

Seniors Real Estate Specialist (SRES®) Designation Course

Instructor and Student Manual Canadian Edition

A program by the SRES® Council of
the National Association of REALTORS®



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Introduction

The SRES[®] Council is part of the REALTOR[®] family. It focuses on educating REALTORS[®] to serve real estate buyers and sellers who are aged 50 and older. It educates and supports REALTORS[®] who have made a decision to integrate this growing and profitable market niche into their business plans.



SRES[®] —A Market Distinction

The SRES[®] designation is awarded to REALTORS[®] who have successfully completed the required education course. SRES[®] designees learn how to lead senior clients through real estate transactions and draw on the expertise of a network of senior specialists, such as CPAs, estate planners, lawyers, clutter and staging experts as well as community resources and services. More than 15,000 REALTORS[®] have earned the SRES[®] designation.

SRES[®] designation benefits

- ▶ Regular updates on senior-related issues, such as developments in financial and legal matters and housing trends.
- ▶ Customizable quarterly newsletters written for your clients.
- ▶ Customizable marketing materials, such as downloadable brochures, ad slicks, and press releases.
- ▶ Listing in a searchable online directory of SRES[®] designees, which can be viewed by potential clients and referrals.
- ▶ Certificate and lapel pin.
- ▶ SRES[®] partners and discounts
- ▶ Monthly Webinars
- ▶ SRES[®] member posting board and blog

I-Note: **DESCRIBE** the SRES[®] Council and designation. **INFORM** students that one-year's membership in the SRES[®] Council is included in the course fee

I-Note: **DESCRIBE** the process for earning the SRES® Designation.

Earning the SRES® Designation

- 1** Complete the SRES® Designation Course and achieve a passing grade (80%) on the course exam.
- 2** Become a member of the SRES® Council. The SRES® Designation Course fee includes a free year's membership with the SRES® Council.
- 3** Maintain membership in the SRES® Council (annual dues are currently \$99 USD) and the National Association of REALTORS® or Canadian Real Estate Association.

Welcome from NAR

SRES

ONLINE STUDENTS MEMBERS PROSPECTIVE MEMBERS CONSUMERS PROVIDERS LATEST NEWS ABOUT US CONTACT US

welcome
to Seniors Real Estate Specialists
(SRES®)

Seniors Real Estate Specialist is a designation for REALTORS® to address the needs of home buyers age 55-plus. With so many options on the horizon, SRES® is where the future takes shape.

member log in

username:

password:

Login

retrieve log in information

by city by zip Canada

Locate an SRES designee

province:

Go

JOIN NOW

MISSION & VISION

WHAT IS SRES® DESIGNATION

SEARCH FOR AN SRES® CLASS

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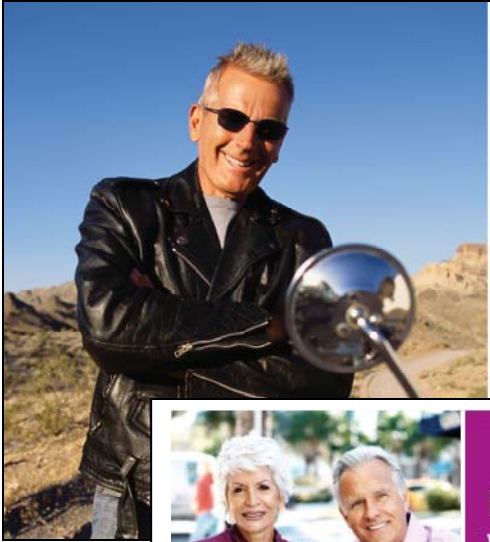
SRES MARKETPLACE

December 6, 2007



where the future takes shape

- NRDS Database Reminder
- Distinguished SRES® Awards
- Phased Retirement
- Caring for Elderly Rela
- Consumer News, Smar
- NRDS Database Remin



A change of pace.

Whatever you're moving towards, an SRES® designee will find you the home of your dreams.



Quarterly reports and updates. Log in to your account at sresrealestate.com to check on "Quarterly Reports" in the left-hand column.

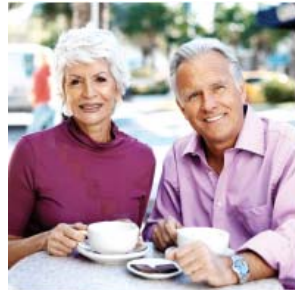
By the end of this year, all information straight from your NRDS is found on F. You can make changes yourself through the Department. This is real information. This is real mailing address and the information. Now that SRES is fully in operation, you will contact information changes.

In the next few weeks we will update your NRDS record under the "Help with my account" link. You will still be able to update your information. You will still be able to update your information.

Distinguished SRES® Awards

At the November NAR Conference in Las Vegas, we recognized several people who have shown exceptional service to Seniors and the success of the SRES.

Lane Tharp, an Atlanta-based practitioner who has been serving Senior clients over the last seven years, received the 2007 Distinguished SRES® Award. He is a member of several Senior services networks and is the President of the Georgia ElderCare Network. Tharp has published



Baby Boomers, we've been expecting you.

Whether you're moving closer to your family or closer to relaxation, an SRES® designee will take the extra time to find you the home of your dreams.



"I'm your Seniors Real Estate Specialist®"

A change of course.

Whatever you're moving towards, an SRES® designee will find you the home of your dreams.



Photo

First Name Last Name
12345 Address
Any City, IL 00000
Phone 000-000-0000
Cell 000-000-0000
Email@www.infomail.com



SRES® Designation Course Benefits

I-Note: **DESCRIBE** the course benefits.

▶ **Understanding market changes**

Do you know where your market is going? Visualize your market ten years into the future. Demographic forces alone, as will be shown in the next chapter, will change your market as close to 10 million Baby Boomers experience the life transitions that accompany aging—their own and their parents.

▶ **Building your business**

Real estate buyers and sellers aged fifty and older possess most of the nation's personal wealth and home equity. They represent a huge market potential as they buy and sell real estate to suit lifestyles and stages. REALTORS® who are tuned into the market potential, specialize in the 50+ market, and integrate it into their business plans will have the edge over their competitors. The SRES® Designation Course provides a kick-start for moving into the market.

▶ **Learning housing and finance options**

An important factor in specializing in the market is knowledge of the housing and real estate finance options that are available for seniors as well as how retirement income sources and assets figure into real estate decisions. A specialist needs to know how to counsel clients on matching housing choices with lifestyles, stages, and income levels, as well as evaluate the trade-offs involved in choosing a community and property.

▶ **Keeping the client**

As you demonstrate your expertise and empathy in serving the 50+ market, you will gain a reputation as a trusted real estate advisor. Experienced practitioners attest that senior clients will be buyers and sellers two or three times as they age and move through life transitions. Winning and keeping the 50+ client means future transactions.

▶ **Connecting you to a network of referral partners**

The SRES® designation connects you to a network of referral partners. It positions you as:

- an expert contact for incoming referrals as 50+ buyers look for the perfect retirement property and community
- a source of outgoing referrals when past clients move to other locations.

For the large group of seniors who plan to stay close to home when they down-size, up-size, and transition, remember that a leading source of referrals is the client's friends or relatives.

1. The 50+ Market

In this chapter

- ▶ Demographics
- ▶ Generations
- ▶ Challenging stereotypes
- ▶ How the Baby Boomers are changing retirement
- ▶ The client across the desk

I-Note: **HIGHLIGHT** chapter content.

Large and Fast-Growing Market Segment

As a subset of the total Canadian population, seniors—who in this course are defined as 50 and older—are a large market. According to Canada census data, one in three Canadians is a Baby Boomer¹.

This market is also fast growing. The number of seniors in Canada is projected to increase 200% between 2005 and 2036: from 4.2 million in 2005 to 8.4 million in 2036².

Exam Question 3

Real estate professionals who want to specialize in the seniors market need an:

- understanding of the characteristics of the generational groups that make up the 50+ market.
- appreciation for needs of individual clients based on lifestyle and stage.

This can be accomplished in part by reviewing demographic data and generational characteristics.

Demographics and Generational Characteristics

Why is it helpful to take a look at demographics and generational commonalities and differences? Commonalities and differences can provide insight into what is important to them (e.g., world viewpoints, reactions) as well as how to best to communicate and market to them, their motivations, lifestyles, hopes, and fears.

Shared experiences of key events shape our outlooks and behaviors. Demographers generally agree that events experienced in childhood, youth, and young adulthood—the formative years—influence age-peers

I-Note: **EXPLAIN** the value of examining generational characteristics. **CAUTION** that it is not a substitute for learning about the individual.

¹ Statistics Canada. Portrait of the Canadian Population in 2006, by Age and Sex: Highlights. Available at: <http://www12.statcan.ca/english/census06/analysis/agesex/highlights.cfm>.

² Statistics Canada. *A Portrait of Seniors in Canada. 2006*. Catalogue no. 89-519-XE. Available at: <http://www.statcan.ca/english/ads/89-519-XPE/index.htm>.

and shape attitudes and viewpoints, interpersonal behaviour, career and family priorities, tastes, and other aspects of human behaviour, both subtle and overt. Generalizations can provide a frame of reference from which to start understanding clients' needs and preferences.

Let's take a look at how demographers generally describe the current generations and their characteristics, based on birth year. Common generational groupings and labels are:

- ▶ The Lost and Full Retiree Generations (born prior to 1937)
- ▶ Active Retiree (1938–1947)
- ▶ Baby Boomer (1948–1962)
- ▶ Gen X (1963–1976)
- ▶ Gen Y, Echo Boomer, Millennial, Nexter (1977–1994)
- ▶ Gen Z (1995–present)

Exam Question 1

I-Note: **ASK** which is the largest population group. **EMPHASIZE** that senior real estate business will increasingly involve the Baby Boomer generation.

Note that the new figures for total Canada population in Jan 2010 was estimated at 33,930,800.

<i>Canada's Population in 2006</i>			
Total Canada population in 2006	% of Pop.	Number	Generation
31,612,895	3.7%	1,167,315	Lost and Full Retiree Generations (born prior to 1937) Aged 69 and over
Exam Question 1	13.96%	4,412,770	Active Retiree (1938–1947) Aged 59–68
	31.2%	9,865,915	Baby Boomer (1948–1962) Aged 44–58
	12.4%	3,907,835	Gen X, (1963–1976) Aged 30–43
	26.1%	8,288,810	Gen Y, Echo Boomers (1977–1994) Aged 12–29
	12.3%	3,899,660	Gen Z (1995–present) Under 11

Source of demographic data: Statistics Canada, Portrait of the Canadian Population in 2006, by Age and Sex: National Portrait, Census 2006, Cat no.97-551-XWE2006001. Available at: www12.statcan.ca/english/census06/analysis/agesex/NatlPortrait6.cfm.

For real estate professionals, the following discussion of generational characteristics informs how:

- ▶ Services are provided
- ▶ Marketing communications are developed and implemented
- ▶ Clients and customers are counselled and provided with information

Because it is the Lost and Full Retiree, the Active Retiree, and the Baby Boomers who do and will comprise the current senior market as well as that of the next decade, the following discussion will focus on them. However, interaction with Gen X and Gen Y members will also be discussed because these are the young adults who may be involved in the real estate decisions of their parents and elders. Of course, the Baby Boomers, the next big business opportunity for senior real estate, will be a particular emphasis because, based on numbers and wealth, for the next couple of decades they will be the most active senior market.

For ease of reference throughout the remainder of the course, the Lost and Full Retiree and Active Retiree will be collectively referred to as “matures” or “elders” and the market will be collectively referred to as “seniors,” including the 50+ population.

As generational differences are discussed, keep in mind:

- Events of that generation’s childhood
- The impact of those events
- Changes that resulted from those events
- Values and beliefs created by those events

As others in the class share their experiences, listen to their recounting of key events. It will help you understand the values and life experiences of different generations as you connect and build rapport with your senior clients.

I-Note: **OBSERVE** that knowing generational characteristics will help students in providing services and information, as well as in marketing.

Exam Question 2

I-Note: **INFORM** students of the use of terms “matures,” “elders,” and “seniors” for the remainder of the course. **EXPLAIN** that the term “senior” is not always the best word choice in marketing communications.

I-Note: **REVIEW** the generational characteristics on the following pages. **INVITE** students to offer additional characteristics based on their experiences.

<i>Lost and Full Retiree Generational Profile</i>	
Born:	Prior to 1937
Age in 2010:	73 years and older
These Members Are:	<ul style="list-style-type: none"> • Parents of Baby Boomers • Grandparents of Gen X
Formative Experiences:	<ul style="list-style-type: none"> • Depression • WW II
Attitudes:	<ul style="list-style-type: none"> • Energetic • Courageous • Loyal • Community oriented • Hardworking • Team players • Respect for authority
Movies, Music, TV:	<ul style="list-style-type: none"> • Casablanca • Big Band • Jazz • The Honeymooners
Famous People:	<ul style="list-style-type: none"> • Tommy Douglas • Pierre Elliot Trudeau • Queen Elizabeth II • John F. Kennedy • Jimmy Stewart • John Wayne • Jacques-Yves Cousteau
Other Observations:	<ul style="list-style-type: none"> • Coined the phrase “senior citizen” • Believes in saving

Active Retiree Generational Profile	
Born:	1938–1947
Age in 2010:	63–72
These Members Are:	<ul style="list-style-type: none"> • Parents of Gen X • Grandparents of Gen Z
Formative Experiences:	<ul style="list-style-type: none"> • WWII • D-Day in Normandy • Korean War
Attitudes:	<ul style="list-style-type: none"> • Cautious • Conformist • Risk averse • Unimaginative
Movies, Music, TV:	<ul style="list-style-type: none"> • Blackboard Jungle • Rebel Without a Cause • Rock and Roll • Doo Wop • American Bandstand
Famous People:	<ul style="list-style-type: none"> • Leonard Cohen • Gordon Lightfoot • Donald Sutherland • Neil Young • Margaret Atwood • Martha Stewart • Jackie Kennedy • Elvis Presley • Marilyn Monroe

<i>Working with Lost and Full and Active Retirees</i>	
Providing Services:	<ul style="list-style-type: none"> ▪ Feel that “service isn’t what it used to be.” ▪ Remember full-service gas stations.
Decision Making:	<ul style="list-style-type: none"> ▪ May appear indecisive, overly cautious. ▪ Afraid of out-living their assets. ▪ Help them feel empowered to make a good decision. ▪ Decisions are driven by circumstance, not the market. ▪ May be concerned with image when downsizing.
Counselling:	<ul style="list-style-type: none"> ▪ Formality is important. Address them as Mr. and Mrs., do not use first names. ▪ Shake hands (“my word is my bond”). Honor the need for independence. ▪ Ask a lot of questions to find out what they really want. ▪ Show the options and explain all the details.
Response Time:	<ul style="list-style-type: none"> ▪ For follow up, schedule a specific time when you will respond. Say, “I will call you on Friday at 2:00 p.m.” ▪ Many elders have little to fill the day and may make repeated calls that use up your time. Make a telephone appointment and explain that you will address their concerns during that appointment.
View of Experts:	<ul style="list-style-type: none"> ▪ Value personal referrals. ▪ Provide testimonials and resume.
Information Access:	<ul style="list-style-type: none"> ▪ Technology is a bit mysterious, but a handy tool for communications and entertainment.
Marketing Dos and Don’ts:	<ul style="list-style-type: none"> ▪ Help clients feel empowered. ▪ Be courteous and interact face to face. ▪ Do not patronize. ▪ Be aware of physical limitations. ▪ Relationship marketing is key.

<i>Baby Boomer Generational Profile</i>	
Born:	1948–1962
Age in 2010:	48–62
These Members Are:	<ul style="list-style-type: none"> • Children of the Lost and Full Retirees • Parents of Gen Y
Formative Experiences:	<ul style="list-style-type: none"> • Assassinations of JFK, Martin Luther King, and Bobby Kennedy • Cuban Missile Crisis • Vietnam • Moon landing • Woodstock and hippie culture
Attitudes:	<ul style="list-style-type: none"> • Ambitious • Optimistic • Individualistic • Immediate gratification • Careerist • Hardworking • Competitive • Materialistic • Nostalgic about childhood
Movies, Music, TV:	<ul style="list-style-type: none"> • Easy Rider • Leave It to Beaver • Beatlemania • Rolling Stones • New Age
Famous People:	<ul style="list-style-type: none"> • Prince Charles • Dan Aykroyd • John Candy • Mike Myers • Bryan Adams • Michael J. Fox • Madonna • Oprah Winfrey • Bill Clinton • Bill Gates
Other Observations:	<ul style="list-style-type: none"> • Baby Boomers were the 1st TV generation and still watching about 24 hrs per week.

<i>Working with Baby Boomers</i>	
Providing Services:	<ul style="list-style-type: none"> ▪ Value convenience and customization ▪ Do not need emotional support or hand-holding ▪ Hate rules
Decision Making:	<ul style="list-style-type: none"> ▪ Not in a hurry ▪ Generally not needs driven ▪ Expect numerous “be-back” visits
Counselling:	<ul style="list-style-type: none"> ▪ Buyers value representation of interests and managing the process; sellers value pricing properties right, representation of interests, and managing the process.
Response Time:	<ul style="list-style-type: none"> ▪ Expect a timely response, but not necessarily instant turnaround
View of Experts:	<ul style="list-style-type: none"> ▪ Want and expect expert services and advice ▪ Emphasize your network of experts ▪ Be able to back up your knowledge with experience and credentials
Information Access:	<ul style="list-style-type: none"> ▪ Do not want information they can find themselves ▪ Provide the highlights ▪ Technology is a tool for communications and work.
Marketing Dos and Don'ts:	<ul style="list-style-type: none"> ▪ Boomers do not see themselves as old, anything labeled as “senior” is a tough sell. ▪ Marketing should be age targeted, not age restricted (Boomers hate rules) ▪ Interact in person or by telephone ▪ Appeal to the active lifestyle

Generation Jones

Some marketers define the trailing edge of the Baby Boomers as “Generation Jones.” Those born during the latter years of the Baby Boomer generation share many of the same core values, but were born too late to participate in the cultural revolution of the ‘60s that marks the era and key events like Vietnam, Woodstock, and the hippie movement. Some examples are Princess Diana, Tom Cruise, and Michael Jordan.

Gen X Generational Profile	
Born:	1963–1976
Age in 2010:	34–47
These Members Are:	<ul style="list-style-type: none"> • Children of Active Retirees • Parents of Gen Z
Formative Experiences:	<ul style="list-style-type: none"> • Berlin Wall • Chernobyl • Challenger explosion • Iran hostage crisis • Technology and video games
Attitudes:	<ul style="list-style-type: none"> • Skeptical • Latchkey kids • Isolated • Cynical • Entrepreneurial • Independent • Quality of life/family before career • Self-reliant • Pragmatic • Reluctant to commit
Movies, Music, TV:	<ul style="list-style-type: none"> • Star Wars • E.T. • Total Recall • Terminator • Grunge • Heavy Metal • Ninja Turtles • Friends • MTV
Famous People:	<ul style="list-style-type: none"> • Celine Dion • Shania Twain • Jodie Foster • Tiger Woods

<i>Working with Gen X</i>	
Providing Services:	<ul style="list-style-type: none">▪ Want you to provide access and get the paperwork done. Negotiate price and details.▪ Will not need hand-holding or emotional support.
Decision Making:	<ul style="list-style-type: none">▪ Pragmatic, risk-takers, results oriented.▪ Sense of entitlement.
Counselling:	<ul style="list-style-type: none">▪ High tech/low touch.▪ Help them interpret information.
Response Time	<ul style="list-style-type: none">▪ Expect prompt response time (maximum two hours).▪ Deliver everything yesterday.
View of Experts:	<ul style="list-style-type: none">▪ Skeptical.
Information Access:	<ul style="list-style-type: none">▪ “Information wants to be free.”▪ Likely to rely on themselves to find data.▪ Technology is a way of life and means of empowerment.
Marketing Dos and Don'ts:	<ul style="list-style-type: none">▪ One chance to get it right.▪ Do not try to “sell” them anything.▪ Awareness level is very high.▪ They already know the good deals.

Gen Y Generational Profile	
Born:	1977–1994
Age in 2010:	16–33
These Members Are:	<ul style="list-style-type: none"> • Grandchildren of the Lost and Full Retiree Generations • Children of the Baby Boomers
Formative Experiences:	<ul style="list-style-type: none"> • September 11 attacks • Internet • Gulf War • Columbine shootings • Globalization
Attitudes:	<ul style="list-style-type: none"> • Empathic with elders • Sheltered • Tolerant • Sensitive to multiculturalism • Inclusive • Hopeful • Over-scheduled and time-pressured • Multitaskers • Short attention span
Movies, Music, TV:	<ul style="list-style-type: none"> • The Matrix • Harry Potter • Hip Hop • Rap • South Park • The Simpsons
Famous People:	<ul style="list-style-type: none"> • Prince William • Venus Williams • Beyoncé Knowles • Avril Lavigne

Echo Boomers

Gen Y is also known as at “Echo Boomers” because they are the children of the Baby Boomers and almost equal in number to their parents’ generational cohort. This group includes the “boomerang generation,” adult children who move back or remain at home to live with their parents.

<i>Working with Gen Y</i>	
Providing Services:	<ul style="list-style-type: none">▪ High tech/low touch.
Decision Making:	<ul style="list-style-type: none">▪ Pragmatic, but empathic with elders.
Counselling:	<ul style="list-style-type: none">▪ Value personal contact.▪ Prefer directness over subtlety, action over observation.▪ Above all, keep cool.
Response Time:	<ul style="list-style-type: none">▪ Crunched for time, always multitasking.▪ Expect you to multitask, too.▪ Everything is scheduled.▪ Communicate by e-mail and instant-messaging.
View of Experts:	<ul style="list-style-type: none">▪ Heavily influenced by media and peers.
Information Access:	<ul style="list-style-type: none">▪ High speed, instant access is expected.▪ Technology is a way of life. Vocabulary for human interaction reflects technology: soft skills, downtime, download, text-me.
Marketing Dos and Don'ts:	<ul style="list-style-type: none">▪ No pretensions.▪ Avoid the appearance of over-promising.▪ Influenced by the look of your Web site.

Exercise: Generations

It is important to take into consideration both the client and anyone who might be involved in the real estate decision-making process, such as children and relatives. When discussing development of a team of experts later in this course, realize that these individuals will likely be from a variety of generational cohorts, too.

- What are the ages of the oldest and youngest persons in your family?

- What are the ages of the oldest and youngest persons in your office?

- Where do you fit in the ranges of ages and generations in your family and office?

- How do the generational differences impact communications in your family and office?

I-Note: **ASK** students to respond to the questions on their own or in groups, and then share their answers with the class. **WRITE** the ages, by decade, on a flip chart. **COMMENT** on the range of ages. **INVITE** students to share thoughts on how these ages reflect their current clients and customers. **LEAD** a discussion about generational differences in interpersonal communications.

I-Note: **BEGIN** this section by leading a discussion of aging stereotypes. **ASK** “how old is old?”

Aging—Myths and Realities

How old is old? How did 50 come to be the starting point for the senior years? Why is 65 the traditional age for retirement? What are some myths and realities about aging and the elderly?

Myth: Old people are all the same.

Reality: The diversity of interests and experiences of youth and middle age is no less present in mature years. In fact, from a standpoint of health, people become more biologically diverse as they deal with a combination of chronic health conditions. Also, keep in mind that people age at different rates; just about everyone knows someone who is a “youthful 85” or an “old 40.”

Myth: Families “dump” relatives into nursing homes.

Reality: Nursing homes are a last resort for most families. Less than 10 percent of the elder population resides in nursing homes². For the most part, families provide in-home care with little or no outside support until the time of a crisis, such as caregiver stress, other family responsibilities, illness, or increased care needs. Services that allow elders to stay in their own homes are the first choice.

According to a Statistics Canada 2006 report, one in seven elders receives home care services. These services included nursing care, personal care, everyday housework, meal preparation, and shopping. The proportion of seniors receiving home care rose with age from 8% among those aged 65–74 to 42% among those aged 85 or older.

Myth: Old equals ill and disabled.

Reality: While aging is associated with a decline in general health and the onset of different forms of activity limitations, a large proportion of seniors are faring well. For example, 40% of Canadians aged 65 to 74 described their health as very good or excellent in health surveys, and another 37% reported it as good. Among Canadians aged 75 or older, 32% described their health as very good or excellent and 36% described it as good³.

Myth: Old people are more likely to be lonely and gradually withdraw.

Reality: While the number of casual relationships may decline, mature and elder adults have close friends and relationships to the same degree as younger people do; these relationships are an important part of satisfaction with life. Maintaining ties with friends, family, and the community is a major motivator for the desire to age in place. Only a small percentage of elders are actually alienated from family, usually due to long-standing estrangement. Most mature and elder adults are members of a family network, see their children weekly, and/or have

³ *A Portrait of Seniors in Canada*. 4th ed. Ottawa: Statistics Canada, 2007.

frequent telephone contact. For reasons of privacy and autonomy, most elders express a preference not to live with their children.

Transportation is an important factor in maintaining social involvement as well as accessing essential services and even needed medical treatment. The physical, mental, and financial factors that make it difficult for elders to drive also make it difficult to use public transportation. The frail, ill, or mobility impaired may be too weak to stand at a bus stop or hail a taxicab. The involvement of volunteer drivers can help with both general and specialized transportation services.

Myth: Older people are afraid of technology.

Reality: Older adults are active users of the Internet. As technology-savvy Boomers age, that trend can be expected to continue. While older clients may still prefer face-to-face or telephone communications over e-mail, many have no problem with using the Internet to search for properties and to research areas and neighbourhoods.

Both Active Retirees and Baby Boomers use social media application tools for networking. For example, Active Retirees are logging on to social media sites to share pictures with their children or grandchildren. Boomers are the fastest growing segment of Facebook, Twitter and LinkedIn, staying close contact with family, friends and business networking.

Myth: It is common for older people to live in poverty.

Reality: The financial situation of seniors has improved over the past quarter century. Between 1980 and 2003, the average total income (after tax) received by senior couples increased by 18%, from \$36,300 to \$42,800.

Increasing income levels have benefited seniors in lower income categories and have contributed to a decline in the incidence of low-income among this group. Even so, among seniors the incidence of low-income remains highest among women who live alone.

Compared to other age groups, seniors are less likely to live in poverty. In 2005, the prevalence of low income cut off (LICO) after tax for adults aged 65 and older was 6.1%, compared to the rate for all Canadians, 10.8%⁴.

For many seniors, the home represents their greatest equity. In 2001, for example, 83% of senior households owned their home without a mortgage⁵.

⁴ Statistics Canada. *Income in Canada*. Catalogue no. 75-202-XIE. Available at: <http://www.statcan.ca/cgi-bin/downpub/listpub.cgi?catno=75-202-XIE2005000>.

⁵ National Advisory Council on Aging. *Seniors in Canada*. 2006 Report Card. Catalogue no. HP30-1/2006E.

I-Note: **ASK** students to contribute additional examples of myths and realities about aging.

Myth: Older people are more likely to be victims of a crime.

Reality: Based on 2004 data from Statistics Canada older people are less likely to be victims of crime than young people. Individuals aged 65 and older experienced violent crimes 14 times less than the highest-risk age category—those between 15 and 24 years old⁶.

Skill Builder Tip: Old, who me?

SRES® designees attest that Boomers do not see themselves as old or aging. Boomers see themselves as forever young at heart. Aging is simply not part of their self-image and they do not see products advertised for the “senior” market as applying to them. When counselling a 50+ Boomer client, it may be helpful to broach the subject by asking, “Do you see yourself living in this house five or ten years in the future?”

The Client Across the Desk

What do these statistics mean for the real estate professional when the client is a mature adult, whether from the Boomer, Active Retiree, or Lost generations? The simple answer is that there is no “one size fits all.” Although senior clients face many of the same issues such as health, mobility, and income, not every aging issue is an issue for every senior client. Chronological age does not translate to life stage, lifestyle, or activity level. Therefore, it may be more valid to think in terms of health stage or activity stage.

When counselling with a client, the real estate professional should take into account factors such as activity level, favorite leisure activities, preferences for community and group activities, health, mobility, affordability, continued career plans, and the like. Consider also who has the aging issues. For the Boomers whose parents are moving in, the aging issues may be those of the elderly parent, even though both parent and adult child qualify as seniors based on age.

⁶ Canadian Centre for Justice Statistics, Statistics Canada. *Seniors as Victims of Crime. 2004 and 2005.* Catalogue no. 85FOO33MIE—No. 014. Available at: <http://www.statcan.ca/english/research/85F0033MIE/2007014/findings/older.htm>.

Skill Builder Tip: Remember F.O.R.D.

When counselling potential 50+clients, remember to ask about:

F = Family/Friends

O = Occupation

R = Recreation/hobbies

D = Dreams

The answers to these queries will help you select suitable properties. Also, how you ask is as important as what you ask. How would you phrase these questions to demonstrate interest without intrusion?

The sale of a home may be the result of a dramatic change in family or health circumstances and understanding the dynamics of this situation is absolutely essential to providing supportive client service.

The opportunity for REALTORS[®] is that as a group, seniors will buy and sell, upsize and downsize, move to a new location and move back or “half-back” to be close to family, move to assisted-living environments, and the like over 20 or more years and as their lives and circumstances change. The real estate professional who can win the client early on has the opportunity to benefit from several transactions in the future. SRES[®] designees can attest that at around age 50 people start thinking about aging and issues with property. When selling to this group be cognizant that you can become their real estate professional for life by demonstrating your understanding and familiarity with the circumstances of their property and lives and your ability to help them through the phases.

Skill Builder Tip: The Golden Rule

Everyone hopes to be a senior one day and be treated then as you would want to be treated now – apply the “Golden Rule.”

I-Note: **SUGGEST** students use the F.O.R.D. model. **ASK** for examples of phrasing the questions presented in the model.

Exam Question 5

I-Note: **REMIND** students to think of their own life’s journey and apply the Golden Rule in their dealings with seniors.

2. 50+ Communities and Properties

In this chapter

- ▶ Market geography
- ▶ Housing options
- ▶ Promoting your market area

I-Note: **HIGHLIGHT** chapter content.

Market Geography

Exam Question 15

NOTE that according to the 2006 Census, Quebec now has more than 1 million people aged 65 and over. Seniors made up 14.3% of the province's population, or one Quebecer in seven.

While seniors account for a substantial share of the population in each province, 2000 Census data show that the majority (84%) of Canadians aged 65 and older lived in one of four provinces⁷:

1. Ontario
2. Quebec
3. British Columbia
4. Alberta

The title of Canada's "Senior Capital" is shared by Kelowna, B.C. and Peterborough, Ont.

Most seniors live in urban areas. Almost one-third of seniors live in Toronto, Vancouver, and Montreal². The 12 cities and towns with the largest proportion of seniors include²: (Census Canada, 2006)

I-Note:
PRESENT the statistics on this and following pages.
INVITE students to share

1. Penticton, B.C.
2. Thetford Mines, Que.
3. Shawinigan, Que.
4. Moose Jaw, Sask.
5. Vernon, B.C.
6. Kelowna, B.C.
7. Peterborough, Ont.
8. Orillia, Ont.
9. Owen Sound, Ont.
10. Courtenay, B.C.
11. Duncan, B.C.
12. Brockville, Ont.

Metro elders cite access to cultural and educational events as important considerations. They value the transportation, health care, and shopping available in metro areas that would be difficult to replace in a small towns or rural settings. Closeness to adult children, whose careers are based in the metro area, is a top consideration. The tradeoff for metro living may be a higher cost of living.

⁷ Statistics Canada. Many Seniors in All Provinces. 2001 Statistical Snapshot. Available at: http://www.hc-sc.gc.ca/seniors-aines/pubs/factoids/2001/toc_e.htm.

2. 50+ Communities and Properties

Most seniors stay in their own homes to their 70s and 80s. Between 1996 and 2001 just 19.2% of all seniors in Canada changed addresses². When they do move most remain in the same geographic area in which they previously resided relocating into:

- Smaller houses
- Apartments
- Condos
- Congregate or care settings

Assuming the trend for retirees to stay close to home continues, the senior population of the next ten to fifteen years will likely be geographically distributed in proportion to where Baby Boomers and their parents now live.

Housing Options

The following material covers a spectrum of housing choices. Some are real estate that is owned and others are month-to-month or fee-for-service choices.

Why is it important for the real estate professional to know about this range of possibilities? When working with senior clients, buyers or sellers, you will be better able to help them evaluate their current housing situation and make choices for the future. Furthermore, some retirement and senior communities and facilities will offer a referral fee to real estate professionals; for example, when a real estate professional is involved as the listing agent for someone who is moving to a senior facility. To find out about referral arrangements, a real estate professional should begin by visiting the community, getting acquainted with the staff, establishing a relationship with the administrators, and asking if they work with real estate professionals on a referral basis.

I-Note: **STATE** that the housing types shown in the figure will be presented. **ADVISE** that it is important to know terminology and **EXPLAIN** why. **INFORM** students that some facilities offer a referral fee. **EXPLAIN** how to establish a working relationship.

Exam Question 50

<i>Housing Options</i>	
Independent Living	<ul style="list-style-type: none"> • Aging in place • Active-adult communities • Seniors-only apartments • Garden suites • Shared housing • Independent supportive living
Assisted Living	<ul style="list-style-type: none"> • Assisted living
Continuing Care	<ul style="list-style-type: none"> • Continuing care retirement communities (CCRCs) • Life care
Care Facilities	<ul style="list-style-type: none"> • Board and care • Nursing homes • Short term, respite • Hospice

Independent Living

Aging in place

Exam Question 4

Aging in place refers to three types of situations:

- Remaining in the current residence and not being forced to leave it in order to secure the necessary support services in response to changing needs.
- Aging in the community in a different residence, such as a condo, apartment, or different house, with friends, family, activities, and organizations nearby.
- Relocating for the last time to a community that provides a range of options as needs change from independent and assisted living to skilled nursing.

I-Note: **PRESENT** the definitions of aging in place. **NOTE** that it does not mean the retiree will not buy and/or sell a home.

Aging in place means staying in one's home safely, independently, and comfortably and enjoying the daily routine and rituals that give structure, order, and pleasure in life. The pleasure of living in a familiar environment continues throughout maturing years and the reassurance of being able to call a house a home for a lifetime creates security and peace of mind.

For many, where they are located at age 65 is where they will stay, as most live out their lives wherever they are at that age milestone. Does this mean that seniors do not move? Many plan for their retirement and relocate before reaching an age or life stage milestone. Among second-home owners in the leading edge of the Baby Boomers, a significant number are moving, in their late 50s or early 60s to their vacation homes and then staying put. Another trend is to relocate and then commute from the planned retirement residence during those last few years in the full-time work world.

While aging in place is by far the most preferred option, seniors will experience special housing needs at some point in the future. Modifications in the home can make it possible for seniors to stay in their own homes for many years. For example, breaking a hip is a common and valid fear of the elderly; without aggressive physical therapy, nearly half recover only partially and die within a year or two as a result of the injury. Some simple home modifications, such as handrails, hallway lights, and grab bars in the shower or tub can help prevent this life-changing injury.

The ability to perform the activities of daily life (ADL) is helpful in making decisions related to aging in place and the need for assistance. Examples of ADL include eating, dressing, getting into or out of a bed or chair, taking a bath or shower, and using the toilet. A secondary list is instrumental activities of daily living (IADL), which are necessary activities for independent living; examples include using the telephone, grocery shopping, doing laundry, and managing medications. Up to age 85, most people report little or no difficulty with ADL; beyond age 85 more than three-quarters report some limitations and more women than men report more limitations.

Exam Question 6

Under the age of 85, about one-third of those who experience an ADL disability recover. Knowledge of the disability and its impact on daily life, without diagnosis of the underlying disease, can sometimes be more important in getting help and improving functioning through assistive devices and support, even without a specific diagnosis or cure for the primary disease.

Availability of a caregiver is a key element in preparing to age in place. As noted earlier in the course, a family member is the most frequent caregiver. Single seniors, particularly those without children or younger relatives, may need to exercise more ingenuity in finding ways to age in place. Some options might be group homes with friends living together where the arrangement can be formalized with written agreements, shared ownership and expenses, rights of survivorship, and the like.

The Long Term Care Learning Institute suggests that younger seniors, to avoid nursing homes and to age in place, save a cushion to pay for the early help needed to stay at home. Assuming the continued ability to perform ADL, seniors may need help with cooking, cleaning, paying bills,

and managing medicines. Neither government programs nor long-term insurance generally cover these activities.

A safe and comfortable aging-in-place home should be a match for the senior residents' faculties and abilities. Caring for a large home may prove too complex or costly to maintain for older homeowners. However, remodeling a home for aging in place does not mean that the property takes on an institutional look. The most obvious choice is a one-level home with no stairs so that the master bedroom and bath are on first floor. Many of the adaptations that will make a home livable in the future also enhance the convenience for younger residents. For example, the wide entryways and hallways that make it easier for younger residents to handle bags of groceries and move furniture today will make it easier to navigate by wheelchair or walker in the future.

The time to prepare a home is before a crisis develops. By the time a homeowner has developed a disability and special needs, like the debilitation that accompanies Parkinson's or Alzheimer's disease, it may be too late to make any move other than to an assisted, congregate, or care facility. The stamina and mental capacity needed to plan and implement renovations may be beyond the homeowner's capabilities. Older workers should consider making their homes elder friendly and accessible while they are still working and can afford to pay for the renovations or move to a home that will be better suited.

Your clients may wish to consult with a professional early on when evaluating current and future needs for staying in their homes. A checklist of adaptations can be found in the Tools section of this manual (see page 97). The checklist is not intended as a long to-do list; the focus should be on modifications needed to assist and planning ahead for limitations. Review of the checklist may uncover previously unrecognized needs.

Active-adult communities

Communities want active retirees because they make the area attractive to others, often have high income, and do not make many demands of community services. 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
- Gardening plots
- Library
- Cultural and arts programs

I-Note: **DESCRIBE** features of an active adult community and attractions. **PROVIDE** brochures on local communities as an illustration. **DESCRIBE** amenities that residents value.

- Worship facilities and spiritual counselling
- Continuing education programs
- Information and counselling
- Outside maintenance and referral services
- Emergency and preventive health care programs
- Restaurants and meal programs
- Transportation on a schedule

Active-adult retirement communities come in a variety of forms:

Exam question 14

- Single-family homes
- Attached homes, duplexes, townhomes
- Condominiums
- Manufactured and mobile homes in a park, real estate owned or leased
- Cluster housing that combines the maximum density of homes with large common areas, such as gardens, clubhouse, tennis courts, swimming pools, community center, and the like
- Subdivisions

Active-adult communities may offer a “try-before-you-buy” option of a short-term stay at the facility. Potential residents have an opportunity to try out the community facilities, get a feel for the atmosphere, meet other residents, and evaluate if it is a good fit for them.

A number of active-adult communities are age restricted. When working with clients who are interested in an age-restricted community, the real estate professional should make sure that the prospective resident is fully aware of the regulations and restrictions. For example, are pets allowed? How long can grandchildren and guests stay? Are there restrictions on children using facilities?

In actual practice, most age-restricted communities try to find a balance that allows residents to enjoy both the benefits of the age-restricted community and the company of children and grandchildren. Usually grandchildren or underage adult children can stay for up to several weeks, although this allowance varies widely from facility to facility. Some communities provide Grandparent Clubs with activities for grandparents and grandchildren to enjoy together or these communities may schedule family days at the swimming pool. On the other hand, sometimes residents are grateful for the age restriction because it helps avoid an awkward situation by preventing an adult child from moving back in with parents.

Seniors-only apartments

Renting is a convenient option for many seniors. Reasons for becoming renters include circumstances such as:

- Divorce (dividing equity)
- Financial inability to pay mortgage, taxes, insurance, upkeep
- Relocation closer to family (younger families often move for job reasons)
- Free up equity to invest for dividend income
- Freedom from home and garden maintenance
- Freedom to travel

I-Note: **DESCRIBE** seniors-only apartments. **INFORM** students of any in the local area.

Exam Question 7

Seniors-only apartments are suitable for those who can take care of themselves, are relatively healthy, and have sufficient funds to buy or rent the apartment. The apartments, rental or condo, are usually small and easy to maintain. They offer people of the same age social opportunities, comfort, safety, and security, but no medical or custodial care. Apartments may be designed with assistive features such as shower seats, handrails, and emergency alert devices. They may include services such as recreational programs, transportation, and communal dining rooms.

Garden suites

Garden suites are a second living unit installed on a temporary basis and are built so they can be easily moved. They are usually factory-built and contain one bedroom, a living room, a kitchen and bathroom as well as storage and laundry facilities.

Exam Question 22

Garden suites are typically occupied by individuals 65 years or older. Garden suites are intended to be occupied only by the individual or couple for whom they were installed. When the occupant leaves or no longer lives in the garden suite, it should be removed from the property. While it is uncertain whether municipalities can regulate who is eligible to live in garden suites, the construction of garden suites is subject to National Building Code of Canada requirements. For more information about garden suites, REALTORS may visit the Web sites of Canadian Manufactured Housing Institute (www.cmhi.ca) and Manufactured Housing Association of Canada (www.mhac.ca).

Shared housing

Shared housing involves sharing a home with a roommate, in one's own home or that of another. Sharing a home can be a strategy for aging in place. Some community organizations help with matching up those who want to share their homes or find roommates.

Independent supportive living

This form of living offers private apartments, from studios to two-bedrooms. Independent supportive living offers privacy, but with the advantage of custodial care.

Medical care is generally not available, although staff may assist residents with self-medication. Features usually include common social areas and communal meals if desired. Congregate facilities may have entry criteria for age and abilities and set forth rules on when a resident must transfer from the facility. For example, some may accept residents in early stages of Alzheimer's disease but require transfer to a specialized facility in later stages. The advantage is that it provides privacy and independence along with round-the-clock supervision. Factors to consider when selecting congregate housing include:

- Parking, convenience to unit, lighting, and security
- Storage, closets, cupboards, lockers
- Stairs
- Availability of shopping
- Transportation
- Access to medical care
- Security, access from external streets to the complex and units, intercom to front door, attendant at entry
- Grab bars, handrails, and cabinet and countertop height
- Management quality and experience
- Services
- Activities and amenities, access to community and cultural events

Senior day care and senior centers

Although not a form of housing, senior day care facilities can help seniors stay in their homes longer. These facilities fill in the gap when the caregiver must work during the day or needs a respite. Day care centers offer supervision, usually a noon meal, social and education activities, support groups, and the like. These facilities are suitable for elders who cannot be left alone because supervision is needed, but do not require institutionalization. Some offer nursing and therapy services as well as health monitoring.

Short-term stays

Independent supportive living, assisted living, and continuing care retirement communities (CCRCs), which are discussed later in this chapter, may offer an opportunity for a vacation or short-term stay for the purpose of:

- Short-term visits

I-Note: **DESCRIBE** independent supportive housing. **PRESENT** the advantages. **INFORM** students of local facilities and advise if the units are rental or owned.

I-Note: **DESCRIBE** senior day care and **INFORM** students of local centers.

Exam Question 8

I-Note: **INFORM**

students that a short-term stay can enable a frail senior to enjoy travel.

- Snowbird vacations
- Providing caregiver respite
- Trying out an area before relocating
- Trying a local care home as a possibility for longer term care and housing later on
- Attending a family gathering, as frail seniors can be cared for between get-togethers.
- Providing assistance with activities of daily living within the scope of services the community offers to its regular long term residents.

I-Note: **DESCRIBE**

assisted living and **INFORM** students of local facilities.

Assisted Living

Assisted living is an intermediate step between independent living and care facilities. Assisted-living facilities provide a residence 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 and are ambulatory, but do not need nursing care. Living arrangements are usually single or double room, which offers more privacy than a nursing home environment, but less than congregate housing. Assisted-living facilities should be expected to offer:

Exam Question 9

- 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

Payment for assisted living is usually out of pocket.

Continuing Care

Continuing care retirement community (CCRC)

Continuing care retirement communities (CCRCs) provide increasing levels of care at one location as the needs of the resident change. CCRCs can be in high-rise apartments, condos, planned unit developments, or co-ops. The resident may have an ownership interest as part of the buy-in entrance fee. It provides the choice of moving between the housing environment and degrees of service within one community as well as the security of being taken care of through stages of aging. Residents can make friends while still active and fully cognizant and maintain those relationships as their health status changes. They do not have to start over to reestablish friendships in a new facility. CCRCs offer multiple levels of care without the uncertainty of wondering where to live in the future. The stages and types of housing available in CCRC are:

- Independent living units, ranging from apartments to cottages
- Assisted-living units, usually apartments and sometimes with kitchenette facilities, and assistance with daily living
- Nursing home facilities, usually one-room units with shared bathrooms; skilled nursing care is provided.

The main downside of these facilities is the cost; they are generally not for the budget conscious. Also, there is no way to predict what might be needed in the future. For example, what if there is no dementia facility and one spouse develops Alzheimer's while the other remains active? Will the CCRC be contractually obligated to pay for outside services its facility does not provide?

Care Facilities

Board and care

Board and care are smaller assisted-living facilities for personal and custodial care. Some of these facilities are in converted private homes, with a few residents, typically four to ten. Some operate on an unofficial basis. These are also known as foster care, group homes, or domiciliary homes. These facilities are suitable for those who cannot live independently and need assistance with activities of daily living, but do not need a nursing home environment. Long-term insurance policies may cover the expense.

Nursing homes, skilled nursing facilities

Nursing homes provide personal care and medical care around the clock. They are staffed by registered nurses, practical nurses, and nurses aids. They can be freestanding or part of a CCRC. There are two categories of residents:

- Short-term residents recovering from surgery, illness, or needing physical therapy

I-Note: **DESCRIBE**
CCRCs..

**Exam Questions 10
and 49**

Exam Question 11

- Long-term residents who cannot care for themselves or need medical or extensive custodial care that an assisted living cannot provide

Exam Question 12

Most of these facilities offer a combination of private and semi-private rooms, and shared bathrooms, either with roommates or between two private rooms. Unlike assisted living, nursing and skilled nursing homes treat patients medically. With the emphasis on medical care and the physical limitations of long-term residents, the program of events and social activities is usually minimal. Anyone considering a nursing home for a relative's long-term care should evaluate the facility against several checklists, visit the facility unannounced, and ask lots of questions. It is not uncommon for long-term residents of these facilities to be frail and/or suffer from significant cognitive impairment or dementias; they are the least able to be proactive and protect themselves. It is estimated that close to 20 percent of seniors will stay in a nursing home on a short- or long-term basis near the end of life.

Exam Question 13

Respite care

Respite care allows caretakers occasional time off to recoup emotionally, handle other family responsibilities, or get away for a while. In-home respite care workers come to the home or stay in the home with the senior. An alternative is a short-term stay in an assisted-living facility, if space is available. A short-term stay may be the opportunity to test the assisted-living center without having to commit to moving there permanently.

Alzheimer's care facilities

Alzheimer's care facilities specialize in care of patients with dementia. Other senior living environments (congregate, assisted living, board and care) may be appropriate for some residents in early, or even mid, stages of the disease. However, unless the community has a specialized dementia unit, transfer to another facility will be required as the disease progresses. Those with Alzheimer's disease and other dementias experience gradual and somewhat unpredictable progression in function loss. Families who want to care for an Alzheimer's patient at home need to consider questions such as:

- Can the environment be made secure and safe?
- Are in-home respite services available, such as nurses, home health aides, homemakers, and companions?
- Can the caregiver access respite care?
- Is there a senior adult day care facility available?
- Are there opportunities for social interaction, mental stimulation and recreation for the Alzheimer's patient?

Hospice

A hospice facility provides comfort at life's end. Services include medical, counselling, social services, and family support in the home or in a hospital setting.

I-Note: **DESCRIBE** Alzheimer's care facilities and **NOTE** that they serve a special need.

Is Every Second Home a Future Retirement Residence?

Experienced practitioners in locations that are popular resort and recreation areas attest that the majority of second homes are purchased as vacation homes or investment properties, or as some combination of these two. What does this mean for the SRES® who is also a resort practitioner? While a buyer may express an initial interest in a vacation property, the practitioner must be able to help the buyer evaluate properties from the viewpoint of the investment value. The uses of the properties may change as buyers progress through life stages. For example, during the years when a buyer is working or raising a family, a vacation property may be used only for a couple of weeks during the year and rented the rest of the time. As buyers reach retirement age, the investment property is converted to a retirement residence.

From this viewpoint, the investment potential of a second home strongly influences the purchase even if buyers are looking for a vacation home mainly for personal use. Furthermore, during a time of stock market volatility, real estate investment potential can gain in importance as investors look for investments that have the likelihood of good capital appreciation.

I-Note: **LEAD** a discussion of how second homes and retirement residences intersect, as well as strategies for converting rental second homes to primary residences.

Skill Builder Tip: Converting from rental to retirement

A strategy for converting a rental home to a retirement residence is to purchase a second home and rent it aggressively using the rental income to offset as much of the mortgage and expense as possible. When the owner is ready to retire, the primary home may be sold and the proceeds used to refurbish the rental home, which then becomes the owner's retirement residence. Or, the owner may sell both the primary and second home and use the proceeds to purchase a new home.

Buyers looking for a property in anticipation of retirement should carefully consider how the home would fit their future lifestyle, income level, and savings. For example, will the property still be affordable on a retirement income? They might pay all cash for the property, if that is a possibility, or take a mortgage on the property with the intent of paying off the loan with cash at a later date closer to retirement, possibly from the sale proceeds of their primary home.

Even if the buyers are familiar with the area, their time there may have been all during the same season. Before they make a purchase commitment, especially if they are purchasing a home in anticipation of retirement, a specialist should encourage them to visit the area during both peak and off season; this way, they can get a first-hand experience of off-season living. If the buyers plan to change time spent in the second home to year-round occupancy, season-related questions to consider are:

I-Note: **HIGHLIGHT** the Skill Builder Tip.

- Will the weather be too cold or hot?

Exam Question 24

- Will access to and from the property be hindered by road conditions?
- Will peak-season traffic congestion be tolerable?
- Will the same levels of services and shopping facilities be available year round?
- Will the range of activities be varied enough so that there is always something interesting to do?
- Will peak-season visitors be too noisy or disruptive?

<i>The “Typical” U.S. Second-Home Buyer</i>	
<u>Vacation-Home Buyer</u>	<u>Investment-Home Buyer</u>
59 years old	35 to 44 years old
Married	Married
No children living at home	No children living at home
\$120,600 median income	\$98,600 median income
Purchases within 220 miles of primary residence, close to oceans, rivers, lakes, mountains, and preferred recreation	Purchases within 10 miles of primary residence
Single-family home	Single-family home
1480 square feet	1700 square feet
Pays \$190,000	Pays \$148,000
Never rents	Almost always rents
Down payment from savings	Down payment from savings
73% of purchase price financed	77% of purchase price financed

Source: National Association of REALTORS®. *2006 NAR Profile of Second-Home Owners*. Chicago, Ill: National Association of REALTORS®; 2006.

Promoting Your Market Area

When deciding on a location for a retirement residence, whether close to family or distant, whether it will be the primary or second home, clients will take a number of factors into consideration. For example, when promoting active-adult communities, the question that real estate professionals must ask themselves is, “How can I effectively sell the active adult lifestyle and help clients turn it into reality”?

Experienced real estate professionals recommend developing a checklist of selling points for your market area. Checklist items should include

I-Note: **DESCRIBE** how to help a client balance the pros and cons of selecting a location.

2. 50+ Communities and Properties

factors that are important to clients as they mature and reach advancing life, health, and activity stages.

By providing information on your market area's features, you can help buyers evaluate and balance the pros and cons, the issues, taxes, living costs, services, and other factors.

I-Note: **ASK** students what other items could

Exercise: Promoting Your Market Area

Checklist for Promoting Your Market Area	
<p>Medical</p> <ul style="list-style-type: none"> <input type="checkbox"/> Health care facilities – doctors, hospitals, clinics, specialists <input type="checkbox"/> Emergency services <p>Market</p> <ul style="list-style-type: none"> <input type="checkbox"/> Variety of housing options <input type="checkbox"/> Resale value and appreciation potential (may not always be an issue) <p>Transportation</p> <ul style="list-style-type: none"> <input type="checkbox"/> Transportation, public and private volunteer <input type="checkbox"/> Roads <input type="checkbox"/> Traffic volume <input type="checkbox"/> Golf cart sales and service <input type="checkbox"/> Airport and airline service <p>Community & Activities</p> <ul style="list-style-type: none"> <input type="checkbox"/> Public safety <input type="checkbox"/> Planned communities <input type="checkbox"/> Workforce opportunities, paid and volunteer <input type="checkbox"/> Popular activities and hobbies <input type="checkbox"/> Cultural and educational institutions <input type="checkbox"/> Civic engagement <input type="checkbox"/> Houses of worship <input type="checkbox"/> Camaraderie with privacy <input type="checkbox"/> Quality of life <input type="checkbox"/> Parking <input type="checkbox"/> Local attitudes toward “snowbirds” <p>Fitness</p> <ul style="list-style-type: none"> <input type="checkbox"/> Exercise programs <input type="checkbox"/> Pool, golf, spas, wellness facilities, walking trails 	<p>Climate</p> <ul style="list-style-type: none"> <input type="checkbox"/> Changes of season <input type="checkbox"/> Climate variation <input type="checkbox"/> Likelihood of destructive storms <input type="checkbox"/> Natural disaster preparedness <input type="checkbox"/> Environment <p>Services</p> <ul style="list-style-type: none"> <input type="checkbox"/> Shopping (quality, selection, and convenience) <input type="checkbox"/> High-speed Internet access <p>Senior & Aging Services</p> <ul style="list-style-type: none"> <input type="checkbox"/> Nutrition <input type="checkbox"/> Senior specific places, communities, facilities <input type="checkbox"/> Aging and human services <input type="checkbox"/> Independent living support <input type="checkbox"/> Assisted living and nursing home facilities <p>Property Features</p> <ul style="list-style-type: none"> <input type="checkbox"/> Maintenance-free (no lawn care, snow removal – lock the door and leave) <input type="checkbox"/> Storage space <input type="checkbox"/> Alarm in bedroom/bathroom in case of fall <input type="checkbox"/> Garage or parking <input type="checkbox"/> Downsize in square footage, but step up in quality <input type="checkbox"/> Barrier free – wheelchair showers, no thresholds, wide doors and hallways, studding for grab bars

I-Note: **DESCRIBE** how cost of living impacts choices for retirement residences. **RECOMMEND** that students develop a checklist with approximate costs or ranges for each item.

Cost of Living

Cost of living is a major, if not the most important, factor in choosing a retirement location. Real estate professionals who work with senior clients attest that clients' viewpoints toward spending evolve with advancing years. At age 55-65 there is a common attitude of "I can afford anything I want" but by age 75, finances are tighter, the person has experienced a number of years living on a fixed income and costs of living have been going up while income remained the same.

Be prepared with information on cost of living factors such as:

- Property values
- Mortgage and association fees
- Taxes
- Lawn care, gardener, landscaping, pool care
- Home repairs
- Insurance – fire, theft, liability, flood
- Utilities – electricity, gas, heating and cooling expense
- Telephone, high speed Internet, and cable service
- Groceries and meals out
- Transportation, airport access, cost of airfares to major hub cities
- Car ownership (licensing, permits, maintenance, parking, repairs, insurance)
- Housekeeping (cleaning, laundry, linen service)

3. Gaining the Market

In this chapter

- ▶ Business-building outreach
- ▶ Relating to and communicating with the senior market
- ▶ Smart senior marketing
- ▶ Developing a marketing program
- ▶ The SRES® marketing edge
- ▶ Senior seminars

I-Note: **HIGHLIGHT** chapter contents.

Do you want to build a reputation as a trusted real estate advisor who is tuned into the issues that matter to seniors? By taking this course, you have already demonstrated your interest and intent to develop this market segment as a specialty. The next step is to strategize how to reach out to the senior market and integrate this specialty into business and marketing plans. Will the senior market be 100% of your business? Probably not, unless you deal exclusively with age-restricted communities. The senior market may not be 100% of your business, but it likely will be a significant portion based on demographics alone.

Experienced real estate practitioners describe retirement and home ownership in four stages:

- Up size: Age 55. Pre- to early retirement. Preference is for a large house with room for the grandkids and other guests.
- Downsize: Age 65. At this stage the grandkids are teenagers or in college and are not interested in spending spring break or summer with the grandparents anymore. Adult children are involved in careers and do not have much time to visit either. Seniors want to downsize to a more manageable property.
- Half-back: Age 70-75+. Health begins to weaken. The spouse and friends may pass away so community ties start to weaken. Seniors move back home, or half-back, to be closer to children. Family members or adult children may be involved in this transaction.
- Last home; Age 80-85+. The last move may entail selling the house or condo and moving to an assisted-living facility. Expect the adult children to be involved in this transaction.

I-Note: **INTRODUCE** the chapter by describing a typical four-stage retirement. **NOTE** the real estate opportunities. **EMPHASIZE** the potential for multiple transactions. **OFFER** an example from your experience. **INVITE** students to share examples.

Over the course of their retirement years, senior clients may buy and sell property several times as they progress through life and health stages. By demonstrating your knowledge and ability to help them through the transactions, you can gain a client for life. Seniors are more likely to tell

others about good and bad service experiences; what would you like your senior clients to say about doing business with you?

Business-Building Outreach

How can you get acquainted with seniors in your market area? You can start by getting involved with senior organizations as a volunteer or an activity sponsor. Some suggestions are:

- Offer to sponsor refreshments at a club meeting, bingo game, or bridge tournament.
- Sponsor a seminar on any topic of interest to seniors.
- Provide a speaker for a program.
- Show a movie at a senior center.
- Get involved as a volunteer for meals on wheels or provide transportation to medical appointments.
- Let other professionals know that you specialize in senior real estate matters, such as physicians, health care workers, elder attorneys, accountants, pharmacists, church or temple staff, golf pros, hair stylists, and care facility administrators.
- Offer no-cost real estate consulting service for seniors; many communities offer information services for seniors and you could become the real estate expert.
- Post notices on bulletin boards in senior rental communities.
- Post your business card on community college bulletin boards where seniors are likely to take classes.
- Network with stores and merchants in the community.
- Get involved with service organizations that tend to have older memberships – Rotary, Kiwanis, The Canadian Legion, Elks, Shriners, Knights of Columbus, garden clubs, bridge clubs, and the like.
- Support and get involved with local politicians who are interested in senior issues.
- Write an advertorial on senior issues related to real estate.
- Participate in senior-oriented expositions and fairs.
- Keep track of where the people who relocate to your market area come from. You may be able to establish a referral contact (the SRES® network is a good way to do this) and build a relationship.
- In your personal marketing brochure, feature your special training to meet senior real estate needs.

I-Note: **STATE** that there are many ways to reach out to the senior market. **SHARE** some examples from the list and **ADD** your own examples.

Relating to and Communicating with the Senior Market

Expert marketers attest that those companies that are most successful in winning and keeping market share among mature consumers are those companies that offer options for interfacing. Some consumers prefer face-to-face interaction, others prefer phone, mail, or increasingly by Internet through Web sites and e-mail. The most successful companies never focus on age either; rather, they stress the positive aspects of their products or services. A good example of this is advertising by cruise lines in recent years; the message is delivered by showing mature couples enjoying the cruise-vacation experience or by simply describing the enjoyment and positive aspects of the services and entertainment offered. Savvy marketers realize that mature consumers are good at discerning choices that are right for them. For example, the Hasbro Company recently released a large-print version of the popular game, Scrabble; advertising for it describes the ease of using the product and says nothing about the age or ability of the user.

Mature retired adults generally have more time at home and therefore tend to spend more time watching TV and reading newspapers than other groups. They also take the time to look at all the direct mail pieces they receive, which makes direct marketing an effective method for reaching the mature market.

Smart Senior Marketing

- ▶ **No scare tactics**
Do not use scare tactics with seniors. Scare tactics may provoke a reaction, but do not build a long-term relationship. It is better to stress the benefits than evoke worry by dwelling on the “what ifs.”
- ▶ **Promise and deliver**
“No ifs, ands, or buts” service.
- ▶ **Avoid the word “senior”**
Do not use the word “senior” especially when communicating with Baby Boomers. Aging is not part of their self-image and the word “senior” is a big turn-off for them.
- ▶ **Focus on value**
Focus on communicating the value of your services and how you can assist clients and customers. Describe services that appeal to seniors.
- ▶ **Ask for referrals**
The biggest mistake real estate professionals make when working on a referral basis is failing to ask for future referrals.
- ▶ **Brand loyalty is a virtue**
Realize that brand loyalty is a virtue among the mature generations. They imbue brands with trustworthiness and authority. Remember the

I-Note: **HIGHLIGHT** marketing tactics. **SHARE** additional ideas from your own experience. **INVITE** students to contribute additional examples and ideas.

Exam Question 25 & 26

I-Note: **CONSIDER** showing examples of “good and bad” advertisements and communications targeted to seniors.

“This is not your father’s Oldsmobile” advertising campaign? It is a good example of attempting to capture the Boomer market by playing on the brand loyalty of the parents’ generation. On the other hand, Boomers are more likely to experiment with new and different brands.

▶ **Word of mouth is important**

Do not underestimate the power of word of mouth. Seniors are more likely to reveal negative and positive experiences to friends and family, as well as consider recommendations from them. Given the importance of personal referrals when choosing a real estate agent, the role of excellent service and asking for referrals are paramount in gaining and keeping clients.

▶ **Get interviewed by the press**

Establish your senior real estate expertise by sending local media a steady stream of ideas in article or press release format; make sure the information is substantive and not repetitive. When a reporter needs a senior real estate source, you will be a likely interview subject. When the interview appears in print media, send copies of the article to seniors in your contact database as well as other professionals.

Skill Builder Tip: Developing print materials

As we age, the eye’s ability to perceive color changes. It becomes more difficult to distinguish blue, green, and purple and discern differences between shades of these colors. It is easier to perceive red and orange shades. Also, glare is a problem – high-gloss paper should be avoided.

The SRES® Marketing Edge

The following communication plan was developed exclusively for the SRES® Council. The plan uses a combination of direct mail and phone call contacts with suggested scripts. Samples of telephone scripts and letters can be found in the tools section of this manual.

I-Note: **DESCRIBE** the steps in the SRES® marketing communication plan.

INFORM students that sample letters and scripts for phone calls can be found in the Tools section of this manual. **REFER** to the noted page numbers shown in parentheses.

I-Note: **ASK** what other methods can be used to obtain contact lists.

Step 1: Identify the senior market in your community and obtain a contact list.

The first step is to obtain contact information for senior prospects in the market area. One method is to purchase a mailing list through a service. A quick search on the Internet will provide contacts for these companies. If you plan to purchase a list try to be very specific about search parameters to increase the validity of the list. Start with a group of about 3,000 contacts. A 5,000 name list looks impressive, but may not be very cost effective when you start paying postage and making phone calls.

If you are able to establish a relationship with the senior center in your community, you might ask for a copy of their mailing list, although do not be surprised if the list is protected. If the list is available, you will still need to differentiate between owners and renters.

Step 2: Mail a letter or postcard to prospects. Offer a free Special Report. Provide response options – phone, reply card, online.

The purpose of the first mailing is to inform contacts of who you are and about the availability of Special Reports. Contact Canada Post (www.canadapost.ca/business) for the most up-to-date details on services and rates.

Offer response options:

- A “senior hotline.” Set up a designated line answered by voice mail. Seniors often feel threatened by people who want to sell them something. The opportunity to leave a voice-mail message alleviates this worry. Ask responders to leave a message with their name and mailing address.
- A postage-paid response card for responders to fill out and send back.
- E-mail or Web site. Offer an e-mail address or Web site address; ask for permission to send additional e-mails.

Special Reports on topics of interest to seniors are available on the SRES® Web site or you may develop your own special report. (A suggested cover letter can be found on page 100).

Step 3: Separate responders from the general database.

Start compiling an alpha list of those who respond to the initial mailing. These special people will be the focus for personal handling for the next

year or more. Whenever possible, personally deliver the report. The soft personal contact can be the beginning of a trusting relationship. It also provides a first-look opportunity at the property that may be future listing. Seniors are usually very wary of strangers. They need to get to know the person at the other end of this mailing campaign in order to eventually do business with them.

Step 4: Make scripted calls to all non-respondents.

Before making any calls, make sure you are aware of federal, provincial, and local guidelines for phone calls, such as time of day you may call. This job can be assigned to an assistant. An assistant who has a professional telephone manner and a basic understanding of the subject matter can also make the phone calls. A suggested script is provided (see page 98). Following up the mailing with a phone call will increase the number of requests for the Special Report. It is also an opportunity to find out if there are any people on the list who do not want to remain on it. If requested, remove the names from the list immediately. When a report is requested, deliver it in person if possible and transfer contacts to the Alpha List for personal follow-up.

Step 5: Make scripted calls to respondents within two weeks of Special Report delivery.

The real estate professional should make these calls. A suggested script can be found on page 99. Offer to answer any questions about the report and start sending your quarterly newsletter. You may be able to make an appointment to personally deliver a copy of the newsletter and discuss formulating a market analysis on their home. No matter what the outcome of the conversation, it is an opportunity to enhance the prospect's comfort level for working with you in the future.

Step 6: Deliver or mail a quarterly newsletter.

Tap into the library of customizable newsletters on the SRES® Web site. Consider sending the newsletter to your entire database, not just the ones who have responded to your mailings and phone calls. Or prepare a special edition with enhanced information for mailing to responders. Every newsletter contains a definite call to action, so be prepared to receive responses after this mailing. This mailing enhances your credibility, builds name recognition, and accustoms database contacts to hearing from you. Newsletter mailings can happen concurrently with follow-up calls to the non-responders and personal delivery of Special Reports.

Every mailing should be an opportunity for adding people to the personal follow-up list. Another round of phone calls at this time to database contacts is very effective; there will be some people who are interested but never got around to calling for more information. Every "yes" response should be followed up with a call and/or visit from you personally.

I-Note: **SHOW** samples of SRES® Special Reports and quarterly newsletters. **REFER** students to the Web site. **ASK** what topics might be suitable for developing a "Special Report." For scripts and sample letters, **REFER** students to page 98 in the reference section of this manual.

Exam Question 27

I-Note: **ASK** what information enhancements might be added to the newsletter special edition for responders.

Step 7: Create comprehensive market analyses (CMAs) and deliver them. Mail a follow up letter to all database clients.

By now you have familiarized yourself with the prospective clients on the alpha list and their properties. Offering to prepare a comprehensive market analysis is a next step. Consider creating a “confidential commitment letter” that spells out what you can do for them. State how long the commitment is good for – six months, one year, five years. Assure recipients that, when they decide to sell, you will honor any commitments that you or your team members have agreed to provide. List services to assist senior buyers or “call for our senior resource list.” Show the benefit of using your services. Consistent follow up demonstrates that you are a knowledgeable real estate professional with the ability to get the job done.

Step 8: Schedule monthly mailings and bimonthly phone contact.

Set up a reminder file to prompt you to contact responders on a monthly basis and call every other month. Send quarterly newsletters and marketing letters (see pages 102 - 108 for sample marketing letters). Phone contact is also important because circumstances can change suddenly and cause the property to be sold. If you have a contact management program, use it as a follow-up program. Each client will probably be on a different schedule since initial contacts happened at different times. If you do not have a contact management program, set up any reminder system that will prompt you to mail letters and materials. Personalizing the letters makes a good impression.

Step 9: Continue mailing the quarterly newsletter to everyone in the database.

The non-respondents will eventually either become part of your monthly mailing list or you will take them off the list permanently. Repeat the step 2 general database mailings every six months. Update the database regularly; be sure to remove deceased contacts immediately.

I-Note: **ADMONISH** students to check local ordinances concerning leaving brochures in mailboxes or door-hanger promotional literature.

Make Your Web Site Senior Friendly

In addition to publicizing listings and buyer services, make your Web site a senior-friendly resource site. Post information about topics of interest to seniors such as information about the uses of reverse mortgage, and add links to other Web sites such as the local pharmacies and other elder services. Be sure to obtain permission to link to other sites and check these links from time to time, about every 4-6 weeks, to make the links are still valid. Some other ideas for making your Web site senior friendly are:

- List your special services to assist senior buyers
- Post a call to action – “call me for information about ...”
- Post photographs of senior events and parties. Send an e-mail to your contact list with a link to the photos on your Web site
- Include your Web site address and a link in all e-mail communications
- Feature a “building or senior service of the month”
- Post lists of stores, restaurants, entertainment venues, and services that offer senior discounts

I-Note: **DESCRIBE** how a Web site can be senior friendly and offer a senior resource. **ASK** students to share ideas to make a Web site attractive to seniors.

Senior Seminars

Seniors are avid attendees of information and educational seminars. Senior centers, communities, civic groups, church groups, community colleges, and service organizations, to name a few, are always looking for programming ideas. Contact the organization’s leadership or administration and offer to present a free program on topics of interest to seniors.

Making a presentation at a seminar enhances your reputation as a real estate professional and also provides an opportunity for attendees to check you out without making a commitment. Although the seminar environment should no be sales focused, following up on contacts made at seminars provides an opportunity for you to demonstrate your expertise and offer helpful services. Because attendees have already seen your presentation, and perhaps talked one-on-one with you during the seminar, you have taken the first step in establishing a relationship.

You do not have to wait to be invited as a guest speaker – you can schedule your own seminar. Ask two or three representatives of your team, such as a lender, attorney, tax specialist, accountant, or financial planner, to be a co-presenter. Presenting with other professionals will enhance your standing as a real estate expert. As a rule of thumb, the number of speakers should not exceed four, including yourself. Work out in advance the order in which presenters will speak and each speaker’s time allotment. On the day of presentation, you can act as the emcee, introducing the other speakers, as well as making a presentation yourself.

I-Note: **DESCRIBE** the benefits of presenting a senior seminar. **EXPLAIN** how to approach groups to offer a presentation, choose a topic and co-presenters, select a location, and pick a date and time.

Exam Question 28 & 29

Choose a neutral, non-sales environment as a location, such as a community center, a public library, or a bank community room. Never schedule the seminar in the real estate office. Choose a convenient location with ample parking (and access to public transportation in metro areas) and easy entrance with minimal stair climbing. When picking a date, check if there are any other community events scheduled concurrently. If your market area includes a large number of “snowbirds,” choose a time period when they are in residence.

Exam Question 17

Schedule the seminar during the daytime; midmorning is usually best. Remember, many seniors cannot or do not like to drive after dark. An early evening time frame may be okay if the attendees do not have to drive to reach the location, such as a club house or community center. A two-hour time frame is best. Be sure to offer refreshments; share the cost with your co-presenters or find another sponsor who has a similar interest in reaching the senior market.

Start publicizing the seminar about 6-8 weeks in advance. In addition to inviting the club or community group members, ask permission to invite those on your own contact list. Encourage your co-presenters to invite mature clients on their contact lists. Send a flyer to the contact list, old and new clients and customers, plus anyone who has contacted your office in the last few months. Invite attendees to tell a friend and bring a friend. Take advantage of free space in media community bulletin boards, church bulletins, senior center bulletin boards, and community newsletters.

I-Note: **SUGGEST** methods for capturing contact information for follow up. For students who are REBAC members, **REFER** them to the REBAC Web site (members-only section) to download a 40-page guide to presenting home buyer seminars.

On the day of the seminar, offer a sign-in sheet or sign-in cards. Ask for contact information, including an e-mail address; put check-off boxes on the sign-in card for permission to e-mail or call. Use the sign-in cards to draw for door prizes, which can also be supplied by local sponsors. Offer a coupon for follow-up service, like a free CMA, a consultation on preparing a home to sell, or some other service. Focus on providing objective information in a non-sales environment and let your professionalism speak for you.

After the seminar, send a thank-you letter to all attendees and offer to add them to your quarterly newsletter mailing list.

4. Counselling Buyers and Sellers

In this chapter

- ▶ Understanding the senior client or customer
- ▶ Buyer counselling
- ▶ Establishing needs and wants
- ▶ Staying out of family business
- ▶ Staging a property

I-Note: **HIGHLIGHT** chapter content.

Understanding the Senior Client

The procedures that you use when working with any buyer or seller are applicable when working with a senior client. The basic techniques and processes you use to counsel buyers and list properties can be applied when working with the senior group. So what is different?

May be a long time since the last transaction

I-Note: **DESCRIBE** factors to consider when working with a senior client. **LEAD** a discussion on this topic and **INVITE** students to contribute examples. **ADMONISH** students that the Code of Ethics is not age specific.

As noted earlier in the course, most seniors are homeowners and have experience buying and selling real estate. However, it may have been a long time, several decades, since the last real estate transaction and many things may have changed in the interim. For example, disclosure laws, buyer representation, and reverse mortgage financing are all “new on the scene” for a buyer or seller who has not experienced a real estate transaction in the last 20 or 30 years. This long gap in experience may make a senior buyer as apprehensive as a first-time buyer. Some buyers may appear unmotivated or indecisive when in fact they are worried about the process and their ability to see it through. Ask if they are uneasy about some aspect of the process and let them voice their concerns, but do not try to talk them into anything.

Exam Question 30

On the other hand, some seniors have been working through a cycle of upsizing and downsizing, handling real estate investments, or applying recent pre-retirement business experience to the transaction. As part of the buyer counselling session or listing presentation, real estate professionals should ask about the prospects' prior real estate experiences and comfort levels, and adjust their counselling techniques and focus accordingly.

Life stage

As seniors move through stages in retirement years the view of real estate ownership changes as well. Specialists note that during pre-retirement years, owners are concerned about building and maintaining equity; they may be thinking ahead to the next purchase, upsizing and

downsizing, and resale value is important. As grandchildren's visits become less frequent or adult children relocate for job transfers, seniors whose health is declining or who miss family connections may want to relocate closer to family. As a real estate professional, you need to be aware of the how the client's life stage motivates decisions to buy and sell real estate.

Health and activity stage

It may be more productive to profile clients and customers in terms of health and activity stage than age. As discussed earlier, failing health and disability are major factors in choosing the right housing option. While it is true that seniors in very elder years are likely to be coping with a combination of chronic conditions, younger seniors can experience activity-limiting disabilities. When counselling with buyers, it is important to learn about health and activity stage considerations in relation to needs and wants. Remember that many seniors may be disabled; discrimination on the basis of disability is prohibited by your provincial governing body.

Emotional time

The real estate professional needs to understand that for many seniors the decision to buy or sell a home may be a result of a major life event, such as loss of a spouse or a disabling illness. Because it may be a very emotional time, the real estate transaction is imbued with meanings and sensitivities that would not be factors for younger buyers and sellers. For example, posting a "For Sale" sign" on the front lawn makes the sale of a long-owned home a reality; for the seller that sign may signify letting go of cherished memories and attachments to the home and family.

I-Note: **OBSERVE** that the transaction can be a very emotional experience for the real estate professional, too.

Loss of the financial decision maker

When a senior's spouse passes away it may also mean the loss of the financial decision maker. The surviving spouse may have an incomplete picture of the family finances and little or no experience with evaluating and making financial decisions.

Formalities

When working with senior clients and customers maintain the formalities; use Mr. or Mrs. or Ms. when addressing prospects and do not use first names. For mature seniors, and even the Baby Boomers, a formal form of address denotes respect and professionalism.

Learn about issues and concerns

A good method for learning about the issues that are of concern is to subscribe to senior magazines and read what they read.

I-Note: **SHOW** examples of senior-oriented magazines

Goals of a Buyer Counselling Session⁸

Exam Question 31

I-Note: INFORM students that the information about the buyer counselling session is excerpted from REBAC's ABR® course. REMIND students that SRES® is an elective for earning the ABR® designation.

The buyer counselling session is a focused conversation between the buyer and the real estate professional. It is an opportunity for buyer representatives to present their qualifications, such as experience, numbers of transactions, professional designations, and market knowledge. For both the buyer and the real estate professional, the counselling session is an opportunity to build rapport.

For the buyer's representative the aims are to:

- Learn the buyer's needs and goals, life stage, health and activity stage, and motives for buying
- Find out how this purchase fits into long-term plans
- Learn of anyone else who will be involved in the decision making
- Build trust and rapport
- Define the buyer's parameters
- Help the buyer form realistic expectations
- Consider alternatives in some cases
- Obtain a representation commitment from the buyer
- Plan a strategy for finding the right property

For the buyer the goals are to:

- Learn about the buying process and the market in general
- Learn about disclosures and agency representations
- Get acquainted with the real estate professional

Skill Builder Tip: The big questions

- What are the major concerns of these senior clients?
- Why would these senior clients do business with me?
- How can I earn and maintain their respect and trust?
- How can I work with their own individual decision-making processes without offending them or their families? And still have a successful transaction?

A distinguishing characteristic that makes your presentation memorable is the way you go about building rapport with buyers. Small talk breaks the ice and helps buyers get comfortable as you describe your services and brokerage relationships. If the presentation is made in the buyer's home,

⁸ *Accredited Buyer's Representative Designation Course*, Real Estate Buyer's Agent Council, Inc. (REBAC), Chicago, Illinois; 2007.

4. Counselling Buyers and Sellers

look for visual clues such as photos, awards, paintings, embroidery, sports equipment near the door, piano, and the like in order to gauge their interests. Remember **F.O.R.D.** – family/friends, occupation, recreation, dreams.

In the course of the conversation, you can also learn important information such as the buyer's life stage, recent real estate experience, family involvement, and other factors. Use the opportunity to differentiate yourself and your brokerage. You could describe your business philosophy and experience and the skills and services you can offer to senior buyers. Determine buyer concerns with the purchase of a property and allay those concerns by promoting your services.

Be prepared to answer questions such as:

- How long have you been in the real estate industry?
- Do you work full time or part time?
- Are you a salesperson or a broker?
- How experienced are you as a buyer's representative?
- Do you also represent sellers?
- How many buyers do you represent on an annual basis?
- What sets you and your services apart from other agents?
- How do you get paid?

I-Note: **DESCRIBE** questions (on this and subsequent pages) the buyer's representative should be prepared to ask and answer.

Your interview strategy should be a combination of gathering and communicating information, advising on the buying process, building confidence, and laying the groundwork for a buyer-client relationship. As you proceed through the session, continuously review the buyer's responses to your questions, as these responses will determine your presentation's direction and content. The interview is your opportunity to ease buyer-client's concerns about purchasing property by describing the services you can provide as their representative.

When working with senior buyers it may be appropriate to ask questions and raise issues that would not come up with younger buyers. For example you might ask if the buyer has considered alternatives. Or, if the reason for selling is to enter a nursing home, home health care may be a workable alternative.

4. Counselling Buyers and Sellers

Exercise: What Are the Questions?

What are some questions that should be asked during counselling a session with a senior buyer or seller?

Possible questions:

Is this an interim or transitional move?

How do you feel about making this move?

What form of communication do you prefer? Phone? e-mail?

Is there another family member involved in the decision?

Would you like to know more about the financial options available?

What are the top ten things you want, or never want again, in a home?

Are there special needs or property features that must be considered?

Do you currently have a reverse mortgage?

In the case of an estate, has the estate been probated?

I-Note: **LEAD** a discussion of questions to ask when conducting a counselling session with a senior buyer.

I-Note: **DESCRIBE** the process of discerning needs and wants.

Needs and Wants

Help the client articulate needs and wants as well as think about how a property will serve future needs by asking questions such as:

- How long do you expect to stay in this property?
- Do you see yourself living in this house in five, ten, or fifteen years?
- Do you have special needs or concerns that should be considered in the house or as part of the property?
- What do you like to do in your leisure hours? (Listen for lifestyle clues and to get a sense of the client's level of activity.)
- What renovations might be needed to address accessibility and other needs?
- Will the needed renovations be affordable?
- Will the neighborhood meet your needs – transportation, grocery delivery, meals, and medical?
- Do you have specific housekeeping requirements?
- Do you own a computer (Internet access)?
- How does this purchase fit into future plans? Is it a second home that may become a primary home in the future? A transition home to be sold at retirement? Are you looking to sell both primary and second homes and use proceeds to buy something new? Or, sell in the future and use the proceeds to remodel second home?

The real estate professional may need to ask probing questions and interpret answers to get at true wants and needs. For example, the statement “I want a ranch house” may really mean a one-level property with no stairs. A condo in an elevator building may meet this need with the added bonus of none of the upkeep of a single-family home. A statement along the lines of, “I’m not interested in a senior community” may express a preference to be in a community with people of all ages – children, families, middle-agers, and seniors. Specialists report that it is not unusual for a buyer to be “pre-counseled” on the Internet and come to the counselling session with a list of needs, wants, and desired properties. Do not be afraid of suggesting alternatives that might be suitable; the buyer may not be aware of the options. Senior specialists also attest that it is helpful to profile buyers by where they fall on a maturity and activity continuum.

You can create your own buyer-profiling tool based on the checklist on page 35. Develop this checklist for your own market area and use it to find out buyer's needs, wants, and priorities as well as activity level.

Exercise: The Real Meaning

If you were meeting with a buyer, what questions might you ask to probe the meaning behind these statements and learn more about the buyer's needs and wants?

- ▶ I don't want to live in any old folks' home.
- ▶ Golf, golf, golf – I love it!
- ▶ My kids want me to rent a senior citizen apartment, but those are full of old people.
- ▶ I want my privacy.
- ▶ I want a house where we can lock the door and go!
- ▶ There are so many memories in this old house – it's hard to leave those behind.
- ▶ My sister-in-law moved into one of those senior communities and she just loves it. It might be right for me.
- ▶ Some stairs are okay, but not too many.
- ▶ What do people do there to keep busy?
- ▶ My wife is really into crafts, so we need a room just for her craft projects.
- ▶ Will that development let my grandchildren stay for a visit?
- ▶ My kids want me to sell this big old house and move to something smaller. What do you think?
- ▶ If my husband were still here, he'd know just what to do. I'm not so sure.

I-Note: **REFER** students to the checklist and page 35. **EXPLAIN** how it could be used as a checklist for assessing buyer's needs and wants as well as activity level.

I-Note: This exercise may be presented as an instructor-led role play or a group activity.

Instructor role play: **INFORM** students that you are a senior buyer and they are a real estate professional. **PRESENT** each of the statements and ask students what questions they might ask to probe the true meaning of the statement and what it means in terms of choosing a property.

Group activity: **DIVIDE** the class into groups. **ASK** each group to discuss one or two of the statements and formulate questions. **ALLOW** approximately 10-15 minutes for the groups to formulate questions and **ASK** each group to present the questions to the rest of the class.

Exam Question 16

Disclose Agency Obligations

CREA's Code of Ethics stipulates that REALTORS® make meaningful, written agency disclosure at the earliest opportunity so that consumers can make informed choices. Earliest opportunity is defined as such time **before** a REALTOR® providing "professional services that go beyond providing information as a result of incidental contact with a consumer." It is important to fulfill your provincial agency disclosure obligation. It is also critical to determine if a relationship already exists between the client, buyer or seller, and another broker.

Review the Buyer Representation Agreement

- ▶ Property type, description, and price range
- ▶ Scope of work
- ▶ Exclusive or non-exclusive
- ▶ Duration of relationship
- ▶ Payment for services performed by others
- ▶ Consent to show properties to other buyers
- ▶ Potential of a disclosed dual agency situation
- ▶ Compensation provisions
- ▶ Non-discrimination
- ▶ The buyer-representation agreement can also address the following miscellaneous issues:
 - Agreement assignability
 - Recourse if a commission dispute or other problem develops
 - Dispute resolution – mediation, arbitration, or court action
 - Circumstances in which the agreement can be cancelled
 - Working with the buyer-client on a short trial-period basis

Do not push price limits

Exam Question 33

Retirees on fixed incomes are very budget sensitive, so be careful about pushing price limits and ranges. While a mortgage payment may remain fixed, taxes, insurance, and other costs will likely rise. Carrying costs for a property are also an important part of the picture. The buyer on a fixed income cannot look forward to a salary increase to offset future carrying cost increases. Help the buyer estimate the range of costs, including taxes, insurance, homeowner association dues, condo assessments, mandatory club dues, and the like. It may be helpful to compare paying

for these services, such as lawn and pool care, individually in contrast to homeowner association dues. Experienced real estate professionals know that maintenance costs are a very important element of carrying costs. Furthermore, maintenance must be done year-round even when the homeowners are not there. The property may be affordable, but the carrying costs may be more than the buyer can afford or wants to pay.

Staying Out of Family Business

When a senior's property is involved in a transaction, specialists report that adult children often make the first contact with the real estate professional to request a CMA or view properties. Of course in many cases the adult child is acting with the knowledge and consent of the elderly parent. In other situations, this initial contact can signal the beginning of an entanglement in a difficult family situation. What should the real estate professional do to provide services without being drawn into family business?

▶ **“Does your mother know you’re doing this?”**

If adult children initiate the contact, the real estate professional must ask, as tactfully as possible, if the senior buyer or seller is aware of the conversation and a willing and informed participant in the transaction. Even family members can have bad motives and intentions; the real estate professional should be on the lookout for fraud such as selling properties out from under elders. Family members can have different goals from the senior; for example, the children want to move the parent to a care facility while an elderly client may want to stay in a home.

▶ **Stay focused on the transaction and the client**

It is important to be aware of sensitivities, but remember that it is a business transaction. Keep interactions with the senior and family members on a professional basis by explaining the transaction process and managing expectations. Be prepared for closing delays if families are working through conflicts.

▶ **Be professionally friendly**

It is easy to be drawn in with elders who need someone to talk to. The extent of the relationships may be greater with an elderly person than with younger and more active individuals. Be professionally friendly, but not the best friend. Refrain from “coffee klatches” with the client. Also, be careful when accepting gifts from elderly clients; it may be perceived by the families as “taking what is rightfully theirs.”

▶ **Include family members**

When other family members are involved in decision-making, it is important to build relationships with them, too. Include family members in discussions and decisions if appropriate and if the senior wants to include them. If children are located in another city, schedule a conference call with them and the elder parent. You can make them part of the team that is able to communicate and help elders make difficult decisions and take actions. Understand that in a crisis

Exam Question 34

I-Note: **ASK** students to share positive and negative experiences with a senior client's family. **ASK** if the family helped or hindered the transaction. What actions did the real estate professional take? **MAINTAIN** a constructive tone during the discussion.

situation, children may have little or no knowledge of their parents' financial affairs. With the client's permission, help children and family members by having extra copies of documents available. As a result of high divorce rates among the Silent and Boomer Generations, it is not uncommon to find yourself working with blended families. There will be "yours, mine, and ours" or "just yours, just mine."

▶ **Verify the ownership of the property**

If in doubt, take the extra step to ascertain true ownership of the property and who has the authority to rent or sell it. Ownership can be verified with a quick title search. Verify the identity of the person you are talking to as well and the relationship with the senior. A real estate professional must deal with the owner directly unless authorized to deal with others, such as children.

▶ **Ask for proof of power of attorney**

If someone other than the owner states that he or she is authorized to act for an elder in a real estate transaction, it is appropriate to ask to see a power of attorney or an attorney's letter attesting to such authority. A child may state that a parent is not competent to handle business affairs, but the parent is still the owner of the property and the deal cannot go forward without consent and signature; in cases like this, the parent is viewed as competent until declared legally incompetent. The real estate professional must handle this situation very tactfully and avoid the appearance of disbelieving the adult child. However, do not let yourself be put in the position of judging the veracity of statements or authenticity of documents. It may be smartest to walk away from a conflicted situation like this until the competency issues are resolved. If you are a buyer's representative and a property is embroiled in a family conflict, make sure the contract is contingent on an attorney's review to be sure that your buyer will receive a clear title.

▶ **Refer to the Code of Ethics**

As you work with senior clients and customers, be mindful of the CREA Code of Ethics. Everything you do should comply with its tenets to ensure that all parties to the transaction are treated honestly. This helps to ensure that all parties feel satisfied with the transaction results and pleased with the experience of working with you and one another.

I-Note: **INFORM** students that the following case studies are based on true-life experiences of REALTORS®.

Case Study: A New Home for Dad

An elderly father of three sons owned a house and an adjoining property next to a growing subdivision. After suffering a bad fall at home he agreed with his three sons that it would be better to live closer to one of them. They asked a broker to list the properties. A builder made an offer of an amount of cash plus construction of a new home for the father on the oldest son's land in trade for the father's properties. It seemed like a good solution – the father would live next door to the oldest son in a new home. However, a family squabble arose when the two younger brothers realized that the older brother's property value would be increased by the construction of a new home on property he owned. Now, the younger brothers are putting pressure on their father to stall the deal because they see the older brother benefiting more. The older brother has stated the he does not expect to get anything out of the deal and besides he is the one who has always taken responsibility for looking after their father. The father is suffering from the stress of conflict between his sons. He thinks the solution might be to sell his property and move into a senior-living apartment. In the last voice-mail message left with the broker, the builder said he needs an answer soon or the offer is off the table. How would you handle the situation?

I-Note: **ASK** students to identify the issues involved in this situation. **ASK** how they would handle this situation. A possible answer is to stay focused on the transaction and be straightforward with both the family and builder about the current status. **OFFER** alternate solutions based on your own experience.

Notes:

Issues include estate planning if the father no longer owns the home;

family conflict and finding out what the father really wants to do; potential

value increase for older son's property.

Solutions: recommend involvement of an estate planning profession;

do two appraisals on the son's property before and after construction;

keep the new house title in the father's name to preserve heirs' value.

I-Note: **ASK** students to identify the issues involved in this situation. **ASK** students how they would handle this situation. **OFFER** alternate solutions based on your own experience.

Case Study: Five Acres for Sale

Real estate agent Rhonda received a call from Cal Client stating that he owned a five-acre lot and was interested in listing it for sale. Rhonda was familiar with the property and thought that it was owned by Cal's mother. In checking financial records, Rhonda discovered that the property was in fact owned jointly by Cal's mother and aunt. When she asked Cal Client about the ownership, he stated that he handled his mother's business affairs. Rhonda wrote the listing contract, but Cal's mother refused to sign it. His aunt also refused to sign the listing contract. A several-years-old appraisal valued the property much higher than the current list price. The market had dropped since that appraisal but the aunt could not understand why the property would not fetch the same high price now. Cal Client said his mother was not competent to sign a contract but she seemed lucid when Rhonda met her. What would you do in this situation?

Notes:

Issues include: power of attorney; competency of mother; outdated appraisal.

Solutions: Ask to see a power of attorney, or attorney's letter, authorizing Cal

Client to act on his mother's behalf. The mother and aunt are the owners of the property and the deal cannot go through without their consent. Prepare a current CMA.

Case Study: The Antique Collectors

Gordon and Juanita were avid antique collectors. Their main home in Guelph was filled with beautiful antiques lovingly collected over a lifetime together. Ten years ago they purchased a one-bedroom condominium in a senior development along British Columbia's coastline and settled in to enjoy winters on the island. About a year ago, they purchased a second larger condo in the same building with the expectation of flipping it and using the gain to pay off the mortgage on the one-bedroom unit. The second condo is currently listed with a real estate agent. Things have not worked out as they had planned.

When Gordon and Juanita purchased the second condo there were only two other units available in the building; now there are 26 units listed and it is a buyer's market. The rental market is almost nonexistent. Juanita then passed away suddenly. Now Gordon is left with carrying costs and mortgage payments on three properties, including the home in Guelph, which he would never consider selling. He is inconsolable over the loss of his beloved wife. Gordon, in his grief, is confused, lost, and completely distraught and he has been calling his listing agent two or three times a day to ask for advice. Gordon's two daughters, who also live in the Guelph area, have not been involved in the parents' real estate dealings until now. They are trying to be supportive of their father, but they both have demanding careers and young families. If you were Gordon's real estate agent, what would you do?

I-Note: **ASK** students to identify the issues involved in this situation. **ASK** students how they would handle this situation. **OFFER** alternate solutions based on your own experience.

Notes:

Issues: Cost of carrying costs for three properties; buyers' market

Gordon's grief; involvement of family members in decision making

Possible solutions: list both condo units and see which gets the best offer.

Offer to sell one of the units with seller financing. Raise the commission rate to

create an incentive for others to show the property. Consider a reverse

mortgage on one property. With the father's consent, schedule a conference

call with the daughters; they may be able to help him make a decision. Be

sensitive, compassionate, and patient, but stay focused on the transaction.

I-Note: **DESCRIBE** what to do when a senior wants to list a home far below market value.

Selling a House Below Market Value?

Experienced real estate professionals advise caution when asked to list a home at a price that is below market value. Why does this happen? Consider these circumstances:

- The seller accepts a below-market offer in order to sell the home to a relative and other family members question the deal.
- A high-value home is priced low for quick sale and the heirs question the deal.
- The seller says, “This is how much I want. I just want a quick sale.”

Exam Question 35

What should the real estate professional do? Write a letter to the client stating that the property is listed below market value. Prepare a CMA showing the current value and ask the seller and buyer to sign it in order to acknowledge the below-market price or offer. Keep all of the documentation justifying the price. Market the property as a “best value in the community.”

Staging a Property

Seniors’ homes are often repositories of a lifetime of memorabilia. Every item in the home, which may be crammed full of objects and photos, has a cherished memory associated with it and the senior owner “knows where everything is.” Real estate professionals know that a house packed with too much 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 the property for showing. The sale of a long-owned home is an unsettling experience on its own without adding the upset of disturbing or removing objects that represent the homeowner’s memories. 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 some things away. You could say, “The house might 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... collection and about breakage when showing the house. Would it be okay to pack some of the collection?”

Be aware that “as is” properties can need a lot of repairs. A home that has been lived in for many years by elderly seniors may have many deferred maintenance issues. The owners may not have the ability, financial resources, or motivation to keep the property up. They may not be aware of or see the need for repairs or maintenance. They are just trying to live out their life in the home without investing anything else in it. A home may need a substantial amount of repair before it is ready for sale. A home equity loan to pay for repairs may be a solution; the loan balance can be paid off with the sale proceeds. If the owners want to stay in the home but lack the money to repair it, a reverse mortgage may be

4. Counselling Buyers and Sellers

the answer; the funds can be used for home repairs and possibly provide some additional income for the owners.

I-Note: **ASK** students to identify the issues involved in this situation. **ASK** students how they would handle this situation.

Case Study: On the Go

Richard and Norma, active retirees in their late 60s, are making the most of their retirement years. Richard plays golf a couple of times a week, builds furniture in his wood working shop, volunteers at a local hospital, delivers meals on wheels, and keeps in touch by e-mail with a large network of friends. Norma enjoys trying new recipes, painting and crafts, tending her herb garden, and socializing with a “Red Hat” group. Together they love to travel, attend theater performances and sporting events, and entertain friends. Like many of their friends, they are very involved with the church and it is the center for much of their social life. Their children and grandchildren are spread out around the country and their travels include trips to visit family and vacations with the grandchildren at beach resorts and Disneyworld. Their long-time home, in Edmonton, is spacious but also chock-full of a lifetime of accumulated stuff including their children’s childhood and teenage memorabilia. Every inch of wall space is covered with photos documenting family celebrations and accomplishments. Richard and Norma have always dreamed of living in a warm climate and they both agree that a smaller home with fewer maintenance demands would be best; they really want to be able to “lock the door” and leave without worry. They asked their long-time real estate agent, Adele, to talk with them about selling their current home and relocating to an active community in a warmer climate. Norma confided to Adele that sorting through all the stuff and deciding what to move, keep, discard, or give to the kids was almost overwhelming. Although the move would fulfill a dream, it was hard to leave their church and long-time friends behind.

Notes:

Issues: staging the property and dealing with all of the stuff in the home.

Making a referral to an agent in the new location. Helping Richard and Norma establish a social network and make a major life transition.

Possible solutions: Recommend a “de-cluttering” specialist. Share ideas on how others have handled similar situations. Alert referral agent to social concerns.

Research availability of activities, volunteer opportunities, social groups, and churches in the new location. Suggest a short term stay to try out the new location.

5. Providing Services for 50+ Clients and Customers

In this chapter

I-Note: **HIGHLIGHT** chapter content.

- ▶ Providing services
- ▶ Building a team
- ▶ Sensitivities
- ▶ Elder abuse

I-Note: **OBSERVE** that the factors described in this section may be more applicable to mature, elderly clients. As a group, they are more likely to experience these types of issues.

Providing Services

Patience

When asked about important factors to remember when working with mature and elderly clients, experienced real estate professionals say patience-patience-patience. Decisions can take a long time and consequently the sales cycle is longer. The client may have physical conditions like short-term memory loss or hearing or vision impairment. You should expect to do more handholding through the entire process. It may be necessary to repeat information and divide explanations of complex processes into smaller steps. There can be a lot of confusion and fear over matters such as disclosures and inspections. Focus on counselling the client, not selling; a hard sales approach could be perceived as taking advantage of an elderly person even if your advice is the right course of action.

Exam Question 25

Reliance

Senior specialists may find that they have become “best friends” for the senior clients who rely on them for advice. There may be many phone calls for a variety of reasons and it is easy to be drawn in and become personally involved. If the senior is not in touch with family, the real estate agent may be the only dependable person they know. Elderly buyers and sellers almost always think of the real estate professional as “their agent” regardless of the agency relationship. Extra care is needed to balance customer service with agency obligations if the elder is not the client. Wanting to be protective of the elderly, it is sometimes easy to fall into treating them like children. When this happens specialists warn that one is too involved and out of the bounds of a business transaction.

I-Note: **DESCRIBE** considerations for providing services. **PROVIDE** examples from your own experience. **INVITE** students to share additional examples.

Communications

How can a real estate professional handle the situation when an elderly client calls every day and/or several times a day? You should respond with patience and remember the Golden Rule. Understand that the elderly client may not have anything else to occupy time and the real estate transaction is likely causing stress and worry. Experienced senior

specialists counsel that one way to handle this situation is to manage expectations by letting the client know when to expect your next phone call. If you will be out of town, change your voicemail message every day to let callers know where you are, when you will return, and when you will return phone calls.

On the other hand, keeping in touch with active seniors who are constantly on the go can present some challenges for the real estate practitioner. Some practitioners report that it is not unusual for senior clients to leave on a spur-of-the-moment trip and not inform the real estate agent that they are leaving or provide an itinerary where they can be reached. Some retired seniors do not have to worry about scheduling time off or planning ahead. They are free to go when they please and do not have the same sense of urgency about business matters.

Although attitudes are changing, many seniors do not use mobile phones, text messaging, voice-mail, or e-mail, but it would be wrong to make this assumption. Many seniors are avid users of e-mail and the Internet, but view it as a way to stay in touch with friends, not to conduct business. Ask if the client uses e-mail or has a mobile phone, although be aware that many seniors view mobile phones as only for emergency use. Unlike younger users, mobile phones are only turned on when the senior wants to make a call. These attitudes will likely change as tech-savvy Baby Boomers move into retirement years.

Skill Builder Tip: Can you hear me calling?

Consider loaning a preprogrammed answering machine to an elderly client so you can leave a message. Or provide a prepaid cell phone so an elderly client can call you or receive a call. Make sure the operation of the device is as simple as possible, such as one-button play back. Do not call too late in the evening, for example after 9:00 pm; most seniors are early to bed and early to rise.

Documents

Large-print copies of documents can be a great help. Even seniors without obvious vision problems will appreciate documents with large print. A quick way to make a large-print version of a document is a photocopy enlargement; keep a stock of 11x17 paper in your office for photocopying enlargements. The clients can sign the small-print version of documents. If you are working with a couple, prepare two copies of everything so each person can have a copy. Consider developing a large-print version of your business card, too. It is also a good idea to keep a magnifying glass or page handy in your desk and car and keep a penlight handy as well; sometimes extra illumination can sharpen focus.

Skill Builder Tip: Low vision assistance

Low vision is more common than blindness and less obvious to the observer. Glaucoma, cataracts, and macular degeneration are leading causes of low vision. You can help clients who have low vision by:

- Announcing your presence and identifying who you are.
- Describing what you are doing.
- Uncluttering the area.
- Putting objects back in place if you move something in the home.
- Speaking directly to the person, but not yelling as low vision has nothing to do with hearing.
- Offering assistance but not insisting.
- Providing low-vision aids like a magnifying lens or page magnifier.
- Knowing how to be a sighted guide; offer your arm, walk a half-step ahead so your movements can be sensed, and speak up when approaching stairs or curbs. Never grasp or push the person in front of you.

Comforts

Some considerations for making the office setting comfortable for seniors will also make the environment more comfortable and inviting for younger clients and customers. Chairs with arms are easier for elders to stand up from. Low couches and easy chairs can present problems. Think about your office setting in relation to those principles. Also, realize that elders may not have the physical and mental stamina for a long day of property viewing or an extended counselling session. It may be necessary to schedule several short appointments instead of one long one.

Building a Team of Experts

Every real estate professional knows the value of access to a team of experts who can be called on for advice. When working the senior clients, the team composition should include experts who can help a variety of issues and matters, from estate planning to handling clutter.

<i>The Team</i>		
<i>Property</i>	<i>Legal and Financial</i>	<i>Personal</i>
<ul style="list-style-type: none"> ▪ Termite inspector ▪ Painter ▪ Landscaper and gardener ▪ Pool service ▪ Snow removal ▪ Home inspection ▪ Disaster preparation and recovery ▪ Mover ▪ Handyman ▪ Electrician ▪ House sitter ▪ Clutter reduction expert ▪ Interior staging specialist ▪ Storage facilities ▪ Housekeeping service ▪ Charities that accept donations of furniture, clothing, and household items 	<ul style="list-style-type: none"> ▪ Elder law attorney (wills, trusts, estates) ▪ CA or money manager ▪ Financial planner, expert on pensions, RRSPs, etc. ▪ Estate liquidator ▪ Tax specialist ▪ Reverse mortgage lender ▪ Reverse mortgage counselor ▪ Insurance agent 	<ul style="list-style-type: none"> ▪ Home health-care agency ▪ Community service contacts ▪ Transitional services contact/coach ▪ Grief counselor ▪ Elder abuse resources ▪ Ombudsmen ▪ Hospitals and clinics ▪ Health care facilities and levels of care ▪ Community resources ▪ Meals on wheels ▪ Veterinarian for pet care ▪ Pet boarding ▪ Dog walker ▪ Volunteer opportunities and services ▪ Estate sale organizer

I-Note: **STATE** the importance of expanding the real estate professional's "team" to include senior-service providers. **LEAD** a discussion of who should be on the team based on the following exercise. **CAUTION** students that they must comply with board or provincial regulations when making referrals to other professionals.

Social Connections

I-Note: **EMPHASIZE** the importance of helping new arrivals make social connections in senior communities. **EXPLAIN** why it is important.

Exam Question 36

I-Note: **ASK** to identify the issues presented in the case study. **ASK** students what could be done to help Guy and Lois make social connections.

Becoming part of the social network in a senior community is a very important element in clients' satisfaction with their retirement real estate choices. When retirees move to the new community, old friends and relatives are likely not close by. Senior specialists report that helping new residents integrate into their new community can go far in keeping a client and gaining new ones through referrals and recommendations. The activities planned by communities can help new arrivals get acquainted, make new friends, and cement a relationship with the community. Volunteer work, group travel, and involvement in a church or temple can all help seniors make personal connections. A specialist can help by introducing new arrivals to others in the community. Senior specialists note that it is important for new residents to become part of the social scene quickly or they will likely move away.

Case Study: The social scene

Guy and Lois were looking forward to retirement in Kelowna. They had lived in Winnipeg since Guy finished law school and raised their children there. As Guy built his law practice, Lois built a volunteer work career and eventually chaired several prestigious volunteer boards and social events. Now that Guy was ready to give up his law practice, Lois was looking forward to spending more time together, and they both were ready to leave the cold weather of Winnipeg behind. Broker Bill helped them find the perfect townhouse in a senior development with top-of-the-line amenities. Guy and Lois were looking forward to spending their first winter as "snow birds." Guy settled into the lifestyle almost immediately; he played golf, walked every morning, took an afternoon swim, and met his buddies at the clubhouse every afternoon. Lois, on the other hand, felt left out; her social network and status were left behind in Winnipeg. Broker Bill was surprised when, within the year, Guy called him about listing the townhouse for sale. Guy said he really liked the lifestyle, but Lois was very unhappy and wanted to move back to Winnipeg.

Notes:

Possible answers are to schedule a social occasion and invite past clients who are residents of the same community. Provide Lois with information on volunteer opportunities.

Sensitivities

Working with senior clients and customers, especially the very elderly, requires sensitivity and empathy. The sale of a home can be the result of a major and sudden change in life circumstances and a very unsettling experience for a senior client.

The client may be suffering a great deal of emotional distress. For example, your client may be grieving the loss of a spouse, friends, or family members, or even a beloved pet. A change in health, such as a disabling disease or stroke, can result in reduced hearing, eye sight, cognitive ability, or mobility. Learning to deal with a sudden loss of ability can be similar to a mourning process. Similarly, moving out of a long-owned home can involve a mourning process as personal attachments to people, places, and things are severed. The loss of a spouse or life companion is particularly devastating. A couple may have bought the house together and spent a lifetime making it their home but now the survivor must sell the house on his or her own. The financial or household decision maker may be gone, leaving the surviving spouse uncertain of what to do or how to accomplish even everyday tasks.

Independence and privacy are as important to elderly as it is to the young; it is a major reason why elder parents do not want to move into their adult children's homes.

I-Note: **RAISE** awareness of important sensitivities when working with senior clients. **LEAD** a discussion based on the following case studies; add or substitute examples from your own experience. **CAUTION** students that advice and actions should not overstep bounds.

Skill Builder Tip: I don't know what to say⁹

When a real estate transaction coincides with a death in the family, your help and understanding can make a significant difference. Immediate family members have their hands full and are experiencing the same loss.

- Show your support – sometimes all that is needed is a squeeze of the hand or a hug or say “I’m sorry.”
- Do not ask questions about how the death occurred. Let the bereaved person tell you as much as they want when they are ready.
- Do not say “I know just how you feel” or “You’ll get over it in time.”
- When feelings are expressed, do not say “You shouldn’t feel that way.”
- Be aware that weekends, holidays, and evenings may be more difficult.
- Send a note of condolence. Show that you remember by sending a note at the time of the loved one’s birthday or anniversary.

⁹ Mary Petruzzo, Donna Lind Infeld, and Michael Perper, “The Psychology of Aging,” *Management and the Aging Resident*, National Certification Program for Assisted Living, CCRC, and Senior Housing Professionals.

I-Note: **ASK** students to identify the issues presented in this case study. **ASK** students what they would do in this situation. **INFORM** students that this is based on a real-life experience. **STATE** that while this real-life example is an extreme case, they must realize that elder clients will experience scenarios like this.

Case study: A devastating loss

Five years ago real estate broker Edna helped her client, Lorraine, purchase a one-bedroom condo in an elevator building. Lorraine loved the oceanfront location even though she never set foot on the beach. A few months ago, Lorraine fell while bathing and broke her hip. She was trapped in the bathtub for most of a day before help arrived. Lorraine was fortunate to recover, but the injury made it painful to walk without support and she was afraid of falling again. She decided that a congregate facility would be a better living arrangement. Broker Edna listed the condo and found a buyer. Lorraine made plans to move out on the day of closing and her daughter came to help her pack and make the move. The day of the closing, the daughter fell from the condo balcony and was killed. The first person Lorraine called for support was her broker, Edna.

Possible answers are to be compassionate and show that you care. Help

Lorraine contact other family members and friends. Contact the buyer's

representative to negotiate a delay in occupancy to allow Lorraine time to take

care of funeral arrangements if she wants to stay in the condo, or help her move

immediately to the congregate living facility. Help Lorraine find a service to

complete the packing and move.

5. Providing Services for 50+ Clients and Customers

Case study: Letting go

Soon after Marty and June celebrated their 50th wedding anniversary, Marty suffered a stroke that left him comatose. Throughout their relationship, June had always been a demanding person, but Marty was patient with her and knew how to handle her moods. When Marty was moved from the hospital to a care facility, June moved in with her oldest daughter. It was clear to all that she could not manage living on her own. June's daughter called real estate agent John and asked him to help sell her parents' home. She said that her father, who used to handle all the financial matters, was incapacitated and her mother could not deal with all that goes into listing, showing, and selling a house. Everyone is suffering the loss and the realization that Marty will not recover; June is depressed has become very argumentative lately. When John asked about the ownership of the house, June's daughter said that as far as she knew her parents owned it jointly – they shared everything.

I-Note: **STATE** that the purpose of these case studies is not to make anyone feel bad, but to raise awareness of the types of events and issues that impact seniors.

I-Note: **ASK** students to identify the issues presented in this case study. **ASK** students what they would do in this situation.

Possible answer is to make a legal determination of the incapacitated

spouse's competency before the house can be listed and sold. June

does not have the authority to act alone until Marty is declared legally

incompetent. Dealing with this determination will not be easy for the

family; it makes the realization that Marty is "not coming back" a reality.

The Canadian Federal government has created a dedicated Web site for all related topics concerning seniors: www.seniors.gc.ca. The Web site will direct you to provincial local services in your area and community.

I-Note: **PROVIDE** an overview of elder abuse and warning signals. **ADVISE** the provincial or local area contact for reporting suspected abuse.

Elder Abuse and Neglect

Elder abuse and neglect are sad truths. In one study, approximately 7% of adults 65 years or older reported experiencing some form of emotional, physical or financial abuse¹⁰. Family members reportedly committed the vast majority of this abuse. The abuse, which usually happens in the home, can be physical, psychosocial, or financial exploitation. Some forms of elder abuse can be quite subtle and hard to detect and others are more obvious. Warning signs may be:

- Threats of force, exposure to weather, inappropriate use of drugs, food deprivation, abandonment
- Verbal or nonverbal acts that inflict mental pain, fear, anguish, breaking or stealing treasured objects, ignoring the elder, humiliation
- Inadequate water, delay of medical treatment, lack of assistance with eating, not attending to personal cleanliness needs
- Withholding basic emotional support, respect, or love, ignoring calls for help, lack of assistance in helping the elder do things he or she likes and requests to do
- Self-neglect, ignoring personal hygiene, not getting medical help, oblivious to weather, compulsive hoarding
- Sexual contact without the elder's consent
- Financial exploitation, taking, misuse, concealment of funds, property, or assets
- Health care fraud, under-medicating, overcharging, kickbacks for referrals, substituting less expensive medications
- Strained or tense relationships, frequent arguments between the caregiver and elderly person
- Sudden changes in behavior or financial situation, injuries, and bruising

Exam Question 38

As a real estate professional involved with senior clients and customers, you may encounter victims of elder abuse. If you suspect abuse, report it to the appropriate authority. For more information visit Seniors Canada (www.seniors.gc.ca). You will also find details on where to report abuse in each province. Print out the phone numbers and keep a copy handy in your office or car. You will have an easy reference when your eyes, ears, or instincts tell you that something does not seem right. Anonymous calls are honored, and you will sleep better at night if you make a report.

¹⁰ Department of Justice Canada. Abuse of Older Adults Fact Sheet. Available at: <http://www.justice.gc.ca/en/ps/fm/adultsfs.html#ftn7>.

6. Finance, Taxes, and Estate Planning

In this chapter

- ▶ Developing awareness
- ▶ Sources of income
- ▶ Tax issues and strategies
- ▶ Estate planning and powers of attorney

I-Note: **HIGHLIGHT**
chapter content.

The following content has been prepared by Royal LePage Real Estate Services to provide information on Canadian real estate laws and business practices. Neither REBAC nor Royal LePage shall have liability for the accuracy, completeness or consistency of this content with the requirements of your local law and regulations.

Developing Awareness

Many of the concepts in this chapter are highly technical and beyond the scope of advice a real estate professional should provide. However, your awareness of these concepts and issues can be beneficial because you will be able to recognize opportunities and concerns. You will be able to make your clients aware that they should pursue concerns and issues with the appropriate experts.

Where Do Current Canadian Retirees Get Their Money?

In Canada retirement income comes from three sources:

1. The Government: Old Age Security (OAS), Canada/Quebec Pension Plan and/or low income benefits
2. Employer: Pension plan (basic and supplementary), group RRSP, deferred profit sharing plans
3. Personal: RRSP, other savings and investments, employment or business income.

The Income Mix for Today's Older Canadians				
	Age Group			
	60-64	65-69	70-74	75+
OAS	0%	15%	18%	19%
CPP/QPP	9%	17%	18%	19%
Pensions, RRIFs, DPSPs, RRSPs	21%	25%	31%	29%
Investments, Rents, annuities	11%	14%	15%	20%
Employment/business income	51%	21%	10%	3%
Other	8%	8%	8%	10%
Total	100%	100%	100%	100%

Source: Canada Revenue Agency, Based on interim 2004 tax return data released in 2006.

It is important to note that these figures are for huge numbers of people and individual circumstances vary widely.

Old Age Security (OAS)

Exam Question 37

You qualify for benefits when you're 65 if you've been in Canada for at least 10 years. The maximum benefit—based on 40 years of residence—is worth about \$6,204 a year in 2010, fully indexed for inflation and taxed as ordinary income. OAS was designed as a universal program, but benefits are now phased out for higher-income retirees. This “clawback” hits those whose net income is above approximately \$64,000, but it's gradual—you lose the full benefit, only if you have more than \$100,000 of income. At the other end of the spectrum, low-income retirees get supplemental benefits that are tax-free.

As of April 1, 2010, the basic OAS pension benefit, paid to people 65 years and older, will remain unchanged at \$516.96 per month. Payments under the Guaranteed Income Supplement (GIS) and the allowances will also remain unchanged.

Canada Pension Plan or Quebec Pension Plan (CPP or QPP)

You qualify for CPP or QPP retirement benefits if you've made at least one contribution during your career. The maximum benefit is just over \$10,000 a year, fully indexed for inflation and taxed as ordinary income. How much you actually get will depend on your earning record and when you elect to start receiving payments. That can be as early as age 60, but the maximum is available only if you wait until 65.

Guaranteed Income Supplement (GIS)

There are special supplements available for low-income retirees. The main one is GIS; it is part of the OAS program and is worth an additional \$7,500 or so tax-free. Several provinces and the northern territories pay

additional supplements on top of the GIS. The provincial payments are fairly low. For example, an Ontarian who qualifies for GIS can also get a maximum provincial payment of \$83 a month.

Want More Information on Government Programs?

OAS and CPP are administered by the Income Security Programs (ISP) section of the Human Resources and Social Development Canada (HRSDC). HRSDC's Web site is www.hrsdc.gc.ca or go to Service Canada at www.servicecanada.ca. Both sites have application forms and a great deal of useful information. The HRSDC can also be reached toll free at 1-800-277-9914.

The Quebec Pension Plan is provincially administered. The Web site is at www.rrq.gouv.qc.ca/fr and their toll-free phone line is 1-800-463-5185.

Tax Issues and Strategies

Know How Your Investments Will Be Taxed

Interest income, dividend income, and income from capital gains will be taxed differently.

Interest Income

Interest income from bank accounts, Canada Savings Bonds, bond investments and portfolios is taxed at the highest rate, which is your marginal income tax rate. Even if you don't receive this income (and reinvest it) you have to report every cent of interest income and will be taxed on it accordingly.

Exam Question 39

Dividend Income

The type of dividend has an effect on how the dividend is taxed. Dividends from foreign companies are taxed at the same rate as interest income (your marginal income tax rate). However, dividends from Canadian companies receive favourable tax treatment. This is because the Canadian corporation has already paid tax on the corporate profits used to pay out the dividends. So the favourable tax rate is to avoid a double taxing so to speak. Like most tax issues this does get a little more complicated. This is why a tax professional should always be consulted on these matters.

Capital Gains Income

Capital gains are not taxed as heavily as interest income and dividend income. Since October 17, 2000, only 50 percent of the capital gain (adjusted for cost) is taxed. Capital gains are the profits on the sale of assets, like stock and property, adjusted for transaction costs. You can

also have capital losses, which are the exact opposite of capital gains. Capital losses can be subtracted from capital gains to give you tax relief. Any capital gains are netted against any capital losses you might have, then added to your taxable income for that year and taxed at your marginal rate. At one time there used to be a life-time capital gains exemption. This no longer exists with the exception of selling a small business and transferring farms between generations.

Another advantage of capital gains is that they are only taxable when they are realized. Utilizing capital gains in tax planning is vitally important and a tax advisor or Canada Revenue Agency should always be consulted.

Note: Personal properties, for the most part, are not subject to capital gains.

Claiming Medical Expenses

The claim for medical expenses is one of the most common provisions on seniors' tax returns. Yet it is most often under-claimed and misunderstood.

Medical expenses can be claimed for:

- You, your spouse or common-law partner;
- A child or grandchild of you or your spouse who depended on you for support and
- Adult children or grandchildren, a parent, grandparent, brother, sister, uncle, aunt, niece, or nephew of you or your spouse who lived in Canada at any time in the year and depended on you for support.

In the year of death, the normal 12-month period for making the medical expense claim is increased to a 24-month period that includes the date of death. Medical expenses paid by the executor after death may be included.

For a list of allowable medical expenses go to CRA (www.cra.gc.ca) and search for medical expenses. Or go to Canada Seniors (www.seniors.gc.ca) select Finances and Pension, and then Taxes.

Tax Free Savings Account (TFSA)

In 2009, Canada introduced the TFSA, which limits annual contributions to \$5,000. TFSA contributions are not deducted from income for tax purposes, but investment income (including capital gains) and withdrawals are not subject to income tax. In addition, TFSA investment income and withdrawals do not affect income benefits (e.g., OAS and GIS).

TFSA has significantly increased tax-efficient savings opportunities for Canadians. The TFSA is a flexible, general-purpose savings account that

may be used to meet a variety of savings needs, including saving for retirement.

- According to a report from Investor Economics and survey data from Ipsos Reid, Canadians had opened up 4.7 million TFSAs by the end of December 2009. The value of Canadians' TFSA assets amounted to about \$15.8 billion at the end of December 2009.
- A Leger Marketing poll commissioned by the Bank of Montreal found that one-third of people age 65 and older and one-quarter of those age 55 to 64 had opened a TFSA by early February 2009.

RRSPs and Pension Plans

Why and what should a real estate professional know about retirement plans? The types of retirement arrangements senior clients have are important. It is also important to understand if the home is the primary asset or if they have any income in addition to social security. These answers will determine your clients' financial capabilities and help you better serve them.

Registered Retirement Savings Plans (RRSPs)

Most tax and financial planning professionals agree that RRSPs are the greatest gift the government has ever given Canadians. RRSPs were introduced way back in 1957 to encourage Canadians to save for retirement, and millions of Canadians have done just that.

RRSPs are so beneficial for saving for retirement because not only do they give you an immediate tax deductions each year equal to the RRSP investment contribution you make, they shelter tax on all interest and capital gains accruing inside the plan from your investments. This means that the government has agreed not to tax your nest egg for retirement and all the growth inside that nest egg until you receive it much later in life. When you do need your nest egg it will likely be when your tax rates and financial needs are more modest. The 2007 Federal Budget increased the age in which you can pay into RRSPs from 69 to 71.

Maximum Contribution Limits

RRSP limits apply to prior year's earnings.

Year	RRSP
2006	\$18,000
2007	\$19,000
2008	\$20,000
2009	\$21,000
2010	\$22,000

After 2010, increases to the annual RSP contribution limit will be indexed. The easiest way to confirm the contribution limit is to look at the Notice of Assessment, which is received after filing the income tax return.

Exam Question 40

What happens to your RRSPs when you turn 71?

At age 71 you must officially collapse your RRSP. The government figures at this age you should switch from retirement savings mode to retirement income stream mode. So you must not only collapse your RRSPs, but you must arrange to start receiving annual minimum payouts as retirement income.

Prior to December 31st in the calendar year that you turn 71 you must do one of the following 3 things:

1. Convert your RRSP to a Registered Retirement Income Fund (RRIF).

This has become the most popular choice. A RRIF pays income for as long as you choose, and gives you the flexibility to determine the amount of income you withdraw each year from your retirement savings.

Exam Question 48

RRIFs are the same as RRSPs in that it gives you the same tax deferral, it can hold the same investments, and any money remaining after death can go to your estate. However the big difference is with a RRIF you have to make minimum annual withdrawals.

The CRA (Canada Revenue Agency) sets the minimum annual amounts for withdrawals. During retirement you can increase your income stream anytime by taking out additional amounts above the minimum. However, you do pay tax on not only the income the RRIF is earning yearly but on the amounts you withdrawal from the RRIF.

Minimum RRIF Withdrawals (2009)									
Amount is based on age and plan value at January 1									
Age	Rate	Age	Rate	Age	Rate	Age	Rate	Age	Rate
50	2.50%	59	3.23%	68	4.55%	77	8.15%	86	10.79%
51	2.56%	60	3.33%	69	4.76%	78	8.33%	87	11.33%
52	2.63%	61	3.45%	70	5.00%	79	8.53%	88	11.96%
53	2.70%	62	3.57%	71	7.38%	80	8.75%	89	12.71%
54	2.78%	63	3.70%	72	7.38%	81	8.99%	90	13.62%
55	2.86%	64	3.85%	73	7.59%	82	9.27%	91	14.73%
56	2.94%	65	4.00%	74	7.71%	83	9.58%	92	16.12%
57	3.03%	66	4.17%	75	7.85%	84	9.93%	93	17.92%
58	3.13%	67	4.35%	76	7.99%	85	10.33%	94	20.00%

Source: <http://www.cra-arc.gc.ca/tx/ndvdl/tpcs/rrsp-reer/trnng69/yrwn-eng.html>.

To determine the minimum annual payment, multiply the value of the prescribed RRIF as of January 1 by the rate that corresponds to your age

2. Convert your RRSP to an Annuity.

If you prefer maintenance-free, guaranteed income, annuities fit the bill. Annuities are structured and sold by insurance companies to pay out a steady stream of income. This eliminates the need to be making constant investment decisions. The downside is it gives you less flexibility.

There are two annuity options to choose from. A “term certain annuity” will pay you a set monthly income up to the age of 90. A “life annuity” will pay income for as long as you choose. With this option you are essentially turning over your retirement savings to a life insurance company and in return you get a guaranteed monthly income for life. As with RRIFs, the full amount of the annuity payment is taxed.

Some of the drawbacks of annuities include: you are locked in when you buy an annuity; they are pegged to current interest rates at the time you purchase them; you have no control over how your money is invested; you cannot change your mind about this investment at a later date; and when you die your estate gets nothing (the funds remain with the insurance company).

Exam Question 41

Note: At age 71 you can choose to convert your RRSPs into both an annuity and a RRIF by splitting your investment into the two different financial vehicles. These are major financial planning decisions and require in-depth consultation with a qualified advisor.

3. Take a Partial or Lump Sum Withdrawal.

This is really not a financially viable or advisable option, as you will have to pay tax on the entire amount you take out.

Delayed Retirement: A Growing Trend

There are many reasons why people are choosing to delay retirement. Near the top of the list for most is money. Delaying retirement by a few years can have significant financial benefits.

The 2007 Federal Budget introduced two new policies to encourage mature workers to stay in the workforce longer:

- a. Phased retirement: allows the employer to simultaneously pay a partial pension to an employee and provide further pension benefit accruals to the employee while they continue to work.
- b. Increasing the age limit from 69 to 71 for converting a RRSP.

The budget also introduced pension income splitting through the Tax Fairness Plan to allow for pension income splitting.

Defined Benefit and Defined Contribution Pension Plans

Qualified pension plans fall into one of two broad categories, defined benefit or defined contribution. Plans that meet certain federal standards for contributions, payouts, and participation are termed “qualified.”

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Defined benefit plans provide a specific amount, usually a percentage of salary or wages based on length of employment. There are no individual accounts maintained for the employees. The employer makes annual contributions based on actuarial tables.

A defined contribution plan does not guarantee a particular pension amount upon retirement. The employer makes scheduled (monthly, quarterly, annually) contributions to individual employees’ accounts. The contribution is usually a percentage of the employee’s wages or salary, or in some companies, a share of the profits with the number of shares based on salary levels and tenure. At retirement, each employee’s pension is determined by how much was contributed to the fund plus accumulated earnings. The dollar amount that will be received at retirement is difficult to predict because it is dependent on investment performance.

Both types of plans usually require a vesting period from five to ten years. The vesting schedule determines what portion of the individual account is owned by and payable to the employee if the length of their employment is less than the vesting period. For example, a typical vesting schedule is 20 per cent per year, which means that the employee is fully vested at the end of five years; if employed with the company for three years, 60 per cent of the pension balance would be paid out to the employee. Contributions made to a plan by the employee are always fully vested although the accumulated earnings may be subject to a vesting schedule.

Reverse Mortgages

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Question
46

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A reverse mortgage is a special type of mortgage that enables a senior 60 years of age or older (the age qualification applies to both spouses) to convert a portion of their existing home equity into cash. It is a loan against your home that requires no repayment for as long as you live there.

How does a reverse mortgage work?

Reverse mortgages are quite complex, and are subject to higher interest rates than most other types of mortgages. Unlike an ordinary mortgage, you don't have to make any regular or lump sum payments on a reverse mortgage. Instead, the interest on your reverse mortgage accumulates, and the equity that you have in your home decreases with time. You usually don't have to pay the loan back or make any interest payments to the lender, as long as you are living in your home. However, if you sell your house or your home is no longer your principal residence, you must repay the loan and any interest that has accumulated. On your death, your estate would have to repay the loan.

The reverse mortgage is managed by the Canadian Home Income Plan (CHIP) and offered through specific Canadian financial institutions. According to CHIP, the majority of Canadians who obtain a reverse mortgage have 80% of their assets in their home.

Common uses of funds:

- Daily living expenses
- Renovating a home for aging in place
- In home care / medical expenses
- Back taxes
- Pay off existing mortgage
- Pay off credit cards
- Purchase a car
- Take a trip
- Supplement monthly income
- Purchase a 2nd home
- Fulfilling other needs and dreams

Benefits:

- In most cases, the individual can receive between 10% to 45% of the appraised value of his or her home.
- Funds can be received in either a lump sum, or fixed monthly payments for life, and can be used for any purpose.
- With a reverse mortgage, you don't have any monthly repayments to make so you can't lose your home by failing to make the payments.
- You can never owe more than the value of the home at the time the loan is paid off.
- Your heirs are entitled to the balance of the equity position.
- Payments received are tax-free. Canada Revenue Agency does not consider money borrowed through a reverse mortgage as taxable income so a reverse mortgage will not affect the government benefits that you may receive.

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A reverse mortgage can make it possible for senior homeowners to finish out their lives in the comfort, security, and privacy of their own homes. An income is assured for as long as the home is owned.

When evaluating the suitability of a reverse mortgage, it should be compared to selling the home and using the proceeds to rent or buy a less costly home. Factors to compare include:

- Cash out
- Cost to buy or rent a new home or reside in a congregate or assisted setting
- Market rents
- Earnings on investment of remaining proceeds

- Availability of alternative income-producing investments and ability to manage the investment
- Quality of life

What are the disadvantages of a reverse mortgage?

According to the Financial Consumer Agency of Canada (FCAC) they list the following:

- With the accumulation of interest on your reverse mortgage over the years, your equity in your home will decrease. Since the principal and interest will be repaid to the lender upon your death, there will be less, for estate purposes, to leave to your children or other heirs.
- The costs associated with a reverse mortgage are usually quite high. They can include, but are not limited to, the following:
 - a higher interest rate than for a traditional mortgage or line of credit;
 - a home appraisal fee, an application fee, or closing fees;
 - a repayment penalty for selling your house or moving out within three years of obtaining a reverse mortgage;
 - legal costs.

Where to go for more information on reverse mortgages

The Financial Consumer Agency of Canada (FCAC) provides timely, objective information to help consumers choose the best banking products and services for their needs. FCAC also informs Canadians of their rights and responsibilities when dealing with financial institutions and makes sure that banks and federally regulated trust, loan and insurance companies respect the laws and agreements that protect consumers.

You can reach FCAC at 1-866-461-3222 or visit their web site at www.fcac.gc.ca.

Also available on the FCAC site is a section on tips to help you shop around for a reverse mortgage.

Home Equity Line of Credit

In recent years, home equity lines of credit have gained in popularity as a way of supplementing retirement income. A home equity line of credit (HELOC) is a pre-authorized credit line based on the value of the equity in your home. Generally, home equity lines of credit are available for up to 75% of the appraised value of the home. A HELOC allows flexibility when drawing funds, and the loan can be repaid according to your own terms, either principal and interest, or interest only.

Benefits of a HELOC versus a Reverse Mortgage

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Question 45

- The set-up costs of a home equity line of credit are about a quarter of those for a reverse mortgage.
- HELOCs are available through most financial institutions, whereas reverse mortgages are available only at selected institutions.
- The loan amount of a HELOC can be up to 75% of the appraised value of the home, versus 45% with the reverse mortgage.
- Funds can be withdrawn from a HELOC at your convenience, versus either a lump-sum payment, or monthly income with a reverse mortgage.
- There is no age requirement for a HELOC, versus the age of 60 for a reverse mortgage.

Estate Planning and Powers of Attorney

I-Note: **DESCRIBE** the goal of an estate plan and the impact of various forms of real property ownership.

Planning is about the future. Estate planning is about your future. When we use the word 'estate' some people have a picture in their mind of a twenty room mansion on a 10 acre parcel of land. The word 'estate', however, simply means all the property you own. This includes personal property (cars, furniture, clothing, etc.), real estate (a home or cottage), as well as any financial assets (bank accounts, RRSP's, investments, etc.).

Most people are familiar with the goals of estate planning:

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Question 19

- having financial security when you retire;
- providing for your family's needs;
- ensuring your business can continue without you;
- reducing the amount of tax you pay the government; and
- maximizing your investments and assets.

The process of estate planning really begins with an assessment of your present financial situation, needs and future goals by a qualified financial/investment planner. Unfortunately, many people fail to take advantage of the help that these professionals provide, usually at no cost for the first consultation and assessment. It is never too late or too early to begin estate planning.

Once you have assessed your financial position and laid out a plan for the next five, ten, and twenty or more years, it is wise to prepare a will. A will provides you with the opportunity to appoint an executor, who is the person who will look after your estate after you've died. An executor is the person who will follow your instructions in the will about how you want your estate distributed. A will only comes into effect after you've died and your executor only has the authority to act on your behalf after you've died. One of the most neglected parts of estate planning is the appointment of an attorney for property in a Continuing Power of Attorney for Property and the appointment of an attorney for personal care in a Power of Attorney for Personal Care. If you were to become mentally

incapable of managing your property, who would manage things for you and how would they know what you wanted?

Considerations When Estate Planning

Leaving your affairs in good order when you pass enables you to direct your money in the way you want to, not the way the government wants to. The following checklist highlights some of the considerations that should be taken into account when estate planning.

- Identify financial institutions- Where are your assets held? Include key contacts.
- Identify advisors- Who are your professional advisors including banker, accountant, lawyer, stockbroker, insurance agent and what is their contact information?
- Identify proxies- Who will execute Power of Attorney if you become disabled or cannot direct your own personal affairs?
- Identify heirs- List exact contact information, as well as their relationship to you. In the case of singles, these heirs could include your favorite charity. Discuss options for the transfer of assets and funds during your lifetime and at death.
- Identify gifts- Sketch out what you wish for each of your heirs to receive.
- Identify needs- Will any of your heirs require assistance with ongoing income?
- Identify guardians- Prepare a list of possible executor(s) and make approaches.
- Identify business succession plans- How your business interests should be distributed, and who should step in to run the show?
- Plan for probate fees and capital gains taxes at death- Review life insurance policies that may be used for those purposes.
- Identify capital assets and their fair market value annually.
- Identify asset transfer instructions- Which assets should be transferred during your lifetime, and which should be transferred only upon your death?
- Make plans for safekeeping- Keep all important documents in a safety deposit box and identify the location.
- Deal with debt- List debt obligations and the order they should be repaid. Make a list of on-going financial obligations that should be cancelled on death.
- Draw up your will and tell your lawyer where it is to be kept.

There are many rules that apply to estate planning, and few apply in the same way to different individuals. This is a complicated and very important art requiring the guidance of experts in the area.

Wills

A will outlines the disposition of assets, names beneficiaries of the estate, and appoints a personal representative, an executor or executrix, to carry out (execute) the instructions set forth in the will. A will does not avoid

probate or the appointment of a conservator, maintain privacy, or provide any particular tax benefits.

If you die without a will, your estate is turned over to the state, which divides your assets according to the succession laws of your province. This may mean costly and lengthy legal battles for your survivors, and even worse, your loved ones may not be provided for as you wished.

Exam Question 20

A will does many things including:

- Allowing for an orderly transition of assets to your beneficiaries
- Maximizing the value of your assets
- Minimizing tax and other costs before and upon your death
- Sparing your family and loved ones of many legal, tax and other complications when they are in a very emotional state.

“Dying intestate” is the legal term used for dying without a will. Each province in Canada has statutory rules for the distribution of assets when someone dies intestate. Most provinces give a set value of assets to the spouse and then split the remaining assets among children and/or the spouse.

What About Will Kits?

Alan Walker, Associate Vice President, Private Trust with TD Waterhouse Private Client Services advises “Don’t delay and don’t use a kit. Wills aren’t expensive and the decisions you make are among the most important in your life. It’s always worth getting good advice.”

What the Executor of the Will Does

The executor of a will is the person the deceased appointed to take charge of their affairs after they die. They are responsible for winding up the estate as outlined in the will. This is a very demanding and often stressful task.

Functions of the executor:

1. Finds the will and arranges the funeral.
2. Arranges probate.
3. Locates and secures the assets.
4. Pays all the bills and files the taxes.
5. Distributes the assets.

Executors are entitled to claim some compensation from the estate; it is typically in the range of 3 to 5 percent of the estates value. This is often a tense issue, so it recommended that in the will it be stipulated the compensation the executor is entitled to.

Tax Considerations

You've no doubt heard the joke about death and taxes being unavoidable. Upon death the property in your estate is deemed for tax purposes as having "sold" immediately before your death, this making any and all tax due and payable. Capital gains must be determined, and registered assets not assigned to a tax-free beneficiary must be taken into income, the entire market value of a RRIF is added to income in the year of your death.

All of this puts you at your highest marginal tax rate, taking a bit bite into your estate. On top of this you must also subtract any costs of settling the estate like probate fees, executor fees and legal costs. These can easily add up to another 5% of the value of your estate.

Note: This process is simplified if you roll everything over to your spouse or common-law partner (and a few others).

Probate Fees

Probate is the government's way of certifying that your will is indeed your last will and testament. Probate also confirms that the executor you appoint in your will actually has the authority to carry out its instructions.

The following table shows the probate fees by province.

The rates in this table were taken from Scotia Bank (www.scotiabank.com/cda/content/0,1608,CID11678_LIDen,00.html#) and are believed to be accurate as of March 2010. Please check with your local provincial court for the most current rates for your area.

Probate Fees in Canada (2010)

Province	Fee Schedule	Maximum
Alberta	<ul style="list-style-type: none"> • \$25 for estates under \$10,000. • \$100 for estates between \$10,000 and \$24,999 • \$200 for estates between \$25,000 and \$124,999 • \$300 for estates between \$125,000 and \$249,999 • \$400 for estates of \$250,000 and over 	\$400

Exam Question 43

British Columbia	<ul style="list-style-type: none"> • \$0 for estates under \$10,000. • \$208 for estates between \$10,001 and \$25,000 • \$6 for every \$1,000 or part of \$1,000 by which the value of the estate exceeds \$25,000 but is not more than \$50,000 • Plus \$14 for every \$1,000 or part of \$1,000 by which the value of the estate exceeds \$50,000. 	None
Manitoba	<ul style="list-style-type: none"> • \$70 for the first \$10,000, plus \$7 for every \$1,000 thereafter 	None
New Brunswick	<ul style="list-style-type: none"> • for the first \$5,000: \$25 • \$5,001 to \$10,000: \$50 • \$10,000 to \$15,000: \$75 • \$15,001 to \$20,000: \$100 	None
Newfoundland & Labrador	<ul style="list-style-type: none"> • < \$1,000: \$60 • \$1,000+: \$60 + \$0.05 for each additional \$100 	None
Northwest Territories	Value of all property, real and personal, within the Northwest Territories, after deducting all debts and liabilities against that property.	Fee
	\$10,000 or under	\$25
	More than \$10,000 but not more than \$25,000	\$100
	More than \$25,000 but not more than \$125,000	\$200
	More than \$125,000 but not more than \$250,000	\$300
	More than \$250,000	\$400

Nova Scotia	<ul style="list-style-type: none"> • \$77 for estates not exceeding \$10,000 • \$193.61 for estates exceeding \$10,000 but not exceeding \$25,000 • \$322.21 for estates exceeding \$25,000 but not exceeding \$50,000 • \$902.03 for estates exceeding \$50,000 but not exceeding \$100,000 • \$902.03 for estates exceeding \$100,000, plus \$15.23 for each additional \$1,000 or fraction thereof, in excess of \$100,000 	None
Ontario	<ul style="list-style-type: none"> • \$5 on each \$1,000 for the first \$50,000 and \$15 per \$1,000 thereafter 	None
Prince Edward Island	<ul style="list-style-type: none"> • \$50 for estates up to \$10,000 • \$100 for estates between \$10,001 to \$25,000 • \$200 for estates from \$25,001 to \$50,000 • \$400 for estates from \$50,001 to \$100,000 • \$400 plus \$4 for each \$1,000 or fraction thereof in excess of \$100,000 • Please note that there is also a 0.2% closing fee. 	None
Quebec	<ul style="list-style-type: none"> • \$100 for non-notarial will • \$0 for notarial will (notarial wills do not need to be probated) 	\$100 (nonnotarial will)
Saskatchewan	<ul style="list-style-type: none"> • \$7 on each \$1,000 	None
Yukon	<ul style="list-style-type: none"> • No fee is payable to obtain a Grant of Letters Probate and Administration where a person dies leaving an estate not exceeding \$25,000 in value. • To obtain a Grant of Letters Probate and Administration where a person dies leaving an estate exceeding \$25,000 in value, there is a fee of \$140.00. 	None

Four Strategies to Avoid Probate

1. Gifting

On the surface it may seem that gifting is the easiest way to get assets out of your estate. This is true; however, there are several considerations. Gifting cash is the easiest element because from a tax perspective cash is what's left of your after tax money.

Exam Question 21

If you are too generous you may miscalculate your needs and run out of money in your retirement. There are tax implications when gifting financial assets. Even gifting financial assets to minor children or grandchildren does not release you from the tax obligation.

Gifting is seen as a "sale" even if no money has exchanged hands. The gifter is required to pay capital gains tax on the fair market value of those securities on the day they changed hands. This fair market value becomes the receivers cost base, and they'll be required to pay tax on all subsequent gains, interest and dividends from that day forward.

2. Joint Ownership

Some forms of joint ownership allow assets to pass directly to the surviving owner without going through the deceased's estate. Real estate owned in certain joint tenancy and joint investment accounts are common examples, as are joint bank accounts. However, it is not quite that simple as joint ownership has some dangers in the sense that you give up exclusive control of your assets.

Other considerations:

- There may be tax implications in switching from sole to joint ownership of an asset unless your joint owner is your spouse or common-law partner.
- Adding someone to your bank accounts has no tax implications as you are still responsible for the tax on the interest of this money.
- Adding someone (other than your spouse or common law partner) to your investment account at a brokerage firm could deem a sale of half the assets in the account for tax purposes and a capital gains tax could apply.
- Planning on leaving your house to one of your children and want to add them as a joint tenant to avoid probate? Be careful, if the home is not the child's principal residence they will have to pay capital gains tax on their portion when it comes time to sell. If the child is married and lives in the house with you and their spouse, their spouse could also claim part of the home in the event of a break up because the home would be considered the "matrimonial home."
- Joint ownership may add a level of complication that may not be worth the potential savings.

3. Name a Beneficiary

If you have assigned beneficiaries on your RRSPs, RRIFs and any other registered plans you have, when you die these assets go directly to your designated beneficiary instead of passing through your estate. These assets stay outside of your estate and probate fees on that money are avoided.

An important consideration when planning the division of your assets amongst family members is to keep in mind the tax considerations. Registered accounts are paid out in full. The estate is responsible for paying tax on that money, which can amount to nearly 50 percent of the total value of the account. This can easily lead to a strikingly unfair situation when one child gets the RRIF and another gets the remaining estate assets, both of equal value before tax. After tax, the final tally will be very different.

4. Transfer Assets to a Trust

Trusts are appealing not only to help avoid probate fees, but because they can significantly reduce overall taxes and protect assets for your beneficiaries. A trust is a legal entity that can be created to hold property on your behalf. With a trust the assets put in the trust are no longer considered part of your estate even though you retain control over the assets and even receive income from them.

Trusts come in two basic forms: testamentary and *inter vivos*. A testamentary trust is set up after your death through instructions in your will. A trust established while you are living is called an *inter vivos*. The distinction between the two is important because they are taxed very differently.

Trust basics:

- Trusts have three parties: the donor (the person who contributed the asset to the trust), the trustee (the person “entrusted” with holding and managing the asset), and the beneficiary (the third party receiving the benefit of the trust)
- Almost any kind of assets can be put in a trust—financial instruments, real estate, valuable personal property, even a business
- Every 21 years, most trusts must calculate capital gains tax on the deemed disposition of their assets.

Types of Trusts

Spousal Trusts and Trusts for your Children

These testamentary trusts are the most common types of trusts. Apart from probate fees, no taxes are paid when assets are placed in a spousal trust. It is considered a tax-free spousal rollover. Once your spouse dies, and only then, will the remaining money in the trust be passed along to

the children or other beneficiaries. Money within a spousal trust can compound and be taxed at graduated rates, leaving more money for the spouse later on or ultimately for those who will inherit what is left of the trust. Spousal trusts can be established for married, common-law or same sex partners.

Leaving money to your grown children or grandchildren through a trust can be very tax-effective because the income that is not distributed within a testamentary trust is taxed at personal graduated tax rates. You can establish one trust for all your children, with specific instructions to the trustee for each child or separate trusts.

Living (Inter vivos) Trusts

Inter vivos in Latin literally means “from one living person to another living person.” Trusts that are established while the contributor to the trust, the donor, is still alive are called *inter vivos* trusts. *Inter vivos* trusts unlike testamentary trusts are private and are also taxed differently. Any income that’s retained in the trust is taxed at the highest marginal rate, not at the personal graduated tax rates applicable to testamentary trusts. The big advantage of *inter vivos* trusts is that they help you exclude assets from your future estate with no immediate tax consequence. This reduces probate fees when your estate is settled. A drawback to consider is that these assets cannot be transferred into a testamentary trust.

Power of Attorney

Power of attorney is a legal document in which you appoint the person of your choice to act as your representative in the event that you are unable to represent yourself or unable to make your own decisions. The person that you appoint in a power of attorney is called an “attorney”. When used this way, the word 'attorney' does not mean a lawyer. Lawyers are called 'attorneys' in the United States, but in Canada we refer to lawyers as “barristers and solicitors.”

The attorney or representative that you appoint in a power of attorney for property must be someone that you trust and who has the skills to manage finances responsibly. While you are mentally capable, you can appoint anyone to act as your attorney. If you are ever assessed and found to be mentally incapable and don't have an attorney, the Public Guardian and Trustee may become your Statutory Guardian. The Public Guardian can only transfer this authority back to family and they will make every effort to do so. If this happens it can cost family members thousands of dollars in lawyer fees and court costs.

Powers of attorney can be limited or very broad; however they do become void when you die. Your will and executor take over at that point.

Common myths surrounding power of attorney:

- Many people think that their spouse can automatically take over, but this is not true unless the spouse has power of attorney.
- Many people believe that a joint bank account gives the other person authority to look after them, but this also is not true unless that person has power of attorney.
- Many other people believe that mental incapacity only happens when you get old, but mental incapacity can happen to any one at any age. Mental incapacity can happen suddenly when someone has a stroke, a car accident, a sports accident, or an accident at home. Or it can happen gradually when someone suffers from a disease like Alzheimer, Parkinsons or Multiple Sclerosis.

Exam Question 44

There are two kinds of power of attorney:

1. Power of Attorney for Property- This document authorizes the named person to act on your behalf with respect to your property.
2. Power of Attorney for Personal Care- This designates someone to act on your behalf in matters of personal health care.

You can revoke power of attorneys as long as you are mentally competent by making out a new one, or saying in writing that you revoke it and having it witnessed in keeping with the requirements of the original document.

In conclusion, there is a myriad of estate planning consequences involved in real estate transactions. As a real estate professional, you must not only know the fundamentals, but should know where to go to for the answer to the questions as they arise. Develop a relationship with at least one or two lawyers in your marketplace who specialize in trust and probate issues. Remember that there could be both provincial and federal laws to comply with when counselling your clients.

** For additional information and forms related to Estate Planning go to Canada Seniors - www.seniors.gc.ca Click on Legal Matters on the left hand menu; then Wills and Estates.

7. Building a Resource Bank

In this chapter

- ▶ Building a resource bank

Finding and Tapping into Resources

Spend time learning about what your community offers for seniors. The checklists presented earlier in the course can help you find facilities and services as well as evaluate your community's "senior-friendly" features. Senior specialists advise that you keep an open mind, especially if you are not a senior yourself.

Look at your community through the eyes of an older person – how easy is it to get around, access senior services, shop, enjoy entertainment, access health care, and get involved as a volunteer? Are active seniors a vital part of your community?

Community grant funding for seniors and active living

The government of Canada supports local projects across Canada that encourage seniors to take part in their community and active living. The New Horizons for Seniors program will fund 842 new projects in 2010 for a total of \$15.8 million. The enhanced funding will support projects that focus on volunteering among seniors and raising awareness of financial abuse of seniors.

Community Participation and Leadership Funding provides one-time, start-up grant funding for community-based projects that enable seniors to play an important role in their communities. It encourages seniors to contribute their skills, experience, and wisdom in support of social well-being in their communities, and helps to reduce their risk of social isolation.

Since its beginning, the New Horizons for Seniors Program has funded over 6,000 projects across Canada, helping seniors to use their leadership, energy, and skills to benefit our communities. For more information about the Program, please visit www.hrsdc.gc.ca/seniors.

As a real estate professional with the SRES® designation, you can show your support and leadership by either promoting an existing organization dedicated for seniors in the community or you can help a non-for-profit organization in creating a new group in the area.

The Canada Seniors - www.seniors.gc.ca web site can be a wonderful resourceful link to assist you in gathering information of what is available to seniors in your area and community.

I-Note: **LEAD** a discussion of types or resources to research and add to a resource bank. **DISCUSS** how a resource bank can be used as a market distinction.

Organizing a Resource File

Start compiling an information file of resources and services. This file can be a marketing distinction and an offer an edge on your competition. Use the following suggestions on categories of resources to start researching and building your customized resource bank.

- ▶ **Active adult developments:** develop an information sheet for each facility with amenities, range of housing options, age restrictions, association fees, homeowner association contact, building manager, and association rules.
- ▶ **Senior apartments, congregate living, and care facilities:** consider developing a summary sheet for each facility. Include notes on contacts, levels of care, costs, range of housing options, availability of short-term stays, age-restrictions, and other facts.
- ▶ **Health facilities, hospitals, clinics, and rehabilitation facilities:** list of facilities with phone numbers, and addresses
- ▶ **Home health care:** contacts for hiring home health care workers.
- ▶ **Specialists:** list of area specialists in cardiology, ophthalmology, gerontology, rheumatology, orthopedist, neurology, chiropractors, and other specialties
- ▶ **Personal care:** hair stylists and manicurists who provide in-home service
- ▶ **Cultural and entertainment venues:** theatres, cinemas, concert venues, art galleries, and museums
- ▶ **Libraries and book stores:** reading clubs, discussion groups
- ▶ **Houses of worship:** list of churches, temples, mosques, and clergy contacts
- ▶ **Educational opportunities:** senior-friendly learning environments, community colleges, university extensions, and lifelong learner programs.
- ▶ **Aging support organizations:** local offices that provide support services for elderly
- ▶ **Magazines and newsletters:** sample copies of magazines and newsletters targeted to senior readers
- ▶ **Travel clubs:** Travel agents that specialize in senior travel. Group travel is an excellent way for seniors to get acquainted and make friends

- ▶ **Banks, mortgage lenders, and mortgage counselors:** information on financial and lending institutions, reverse mortgage lenders, and counselling services
- ▶ **Volunteer opportunities:** information on volunteer involvement opportunities
- ▶ **Employment (paid) opportunities:** information on area employers who are proactive in hiring and employing seniors
- ▶ **Clubs and hobby groups:** activities for seniors to enjoy on their own and with younger family members
- ▶ **Advocacy groups:** environmental, political, and issue-oriented groups
- ▶ **Support Groups:** support for the bereaved, caregivers, and others.
- ▶ **Community events:** information on community special events, observances, and annual events
- ▶ **Restaurants:** restaurants that offer senior hours, prices, and portions as well as easy access and senior-comfortable seating and atmosphere
- ▶ **Supermarkets and pharmacies with delivery services:** include other retail outlets that offer senior discounts and services
- ▶ **Auto care:** car dealerships, repair garages, and tow service
- ▶ **Trends:** information organized by dates or headings such as local and national issues

For national organization and government Web sites, refer to page 109 of this manual.

Tools

Aging-in-Place Remodeling Checklist, page 97

Marketing Letters and Scripts

Suggested script: for follow up after initial mailing, page 98

Suggested script: for follow up after special report delivery, page 99

Special report mailing cover letter, page 100

Follow up letter to special report mailing, page 101

More marketing letters, page 102

Web Sites, page 109

Aging in Place Remodeling Checklist

General

- Adapt lower floor for possible one-level living
- Increase general incandescent and specific task lighting
- Easy garage or parking access
- At least one entry without steps
- Doorways 36 inches wide with offset hinges on doors
- Lever door handles instead of knobs
- Electrical outlets 18 inches above the floor
- Contrasting color for switch plates which aids low vision
- Light switches at 42 inches above the floor
- Adjustable controls on light switches
- Lighted, glow-in-the-dark switches in bedrooms, baths, and hallways
- Strobe light or vibrator-assisted smoke and burglar alarms
- Lower window sills for ease of opening
- Programmable thermostats for heating and cooling
- Contrast colors between floor and walls
- Color borders around floor and counter-top edges
- Nonskid flooring
- Matte-finish paint on walls
- Matte-finish on flooring and countertops (eliminates glare)
- Non-glare glass on artwork
- Lower the peephole on entry door
- Emergency alert system – built in or wearable

Bathroom

- Anti-scald valves for lever faucets and faucet mixers
- Temperature controlled shower and tub fixtures
- Shower stall with a low threshold and shower seat
- Grab bars at back and sides of shower, tub, and toilet, or wall-reinforcement for later installation
- Turn-around and transfer space for walker or wheelchair (36 inches by 36 inches)
- Counters at a workable height
- Telephone jack
- Installation of medical response device (alert or call button)

Kitchen

- Cabinets with pull-out shelves and lazy-susan turntables
- Easy-to-grasp cabinets knobs or pulls
- Task lighting under counters
- Cook top with front controls
- Side-by-side refrigerator/freezer with adjustable upper shelves and pull-out lower shelves; a freezer drawer on the bottom may be more convenient for some
- Variety in counter-height – some as low as table height (30 inches)
- Contrasting color or patterned borders at counter edges
- Gas sensor near gas cooking, water heater, and gas furnace

Living Room

- Seating at least 18 inches off the ground
- Chairs with sturdy arms and shallow seats

Suggested script: for follow up after initial mailing

Use this suggested script to follow up with those on the mailing list who did not respond to the initial mailing.

- ▶ I am calling to follow up on the postcard/letter and offer that (name of real estate professional) recently mailed you.
- ▶ Do you remember receiving it?
 1. Either a “yes or no” answer is okay.
 - ▶ It was a letter/postcard offering our “Special Report for Seniors” on real estate. The topic is (topic). We will send to you free as part of our seniors’ real estate program. May I send it to you free of charge?
 2. If no, say “Thanks for your time on the phone” and end the call.
 3. If yes “Thank you. If we are in the area in the next few days, we may drop it off. If you are not in, we’ll place it against your front door. Thanks again.”
- ▶ If they do not want it dropped off, say “then it will be in the mail shortly.”
- ▶ Then add: “(name of real estate professional) will call you in a couple of weeks after you have an opportunity to read it. (First name of real estate professional) will be glad to answer any questions you may have. Thanks again.”

Suggested script: for follow-up after special report delivery

- ▶ “I am calling to follow up on the Special Report that was recently sent to you?” (If you delivered it, remind them of the meeting.)
- ▶ Ask: “Have you had a chance to look it over?”
- 4. If no, then say, “Well, we all get busy and can’t keep up with everything today.”
- 5. If yes, then ask, “Are there any questions that you have after reading the report?” Then answer the questions.
- ▶ After answering, ask, “I have a Seniors Newsletter that I mail out quarterly, every three months. It is full of real estate information specific to senior property owners. I would like to send it to you as a gift. Would that be okay?”
- ▶ If “yes” then, “Thanks and it will be in the mail soon.”
- ▶ Then add, “I will call you in a couple of weeks after you have an opportunity to read it. I will be glad to answer any questions you might have. Thanks again.”
- ▶ If no, offer to send a sample copy and include a response card for the recipient to be added to the mailing list after reviewing a sample copy.

Special report mailing cover letter

Dear (Mr. or Mrs. Last Name),

I hope you enjoy reviewing this Special Report. It was compiled by the Seniors Real Estate Council®, which is part of the NATIONAL ASSOCIATION OF REALTORS® family. The Council is a group of REALTORS® committed to working with our mature population. They are aware of the unique needs and issues of older property buyers and sellers. As a member of the Council, I would like the opportunity to distribute this and other Special Reports to all of my senior clients and friends.

I'm certain that you will find it informative and important to your real estate and investment planning. It is full of the kind of information that senior property owners need to know before making decisions about their future cash flow and real estate transactions.

I will follow up with you in the coming weeks to find out what you think of the report and if you have any questions that I might answer. I think we'll have lots to talk about, and I look forward to sitting down with you when you are ready.

Remember, as a REALTOR® and a SRES® designee, I am committed to providing you the very best of senior services available.

Happy reading!

(your name), SRES®, (other designations)
www.your Web site.com

Follow-up letter to special report mailing

Good morning!

In the last few weeks, I have provided you a **Special Report** regarding the real estate market. I have extensive experience in these issues, having represented (area) clients for the past (#) years.

I believe in the (name) area and in the long-term value of our property here. The property you own represents a solid asset with which you have built your equity. It's more important than ever today to safeguard that equity for your retirement years and determine a proper plan of action for your unique situation. My clients have come to rely on my experience and guidance on the real estate market.

This year almost all the real estate economists forecast the growth of the (area) economy. The real property value increase will be a (%) growth in most of our market.

I invite your questions. Ask me! Challenge me. Information is power and in your case, information is **FREE** for the asking. I have obtained the nationally recognized **SRES**[®] designation specifically with people like you in mind. I have access to information that could save you thousands of dollars when you sell your property or buy another property or even stay where you are today.

My personal policy has always been to provide my clients with the best service at the most competitive price available. Please take advantage of my real estate expertise. I look forward to speaking with you. **Call me anytime at (000) 000-0000 or e-mail me at (your e-mail address).**

Sincerely,

(your name), SRES[®], (other designations)
www.your Web site.com

More Marketing Letters

Marketing Letter: Why Plan Anyway?

Good morning!

At a recent seniors seminar, a gentleman approached me. “All the stuff you’re telling us about planning, capital gains, senior discounts, and using our equity sounds great. But what difference does it make? When I die the government will get everything sooner or later anyway. My assets aren’t large and I can’t afford to pay all these expensive tax consultants.”

Many people feel the same way. You have worked hard for your assets and don’t see how you can afford the seemingly high costs required to protect them. Well, one of the great values in real estate ownership is that several plans already exist that can protect your funds at close of sale. All you need to do is call me, and you will receive the information and resources you need to make an informed decision. The best part about it is that you will not have to pay any “up front” costs. Consulting is part of my services as your **SRES®**. I only get paid when I sell your property.

There is **no** excuse for not having a specific plan in place for your peace of mind. Security comes from being ready for any and all contingencies. Planning in real estate doesn’t cost it pays.

Call me today at (000) 00-0000 or e-mail me at (your e-mail address) for all the **no cost** information I have on housing options available to you. You’ll sleep better tonight!

Sincerely,

(your name), SRES®, (other designations)
www.your Web site.com

Marketing Letter: Dining Out

Enclose a list of restaurants that offer senior discounts

Good morning!

One thing that is common to people of all ages is our love of fine food. As a (area) real estate professional for more than (time) years, I have had lunch or dinner in just about every fine restaurant in town.

I thought that a list of those tried and true restaurants might be of interest to you. These are places that have discount times or meals for **SENIORS**. Many also have special considerations for those of us with handicaps or disabilities.

As your **SRES**[®], my goal is to provide you with the best service possible – even some of the best places to eat here in (town or area). Please let me know about the service and food. With your assistance, I will keep this restaurant list up to date.

Remember, I am here to help. Whenever you need any real estate advice or questions answered, call me at (000) 000-0000 or e-mail me at (your e-mail address). I will be happy to help.

Bon Appetit!

(your name), SRES[®], (other designations)
www.your Web site.com

Marketing Letter: Property Preparation

Good morning!

One of the questions I am asked after clients decide to place their property on the market is, "What should I do to get ready?" The first thing to remember is that we all have different tastes. So don't make a lot of major changes that might suit you but not the new buyers. A buyer will make changes according to their own decorating preferences.

The key is to keep things **simple**. The less clutter the better. If things seem crowded, think about storing items or use this opportunity to make a donation to your favorite charitable foundation.

Do make **minor** repairs such as leaky faucets.

The overall **first impression** is most important to a prospective buyer. Landscaping can make a dramatic difference. Often something as simple as flowers lining a front walkway can make a more inviting entrance.

DON'T go to any great expense.

One of the aspects of my **assistance** is that I can provide you with a list of qualified people to assist you in readying your property for sale. The excellent team of painters, handymen, gardeners, and cleaning services can assist you and often at special senior prices.

Let me take the worry out of preparing your property for sale. I'll help you organize the necessary work from start to finish, allowing you to concern yourself about more important things. Call me at **(000) 000-0000** or **e-mail me at (your e-mail address) for a FREE consultation** and specific information about my **services**.

Sincerely,

(your name), SRES®, (other designations)
www.your Web site.com

Marketing Letter: Creating Your Financial Team

Good morning!

Most of us don't want to face the reality that someday we might need more than our current income or even worse, outlive our assets. A support team of top financial advisors can help **SENIOR** homeowners eliminate or at least minimize the possibility of outliving our assets.

The equity in your property may be the most valuable asset you possess. The team you create – legal, accounting, financial, and real estate – are most critical. As your **SRES®**, I can provide you with all of the real estate knowledge and experience that I have amassed over the many years of working for clients just like you.

My **Services** also offer you peace of mind and could create real savings in expenses when you are ready to sell. Call me at **(000 000-0000)** or e-mail me at **(your e-mail address)** now for a consultation.

A support team like this will save and protect your equities for your future security. Do you have all these experts on your team?

Sincerely,

(your name), SRES®, (other designations)
www.your Web site.com

Marketing Letter: Current Market Update

Good morning!

It has been about a year since I last updated you on current market conditions in the area surrounding your property. My clients always want to know what is happening in the real estate market. As part of your financial team it is my responsibility to keep you informed as to the general and specific real estate market conditions, good or bad.

For most **of us** our home equity may be the most valuable asset we own. Unlike stocks and securities, whose current value can be determined daily, real estate values are created over a longer time span. A regular review of the recent market sales of similar properties and the trends in the neighborhood will bring your equity value current.

Most **of us** love where we live and don't plan to move. However, if unforeseen circumstances force a decision, it is important to have a good plan that will protect as much of your equity as is legally possible.

My **services** are a wonderful tool to give you the peace and security of planning ahead for just such a contingency. If we haven't already discussed your specific situation, please call me at **(000 000-0000)** or **e-mail me at** (your e-mail address) for a private consultation.

Attached is information regarding the current market conditions for the area surrounding your property. You have worked hard for your equity. I will work hard to help you keep it and use it wisely.

Sincerely,

(your name), SRES®, (other designations)
www.your Web site.com

Marketing Letter: Testimonials

Enclose a copy of your resume or personal marketing piece

Good morning!

I thought you might like to learn a little more about who I am and hear from some of the people I have helped through the special services that I offer clients.

The response has really been wonderful and I have had the opportunity to meet and work with some of the finest people you would want to know.

I have been selling real estate in this area since (year) and have probably done over (number of transactions). Before I sold real estate here, I (previous career or where you lived before).

When I'm not working with clients I like to spend my time with my (family) doing (hobbies) or (civic involvement).

And now I would like to share some of the comments that I have received from satisfied clients:

[insert testimonials]

I hope to add your positive comments to my list in the near future. **Please call me at (000 000-0000) or e-mail me at (your e-mail address) today!**

(your name), SRES®, (other designations)
www.your Web site.com

Marketing Letter: Attorneys, CAs, Financial Planners, and Other Professionals

Good morning,

Because you are a well-respected attorney, I am contacting you for some assistance with an upcoming seminar.

For the past (number of years) I have been practicing real estate in the (community's name). I believe that before any client can make an informed business decision, they must know all the ramifications of that decision. Real estate is like playing chess – the wrong move and you may lose some of your most important assets.

With this in mind, I have joined the SRES® Council. It is a very prestigious national group of REALTORS® who specialize in handling real estate transactions for mature clients. I have also completed their training course and earned the SRES® designation. Part of the training involves creating a team of specialists such as attorneys, accountants, financial planners, bankers, and other professionals to work with seniors and their real estate issues.

As part of my involvement in our senior community I plan to present a series of seminars. I would be interested in discussing with you the possibility of co-presenting a seminar. I look forward to meeting with you to discuss any of your clients' real estate needs. I have enclosed some information about myself. I will call you in the next few days to set up a time to meet, perhaps for breakfast or lunch?

Sincerely,

(your name), SRES®, (other designations)
www.your Web site.com

Web Sites

Canadian Government Web Sites

SeniorsCanada on-line

www.seniors.gc.ca

Service Canada

www.servicecanada.gc.ca

Canada Revenue Agency: Seniors 55 and up

www.cra-arc.gc.ca/seniors/

Canadian Retirement Income Calculator

<https://srv111.services.gc.ca>

Learning Network for Active Aging

www.epa.gov/aging/bhc/lnaa

A forum where those interested in active living, healthy aging and smart communities may both access and provide information.

Health and Caregiver Sites

Peace of Mind – Caring for Seniors at Home <http://members.shaw.ca/bcseniors/default.html>

A resource for individuals caring for seniors

Alzheimer Society of Canada

www.alzheimer.ca

Canadian Home Care Association

www.cdnhomecare.ca

Choosing a retirement home: Checklist of things to consider

www.cbc.ca/consumers/market/files/home/nursinghomes/tips.html

Technology

Computer Training for Seniors

www.studentconnections.ca/en/seniorsbasics.asp

Employment

Seniors for Jobs

www.seniorsforjobs.com

Senior4Hire

www.senior4hire.org

A Web site where companies seeking mature workers can post available jobs

50plus.com

www.50plus.com

A family of Web sites for the 50-plus

Nonprofit Organizations

American Association of Retired Persons

www.AARP.org

Enhancing quality of life for all as we age and enabling people 50 and older to have the independence, choice, and control in their lives that they need to benefit themselves and society

Canada's Association for the 50 Plus

www.CARP.ca

Travel

Elder Hostel

www.elderhostel.org

Provides adventures for older adults through educational travel programs throughout the world

Seniors Tours Canada

<http://www.seniortours.ca>

Senior Tours Canada is the largest Canadian tour operator specializing in fully escorted worldwide group tours for the mature traveller age 50+.

Mailing Lists

Info Canada

www.infocanada.ca/

Offers targeted mailing lists