



Amy Jensen of Walnut Creek built a small cottage in her large backyard. Her parents, Paul and Sue Ann, now call it home.

PHOTO BY: JOAN CUSICK

Under one roof

Sharing a home with multiple generations just got easier

by Anita Creamer

At not quite 1,000 square feet, the cottage still feels spacious. It's modern, with a soaring ceiling and upscale touches — granite countertops, dark hardwood floors, sleek plumbing fixtures — and the family loves it. And one day, when 69-year-old Paul Watkins and his wife, Sue Ann, 68, become old and frail, this cottage nestled in the yard of their daughter's Walnut Creek home will be their full-time abode.

"My parents have always been super helpful to me," says Amy Jensen, 41, the Watkins' daughter.

"Eventually, I hope to be able to help them, too. Our expectation is that at some point, our parents will need more help, and they'll be right here."

With the silver tsunami of the aging baby boom generation poised to sweep the nation, some real estate experts consider the granny flat — a.k.a. transitional unit, casita, mother-in-law cottage or secondary housing — to be a key aging-in-place trend of the future, a cheaper and cozier alternative to assisted living facilities and retirement living communities that can feel as anonymous as big hotels.

In many ways, the need for aging-in-place alternatives is already here: The fastest growing demographic in the Sacramento region is adults aged 85 and older, according to U.S. Census figures. Although AARP research has long shown that almost 90 percent of people older than 65 want to live in their own homes as they age, that's not always possible. And senior housing options are expensive, averaging about \$2,500 a month in California for independent living.

If older adults become infirm, costs soar even higher: According to the 2015 Genworth Financial costs of care survey, Californians pay an average of \$3,750 a month for assisted living, with staff typically providing medication management and help with activities of daily living —

and \$7,449 a month for a semi-private room in a nursing home.

That's almost \$89,400 a year, on average.

By contrast, the one-time cost of building a granny flat can total about \$95,000, according to Ken Rader, vice president of Elk Grove-based Pacific Modern Homes, a leader in the transitional housing market. That figure includes about \$22,000 for the plans and materials, plus fees, permits, utilities and construction costs.

Rader says there's a lot of bang in those bucks: As the years pass, the owners could rent out the backyard unit, use it as an office or guest cottage, house the kids in it when they move home from college, even downsize there themselves

while their kids' growing families take over the main house.

"If somebody has the financial ability to build a home instead of going to skilled nursing or assisted living," Rader says, "within a few years you could pay for the whole building and have something left for the kids to inherit."

"The bigger part is that people want their own space. They want to call their own shots. They want their privacy. You only get that in your own house."

And granny flats can be equipped with technology that can unobtrusively monitor what's going on in the cottage: whether someone's risen from bed or fallen on the floor or left the door open, for example. There are online apps to turn off the stove and machines that dispense medication.

Compassionate, Reliable, Affordable Personal Care and Homemaking Services

- Insured
- Bonded
- Background Checked
- Drug Tested

Stay independent
in your own home.



916.973.1264 | www.indecareathome.com

SENIOR TRANSPORTATION



- YOUR car, OUR professional driver
- Medical appointments, errands and social outings
- Gentle, escorted assistance
- Affordable — Up to 50% less than a taxi



ParkerDrivers.com
855-4WEDRIVE
855-493-3748



► Senior Specialists

All Personnel trained in "GEMS" Geriatric Education for Emergency Medical Services and specialty trained in Dementia Management and Behavioral Emergencies

- Emergency Paramedic Ambulances
- Excellent Patient Care and Customer Service
- Fast Response Times
- Long Distance Transportation

635-1111

WWW.ALPHAONEAMB.COM



“We feel right at home in the cottage. We’re close to our grandkids and to Amy. Her pitch to us was that we might need the place as we grow older. You don’t get an offer like that from your kids very often. We built it for the future. But it’s surprising how much we’re enjoying it now.”

— Paul Watkins

A Virginia company offering backyard senior housing — MEDCottage — goes so far as to tout its cottages as tiny extended care pods filled with remote monitoring equipment and designed to promote “family-managed health care.”

But do we want to uproot Granny from her own home, only to exile her to sophisticated, medically monitored isolation in her grown kids’ backyard?

Andrew Carle, founding director of George Mason University’s senior housing administration program, is not a fan of the idea.

“There’s something bothersome about families saying they want their elder relative near, then sticking them in the backyard in a large shed, with their having to walk through the rain or cold to come into the family home,” he says. “The elderly may end up viewing this not so much as their private home as a starter coffin.”

Baby boomers in particular could prefer congregate housing as opposed to backyard cottages, Carle suggested: The products of sprawling post-war suburbs populated with kids, huge high schools and even bigger university systems, boomers thrive on being surrounded by their peers.

Experts have long known that isolation is one of the biggest downsides of aging in place, and the same could be true of

aging in the backyard while the grown children are working, picking up the kids from soccer games and going about their busy lives.

“Your family still has their own lives,” says Virginia Stone, marketing director for Oakmont of Carmichael, which provides assisted living and memory care. “You may be all alone during the day sitting in front of the TV.

“In a senior residence, activities are available all day long. You can have breakfast with people your own age. You can play bridge.”

She thinks the granny flat could be a good alternative for seniors who are healthy and independent. But should they need more help, she said, they could require expensive in-home care. Someone will have to cook for them, do their laundry, clean the cottage and make sure their health needs are tended to around the clock.

“Family members don’t want mom to spend their inheritance on assisted living,” she says. “We see families in crisis. They put off making these decisions.”

Ron Greenwood didn’t delay.

After his widowed father-in-law, Cleo Benninger, lost his eyesight in the mid-1990s, Greenwood and his wife built a separate wing for him off the laundry room

of their Carmichael Creek house. Then in his mid-70s, Benninger was independent and sharp, but he needed family support. And that’s what the Greenwoods and their 1,100-square-foot accessory unit provided for him until his death from cancer in 2001.

“A lot of families have situations with elderly family members,” says Greenwood, president of the Sacramento Association of Realtors. “Nobody wants to put a loved one in a care home. With them here with you, there’s no guilt or worrying about them.

“Even if it’s not for senior family members, having an accessory unit is convenient. It’s nice to have that space. The value comes back to you because it’s more and more desirable.”

That’s the hope, at least.

In a recent Land Park transaction, the backyard cottage increased the sales price by about \$30,000, according to certified appraiser Ryan Lundquist, author of SacramentoAppraisalBlog.com.

“But if you built that cottage new, it would cost more than the added value to the property,” he says. “It’s impossible to be definitive about whether the granny flat increases property value. If you talk to companies that build accessory dwellings, they’ll quote you a percentage, but that number may not be based in reality.

For the past decade, state law has required communities to make it easier for property owners to build secondary dwellings by-right, without the complication and expense of entering the planning process. The Sacramento County by-right standard has been a miniscule 400-square-foot structure on a 10,400-square-foot lot, but the planning department has proposed updating the zoning code to allow granny flats by-right up to 600 square feet, says the county’s principal planner, Tricia Stevens.

Building larger cottages — up to 1,200 square feet — requires a conditional use permit, \$8,500 fee and public zoning hearings.

The county sees about 35 new granny flat requests a year.

"Interest is growing," Stevens says. "Granny units were a victim of the recession here. We didn't see many permit requests during the recession, because people didn't have the money to build second dwellings."

Similarly, said David Kwong, city of Sacramento planning director: "As the economy gets better and housing goes up, more people want to move to the city, and you'll see more of these units tracking."

The city doesn't calculate the number of applications it receives for granny cottages, he said, but the density of the urban core can make them desirable affordable housing options in neighborhoods like East Sacramento and Land Park.

But the trend hasn't yet reached Citrus Heights, which received only three applications for the units in 2014, according to Planning Manager Colleen McDuffee. Nor has the trend reached older parts of Roseville — but planning director Kathy Pease has approved a streamlined process for a developer to plan a specific secondary dwelling design for the new Sierra Vista community in the western part of Roseville.

The plan is not for cottages but rather for 500-square-foot carriage houses perched over the garages in the neighborhood's medium density neighborhoods, according to Westpark Communities' Partner Jeff Jones.

"Do we see a market for that?" he says. "You bet."

Higher priced Bay Area communities already seem to understand that, says Pacific Modern Homes' Ken Rader. Granny flats in the backyard have already become a hot real estate asset there.

Back in Walnut Creek, Paul Watkins couldn't be happier with his daughter Amy Jensen's decision to build a cottage in her backyard. He and his wife, who live in Chicago, spend about four months a year in Walnut Creek already.

"We feel right at home in the cottage," he says. "We're close to our grandkids and to Amy. Her pitch to us was that we might need the place as we grow older. You don't get an offer like that from your kids very often."

"We built it for the future. But it's surprising how much we're enjoying it now." ■

Grow Your Retirement

We work with businesses to design state of the art retirement plans

401(k) | 403(b) | Profit Sharing | Cash Balance | Defined Benefit | ESOP

www.benefit-resources.com



**benefit
resources
inc.**

1545 River Park Drive, Ste. 325
Sacramento, CA 95815
916.922.3200