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The Money Squeeze: Tough times taking toll on many retirement moves

A slumping stock market and slower home sales have given many seniors the jitters

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Four months before Regency Newcastle opened in September, the Eastside's newest retirement and assisted-living community invited prospective residents to pick their apartments.

Twenty people made choices, attracted by the array of amenities and activities at the 99-unit facility near a panoramic golf course. One of them, retired aeronautical engineer Chuck Hurter, reserved No. 202, a one-bedroom apartment with a kitchenette.

But only five clients from that group have moved into Regency Newcastle, which sits half empty south of Bellevue after its completion was delayed. The rest, including Hurter, have put their plans on hold, not willing to move amid a shaky economy that has diminished their net worth.

"In a down market, trying to sell an upscale house -- that's a trick," said Hurter, 84, who lives with his black cat, Zorro, in a four-bedroom, Tudor-style house built 37 years ago in Bellevue's Newport Shores. His wife lives in an Issaquah nursing home.

Overall, 30 to 40 would-be residents of Regency Newcastle are "on the sidelines right now," general manager John Kotalik said. "They've had a hard time selling their homes. Their stock portfolio is half of what it was. They remember growing up in the *real* Depression. All the headlines, it scares the heck out of them."

Or, as Hurter describes his friends: "They have a bunch of jitters."

To varying degrees, other local providers in the industry are experiencing the same trend. Many clients are unable to come up with a retirement community "entrance fee," usually refundable in part, that might range from \$30,000 for a studio apartment to \$800,000 for a penthouse apartment, plus monthly maintenance fees. Other providers, including Regency Newcastle, require no sizable entrance fee and charge monthly rent.

Those delaying a move are mainly people in good health who seek independent living and face an entrance fee; those in need of assisted living or skilled care typically can't wait, regardless of the economy, and don't pay an entrance fee.

Some providers say gloomy headlines, which they believe overstate economic problems, also can spur clients to lock in their future residence.

"When older adults are feeling uncertain, they want to get into a situation of added security and support," said Robert Anderson, chief executive of Horizon House, a retirement community on First Hill in Seattle. "That's nothing new, but maybe older people are feeling it more intensely. In a certain sense, (retirement and assisted-living communities) are in more demand than before."

On Queen Anne, Jean Fiskén is preparing to move next month from her home of 48 years to a ninth-floor apartment at Horizon House. She is asking \$550,000 for her three-bedroom house but has received no offers since it went up for sale a month ago.

"Fortunately, I'm not quite painted against a wall," said Fiskén, 75, a retired secretary. "If it doesn't sell, I will still move."

Her mother lived in a retirement home in her last year of life, and "it was comfortable to know she was being tended to and cared for," Fiskén said. "Some of my friends said, 'Why are you going in so early?' I'm not seeing it as a negative. I'm seeing it as a positive."

At Federal Way-based Village Concepts, which operates assisted-living, retirement and low-income senior housing in 14 Western Washington communities, some prospective residents have had to sharply cut their home sale prices or explore other strategies.

"We started back in June or July to try to find programs to help people out," said Stuart Brown, operations director for Village Concepts. "We matched them with real estate companies that might assist them in renting their homes. We teamed them up with mortgage companies. Maybe they'll do a reverse mortgage. They need that money to be able to continue to live."

In Friday Harbor, June Vynne put her home of 33 years on the market early last year and paid an entrance fee to move into Park Shore, a retirement community in Madison Park in her native Seattle.

"I only had a nibble for a year and a half," said Vynne, 86, a widow. "It finally sold in October."

She joked that she wanted to move into Park Shore, where a dozen of her Franklin High School classmates live, while "I had all my marbles and could make my own decision, before my kids could tell me what to do."

She was not dependent on selling her home to move into retirement living, "so I was luckier than some," Vynne said. "It was not fun paying for this down here while I was paying for (her Friday Harbor home) up there."

Pat Hsu signed papers on her 81st birthday in March to move into Horizon House, where she has lived since July, shortly before her four-bedroom View Ridge house went on the market. It sold a week later.

The retired medical researcher and real estate agent said she waited until after her husband died in September 2007 to initiate the move.

"A lot of people talk about it; I put money down," said Hsu in her orderly 17th-floor apartment.

For those who remain in the game, "the economy is going to drive decisions," said Katie Burckhardt, senior vice president at A Place for Mom, a national senior care referral service in Seattle. "Whereas they might have taken a higher-end apartment, now they might choose a non-higher-end with no view or a studio apartment."

Despite the gloomy headlines, occupancy at Seattle-based Merrill Gardens, which has more than 50 retirement communities across eight states, is at 93 percent, down just 2 percentage points from a year ago, said Bill Pettit, the president and CEO.

"Anytime you have seniors making a decision, the introduction of uncertainty into the process causes them to hold off," he said. "We've lost a little bit of occupancy, but we haven't lost any long-term demand. Most seniors who chose to defer will still make that decision (to move). It's just a matter of when they shift from that uncertain state to being more comfortable with taking on a transition."

Prospective residents hold "a tremendous amount of flexibility," said Brian Englund, president and CEO of Presbyterian Retirement Communities Northwest, which operates Park Shore and Exeter House and is building the new Skyline at First Hill.

"People move in in their late 60s. People move in when they're 85 with one foot on a banana peel," he said.

Those heading into a retirement and assisted-living community expect it to be the last move of their lives.

"Once you're in, they carry you out feet first," said Fisker, who is preparing for her new life at Horizon House. "That's part of what you're buying into. It's kind of like an insurance policy."

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