The Last-Time Home Buyer: An Overlooked Opportunity for Realtors

Seniors are often referred to as the "invisible population." Nowhere is that more apparent than in the residential real estate and mortgage industries.

More than half of today's homebuyers are over age 55, while only 21% are first-time buyers. Yet our industry is filled with professionals promoting themselves as "*First-Time Home Buyer Specialists*."

Who is specializing in the Last-Time Home Buyers?

At the *Golden Age Lending Team* at Empire Home Loans, that is exactly our focus—and this represents a significant opportunity for Realtors.

Many homeowners age 55 and older are living in homes that no longer fit their needs. Their home may be too large, have too many stairs, require too much maintenance, be too far from family, or simply no longer support the lifestyle they want.

Many of these homeowners would move if they believed they could afford to.

That creates a significant opportunity for Realtors. The challenge often isn't finding the right home—it's showing the potential buyer a financial path that can make the move possible.

This is where *Reverse for Purchase* can change the conversation.

We regularly speak with seniors who initially contact us about a Reverse Mortgage because they want additional cash flow or relief from monthly expenses. Before discussing their current home, however, we ask a simple question:

"If money weren't the obstacle, would you choose to stay in this home?"

The answer is very often *no*.

Many are surprised to discover that a Reverse Mortgage can actually be used to help *purchase* their next home. Instead of simply finding a way to remain in a property that no longer meets their needs, they have an opportunity to move into a home better suited to the next chapter of their lives.

For Realtors, this creates an entirely different conversation with older homeowners.

A homeowner who appeared unlikely to move may actually be both a seller and a buyer. By recognizing the opportunity and introducing the right financing conversation, you can help a client sell a home that no longer works for them and purchase one that does.

That can mean two transactions—but more importantly, it means solving a problem your client may not have realized could be solved.

And the opportunities for Realtors to increase their sales with Reverse Mortgages doesn't stop at helping seniors to move into a more suitable home. Below we have a table with several additional ways seniors can use Reverse Mortgages to take advantage of real estate acquisition opportunities.

Realtors already know how to help clients find the right home. Our role is to use these specialized financing programs to make that move possible.

Together, we can better serve one of the largest—and most overlooked—segments of today's housing market: the *Last-Time Home Buyers*.

Why don't their current houses work for them?	
Size	Many seniors want a smaller home with less maintenance, while others want more space for visiting family and grandchildren. A Reverse for Purchase loan can help make either move possible.
Accessibility	Stairs and other physical barriers can become difficult over time. Many seniors are ready for a single-story home that is easier to navigate.

Location	Some seniors want to be closer to family; others want easier access to the activities and lifestyle they now have time to enjoy.
Suitability	We recently helped a senior purchase a home just a few blocks from her previous residence. The key difference was a larger yard—perfect for her love of gardening.
Affordability	Large homes can be costly to maintain and operate. Downsizing may reduce those expenses. A Reverse for Purchase can allow seniors to use a portion of their home equity for the new purchase and preserve more of their cash. They can use those extra funds for monthly needs or to make the most of their golden years.

What Seniors Need to Know	
A Reverse Mortgage can be used to purchase a home	This is one of the most unfortunate and best kept secrets out there. In California, seniors are sitting on over $2,000,000,000,000.00 (*yes, that's $2 Trillion*) in stagnant equity while they are not aware of this opportunity to live their best lives in their golden years.
Today's Reverse Mortgage products are very different than yesterday's	Many people are completely unaware of the significant improvements, safeguards and consumer protections that have recently been incorporated into these products. It is a bit like people deciding that they don't want to fly on airplanes because of the high accident rates back in the 70s.
Homeowners keep ownership of their home	It is amazing how many people still think they are giving up the ownership of their house with a Reverse Mortgage. In reality it is just like a forward mortgage. When homeowners or their heirs are ready, they sell the house, pay off the mortgage with part of the proceeds, and keep the balance. (Please go to our "*Myths and Misunderstandings*" document for some of the other common misunderstandings on Reverse Mortgages.)
Property Tax Basis Transfer	One of the reasons that many seniors think they are stuck in their current home is related to their Proposition 13 tax limitations. They are unaware of their ability to transfer their current tax basis to a more suitable home.

Opportunities for Realtors	
Purchase Power Plus	Many seniors want to downsize or move closer to family but do not want a monthly mortgage payment. Purchase Power Plus can use equity from their current home to increase buying power with no required monthly mortgage payment. This will help them to find a home that checks all their boxes. It will also expand the inventory options for the Realtor who is assisting them. ***To see just how much they can leverage their purchase power based on their age and down payment, you can go to the chart under "Senior Purchase Power Plus" in the General Information Section of this site.***
Listing appointments	A senior listing appointment can become two transactions. Many homeowners assume they must rent or move in with family because they are unaware of these senior purchase options. Educating them on this opportunity can turn a listing into both a sale and a home purchase.
Sphere of influence	Every Realtor's sphere includes people age 55 or older and/or people connected to family and friends who are in this age group. Educating your network about senior home-purchase options can uncover many new buyer and seller opportunities.
Senior homeowners in your farm area	Promote these options to senior homeowners in your farm area through social media, mailers, or direct outreach. Many may be ready to move but unaware of their advantageous financing options. If they stay local, one relationship can lead to both a listing and a purchase.
Vacation homes	Since Reverse Mortgages can only be secured by a primary residence, nobody thinks of them as an option to purchase a vacation home. However, a Reverse Mortgage can be a great way to purchase a second home. Proceeds from a Reverse Mortgage on their primary residence can be used to pay cash for a vacation home for their extended family to create lasting memories. In fact, with our new standalone Reverse Second loan product, it opens up even more opportunities for this.

	Senior Homeowners can use this strategy to transfer some of the equity from their existing home to a property where they can create lasting memories with their extended family.
Investment properties	With the new DSCR programs, seniors can use the proceeds of a Reverse Mortgage to purchase multiple investment properties.
2 to 4 unit properties	Reverse Mortgages can be used to purchase properties with up to four units. This can help seniors pursue rental income or create housing for family members without a required monthly mortgage payment.