

The Essential Guide to San Diego Real Estate



Insights from San Diego
County's Top Agents
Ron Greenwald and Patti Gerke

Real Estate Transactions for Seniors

By Ron Greenwald and Patti Gerke

Introduction

Most seniors prefer to stay in their homes as long as possible, but sometimes a move becomes necessary due to health, mobility or financial challenges. Some active seniors decide to move as they age, right-sizing to a more appropriate home or relocating to a senior residential community. Whatever the reason for a move and home sale, it can be an overwhelming experience for those involved. There are so many atypical considerations involved such as preparing the home for sale, finding a new home, selling or donating furnishing and personal possessions, and dealing with a variety of professional advisors. Although Ron Greenwald and Patti Gerke help a range of real estate buyers and sellers in the greater San Diego County area, they specialize in assisting seniors and their families through the sale of a home by serving as a single point of contact for a series of comprehensive

services. They are sensitive to the needs of their clients and have the patience and empathy to help clients through the emotional experience of moving.

Ron has a background in finance, accounting and real estate. He was in the mortgage origination business for a decade before transitioning to real estate sales. As he was getting involved in real estate, he recognized the growing senior demographic and the need for a service level beyond the typical listing and marketing of properties. He concluded that specialized knowledge was required and started meeting with and was mentored by professional private fiduciaries, estate and trust attorneys, and other professionals that typically advise seniors or manage their affairs to understand how to best serve this growing market in a professional manner. Over the years, he has gained a reputation among professional advisors as one of the top real estate agents in the area when it comes to helping seniors and their family members with their real estate transactions.

Patti worked in the corporate world in marketing and sales management roles for medical device companies, as well as in marketing consulting prior to becoming a professional Realtor for 16+ years. Her desire to help seniors was based on her personal 12-year journey helping her parents through years of declining health issues and multiple housing transitions. While helping her parents, one parent suffering from multiple strokes, and the other parent suffering from vascular dementia, Patti experienced the draining physical and emotional challenges of family confusion and vulnerability. She

watched her parents' health decline while their need for housing options, caregiving, and support grew each day. Starting with the first step of downsizing their home and then to independent living, assisted living, in and out of skilled nursing, board and care, and Alzheimer's care, she has lived it all! After learning the lessons of caring and fighting for one's parents through years of constant vigilance, Patti made it her mission to help and share with others her knowledge and insights. With each passing day more and more families are facing the challenge of aging parents and loved ones. Patti is there with empathy and has become a reliable professional assisting seniors, their family members, and their trusted advisors.

In this chapter, Ron Greenwald and Patti Gerke provide their insight for seniors and their families when considering a move that includes a real estate transaction.

Considerations for Real Estate Transactions for Seniors

Determining Lifestyle Goals When Considering a Move

For younger families, a real estate transaction is mostly an uplifting, positive experience where they're looking forward to moving to a new home. It may be from a condo to a single-family residence or to a larger house because they have more children. For most seniors it's not necessarily an upbeat situation. A move could be necessary due to mobility or health concerns and many

times the move is from a property where the older adults raised their family and lived for decades creating lifelong cherished memories. It is a highly emotional time.

When a senior is starting to think about a move they should consider any physical limitations and their lifestyle goals for the next several years. Sometimes they are healthy and active and just don't want to continue to maintain a large property, so they want to right-size their house. Many have some mobility limitations and are having trouble with stairs in their home. Others foresee the need to move to retirement community or an assisted-living apartment.

If the objective is to move to an appropriate single-family house, a house with a single floor is generally going to be one of the requirements, even if there are no current mobility limitations. An important point is that in the developed coastal areas of California, land is very expensive, particularly in San Diego County. Lots are therefore quite small along the coast and there are not many houses with a single floor. It's a different situation inland and in fact lot sizes can be quite a bit larger, necessitating more landscape maintenance. The topography also differs greatly from coast to inland where 10 miles inland from the coast can mean 15 degrees difference in temperature.

An option for some people, especially for those that are still very active, is a 55+ community. Residents in these communities are not all necessarily retired. These communities are generally more affordable and there are

usually more single-story homes. In the majority of these communities, the range of activities to spur physical and mental exercise is extensive. Many communities will have rec rooms, swimming pool(s), ballrooms, and much more. If they need some assistance, they may want to consider communities where there are progressive care living options, versus a community that's just for independent living. Within these communities, they may need to change apartments, but they don't have to change communities and lose their friends and feel like they have to start all over again. With any potential move to a senior community, the older adult should visit all the potential communities, talk with the residents, meet with the staff, make unannounced visits to get a sense of the atmosphere and mood, and most of all, enjoy their cuisine.

Even if one is thinking about moving closer to their family members, remember that those relatives have their lives to lead. To have a successful move to a senior community, you will want to embrace both the activities and your immediate neighbors while giving appropriate space to your family members. Ask yourself the question, would you enjoy living in this community if the family member(s) were not in the immediate vicinity?

Then, obviously, there is the financial aspect of what the senior can afford. There are many different options and business models for the various senior living communities in your neighborhood—living arrangements, amenities, levels of care, low rise vs. high rise, for profit, not-for-profit entities, dining experiences,

and so much more. From the board and care with 6 to 8 residents, to a continuing care retirement community serving hundreds of residents, with everything in between, you will need a spreadsheet to make sure you can compare and contrast the pluses and minuses that are important to you. What is the real cost going to be each month? For example, when a resident of a community requires more care and seeks assistance, what is the cost per month to administer the activities of daily living?

It's a Process and It's Going to Take Time

In our experience, from the time we get introduced to a senior who is starting to explore their housing options, to the time they make a change in their living arrangement, it may be 3 to 5 years. In general, the senior is not thrilled with the prospect of a move. They may not want to deal with the thought of what is an overwhelming decision. The result is a delay in the decision making process. The impact of procrastination is often a home with deferred maintenance. When we talk to families concerned for their aging parent(s), we spend quite a bit of time on the issue of making sure that while one ages in their home, it is as safe and sound as possible.

When aging adults have been living in their home for a significant length of time, there are going to be emotional ties to the real and the personal property. Even their children may not want their parents to leave due to their fond memories of growing up in the home.

Assuming a change in housing is a foregone conclusion in the next year, 3 years, 5 years, what is most important to the senior's quality of life? Not to fall into depression, but how do we do that? We can try to make it an empowering process. The senior's perspective may change from resistance to embracing a possible housing change. How is that achieved? It takes a lot of listening and understanding. Many times, 3rd party professionals who specialize in this specific need are hired to assist all the family members involved. One very simple task may be to encourage an aging adult to give away their personal treasures while they are alive. Giving is joyous. When an aging adult sees the impact of giving their lifelong treasures to a grandchild, a charity, a library, or other loved ones, it is a great starting point to turn a somber thought into a celebration.

It's never too early to start talking about options and getting advice on an eventual move. Getting a home ready for sale can be a burden, especially if trying to get it ready in 30 to 60 days. We can suggest some of the hot buttons that can be started to compartmentalize the projects. What to do with all the "stuff" is always a number 1 or 2 question and concern. Whether you are 20 or 90 years of age, nobody is efficient and effective when it is all thrown at you at once. Therefore, the goal is to try to avoid the state of emergency move. The one when Mom or Dad has fallen, then moved from the hospital to a skilled nursing facility, and Doctor's order is to not allow the aging adult to move back home. What then?

Legal Considerations

The information below is intended to provide a general overview of some of the possible considerations. This content is not intended to be providing any legal, financial, or tax planning advice. Readers should consult with their own attorney, financial advisor, tax advisor, and related consultants in their state when considering a real estate transaction.

Selling real estate has a number of legal and tax implications and that is especially true with properties owned by seniors or an estate. One important factor relates to the ability of a senior property owner to conduct their business affairs. If the seller is deemed to not be competent there are many legal implications for a real estate agent representing them as well as for a buyer. Our experience is that if we are concerned that our client has some limitations, we immediately seek the advice of those professional advisors that work with the client such as estate planning attorney, financial advisor, and even the physician. We, also, seek to talk to the prospective client's family members. We have to do this with the permission and consent of the client, who is seeking our real estate services.

If a parent does have cognitive impairment, a frequent observation is that the children are not well informed on the paperwork that is necessary to legally provide them the authority to sell their parents' real estate. They may think that with a power of attorney they have the legal

right to sign and to sell their parent's home. If the home is in a trust and the parents have not resigned as trustees, the children do not have that right. We're not attorneys and we're not going to make the final call, but we always advise the children to check with an attorney to make sure all of the necessary legal documents are in place.

Selling the real property of a deceased person has many legal implications as well. Each state has specific laws in regards to selling real estate; was the real estate properly titled in the name of a trust or does it pass to the heirs through a will? If the home passes to the heirs other than a spouse and is not titled in the name of the trust, the details of the estate's assets may be exposed to the rules of a probate court proceeding. The full implications of time and money when going through probate proceedings are beyond the scope of this book.

If the real estate is properly titled in a trust, the successor trustee has a key decision to make before selling the home. The main decision point is to sell the home "as is," or make updates to the home to maximize its selling price. Are there any funds within the trust to make improvements to the home to get it ready for sale? What is the projected rate of return to any improvements made to the home prior to listing for sale?

Another component of selling a home by a successor trustee or an estate executor is the family dynamics. After the passing of a parent and loved one, the rivalry bubbling beneath the surface between siblings can rear its ugly head and create challenges when looking to

distribute personal property and sell the real estate.

The overriding themes of this section are that each state has their own rules covering the subject of selling real estate of a deceased relative and proper and effective estate planning, well in advance of a crisis, is vital to family legacy and harmony.

Personal Property

One of the common overwhelming tasks our clients deal with—whether the senior is still living or has passed away—is deciding what to do with all of their personal property. Our seniors, the “Greatest Generation,” were raised during the Great Depression and many had little in the way of possessions. After World War II, the economic revival and wealth creation of the general population resulted in accumulation of possessions, which are very important to their sense of accomplishment and legacy. Today’s baby boomers, their children, and their children’s children have shown little interest in inheriting the possessions of those born prior to 1945.

If our senior client has lived in the home for a very long time, dealing with all of the “stuff” acquired over a lifetime can be paralyzing. Those possessions that have meant so much to them are hard to give up, but for the most part they will be moving to a smaller space so there won’t be room for everything. There is also a concern for the children’s attachment to certain items that may have minimal financial value but very high sentimental

value. We strongly suggest that they don't dispose of anything until the children, grandchildren, and all family members have a chance to really look through the house and see what means something to them. As we noted previously, the way the distribution of the personal property is handled can be the event that dictates when and if the real property can be sold.

One of the biggest misconceptions is the value of the possessions in the house, including furniture. Collectibles, as example Hummel figurines, were very popular in past decades, but with tastes changing, many such collectible items today are valued at a very small fraction of their original cost. Sterling silver flatware has declined in popularity, as younger people don't want to spend the time polishing it. A lot of people inheriting sterling silver just watch the market price for silver, looking for a good time to liquidate it to be melted down.

Preparing the Home for Sale

No matter what the situation is, the number one goal in selling a house is obtaining top dollar and selling in the shortest amount of time. Whether we are working with a senior, the children, or a fiduciary, this is always the top priority with respect to the real property. With many of the properties we get involved with, the senior has been living in the home for a long time and more often than not, there is deferred maintenance and a lack of updates to the home. They may have been living with these

issues for a long time and they just have not been a priority.

The key is to make the property presentable; otherwise selling it for top dollar is a real challenge. It's amazing what paint and new carpeting can do to the appearance. Sometimes there is an attachment to certain out-of-date features or decorating that might be an obstacle for a sale. As an example, they may have some very outdated wallpaper and a small investment in updating the wallpaper or removing the wallpaper and painting can make a big difference in attracting buyers. It can take some time for the owner to be convinced of the need for making some of these minor decorating changes, so we will sometimes discuss this topic with the children or the client's other advisors. When they hear the same recommendation from a number of people they trust, they are more likely to come around to the same view in order to maximize the sales amount.

Even though the property may not be fully updated, we want there to be some sizzle. We think it is beneficial to stage a home so that any buyer who comes in can see the potential of what the home could be, even if it's a 50, 60, 70-year-old home that's not been updated in recent times.

Pricing the Property

Properly pricing the property for sale is one of the keys to selling it in a reasonable time and actually can result in a higher price than if the property hits the market at an

unrealistically high price. There is a lot of information available online about estimated values, but these are based on computer algorithms where there is no data about the actual conditions in the house. This can lead to a misconception about the actual value and what buyers will be willing to pay. Many times the estimated values are too high, especially when the home has not been updated and may not be comparable to others in the neighborhood. The seller may note that there has been some major remodeling done in the house, such as a complete kitchen update. The important point is how long ago was the work done and does it match current trends? If a kitchen was remodeled 20 years ago, it's certainly not going to present as a modern update. These points are generally sensitive and an honest conversation is important to not offend anyone involved in the process.

It's important to have a good set of comparable sales data for the area, showing exact sales information over the past 6 to 12 months, comparing the property to other most similar properties. This provides a realistic picture and we recommend pricing at the market value, not higher. Sometimes the client will want to price higher than recommended and we'll go along with the understanding that we give it two weeks and then have another frank discussion. We can always start a little high, but the truth is the market will tell us within the first two weeks whether we're right or not, because if you're too high, you won't even get any showings. If you're just a little bit high you'll get showings and no

offers, and if you're priced right you'll get showings and you'll get offers.

Team Approach

A team approach is generally recommended to assist in making the appropriate and correct decisions relating to a move. Family members are important due to emotional concerns, estate planning, and disposition of personal possessions. The financial planner should be involved if they are working with one. A CPA should be consulted to determine if there are capital gains tax concerns. Their estate-planning attorney should be involved to make sure the contemplated transaction is being made in accordance with the estate or trust. Some seniors have a professional private fiduciary or bank trust officer to manage their financial affairs. And, of course when there is a home sale as part of the move, a real estate professional should be part of the team and be involved as early as possible to help provide options related to the current property intended sale.

Selecting a Real Estate Professional

Helping seniors or estates in selling a property is a very specialized segment of the real estate sales profession. Due to the typical complexities, and variety of advisors involved in most of these transactions, specific knowledge and experience in serving seniors and estates is important. Agents that have the knowledge and experience will typically have relationships with

professional private fiduciaries, bank trust officers, estate planning attorneys, financial planners, accountants, and others that work to bring product and services to our seniors.

As mentioned above, a senior's decision-making process to move is frequently drawn out over time and the agent should be patient in working with such a client. They need to find someone who's sensitive to their needs and understanding of their situation, versus someone who's just there to take a listing. It's generally not going to be a listing meeting and a rapid decision to list, like with most transactions. It's important to select an agent that will make them comfortable, will maintain a high level of communications with all involved parties, and one that will treat the client the same way they would treat their own parents and family.

The agent should also be familiar with the legal aspects noted; otherwise a listing agreement may not even be valid if the person signing it does not have the legal capacity to sign such a document.

What Clients and Professionals Are Saying

“Forgive my delay in offering thanks for your handling of our house sale. I’m still feeling a little giddy with the extra dollars in my life. Your administration of this project has been completely professional from the get-go. Not only did you extend our family every courtesy, you patiently took us through the estate process with an eye towards explaining the unknowns and answering our endless questions.”

Such extra depth in client services seems sadly to have become real rarity in our culture. Your attitude helped my siblings and me to navigate a potentially emotional adventure with a minimum of fear and anxiety. Please receive my thanks and gratitude for your skill and consideration. I would not hesitate to seek your representation in any future transaction, nor would I hesitate to endorse your involvement to anyone asking my opinion. If you're not careful, you're going to give realty brokers a good name!"

- Matthew M.

"If any one has a case with residential real estate in the San Diego area, you should give Ron Greenwald a call. He handled a property for one of my cases exceptionally well. He was efficient! The property had some issues and I really appreciated the level of service Ron and his staff provided.

Together we priced this home in the midst of the major market slowdown that was occurring and he really helped to get the home on the market just before the holidays. It sold at higher than list price with 15 back-up offers. I expected to have to sit on this house for a few months, but we were able to get it sold quickly and for a great price! If anyone is a member of the Southern California PFAC listserv, please re-post so the fiduciaries in that area know what a wonderful job Ron did for us."

- Loren Acuna, Ace Fiduciary Group

"Patti, I just want to thank you for all your hard work and excellent service you provided towards the sale of my sister's condo in San Marcos. I so much appreciate your professionalism and willingness to work with me being out of state, as well as your

patience during the restoration of my sister Cynthia's condo, which was a several month process.

I also thank your husband for all the time and effort he provided to physically make the repairs to my sister's place, and in such a timely fashion. All your efforts were far and beyond any Realtor I have ever worked with before and I will certainly keep you in mind if I need a Realtor in the Escondido area in the future."

- Dr. Stephen P., M.D.

"Nancy and I are writing this on behalf of Patti and Ron. Their effort, empathy, and hard work allowed my wife Nancy to fulfill her role as successor trustee on behalf of her mother's wishes. We were referred to Patti and Ron by a manager for a senior living community. Although my mother-in-law did not move to this particular community, we were pleased to interview Patti and Ron as potential listing agents for the home and two vacant adjoining lots.

Nancy and I quickly determined that Patti and Ron are very knowledgeable. They excel at working with families and successor trustees, communicating with attorneys, and most of all, getting top dollar. In spite of the home's deferred maintenance, we were well compensated for both the home and two vacant buildable lots. In addition Patti and Ron contributed ideas, suggestions, and recommendations for specific situations which included how to deal with a family member who along with his extended family was living at the home that needed to be sold. Most of all, they kept in close, three-way communication with us and our attorney as we weaved through the legal process of being successor trustee of the estate.

Nancy and I highly recommend Patti and Ron for their commitment to superior service, going above and beyond, and being highly skilled at marketing and negotiations. Patti and Ron combine the forces of being superior relators with the sensitivity of working with seniors and/or their family members when it comes to sell the family home.”

- Jon and Nancy P.

“The closing date of my Aunt’s home, has come and gone, but I have not forgotten the awesome professionalism, expertise and friendship that was demonstrated by you and your associates. I could tell from the time we met that you understood the situation and knew exactly what direction we needed to meet our family’s needs. Your knowledge of the market; the examples of recent home sales in the area; your unique marketing and pricing techniques and your honesty in our deliberations made this Realtor experience worth remembering. In addition, it really helps the client when you have the experiences and the connections of the San Diego senior communities, especially with someone like myself who was from Ohio and was trying to manage my Aunt’s affairs.

A huge thanks to you and your staff for the opportunity to work with you. If you need a reference please do not hesitate to ask. I hope your new year greets you well personally and professionally.”

- John M.

“During this time of giving special thanks my husband and I wanted you to know how thankful we are for the referral. Since we live in the Chicago area it was more then meaningful for us to feel secure in the people handling the sale of our friend’s condo.

Ron laid the preliminary steps out via phone calls and emails and in just a very short time we were on our way. I felt we were treated in a friendly manner albeit most professional. It's nice to be treated as a functioning adult (although there is snow on the rooftop) rather than a non-entity. He does have a special touch with respect to the older person; but, then again, I'm sure you knew that.....

We were most impressed when he called to thank us for choosing him to represent us in the sale. Without him the sale would not have happened so quickly. Hope does spring eternal. And, thank you!"

- Blanche and Ron O.

About Ron Greenwald and Patti Gerke



Ron Greenwald earned an MBA degree and worked in finance, accounting and mortgage origination prior to transitioning to real estate sales in 2009. He is the host of the Senior Stay or Go™ TV show and is a frequent speaker on the topic of “Compassionate Real Estate for Seniors.”

Patti Gerke earned an MBA degree and worked in the medical device industry in a variety of sales and marketing management roles prior to getting involved in real estate sales in 2002. Having both real estate and personal experience working with ageing adults, she is a featured lecturer on the management of senior housing transitions. She is also the co-host of the Senior Stay or Go™ TV show.

Ron and Patti help a range of real estate buyers and sellers in the greater San Diego County area, but they specialize in assisting seniors and their families through the sale of a home. They coordinate all aspects related to their clients' home sales, working with professional advisors such as professional private fiduciaries, trust and estate attorneys, financial advisors, accountants, and others. They have a TV show called, "Senior Stay or Go," which advocates and educates on behalf of seniors.

For more information on Ron Greenwald and Patti Gerke, visit

<http://www.GreenwaldGerke.com>