

# Lifestyle Changes Prompt Space Changes For Today's Home Buyers

Once upon a time, many buyers sought out the largest homes they could afford — and home builders were happy to accommodate the growing demand. In fact, figures from the National Association of Home Builders (NAHB) show the average size of a new home has more than doubled in the past 50 years.

While homes were getting bigger, lot sizes were shrinking. The national average lot size decreased 6.5% to 16,454 square feet between 1987 and 2002. Household size has been declining as well. According to a report by the U.S. Census Bureau, today's average household has 2.57 people, down from 3.14 in 1970.

Sometimes called “McMansions,” “starter castles,” or “faux chateau,” super-sized homes are still being built in many places—and may be an obvious choice for growing families who can afford them. Still, experts note that the demand for more modest dwellings is on the rise. Baby boomers, who are just entering their retirement years, are especially interested in smaller homes that are easy to live in, care for and leave behind while traveling. They're also looking for homes with universal design features and other amenities that will allow them to age in place.

If your home isn't quite right for the way you want to live now or in the foreseeable future, now may be a great time to sell and “rightsize” with a home more suited to the life you want to lead.

## Upsizing

Americans as a group have always placed a premium on personal space. If the size of your household has expanded — with more children, older children (and their friends!), or elder parents who need assistance — “upsizing” your home could help everyone live more comfortably together.

Staying in the same area and moving to a larger home usually means moving to a more expensive one. That's fine for homeowners whose incomes

have grown since purchasing their last home. They simply roll the old home's equity into the down payment on the new home and finance the difference between down payment and purchase price.

But what if you can't afford a larger home in your current area? You may be able to find the space you're looking for at a lower price in another area — perhaps “further out.” Or, you may want to consider moving to a different city or region where housing prices are lower and job opportunities are available.

## Downsizing

Moving to a different location is an especially popular option for retirees, who no longer have to worry about living near a place of employment. They can sell their “nest egg” home to cash out their equity, then purchase a lower-priced home and use the remaining cash to help finance their retirement years. The new home may be a smaller one — perhaps a condo or townhome — or a similar-sized home in a less-expensive area.

Many retirees also “downsize” in order to lower their tax bill and live in a home that's easier to clean and maintain — a priority for people on the go and those with physical disabilities. Builders have been responding to home buyers who are increasingly opting for less space but want the high-end amenities traditionally found in larger homes — top-quality kitchen cabinets, countertops, moldings, flooring and baths — along with plenty of storage space and rooms that can serve more than one purpose.



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