

# Paul E Stansen

## Silver Tsunami ... and the Coming Boom of Available Homes

Baby Boomers are set to leave their homes at record levels in the coming years, freeing inventory in what has been an increasingly tight market since the economic recovery began.

- Housing released by aging Boomers will provide a substantial and sustained boost to supply, comparable to new home construction experienced in the 2000s boom-bust cycle.
- Within two decades, more than a quarter of currently owner-occupied homes will become available.
- In some traditional retirement communities, including in Arizona and Florida, that number could reach nearly two-thirds.

**Editorial Note:** Despite the generalized statistics below, certain pocket areas in California are going to be hit hard. Large portions of Santa Barbara and Ventura Counties are heavily weighted with Baby Boomers, the effect of which will be a glut of homes hitting the market with a resulting decrease in property values due to volume competition.

Housing inventory has been in short supply for the past decade in large part because builders have struggled to overcome the scarcity and rising costs of labor and materials. But a **flood of homes** will come on the market in the **next 20 years** as Baby Boomers age – enough to affect local economies in traditional retirement areas.

The Boomer generation, once 76 million strong in the U.S., dwarfed the 55 million Gen-Xers and 62 million Millennials it immediately preceded. Today, **about a third of America's homes are owned by those 60 and older**, and a new Zillow® analysis shows the impact their aging will have on the housing market.

The Silver Tsunami is estimated to hit in earnest as the number of seniors aged 60 or older who pass away each year rises during the 2020s and 2030s. In the decade from 2007 to 2017, roughly 730,000 U.S. homes were released into the market each year by seniors aged 60 or older. From 2017 to 2027 and from 2027 to 2037 that number is set to rise to 920,000 and 1.17 million per year, respectively. This means more than **27% of today's owner-occupied homes will become available by 2037**.

While virtually all areas will feel the effects to some degree – between one-fifth and one-third of the current owner-occupied housing stock was impacted in every metro analyzed – this wave won't hit all at once and won't strike all markets equally.

Retirement hubs like Florida and Arizona are likely to feel the sharpest impact. If demand erodes because fewer people choose to retire there in the coming years, those areas might end up with excess housing.

Also heavily impacted will be regions like the Rust Belt, which saw younger people move away in recent decades, leaving older generations to make up a larger share of the population.

**Some regions will be far less affected.** These include Salt Lake City, where a much smaller share of homeowners are in their golden years, as well as Atlanta, Austin, Dallas and Houston – all of which are vibrant but relatively inexpensive places that tend to attract younger residents looking for an affordable alternative to expensive coastal cities.

Still, the differences in the share of homes released by seniors among metros are small compared to the differences within them. Palm Springs, for example, will see 45% of its owner-occupied homes vacated by 2037, compared with 23.8% of the combined L.A.-Riverside metro area overall. El Mirage & Sun City figure to see nearly two-third of their homes available, compared with 28.2% of the Phoenix area.

**Housing released by the Silver Tsunami – upwards of 20 million homes hitting the market through the mid-2030s** – will provide a substantial and sustained boost to supply, comparable to the fluctuations that new home construction experienced in the 2000s boom-bust cycle. Whether this housing is appropriately located, priced and styled to meet future demand will be an important factor in how it pairs with new construction to alleviate today's housing shortage. It seems likely that the construction industry in the coming two decades will place a greater emphasis than before on updating existing properties.

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## Estimated share of currently owner-occupied homes to be released to the market by seniors (60+)

Metro Area	By 2027	By 2037
Tampa-St. Petersburg-Clearwater, FL Metro Area	15.2%	33.2%
Tucson-Nogales, AZ CSA	14.8%	32.6%
Miami-Fort Lauderdale-Port St. Lucie, FL CSA	15.2%	31.9%
Orlando-Deltona-Daytona Beach, FL CSA	14.4%	31.9%
Dayton-Springfield-Sidney, OH CSA	14.3%	31.3%
Knoxville-Morristown-Sevierville, TN CSA	13.5%	30.8%
Pittsburgh-New Castle-Weirton, PA-OH-WV CSA	13.6%	30.2%
Cleveland-Akron-Canton, OH CSA	13.2%	29.9%
Albuquerque-Santa Fe-Las Vegas, NM CSA	12.7%	29.6%
Greensboro-Winston-Salem-High Point, NC CSA	13.3%	29.5%
Albany-Schenectady, NY CSA	12.6%	29.1%
Buffalo-Cheektowaga, NY CSA	13.2%	29.0%
Birmingham-Hoover-Talladega, AL CSA	12.5%	28.6%
Greenville-Spartanburg-Anderson, SC CSA	12.7%	28.6%
New Orleans-Metairie-Hammond, LA-MS CSA	12.5%	28.5%
Rochester-Batavia-Seneca Falls, NY CSA	12.6%	28.5%
Phoenix-Mesa-Scottsdale, AZ Metro Area	12.4%	28.2%
Hartford-West Hartford, CT CSA	12.2%	28.0%
Milwaukee-Racine-Waukesha, WI CSA	12.0%	27.9%
St. Louis-St. Charles-Farmington, MO-IL CSA	12.3%	27.9%
Harrisburg-York-Lebanon, PA CSA	12.2%	27.6%
Sacramento-Roseville, CA CSA	11.9%	27.5%
Jacksonville-St. Marys-Palatka, FL-GA CSA	11.4%	27.4%
Louisville/Jefferson County-Elizabethtown-Madison, KY-IN CSA	11.6%	27.2%
Tulsa-Muskogee-Bartlesville, OK CSA	11.6%	26.8%
Detroit-Warren-Ann Arbor, MI CSA	11.5%	26.6%
Memphis-Forrest City, TN-MS-AR CSA	11.3%	26.6%
Boston-Worcester-Providence, MA-RI-NH-CT CSA	11.4%	26.4%
Virginia Beach-Norfolk, VA-NC CSA	11.4%	26.4%
Philadelphia-Reading-Camden, PA-NJ-DE-MD CSA	11.5%	26.2%
Cincinnati-Wilmington-Maysville, OH-KY-IN CSA	11.1%	26.0%
New York-Newark, NY-NJ-CT-PA CSA	11.6%	26.0%
Oklahoma City-Shawnee, OK CSA	11.2%	26.0%
San Diego-Carlsbad, CA Metro Area	11.3%	26.0%
Portland-Vancouver-Salem, OR-WA CSA	10.9%	26.0%
Indianapolis-Carmel-Muncie, IN CSA	11.2%	25.8%
Kansas City-Overland Park-Kansas City, MO-KS CSA	11.1%	25.8%
Las Vegas-Henderson, NV-AZ CSA	10.9%	25.7%
Richmond, VA Metro Area	10.5%	25.6%
Grand Rapids-Wyoming-Muskegon, MI CSA	11.1%	25.4%
Columbus-Marion-Zanesville, OH CSA	10.7%	25.0%
San Jose-San Francisco-Oakland, CA CSA	10.9%	25.0%
Fresno-Madera, CA CSA	11.1%	24.7%
Charlotte-Concord, NC-SC CSA	10.4%	24.5%
Chicago-Naperville, IL-IN-WI CSA	10.5%	24.3%
Seattle-Tacoma, WA CSA	10.1%	24.2%
Los Angeles-Long Beach, CA CSA	10.5%	23.8%
Minneapolis-St. Paul, MN-WI CSA	9.7%	23.5%
Washington-Baltimore-Arlington, DC-MD-VA-WV-PA CSA	9.8%	23.4%
Nashville-Davidson-Murfreesboro, TN CSA	9.6%	23.3%
Denver-Aurora, CO CSA	9.5%	23.1%
San Antonio-New Braunfels, TX Metro Area	9.7%	22.9%
El Paso-Las Cruces, TX-NM CSA	9.9%	22.8%
Raleigh-Durham-Chapel Hill, NC CSA	9.1%	22.5%
Atlanta-Athens-Clarke County-Sandy Springs, GA CSA	8.5%	21.5%
Dallas-Fort Worth, TX-OK CSA	8.4%	20.9%
Houston-The Woodlands, TX CSA	8.1%	20.2%
Austin-Round Rock, TX Metro Area	7.7%	19.8%
Salt Lake City-Provo-Orem, UT CSA	8.3%	19.6%

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