

50 PLUS

READING EAGLE



DON BOTCH — READING EAGLE

The Augusta Custom Farmhouse, a Rotelle Studio model home at 1350 Fairview Road, Glenmoore, Chester County, is built to accommodate multiple generations of a family.

SENIOR LIVING

Wave of the future: multi-gen housing

More new home buyers are looking for options that keep parents and their adult children together.

By Don Botch
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With millions of baby boomers coming of retirement age over the next decade — at a rate of 10,000 per day, according to estimates — new-home builders are seeing the rise of a new trend: multi-generational housing.

Heather Ryan and Renee Pratt of Rotelle Studio, a custom home builder based in South Coventry Township, Chester County, have witnessed the scenario beginning to play out before their eyes.

Ryan, a home design consultant with a background in architecture, said she came upon the burgeoning trend five years ago as part of her ongoing industry research. It led her to design a smaller home, called the Transitions model, that would simultaneously target millennials as well as folks like her and her husband, who were at the stage where they were thinking about downsizing.

It included an optional first-floor addition that could serve as an in-law

suite, complete with a living space, a master bedroom, a laundry closet, a small coffee bar and a bathroom large enough for a walk-in shower that could be handicapped accessible.

“It was interesting how the plan didn’t end up selling with as many extensions initially as I thought it would,” Ryan said, “but we had people asking for that add-on piece to add it to other plans.”

As more of their clients began exploring the multi-gen option, Ryan said they discovered that it wasn’t just appealing to millennials who were interested in creating a space where their parents could live. It worked the other way, too. Boomerang children who were maxed out on college loans were looking to move back in with their parents until they could establish their financial footing and purchase their own homes.

“Initially, it was probably majority economic decisions, as well as emotional — people wanting to take care of their parents,” she said.

Pratt, who is Rotelle’s

chief designer and sales team manager, said she really noticed multi-gen housing becoming more popular about three years ago, when they built the Providence Pointe development in Collegeville. It had eight homes, and four of them ended up having in-law suites.

“They’re big homes — they’re all \$800,000-plus,” she said. “That’s the first time we really started to see this uptick in multi-gen. But now, most recently, in our (Reserve at) Bally Springs development, we’ve done a number of in-law suites.”

In one case, she said, it wasn’t a parent moving in with a child, or vice-versa, but a sister occupying the in-law quarters so she could help with childcare. Having that extra helping hand — whether it be an aunt or grandparents — can be invaluable both in terms of savings on child-care and helping to offset mortgage expenses.

Another change Pratt is noticing is more new-home buyers are taking a long-term outlook. They are thinking about building a forever home, whereas when



COURTESY OF LISA THUDE PHOTOGRAPHY

The first-floor master bedroom of the Augusta.

she got into new construction in the early 2000s, families were more inclined to think of their new homes in terms of a five-year investment.

For young home buyers, that forever-home thinking might involve planning ahead for the possibility that a parent will move in down the line, or it might involve wanting to have a first-floor master bedroom for themselves when they get older.

As a result, Pratt said, Rotelle’s latest model homes, like the Augusta Custom Farmhouse in Glenmoore,

Chester County, have a master suite upstairs and another downstairs.

She said she has seen the demand shift toward bigger in-law suites. That initial Transitions add-on Ryan designed five years ago came in 300- and 500-square-foot options, but nowadays most people are going for 1,000 square feet, if you count the shared space with the main house.

As zoning restrictions have eased, they have been able to incorporate full kitchens into the designs, so that now, the in-law suites are akin to a nice-sized

apartment.

“We try to keep in mind that these families still want to be somewhat separate,” Pratt said, “so we try to create a shared space or something that would divide the two homes, to make them feel like they’re in their own home.”

Ryan said she doesn’t see this trend subsiding any time soon. She recently read that within five years 30 percent of new construction would be multi-gen.

“And we’re probably there, or getting close,” she said. “We’re going to see more and more for a number of reasons, but one of the bigger ones — and I am a baby boomer — is we are all coming of age. Sixty-four million baby boomers will be retiring in the next five years.”

Throw in the coronavirus pandemic and how it has kept families apart from each other for months, and she sees the multi-gen trend blossoming even beyond the estimates.

She cited two reasons: one, if your parents live with you, in the event of another

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MULTI-GEN HOUSING

THREE GENERATIONS UNDER ONE ROOF

An in-law suite in their new home in Bally suits the Bruckner family to a T.

By Don Botch
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Alex Bruckner, for one, is sold on the benefits of multi-generational housing. When he and his wife, Sarah, were looking to move a couple of years ago, they knew they wanted to incorporate Sarah's mother, Kathleen Clark, who was newly widowed, into their household. Their options were to put an addition on their existing home in Gilbertsville or to move.

After consulting with Rotelle Studio, a custom home builder based in South Coventry Township, Montgomery County, the answer seemed obvious: new construction.

"We realized we could get everything we wanted that our current house didn't have," said Bruckner, 33.

They chose the Aspen model in the Reserve at Bally Springs in eastern Berks County, and paid an additional \$55,000 for a 600-square-foot in-law quarters where Clark, 62, lives.

The addition includes a kitchen, living room, bedroom and bathroom, and it has its own private entrance from the wrap-around porch. An interior door connects the two dwellings.

Since they moved in, Bruckner said, everything is going smoothly. In fact, having his mother-in-law close by provides many advantages, including having an extra set of hands to help care for their three children, ages 6, 5 and 3, not to mention the peace of mind of



COURTESY OF ALEX BRUCKNER

Three generations of the Bruckner family gather for dinner. Clockwise from left are Alex, 33; Jacob, 3; Kathleen Clark, 62; Sarah, 37; Emma, 6; and Molly, 5.

knowing there's another adult around if his wife has to leave while he's at work.

It also provides abundant opportunities for family bonding.

"The other day we had a movie night, and she just walked on over and sat on the couch with the kids," he said. "Some guys may be like, 'Come on, Mom, get out of here, this is my time with my family,' but I enjoyed it. It's comforting knowing she feels comfortable to walk over from her section to ours and spend some time with the kids."

"And they'll like it when they look back on it years from now."

Bruckner said on the financial side, they share the utility bills, and Clark picks

up her share of the mortgage.

She also contributes by preparing the family's Sunday dinner every other week.

"I'm sure she gets some pride out of that," he said, "knowing she still gets to contribute and do Mom-mom things on her end."

A big benefit lies in no longer having to go back and forth to King of Prussia to help her maintain her prior home.

"Her old house needed a ton of maintenance, and we were going over there a lot before we did this," he said, "and it's nice just knowing when she gets older, when it comes to snow-blowing the driveway or cutting the grass — those kinds of in-

conveniences — we phased them out of the equation."

Bruckner acknowledges that living with an in-law may not be for everyone, but he didn't have any reservations because of their family dynamic.

"I guess I knew her personality, and we always got along really well," he said. "We get along famously, and I think that's the key. Before you go into it, figure out if you're going to be able to live with them, because ultimately, they're going to be around all the time. As my mom would say, as long as they're not a 'nudnick,' then you're good."

"I think the key is to make them self-sufficient on their side, and we kind of did that. We set her up."

Future

FROM PAGE 1

pandemic, they can be part of your quarantine; and two, the pandemic could have an economic fallout that compromises baby boomers' retirement savings, along the lines of what happened during the 2008 financial crisis.

"All of a sudden, with those two things shifting together, there's no end

in sight, as far as I'm concerned, about the cohabitation (trend)," Ryan said.

The great thing, she said, is that both generations benefit in a pay-it-forward kind of way: The older generation helps the younger buy a house, and the younger generation helps the older be able to afford retirement.

"There's less expense for either side — win-win," she said. "Both generations feel like they are doing something for the other."



COURTESY OF LISA THUDE PHOTOGRAPHY

The second-floor master bedroom of the Augusta.

SOCIAL SECURITY MATTERS

Ask Rusty: Older father with younger wife wonders when to take Social Security

By Russell Gloor



Russell Gloor

Dear Rusty: I am 59. My wife is 48 and has been a stay-at-home mom for 15 years. We have children aged 13, 10 and 5. I know it makes sense to delay the start of benefits, but I understand that it's more complicated when small children are involved. Does it make sense for me to begin receiving benefits at 62 so I can also collect more for the children?

— Older Father

would be if you waited until your full retirement age to claim, and that reduction is permanent. Plus that reduced benefit will mean your widow's benefit as your widow, should you pre-decease her, would be less than it might otherwise be if you waited until later to claim.

Until you reach your full retirement age, you will also be subject to Social Security's "earnings test," which limits the amount of money you can earn before Social Security takes back some of your benefits. The limit for 2020 is \$18,240, and if you exceed that amount, SS will take back benefits equal to half of the excess over the limit. They take back those benefits by withholding your SS until they recover what you owe because you exceeded the limit.

And, if your benefits are withheld because you exceed the earnings limit, your children and wife will not get their benefits for any month(s) that your benefits are withheld. FYI, the earnings limit increases by about 2.6 times in the year you reach your FRA and no longer applies once you reach your FRA, but any dependent benefits not paid because you exceeded the earnings limit are lost and cannot be recovered.

So, as you can see, there are many things you should consider. If you will be retired from working at age 62 and don't need to worry about the earnings limit, then claiming then, along with the dependent benefits, could be a prudent choice. But if you will continue to work and earn a significant salary, you might very well find that the benefits you and your dependents lose due to the earnings limit will overshadow any advantage you might gain by filing at that time.

And, you might also find that the permanent cut in your own benefit because you claimed early, along with the reduction to your wife's future survivor benefit amount, will make claiming at age 62 less attractive.

Russell Gloor is a certified Social Security adviser by the Association of Mature American Citizens: <https://amac.us/social-security-advisor>.

Dear Older Father: Yes, the issue is more complicated when children are involved. Here's why: If you claim your own Social Security at age 62, your minor children would be able to receive child benefits, and your wife would also be able to receive "child-in-care" benefits, even though she is not yet age-eligible for regular spouse benefits. Usually, a minor child is entitled to 50% of the parent's full retirement age (FRA) SS amount, and a younger care-giving wife is entitled to the same. But when there are multiple dependents collecting on the same worker's record, the Family Maximum applies.

The Family Maximum limits the amount of total benefits that can be received by the family to 150% to 188% of the worker's FRA benefit amount. Social Security determines the Family Maximum for each individual case with a complex formula that uses your "primary insurance amount" (or "PIA," the amount you get at your FRA).

Your PIA is broken into four parts and a different percentage of each part is taken and summed up to arrive at your Family Maximum. Then your PIA is subtracted from the Family Maximum amount and the remainder is equally divided among your minor children and wife. Once a minor child turns 18 (or 19 if still in high school) that child no longer receives benefits and the Family Maximum is recomputed, with the new amount equally divided among the remaining dependents. When your youngest child turns 16, your wife will no longer be eligible for child-in-care benefits.

But there's more to consider.

By taking your benefit at age 62, it will be cut by 30% from what it

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