

REAL ESTATE WATCH

Where will you live when you retire?

Millions of people retire every year and they have to live somewhere. The question for many is: Where?

Retirees have a lot of options. They can stay in the current home, move to a more-suitable dwelling nearby, move far away or even live a nomadic life. There is no such thing as a perfect place to live in retirement, but there's a method to finding a good match. Here are four pieces of advice:

- Realize that your needs might change. Just as people switch careers during their working lives, they often go through more than one phase of retirement, said Andrew Schiller, founder of NeighborhoodScout, a search engine that helps people figure out where to relocate. He said a 62-year-old and an 85-year-old have different sets of needs, "and because of that, this isn't just a decision that people make once, and each time, their criteria are a little different."

- For a lot of white-collar people, entering retirement is like slipping into a cold swimming pool: They do it in increments, getting accustomed to the change, rather than plunging in headfirst. These retirees gradually scale back their work hours, easing into full retirement.

- "They know they can stay in touch with their computer and cell phone and work anywhere they want," said Tom Kelly, co-author of "Cashing In on a Second Home in Mexico: How To Buy, Rent and Profit From Property South of the Border."

- List your values, likes and dislikes. Even if you plan to stay in the same place after you retire, it's a good idea to draw up a list of what you want in a community. The list might give you a newfound appreciation of your town or it might convince you to start looking around.

Numerous books offer rankings of cities based on categories such as climate, crime rate and availability of medical care. They can give you ideas, but you should come up with your own list of criteria, advised Warren Bland, author of "Retire in Style."

In his book, Bland scores cities on 12 factors. To be sure, "proximity to a Talbot's store" isn't one of those dozen criteria. But his wife, Sarah, couldn't bear to live in a town without one of the specialty women's clothing stores.

"People can start out with the 12 criteria that I have, for example, and make their own ratings when they visit," Bland said.

Bland, a geographer at California State University, Northridge, spent about one to four days in each of 90 cities while researching the book and its forerunner, which described 50 affordable places to retire. One of his highest-rated cities is Portland, Ore., and the Blands might retire there, when they move from Los Angeles for good. But they don't prefer Portland just because it scores high. It's more complicated than that. They like it because of "the combination of factors like absence of bad things and the presence of good things that make it special."

The Blands like, among other things, Portland's public transit system and the hilly landscape. Others might not care about public transportation and prefer flat land to hills. That's why you have to come up with your own criteria and rankings.

Schiller said, "You might want to consider other things like the tax bite, safety from crime, how fast-paced or slow the area is and if it matches or maps onto your value set. All those are important aspects to be included beyond just affordability, beach and sunshine."

He called the list a "recipe" of things



Holden Lewis

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that are important to you. He recommended keeping it to around 15 to 20 items.

"Then go through the struggle with your significant other by putting them in order, so if you have something that's No. 1, there can't be another No. 1."

- Find out what your target places are like. Once you have a list of things you want in a community, do some research in books and online and consult your memory of past vacations to come up with a prospective list of cities.

Remember to include the town where you live now.

"Evaluate how closely you're tied with your local area," Schiller said.

You have friends and maybe family nearby, and you know your doctor and belong to local organizations. About three-quarters of retirees consider relocating, and about three-quarters end up within 50 miles of where they were living before retirement.

Don't automatically move to your favorite vacation destination. If you like Florida or Arizona in winter, you might hate it in summer. You might enjoy the autumn leaves in the Berkshires, but find it brutally cold in winter.

If you can swing it financially, try to live for at least a few weeks each in the places you're considering. Bland recommends spending a lot of time there at the worst time of the year: when it's most crowded with tourists or students or when the weather is least comfortable. He and his wife spent three winters in a row in Portland, when the weather is at its cloudiest. They liked it anyway.

The cost of living is lower in Portland, too, at least, for the Blands. After all, they live in Los Angeles, with some of the highest home values in the country. A lot of retirees have owned homes for a long time in high-price areas, and they can take advantage of what Bland calls "equity take" — selling a house for a lot of money, buying a home elsewhere for much less and saving the rest to fund retirement.

Schiller warned people not to focus too much on the cost of living. There are other factors that are easy to overlook, such as the residents' level of education. Subscribers to NeighborhoodScout (cost varies from \$19.95 for a week to \$99.95 for a year) can map the education levels of an area's residents, find out where the best public schools are and so on.

Remember that you probably will end up selling the house someday, so even though you don't have children, you might want to buy in a good school district, so the home's value holds up.

- Beware churn. Many retirees move, then discover that they chose the wrong place. So they move back to where they came from. Schiller called this "churn" and notes that it wastes a lot of money: moving charges, real estate commissions and so on. Churn is stressful, too.

In Phoenix, Schiller said, for every five people who move to the city, three move out. Florida has a lot of churn, too, he said, as Northeasterners move to the Sunshine State and discover that it's sunnier, hotter and more humid in the summer than they dreamed possible.

You could embrace another kind of churn. Many retirees split their time between two homes and others live the nomadic life in a recreational vehicle or aboard a boat. They even do that while working part time.

"The options for these folks are just all over the board given their interests and the ability to telecommute," Kelly said.

MAINTENANCE

Homes need regular check-ups, too

North American Precip Syndicate

Just as a medical professional recommends a routine physical examination each year in order to help keep you healthy, the real estate professionals at Century 21 Real Estate LLC recommend that homeowners routinely examine their homes to keep them in good operating condition.

Not just a roof over your head, your home is also an investment and it's in your best interest to protect and preserve it. When it comes to maintaining your home, nowhere is it truer that an ounce of prevention can be worth a pound of cure.

Get out that notepad and pencil and take a walk. Once a year, conduct a complete visual inspection of your home's major systems including the roof, foundation, plumbing and electrical wiring. Take note of any visual damage or areas of disrepair and look into correcting these areas as soon as possible.

For homeowners, this may save you money, time and peace of mind. What may be a small problem today, if left unchecked, could turn into a major repair later on and that could mean spending more money than you had in mind.

If you are not able to safely make the repairs yourself, contact a local home maintenance or repair professional for assistance. If you are unsure of how to identify a reputable construction

contractor, electrician, plumber, etc., consider a local real estate professional as a resource. Making an informed decision is crucial when selecting who will complete the needed repairs on your home.

Should you remodel?

In addition to protecting and preserving what may be the largest single purchase in your lifetime, your home is also intended to be lived in and enjoyed. It's been said that a person's home is his or her castle, so why not make it so?

No matter what the age of your home, sooner or later, you're going to want or need to join the millions of homeowners who want to remodel.

Among the major reasons homeowners remodel is more space, upgrading outdated areas or elements such as kitchens or baths, improving the overall energy efficiency of the home or trying to increase the home's overall value for resale.

Whether conducting routine home maintenance or considering the addition of a guest room or breakfast nook, remember that while homeownership can be a dream come true, it requires a great deal of work and responsibility in order to enjoy it and keep it in good condition.

For more homeownership tips, visit www.century21.com or a local CENTURY 21 office.

REMODELING

Be specific about contracts when remodeling

By DAVID BRADLEY
ASSOCIATED PRESS

If consumer protection starts at home, then the basic building blocks of remodeling projects ought to include a detailed contract.

Homeowners who stick to generalities can get burned in the legal process if they avoid specifics on a host of topics concerning budgets, work timetables and aesthetic expectations. Point-by-point documents can cover overlooked points from parking to site security and clean up.

Attorney Gregory

Kenyon said homeowners are "better off to be specific and quantifiable" because most consumers without a contract are at the mercy of the contractor regarding complaints or claims. To merely approve a project with a wave of an arm with instructions to the contractor to "call me when you're done" only invites post-project recriminations.

Pursue contracts for even modest projects where minute issues can mushroom into big-dollar legal headaches.

Contractors typically slide a generic contract across the kitchen table to customers. It's a good starting point, but such papers may not touch on the universe of issues in the customer's best interest. Make sure your attorney reviews or alters the contract before you sign it.

Here's a list of contract points worth putting on paper:

- Scope of work. For instance, rather than simply note "remove kitchen window," expand the detail to removal and disposal of the old window, specify brand and size of replacement window, ask for triple plane glass and require the window weatherproofing be connected to the weather barrier on the home. You might also stipulate a wood, vinyl or metal clad window. Repeat this process for all significant portions of the project.

Consumers should retain an architect or other construction expert to help define and identify scope of work issues. It's not unusual for scope of

work sections to be 5-10 pages. Kenyon said such detail works to a homeowner's benefit.

- Time frame. When will the project start and when should it be completed? Be precise about the start and end of the workday. Kenyon often adds an incentive for completed work and a penalty clause if work goes beyond the agreed-to completion date.

"Positive reinforcement is viewed more favorably by both parties," Kenyon said, "but you need a way to hold their feet to the fire."

- Payment. Pay-as-you-go is your best option. Your architect can help you frame benchmarks when payments are due. Kenyon uses examples of moneys paid when basement concrete is done, when the roof is finished, when windows are installed, etc. Worth inclusion: payment for materials only as materials are used. No advances.

- Failure to perform. This is the penalty phase of a contract. Language can give the contractor a chance to remedy faulty work, otherwise known as a default. You can stipulate that if you give the contractor written notice and

problems are not corrected, the contract is void with subsequent repairs charged to the contractor. Another feature: insist on a performance bond that will pay for work that is not performed.

- Alternative dispute resolution. This approach has grown in popularity as an option before heading to court. The matter might be negotiated before an arbitrator or arbitration panel. This can save both time and money. Kenyon calls ADR a "positive action rather than throw the case to a judge where you don't know what will happen."

- Change orders. These are essentially changes to the scope of work. Add precise language on how changes will be handled and paid for. An example is substitution of granite in place of a planned laminate counter. This changes cost and work skills.

- Proof of insurance. Contractors must have insurance. Insist on actual documents, not photocopies. Your general contractor should also provide proof of insurance for subcontractors.



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