

Working with an Aging Population

A Virginia REALTORS® Webinar

Welcome Virginia REALTORS®



Webinar Programs

Governor Candidates Forum

Summer Speaker Series

By The Numbers



Welcome to our new Learning Center! This easy-to-navigate website education, training, and events. Here you can review our education from previous events. If you have any questions about how to use the

COVID-19 UPDATES [CLICK HERE TO GET THE LATEST.](#)

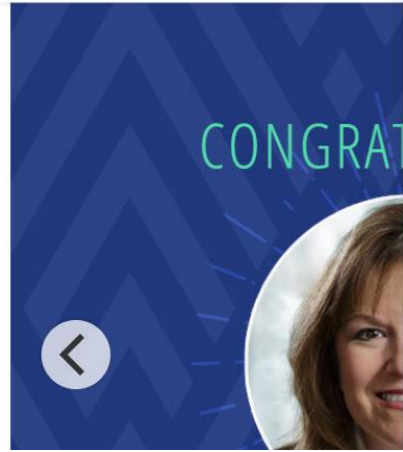
The Learning Center

Calendar

Centennial 2021: Virginia REALTORS® Annual Convention

PMX 2021: Property Management Conference

Graduate REALTOR® Institute (GRI)



Virginia 50

Congratulations to V named to the Virgin business leaders in V a Past President!) & a

Objectives

- Fair Housing
- Real Estate Tech Trends
- Capacity
- Contractual Obligations
- Elder Abuse
- Continuity Planning

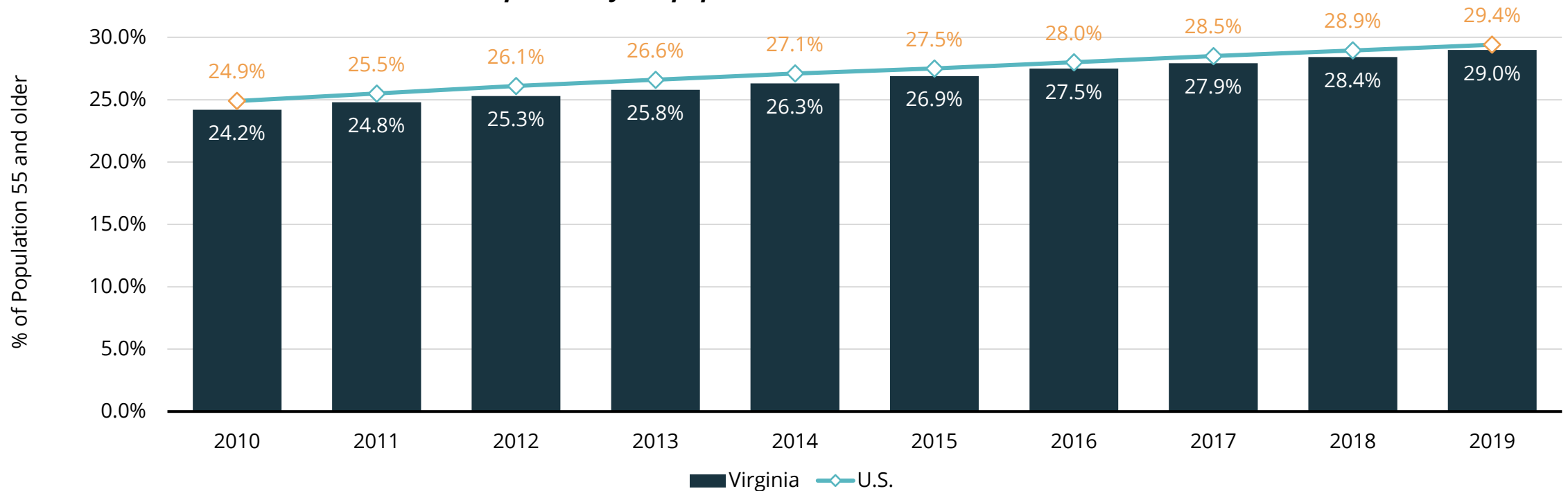
Inclusion

- Virginia REALTORS® is committed to being a diverse, equitable, and inclusive association.
- This means that we need to ensure that our members are knowledgeable and can meet the needs of ALL potential homebuyers and sellers.
- This often focuses on younger homebuyers – as Millennials and Gen Zers are starting to take over the housing market – but we cannot forget the older generations as well.
- Elderly populations are experiencing buying surges as well – from the empty nesters downsizing and moving into more urban areas, to widows and widowers selling and moving into new neighborhoods.
- How can we make sure we are best serving them?

55+ Population Trends in Virginia and Beyond

- The share of the population that is age 55 and older continues to increase in Virginia and nationally
- Nearly 3 out of every 10 Virginians (29.0%) were in this age cohort as of 2019, slightly below the national share
- As the Baby Boomers continue to age into this segment, its share of total population will continue to grow in the coming years in Virginia and many parts of the country

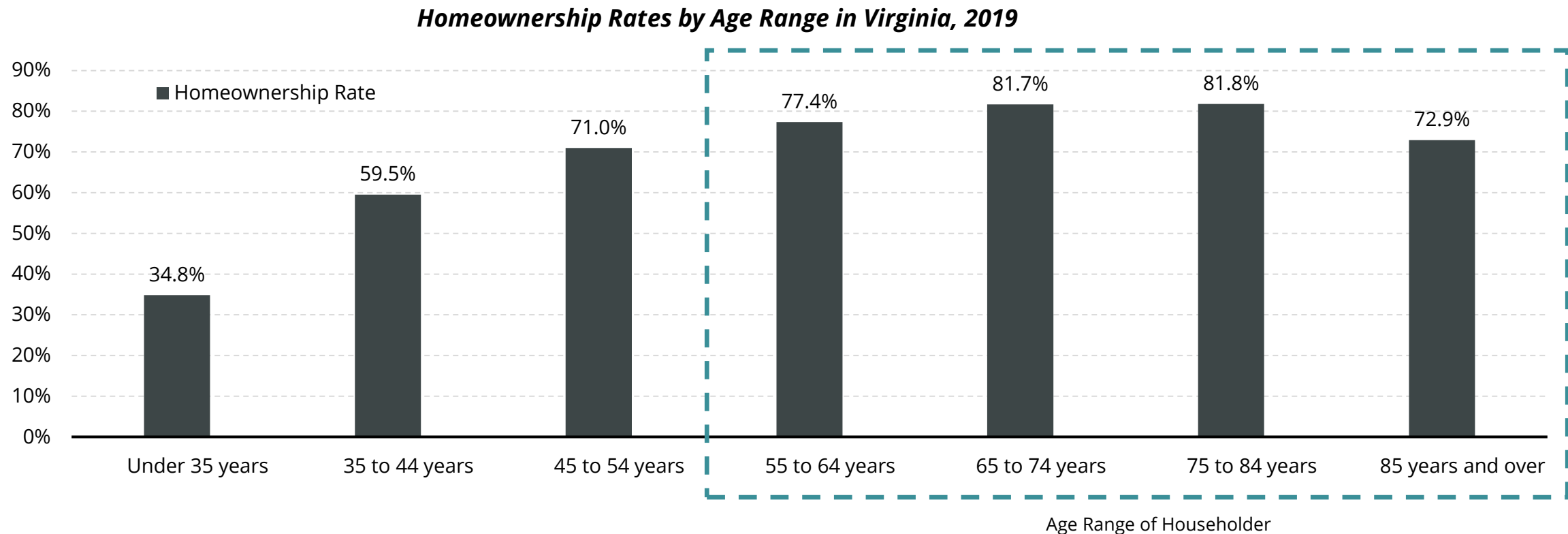
Proportion of the population that is 55 and older, 2010 to 2019



Source: U.S. Census Bureau American Community Survey

Homeownership Rates by Age in Virginia

- Older adults are more likely to own their homes than younger adults
- The homeownership rate peaks in the 75 to 84 age range, and then tapers down from age 85 and beyond



Source: U.S. Census Bureau American Community Survey

National Association of REALTORS®

Home Buyer and Seller Generational Trends Survey

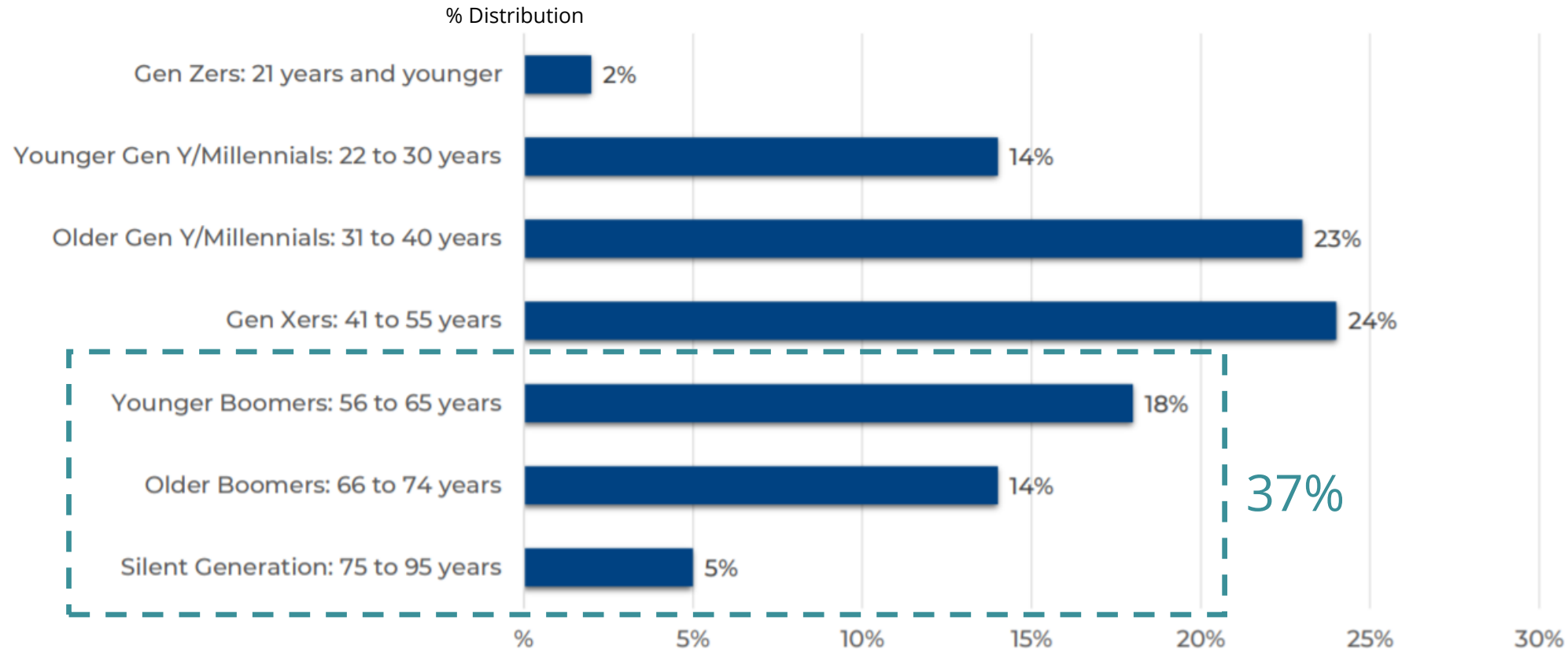
- Each year since 2013, the National Association of REALTORS® (NAR) conducts a national survey to monitor generational trends of both buyers and sellers in the real estate market.
- Results from the most recent survey were released in March of 2021
- The survey was conducted in July of 2020, and there were more than 8,200 responses (6.2% response rate)
- While the survey is just a snapshot, the data from the report can be useful in gauging general high-level trends by age group
- The following slides provide key takeaways from the NAR report as it relates to trends and housing preferences of the over 55 segment of the market



Source: National Association of REALTORS®

Age of Home Buyers

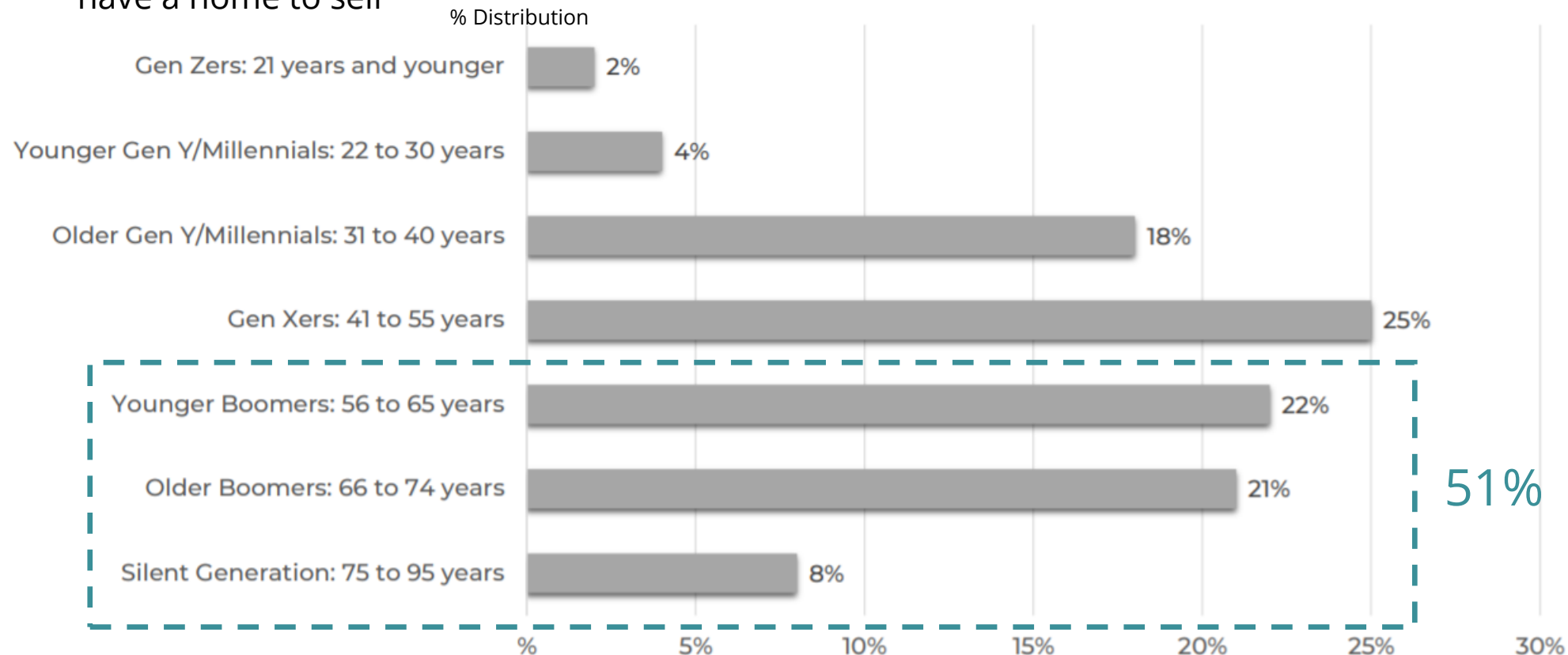
- Of the buyers that participated in the survey, adults over the age of 55 accounted for approximately 37% of those who made a home purchase
- This group of buyers includes Baby Boomers and the Silent Generation



Source: National Association of REALTORS®

Age of Home Sellers

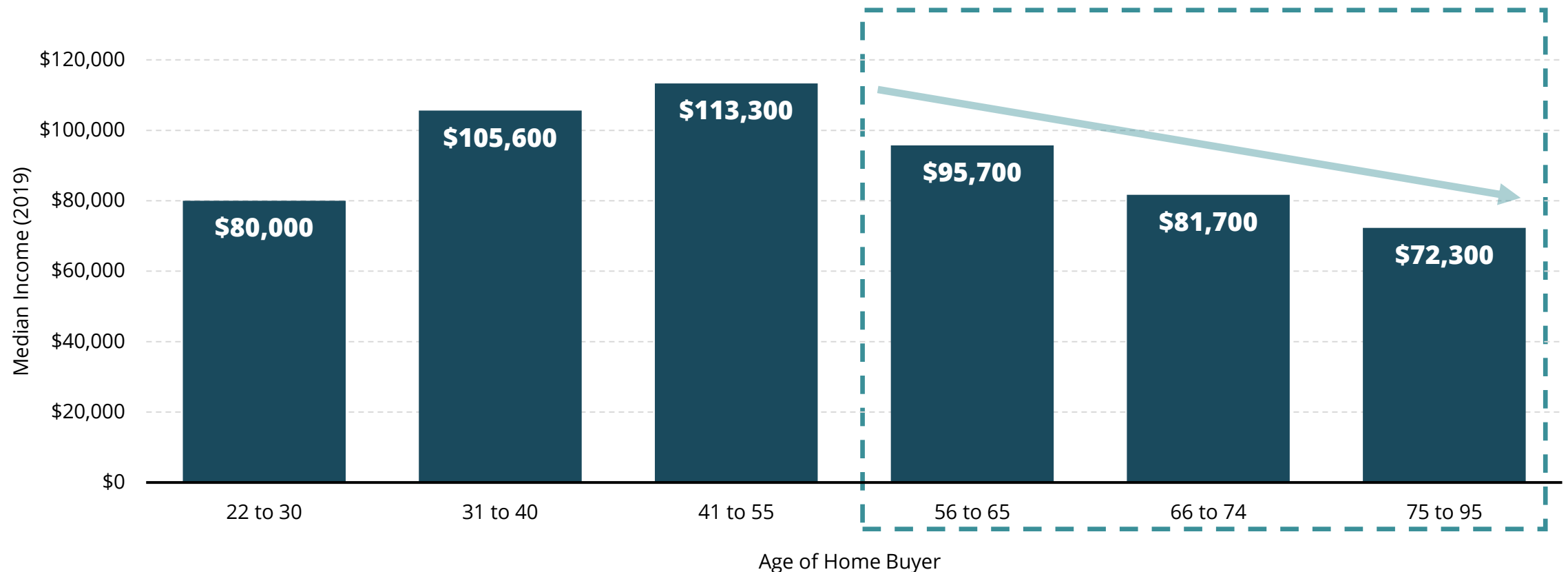
- Of the sellers who participated in the survey, 1 out of every 2 (51%), were from sellers over 55 years of age
- Younger Baby Boomers (age 56 to 65) accounted for the second highest percentage of sellers of all age groups at 22% within the survey responses
- These seller trends are consistent with the homeownership rate data, in that older adults are more likely to have a home to sell



Source: National Association of REALTORS®

Household Income of Home Buyers

- Income levels tend to fall starting around age 55
- Buyers older than 55 are more likely to be retired and living on fixed incomes.



Source: National Association of REALTORS®

Primary Reason for Purchasing a Home

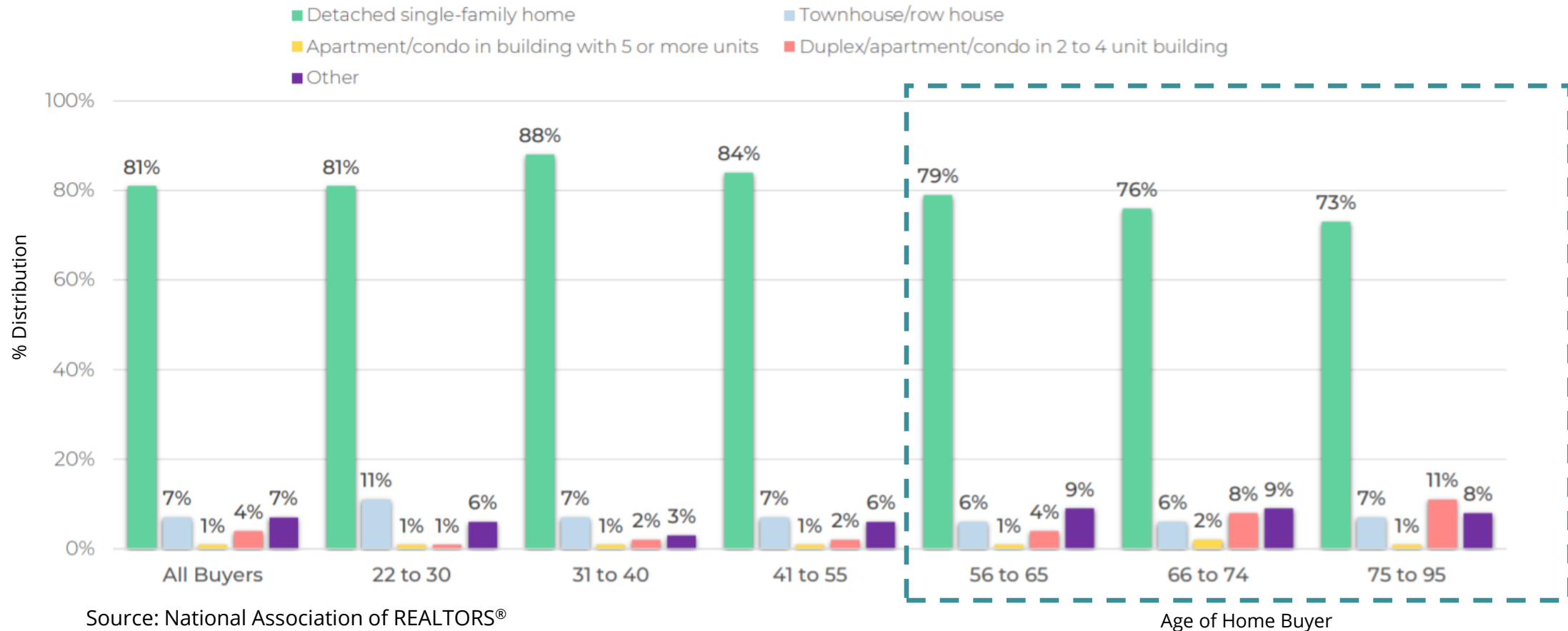
- Most home buyers older than 55 were looking to buy a home that is closer to family, friends and relatives
- Some of the other top reasons they buy homes include downsizing into a smaller home, and retirement

Top 3	Home Buyers Age 56 to 65		Home Buyers Age 66 to 74		Home Buyers Age 75 to 95	
	Primary Reason	% of Home Buyers	Primary Reason	% of Home Buyers	Primary Reason	% of Home Buyers
1st most common response	Desire to own a home of my own	15%	Desire to be closer to family/friends/relatives	23%	Desire to be closer to family/friends/relatives	31%
2nd most common response	Desire to be closer to family/friends/relatives	14%	Desire for smaller home Retirement	13% 13%	Desire for smaller home	13%
3rd most common response	Retirement	13%	Change in family situation (marriage/birth/divorce/etc.)	7%	Desire for larger home Retirement	7% 7%

Source: National Association of REALTORS®

Types of Homes Purchased

- Single-family detached homes were by far the most common type of home purchased with all age groups of survey participants, including adults over 55
- However, the % of other types of homes purchased by adults over 55; specifically, duplexes/condos in small buildings, and other types (senior housing, etc.) tend to be higher than the other age groups



Source: National Association of REALTORS®

Senior-Related Housing

- The proportion of home buyers that purchase senior-related housing increased significantly by age within the survey respondents.
- About 1 out of every 10 (9%) of home buyers age 56 to 65 purchased a senior-related home; this increases to more than 1 out of every 4 (27%) for home buyers age 75 to 95.
- The most common type of senior-related housing purchased in all older adult age groups were detached single-family homes
- Senior-related housing includes homes that are in 55 and older communities, and other senior-specific housing facilities, all along the care-spectrum



Source: National Association of REALTORS®

Factors Influencing Neighborhood Choice

- Location factors such as the quality of the neighborhood, and proximity to friends and family continue to be the top considerations for home buyers over 55.
- Affordability and proximity to shopping are also key factors

Top 3	Home Buyers Age 56 to 65		Home Buyers Age 66 to 74		Home Buyers Age 75 to 95	
	Top Factors (respondents could choose multiple)	% of Home Buyers	Top Factors (respondents could choose multiple)	% of Home Buyers	Top Factors (respondents could choose multiple)	% of Home Buyers
1st most common factor selected	Quality of the neighborhood	59%	Quality of the neighborhood	57%	Quality of the neighborhood	55%
2nd most common factor selected	Convenient to friends/family	38%	Convenient to friends/family	47%	Convenient to friends/family	47%
3rd most common factor selected	Overall affordability of homes	35%	Convenient to shopping	35%	Convenient to shopping	36%

Source: National Association of REALTORS®

Resources

- Virginia Department for Aging and Rehabilitative Services (DARS):
 - vadars.org
- APS Hotline: (888) 832-3858
- Virginia State Bar Lawyer Referral Service
 - <https://vlrs.community.lawyer/>
 - [\(800\) 552-7977](tel:8005527977)
- NAR Certification:
 - <https://www.nar.realtor/education/designations-and-certifications/seniors-real-estate-specialist-sres>

Fair Housing

Prohibits discrimination against protected classes from sellers AND agents

Protected Classes in Virginia include Elderliness (55+) and Disability

55 and up communities – how is this legal?

Fair Housing and Discrimination

Cannot **discriminate** because of a disability (e.g., mobility, dementia)

- Cannot refuse to sell or rent
- Cannot refuse to sign brokerage agreement
- Cannot steer a person to or away from a certain neighborhood or property based on their protected class
- **Can** ask if person has a disability or disability-related need that may require a reasonable accommodation!

"Disability" means, with respect to a person, (i) a physical or mental impairment that substantially limits one or more of such person's major life activities; (ii) a record of having such an impairment; or (iii) being regarded as having such an impairment.

Disability and Reasonable Accommodations

Discrimination includes:

- Refusing reasonable modifications
- Refusing to make reasonable accommodations in rules practices, policies, or services

To afford disabled persons full enjoyment of premises and equal opportunity to use and enjoy a dwelling:

- Landlord may condition permission for modification on renter agreeing to restore

Disability and Reasonable Accommodations

Interactive Process Part 1:

- Determine if person has a disability and related need
- Establish accommodation necessary to afford equal opportunity to use and enjoy dwelling
- Determine whether request imposes
 - an undue financial/administrative burden or
 - Fundamental alteration to nature of operations

Disability and Reasonable Accommodations

Interactive Process Part 2 –

Undue Burden Factors to Consider:

- Cost, including “substantial increase” in insurance cost
- Financial resources of receiver of request
- Benefits to person with disability
- Availability of alternative accommodations to meet needs

Fair Housing and Hoarding

- Not a protected class
- BUT may be considered a disability or symptom of a disability that qualifies for protection under Fair Housing law
 - (ii) any mental or psychological disorder, such as an intellectual or developmental disability, organic brain syndrome, emotional or mental illness, or specific learning disability.

Fair Housing and Steering

Be Careful! Ask, don't assume. Be consistent. Let client choose.

Some examples:

- 1st floor living
- 55+ communities
- Accessibility
- Neighborhoods without kids

Real Estate Tech Trends

Wire Fraud: Discuss with your clients not to accept wiring changes without confirmation

Electronic Signatures: Explain process

Online Scams: Be the gatekeeper

Capacity

- No capacity = voidable contract
 - Mental incapacity
 - Undue pressure/duress
- Law presumes capacity
- Can be fluid and change during relationship
- POAs can be helpful – but only if signed before incapacity
- An attorney can help!

Capacity

"Incapacitated person" means an adult who has been **found by a court** to be incapable of receiving and evaluating information effectively or responding to people, events, or environments to such an extent that the individual lacks the capacity to (i) meet the essential requirements for his health, care, safety, or therapeutic needs without the assistance or protection of a guardian or (ii) **manage property or financial affairs** or provide for his support or for the support of his legal dependents without the assistance or protection of a conservator. **A finding that the individual displays poor judgment alone shall not be considered sufficient evidence** that the individual is an incapacitated person within the meaning of this definition. A finding that a person is incapacitated shall be construed as a finding that the person is "mentally incompetent" as that term is used in Article II, Section 1 of the Constitution of Virginia and Title 24.2 unless the court order entered pursuant to this chapter specifically provides otherwise.

Va. Code § 64.2-2000.

Capacity Best Practices

- Refer to an attorney if question on capacity
- Forgetful or poor judgment does not = lack of capacity
- Confirm representatives/POAs/conservators have proper authority and scope to manage estate and financial affairs
- Brokers have policies for agents

Contractual Obligations

What to do if your client dies?

If co-seller + joint tenancy = interest transfers

If no co-seller, Read the contract! Many assign to successors = Probate

Alert other side

Look for someone to keep you updated

Keep a log of communications

If terminal, discuss contract options

Contractual Obligations

Who is appropriate person to sign documents and/or complete transactions?

- If incapacitated, check for POA or other document giving authority for another to sign
- POAs do not continue after death
- Looking for appropriate representative

How do people get paid?

Elder Abuse and Exploitation

- When something seems wrong
- When “representative” seems at odds with client
- APS Hotline: (888) 832-3858



Indicators of Adult Abuse, Neglect or Exploitation

FINANCIAL EXPLOITATION

- Unexplained disappearance of funds, valuables, or personal belongings
- Adult child is financially dependent upon the older person or the older person is dependent on caregiver
- Misuse of money or property by another person
- Transfer of property or savings
- Excessive payment for care and/or services
- Individual unaware of the amount of his or her income
- Depleted bank account
- Sudden appearance of previously uninvolved relatives/friends
- Change in payee, power of attorney or will
- Caregiver is overly frugal
- Unexplained cash flow
- Unusual household composition
- Chronic failure to pay bills
- Individual is kept isolated
- Signatures on check that do not resemble the individual's signature
- Individual doesn't know what happened to money
- Checks no longer come to house
- Individual reports signing papers and doesn't know what was signed

Continuity Planning



Be prepared!



Have a written plan



Compensation



Remember that deadlines still run



Logistics


External Resources

- Virginia Department for Aging and Rehabilitative Services (DARS):
 - vadars.org
- APS Hotline: (888) 832-3858
- Virginia State Bar Lawyer Referral Service
 - <https://vlrs.community.lawyer/>
 - [\(800\) 552-7977](tel:8005527977)
- NAR Certification:
 - <https://www.nar.realtor/education/designations-and-certifications/seniors-real-estate-specialist-sres>

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Legal Resource Library

Risk management is at the heart of professional real estate practice. The Virginia REALTORS® Legal Resources are designed to keep you updated on legal issues relevant to your real estate practices and to reduce your exposure to risk. Our staff monitors legislative and regulatory issues and keeps you informed of changes that affect your real estate business.

Resources include the Legal Hotline, Videos, Webinars, Broker Resources, the Ethics Center, and Standard forms and contracts available to you at *no cost* as a member benefit.

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