV:

Hip Hop, Rap, Harry Potter, Titanic, The Simpsons

Discussion: Would a person born in Generation Y likely move into their grandparent's home if they were to inherit it? Why or why not?

Generation Z

Born between 1995 and 2010, Generation Z in 2018 are aged between 8 and 23

Consisting of roughly twenty percent of the population in the United States, Generation Z are the grandchildren and great grandchildren of senior clients. Growing up after the computer age, this generation is highly adept with technology and social media. They are well connected socially and rely on social media for news. They are not going to be the decision maker for many senior clients. Many are still in school or currently emerging into the workplace.

This generation is unconcerned with financial debt, and being so young, unconcerned with healthcare. They rely on text messaging and email to communicate. Being fluent in technology they can be a useful resource for their grandparents who may struggle with the modern age.

Famous People from Generation Z:

Kendall Jenner, Shawn Mendes, Simone Biles

Music, Movies, Pop-Culture:

Avatar, Finding Nemo, The Avengers, Rihanna, Lady Gaga

Centenarians

A fast-growing demographic of the population is nonagenarians, people in their 90's, and centenarians, people over 100. While representing a relatively small percentage of the overall elder population, the increasing numbers of centenarians will challenge societal institutions' adaptability in the areas of medical care, long-term care, and housing.

Section 1 Discussion

Case Study:

Molly, a former client, calls and says she needs help selling her G.I. generation parent's home. They have lived in their home 35 years. Molly goes on to say her mom got lost going to the grocery store last week and her memory is failing. Molly has five small children, lives an hour away, and needs you to be on point to help them. What are your next steps in helping Molly's parents?

Points to consider:

- Where are they going once the home has sold?
- Who can help get rid of some of the stuff?
- Can this home be staged?
- How much updating do they need to do?
- With modification, could they age in place?
- Is there a reverse mortgage?
- Is there a mortgage or is the home paid in full?
- How will the showings be handled?
- Who is the decision maker?
- Does Molly have Power of attorney?
- What are the difficulties in communicating with Molly's parents?

Discussion Questions:

1. What risks might a Baby Boomer take that someone in the G.I. generation might not take?
2. What Generational differences cause communication styles to be different between millennials, baby boomers, and the G.I. generation?
3. What communication styles would be ineffective with a baby boomer? What generation would those styles be effective with?
4. What generation would be most likely to purchase a second home? Why?
5. What difficulties may arise when a millennial is responsible for the estate of their G.I. generation grandparent?

Section 2

Working with Senior Clients

Learning Objectives

- Understand the needs of Senior Sellers
- Understand the needs of Senior Buyers
- Learn about Aging in Place
(resources for Realtors and Seniors)

Working with a Senior Seller

One of the biggest concerns with senior sellers is the emotional toll of moving. Their possessions have become more than just objects. They often contain memories of friends and family that the senior doesn't want to lose. Their house is no longer just a place to eat and sleep, but in their minds will always be the gathering place for Thanksgiving meals or Christmas morning presents with their grandchildren. Even when health issues force seniors into assisted living, resistance frequently arises because seniors want to preserve the emotional value of their home. It is very helpful to demonstrate to your senior clients the advantages of moving closer to friends and family, or into assisted living, of downsizing and decluttering their lives, and most importantly, that they will always retain their memories of their loved ones, regardless of where they live. Instead of losing the past, it is important to communicate a sense of excitement and optimism about the future.

First Contact with a Senior Seller

Looking at the previous section, we can see that, unlike Gen X and Gen Y, today's seniors do not search for their home's value on the internet. They rely on the Realtor for advice, coaching and help through the necessary steps it takes to sell a home. This will require you to really understand the position of your client and their needs since you will have a large influence on their perspective of the market today.

Considerations for Working with Seniors:

- **Be early** – Seniors value punctuality. Making a great first impression with a senior client begins when they see a commitment from you to be readily available for their needs.
- **Be prepared** – It is helpful to have relevant materials and information quickly at hand for senior clients who are already apprehensive about selling their home. Have two copies of the CMA printed so that your client can have a physical copy to refer to. Consider printing documents in large font to account for bad eyesight.
- **Be patient** – Senior sellers are looking to you to explain the details of selling their home. They often listen but won't ask questions. Make sure

they understand each step in the process. It is critical that you answer any questions they have regarding their property. Don't just ask if they understand, they may be embarrassed.

- **Discuss agency** – The senior client needs to understand who represents whom. Identify yourself as their representative and help them understand why you have their best interests in mind.
- **Find out their needs** – Build trust and rapport by asking questions that uncover why your client is moving and learn about what their future needs will be.
- **Explain the process** – Teaching a senior client how a showing service works, what will happen with their pets, and why they should put away valuables and personal items can be very helpful. Make sure they understand if they should be present for a showing.
- **Go over due diligence contract** – Discuss option money before they receive an offer. Give your client a sample copy of an offer to purchase so they can reread and understand the language therein.
- **Be Empathetic** – Moving can be overwhelming to someone who has not sold a home in decades. Relate with your client and try to understand their perspective.
- **Staging** – Every home that goes on the market could use staging, and in many cases, decluttering. This is especially true with senior clients' homes. Frequently decorated in a dated style, new buyers might find it difficult to imagine their new lives in a house that reminds them of their parents or grandparents' house. It may also be difficult for a senior to understand why you are redecorating their home. Help them understand that open space and light increase the value of their home and reduce the time spent on market.
- **Offers** – Just as it is important to discuss the details of listing their home, it is equally important to sit down and explain the offer to purchase. It is important they fully understand the financial details, time schedule, and any responsibilities that may fall to them.
- **Family Members** – Who is the decision maker? Often, children or grandchildren help their senior family members, including representation as

power of attorney. Discussing terms with both your senior client and the decision maker is important and can frequently be accomplished with a conference call. This can eliminate the need to repeat information.

- **Repairs** – A home that has had a minimum of repairs over several years can be in serious need of attention. It is best to discuss repairs with your senior client in person. Understanding the repair request yourself allows you to explain clearly why it is necessary. Always provide at least three recommendations for any contractors.
- **Closing/Settlement Statement** – Going to the attorney's office can be a physically and emotionally draining time for your senior clients. If they have difficulties with stairs or standing for long periods of time, or if they have transportation concerns or other needs, be ready to accommodate and assist in any way you can. Find a quiet, less busy time to meet with the attorney to sign paperwork.

Adding Children's Names to a Title

Frequently, parents seek to add their children's names to the title of real estate or other personal property. The purpose may be an attempt to avoid probate, assure that the asset goes to the child, avoid family conflict, or allow that child to distribute the asset in accordance with verbal instructions. It may also be done with the intent to enable the child to pay bills and manage financial affairs if the parent is incapacitated. Although done with the best intentions, some consequences must be considered.

While this action may offer some benefits, adding a name to a title usually constitutes a gift. If the interest exceeds the gift tax limit of \$13,000, which real estate almost always will, a gift tax may be required and is payable by the parent. If the child has a creditor, an adverse judgment, or is involved in a pending lawsuit, these parties may make a claim on your client's assets since the child now holds an ownership interest.

In the event of dissolution of a child's marriage, the divorcing spouse may seek to include the interest in the assets to be considered in the divorce. These situations can usually be avoided by establishing a living trust to control the use, administration, and distribution of the parent's assets.

Joint Tenancy

Some property owners believe that joint tenancy ownership with a right of survivorship is an effective way to pass on property to their heirs. While the interest does pass outside of probate, this form of ownership can have some unintended consequences regarding estate planning:

- The property passes by law to the surviving joint tenant(s) and is not affected by the will. Only the last survivor can will the property.
- It provides equal interest and possession which means co-owners can transfer their shares without another owners' knowledge.
- Easy to add, but difficult to remove a co-owner.
- Co-owner's debts and obligations expose each owner.
- If a co-owner is a minor, a guardian may be needed for some actions.
- Upon incapacity of co-owner, the court may appoint a conservator who becomes the new co-owner.
- Right of survivorship may eliminate family members from inheriting their share.
- A trust does not supersede joint tenancy.
- Only the deceased joint tenant's portion steps up in basis. The other portion is based on the original purchase price.

Discussion: What other situations can cause confusion and complications when a client's property is represented by multiple parties?

Working with a Senior Buyer

Although the process to purchasing a home has evolved dramatically over time from an honest handshake to an online transfer of data, the mindset of many senior clients still resides in the past. This provides a wonderful opportunity to wow our senior buyers by explaining new and creative ways to purchase real estate in 2019.

Agents need to thoroughly explain Buyer Agency. In-person is best because it is important that the client fully understands. Remember to ask questions and ensure that senior clients understand clearly the terms of agency.

Once agency has been established, a trust factor will begin to develop. Now is the time to determine the needs of your new senior buyer. Open ended questions are the best ways to understand what a senior buyer wants. Remember a senior buyer's needs are quite different than a first-time home buyer.

Senior Buyer Questionnaire to help determine needs

- What brings you to our lovely city?
- Are you looking for a one-story home?
- Do you want to live in a neighborhood?
- Are you moving here to be close to family?
- How long do you intend to stay in this home?
- When did you buy your last home? How involved were you with the transaction?
- Would you want to live in a senior resort style neighborhood?
- What are your thoughts about yard maintenance?
- Is being close to doctors and Medical facilities important to you and your family?
- Do you have specific health concerns such as steps, ramps, or wider doorways to accommodate a walker or wheelchair for you or family members?
- What is your time frame for being fully re-located in your new home?
- If we found the perfect home today are you prepared to make an offer?
- How do you feel about this move?
- What are you most excited about in your new home?
- What are you most concerned about in your new home?
- How many homes have you seen in our area?
- Describe the perfect home for your needs?
- What amenities are important, for example a pool or golf course?
- Do you have a certain organization you would like to be close to?
- Will this be solely your decision, or do you have other people such as friends or family members helping you make this decision?
- Have you been pre-approved by a lender or will you be paying cash?
- What price range are you considering?
- How did you determine that range?
- What questions do you have for me?
- How do you prefer to communicate?

Discussion: Would it be important to space these questions out for a senior client, or ask them all at once? Why?

Aging in place – CAPS Certified

Aging in place is a common term with seniors. Many want to stay in their current home and have no interest in starting over in a new location. There are many reasons for this. Many feel they will lose some of their freedoms or will have to part with their belongings and memories. Because of this, many companies are turning their attention to the senior generations.

Move managers help seniors with shopping assistance, billing, and make sure the home is safe and clutter free to avoid accidents. Medical equipment is another growing industry, helping equip homes with lifts, ramps, and grab bars. In-Home Care utilizes medical personnel to help with bathing, doctor visits, and other day to day needs. As our G.I Generation, Silent Generation and Baby Boomers age, the senior client base will continue to grow. As their needs continue to change, these groups will likely comprise the largest sector of home buyers and sellers in coming years.

Many builders are picking up this trend and are including Universal Design in their floor plans. This concept incorporates architectural flexibility which allows for different uses as the homeowner ages. For example, a Universally Designed home may have a wheel chair ramp built alongside the driveway and porch to allow easy access into the home. Grab bars, floating kitchen counters that can be raised or lowered, wider doorways and other design options can be built to accommodate aging in place. When helping aging clients with a new construction purchase, Universal Design is something to be considered.

Many options are available to the senior aging in place. CAPS (Certified Aging in Place Specialist), a national accreditation, can also help you understand the needs of senior clients and prepare real estate agents to better serve their senior clients.

Discussion: What other features could be built on a home that could accommodate for aging in place?

Section 2 Discussion

Case Study:

Misty, who is 92 and in good health, purchased her home 30 years ago. Her husband died six months ago, and she is now having trouble keeping up with their large home. The house was built in 1954 and is 4500 square feet. Misty has many antiques in her home that she and her husband collected while traveling. Misty has one daughter who lives in China. How can you help Misty?

Considerations:

What resources do you have to help this client?

What is her timeframe?

Does she have any local support to help her?

Where will she move?.

Will her daughter be involved in the decision making?

Does she have clear title to sell her home?

Does she need to sell her home before purchasing the new home?

How does she prefer to communicate?

Case Study:

Roy, age 74, and his wife Sally Ann, age 69, just moved here from Michigan and want to be near their children and grandchildren, but not too near. What questions can you ask to discover their needs and help them find the best fit for their family?

Case Study:

Amy, 87, has been moved from assisted living to a skilled nursing care facility, with resident nursing staff. She recently suffered from pneumonia and her health is in decline. Skilled nurses are on site and have been providing care, but she has not shown significant signs of recovery. Amy insists that she wants to remain in her community and continue to receive care from the skilled nursing staff but some of your family believes she should go to the hospital. What factors will help you determine if you should move Amy to a hospital?

Section 3

Housing Terms and Options

Learning Objectives:

- Know how to help your client find the right housing option
- Learn housing acronyms
- Understand recourses for aging in place

Active Adult Communities

Active adult communities are often the first step in downsizing and simplifying one's lifestyle. These vibrant communities offer many amenities like golf courses, pools, fitness rooms, and walking trails. Some on site services include barber shops and hair salons, fitness training, and a variety of social activities. These communities typically do not offer on-site health services. Most feature ranch style homes without stairs and small lot sizes. Lawn maintenance and exterior landscaping is often included.

Well-planned active adult communities offer patio homes, condos, and town homes for purchase, as well as apartments for rent. Residents enjoy new homes with today's finishes with smaller plans requiring less upkeep.

Active communities attract active retirees who can interact and engage in group activities. Many enjoyed a high income, are sociable with their neighbors, and take advantage of community services. These communities are resort style living and have gained tremendous popularity over the last decade.

HOPA

The Housing for Older Persons Act, or HOPA, became law in 1988. It was enacted to allow restrictions in these communities based on familial status. Typically, these communities are restricted to persons 55 years and older and have limitations on extended-stay visitors of younger age groups.

Active Adult Communities

Age restricted active-adult communities offer a range of services, social events, amenities, and activities to attract and serve residents. Services and amenities might include:

- Social and recreational programs
- Community center or clubhouse
- Fitness facilities
- Computer labs

- Hobby facilities
- Community Gardens
- Library
- Cultural and arts programs
- Worship facilities and spiritual counseling
- Continuing education programs
- Counseling
- Outside maintenance and referral services
- Emergency and preventive health care programs
- Restaurants and meal programs
- Scheduled transportation

Discussion: What are the advantages and disadvantages for a senior living in a planned community? What factors may indicate that your client would enjoy an active community?

In-Home Care

Although many seniors will need to sell their home, there are options that allow some to maintain their lifestyle without moving. In-home care can be minimal and consist of daily or weekly visits or could be a full-time live-in staff. Many seniors prefer this option because they are able to maintain their lifestyle in the familiar setting that they have so many memories in. Staff can include nursing for routine medical assistance, home visits from a doctor if a situation occurs, delivery of medical supplies like oxygen or other devices that are not readily available to the public, and even food and grocery delivery. Many seniors will find this option appealing since they won't have to change a vast majority of their life, however, it is not always the best option. Financial consideration will help determine the needs of your client as well as the long-term effects of not leaving the home. Although this option will seem advantageous in the short term, it is not necessarily sustainable and can be a short-term solution to a long-term problem.

Independent Living – IL

Independent Living offers a broad range of possibilities to those who are aging but are not in need of continuing health care. Residents usually own a car, many still work full or part time, and enjoy the freedom and mobility of independence. The units are multi-family, usually rented, and there is almost no maintenance required by the resident. This gives seniors less responsibility and more time to enjoy their lives.

Independent Living can be a wonderful option for many seniors. There are no health care services offered at Independent Living centers. Residents enjoy 2 to 3 prepared meals each day, planned activities, and a variety of amenities such as transportation and recreational facilities.

Some of the larger national Independent Living corporations offer the same amenities at each of its facilities across the country. Residents can travel to other cities and stay in the guest suites of their “sister communities” where they enjoy the same menu and atmosphere they would have at their own home.

Discussion: What factors may prevent your client from independent living?

Assisted Living (AL)

The G.I. and Silent Generations tend to think of Assisted Living as foreboding nursing homes. Today’s Assisted Living facilities however offer much more in the way of lifestyle amenities and provide as much or as little healthcare support as the individual needs. In addition to the basic rate for housing, residents pay for additional services as needed. There are often more personal care and amenities available for Assisted Living residents because they have a greater need as many may no longer drive.

Some common amenities include: Emergency Response System, transportation, storage, room service, hair salon, nail clinic, and additional medical services, which may include private nursing within the assisted living center.

Most Assisted Living facilities offer planned daily activities, three meals, and two snacks a day. Some have outdoor space such as flower or vegetable gardens, a library, movie nights, and common areas for puzzles and social events. There are many possibilities and the activity directors can be very creative.

In many cases seniors who have lived alone with little activity or socialization begin to thrive in the Assisted Living environment. The social interaction, prepared meals, and constant monitoring often improve their quality of life. Today's Assisted Living facilities are much different than a typical nursing home.

Assisted living is an intermediate step between independent living and care facilities. Assisted living facilities provide a home for those who need help with daily activities such as cooking, housekeeping, and transportation, as well as personal care such as bathing, dressing, grooming, and eating. These types of facilities are best suited for those who cannot live on their own but who are ambulatory and do not need nursing care. Living arrangements are usually single or double room, offering more privacy than a nursing home environment, but less than congregate housing. Assisted living facilities should be expected to offer:

- Laundry services
- Transportation
- Personal care
- Housekeeping
- Shopping
- Exercise classes (usually seated)
- Help with medications
- Activities (social, religious, educational)
- Three meals daily with provisions for low-sodium, diabetic, and heart-healthy menus

Discussion: How can you communicate to your senior clients that assisted living is not the same as a nursing home?

Memory Care Assisted Living (MCAL)

Memory Care Assisted Living is much like Assisted Living but with an enhanced level of security. Outdoor spaces, for example, are designated and enclosed with locked gates so residents cannot wander off the grounds. The doors leading in and out are locked and monitored for the protection of the memory impaired residents and extra layers of security are implemented throughout the facility.

The base fee is typically higher for Memory Care Assisted Living because additional staffing is required. Because it is important to keep seniors familiar with their environment, memory care patients often receive health care on site by their own doctor.

Skilled Nursing Facility (SNF)

Also known as nursing homes, Skilled Nursing Facilities offer the broadest range of medical services to its residents. Skilled care faculty consists of doctors, nurses and medical staff. It differs from Assisted Living in the level of medical services available to the resident. Skilled nursing care is often utilized for short term recovery from an injury or illness. For most, however, Skilled Nursing Facilities are a permanent residence for patients who need daily health services for the rest of their lives.

Respite Care

Respite care is an opportunity for someone to experience an assisted living center for thirty days without committing to the community. This is an excellent resource for individuals who are apprehensive about living in an assisted living center. This allows for a trial period that many seniors use to determine if assisted living would be a good fit for their needs.

Congregate Housing

Congregate housing is apartment living for the senior adult that provides an alternative to Assisted Living. Residents have shared meals, shared laundry and some medical staff that monitors the health of residence. This is a much more affordable option for many seniors that still offers community support from neighbors and staff. This makes for strong community atmosphere.

Elder Care or Elder Co-Housing

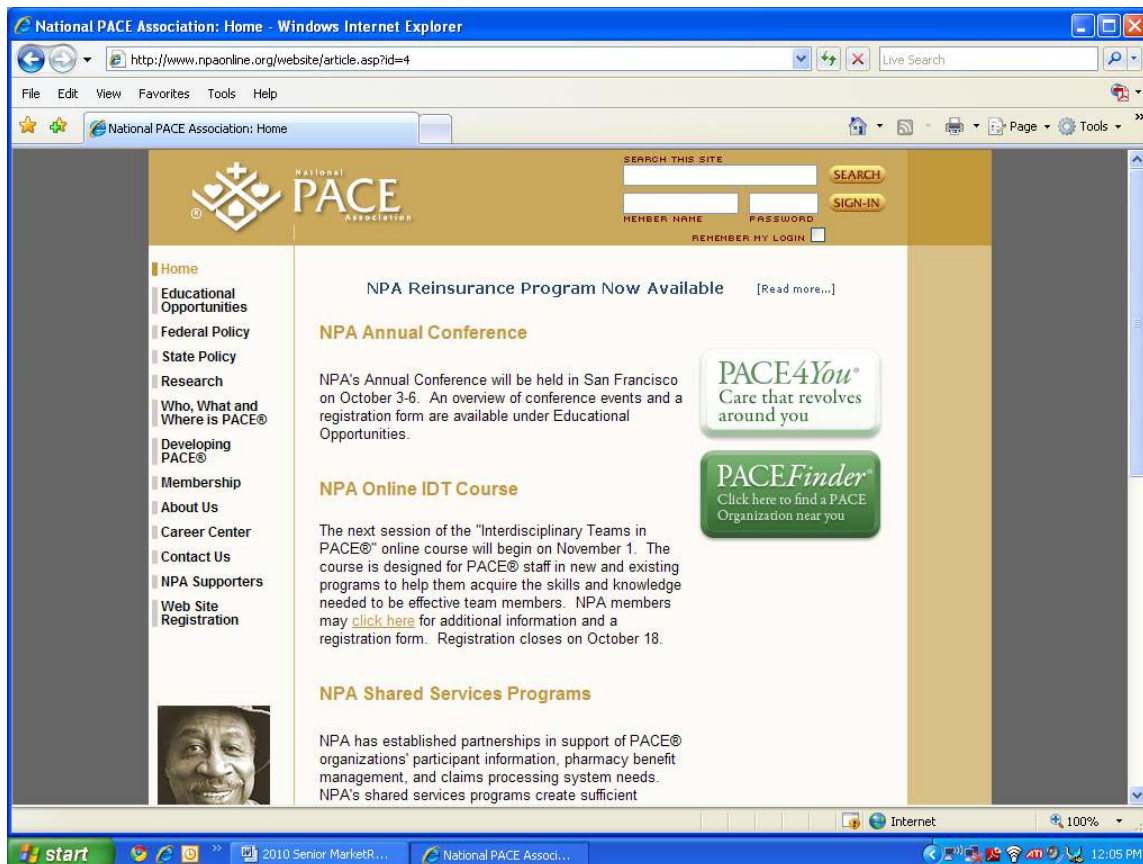
In 2017 an initiative by Coho/US was created supporting communities that cater to seniors. Elder care residents work together in a cooperative effort to design, build, and maintain the lifestyle they choose. Helping the nation meet the challenges of an aging population these communities seek out solutions to long-term care, create collaborative partnerships, and support research efforts to continually address the growing needs of seniors. With shared amenities and planned activities, these communities emphasize a sense of communal responsibility. There is no healthcare service provided as part of the community. To learn more about Elder Co-Housing visit www.cohousing.org.



(PACE)

PACE - The Program of All-Inclusive Care for the Elderly. This program was established by the federal Balanced Budget Act of 1997 (BBA). The Act was established to provide services to Medicaid beneficiaries. The PACE program offers home-based services and coordinated care, such as home health care,

assistance with activities of daily living such as housekeeping, laundry, social work and other services. To learn more about PACE, visit www.cms.hhs.gov/PACE www.npaonline.org



Section 3 Discussion

Case Study:

Martha is 74 years old, lives at home alone, and is doing well. She must have surgery on her foot which will leave her in need of assistance with bathing, food preparation and light housework. Based on the topics discussed so far, what do you suggest for Martha?

Case Study:

Ben, a stubborn 84-year-old man, is admitted to the hospital due to dehydration. He is assigned a social worker when they find he is also malnourished. The social worker decides that Ben cannot return home to live alone. What do you suggest for him?

Case Study:

Louise, a very independent 86-year-old woman, is admitted to the hospital with trouble breathing. She was working too many hours in her garden. She can go home but only with daily use of oxygen. Her family feels she would be better off in assisted living. What other suggestions could you offer her family?

Case Study:

Ken and his family decided that Independent Living in a Continuing Care Community is best for him. Ken has a small 6-pound dog and a 10-year-old cat. You are called to help Ken sell his home. What options are available to Ken for his animals?

Case Study:

You are called by a past client to help sell her parents' home. The mother has already moved to a skilled nursing facility. The home is 4000 sq. ft. and is filled

with 40 years' worth of knick-knacks, furniture, household items, and valuables. Your past client is her parent's only living relative, has six children, works full time, and lives several hundred miles away. What options can you offer her to help get the property ready for market?

Section 4

Resources for Seniors

Learning Objectives:

- Learn how to convey contract terminology
- Understand Reverse Mortgages
- Know regulations for working with assistive animals

Now that we have discussed generational differences and the many new housing options available to seniors it is time to discuss how to put all this information into practice.

Contract Options

Anyone buying or selling a home can become confused by all the paperwork and new laws. Clear communication with senior clients is paramount and should not be overlooked. When working with seniors, it is important to remember that they did not grow up with the technology we have today. One of the best ways to present offers to seniors is in-person. It is especially important to ensure they understand the terms of the contract they are signing. Remember that seniors are a trusting and loyal generation. They only want to work with agents they feel have their best interest at heart. This generation can become overwhelmed if they feel rushed or pressured. Earn their trust with patience and empathy and you will have a loyal client that will refer friends and family to you with confidence.

Some items new to our industry that seniors may not be familiar with are:

- Due diligence money and helping the client understand that they need to cash the check quickly.
- Due diligence date, help the client understand that during the due diligence period, the buyer can walk away for any or no reason at all. This concept is challenging with many sellers especially those that have not sold a home in several years.
- Home warranties, many senior clients have delayed repair items and a home warranty may be able to help in these cases.
- Seller paid closing cost, the senior client may not understand why a buyer is asking them to pay the buyers closing costs and may not understand that money comes off their bottom line.
- Personal property, explain the differences between personal property and fixtures.

Every Real Estate professional knows the value of access to a team of experts who can be called upon for advice. When working with senior clients, the team should be composed of a variety of experts who can assist with various issues.

Property	Legal and Financial	Personal
Termite inspector	Elder law attorney (wills, trusts, estates)	Home health-care agency
Painter	CPA or money manager	Community service contacts
Landscape and Gardener	Financial planner, expert on pensions, IRAs, 401k accounts, etc.	Transitional services contact/coach
Pool service	Estate liquidator	Grief counselor
Home inspector	Escrow company	Elder abuse resources
Emergency boarder up	Title company	Ombudsmen
Disaster preparation and recovery	1031 exchange specialist (qualified intermediary)	Hospitals and clinics
Mover	Tax specialist	Public health offices
Handyman	Reverse mortgage lender	Health care facilities and levels of care
Electrician	Reverse mortgage counselor	Community resources
House sitter	Insurance agent	Meals on wheels
Certified Aging in Place Specialist (CAPS)		PACE program
Trash removal		Veterinarian for pet care
Stager		Pet boarding
Storage facilities		Dog walker
Housekeeping service		Volunteer opportunities and services
Charities that accept donations of furniture, clothing, and household items.		Estate sale organizer

Reverse Mortgages

What is a Reverse Mortgage? A Reverse Mortgage is a loan that allows a Senior Homeowner to access their cash equity to be used for anything, such as paying for medical needs, daily living expenses, home repairs, travel or simply enhances the quality of their retirement years. According to SRES research, eighty percent of seniors own the home they currently live in. In most cases their home is their largest asset. A reverse mortgage is a special type of mortgage for individuals aged 62 and older that enables conversion of home equity into cash. A reverse mortgage is secured by the home.

A Reverse Mortgage can be a wonderful option for someone who wants to age in place but needs a monthly income to help pay the bills. It functions as if the homeowner has sold the home, but continues to live there, and receives monthly payments while occupying it. It is called a reverse mortgage because the homeowner is now taking equity out of the home rather than gaining equity. The amortization schedule is like a regular mortgage where incremental decreases in home equity accumulate with each monthly payment the owner receives. The IRS does not consider money from a reverse mortgage as taxable income. Loan proceeds from a reverse mortgage do not impact social security or Medicare benefits.

www.reversemortgage.org is a great resource to answer questions about reverse mortgages.

Reverse Mortgages - Myth and Reality

- Myth - The bank will ultimately own the home.
- Reality - The borrower can never lose the home. When the last surviving homeowner dies, the property passes to their heirs, not to the bank.

- Myth - At death, the bank gets the estate and the heirs get nothing.
- Reality - Heirs receive the remaining balance of the unused equity. Heirs have a choice to sell the house to pay off the debt, pay off the debt from another source, or take out a new forward mortgage on the home.

- Myth - You could owe more than the house is worth
- Reality - Borrowers can never owe more than the value of the home at the time the loan is paid off. Reverse mortgages are subject to a no-recourse

limit, which means that if the balance exceeds a certain amount, the lender has no recourse to other assets of the borrower or heirs.

- Myth - Borrowing against your home means you could lose it to foreclosure if payments are missed
- Reality - A popular attitude among many seniors is to never borrow against their home, particularly a home that is already paid off. The thought is the home could be lost in foreclosure if payments are missed. With a reverse mortgage, there are no monthly repayments to make so a home cannot be lost by missing payments.
- Myth - At some point, the borrower needs to pay back everything they owe.
- Reality - If the borrower remains in the home; there is never an obligation to make payments to the lender.

Reverse Mortgages FAQ

Q. Once a home owner decides to get a reverse mortgage what are their obligations?

A. The homeowner must continue to pay real estate taxes, insurance, HOA fees and maintain upkeep of the property.

Q. Who is eligible to obtain a reverse mortgage?

A. To qualify for a reverse mortgage, all borrowers (spouse, children, or others named on the deed) must be at least 62 years old. The borrowers must occupy the home as their primary residence and own the property free and clear or with an existing mortgage that can be repaid from the proceeds of the reverse mortgage. If there is any debt on the house, it can be paid off with a cash advance from the reverse mortgage. If only one spouse is 62 then only that person can be on the Reverse Mortgage loan.

Q. How are funds paid out?

A. The borrower may opt to receive equity proceeds in different ways:

- One lump sum
- Monthly payments for a specified period or for life.
- Line of credit
- Combination of methods

Q. When must a reverse mortgage be paid back?

A. There are a few circumstances during which a reverse mortgage must be repaid:

- At the death of the last surviving homeowner
- During the sale of the home
- Upon failure to pay property taxes, insurance, or HOA fees.
- When the property is no longer their primary residence.

Reverse Mortgage Terminology

203-b limit: The cap (varies by county) on the amount of value that can be used to determine the amount available from a HECM reverse mortgage as well as origination costs. The term comes from Section 203-b of the National Housing Act.

HECM: Home Equity Conversion Mortgage – the reverse mortgage program federally insured by the Federal Housing Administration (FHA).

Leftover Equity: The amount the homeowner or heirs receive when the home is sold. When the home is sold, a real estate broker can sell the property or their heirs can let the financial institution handle the sale. Once the property has been sold, any excess equity goes to the heirs or the Estate.

Margin: For HECM loans, the amount added to the 1-year T-bill rate (to determine the initial and current interest rates) and to the 10-year T-bill (to determine projected interest rates).

Early Payoff : The homeowner can make monthly interest payments and keep the amount they balance the same. The homeowner can pay the loan off at any time with no penalty.

Staging a home after 20, 30 or 40+ years.

The key to staging a home is to remove approximately 60% of everything in every room. Most of us have too much stuff in our home to bring it to market effectively. De-cluttering is the first and most crucial step in staging the home for the market.

Seniors' homes are often repositories of a lifetime of memorabilia. Every item in the home has a cherished memory associated with it and somehow the senior owner knows where everything is. Real estate professionals know that a house packed with bric-a-brac will not show well. A prospective buyer will have a hard

time looking past the clutter of all those “memories”. What can a real estate professional do?

Tact and patience are essential when advising a senior seller on how to stage their property for showing. The sale of a long-owned home is an unsettling experience on its owner without adding the distress of disturbing or removing the homeowner’s possessions. It may be necessary to show the home in its cluttered state a couple of times before the owner can see the benefit of packing things away. You might explain to your client, “The house will show better if some things were packed and stored”, or, “Would it be a good idea if we started packing some of your things? I’m concerned about your antiques and valuables when showing the house. Would it be okay to pack some of the collection?”

Estate Sales & Downsizing

We have talked about your client’s possessions since the second chapter. Now let’s discuss how to help your senior sell their stuff and retain some money in the process.

Imagine your client has a home full of stuff but the items or collections do not qualify for a professional estate auction or sell. You could choose a consignment store or hire a professional to market and stage an estate sale for your client. The most important factor is to have your client’s items appraised so your client feels they are being treated fairly and they get the best possible price.

Brokering by the Estate Sale Professional

If an appraiser or estate sale professional is acting on your client’s behalf, the broker can charge a commission on the items for sale. They should get an estimate of what the item may bring at auction, so your client knows what the expenses will be in comparison to the sale price.

Alternative avenues of liquidation:

- Ebay.com
- Craigslist.org
- Classified ads
- Garage sales

Move Managers

CAP certified Move Managers should be in your phones speed dial if your business includes working with seniors. Move managers are among the best resources to help a senior age in place by offering services such as:

- Written home safety assessments
- Floor plan drawings of the new home with suggested solutions for furniture re-design.
- Coordination and management of projects between the client, medical professionals and contractors.
- Downsizing and de-cluttering
- Shopping assistance
- Transportation to doctor visits.
- Estate inventory
- Charitable donation and disposal of unwanted items
- House clean-out
- Home staging
- Contractor Management
- Moving Services
- Packing assistance

Conclusion

Each client is going to be different and is going to require the agent to adapt to their style of communication, needs, financial abilities, and aspirations. Working with senior clients contains all the same skills along with a few nuanced considerations. Communication is going to be unique to each client depending on their technological fluency. The mindset of a senior approaching the end of their life is going to be much different than a millennial who is just beginning theirs. Seniors may be resistant to change, especially if they have lived in their home for decades and are now being asked to leave everything behind. There are many factors that have been discussed in this class that will help you understand how senior clients feel, act, think, and communicate. Utilizing the skills you have learned in this class, and practice, will help you serve senior clients and assist them in their next Real Estate endeavors.

Non-Profit Organizations

<http://www.ncoa.org>

National Council on Aging is a charitable organization with a national network of more than 14,000 organizations and leaders. Members include senior centers, government agencies, adult day service centers, faith-based service organizations, senior housing facilities, employment services, consumer groups, and leaders from academia, business, and labor.



Aging with Dignity

<http://www.agingwithdignity.org>

This website provides living wills and tools to help seniors feel confident as they grow older.



American Association of Retired Persons

<http://www.AARP.org>

National organization focused on providing seniors with the best information and services that fit their lifestyle.



Health and Caregiver sites

<http://www.healthyaging.net>

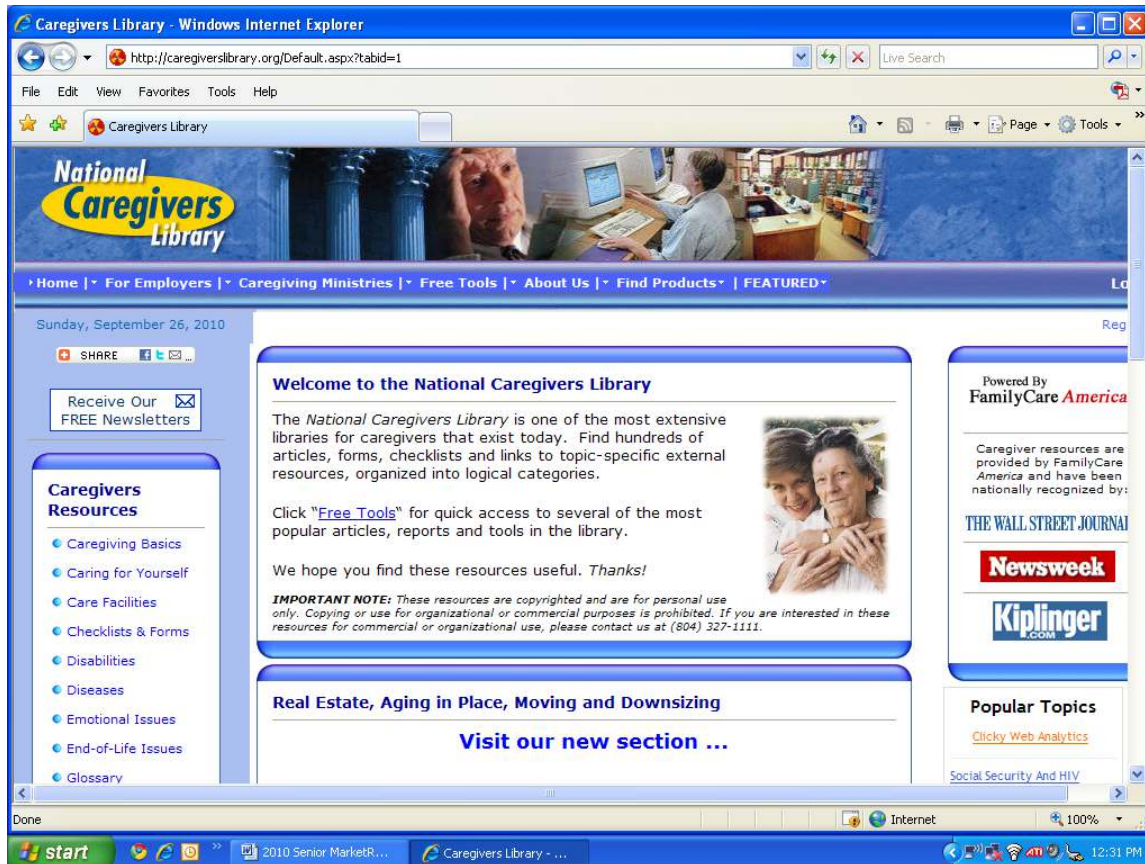
The Healthy Aging Campaign is a national, ongoing health promotion designed to broaden awareness of the positive aspects of aging, to provide information and inspiration for adults age 50 and older, and to improve their physical, mental, social, and financial fitness.



National Caregivers Library

<http://www.caregiverslibrary.org>

The National Caregivers Library is an extensive online library of articles, forms, checklists, and links to topic-specific external resources for caregivers.





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I have used Home Inspection Carolina, Inc. twice in the past two months during my search for a home purchase. They were very punctual and very thorough during the whole process. They had great communication through the entire process and it was a great experience. I would highly recommend them. — Christopher Goosch

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