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**of San Diego**

HOME

PLANNER RESOURCES

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## HOUSING OPTIONS FOR OLDER AMERICANS A CRITICAL FINANCIAL ISSUE

Choosing a suitable place to live during retirement not only has important lifestyle and health ramifications, it can result in a significant financial cost at a time when people commonly assume that their housing expenses will be declining, say financial planners. Here are some of the housing options to consider, preferably well before you actually retire.

The majority of people remain in their own homes when they retire—at least until they may be forced to move to an assisted living facility or a nursing home due to declining health. But many retirees and near retirees should be thinking about modifying their current home to be “age friendly” as they grow older so they can stay longer in their home, even as their health begins to fail. For example, if you decide to remodel your bathroom, consider installing a walk-in shower with a seat or room enough to roll in a wheelchair. Widen doorways, add handrails, put in a stairway chairlift, or consider putting the master bedroom and the laundry facilities on the main floor and leave the upstairs bedrooms for the children and guests when they visit.

Also factor in the likelihood that at some point only one of you—typically the wife—will be living in the home.

A growing segment of the home design and building communities is becoming attuned to elderly housing issues, and AARP has a section on its Web site devoted to home modifications ([www.aarp.org/universalhome](http://www.aarp.org/universalhome)).

Roughly one in five current retirees moved when they retired, and according to an Allstate and Harris Interactive “Retirement Reality Check” survey, four in ten baby boomers plan to move when they retire.

In many cases, retirees are downsizing but upgrading at the same time, which is one reason it pays to think about housing before you retire. You may want to set aside extra money to pay for improved housing, the cost of a move and related expenses, so you’re not taking that money out of your nest egg once you retire.

Of course, if you move, you’ll want to either build or buy a home that has many of the age-friendly features mentioned earlier.

Where you move also will have a significant financial impact and should be carefully thought out. There are the usual retirement communities, but many people are choosing more independent locations such as college towns or even overseas.

If you plan to move out of town, try to “test run” the location you’re thinking about. Rent for several months, experience different weather, check out the medical and long-term care facilities, sample the cost of permanent housing, ride the public transportation, and yes, explore job opportunities. Many “retirees” still work, at least part time. What are the cost of living and the tax situation in that location versus where you live now? Is good in-home nursing care or other assistance available—something that might be less available in some popular “vacation” towns, for example, or a remote housing community?

Consider social issues. Will you be able to meet new friends? Are you going to be closer or farther away from your children? Will there be volunteer opportunities?

Those concerned even at a relatively young retirement age about declining health have more options than retirees once had. While still relatively healthy, you can move into a continuing care facility, for example, where you can begin by living independently in an apartment or condominium and move to assisted living or a nursing home at the same location if it becomes medically necessary. But continuing care typically requires a substantial initial financial outlay, so take this into account as you plan for retirement.

Experts foresee more senior housing, such as condominiums and cooperatives, that offers limited health services similar to assisted living facilities, which provide various levels of assistance for all but those requiring nursing home care.

Look ahead for locations of such senior housing. Experts say, for example, that there’s a shortage of assisted living facilities inside big cities—many of the new facilities are going up in the suburbs. If you prefer to live closer to a city core where you have easier access to cultural facilities and restaurants, for example, you’ll need to do some serious advance planning so you can find an opening when it occurs.

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