

SPECIAL REPORT: Texas rising as retirement hot spot

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AMERICAN-STATESMAN STAFF

Sunday, July 13, 2008

It was bound to happen.

Millions of baby boomers, the post-World War II generation that other generations are probably tired of hearing about, are getting ready to retire. And home builders across the nation — and especially in Texas — are gearing up to offer plenty of choices for life after work.

In nearly every retirement study during the past decade, boomers have said they want to be active in retirement; to be close to good medical care; to be close to families; and to be near cities with cultural amenities.

The only problem, of course, is being able to afford such things.

That's where Texas comes in.

It's cheaper here.

"You don't go to California to retire these days," says Jim Gaines, research economist at the Real Estate Center at Texas A&M University. "You used to go to Phoenix, but that's become unaffordable. Florida is still expensive, and you sure don't want to go anywhere north."

Perhaps that's why Texas has become the No. 2 state for retirees to relocate, trailing Florida, according to the latest figures from the North Carolina Center for Creative Retirement, which studied 2005 U.S. Census Bureau data.

In 2005, Texas attracted 6.8 percent of America's retirees who moved elsewhere, up from the No. 4 spot in 2000 and leapfrogging over Arizona and California. In the same period, Florida's share began to decline, from 19.1 percent in 2000 to 16.6 percent in 2005.

Developers are responding to the trends and betting on Central Texas.

Ever since Del Webb's Sun City Texas in Georgetown made real estate waves in the 1990s, the area has been one of the nation's retirement hot spots, especially for what's called active adult communities.

Heritage Oaks in Georgetown and the Woodlands Baptist Retirement Community in Burnet are two of the newest active adult resorts, which sell homes, villas and condos to retirees. Usually, the communities require that at least one member of a household be 55 or older. The resorts also are usually located on golf

courses or lakes and have a large community pool, walking and hiking trails, fitness centers, clubhouses and maintenance-free living, with monthly fees.

Then there are "age-targeted communities" that are marketed to 55-plus buyers but with no age restriction.

"We are seeing a lot more of these communities being built because they are so appealing to the baby boomers," says Kameron Chicoine, managing editor of *Mature Living Choices* magazine. "You will find many of these types of communities listed on active adult community Web sites and publications, and when you call them will find that they are actually all-age communities."

Pecan Creek at Horseshoe Bay is a Central Texas example, she says. The Oaks at Wildwood was age-targeted until recently, when it switched to age-restricted.

Continuing care retirement communities are the other popular option in the Austin area, Chicoine says. Such places typically require an upfront deposit on a home, condo or apartment. Typically, the residents stay in the community but can move from independent housing to assisted living as their needs dictate. The communities offer maintenance-free living and numerous amenities, including on-site health care.

Querencia at Barton Creek and Longhorn Village near Steiner Ranch are two of the newest and most high-profile such communities in the Austin area.

There are many other types of retirement projects, of course. Some offer homes or condos with totally independent living and amenities such as meals, transportation and activities usually included in a monthly fee. Some projects offer independent living in rental units, with age restrictions.

And some are strictly assisted living communities, providing assistance with daily medications and activities such as bathing and dressing. Such communities are licensed by the state. But the big target in the real estate community these days are those who are willing and able to buy — or put down a sizable deposit — on homes or condos.

State government is targeting retirees, too.

Todd Staples, commissioner of the Texas Department of Agriculture, estimates that the Texas economy gets an additional \$751 million a year from older migrants, and it sees the future as even bigger.

Each retirement-age household gained in Texas equals about 1.5 jobs for the state, according to department research posted on its "Retire in Texas" Web site.

The average retiree household spends about \$36,000 a year and pays about \$3,000 in state and local taxes, the department says. And when baby boomers start retiring in the next decade, that group will have about \$2.3 trillion in annual spending power.

There's also a tourism component, the department says. Potential retirees usually come to the state to check out various communities, and people 50 or older account for 70 percent of tourism spending, the department says.

One of the newest trends in retirement communities focuses on university-related projects, says Gaines. "There's been some talk in College Station about building a retirement community for graduates of Texas A&M," he says.

And in the Austin area, Longhorn Village is being developed in affiliation with the Ex-Students' Association of the University of Texas.

Cooperative Retirement Services of America Inc. is heading up the development, marketing and sales for the not-for-profit community in the Steiner Ranch area.

Residents, who don't own the home and hence don't have to worry about reselling, pay a one-time entrance fee that is 95 percent refundable, as well as a monthly service fee.

A 732-square-foot apartment residence with one bedroom and one bathroom has an entrance fee of \$276,380 and a monthly fee of \$2,425. The monthly fee covers a variety of amenities as well as maintenance. The rates rise according to size, with the most expensive two-bedroom apartments requiring an entrance fee of more than \$700,000 and a monthly service fee of \$4,250.

There are also villas, with entrance fees ranging from \$699,400 to \$1,034,800. Details can be found at www.longhornvillage.com and in the community's brochures.

"A lot of people want to reconnect with the universities in retirement," Gaines says, "and there are plenty of alumni at both the University of Texas and Texas A&M to support such places."

Additional material from staff writer Shonda Novak.