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# Smart Money

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# the Ladies' Turn

Hungry to jump-start sales, more home builders are aggressively targeting women buyers. Will they bite?

WHEN IT COMES TO HOUSE hunting, Kim Sliney is the first to admit she can be picky. The 46-year-old interior designer just couldn't see herself living in small, chopped-up rooms. Or being happy in boxy interiors adorned with blah bathroom tiles and Formica counters. After visiting—and vetoing—37 houses, the single mom from Exeter, R.I., happened upon her just-right fit: a newly built, \$350,000 home that boasted a spacious-feeling layout, killer walk-in closets and custom details like crown molding, granite countertops and a gas fireplace—for no extra charge. How did she stumble into this particular development? She was driving around in the area and saw a WOMAN-CENTRIC sign on the entrance. “It was very intriguing,” says Sliney.


Men may think they run the world, but it's women who are now getting the royal treatment from the housing industry. Indeed, say housing market watchers, builders are now strenuously working to win the hearts—and checkbooks—of female buyers. And with the economy punishing the sexes unevenly, single women have become an especially important force to be reckoned with in real estate. According to the National Association of Realtors, they now

sign on the dotted line in nearly a quarter of all U.S. home deals—up from 14 percent in 1995.

To tap into this formidable market, more industry pros are touting themselves as “certified” in women's housing needs. Design Basics, an Omaha outfit that trains and certifies “woman-centric” builders, says its roster of participating firms has more than quadrupled, to 70, in the four years since it launched the program. Developers nationwide increasingly trumpet home features to address what they believe women want—think security (more), maintenance (less), and organizing hectic lives with amenities like walk-in pantries and “drop zones” for groceries. Builders are trying to catch women's eyes with carefully chosen aesthetic flourishes—right down to brass cabinet knobs—so often invisible to Joe “Where do I put the plasma?” Guy Buyer. And sales teams are exploring selling tactics like paint-color psychology and spa nights, while doing everything they can to reduce the intimidation factor of the purchase process

for solo women buyers. Home-marketing consultant Sara Lamia summed up the industry's growing fixation on females when she addressed a gathering at this year's International Builders' Show: “If Mama ain't happy, you're dead in the water.”

To critics, of course, the



By Alyssa Abkowitz

Photographs by Jeff Harris for SmartMoney



idea that new homes are more Mama-friendly is just marketing hooy from an industry starved for sales. And even woman-centric builders acknowledge that men are just as likely as women to crave roomy closets or sleek countertops. "Much of what we propose is smart design," admits Design Basics exec Paul Foresman. But hype-driven or not, the wooing of the XX-chromosome crew is the by-product of genuine demographic and social trends. Women are tying the knot later, pursuing more higher degrees and continuing to close the salary gap, with never-married women now earning 94 percent of what their single male counterparts do. Fewer women are "waiting for Mr. Right to build a nest egg," says Linda Hebert, trustee of the National Association of Home Builders Professional Women in Building Council; small wonder that they're not waiting to nest, either.

Ironically, the beleaguered economy that the housing bubble created may be giving women, particularly younger ones, their biggest shot at home ownership. In the current malaise, people working in the financial and manufacturing sectors—mostly men—took it on the chin first; in 2008 alone, more men than women lost their jobs by a ratio of three to one. And in a housing market where depressed prices are creating bargains, twenty- and thirtysomething females see their chance to build equity. Ellen Iggulden, a 27-year-old Chicago-based auditor, says most of her guy friends are sitting on the buying sidelines. But among her female college pals, she was actually one of the last to take the real estate plunge. Hearing about their successes, she says, was empowering: "If they can do it, I can."

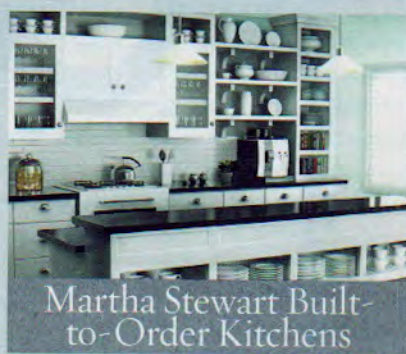
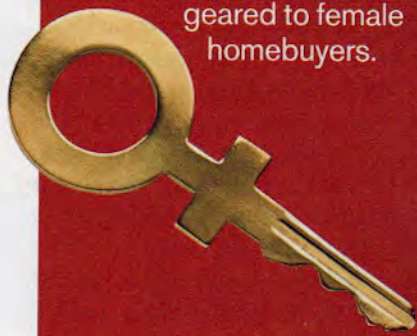
**E**VEN WITH MORE SINGLE WOMEN DIVING into the home-buying pool, real estate experts say understanding and meeting their needs takes work. Design Basics says it's making a concerted effort to study what women want, through focus groups and in-home observation. Builders seeking to be certified as woman-centric by the firm sit through a two-day seminar, are showered with newsletters and white-paper research, and are coached on how to retool their blueprints and marketing plans. Ultimately, for a fee of as much as \$10,000 annually, they're allowed to stamp their Web sites and e-mail signatures with the firm's WOMAN-CENTRIC seal. Some of the program's suggested feminine features? Wall-mounted gift-wrapping stations with retractable shelves, "serenity packages" (up to \$5,000 extra) that include noise-muffling walls to drown out upstairs laundry machines, and hidden storage in the bathroom walls for on-the-job reading materials and feminine products.

In her hunt for a townhouse under \$280,000 in the Dallas area, Sharon Cherrnay has found herself drawn to "feminine" details like hairdryer-ready drawers (plug included) and 360-degree mirrors. But while the 54-year-old real estate professional appreciates thoughtful amenities, her top priority isn't seeing the back of her hair; like the majority of single female homebuyers, it's security, so she's focusing on gated communities. She's hoping to find a walkable, convenient neighborhood. She'd like the design to have a bit of "romance" to it, she says, but as is the case with many women, she's avoiding fixer-uppers. "I don't like the pre-owned feel," she says.

Portrait photograph by Asia Kepka for SmartMoney

## What Women Want?

Many builders say they make their highest margins through optional upgrades, which are typically bundled together. Here, a sampling of packages geared to female homebuyers.



### Martha Stewart Built-to-Order Kitchens

KB HOME (FLORIDA ONLY)

**COST:** \$3,000 to \$15,000

**KEY FEATURES:** Martha-inspired countertops, cabinets and glass shelving

**COMMENT:** KB, which already has a line of homes cobranded with the domestic goddess, is now launching Martha-ized kitchens in some of its hardest-hit markets. Critics say name-brand markups can be unnecessarily high; the company says the customizable kitchens can fit any budget.



### Solar Option

PULTE HOMES (SELECT WESTERN STATES)

**COST:** \$13,000 to \$18,000

**KEY FEATURES:** Roof panels, energy-consumption monitors

**COMMENT:** According to the National Association of Home Builders, more than 50 percent of women say they want more green choices. But while the cost of solar-panel components dropped 30 percent last year, some smaller builders say they don't offer the panels because they lose money on them.



**KIM SLANEY** vetoed 37 homes before buying into a "woman-centric" development.

Home-buying among women such as Cherrnay is actually a relatively new phenomenon. Barely a generation ago, an American female couldn't get a mortgage without a male cosigner. That changed as divorce rates soared, prompting the passage of equal-lending laws. Today women make up about 21 percent of borrowers, up from 17 percent in 1998. But that number doesn't accurately reflect the home-ownership rolls. As courts grant women more favorable divorce settlements than in the past—in some cases up to 70 percent of marital assets—they're receiving the keys to the family house, or the means to find a new one. Rhode Island designer Kim Slaney, for one, didn't need a mortgage, she says, because she used a portion of her divorce settlement to pay for her new home outright.

Single female homebuyers have also received something of an advantage from the recession, which has punished male-dominated industries disproportionately. According to the Bureau of Labor Statistics, the number of female payroll employees fell by 2.6 million in 2008 and 2009, compared with 5.8 million for men. Indeed, last year marked the first time that women outnumbered men on the country's payrolls—a milestone that University of Chicago economist Casey Mulligan attributes to the downturn. Historically, he says, the majority of women's employment gains have occurred in recessions.

Such recent empowerment is a big reason some beleaguered builders see women as key to their industry's recovery. According to the National Association of Home Builders, single-family home sales are projected to rise 28 percent this year compared with 2009, prompting some novel and sometimes dubious-

sounding marketing ideas aimed at the ladies. Woman-centric gimmicks range from massages and yoga to cooking demonstrations and jewelry-design parties. Mark Patterson, a builder in Maine, is considering holding an educational session on menopause to draw more women to his development, complete with a comedian to keep the event light. The industry is even looking to hook women in normally guy-heavy arenas like the World Series. Last year, Better Homes and Gardens Real Estate, betting that some females in attendance would get bored with the game, placed an ad in the World Series program, inviting women to view "staging to sell" videos on their cell phones. The ad caused such a surge in site traffic, the company says, that it's considering similar pitches for football games and Nascar races.



### Serenity Package

**PATCO CONSTRUCTION (MAINE)**

**COST:** \$3,000 to \$5,000

**KEY FEATURES:** Whisper-quiet bath fans, solid-core bathroom doors, Bosch dishwashers

**COMMENT:** Shhh. The seller of this package contends that women want whispering appliances and sound-muting building materials; hence the hush-hush dishwasher and garbage disposal. But sorry, ladies: The "soft close" toilet seat is a stand-alone option.



### Safe and Secure Package

**LANE BUILDING CORP. (NEBRASKA)**

**COST:** \$2,000 to \$3,000

**KEY FEATURES:** Motion detectors, security system

**COMMENT:** Builders say safety is typically the top issue for female homebuyers. This package not only promises to deter intruders with its security features, but also comes with a sump-pump alarm for buyers who don't want to deal with a flooded basement—and potential electrical fires.



**ELLEN IGGULDEN, 27,** says all of her female college buddies are becoming homeowners.

**S**TILL, HOME OWNERSHIP FOR SINGLE women isn't exactly a swing in the backyard hammock. Although women have made gains on the mortgage front—their rejection rates dropped from 37 percent in 1998 to 23 percent in 2008—post-crash loans have been much tougher to land for one-income applicants. And a recent study in the *Journal of Real Estate Finance and Economics* shows that women tend to pay more for mortgages than men because they're more likely to choose

lenders through word-of-mouth recommendations. "Men will search for the lowest rate, while women rely on others," says coauthor Zhenguo Lin, a real estate professor at Mississippi State University. What's more, research shows women are 32 percent more likely than men to receive subprime mortgages.

Then there's the adventure of home maintenance. To be sure, some single women don't think twice about fixing a leaky faucet or even installing new floors, but real estate agents say women are more likely than men to prefer not to deal with the upkeep. When Lindsay Griffiths' sump pump failed, causing water to drench her heater, the 30-year-old Barnegat, N.J., legal marketer crawled under the house with a flashlight and mucked around in 18 inches of dirty, cold water to assess the cause before calling her parents at midnight, in tears. "I was kicking myself for not paying attention during the home inspection," she says.

And home hassles aside, skeptics say some of the marketing flurry around women is half-baked. Part of the problem, says Scott Testa, a marketing professor at Cabrini College, is that the real estate industry has been a late adopter of modern marketing techniques. Its fairly recent desire to learn what customers want simply leads to better design—like kitchens opening up into family rooms—which isn't necessarily woman-centric. "More people like open design," Testa says. "Whether that's a woman preference, I don't know that as a fact."

With so many builders drinking the girl-power Kool-Aid, Greg Brown, for one, decided to take action. The Seattle-based developer started a business to fight what he sees as women's hold over every detail in the home, right down to the size and shape of the toilet handle. "We'll go into a house, and a guy will say, 'Well, I don't know if she'll let me have that,'" Brown says. "Most guys

are weenies who don't stand up for anything anymore." His solution: Stoke the male mojo by building "man caves." One of his current projects (price tag: \$15,000) combines must-have boy toys like a kegerator, an Xbox 360 game system and 52-inch LCD TV, along with dude-friendly decor including a "chandelier" made out of golf clubs. The finishing touch? A CERTIFIED MAN CAVE imprint burned into the side of the bar. Apparently women aren't the only ones being sold a seal of approval. **S**