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Boomers Were Supposed to Downsize. They Are Buying Bigger Homes Instead.

Wealthy, older Americans are ripping up the traditional script for aging

By Rachel Louise Ensign
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Angela and Victor Martino and their home in Denair, Calif. VIVIAN GREENE

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Quick Summary

- Wealthy baby boomers are increasingly upsizing their homes in retirement, reversing the traditional expectation that older Americans downsize.

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Angela and Victor Martino raised their two daughters decades ago in a ranch house measuring less than 2,000 square feet. The empty-nesters recently bought the 5,000-square-foot house next door.

After a year-long renovation, the Denair, Calif., home has a huge kitchen with space for the commercial meat slicer that Victor uses to cut a leg of prosciutto at family events. There is a playroom with polished concrete floors meant to withstand damage from their seven grandchildren. The primary bathroom tub has features to help them get in and out more easily as they get older.

“We’ll downsize when they plant me 6 feet into the ground,” said Victor, 64.

Well-off boomers are increasingly upsizing their homes as they age, either buying bigger ones or financing additions to their existing properties. They are building guesthouses for family members and gourmet kitchens for entertaining, alongside such features as high-end grab bars and first-floor primary bedrooms for aging in place.

In the process, they are rewriting the rules of retirement and aging, when people are expected to move into smaller homes to save money.

Boomers make up the largest share of home buyers in the U.S.—an aspect of a housing market that is out of reach for younger buyers, but well within the economic powers of an older generation that controls the bulk of the nation's wealth. Downsizers account for a slightly larger share of older home buyers, but the upsizers are quickly gaining momentum. About 7% of buyers ages 61 to 70 said the main reason they chose their new home was because they wanted more space, up from 4% for that age group in 2016, according to the National Association of Realtors.

The practice is even more common among affluent people. This generation's considerable wealth is making upsizing possible. Baby boomers and those who are older hold around $110 trillion in total wealth, far more than younger Americans. Many bought homes and stocks decades ago and have benefited from the appreciation of those assets.

This year, eight of the clients of Merrill Lynch financial adviser April Tardiff retired. Every single one of them upsized. Only one client has downsized in the past five years.

Angela and Victor Martino are helping to rewrite the rules of retirement and aging. DEBRA GILFORD

The interior of the Martinos' new home. MARK VERSCHELDEN

"The historic retirement play of sell your home and buy a smaller one just isn't happening," said Tardiff.

Boomers already own a lot of the country's large homes. Empty-nest baby boomers owned 28% of U.S. homes with three bedrooms or more in 2024, compared with 16% for millennials with children, according to Redfin.

The new demand for even bigger properties is another way boomers dominate the housing market. They account for about 42% of home buyers, the largest share of any generation, according to the National Association of Realtors. They are often cash buyers, giving them an advantage over younger purchasers who need mortgages.

Boomers think about aging differently compared with their parents. They hope to live active lives into their 90s and want to spend freely on hosting family and friends. They have few qualms about giving to their children, in the form of a spare bedroom (or three) of their own.

Wendy Glaister, an interior designer who worked on the Martinos' home, noticed her empty-nest clients starting to upsize after the Covid-19 pandemic. Lockdowns made them appreciate time with loved ones, and the spread of remote work made it possible for adult children to visit for longer stretches. The bull run in stocks and big increases in home prices didn't hurt either.

Couples now see their late-in-life residences as their dream homes. "It is a celebration of their life and achievements and being able to invest in themselves," Glaister said. "If it's not the right thing and you downsize, it's almost like a sentence." One client who downsized struggled to fit an art collection into the new home.

The upsized homes are often designed with family in mind. Sometimes, homeowners are accommodating adult children who still live with them or are making room for their own elderly parents. Often, they are building beautiful guest quarters for their families to visit.

The Martinos, who own a farm and dried-fruit business, host Thanksgiving, Christmas and birthday parties for their two adult daughters and grandchildren, who all live nearby. The grandkids, ages 1 to 14, stay over when their parents are away. They also host business associates at their home regularly.

The Martinos' bathtub is easier to get in and out of than a free-standing one. MARK VERSCHELDEN

"Victor and I are both high on life," said Angela, 63. Still, she said, sometimes, "I look around and think, 'Oh goodness, how long can we do this?'"

Other empty-nesters are using the opportunity to buy bigger homes near children and grandchildren, or relocate to a dream location—with hopes of luring friends and family to visit.

Ed and Mary Smith's three adult kids all settled in the Boston area, a roughly five-hour drive from the couple's home in suburban New Jersey. It was tough for the kids to make the trip regularly, especially once they started having children of their own.

So in 2022 the couple bought a 4,000-square-foot home in Falmouth, Mass. —about 500 square feet bigger than the house they left. Proceeds from selling their New Jersey home and a smaller vacation home in Falmouth, which is on Cape Cod, more than covered the nearly $2 million purchase price.

The Smiths have a primary-bedroom suite on the first floor. The second floor is for their kids and six grandchildren when they come to visit, which they do often. In the summer, at least one of their children is there every other weekend with their families.

"We live in a place they want to come to," said Ed Smith, an 81-year-old retired partner at an accounting firm. "That's a big draw."

Advisers used to work in the windfall from downsizing and lower housing costs into clients' financial plans. Now they have to help their clients to afford the home of their dreams, said Tardiff, the financial adviser, who is based in Portland, Maine. Sometimes that means telling them they have to work longer than they planned. "Financial planning postretirement has flipped," she said.

Other factors keep boomers from downsizing. Many want to avoid paying large capital-gains taxes on the sale of a long-held home that has appreciated a lot in value. Others are finding the housing stock of smaller homes is minimal, and relatively expensive.

Older people who are upsizing are opting for features that they hope will help them age comfortably in their big homes, said Samara Goodman, an interior designer based in the Washington, D.C., area. They are building bathrooms with high-end grab bars that match the finishes of the other fixtures.

They also want homes that give everyone ample personal space, building primary-bedroom suites that are set off from common areas and backyard accessory dwelling units, or ADUs, where adult children stay when they visit, Goodman said.

Kit Stolz and Valerie Levett moved into their home in a rural area outside Ojai, Calif., in 1991 with two young daughters. Four years ago, they spent $200,000 converting a backyard office into an ADU for when their children, now 41 and 36, visit. The building has a kitchenette, bedroom and bathroom.

A backyard office on Kit Stolz and Valerie Levett's property was converted into an accessory dwelling unit. KIT STOLZ

KIT STOLZ

Their younger daughter and her husband, who live in Washington, D.C., but could work remotely, stayed in the unit when their baby was born in 2024. Stolz and Levett, who are 71 and 75, would go over and rock the baby for a few hours to give them a break. "It was a great experience," Stolz said.

Last year, the couple spent another $200,000 overhauling their kitchen, which was untouched from the 1970s, and porch. Now he enjoys trying out seafood recipes on his new induction range. They used money that Stolz, a journalist, inherited from his parents and an insurance payout for wildfire damage to finance both projects.

There is a nice retirement community nearby, but all of the couple's local friends are staying put so far. "We've got this whole generation of people who are not going to want to move," Stolz said.

Rachel Louise Ensign is an economics reporter with The Wall Street Journal. Her articles typically focus on wealth. Rachel joined the Journal in 2011 and spent a decade on the banking team. She was part of a team that won National Press Club and Society for Advancing Business Editing and Writing...

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