

# HEY! Who are you calling OLD?

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## The REALTORS® Guide to Successfully Working with Today's Senior Citizen



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## COURSE OBJECTIVES

At the end of this course the Student will be to:

- Identify the age groupings of all “senior citizens”
- Effectively work with the different needs of each of the sub-groups of seniors
- Utilize the course to guide seniors through a range of emotions relating to the sale
- Evaluate with the senior seller whether ageing in place or moving is the best option
- Relate the Code of Ethics – Articles 1, 10 and 11 to the transaction
- Bring in trusted advisors and/or family members when and where appropriate
- Recognize if family or a friend doesn’t have the best interests of the senior in mind
- Use correct references to Wills, Estates and Probate in the transaction
- Advise customers on the impact a Reverse Mortgage may have on the transaction
- Offer tips to a seller to make a home more Senior Friendly
- Manage the physical needs of seniors on showing appointments
- Articulate the part Fair Housing plays in 55+, 62+ and all listing verbiage
- Recognize signs of Elder abuse: financial, physical, emotional & knowing when it may be time to contact Family Services for a Guardian to be appointed
- Locate sources of senior customers
- Use the proper language to market to senior sellers and buyers
- Locate additional information, provide resources

## **INTRODUCTION**

By 2029, when all of the baby boomers will be 65 years and over, more than 20 percent of the total U.S. population will be over the age of 65. Although the number of baby boomers will decline through mortality, this shift toward an increasingly older population is expected to endure. By 2056, the population 65 years and over is projected to become larger than the population under 18 years.<sup>i</sup>

Understanding the unique perspective of each of the groups making up the “senior” population is essential to successfully serving their needs. In many or even most transactions you’ll be dealing with more than one group as children and grandchildren weigh in on the needs of their parents or grandparents.

## Who Are You Calling OLD? Myth Busting

<b>GI Generation</b>	<b>1901-1926</b>
<b>1.5%</b> <b>4.8 million now</b>	<b>age 93+</b>
<b>SILENT Generation</b>	<b>1927-1945</b>
<b>11.4%</b> <b>35.3 million</b>	<b>age 72-92</b>
<b>BOOMERS</b>	<b>1946-1964</b>
<b>24.6%</b> <b>76.5 million</b>	<b>age 53-71</b>
<b>GEN X</b>	<b>1965-1976</b>
<b>16%</b> <b>49.6 million</b>	<b>age 41-52</b>

With the population living longer, healthier and more productive lives it's important not to discount the eldest of our elders: the **GI Generation**. They lived through The Great War and although in their 90's (i.e. The Queen of England age 92, the Duke of Edinburgh 97, Dr. Ruth Westheimer 90, President Jimmy Carter 93, Carl Reiner 96, Stan Lee 95, Betty White 96, Kirk Douglas 102, Mel Brooks 91, Cloris Leachman 92 and many more "ordinary" citizens....) many are still working, contributing to society and making housing decisions.

The "**Silent Generation**" is so called because they lived through World War II and grew up in the McCarthy era – they understood that speaking out on political matters might get you hauled up in front of the House Un-American Activities Committee<sup>ii</sup>

**Boomers** were the first generation to be raised with television and the wisdom of Dr. Spock. They lived through great transitions from migrations out of cities into newly created suburbs; school bussing and more. It was The 60's that defined most if not all Boomers – the world of *Lassie* and *Leave it to Beaver* morphed into 'drugs, sex and rock n' roll', the assassination of President John F. Kennedy on November 23, 1963 stopped the world in its tracks. The murder of Dr. Martin Luther King, Jr. on April 4<sup>th</sup> 1968

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followed by the assassination of Robert F. Kennedy on June 5<sup>th</sup> 1968 sent shock waves around the planet. Body counts from the Viet Nam war was on the nightly news and the beginning of “free love”, hippies, yippies and, of course Woodstock AND the first human to walk on the moon all in 1969.

**Gen X** the soon-to-be seniors (!) and the probable influencers of their senior parents have core values which include diversity, self-reliance, informality, flexibility and, of course, technology. Their lives were influenced by witnessing events such as the Challenger disaster, the Jonestown mass suicide, Watergate, Lockerbie flight bombing, Three Mile Island nuclear meltdown, the Iranian hostage crisis, Exxon Valdez oil spill, the energy crisis, Operation Desert Storm and the riots after the Rodney King beating.

While it's not always accurate, some generalizations can assist you in understanding and working with each cohort.

Remember, if you only Do Unto Others as You Would have Others Do Unto You it's likely you'll be missing connecting with, and therefore successfully working with, those who are nothing like you at all. Understanding the frame of reference each cohort group brings to the transaction is your key to getting to a closing!

## **It's Complicated: Emotions and the Senior Seller**

Selling your home is, as we know, a stressful experience for all concerned. Emotions run up and down during each step – including finding the new location and getting that all organized and coordinated. Many sellers who are purchasing a bigger home or a vacation property are happy and excited above the “stress” of the moves.

However, many times The Senior seller is also facing a harsh reality: this may be their last move. It may not be said in so many words or even indicated, but Seniors who are selling to move in with family, or to be near family members or to assisted living arrangements know they are not going to be moving again (unless to a full on nursing facility.)

Don't discount the powerful emotions coming from selling the family home to a “stranger”. Family members who have not lived “at home” with their parent(s) still voice sometimes quite loud objections to the sale. The fact is that no one in the family wants that home, but it's the memories that keep them attached to the building.

Working with the seller and the family members to help them see the move as a positive turn in the life of their loved one will go a long way in smoothing the transaction.

## **SHOULD THEY STAY, OR SHOULD THEY GO: When NOT Listing is the Right Thing to Do ...**

Not every listing appointment with a senior seller should result in putting the house on the market at that very minute or even at all.

The primary consideration is what is best for the seller. In many cases staying put is the right course of action. In other situations our best practices is to counsel the seller to wait a few months or even a year before making that life changing decision.

When meeting with the seller and/or their family members you will need to help them analyze their cost of staying and ageing in place versus selling and moving into a smaller unit (i.e. a condo) or to assisted living.

Remember that not all family members have the best interest of their relative in mind when they make comments. It's vital that we know who our customer or client is – and it's NOT the relative.



**CODE of ETHICS**  
**ARTICLES 1, 10 & 11**

ARTICLE 1

When representing a... seller, REALTORS® pledge themselves to protect and promote the interests of their client.

ARTICLE 10

REALTORS® shall not deny equal professional services...

ARTICLE 11

The services which REALTORS® provide their clients and customers shall conform to the standards of practice and competence which are reasonably expected in the specific real estate disciplines in which they engage...

## **MARITAL STATUS**

Just because they appear to be “a couple” do not assume that they’re married.

Many seniors pair up and never get married because of the effect it would have on their finances. Others eschew marriage because each party has children and assets they want to keep separated from their new relationship.

Some same sex couples are just living together for the financial and personal convenience – don’t assume they’re a couple either.

It’s important to ask and get a clear answer so that you understand who owns the property you’re listing and what rights the other party may or may not have in the transaction.

## Whom do you TRUST?

### Understanding Trusts and Decision Makers

A Trust (revocable or irrevocable) is a complicated legal document and one which is often part of the senior transaction. Generally the Trust is drawn up by an attorney and within it are placed the assets of the trust.

The Trustee is the person named as the one who is legally able to make the decisions about the assets within the trust.

Do not assume that the person or couple you're meeting with to sell or buy are the Trustees of the Trust. The Trust document will name the Trustee. Often it's an adult child, but it can also be a trust bank, an attorney or friend or even a financial advisory firm.

Looking at the first few pages of the trust document should give you the information you need to proceed. But, don't be surprised if you find out that the house is not even in the trust. And important and often overlooked step in finalizing a trust is deeding the house or other property into the name of the trust. If that has not been done then the trust does NOT control that asset and the names on the deed/title are the persons or entities who need to sign the listing or sale agreement/contract.

This is also the case if you're told the property is owned by an LLC or other entity-check twice with the title company or attorney to be certain that the signing is legal and enforceable.

## **WHO'S the DECIDER?**

Family members, close friends, advisors, neighbors sometimes it seems like an entire village of people are horning in on your transaction.

It is vital that you know who the client/customer is and take your direction directly from them. Those “interested” parties may seem to be well intentioned, and maybe they really are – but unless and until your client/customer gives you specific permission to do so NEVER discuss the details of the transaction with any of them.

Sometimes we get calls from adult children wanting to sell Mom’s house or Dad’s condo – if they do not have legal power of attorney (and it is often not the same power of attorney used in other financial transactions and is definitely NOT the same as a Health Care Proxy a/k/a medical POA) you can’t discuss their parents finances or any aspect of the transaction unless you’ve received specific permission to do so.

Check with your real estate attorney and/or the title company and make sure that you have the correct POA needed to list and sell or buy a property in place before you start the transaction.

If the court has appointed a Guardian for the seller then with the proper documentation that Guardian may have the legal authority to authorize the sale of the house and other assets.

## **PROBATE, WILLS, ESTATES, TAXES**

If the property is titled to a trust it will not pass through probate. If the property is held by natural persons the property is an asset of the estate and the Last Will and Testament must be processed through the court system.

The Will should name a Personal Representative. That Will and the appointment of the PR must go through the court system. The PR who has not yet been appointed has no legal authority to sign a listing or sales contract. Here is where you will advise all parties to seek legal counsel – especially when working with deceased sellers who were not legally related.

Meanwhile, association or condo/co op dues, property taxes and all utilities, insurance, repairs & maintenance and expenses must be paid and the property must be kept in good order. It is not our job to handle this but it often falls upon us to locate paid professionals to handle the upkeep while the family is awaiting the appointment of the PR and release of any funds to pay for these services.

When taking a listing of a property “in probate” understand that the time to close may be longer than normal and may need to be approved by the probate court. There is no such thing as speedy probate. The courts move at their own pace and it is wise to alert all parties that this will be a long closing.

Estate and taxes require the services of a qualified attorney. That attorney will guide all aspects of the listing and the sale of the property.

## **REVERSE MORTGAGES**

Many senior sellers have a Reverse Mortgage on their home. Understanding how to list a property with a reverse mortgage is important.

Reverse mortgages or HECM: Home Equity Conversion Mortgages are held by sellers 62 years of age or older. They're not making any monthly mortgage repayment as with a forward mortgage. However, they're still responsible for all the property taxes, maintaining the property in good order and paying the property insurance along with any HOA or condo/co op dues and assessments.

If the property is vacated by the holder of the Reverse Mortgage or ceases to be their primary residence for more than 12 months then the property must be sold to satisfy the mortgage.

If there is excess after all debts are paid then the overage goes to the estate and the beneficiaries. If there is a short fall it is covered by the FHA insurance. **NO OTHER ASSETS** can be taken to make up the short fall at the time of the closing.

If you're listing a house with a reverse mortgage in place you will need to find out how much is due to be able to advise the seller about their "net proceeds" – be careful to tell your seller **NOT** to ask the lender for a pay-off statement as this will trigger an expense to them. Their monthly statement will give you a good idea of what is owed, the same as we look at with a forward mortgage.

## **AGING IN PLACE**

**or**

### **Easy Fixes to Make Your Listing Senior Friendly**

If it's determined that your client/customer will be better served by ageing in place in their home OR if your seller wants to make their property more "senior friendly" consider suggesting these modifications:

- Changing door knob to handles
- Adding more and brighter lighting
- Installing higher toilets
- Installing grab bars in baths
- Changing a regular bath to a walk-in tub
- Installing voice activated lights and other appliances
- Removing thrown or scatter rugs
- Adding timers to lights inside and around the outside of the property
- Adding direct lighting by the exterior door (or inside garage door entry) so that the place to insert the key is visible
- Install a ramp with guardrails
- Move microwave to a stand rather than over the stove
- Add a bathtub transfer bench

## **TIPS for SHOWING PROPERTY to SENIORS**

As with all buyers it's important to Map out your route before leaving with buyers. Have enlarged buyer property profile sheets ready – larger print is easier to read- with room for them to make specific notes on what they did or didn't like about a property.

Make sure you have factored in locations for rest room stops and, because some seniors may not want to mention it specifically, YOU be the one to ask if you can take a rest stop break. Have bottled water and paper napkins or towels in the car with you. Often our senior buyers will not just be thirsty but may need to take medication mid-day. It's also a great idea to have a few power bars or small snacks available.

And be aware that while you may be ready to show 10 properties in one appointment your senior buyer may be not only tired but overwhelmed with more than 5 including a break for lunch!



## **MARKETING YOUR 55+ or 62+ Listing**

The definition of a 55+ or 62+ property is specific. Identifying a house as such when it is not legally a 55+ or 62+ property can get you into a violation of Fair Housing situation.

The Fair Housing Act protects all residents from discrimination on the basis of race, color, national origin, religion, sex, handicap or familial status (families with children under the age of 18 living with parents or legal guardians; pregnant woman and people trying to get custody of children under the age of 18)

The “Housing for Older Persons” Exemptions specifically exempts some senior housing facilities and communities from liability for familial status discrimination. In order to qualify the community must prove that its housing is provided under any state or federal program that HUD has determined has been specifically designed and operated to assist elderly persons.

55+ housing exemption states that at least 80% of the units must have at least one OCCUPANT (Note: this does not mean OWNER) age 55 or older and the community must publish and adhere to policies and procedures that demonstrate the intent to operate as “55 or older” housing and the community must comply with the HUD requirement for age verification.

Before stating that your listing is 55+ or 62+ only make sure that the development has been approved as such and/or that the initial approval has not lapsed or been compromised. Just because another listing says it’s a “senior friendly community” or “55 or better” does not mean that it is accurate. Do your own due diligence.

## **Recognizing signs of Elder Abuse, Exploitation, Addiction or Neglect When does your customer need a Guardian?**

In our position of REALTOR® and trusted advisor to our senior customers/clients we're in a unique position of becoming intimately involved in their personal lives inside their domain for the time we're listing and selling their property. Often we are the first line in recognizing unreported abuse, exploitation, addiction or neglect.

There are many ways an elder can be abused – not all of these are visible by bruising or marks (in fact many medications make bruising easy and healing slow when no abuse is happening!) Withholding of water and food; demanding money; threatening remarks and isolation by a caregiver are just some of the non-visible signs of abuse.

If at any time you suspect that something is “just not right” between the caregiver, friend, family member or advisor it may be time to contact the Department of Family Services or Adult Guardianship programs in your area.

## **LOCATING POTENTIAL CUSTOMERS**

**Join** the Chamber of Commerce, a Business Networking International (BNI) or similar 'intentional networking' group of business professionals, Rotary or other service organizations and being actively involved puts you in the company of business owners who serve seniors.

### **Offer** Senior Move Seminars

Ask other service professionals to participate (title, senior placement advisors, senior move manager, Reverse Mortgage Specialist, Home Inspector, Elder Attorney, Trust & Tax Professional etc.)

**Provide** INFORMATION and remember this is education time not sales pitch time! Position yourself as a Source to the Source for all aspects of the seniors needs in a real estate transaction.

### **WHERE to GET HELP, MORE EDUCATION & INFORMATION**

- American Geriatrics Society <https://www.americangeriatrics.org>
- Administration for Community Living <https://www.acl.gov>
- Center for Guardianship Certification <https://guardianshipcert.org>
- ElderCareLocator a service of the U. S. Department on Aging <https://eldercare.acl.gov>
- HUD: [https://www.hud.gov/program\\_offices/fair\\_housing\\_equal\\_opp/seniors](https://www.hud.gov/program_offices/fair_housing_equal_opp/seniors)
- National Academy of Elder Law Attorneys <https://www.naela.org/>
- National Association of Senior Move Managers <http://www.nasmm.org>
- NAR: Seniors Real Estate Specialist (SRES) Designation <http://seniorsrealestate.com>
- National Association of Home Builders offering Certified Ageing-in-Place Specialists <https://www.nahb.org>
- National Association of Senior Advocates <https://naosa.org>
- National Association to STOP Guardianship ABUSE <https://stopguardianabuse.org>
- National Guardianship Association <https://www.guardianship.org>
- Oasis Senior Advisors <https://www.oasisseioradvisors.com>
- Society of Certified Seniors Advisors <https://www.csa.us>
- SREI: Seniors Real Estate Institute (CSHP) Certified Seniors Housing Professional <https://www.seniorsrealestateinstitute.com>
- The National Elder Law Foundation <http://www.nelf.org/>

There are multiple resources to be found doing a simple internet search under the topic.

## CONCLUSION

### **Be sure to take your education to the next step.**

Understanding the Rules of Engagement with all ages of seniors and being able to articulate that information, offer guidance and resources and being ready to assist your customer can benefit them greatly.

Use caution and be sure to always advise your customers to seek the advice from qualified tax, legal and other professionals.

Look for the chance to help your customer and be their REALTOR® for life –

And always remember: you're the Source to the Source!

## **GLOSSARY**

**Note:** *These are some of the most often used terms however it is not a complete list. Please consult a Seniors professional if you have questions or if you come across a term during the transaction which is not defined here.*

**ASSISTED LIVING:** An Assisted Living Residence or Assisted Living Facility (ALF) is a housing facility for people with disabilities or for adults who cannot or chose not to live independently.

**Adult Day Care:** Adult Day Care Centers are designed to provide safe care and companionship for elders who need some assistance or supervision during the day. Programs offer respite to family members and caregivers, allowing them to work, handle their own affairs or just relax knowing their senior is well cared for, fed and safe.

**ADL – Assessment of Activities of Daily Living:** ADL's or ADL is a term used by healthcare professionals to refer to a persons daily self care activities. Originally created in the 1950's it's been modified and added to since that time. There is a scoring system used to determine the capability of a person to function without assistance or supervision.

**GUARDIANSHIP or CONSERVATORSHIP:** is a legal proves used when an adult of any age is no longer able to make safe and sound decisions about their own health or property. It is a serious decision as it removes many of the legal rights an adult currently enjoys.

**POWER of ATTORNEY:** (Caution: state may require a special Power of Attorney form OR a closing/escrow company may require a special POA form for the transfer of real estate)

**U.S. Department of Ageing:** The Eldercare Locator is a national service that connects older Americans and their caregivers with trustworthy local support resources. Created in 1991, it links those who need assistance with state and local agencies.

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**The Administration for Community Living:** was created around the principle that elders and people with disabilities of all ages should be able to live where they choose, with the people they choose and with the ability to participate fully in their community.

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<sup>i</sup> [www.Census.gov](http://www.Census.gov) **The Baby Boom Cohort in the United States: 2012 to 2060** May 2014 Report Number: P25-1141

<sup>ii</sup> **House Un-American Activities Committee.** The House Un-American Activities Committee (HUAC) was created in 1938 to investigate alleged disloyalty and subversive activities on the part of private citizens, public employees, and those organizations suspected of having Communist ties.