

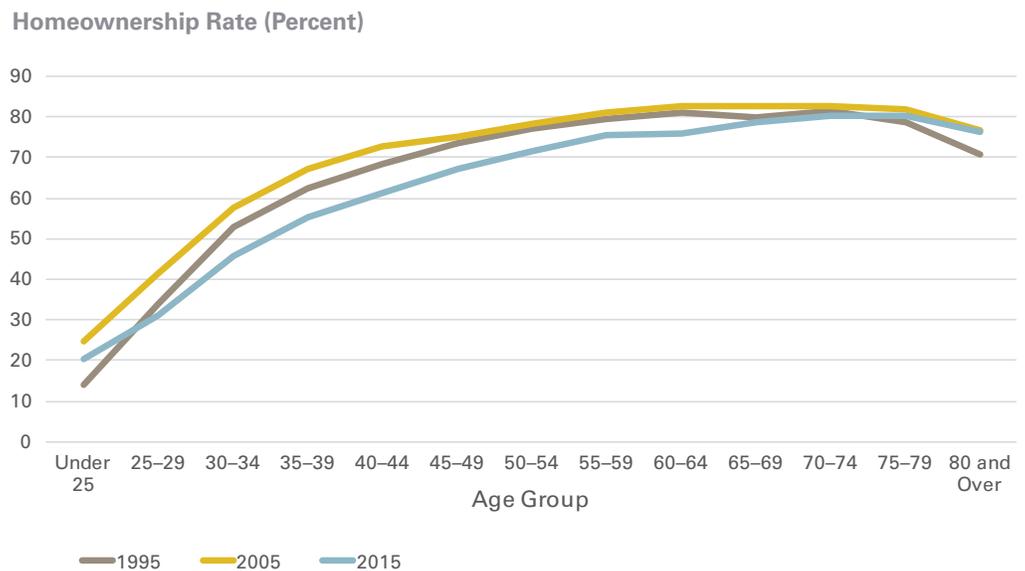
# 2.

## TENURE & HOUSING CIRCUMSTANCES OF OLDER ADULTS

Housing tenure—whether one owns or rents—is associated with the type and location of housing, both of which have implications for accessibility within the home, potential for service delivery to the home, and risk of isolation. This chapter takes up all of these issues.

The Joint Center projects that by 2035, there will be an additional 14.6 million older owner and 5.1 million older renter households. The oldest owners and renters (aged 80 and over) will see particularly significant growth, with the pace of expansion accelerating between 2025 and 2035. At present, only a relatively small percentage of owner-occupied and rental units are fully accessible to those with disabilities; future demand both for modifications to existing housing that enable older adults to age in their homes and for accessible new units is likely to increase significantly.

**Figure 2.1: Homeownership Rates Are Highest Among Older Age Groups, Particularly Post-Recession**



Source: JCHS tabulations of US Census Bureau, Current Population Surveys.

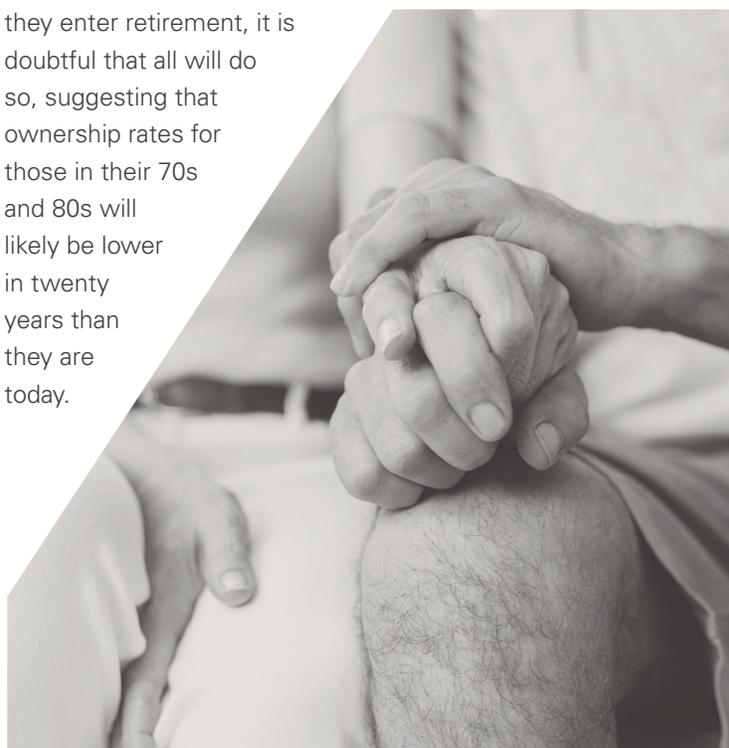
Most older adults prefer to remain in their current communities, and recent data on the mobility of those 65 and over shows that many have lived in their current home for decades. But avoiding isolation will be a challenge for those aging in low-density, non-walkable locations as well as for the frail elderly who have difficulty leaving their homes. New housing communities targeted to older adults, described at the conclusion of this chapter, are helping to build social connection among residents while also providing services and supports. Moving forward, it will be critical for older adults to be able to access supports in their home and neighborhoods, and engage with their community, whether they live in age-restricted housing or not.

## CURRENT AND PROJECTED TENURE OF OLDER HOUSEHOLDS

Among older adults, housing tenure is strongly associated with financial and physical well-being. On average, older homeowner households have more wealth, higher incomes, and fewer disabilities than their renter counterparts, and since they control their own space, owners may find it easier to make physical modifications that facilitate aging in place. For their part, renters have fewer financial resources on average, but they also have fewer maintenance responsibilities, which can be both physically and financially draining.

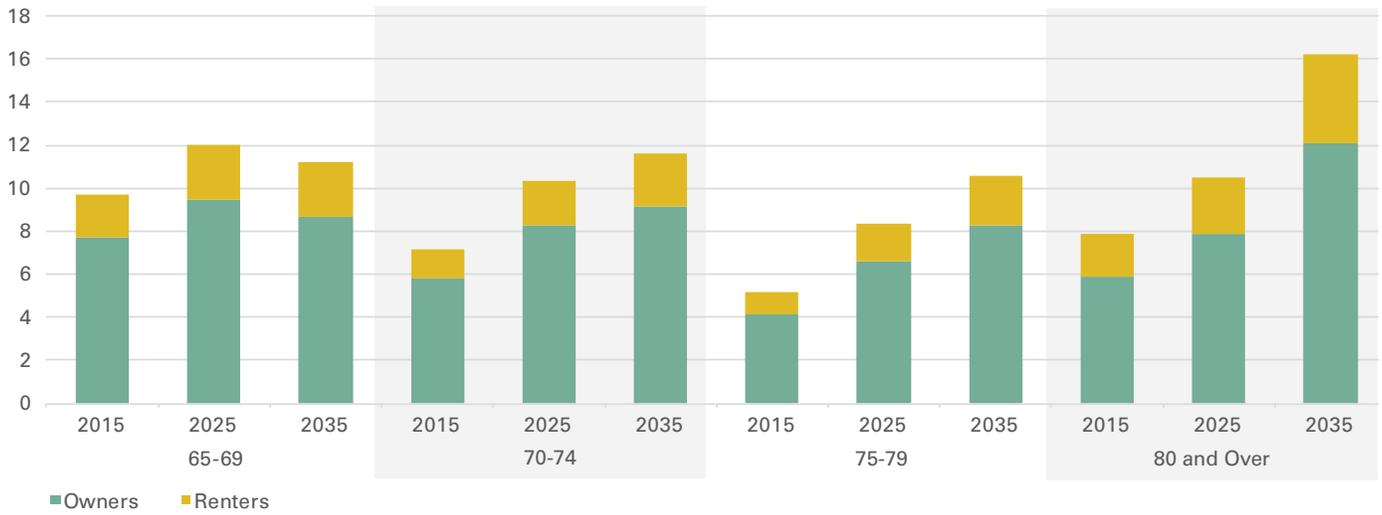
Historically, older adults have had the highest homeownership rates of any age group, with the mid-60s and 70s representing the peak age for US homeownership. Between 1995 and 2015, the homeownership rate (measured quarterly) for all households aged 65 and over averaged 80 percent—roughly 13 percentage points higher than the US average for all age groups in that same period. However, despite high homeownership rates among older adults, renting is a critical option for households who cannot afford to own or who choose it for lifestyle reasons. Once older households enter their 80s, homeownership rates begin to dip and rentership rates rise slightly as some households seek lower-maintenance dwelling options that may also offer greater accessibility, services, and amenities.

Analysis of homeownership rates from 1995 to 2015 shows that the oldest age groups emerged from the Great Recession with smaller percentage losses to homeownership than any other age group. For those 75 and over, the homeownership rate actually rose overall over the past two decades, despite the intervening recession. In contrast, age groups from age 25 through 70 all had lower ownership rates in 2015 than in 1995 (**Figure 2.1**). Among the older population, pre-retirees (those 50-64) experienced more recession-induced variance than older groups in terms of lost wealth and stagnating wages, and they suffered a five percentage point reduction in homeownership. While some of these owners will recover financially and even return to owning as they enter retirement, it is doubtful that all will do so, suggesting that ownership rates for those in their 70s and 80s will likely be lower in twenty years than they are today.



**Figure 2.2: Numbers of the Oldest Owner and Renter Households Will Soar from 2025-2035**

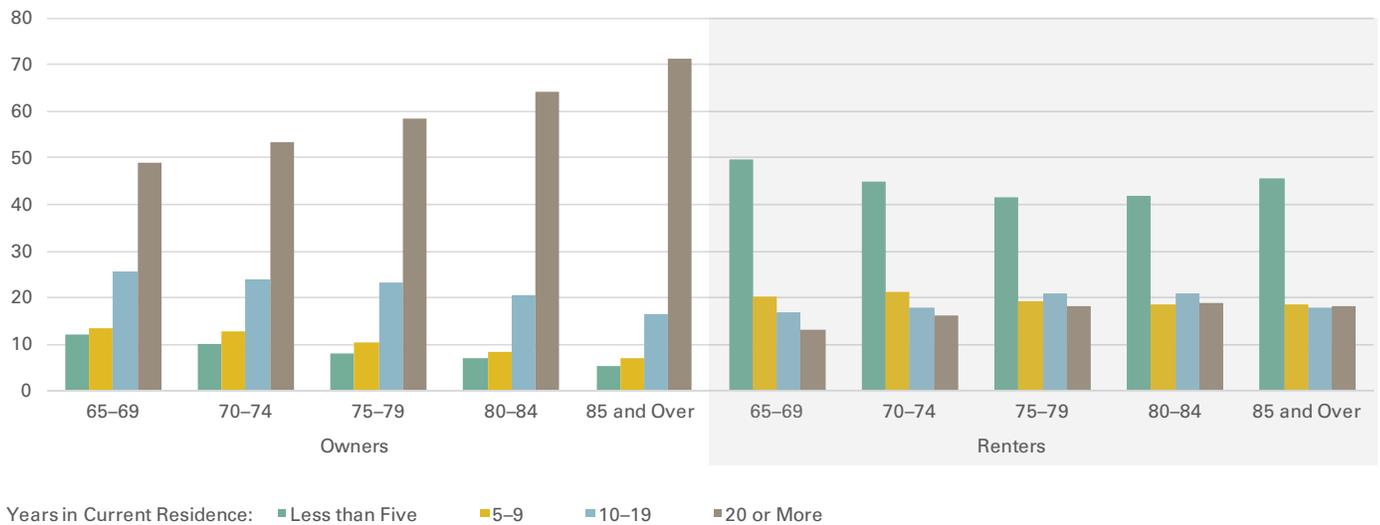
**Projected Households by Tenure and Age (Millions)**



Source: 2016 JCHS Household and Tenure Projections.

**Figure 2.3: Older Renters Move More Often than Older Owners**

**Share of Households by Years in Current Residence (Percent)**



Source: JCHS tabulations of US Census Bureau, 2014 American Community Survey 1-Year Estimates.

Indeed, because the long-term effects of the Great Recession on tenure are still unclear, projecting ownership and rentership rates going forward is particularly difficult. To explore possible trajectories, JCHS developed three alternative scenarios to project the shares and numbers who will own and rent in the years 2025 and 2035.<sup>1</sup> The base scenario applies constant homeownership rates at their 2015 levels across age, race/ethnicity, and family type categories. The two alternative scenarios then describe the implications of lower and higher homeownership trajectories: the slow scenario allows the homeownership rate to decline until 2020 before stabilizing, and the high scenario returns the homeownership rate to pre-Great Recession homeownership rates. We then apply these scenarios to the projections of older households presented in Chapter 1.

Since most shifts in homeownership rates have occurred among younger age groups, applying these three scenarios to the household projections produced little variation among the 2035 tenure outcomes for older adults aged 65 and over. For this reason, we use the base scenario, which projects that the homeownership rate among households aged 65 and over will decline slightly from 78.5 percent in 2015 to 76.7 percent in 2035. The base scenario assumes that some, but not all, of the owners aged 50-64 who were more affected by the recession will make their way back to homeownership.

JCHS estimates that the numbers of older owners and renters will both grow substantially, with the relative increase somewhat higher for renters than for owners. The number of owner households aged 65 and older will increase by 62 percent by 2035, with the addition of 8.6 million households by 2025, and another 6 million between 2025 and 2035. The number of renter households of the same age will rise by 80 percent, an increase of 2.7 million households by 2025, followed by the addition of 2.4 million more households between 2025 and 2035.

The largest relative growth will occur among the oldest age groups (aged 80 and over), where the numbers of owner and renter households will each more than double over the next two decades, with particularly rapid expansion during the second half of the period (2025-2035) (**Figure 2.2**). Today, there are a total of 7.8 million households aged 80 and over, of whom 5.9 million are owners, and 1.9 million are renters. Within a decade, the number of households

aged 80 and over will rise to 10.5 million households, including 7.9 million owners and 2.6 million renters. By 2035, the addition of another 5.7 million households will bring the total number of households aged 80 and older to 16.2 million, comprising 12.1 million owners and 4.1 million renters.

As noted later in the report, many owners and renters in their 80s and above will face challenges associated with their housing. Low-income renters will have limited resources to spend on rent and long-term care or supports that may be necessary to remain in their home, and, because they have less control than owners over their space, may have difficulty making physical modifications to accommodate disabilities. At the same time, while a majority of homeowners will have sufficient financial resources to age in their homes, there will still be substantial growth in the number of owners who need financial support for the care and structural modifications needed to stay in their homes.

## MOBILITY OF OLDER ADULTS

High homeownership rates among older households are accompanied by low mobility rates (the rates at which households move within a certain period of time). In 2014, 8 percent of households headed by a person aged 65 or older had moved into their current home within the last two years, compared with 25 percent of those younger than age 65. Similarly, almost half (48 percent) of all households aged 65 and older have been in their current residence for two decades or more, compared with just 13 percent of households under age 65.

Low mobility rates and long tenure among the 65-and-over population as a whole are primarily driven by owners; the smaller population of older renters changes homes more frequently. In 2014, only 2.3 percent of owners aged 65 and older had moved within the past year, compared with 15.1 percent of renters of the same age. If the move-in window is expanded to 5 years, the mobility rate of older owners is 9 percent, while that of older renters is 46 percent (**Figure 2.3**). However, as noted earlier, an important age-related housing shift occurs as households reach their late 70s and early 80s: at this stage of life there is an uptick in rentership as well as in the number of people moving in with their children or entering nursing homes.

Older households' overall lower mobility rates are complemented by survey evidence that the majority prefer to remain in their current homes and communities.<sup>2</sup> A 2016 Freddie Mac study found that 40 percent of owners aged 55 or over would prefer to stay in their current residence rather than move at least one more time. The share who said they actually expect to move is 27 percent, while 40 percent responded that they did not know if and when they might move next, and 33 percent reported they do not plan to move again.

Yet even if current mobility trends hold constant in coming decades, growth in the number of older households will substantially increase the number of households aged 65 and older moving each year. In 2014, 1.4 million households aged 65 and older had moved within the past year—1.1 million households aged 65-79, and 372,000 households aged 80 and older. If today's mobility rates hold constant, JCHS projections estimate that aging of the population will increase the number of older households who move each year to nearly 2.5 million by 2035.

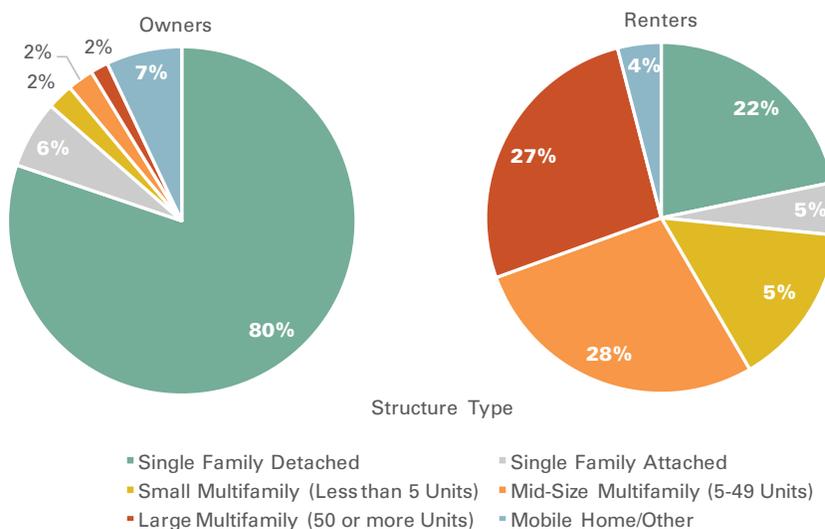
It is difficult to predict whether tomorrow's population will exhibit the mobility rates of today's older adults. Their preference for aging in place, as underscored by surveys conducted by AARP and others, may indicate steady mobility rates going forward. But an increasing range of options for aging in the community—options that may bring lower-cost, more accessible, or more centrally located housing onto the market—may lead to increasing mobility among tomorrow's older households.

## STRUCTURE TYPE, QUALITY, AND ACCESSIBILITY

Structure type and tenure status can have important implications for safety and accessibility. They are also relevant to residents' opportunities to modify their homes: while home modification may be constrained by costs and even, in the case of home additions, by local zoning, owners at least retain direct control over physical changes to their homes, whereas renters often do not.

**Figure 2.4: Most Older Households Live as Homeowners in Single-Family Homes**

### Distribution of Housing Units of Older Adults by Structure Type (Percent)



*Note: Older-adult households are those headed by a person aged 65 or over.*

Source: JCHS tabulations of US Census Bureau, 2014 American Community Survey 1-year estimates.

## STRUCTURE TYPE

Seven out of 10 older households aged 65 and over, mostly owners but also some renters, live in single-family homes (Figure 2.4). A smaller share of older households, mostly renters, live in multifamily buildings; of these households, 35 percent reside in large buildings with 50 or more units. An additional 6 percent of all households aged 65 and over live in mobile homes, including RVs, trailers, boats, vans, and similar structures.

While the share of older households aged 65 and over living in multifamily buildings is relatively small—just 20 percent, or 5.7 million households—the majority of this group live in mid- to large-sized multifamily buildings of 20 or more units, with fully 35 percent living in very large structures with 50 or more units. The likelihood of living in large multifamily buildings rises with age. Of the 2 million households aged 80 and over who live in multifamily buildings, nearly half (46 percent) live in buildings with at least 50 units. In fact, among households who move to a new residence in later life, the oldest age groups are most likely to choose large multifamily buildings (Figure 2.5). Among “recent mover”

older households who reported moving into their home within the past 12 months, 39 percent of those aged 80 and over moved into multifamily buildings with 50 or more units, compared with 14 percent of those aged 65-79, and 8 percent of those aged 50-64. Almost all recent-mover households aged 80 and over who moved into large multifamily buildings moved in as renters.

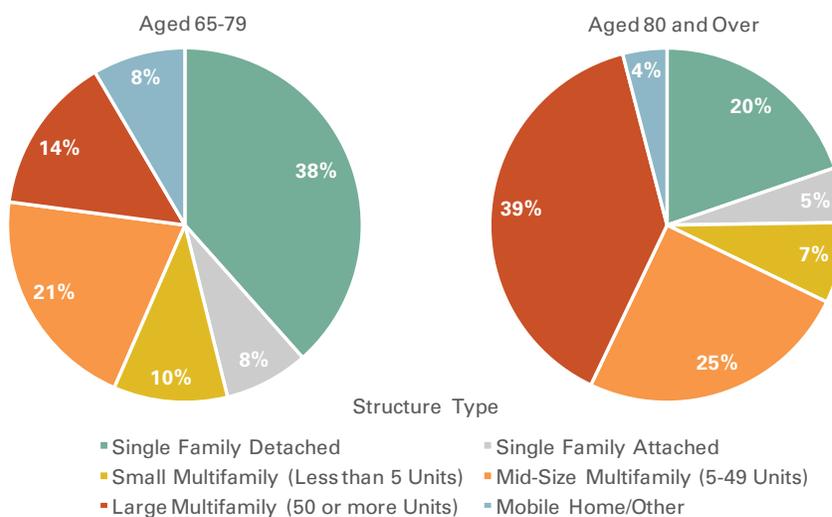
Going forward, while single-family and large multifamily structures will remain important, the expansion of other housing types, such as smaller multifamily options in suburban centers or the expansion of housing with service models, might offer older movers wider choice.

## ADEQUACY OF THE HOME

Most US homes are in physically adequate condition (as defined by the US Census Bureau in the American Housing Survey). But even though the share of households aged 65 and older living in inadequate homes was a low 3.7 percent at last count in 2013, this still represents approximately 1 million older households living in homes with moderate or severe physical problems.

**Figure 2.5: Oldest Adults Most Often Move Into Large Multi-Family Buildings**

**Distribution of Housing Units of Recent Movers by Structure Type (Percent)**



*Note: Recent movers are those who moved in the past year.*

Source: JCHS tabulations of 2014 American Community Survey 1-year estimates.

In addition to overall housing inadequacy, specific physical housing issues (such as problems with heating, leaks, and electricity) affect millions of older households each year. In 2013, 1.4 million households aged 65 and older reported being uncomfortably cold for a period of 24 hours or more, with 22 percent reporting that heating equipment breakdowns had contributed to the problem and 9 percent citing the cost of heating as the cause. That same year, approximately 1.8 million households aged 65 and older reported experiencing exterior leakage in the roof, basement, walls, or closed windows and doors during the past year, and 1.1 million reported interior leakage from broken water heaters, backed up pipes or fixtures, or other sources.

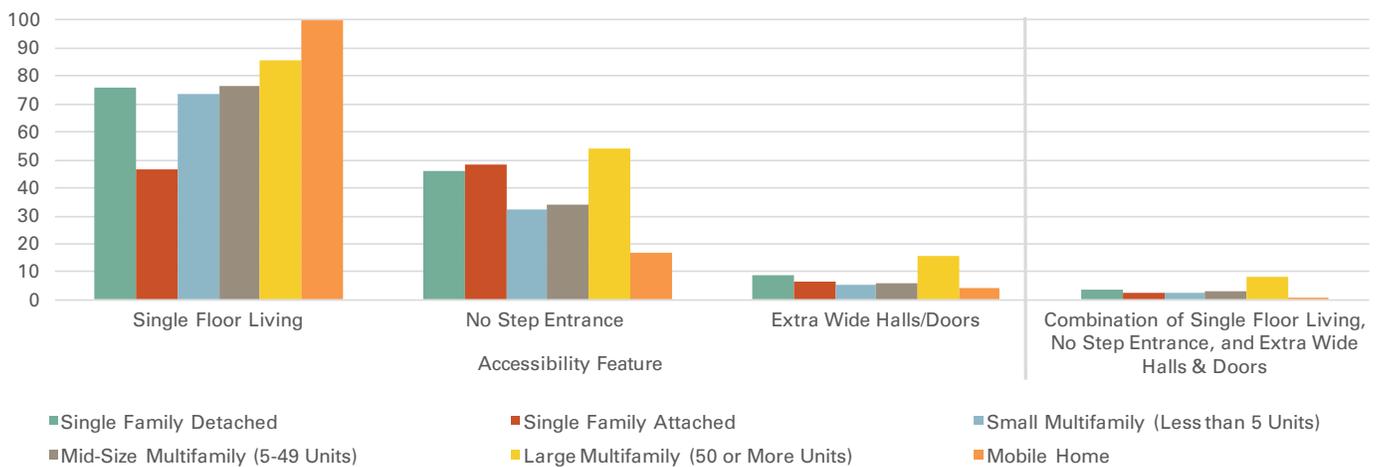
Low-income older households and renters are considerably more likely to live in inadequate conditions than higher-income households and owners. In 2013,

7.9 percent of older households with incomes below the poverty line lived in inadequate homes, compared with 2.9 percent of those with incomes above the poverty line. That same year, 8.1 percent of renters aged 65 and older reported moderate or severe physical housing problems, compared with 2.7 percent of owners of the same age. In large part, the higher likelihood for older renters to live in inadequate housing stems from the fact that renters most often live in multifamily buildings, which are more likely to have adequacy issues than are single-family homes. In 2013, physical housing problems were reported by 7.7 percent of households aged 65 and older living in multifamily buildings, as well as by 10.5 percent of those living in buildings of 50 or more units, compared with 2.9 percent of older single-family residents, and 3.2 percent of older mobile home residents.



**Figure 2.6: Units in Large Multifamily Buildings Are Most Likely to Have Accessibility Features**

**Share of Housing Units by Structure Type (Percent)**



Source: JCHS tabulations of HUD, 2011 American Housing Survey.

## ACCESSIBILITY OF THE HOME

While inadequacy affects a relatively small share of older adults, accessibility—the ease of use and movement through the home—presents substantial challenges for many older households, particularly for those who are frail or have disabilities.<sup>3</sup> Though some basic accessibility features—such as single-floor living and zero-step entrances—are relatively common in homes across the US, other features, including extra-wide hallways and doors to accommodate wheelchairs and walkers, exist in only a small share of homes. The level of accessibility typically varies according to building type: units in large multifamily buildings are more likely to include accessibility features than are smaller multifamily buildings and single-family homes (Figure 2.6).

The oldest households, particularly those who have moved in recently, are more likely to live in accessible homes than their younger counterparts. The share of

households living in a home equipped with three particularly critical accessibility features—zero-step entrances, single-floor living, and extra-wide hallways and doors—rises from 5.5 percent among households aged 65-79 to 8.2 percent among those aged 80 and older). For older households who moved into their current home recently, these figures are significantly higher: 9.6 percent of such households aged 65-79, and 24 percent of such households aged 80 and over. This connection between older age and home accessibility may result in part from older households modifying their current homes to facilitate aging in place, as well as from households aged 80 and above selecting more accessible housing upon moving. As previously noted, higher shares of the oldest households move into rental units in large multifamily buildings, which are most likely to include accessibility features.

Going forward, the inclusion of accessibility features in new housing (or at least construction allowing such features to be easily added) will be important to accommodate the growing older population that will have disabilities, as will

be explored in detail in Chapter 4. Since expense can be a barrier, a growing number of municipalities and states are offering tax incentives and loan and grant programs to help residents cover the cost of modifications. At the federal level, H. R. 5254, the Senior Accessible Housing Act, proposes a personal tax credit of up to \$30,000 for those aged 60 and over who modify their residences to enhance “their ability to remain living safely, independently, and comfortably” in their homes.

State and local governments are also crafting “visitability ordinances” requiring that new housing be built with certain basic accessibility features, such as no-step entry, a bathroom on the first floor, and reinforced walls that can support grab bars. These ordinances vary significantly from place to place, some covering only single-family units built with public subsidies but others extending more broadly to new housing of any type. For some time, provisions of the Fair Housing Act and of the Americans with Disabilities Act have supported certain accessibility features in multifamily buildings, though these provisions stop short of ensuring

that the interiors of all units are fully accessible. Further, the Fair Housing Act’s requirements that new multifamily housing be designed and built to allow access for persons with disabilities applies only to structures that include four or more units, exempting smaller multifamily structures from its accessibility mandates.<sup>4</sup>

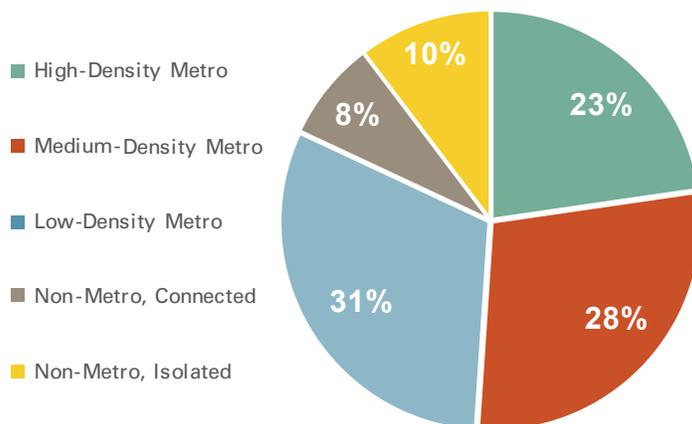
## GEOGRAPHIC LOCATION AND ISOLATION

Because housing accessibility features can mitigate age-related functional disabilities inside the home, they are one important influence on how successfully a household can age in place. Equally important are connections to services, public amenities, and community outside the walls of the home.

Today, nearly half (49 percent) of the 65-and-over population is aging in low-density areas of metropolitan regions or in non-metro, rural locations (**Figure 2.7**).

**Figure 2.7: Nearly Half of Older Adults are Aging in Low-Density or Rural Areas**

**Distribution of Households Aged 65 and Older by Area Type (Percent)**



*Notes: Areas are defined as census tracts. High-density metro areas have at least 2028 housing units per square mile; medium-density metro areas have between 644 and 2028 housing units per square mile; and low-density metro areas have less than 644 housing units per square mile. Connected and isolated non-metro areas are defined using USDA Rural-Urban Commuting Area codes.*

Source: JCHS tabulations of 2010-2014 American Community Survey 5-Year Estimates and USDA Rural-Urban Commuting Area codes.

Nearly one-third (31 percent) of the current population aged 65 and over live in metro areas with fewer than 644 housing units per square mile (equivalent to 1 housing unit per acre), and 18 percent live in non-metro areas. The transportation planning literature maintains that moderate residential densities, in the range of 7-15 dwellings per acre, can support “moderately convenient transit service” such as buses, rapid transit, and taxis.<sup>5</sup> While some lower-density metro areas can, and indeed do, support transit service, low-density areas—particularly those not proximate to urban centers—are in general less likely to have transit infrastructure in place than higher-density areas. Half of today’s retirees are therefore aging in areas unlikely to provide reliable public transit, leaving many dependent upon automobiles for transportation.

However, older households tend to give up driving as they age. According to the last nationally representative count by the National Household Transportation Survey in 2009, 93 percent of adults aged 50-64 identify themselves as drivers; among the oldest age group (85 and older), on the other

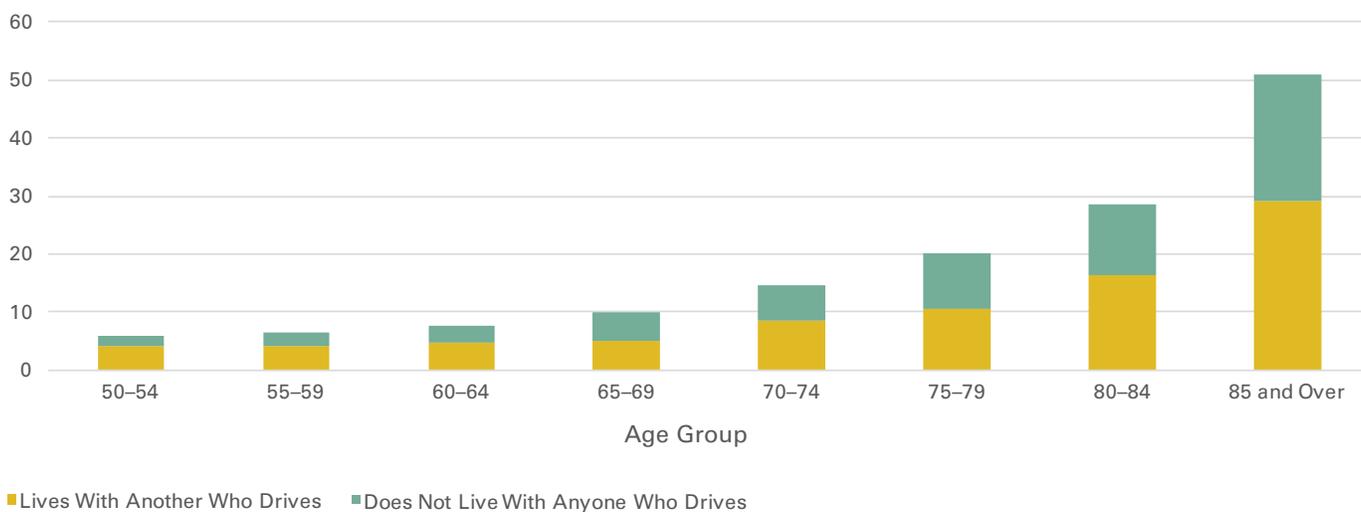
hand, more people identify as non-drivers than as drivers (Figure 2.8). Furthermore, 22 percent of those aged 85 and over neither drive nor live with someone else who does; such adults, if they live in low-density areas or for other reasons lack access to transportation, face an increased risk of isolation.

Just over half (51 percent) of older adults live in dense urban areas more likely to be walkable or offer reliable public transit. However, for members of this group with disabling medical conditions, even walking or taking transit may not be feasible. According to the 2009 National Household Transportation Survey, 12 percent of adults aged 50-64 report having difficulty traveling outside the home as a result of a medical condition, compared with 20 percent of adults aged 65-79 and 41 percent of those aged 80 and over.

Others near to transit may not use it because of lack of accessibility, perceptions of safety, or expense. Even the timetables and destinations of public transit may not suit the needs of older adults who are not commuting to work. Indeed, only a small minority of older adults report using

**Figure 2.8: Fewer People Drive in Older Ages, Increasing the Likelihood of Isolation and Dependence on Others**

**Share of the Population that Does Not Drive an Automobile (Percent)**



Source: JCHS tabulations of 2009 National Household Transportation Survey data.

**BETWEEN 2009 AND 2015,  
4% (OR 217,000)  
OF ALL NEW SINGLE-FAMILY AND  
MULTIFAMILY HOUSING UNITS  
COMPLETED WERE IN AGE-  
RESTRICTED DEVELOPMENTS.**

transit on a regular basis, and this share declines with advancing age. At last count in 2009, just 13 percent of adults aged 80 and older reported having used public transit in the past month, compared with 17 percent of adults aged 65-79, and 23 percent of those aged 50-64. In younger and middle-aged groups, non-drivers tend to have much higher transit use than drivers; in the oldest age groups, by contrast, transit use rates converge for drivers and non-drivers as overall use declines with age. As it is, therefore, public transit may not be a feasible or sufficient option for the oldest adults, even for those living in well-served, dense urban areas.

Given the sharp declines in income that accompany advancing age, which Chapter 4 will describe in detail, it is not surprising that older adults identify cost as their most important transportation problem. In 2009, 35 percent of adults aged 65 and older reported the price of travel as their top transportation issue. Going forward, the increased numbers of older households across metropolitan areas and beyond may strengthen the market for transportation, particularly van and paratransit services, dedicated to their needs.

## HOUSING DESIGNED FOR OLDER ADULTS

While most older adults live in traditional age-mixed owner-occupied or rental housing, there is a growing market for housing tailored specifically to those in their 50s, 60s, and above. “Active-adult” communities, which typically require that at least one member of each household is above a specific age, offer a sense of community as well as amenities like golf, swimming pools, and clubhouses. There is also a growing spectrum of age-restricted housing options offering services and supports, including household assistance, meals, transportation, and personal care that allow older adults to live independently for longer. At the far end of the spectrum are assisted living facilities, which offer a full range of supportive services and at least two meals a day, and nursing homes, which offer 24-hour skilled nursing care in addition to other supports. While the future mix of senior housing is uncertain, and much will depend upon older households’ preferences, market forces, and public policy, it is likely that the breadth of senior living options will continue to expand as the increasingly diverse population ages and demands more options for high-quality, age-friendly housing.

## AGE-RESTRICTED HOUSING

Between 2001 and 2009, the American Housing Survey collected data on “age-restricted” communities, defined as senior citizen communities that require at least one member of each household to be 55 years or older. In 2009, of the 45.7 million households that included at least one person aged 55 or older, 3.1 million were part of an age-restricted community. Over the period 2001-2009, the number of age-restricted units increased by 885,000 nationwide, and the share of households with at least one member aged 55 and older that were part of an age-restricted community increased from 5.6 percent to 6.7 percent.

Census New Residential Construction data began tracking the age-restriction status of new units in 2009, and helps fill in trends in age-restricted housing in recent years. Between 2009 and 2015, 4 percent (or 217,000) of all

new single-family and multifamily housing units completed were in age-restricted developments. Taken together, these figures for 2001-2009 and for 2009-2015 indicate that age-restricted developments are a growing source of housing for older adults.

## INDEPENDENT APARTMENTS, HOUSING WITH SERVICES, AND RESIDENTIAL CARE FACILITIES

A relatively small but rapidly growing number of the community-dwelling older population live in senior-only apartments or in housing that provides services and supports, ranging from basic conveniences like transportation, to assistance with household management, to help with personal care. Independent living facilities (sometimes referred to as “housing plus services”) generally offer a few meals a week in a community dining room, daily transportation services, and daily social activities, but do not offer assistance with activities for daily living (though they may assist residents in obtaining that help). In contrast to independent living facilities, assisted living facilities do offer support with activities of daily living such as dressing and bathing, as well as household help (e.g., laundry, housecleaning) and at least two meals daily.<sup>6</sup> Both for- and nonprofit entities have developed these options.

The 2014 National Study of Long-Term Care Providers offers a national count of “residential care facilities” that provide a level of support typically associated with assisted living facilities, with at least two meals per day and assistance with personal care. This survey defines “residential care facilities” as including assisted living residences, board and care homes, congregate care, enriched housing programs, homes for the aged, personal care homes, and shared housing establishments.<sup>7</sup> In 2014, the survey reported 835,200 people living in residential care facilities across the United States, 93 percent of whom were aged 65 and older. Data from the 2010 National Survey of Residential Care Facilities—the predecessor to the National Study of Long-Term Care Providers—shows that there were 733,300 residential care community residents, of whom 89 percent were aged 65 or older.<sup>8</sup> The number of people living in



residential care facilities thus increased by more than 100,000 from 2010-2014. The oldest age groups, who report the highest rates of difficulty with daily activities, are most likely to live in residential care communities. In 2014, the majority of residential care community residents were 85 or older (53 percent), with another 30 percent aged 75-84. Residential care community residents are also most likely to be non-Hispanic white (84 percent) and female (70 percent).

To allow residents to remain in place as their needs evolve, some communities offer multiple levels of care, such as independent living, assisted living, and skilled nursing care; these “continuing care retirement communities” represent a small minority (6 percent in 2010) of all residential care communities. However, similar opportunities are afforded by a relatively larger share (24 percent) of residential care communities that offer a single level of care but are co-located on the same grounds as housing offering a different level of care, such as a nursing or rehabilitation facility.

## SUMMARY

Given high homeownership rates among older adults, the next two decades will bring substantial growth in the number of older homeowner households. By 2035, the total number of owner households aged 65 and over will total 38 million. But numbers of older renters will grow too, at an even steeper rate than that of owners, expanding 80 percent to a total of 11.5 million households by 2035.

As noted above, a high share of older adults live in owned, single-family homes, and prevailing attitudes favor aging in place; indeed, low mobility rates indicate that many people are aging in place. Yet on the whole, these homes are currently ill-equipped to accommodate the soaring numbers of older people with disabilities (to be discussed in Chapter 3). There is opportunity for the private sector to provide aging-in-place modifications as well as to construct new housing using the principles of universal design

(i.e., housing accessible to all regardless of age, ability, disability, or size). Housing built according to these principles can be a solid investment that ultimately serves a wide range of the population. Financing these investments is another challenge, however, particularly for lower- and moderate-income owners, as will be discussed in Chapter 4. For tenants who lack control over their space, the challenges of aging in place can be even greater than for owners.

Accessibility outside the home is also critical for aging in the community. Without the ability to get out into the community to shop, access needed services, or visit friends and family, aging in one’s home can be isolating. Both transportation and technology can offer opportunities for connection, and are discussed in the final chapter of this report. In addition, housing options closer to services and community are also important.

Indeed, housing designed for older adults can offer some of these amenities. Such communities are a growing segment, one in which demand seems to be keeping up with the increasing supply of units. Housing units with services will also be needed in greater numbers, particularly for lower-income households. Financial resources, to be discussed in Chapter 4, will play an important role in enabling older households to age in their communities, whether in mixed-age or age-restricted housing.

