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Texas leaps to No. 2 as place to retire

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By Bob Moos

Watch out, Florida. Texas has emerged as the No. 3 retirement mecca, vaulting over Arizona and California. And the Lone Star State is gaining on the Sunshine State.

The North Carolina Center for Creative Retirement, which is nationally known for tracking retirement migration trends, studied 2005 data from the U.S. Census Bureau on the number of Americans who moved out of state to enjoy their golden years.

Texas, which was the No. 4 destination based on 2000 data, has leapt past No. 2 Arizona and No. 3 California. Texas attracted 6.8 percent of American's migrant retirees in the 2005 data, up from 4.8 percent in 2000.

Florida's share is much higher but shrinking. It drew 16.6 percent of retirees in 2005, down from 19.1 percent in 2000.

"Older Americans who are looking to relocate upon retirement continue to move to sunny climes, but Texas has gained an edge over the other Sun Belt states," said Bill Haas, the study's author. Texas' lower living costs give it a distinct advantage, he said, especially over states like California and Florida, where home price increases in the last few years hit bubble proportions. "Hurricanes, rising housing prices, higher homeowners insurance premiums and over crowding are making Florida a less desirable destination," Mr. Haas said.

Where retirees settle down is becoming a matter of keen interest among economic development officials who see gold in the silver-haired generations. The study said the Texas economy is reaping an additional \$751 million annually from older migrants who bring their investments, pensions and Social Security payments. Ron Manheimer, executive director of the Center for Creative Retirement, predicts a heated competition among states for older adults who plan to pick up stakes. "Retirees can be an economic engine," he said. "The money they're spending is creating jobs in their new communities."

Consultant Gene Warren estimates the average senior household spends \$36,000 a year and pays \$3,000 in state and local taxes—about the same economic benefit as adding a job and a half to a community. Retirees are also a rich source of talent for civic and other volunteer projects, he said.

Certified for retirees—To compete more aggressively for those residents, the Texas Agriculture Department launched a program last year that certifies communities that want to be known as desirable places for retirees.

Department official Beverly Boyd said 65 Texas communities have expressed interest in applying, and six have already gained certification—Athens, Cuero, Duncanville, Lufkin, Nacogdoches County and Winnsboro.

The department is improving its "Retire in Texas" web site, developing brochures, designing ads for retirement magazines and planning trade show exhibits to tout Texas to prospective retirees across the country, Ms. Boyd said.

Mr. Warren said Texas hasn't done enough to promote itself as a retirement destination and criticized state legislators for shortchanging the Agriculture Department's marketing initiative. Applications fees from the towns seeking certification are financing much of the program. Communities with fewer than 20,000 people will pay \$5,000, and others will pay 25 cents per resident, Ms. Boyd said.

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"If Texas ever devoted the right resources to selling itself as a retirement destination, the results would be enormous," Mr. Warren said.

The Phoenix—based consultant, who has advised a number of Texas communities on how to attract retirees, said the state's natural attributes should appeal to boomers who plan to move when their careers are over. "Boomers are looking for areas that complement their active lifestyle, and Texas has an abundance of those places—from the Gulf Coast to the Hill Country to the Piney Woods to the expanse of West Texas," he said.

From out of state—Frisco Lakes, the active-adult community that Pulte Homes Inc's Del Webb unit is developing in Frisco for boomers and seniors, has had a surprisingly large number of out-of-state buyers, said Patrick Vedra, vice president of operations.

Many Del Webb developments draw mostly local residents early in their construction, but about half of the first 250 homebuyers at Frisco Lakes have come from outside Texas, he said.

Mr. Vedra said many of those out-of-state buyers are moving from California, Florida, Nevada, and Illinois. "Housing costs are less here," he said. "Our homes run from \$110 to \$132 per square foot. That's half of California's prices. People are selling their houses there, paying cash for a place here and investing the rest."

But Mr. Vedra also offered a different sort of theory for the strong out-of-state interest in Frisco Lakes—something closer to the heart than a house's price per square foot. "Some of our homebuyers are moving here to be near their adult children and families, who came to North Texas because of the healthy job market," he said. "After all, you can't beat the hug of a grandchild."

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