

## Housing Trends For The 21<sup>st</sup> Century



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### Historical Background

Housing in today's world comes in all shapes, sizes, heights and configurations, and may include: single family homes, rental apartments, condominiums, cooperatives, homeowner, property owner and planned unit development communities governed by associations, master associations, manufactured housing parks, and any combination of these.

Historically, in the United States, condominiums, cooperatives and planned communities have been developed in phases over the last 150 years. In fact, planned communities were first developed in the 1820's; with cooperatives arriving from Europe around 1900, and condominiums being created in larger numbers following the adoption of modifications to the federal housing administration (FHA) law in 1961. With improved transportation and an abundance of land and resources, the first suburbs were developed around the major cities on the east coast of the United States, following the street car lines. Then, with the development and expansion of the railroads over the years, we soon had a mobile population following jobs and family all over the country.

Eventually, the inner cities became the homes of the first generation immigrant populations, and those who could not afford to own their own homes or their own cars.

Today, based on best estimates, there are believed to be approximately 215,000 community associations in the United States, with 18 million housing units and approximately 42 million residents, and most of the housing development today is in the form of some kind of community association.

### Current Reality and Housing Trends

Before we look to the 21st century, let's look at the "current reality" about community associations, to have some foundation and background from which to move forward.

Today, the structural components of our buildings are aging. Some of the buildings were constructed in the late 1960's and early 70's; and some more recently, but on the water and affected by the salt air and the sun. Concrete restoration of walkways and balconies, and rebuilding of recreational amenities, has taken the place of new construction, as we run out of land on which to build.

In the wake of hurricanes and other storms, floods, fires, and so on, many associations are now paying increased costs of insurance. The insurance market is global, and even without losses in the immediate geographic vicinity, a community association may face occasional large increases in premiums, sometimes as high as 100% or more per year.

In addition to the aging of the physical property, we are facing the aging of the residents in community associations. There is a significant movement toward remaining in a unit or a home, with or without at home care, past the point at which individuals often went to traditional nursing home and assisted living facilities. Our community association-run communities may not be physically equipped to accommodate any special needs of an aging population, and the boards of directors are not trained to be social workers, mental health professionals, or health care givers. Too often, older persons were set up in a condominium unit by their families, and then forgotten, with the hope that the

association would take care of them now. And this problem is no longer limited to Florida and other traditional retirement meccas.

As we begin the new Century, we must deal with the aging of the populations within the units, and the problems which accompany diminishing health and capacity. In 1995, the U.S. Department of Commerce and U.S. Department of Housing and Urban Development American Housing Survey for the United States in 1995 (Washington, D.C., GPO, 1997) showed 33% of the homes in America occupied by individuals who are 55 and over. Between the years 1998 and 2010, the population in the 55+ age group is expected to increase by more than five million people, according to the U. S. Census Bureau.

Once clustered predominantly in areas like Florida, Arizona, Texas, California and Nevada, today, an estimated 205,000 community associations, with more than 16.4 million units, now exist in every part of the country, and, a growing number of seniors have chosen to remain in their homes and familiar surroundings, rather than moving to traditional retirement destinations. This trend is creating what has become known as a "Naturally Occurring Retirement Community" (NORC). People are routinely deciding to stay in the towns in which they retired, where they have friends and family near by, in familiar surroundings. And these communities may no longer be equipped to deal with the needs of a retirement population, after experiencing the exodus of the retirees for so long.

In the construction arena, urban sprawl has been a reality of comprehensive development plans of the past. Urban sprawl occurs when there is building on all available land, without regard for environmental impact, aesthetic issues, or the ability of the local governing bodies to provide the necessary infrastructure for water, sewer, electric, roadways, schools, and recreation. There has been a pattern of widespread, low-density residential and commercial settlements; leap-frogging development around and beyond already established communities, without regard for design or function; increasing dependence upon personal automobiles, and the decrease in availability of public transportation; little or no centralized planning or control of land use, until after the damage has been done; widespread strip commercial development; segregation of specialized

types of land uses in separate zones; and very little planning for providing for low income housing. In 1920, there was an average of 6,160 people per square mile; in 1990, the average was 2,589 people per square mile.

If you read the papers or watch the news, you are aware of the marked diminishing of the quality of life for millions of Americans, caused by traffic congestion and long commutes, air pollution, squandering of energy resources, escalating costs of living, lack of affordable housing, and inability to find appropriate workers in today's 100% employment marketplace.

There is an increasing feeling of personal isolation and a desire for community isolationism. We wait until we drive into the driveways of our homes, so we can feel like a person and not a car. You are probably familiar with the concept of "nimby" (not in my backyard), but have you heard of "banana" (build absolutely nowhere near anyone) which was reflected in the plot of land around the house and the long driveway? And then there is the creed of the politician: "nimtoo" (which stands for not in my term of office) and is shorthand for a reluctance to endorse change or espouse a potentially unpopular point of view, particularly in an election year.

Deteriorating infrastructure is causing public danger, and health hazards. There has been a terrible impact on the human soul as a result of those long commutes from home to work, and too many hours spent in the car, including the emergence of "road rage" as a commonly recognized psychological disorder.

An estimated 70% of Americans today quit working full-time before they are 65 years old. Following initial retirement, seniors are moving to second careers, pursuing interests which they developed as hobbies, or as home-based industry. With changes in the Social Security Laws, the age of retirement with full benefits has been extended to 67, and may be further extended down the line. With the advent of telecommuting, and the vigorous development and improvement of technology, home-based businesses are expected to increase exponentially in the next five years, particularly among the newly-retired population.

What are the issues challenging new or existing communities which provide mixed-age housing, and how are we going to deal with them in the 21st Century?

## Current Issues and Challenges

There was an article in the local paper, which explained that AARP was facing its own mid-life crisis, as the Baby Boomers reach and pass the age of 50. AARP legally changed its name from “American Association of Retired Persons” to “AARP” as it tried to change its image.

According to an AARP study, only a fifth of the Boomers expect to move to a new geographic area when they retire, and only one-third expect to scale back their lifestyles. In a survey conducted in May and June, 2002, AARP found that 34% of individuals over the age of 45 who were surveyed said they intended to continue working part time because they were interested in the work, or wanted something to do. 19% said they would continue to work for the money. 10% said they would start a new business, and 6% said they would work full time at a new job. AARP found that as many as 85% of the Baby Boomers expect to continue working or begin new careers or start businesses after the traditional retirement age.

Post-retirement Boomers will be “Zoomers,” defined as a Baby Boomer who sees retirement as the fast lane to a more energetic, new life characterized by healthy living, a high level of physical activity, a quest for further education and who possess technological and financial savvy. The Yuppie Elderly will be better educated and enjoy better health than the prior generation of retirees.

## New Issues and Challenges for the 21st Century

Today, there are four generations, who are trying to live together:

1. **The Matures**, who were born between 1920 and 1945 - They are the last of the veterans of the World and Korean Wars, and are also called the “Silent Generation.” This generation is all about sacrifice. They went through the Great Depression, and they recycle. Their heroes were military figures. They hold to the belief that a rule is a rule. And they feel that change is good, as long as it is the type of change they have envisioned. The Matures defined the world in which we live for many years, but have now moved aside to make room for the Baby Boomers.

2. **The Baby Boomers**, born between 1945 and 1964 - Approximately 77 million in number, this group is made up on workaholics who believe in teamwork and democracy. They don't take sick days, and they value loyalty. They don't necessarily see the need to follow rules. Their heroes tend to be national figures, like John Fitzgerald Kennedy and Martin Luther King. And, until approximately 2030, we will continue to have Baby Boomer generation Presidents in the United States. The Boomers share with the Matures a sense of history and the value of craftsmanship, the concept of “built to last.” They invented the idea of “meaningful work,” and the workplace continues to be a part of their self-identity.

3. **The Generation X'ers**, born between 1965 and 1977, and numbering about 44 million - This group was raised in an environment in which both parents worked. They question their parents' values, and feel that jobs and housing are disposable. This generation places greater value on family and personal life than the Boomers, and feel that a balanced life is more important than professional accomplishments.

4. **The Generation Y's**, also called the Echo Boomers, born between 1977 and 2000, about 80 million in number (approximately 33% of the U.S. population) - For the first time in a very long time, the Baby Boomers are no longer the largest generation. By the year 2010, those age 33 and younger are expected to number 137 million, or 46% of the U.S. population. This group has been protected and provided for. Many of them have always known the Internet, laptops, and cell phones. They have never physically touched a television set. Children born in 1984 and after have lived in a United States in which a Presidents from the Southern states have always held office. South Africa's official policy of apartheid has not existed in their lifetime. Cars have always had CD players and air bags. Weather reports have always been available 24 hours a day on television. The United States and Russia have always been partners in space, and a hotline is a consumer service,

rather than a phone used to avoid an accidental nuclear war. Genetic testing and DNA screening have always been available. This generation focuses on its individual choices, goals and futures. An interesting example of a marketing campaign to appeal to this generation is the military services ad which touts the “Army of One.” For them, the work ethic is equivalent to the worth ethic.

In the 1960’s, consumers looked for “the house.” In the ‘70’s, the subdivision and the master plan were important. In the 1980’s and 1990’s, lifestyle was the commodity. And now, in the 21st Century, “community” is coming into its own, once again. And where the generations mix, there is a dynamic tension arising from the potential for clashing approaches to life, the universe, and the concept of levying assessments.

In the year 2001, there were 6.1 billion people on the Planet Earth. In the year 2050, the population is predicted to increase to 8 billion. There will have to be a global union of individual freedom with common good in order for us to survive.

A survey published in the Miami Herald (September 16, 1995) showed that unmarried couples over the age of 45 were the fastest growing type of household in Florida, and across the nation. Singles were moving in together for mutual emotional support, health care and social company, as well as to pool finances for a better quality of life.

Many people who reach retirement age today did not or were not able to financially plan for retirement, because of inadequate income, catastrophic illness or death of a spouse, lack of professional assistance and advice, and so on, or have outlived their savings. Social Security, which was originally designed to support a retired person for four or five years, now provides support for fifteen to twenty years after retirement. The volatility of the stock market and interest rates has significantly impacted on the retirement fund planning for those who were able to put some money away. This will undoubtedly have an impact on owners’ ability to afford housing and pay assessments to the community association.

With the failure of seniors to plan financially for their independence has come the rise of the Sandwich Generation. These are the individuals in their 40’s and

50’s who are still caring for their own children, and are now in the position of having to care for their aging or infirm parent or parents, who may reside with them. Today, the old are caring for the older. People are living quite a bit longer now. In one case, the mother, who was 103 years old, moved in with her 66 year old daughter and daughter’s husband. Instead of focusing on her own time, money management and health issues, which can be significant, the daughter is now sharing her resources with her mother. According to an article published on September 18, 1995 in the Miami Herald, 75% of these caregivers are women, daughters reunited with their mothers after years of independence, sometimes repaying childhood kindness, sometimes replaying childhood battles. And the strains and struggles, both emotional and physical, are immensely stressful to those who are entering their own retirement years.

### **Approaches and Solutions for a New Century**

At the level of development of appropriate housing facilities, there has been some growth in the construction of multi-tiered communities. I am referring to those communities which provide for fully-independent living, and then for gradually-increasing degrees of assistance to full nursing home facilities, all within the same project. Of course, we still have the problem of healthy and vital individuals who do not want to be reminded of incipient decrepitude, and who do not like having the hospital facility located prominently in the community. Still, the multi-tiered community does provide a measure of peace of mind, since an occupant who has no family knows he or she will be cared for as time passes and capacity diminishes.

Municipalities will need to review services and make changes to accommodate individuals who are now staying in their pre-retirement homes. This will need to be done not only at the governmental level, but also at the level of service and goods providers who will have to meet the new market needs of in-home services and delivery.

In the short run, the trend for new housing development is finally turning toward rediscovering and encouraging the sense of community in community associations. And architects and planners are now becoming involved and committed to the new approach. All over the country, developers are constructing communities in which you can walk,

providing pedestrian access to amenities, and alleviating the need to use your car to move around within the community.

The general concept is to recreate the traditional neighborhood development (TND), mixed use communities, which include commercial sites within the residential community boundaries. These might include a grocery store, a drugstore, a dry cleaner, an exercise complex. These communities are pedestrian friendly, and relieve the current dependence on having a car. The idea is to enable those who do not drive, or who do not wish to drive, a group which might include anyone from seniors to children, to have access to basic services, activities and recreation, within walking distance, conveniently close to home. The TND mixture will also include different styles of housing stock, to provide choices of design and price, and to add visual interest in the design of the community. There are communities in which large single family homes are mixed with smaller townhouses, and so on, not only in the same neighborhood, but even on the same block, recreating the old neighborhood models. The TND returns us to a mix of ages, life stages, and incomes.

Buyers are returning to the downtown areas, and developers are renovating, recycling, and rebuilding in the inner cities. "Living in the Fun Zone," near entertainment and restaurants is catching on in downtown Chicago. In the South of Market Area of San Francisco, formerly industrial areas have been converted to housing, both sale and rental; shopping; and entertainment uses.

The commercial development might look like main street in Celebration, Florida, with a mix of dwellings over the ground level retail space, and the annual meeting held in the movie theater at town center, complete with soft drinks and popcorn; or a small cluster of stores located with the clubhouse facility.

New designs include a return to the use of front porches to encourage residents to sit outside and interact with their neighbors; alleys and rear garages for driving and parking cars; walking paths and sidewalks; exercise paths, bicycle and rollerblading paths; and a great deal of landscaping, including flowers and trees. This may require revisiting zoning laws

and growth plans in various areas, to allow for that kind of mixed use, and to encourage formative use of public space, in place of residual public space.

We have moved from the "industrial age" to the "information age". What will that mean for the growth of home-based businesses? With the boom in technological development, futurists predict that more than half of the work force will be working out of their homes, using their computer systems and taking advantage of internet business possibilities, possibly within the next five years. And with the development of technology, we will see a new definition or even disappearance of retirement as we have known it. Home-based business and telecommuting are on the rise.

And speaking of technological advances, community associations are beginning to use the internet to create a global front porch, to provide a community website, from which residents can access the schedule of events, minutes of the board meetings, financial reports, copies of the association documents, information about the community, chat rooms and bulletin boards. There will be the opportunity to attend a community association membership meeting via the net, and maybe the meeting will be held entirely on the net, rather than in a meeting room. There are direct web links to relevant sites in county, city, state and federal government for information and access to laws. You can contact your local congressmen via the email.

Seniors are logging on to the Internet in record numbers. The fastest growing population of people using the Internet are those over the age of 50. Introductory courses in computer use and Internet access are filled to capacity at local colleges. SeniorNet, a paid membership website encourages seniors to use the Internet to enrich their lives. And, recognizing that people over the age of 55 still have feelings and interest in relationships, American Online hosts a website love section, which gives seniors an opportunity to meet. AOL estimates that its services have sparked as many as 10,000 marriages over the years, many of these among the elderly.

There will be many more smart houses, either in new construction, or in the retrofitting of already existing housing stock. Builders will move from "bricks and sticks" to "clicks and sticks."

Houses will be wired for high-speed and broadband internet and web access as a “plug in” feature, just as electricity is now.

Baby Boomers are buying or building houses in which all living space is contained on a single floor. Or, in the case of a two-story house, there is a master bedroom and bath suite on the ground floor, and the ability to live comfortably on the first level, should that become desirable or necessary because of health or age considerations. Using a life-span design concept, sinks and doors use levers instead of knobs. Doorways and halls are wide enough to allow wheelchair access. Exits to the outdoors have gradual sloping paths, rather than steps. The showers have a pull down seat. Walls are reinforced to support grab bars. Ovens open from the side to avoid reaching over a hot door.

Two-story homes have stacking closets, one above the other, to allow for the installation of a small elevator in the future, if needed, or if desired to enable the resident to remain in his/her home. New homes, admittedly in the higher price ranges, are being built with elevators already installed. This is particularly helpful for waterfront construction, in which the living quarters begin on what would have been the second floor because of flood zone requirements. And, as property becomes increasingly scarce, expansion will be up rather than out.

More trends include: recognition of the concept of smart growth and urban infill. That is, we will be building in the undeveloped spaces which are left in existing communities, and replacing decrepit and deteriorated buildings with new construction. Smart growth includes planning for access to and expansion of public transportation, sidewalks, recreation areas, greenspace, and exercise trails. It also includes making use of already existing resources, and not permitting unlimited growth just because a piece of property exists. It is not enough to simply build houses. The developer of the future will have to create value and a sense of community to attract the buyers of tomorrow. Growth management will have to consider the costs of sprawl (including tax liability), respect for and conservation of the earth's natural resources, more compact communities with higher density dwellings and more green spaces, land conservation to reduce infrastructure needs,

improvement of air and water quality, and rediscovery of the core of our cities and towns. These measures will actually increase the tax base for local, state and federal governments, while decreasing the support costs.

There is a development concept known as green communities. These communities are designed in harmony with the topography of the building site, incorporating trees and uneven terrain, to create an aesthetic value with the market value, and using ecologically sound building materials, including recycled products. This also includes using building materials whose manufacturing does not have a big impact on the earth's resources or ecology by reducing the use of energy and water. Green construction promotes indoor air quality, reduces dependence on cars, and employs natural heating and cooling, such as sun and shade. These houses are energy efficient, and non-toxic to both the residents and the environment. These houses incorporate the Frank Lloyd Wright concepts of harmony as a dynamic of development. In addition, the purpose of green construction is to create environmentally sustainable and healthy buildings, housing and landscaping practices.

Already, there are new types of consumers for standard housing stock — the parents of the Baby Boomers, who lived through the Great Depression, saw home ownership as the ultimate signal of success. Some of the Boomers, who have reached a level of economic success, are now looking to recapture a quality of the life they remembered growing up. They are looking for an interesting and convenient place to live, with the possibility of becoming involved in the community. They don't want to cocoon, they want to congregate. They are looking for an “old-fangled new town.” There must be an “architecture of engagement” inherent in designing a platform from which a new kind of community will grow. The Generation X'er is not looking to make an investment in a home, but rather to find a house which suits his lifestyle for now, and which can be passed on when he outgrows it or tires of it. For him, housing is disposable.

And there will be a broadening of focus, as residents look to see the larger community of which their home communities are a part. Each owner must become involved in the economic and moral issues outside of his/her immediate subdivision. There will

need to be an expanded sense of social responsibility, which is fostered in our children, in order to provide low income housing opportunities, and an increase in the quality of living for all of us. We will look for the shared common traits and goals, not for the differences.

The same size housing unit is attractive to a variety of consumers, such as: the empty nester, the retiree, and the couple or single person without children. The future will bring a larger diversity of population within community associations, and a variety of cultural and ethnic backgrounds. Part of the strength of this country is that it was built on the cultural, racial and ethnic diversity of its population, right from the inception. The new diversity of our communities will bring new challenges in creating a sense of community in which all residents understand the requirements which must be met to allow everyone to share living spaces. And we will have a diversity of use, activities and design in our communities, arising from and in response to our diverse populations.

There will be opportunities for flexible design and combinations of uses to provide packages of amenities and incorporate an inclusive lifestyle, not an exclusionary community.

The concept of smart growth will require the construction of higher density communities and preservation of land and greenspace. Community residents will have to become more involved in the process, regarding changes to state laws and local zoning ordinances.

More educated and sophisticated consumers will demand a different kind of housing and an improved kind of community. With the technological advances, you will be able to live anywhere and still work.

The Baby Boomers have been a very large segment of the population. Yet, as a group, they are not that interested in doing the community governance work themselves. If they do not get involved in planning and governance of our communities, who will? There will be a dramatic increase in the use of professional community association management teams to take care of the day to day operations of the communities, and free the membership for the more interesting pursuits of their lives and families.

By the year 2020, there will be a 14% increase in the number of people over the age of 80. There will be a 21% increase in the number of people fourteen years of age and under. And as the Boomers age, there will be a 14% drop in the number of people who are 35 to 49. Today, there are an estimated 70,000 Americans who are 100 or older, a number which has tripled since 1980. The whole definition of "old" will change dramatically in the coming years. We Baby Boomers will never concede we are old. Witness the huge growth of exercise programs and gyms. The cover of Modern Maturity Magazine, September-October 1999 issue, featured Actor Susan Sarandon, and the title article was "Great Sex - What's Age Got To Do With It." Researchers at Yale University's department of Epidemiology and Public Health found that people with a positive attitude toward aging tended to live 7.5 years longer than those with less positive feelings. And attitude has been shown to affect physical health, including cholesterol and blood pressure.

Communities governed by community associations will continue to be built in record numbers. Recent studies have shown that consumers buy their most expensive homes at the average age of 47. With the volatility of the stock market, investment in a second home and real estate in general has become more attractive again.

With the advent of an every increasing number of drivers over age 55, municipalities and counties, highway engineers, safety groups and automobile manufacturers will make some changes to the roads and vehicles to make them more accessible for diminished visual and hearing acuity, and slowing reflexes. These might include larger, brighter signs; improved road lighting; pavement markings which still reflect light when wet; and advance sign placement. Improvements to public transportation are required, so that senior drivers can have a viable alternative.

The abandonment of the inner cities will be replaced with widespread gentrification, rebuilding, and infill, with a mixture of residential and commercial uses, and a range of prices to accommodate all levels of buyers. The revitalization of inner cities will no longer mean the displacement of those who have the fewest resources or options for moving elsewhere.

Housing designs will help recreate a sense of history, valuing aesthetics and individual expression over cookie-cutter uniformity of exterior appearance.

We will all realize we are the stewards of the planet's resources, spaces, and people, and we have an obligation to be wise and judicious in our decisions and implementation of our choices.

We will recognize the inherent social tensions of trying to balance people and property, and the social tensions which are created by diversity, and we will use them to create a balance and to focus on relationships, rather than on compliance. In the first decade of the 21st Century, 60% of first time home buyers are expected to be minorities and immigrants.

We will continue to volunteer our time, and even in communities that are fairly homogenous, we will step outside of ourselves and volunteer in our hospitals and schools to reestablish the connections among the generations and reach out to those in whose lives we can make a difference.

Government agencies will understand the need for conservation of land and for preservation of

greenspaces, wetlands, and other environmental assets. Livable communities of tomorrow will be more compact, with generous access to parks, playgrounds, trails, and natural open space. New communities will consume less land, require less infrastructure, and provide a high quality of life.

We will learn from our mistakes, and learn from our successes, finding the community designs and experiences which work, while avoiding mass duplication of a template when one is created. We will take into consideration the differences among building sites, local resources, community needs, market demands and so on.

Based upon medical advances and research developments, we look forward to many more years of productive and quality life, and we are looking for communities of tomorrow - communities which are vibrant, responsive, competent, and harmonious. The new construction is easy. The real challenge for us will be in reinventing already existing communities as strong, caring organizations which positively affect the lives of the members and residents. ⚖️

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