



# Should I Stay or Should I Go?

*A Toolkit for Choosing the Right Home Environment*



## What is home?



*Are you in the right home?*

*Is it the best place for you to age?*

*And if not, what are your options?*

A house is brick and mortar; a home is a house with accessibility, support and comfort.

As reverse mortgage professionals and members of the National Reverse Mortgage Lenders Association, we want to educate you about the usage of home equity to help finance your retirement.

A reverse mortgage is a versatile financial instrument that can, among other things, pay off your mortgage balance or pay for modifications to make your current home more appropriate and functional.

But not everyone can qualify for a reverse mortgage. And not everyone is in the best home setting to serve their needs as they age. Where older adults choose to age requires consideration of functionality, location, availability of services and affordability. You have many options.

The objective of this toolkit is to help you plan your later life by guiding you through the wide selection of housing possibilities. In each case, we will look at: What do these homes provide? What may be missing? Where might you find what is missing?

“Housing First” has become a mantra among experts in aging. Once you are settled in the right home, you can tackle any other issues that may come your way.

So let’s explore the housing alternatives and try to think about what may be best for you.

## TABLE OF CONTENTS

### *Types of Housing for Older Adults*

Single Family Housing	3
Home Modification	5
Multifamily Housing	6
Senior Rental Housing	7
Continuing Care Retirement Communities (CCRCs)	8
Affordable Senior Housing	9
Assisted Living	10
Nursing Homes	11
Veterans Housing	12
Special Needs: Mental Health Housing	13
Getting Smaller: Granny Housing & Microunits	14
Shared Housing	16
Other Creative Solutions	17

## About NRMLA

The National Reverse Mortgage Lenders Association is the national trade association of the reverse mortgage industry, serving as an educational resource, policy advocate and public affairs center for lenders and related professionals. NRMLA was established in 1997 to enhance the professionalism of the reverse mortgage industry.

NRMLA is not a lender or originator and does not make, offer or arrange loans.

Our mission is to educate consumers about the pros and cons of reverse mortgages, to train lenders to be sensitive to clients' needs, to enforce our Code of Ethics and Professional Responsibility, and to advise policy makers on reverse mortgage issues.

For more information visit [www.nrmlaonline.org](http://www.nrmlaonline.org) or our consumer education website [www.reversemortgage.org](http://www.reversemortgage.org).

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## Single Family Housing

Most older adults live in single family homes. More than 80 percent of Americans over 60 years old own their homes. And, in fact, the elderly sector of the population has the highest home ownership rate, and that rate grows as we get older. Of course, there are good reasons for that; home ownership has many advantages.

There are a variety of single family home options:

- Ranch houses, which are generally one story,
- Colonials, which have two equal size floors,
- Split levels, which have three or even more levels,
- Cape Cods, with bedrooms set on a second floor and
- Free standing houses or attached houses.



*Ranch house*



*Colonial*



*Split level*



*Cape Cod*

If you own your own home, you can modify it at your will to meet your needs. The equity you build up as you pay down your mortgage can be accessed and used to pay for other needs by using a home equity line of credit or a reverse mortgage. Many homes are roomy and set on lots of private land, so you have outdoor space. Many have space for parking, sometimes for multiple cars. Many have room for storage.

But there can also be disadvantages to single family home ownership, particularly as you age and obstacles mount.

## Considerations:

### FUNCTIONALITY

- Many homes have steps, which can become burdensome as you age.
- Homes can be modified, but you assume the full cost.

### LOCATION & ACCESSIBILITY

- Homeowners generally spend numerous years in communities and build commitments to the community, friendships, familiarity with local stores, organizations and social opportunities. As you age, familiarity tends to grow more significant.

### AVAILABILITY OF SERVICES

- You are responsible for the upkeep of your own home, finding maintenance help if need be, and paying for it.
- You are responsible for finding support you may need for aging—doctors, nurses, caregivers, home modifiers, transportation, etc.

### AFFORDABILITY

- Homes build wealth. Homeowners generally have significantly more accumulated wealth than renters. Some home values, however, have decreased since the last recession.
- Homeownership enables you to build up equity.
- Many older adults in single family homes have monthly mortgage costs. In fact, mortgage debt among adults over 60 has been increasing nationally in recent years.
- If you have paid off your mortgage balance, you have more money to cover all your other regular monthly expenses.
- Homes have real estate taxes, insurance costs and maintenance costs.

## Home Modification

Home modification is a way for many people to stay where they now are and want to be. But it comes with costs—and so you need to be able to afford your monthly obligations as well as the expense of modification.



No-step shower



Entrance ramp



Stair glide

As you age, mobility can become a problem. Single-floor living—with a bedroom and bathroom located on the same level—is the most common home feature that improves accessibility for those with mobility difficulties, and is available in 76 percent of U.S. housing units.

**Interesting factoid: The cost of adding a bedroom and bathroom on the first floor is generally less than the cost of a nursing home or assisted living.**

Additionally, 44 percent of homes have easily reachable electrical switches and outlets, 42 percent have no-step entries, eight percent have extra-wide hallways and doorways, and eight percent have lever-style door and faucet handles.

**However, 43 percent of homes have none of these five features, or only one that makes aging there easier.**

### Most popular modifications for aging adults:

- No-step entry
- Single-floor living
- Extra wide doors and halls
- Accessible electrical controls/switches
- Lever style door handles and faucets
- No-step showers
- Sit-down kitchen counters

### Estimated costs of modifications:

- Installing grab bars and grips in bathrooms, handrails on both sides of a stairway, and lever-style handles on doors and faucets  
*—under \$1,000*
- Widening one doorway—*\$800-1,200*
- Installing a wheelchair ramp—*\$1,600-3,200*
- Installing a stair lift—*\$3,000-12,000*
- Adding first floor master suite—*\$25,000-35,000*

## Multifamily Housing

Living in an apartment in a multifamily building immediately solves the most common problem of aging—steps. Almost all units are single-level.



*Multifamily housing in Portland, Oregon*

The vast majority of apartments in America are rental, although condominiums and co-ops are apartments that can be purchased.

Rents tend to rise, which can be a problem when you are trying to live on a fixed retirement income.

Rents usually include the buildings, taxes, sometimes they include some of your utility costs, and in many buildings they cover the costs of building staff support and security. Since you are renting, generally, you do not have the option of a tax deduction you would have from mortgage interest or real estate taxes on a private home.

Most multifamily rental apartments are in urban areas. But this can provide you with access to transportation, entertainment, education and other social engagement near public transportation so they are less reliant on driving.

Rental units are much easier to leave if you prefer to go elsewhere. You do not have the responsibility of selling your private home. In some cases, you can downsize within the same building.

And in market-rate rental apartments, you maintain the independence you had in a private home.

### Considerations:

#### FUNCTIONALITY

- One floor.
- Building staff provides security, building maintenance.
- You are responsible for maintenance of your own unit.

#### LOCATION & ACCESSIBILITY

- If you move out of a private home and into a multifamily building, you may have to leave a favored neighborhood.
- Leaving your neighborhood may force you to find new places to shop, dine, and access the practical things you need and like.

#### AVAILABILITY OF SERVICES

- As in a private home, if you are in need of aging services, you will have to find them yourself.

#### AFFORDABILITY

- Market-rate rents vary considerably by location. Style and age of building and size of unit are also factors.
- If you sell your house to move to an apartment, you will most likely increase the amount of funds you have for retirement.
- Though you are adding rent costs, you are eliminating real estate taxes, home maintenance and perhaps mortgage expense.

## Senior Rental Housing

There are apartment buildings and single-home communities that are exclusively aimed at older residents. The projects usually provide independent living with some support services. Many offer amenities, such as gyms, libraries and common spaces for gathering.

Management often acknowledges some residents will be living alone and tries to provide activities to combat loneliness. Some provide residents services that can include health assessments, access to in-home services from outside vendors and transportation. Some of the communities encourage residents to provide support for each other. As people age, many lose long-time friends who have either relocated (often to health-oriented facilities) or passed on. Adult children have work and family responsibilities and are not always able to put in the time they would like to share with their parents. Good senior housing management addresses these issues.



*Senior rental housing in Charleston, SC*

### Considerations:

#### FUNCTIONALITY

- Generally one floor.
- Many units have universal design features, such as no-step tubs, wide doors.
- Some do health assessments.

#### LOCATION & ACCESSIBILITY

- Generally urban or suburban.
- Some provide transportation, often group transportation to food shopping or malls.

#### AVAILABILITY OF SERVICES

- Independent living.
- Some support finding vendors. Often you have to find them yourself.

#### AFFORDABILITY

- Same as any market-rate apartment in the community.



## Continuing Care Retirement Communities (CCRCs)



*CCRC in Palm Beach Gardens, FL*

CCRCs are the high end of senior living options both in services provided and costs.

These are communities designed around the health-industry concept of Continuum of Care. This means that different levels of care are provided within the same community so

that as you age, if issues arise, they can be addressed right there. There are currently about 2,000 CCRCs spread across the U.S. with approximately 600,000 residents.

CCRCs often offer independent living, assisted living, rehab and memory care. They generally provide meal programs, some transportation, amenities, health assessments and a good deal of staff support.

Some CCRCs require high entry fees which management holds and returns, in part, upon either a resident leaving the community or re-occupation of their living units. Some are strictly rental without entry fees. Rents (or monthly fees) range from \$5000-10,000 per month (including a meal plan, though not always three meals per day.)

### Considerations:

#### FUNCTIONALITY

- Built with all personal conditions in mind.
- Accessible for those who need walkers, wheelchairs, scooters.
- Health assessments made.

#### LOCATION & ACCESSIBILITY

- Generally in wealthier areas.
- Majority are in warmer climate states.

#### AVAILABILITY OF SERVICES

- Many provided as part of fee.
- Caregivers who assist with activities of daily living can be at an additional expense.
- Generally, policy is that you can move from one level of housing and care to another for your basic fees and without additional cost.

#### AFFORDABILITY

- Expensive.

## Affordable Senior Housing



*Affordable housing on Chicago's South Side*

Affordable senior housing is most often government program-supported, is limited to those who meet income qualifications and often has extremely long waiting lists.

In most cases, the buildings were developed or purchased under regulations that impose rent or residency restrictions on

management. Resident qualification is usually based on a percentage of Area Median Income at levels of very low-income (30 percent), low-income (60 percent), and middle income (80 percent). Affordable housing covers all age groups and only some are populated exclusively by seniors.

### Subsidies:

Affordable housing is supported by a number of government programs, some federal and some state, that subsidize rents. Some programs provide housing vouchers, which are either provided to the individual renters (Housing Choice vouchers), or with Project-based vouchers that are tied to the property units.

Federal housing subsidy programs can be found at [hud.gov](http://hud.gov). Local Offices on Aging or Public Housing Authorities (PHAs) also provide information.

### Considerations:

#### FUNCTIONALITY

- Varies from newly constructed and extremely functional, to recently rehabbed to terrible conditions.
- Almost all one floor.

#### LOCATION & ACCESSIBILITY

- Often in troubled neighborhoods, many without street services.
- Current trend is towards placement in better communities.

#### AVAILABILITY OF SERVICES

- In some communities.

#### AFFORDABILITY

- This is a priority.

## Assisted Living



*Assisted living in Columbus, OH*

Assisted Living combines independence and some care. It is for those older adults who may not have debilitating health issues but need some help with Activities of Daily Living (ADLs). ADL is a phrase used within the care community that can include dressing, bathing, toileting, transferring in and out of bed, walking and eating.

Other instrumental activities residents need assistance with can include transportation, grocery or other shopping, housework, meal preparation, managing medications, managing finances and arranging outside services.

Assisted Living units are usually studio or one-bedroom apartments. Meals are often included. There are both facilities exclusively devoted to Assisted Living and CCRCs that include an Assisted Living option.

There are approximately 28,000 Assisted Living facilities in the U.S. that house about one million residents. The average age of the residents is 83 and about one-eighth of the over-85 population resides in Assisted Living units.

Expenses included in Assisted Living fees are:

- Mortgage or rent
- Utilities
- Maintenance
- Meals
- Household assistance or personal care

### Considerations:

#### FUNCTIONALITY

- Assistance with ADLs.
- No concerns with home upkeep.

#### LOCATION AND ACCESSIBILITY

- Separates some from families.

#### AVAILABILITY OF SERVICES

- Full-time care by 24-hour-a-day staff shared with other residents.
- Health assessments.

#### AFFORDABILITY

U.S. states with the **most expensive** median monthly Assisted Living costs are:

- |                        |                           |
|------------------------|---------------------------|
| • Alaska - \$6,000     | • Connecticut - \$5,000   |
| • New Jersey - \$5,994 | • Massachusetts - \$4,950 |
| • Delaware - \$5,533   |                           |

The U.S. states with the **least expensive** median monthly Assisted Living costs are:

- |                      |                      |
|----------------------|----------------------|
| • Missouri - \$2,288 | • Kentucky - \$2,720 |
| • Alabama - \$2,600  | • Michigan - \$2,850 |
| • Georgia - \$2,703  |                      |

## Nursing Homes



Nursing Homes are for older adults in need of full-time care and observation and who are no longer confident they can live independently. Some stays are temporary following a medical event, others are prolonged.

There are 15,600 such facilities and 1.7 million licensed beds. The average cost is \$83,000 per year. These are medical facilities, residency is prescribed by doctors and most costs are covered by Medicare or Medicaid.

### Considerations:

#### FUNCTIONALITY

- Full-time care.

#### LOCATION & ACCESSIBILITY

- Few people leave except for group trips or family visits.
- Often lack of social interaction.

#### AVAILABILITY OF SERVICES

- Provided.

#### AFFORDABILITY

- Medical insurance.

## Veterans Housing



*Veterans housing in Washington, DC*

The HUD-Veterans Affairs Supportive Housing (HUD-VASH) program combines Housing Choice Voucher (HCV) rental assistance for homeless veterans with case management and clinical services provided by the Department of Veterans Affairs (VA). VA provides these services for participating veterans of all ages at VA medical centers (VAMCs) and community-based outreach clinics.

After determining which areas of the country have the highest number of homeless veterans, the VA Central Office identifies VA facilities in the corresponding communities. HUD then selects Public Housing

Authorities (PHAs) near to the identified VA facilities, taking into consideration the PHAs' administrative performance, and sends the PHAs invitations to apply for the vouchers. There is at least one site in each of the 50 states, in the District of Columbia, Puerto Rico and Guam.

Since 2008, HUD has issued 10,000 VASH vouchers per year and 85,000 veterans are currently housed by this program. There are both Housing Choice Vouchers that permit the veteran to find their own residence and project-based vouchers that are attached to specific residences.

**VASH Eligibility** focuses first on those struggling with mental illness, substance abuse history, physical ailments and is then open to others. Case management is the core of the program. Voucher recipients must participate to maintain support.

This program has cut veteran homelessness by 50 percent.

### Considerations:

#### FUNCTIONALITY

- Newer buildings designed to accommodate needs.
- Building staffs for security and maintenance.

#### LOCATION & ACCESSIBILITY

- Varies. Most in cities and close to basic needs.

#### AVAILABILITY OF SERVICES

- Counseling usually required.
- Social workers and nursing usually on premises.

#### AFFORDABILITY

- Low-income with subsidies.

## Special Needs: Mental Health Housing

Housing devoted to those with mental health issues has evolved over the past few decades. As a result, a population that was once written off by society and locked away in what felt like prison is now offered a more normal living arrangement with full support.

According to the Corporation for Supportive Housing, there are currently 83,783 in institutional residences that house 187,138 people of various ages. (But 65,000 more homes are needed.)

The outcome of this effort has been impressive: residents spend 50 percent fewer days per year in psychiatric hospitals, make 58 percent fewer visits to emergency rooms, and are four times less likely to face medical issues.



*Special needs housing in New York, NY*

A major issue for those suffering from mental illness is a reluctance to sustain social connections. Mental health residences encourage situations where social engagement becomes a routine.

### Considerations:

#### FUNCTIONALITY

- Fully staffed. Guidance is at the core.

#### LOCATION & ACCESSIBILITY

- Varies. But help finding things residents need is provided.

#### AVAILABILITY OF SERVICES

- Provided on site.

#### AFFORDABILITY

- Support from Medicaid and other government programs.

## Getting Smaller: Granny Housing & Microunits

The limit of adequate housing for all situations, as well as the lack of available land in cities, has inspired innovations in housing, including a new emphasis on Granny Housing and Microunits. These are smaller living spaces than residents may be accustomed to, but they each come with their own advantages and compensations.

Granny Housing, also known as Accessible Dwelling Units, are constructed on the property of other houses. In 2016, California, which is among the states most in need of additional housing, passed a law to loosen zoning requirements and parking restrictions and encourage construction of ADUs. In the first year, Los Angeles went from 125 new units per year to over 2,000.

### Considerations: *Granny Housing*

#### FUNCTIONALITY

- One floor.
- Parking can be an issue.

#### LOCATION & ACCESSIBILITY

- Often built by families on their property for older members.

#### AVAILABILITY OF SERVICES

- On your own. But family can help access services you need.

#### AFFORDABILITY

- Often owned by your family.
- Some older adults live in their own Granny Flat and rent the main house for additional income.



**Microunits** are apartments in multifamily buildings, often in cities with housing shortages, such as San Francisco and Seattle, and designed for both the young workforce and older adults. They are most frequently built in downtowns of larger cities and so provide the advantage of central access to needs and activities.

If you have roamed an IKEA store and visited their small unit models, you have a picture of Microunits. They are 300 square feet or less, often one large room with separate living areas. One new project in Seattle rents from \$600-1,000 per month.

Some Microunits are in converted buildings that were once known as Single Room Occupancy (SROs), and have been modernized. Newly constructed buildings often include congregate spaces, such as shared kitchens, dining areas and social spaces.

### Considerations: *Microunits*

#### FUNCTIONALITY

- One floor.
- Community involvement. Common spaces.

#### LOCATION & ACCESSIBILITY

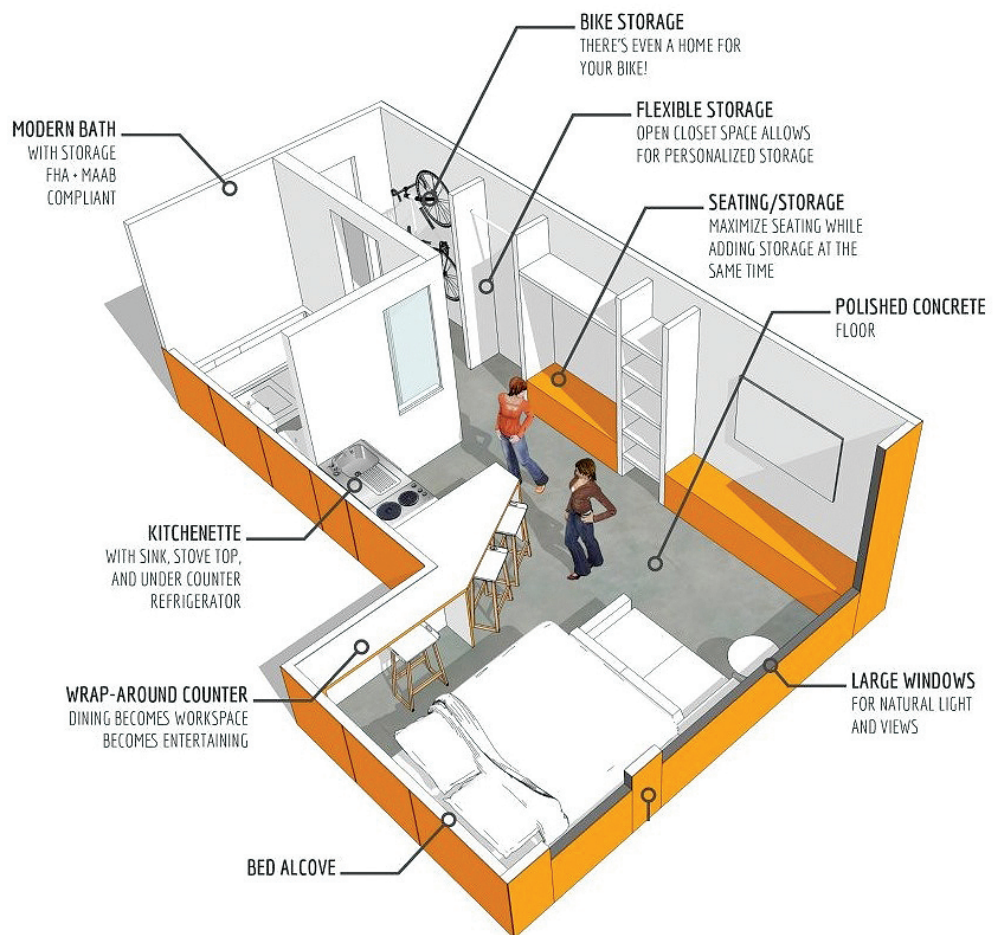
- Mostly in downtowns.

#### AVAILABILITY OF SERVICES

- Limited. Must find them yourself.
- Residents support each other.

#### AFFORDABILITY

- Very. Designed with affordability in mind.





## Shared Housing

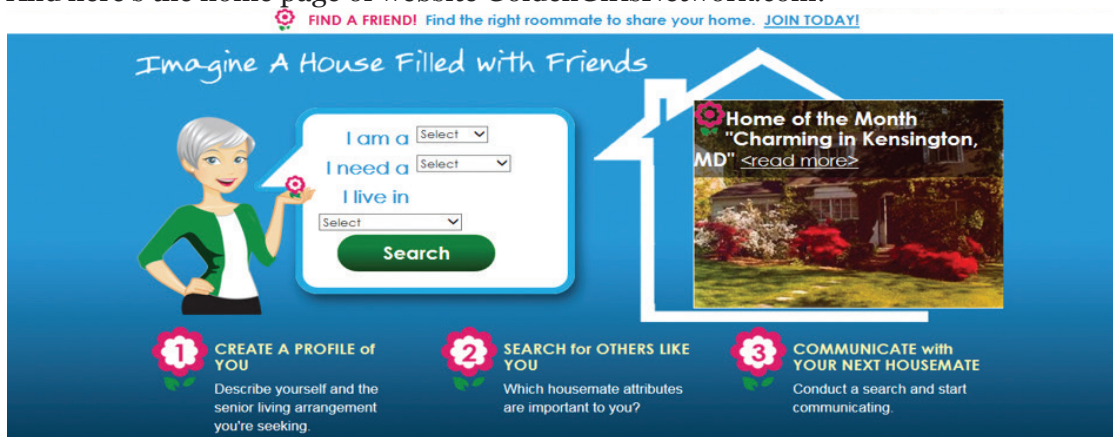
If privacy is not your primary concern—but affordability and social interaction are concerns—sharing a home with others might be a viable option. Here are a few examples of home sharing programs:

### Golden Girls Housing

Here is an ad for Golden Girls housing that explains it all:

*\$700 -JOIN A GOLDEN GIRLS HOME! I have an amazing 4-bedroom home and am looking for roommates who have a vision of living together with autonomy and quiet time but who want to share occasional vegetarian meals and activities. We will all pitch in to make it work. Unfurnished room, private bath, utilities included, no pets, no smoking, lease required. (email me at xxxxxxxxxxxx)*

And here’s the home page of website GoldenGirlsNetwork.com:



**1** CREATE A PROFILE OF YOU  
Describe yourself and the senior living arrangement you're seeking

**2** SEARCH for OTHERS LIKE YOU  
Which housemate attributes are important to you?

**3** COMMUNICATE with YOUR NEXT HOUSEMATE  
Conduct a search and start communicating.

### House Share-Nashville

A new local program created by a collaboration of real estate agents and a healthcare company that offers individual bedrooms in six-bedroom, four-bath houses with sharing of all other facilities and also includes caregiving shared among the residents. The monthly fee for rent and care runs from \$1,500-2,500.

### Nesterly

A new program in the Boston area created by two recent graduates of Massachusetts Institute of Technology that places students in extra bedrooms of older adults’ apartments. This addresses both the need for more student housing and the need of some older adults for social engagement, simple caregiving and additional income.



## Other Creative Solutions

Most of the housing options presented in the previous pages are available in many, if not all, regions of the U.S. What follows are innovative alternatives, many created recently, that are in specific locations. They each merit replication in other vicinities:

### Housing and the Arts

The Noho Senior Arts Colony in North Hollywood, CA is one of the arts-oriented residences developed and managed by the company Meta-Housing. These buildings are based on research that shows that older adults who participate in the arts have health advantages including fewer filled drug prescriptions and fewer doctor visits. This residence includes an art studio, a music room and a theatre.



### Intergenerational Support

The Genesis in Washington, DC, a project of Generations of Hope, has 17 apartments for low-income older adults and eight for single mothers who have aged out of the foster care system and need to return to work. The mothers pledge to provide 50 hours per quarter of errands for the older residents. And the older residents pledge to provide 100 hours per quarter of childcare for the mothers.



### Aging with Colleagues

The Actor's Home in Englewood, New Jersey is a project of the Actor's Fund, an organization created by the Broadway theater community to provide aging services to show business professionals. As we age, sharing experiences and stories from the past become a more significant part of the ongoing conversation—and this residence places show biz vets in a setting with colleagues with whom they shared careers.



### Time Tripping

And finally, an extreme innovation: Studies show that people struggling with dementia also struggle with adjusting to ever-progressing cultural shifts and are most comfortable with the era in which they matured into adults. Hogewey, an hour outside of Amsterdam in the Netherlands, is a dementia-focused residence in which each of seven buildings is set in a different time period. If you came of age in the 50s, for example, you find yourself mixing with staff wearing the clothing of that era, photos and art on the walls that reflect the events of that time, and the music you loved most enlivening the common spaces.

