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## ‘Now we’ll be in the minority here’: Residents of older-adult community feel blindsided amid merger with all-ages neighborhood

By Michele Lerner

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Nancy Pollock, right, and Margje Yates, left, live at Two Rivers, a planned community in Odenton, Md. It was originally restricted to buyers age 55 and older but now also has an all-ages neighborhood. (Justin T. Gellerson/For The Washington Post)

Two years ago, when Margie Yates moved into Two Rivers, a planned community in Odenton in Anne Arundel County, she was one of the first residents in the development, which was then restricted to buyers age 55 and older.

“Even though I won’t retire for at least four years or more, I love living here,” says Yates, who commutes to the District and works for the federal government. “I’m very committed to the community, and I love being with people my age and older who are retired or semiretired and just want to have fun.”

Now after four years as an older-adult community, Two Rivers added an all-ages neighborhood. Mike Johnson and his family were one of its first residents.

“After my father got sick and passed away we brought my mother, who’s 69, to live with us,” Johnson says. “But we knew pretty quickly that three adults, three kids and three dogs didn’t work very well in a three-bedroom townhouse.”

The Johnsons moved into a six-bedroom house at Two Rivers that includes a first-floor bedroom suite for Johnson’s mother. The community appeals to them because of the recreational amenities for the entire family.

Although the blend of age-restricted and all-ages neighborhoods is ideal for families like the Johnsons, the community’s new configuration is an adjustment for earlier residents.

“I love kids and young adults, but my expectation was that I was moving into a 55-and-up community,” Yates says. “Now we’ll be in the minority here since more neighborhoods will be for all ages.”



Mike Johnson and his family were one of its first residents of the all-ages neighborhood. (Justin T. Gellerson/For The Washington Post)

Active adult communities, where homeowners must be 55 “or better” as their marketing teams like to call it, are the only places where age discrimination is legal. Like old-fashioned retirement communities, these housing developments typically mandate that at least one home buyer is 55 or older and don’t usually allow anyone younger than 18 to live in the household, although the rules vary from one community to another.

Classic Group, developers of Two Rivers, bucked the trend of age restrictions and transitioned part of the previously 55-and-up development into an all-ages community in 2016. The developers, who were approved to build the age-restricted community in 2004, considered converting it entirely to an all-ages development in 2011.

After that proposal failed, the development’s modified plan as a combo of all-ages and age-restricted neighborhoods was approved in 2016.

Across the country at the planned community of Terramor in Southern California’s Temescal Valley, Foremost made the opposite move: to convert part of a previously all-ages community into age-restricted neighborhoods for homeowners 55 and older.

Combining active adult neighborhoods and all-ages neighborhoods is not widespread, particularly after a community has been partially built, but some large planned communities such as Toll Brothers’ Dominion Valley in Prince William County include both types of housing. At Dominion Valley, the active adult section is located on one side of the main road and the all-ages community is on the other.

“I love the idea of merging active adult and all-ages neighborhoods in one development,” said Dan Fulton, senior vice president of John Burns Real Estate Consulting in Reston. “The idea is that if you’re a young family you can live close to your parents and your kids’ grandparents. On the flip side, as an empty-nester, you have the opportunity to be close but separate.”

### **'Discretionary buyers'**

Local governments frequently approve the development of active adult communities more quickly than all-ages communities. Governments receive tax revenue from the new homes without needing to provide more classroom space for families and without placing extra demand on local roads or transportation options because they assume many of the residents won't be commuting daily.

For developers, 55-plus communities have advantages and disadvantages.

"When the housing market is good, active adult communities are fabulous, but when the market is bad, active adult communities fare worse than others because these are the most discretionary buyers," says Steve Eckert, CEO and co-founder of Classic Group in Bethesda, developers of Two Rivers.

"It's a lifestyle choice to move into an active adult community, which is easier when you can sell your house. When the market is flat and it's hard to sell your house, there's no incentive like a new job or a growing family pushing you to move."

Two Rivers was envisioned as an active adult community in 2004 when the land was purchased because at that time, Eckert says, Anne Arundel County was more likely to approve an age-restricted development than an all-ages development.

"The market research we did showed the need for an active adult community in that area," Eckert says. "Historically, a 2,000-unit age-restricted community would sell out within 10 to 12 years, so we anticipated being sold out by 2014 or so."



Classic Group, developers of Two Rivers, bucked the trend of age restrictions and transitioned part of the previously 55-and-up development into an all-ages community in 2016. (Justin T. Gellerson/For The Washington Post)

Then the Great Recession hit. During that period, the developers looked for other opportunities to improve the salability of houses in the community.

“In 2011, we were talking with the Board of Education in Anne Arundel County about the possibility of building a school for them with the condition that we would be able to convert our age-restricted community to an all-ages development,” Eckert says. “That plan was stillborn, mainly because of opposition from the Forks of the Patuxent Improvement Association.”

In 2015, the elementary and middle schools in the area were renovated, which increased available student capacity. Two Rivers submitted a modified plan to the county, including a portion of the community for all-ages, which was approved, setting the path toward a combination development.

The all-age component is appealing for developers, Eckert says, because it can smooth out the peaks and valleys of sales. Two Rivers’ central location

near employment centers such as Fort Meade makes it attractive for working adults, he said.

Demographics and nearby home sales drove the decision of Terramor's developers in the opposite direction of Two Rivers.

"Terramor was originally planned for 1,443 homes for all ages," says Steve Cameron, president and founder of Foremost in Newport Beach, Calif., developer of Terramor. "Then we realized that an age-qualified community across the freeway from our planned development built in the early 2000s was selling at a 30 percent premium over other developments. We did a lot of demographic research and realized that we should look into the opportunity to build an age-qualified development ourselves."

Approximately 10,000 Americans will turn 65 each day between 2011 and 2030, according to Pew Research.

"Baby boomers control about 70 percent of the wealth in the nation, and in our submarket, people over age 55 are the ones most able to pay more for housing," Cameron says. "Older buyers are discretionary buyers, so we knew that we had to build a place aesthetically where they want to live, with the right amenities in the community and nearby, including medical facilities and proximity to transportation."

The Riverside County government agreed to change Terramor's development approvals, switching the community into 70 percent age-qualified residences and 30 percent all-ages housing.

"The Environmental Impact Report improved with the age-qualified design because there's an anticipated 70 percent reduction in traffic and the water use is expected to be lower, too," Cameron says.

Terramor is in California's Inland Empire, about one hour from Orange County's beaches. It appeals to families looking for more affordable housing in the expensive Southern California housing market. Prices in both the age-qualified and all-ages sections range from the upper \$400,000s to the \$700,000s.



"There's only one road in and out of Two Rivers, so we're a little worried about the traffic from commuters and school buses," says Nancy Pollock, left, who along with Margie Yates, right, opposed the all-ages community. (Justin T. Gellerson/For The Washington Post)

At Two Rivers, Ryan Homes, NV Homes, Classic Group and Winchester Homes are building attached and detached homes in the age-restricted neighborhoods, priced from the upper \$300,000s to the low \$600,000s. In the all-ages neighborhoods, Stanley Martin Homes, Winchester Homes and NV Homes are building single-family homes now priced in the \$600,000s. Michael Harris Homes, Mitchell & Best and Ryan Homes will be building single-family houses in the next development phase for the all-ages sections, probably priced from the mid-\$500,000s to the low \$600,000s.

### **Some residents feel blindsided**

At Terramor, the decision to change the community's demographics was made before any buyers moved into their homes, but at Two Rivers residents were already living in the age-restricted

community. Some residents within Two Rivers initially resisted the change because they say they were not aware the community plans could be changed to add households with all age groups. When complete, the development is anticipated to have about 900 age-restricted houses and about 1,100 all-ages houses.

"The residents of Two Rivers expressed concern at first because they thought they were buying in an age-restricted community," Eckert says. "But we showed them that the disclosure agreements they had signed when they purchased said this section is age-restricted but future sections may or may not be age-restricted. We're sensitive to their concerns and pointed out that each neighborhood is self-contained. . . . We always felt it would be good to create diversity with both age-restricted and conventional neighborhoods."

However, some residents felt blindsided by the addition of all-ages neighborhoods.

Nancy Pollock and her husband, Bob Pollock, retirees who were the first people to move into Two Rivers, were shocked when they were told that 20 percent of the homes in their neighborhood would be open to non-age-restricted buyers.

“We met with local officials and went to court, so now at least all the houses in the age-restricted neighborhoods will only be available to people age 55 and older,” Nancy Pollock says. “But the other non-age-restricted neighborhoods are nearby.”

The Pollocks enjoy socializing with their neighbors and participating in numerous activities in the development. However, they’re concerned about the changes that will take place when families move into the development.

“There’s only one road in and out of Two Rivers, so we’re a little worried about the traffic from commuters and school buses,” Nancy Pollock says. “The clubhouse for the all-ages section will be built right next to ours, so we’ll hear all the noise from their pool.”

The neighborhoods are open to each other, not gated or divided, says Yates, who says it will be an adjustment to have kids skateboarding and riding their bikes throughout the community.

Eckert emphasizes the potential benefit of having grandchildren in the same community as well as a pool of future buyers from within Two Rivers who will look at the 55-plus section for their empty-nester homes when they age.

When mixing the two types of housing in one community, amenities need to be planned for each demographic group.

“The key ingredients to be successful in this multigenerational planned community is have both integration and separation,” Eckert says. “The active adult neighborhoods are separated from the all-ages neighborhoods. The homeowners in each section have control over their own amenities, too.”

Two Rivers has nine subdivisions, each with its own entrance and home styles, all connected by Two Rivers Boulevard. Of the 2,060 homes planned for the development, approximately 900 will be in age-restricted neighborhoods and approximately 1,100 will be in all-ages neighborhoods.

At Terramor, a larger recreation center has been designed for the age-qualified homeowners, since there will be approximately 1,000 of those homes. A second recreation center has been designed for the 400 all-ages homes.

“The age-qualified buyers want lots of socialization, but they also want to be able to get away from their kids,” Cameron says. “At the same time, they want to be able to play with their grandkids when they visit. Each recreation center has its own swimming pool.”

The Hamlet Club at Two Rivers, for residents of the all-ages neighborhoods, will include an outdoor swimming pool, a tot lot, a sand volleyball court, and an indoor recreation center with meeting spaces and a fitness center.

Because they live in the all-ages neighborhood, Johnson’s mother isn’t allowed to participate in the activities in the 55-plus neighborhood, but Johnson hopes that will change in the future.

“Since people who live in the active adult sections will be allowed to go into the all-ages clubhouse, I’m asking the homeowner’s association in the active adult section to allow my mother to participate in their activities,” Johnson says.

The Village Club, exclusively for residents of the 55-plus neighborhoods, is already open and includes an indoor and outdoor pool, tennis and pickle ball courts, outdoor kitchen, fire pit and patios. The club also has a fitness center, gathering rooms, cyber cafe and game room.

Both groups can enjoy a dog park and more than seven miles of walking and biking trails. Plans call for a 100-acre environmental park with wooded walking trails and a 100-acre agricultural park with community garden plots and picnic pavilions. The parks will also be shared amenities.

Despite their concerns about potential noise and traffic, Yates and the Pollocks highly recommend Two Rivers and don’t intend to move.

“Now the new buyers will know ahead of time that the community has a mix of age groups,” Nancy Pollock says. “We just didn’t count on it when we bought here.”