

JOURNAL REPORTS: WEALTH MANAGEMENT

Retirees Spend a Lot of Time and Money to Buy Their ‘Forever Home.’ Then They Sell It.

It doesn't take long for people to discover that what's perfect now is far from perfect before too long. And it costs them.

By

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To Rick Brown and Jeanne Brown, finding a forever home has seemingly taken forever.

In just five years, the couple—he's 71 and she's 72—bought or built two different houses that they planned to live in for the rest of their lives. But their tastes changed—so they decided to pick up stakes both times. Now they have settled on a third home that seems to be their final choice.

If there is one takeaway, Mr. Brown says, never use the words “forever home.”

Like the Browns, many couples near or in retirement embark on a quest to find the perfect place to spend their twilight years. Soon, however, some people realize that what's perfect now may be less than ideal later. Poor health and dwindling finances are obvious reasons some seniors choose to move. Other retirees retool their priorities when they realize how much they miss the grandchildren or hate their new neighborhood.

In truth, most home buyers don't stay in their homes as long as they think they will, says Jessica Lautz, vice president of demographics and behavioral insights with the National Association of Realtors, a trade group. “People may not want to move,” she says, “but they may decide to because life happens.”

RETIREMENT REGRETS

Do you regret retiring? If you could do it over, would you opt to keep working? Tell us why. Send your response to reports@wsj.com.

The association released the results of a survey earlier this year in which recent home buyers were asked to list factors that would compel them to move. “Life changes,” such as a marriage, birth or retirement, was cited as the top reason by 25% of the respondents aged 56 to 65 and 16% of respondents 66 to 74. The second-most common reason was a household member’s health, cited by 14% of respondents 56 to 65 and 25% of those 66 to 74. The third top reason, for both age groups, was downsizing to a smaller house.

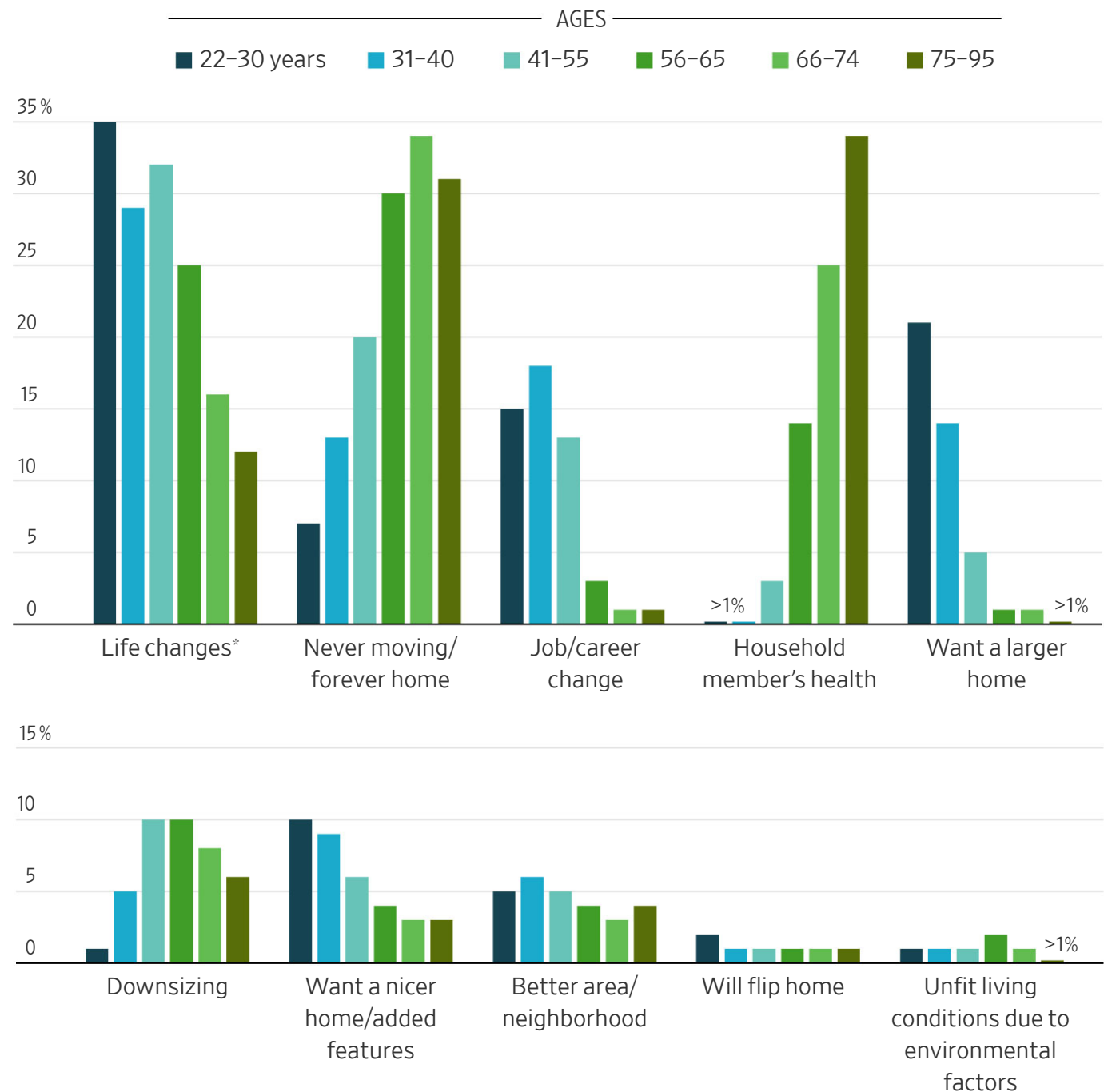
But moving multiple times carries a big price tag. Forever homes are often cheaper than current homes, because the couples are downsizing. But, like any other sellers, retirees may face losses on their current properties because of the fluctuating market—losses that can pile up with each move. And, of course, every move brings more expenses—closing costs, commissions, moving charges and more.

That’s why some experts urge buyers to learn as much as they can about a new location before shelling out for a home. “It’s OK to take a couple of years to explore other areas and don’t jump in immediately,” says Mike Leverty, a financial adviser in Hudson, Wis. He advises his clients to rent in the area where they think they want to live, even if it is only part time. “You really have to view it as a second home and not a vacation,” he says. “Factor in amenities like shopping and healthcare—things you wouldn’t think about if you just vacationed there for a couple of weeks.”

Finding 'The' One

The most difficult part of a home purchase is finding the right property, according to 53% of surveyed people who purchased a home between July 2019 and July 2020.

Factors influencing a move



*Addition to family, marriage, children moving out, retirement, etc.

Source: 2021 NAR Home Buyer and Seller Generational Trends

It just didn't click

The Browns began their forever-home quest in 2011, when they sold a bed-and-breakfast in Annapolis, Md., that Mrs. Brown had operated since 1997. Cash flow had been good for a

while, but in time, neighbors started listing their homes as vacation rentals, cutting into the B&B business. Then came the 2007-09 recession. When Mr. Brown retired from his full-time career in banking in 2010, the couple decided to close their business. They sold their B&B—purchased for \$540,000 in 1996—for \$925,000.

The Browns found their first forever home in Southport, N.C., near the Intracoastal Waterway. They paid about \$200,000 for land and another \$400,000 to build “the nicest place we have ever lived in,” Mr. Brown says. Still, the nearest big city was Wilmington, N.C., over a half-hour away. “We loved the area and our home there, but it was isolated,” Mr. Brown says. “We were accustomed to good restaurants and the theater, and the like.”

While living in Southport, the Browns traveled west to Asheville, N.C., for a tennis tournament. Driving around, they realized Asheville offered the best of both worlds—the trappings of city life and the outdoor activities in the beautiful Blue Ridge Mountains. So, they sold their Southport home for \$480,000 in 2016.

“Where we got clobbered was the purchase price of the lot,” Mr. Brown says, which the couple had purchased right before the recession of 2007-09. “When we left, the value of the lot had fallen about 50%.”

The couple spent about \$470,000 to build their second forever home, situated on the side of a mountain about 15 minutes from downtown Asheville. To stay busy, both Browns took part-time jobs, volunteered and pursued their hobbies. “But despite being a nice area, we had a tough time breaking into the social arena,” Mr. Brown says. “I didn’t click with the different types of groups. I thought, ‘Maybe this isn’t the place for us.’ ”

That realization led to their third—and current—forever home. In 2019, the Browns sold their house in Asheville for about \$570,000 and moved to the Villages, a sprawling 55-and-older community in central Florida. There, they bought a modest three-bedroom home for \$408,000. Mr. Brown plays golf, softball and pickleball; Mrs. Brown golfs, belongs to a book club and teaches pottery classes. Together they foster puppies.

Mr. Brown says he and his wife have no regrets—their experiences in Maryland and North Carolina helped them realize why Florida is such a good fit. To them, an enjoyable retirement is more about the lifestyle and less about the house. “Right now, we’re saying we’re going to stay put.”



Rick Brown and Jeanne Brown, who began their forever-home quest in 2011, currently live in central Florida.

PHOTO: ZACK WITTMAN FOR THE WALL STREET JOURNAL

Insane prices

Michele A. Peters says she moved out of Ridgewood, N.J., because “the cost of living was totally insane.” Ms. Peters, a 68-year-old retired attorney, was paying \$18,000 a year in property taxes and another \$12,000 annually for health insurance. In 2015, she sold her New Jersey home for about \$860,000 and moved to Newport, Ore. Choosing the state seemed natural—she had been born there, and remembered her father saying he was happiest when living in the Pacific Northwest.

She bought her first forever home in a rural area, paying \$487,500. In time, however, she realized that the location was too remote, she says. So she sold that house and bought her second forever home, a condo on the coast. Ms. Peters spent about \$460,000 on the unit and another \$100,000 on renovations. In terms of nature, the place was perfect. “To wake up in the morning and see an eagle floating on the air currents outside my window, it’s gorgeous.” In other ways, however, her forever home was less than perfect.

“What they don’t tell you is that there are freezing winds that come down from Alaska,” she says. “During intense storms, the windows are bowing from the wind.” There were

also difficulties connecting with the locals. “I didn’t have anything in common with the people around me,” she says.

Living in Oregon also convinced Ms. Peters that she’s “an East Coast person,” she says. “Just being back here, I was happy. I felt more at home.” So, in November 2019, she loaded her cat and dog into the car and moved to Fort Lauderdale, Fla., where she could live in her mother’s vacation condo before finding her own place.

“But once I got there, I found out that I hated it,” she says. Visiting family there was one thing, but living there full time was entirely different. Then the pandemic struck, which only deepened her disdain. “Nobody would wear a mask. People would gather together in large groups,” she says. “One doctor told me, ‘This Covid thing is nothing. It’s going to pass.’ ”

It was time to leave. In March 2020, Ms. Peters packed up again and moved to St. Petersburg, Fla., a Gulf Coast city a friend had told her about. She paid \$480,000 for her third forever home, a roughly 1,500-square-foot bungalow in a charming, historic neighborhood. “I love it,” she says. “This was what I was looking for in Oregon and couldn’t find.”

Still, the journey that eventually landed Ms. Peters in St. Petersburg was pricey. Selling her home in New Jersey cost her 4% in real-estate commissions plus about \$10,000 in moving and storage fees. When moving from Oregon to Florida, she paid 4.5% in commissions and about \$2,500 for a shipping container that she packed herself. Moving from Fort Lauderdale to St. Petersburg cost another \$2,500. She handled many of the legal aspects of the real-estate transactions herself, which reduced some of her expenses.

For now, she plans to stay put in St. Petersburg, persuaded in part by the kindness of a neighbor who helped her when she fractured her ankle. “But in my head, I’m still open,” Ms. Peters says. “Who knows where I’m going to end up?”



Michele A. Peters' search for a forever home has taken her from a house in Ridgewood, N.J., (left) to a stint in Oregon to her current home in St. Petersburg, Fla. (right) PHOTOS: MICHELE PETERS

Trading down

Bill Fonshell and Claudette Fonshell decided to downsize from their five-bedroom, 4,400-square-foot house after their youngest child went off to college. They were living in what they already considered their forever home in Haddonfield, N.J., but the house, built in 1905, wasn't getting any younger either. On the horizon were pricey projects that involved replacing the roof and the heating/cooling systems. "We got to a point where we realized we can't stay there forever," Mr. Fonshell says.

The Fonshells, both in their mid-50s, decided to move to Philadelphia's historic Center City neighborhood, where Ms. Fonshell works in healthcare. In their new home, the couple wanted two to three bedrooms and a garage or designated parking, since Mr. Fonshell travels for his sales job in the restaurant trade. Very quickly, they realized that their \$400,000 budget couldn't buy them everything they wanted.

SHARE YOUR THOUGHTS

Tell us about your experience trying to find a forever home. Join the conversation below.

Then, all of a sudden, a 2,200-square-foot townhouse that was less than a mile from their house in Haddonfield came on the market. Even though it was built in 1834, it had a new roof, a new gas burner and air conditioner, "literally all the things that were going to fall apart in our old house," Mr. Fonshell says. It was also within budget, at \$382,000.

In 2018, the Fonshells moved to their new old house. And because it is smaller and lacks a yard, they are saving \$7,000 a year in taxes. Overall costs for things like upkeep, utilities

and lawn care are 40% lower than their previous home, Mr. Fonshell estimates.

They are also happy to remain in a town they love. “It’s a little storybook community,” Ms. Fonshell says. “We’re friends with the [former] mayor, have our church community and the friends we made when our kids were in school.” The Fonshells still go to high-school football games.

But having once sold their forever home, the couple is reluctant to commit to their new house for the rest of their lives. “It’s a comfortable house, but it has stairs. It might not be good when we’re elderly,” Ms. Fonshell says. Plus, she adds, if they have grandchildren down the road, they would want to live close to them. “At the end of the day, you want to see your grandkids.”

Ms. DeCarbo is a writer in South Carolina. She can be reached at reports@wsj.com.

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