



# Housing and Living

“Home is any four walls that enclose the right person.”

—Helen Rowland

## Where Will You Live?

When people start looking into where they might settle down in retirement, there are three questions that stand out.

- Where will I live when I’m retired?
- Should I move or stay here?
- If I move, where should I go?

They are very serious questions. The right decision could determine how comfortable, happy and secure retirement will be. It is not too early to think about all of this, even if retirement is still ten years in the future. Picture yourself retired, free of work-related responsibilities and living where you would be happiest in retirement. Remember: Where you live in retirement will be a critical factor in what you do for the extra income you might need, for personal relationships, for leisure activities, for health and comfort, etc.

What you choose will depend upon your relationships, family ties, circumstances, needs

and preferences. Some factors are in your control, and some are not. Your health may dictate that you should move to a milder climate. Your plans for leisure activities may make you move closer to nature or keep you close to the cultural offerings of a larger city or college town. This chapter will give you an idea of your options and what factors come into play. Explore all your options.

## Retirement Living and Longevity

Today, we tend to live longer and have healthier, more active lifestyles than previous generations, potentially giving us 20 years or more of living where and how we want to. This chapter focuses on your options in those early years. It’s different for everyone but, for those who live to around age 80, health and physical mobility have a bigger impact on where and how we live and what kind of care we need. **For information on home care and nursing homes, see Chapter 15.**

## Many Think About Moving

The majority of those retiring say that they have given some thought to relocating. However, most stay close to where they are.

In a study by Transamerica Institute, around one-third of retirees have moved or plan to move, either within the same community or into homes in other cities and states. Among other things, wanting to lower home expenses; encountering health challenges; divorce or death of a spouse; and dealing with an empty nest can all be triggers for moving in retirement. However, retirees report wanting to be closer to family as a top reason for moving.

## Most Stay Put

Surveys of older adults have consistently found that most people want to stay in their homes and communities. Why do most people stay where they are? It's not simply inertia. Many people have an emotional connection to the home and value the memories made there. They want to remain near friends and neighbors, family and grandchildren; stay in clubs and organizations with people they know; do business with banks and stores they are accustomed to, etc. If they want to continue to work, it's convenient to stay close to former workplaces or remain in close contact with their professional network. In a nutshell, they want to continue living as much as possible as they did before retirement. Some people may stay put because moving is unaffordable.

Some people who have paid off a mortgage make it a short-term savings goal to update the home with new technology and other features that can help accommodate the aging process, with the goal of continuing to live independently as long as possible.

## Where You Live Now

In thinking about where you will live in retirement, it is a good idea to begin by thinking about where you are living now.

- Why did you choose your present home?
- What are its advantages?
- What are its disadvantages?
- Did you make sacrifices in order to be convenient to your job or, perhaps, your spouse's job?
- Did you live there to be near schools, a consideration that is no longer an advantage now that children are grown?
- Does your present home have space you no longer need, perhaps a larger yard for children?

There is a good test of how happy and well-adjusted a retiree will be in a new retirement home: How happy are you in your present community?

If you are happy and active in your area, enjoying its advantages and helping to serve its needs, there is almost no doubt that you can be as happy and adjusted in a new home.

If you have never become a part of your neighborhood, because you are too busy or just not interested, don't expect changes if you relocate.

## Downsizing or Upsizing

Think of what you might gain—or give up—by moving into a smaller home requiring less care, inside and outdoors, and costing less for utilities and perhaps for taxes. In some areas of the country where housing costs are spiking, a condo may cost more than you would net from the sale of your house. If you do have equity tied up in a home, selling may help add to your savings for retirement.

Whether you are moving to a smaller home or out of state, this could be the time to downsize some of your belongings, distribute some personal treasures to family members or friends, or donate some items to charity.

In fact, one-tenth upsized into a larger home. Retirees say a top reason to upsize is to have a home that is large and comfortable enough for family members to visit and stay with them. Retirees with children and grandchildren often find their homes becoming the place for family to gather, especially during holidays or vacations. Another reason to keep a larger home or

move to one is so that family members can move in, if needed. According to a Thrivent survey, almost half of parents had a “boomerang” adult child who had moved back home.

## Living With Relatives

Health factors may combine with economic ones to make living with children or relatives a necessity. It’s hard to give up independence. On the plus side, you may avoid the sense of isolation that may come with living alone.

No matter how close your relationship may be, combining two independent family units changes the dynamics of the family and may cause stress for everyone. A few issues are privacy, routines, activity schedules, home expenses, pets, personal boundaries and doing things that bother other family members. It will require tact, maturity and considerable caring on the part of everyone involved to ensure that relationships in the household stay strong.

There should be an understanding about roles in the family. Where possible, a private living room, bedroom and bath facilities will enable you to have more independence. Talk about the costs and time line of any necessary safety upgrades. Ideally, maintain a schedule independent of the activities of the family, and cultivate friendships and interests apart from those at home.

## Moving Closer to Family or Friends

Being closer to family or friends is the most common reason people move. The wide separation of families and friends in our society is in sharp contrast to well-rooted, close-knit families and communities abroad. Perhaps seeking to restart ties as retirement approaches, many Americans consider moving closer to children, grandchildren, other relatives or good friends who have moved away.

But should you? There are many factors to be considered in addition to a natural desire to be closer to family and friends. It’s not enough to say,

“It would be good to be near the kids.”

Their way of life may not be yours. Their friends might not become your friends. If they should decide to seek better job opportunities elsewhere, you might be left behind, lonelier than ever.

Cost of living is another factor. Some retirees relocate near children who live in fast-growing cities where the housing market is soaring and then find themselves taking on a mortgage in retirement or using savings set aside for another purpose to afford housing.

Experts suggest you plan where you will live in retirement about ten years before you hope to retire. This gives you time to be methodical and thoughtful about your research as well as self-aware of what will make you happy. Talk openly with your loved ones. Be flexible too, because life happens—Some factors that life throws at you are out of your control.

Moving is physically and psychologically difficult, and it can be an expensive drain on retirement resources. Carefully think it through rather than making a snap judgment because you enjoyed a place on vacation or because it offers sunshine right after you’ve been through a harsh winter. Being cautious and sure of your decision may prevent you from being sorry after it’s too late.

## Relocation Considerations

When relocating in retirement, prioritize factors that will support a comfortable and fulfilling lifestyle. Here are some things to consider.

- **Climate, geography and scenery:** No place offers a perfect year-round climate. It’s a good idea to visit a location you’re interested in at different times of the year—and stay long enough (perhaps in a short-term rental) to recognize the flaws along with the advantages. Be aware of extreme weather events and the frequency of natural disasters. Are there safe places to walk both indoors and outdoors? Summer vacations could be a start, but take time to sample other seasons.

- **Health advantages and facilities:** Many who relocate do so for health reasons. Respiratory, coronary and rheumatic conditions can be relieved by settling in the right place or can be aggravated by a wrong choice. When planning a move, assess your care needs and ensure your new location has the necessary medical specialists, facilities and transportation. Check access to quality care, ongoing treatments and medications, and appointment wait times. In rural and remote communities, don't assume that emergency services will be readily available or timely. Medicare Advantage plans that are based on regional networks don't transfer at all. You'll have to enroll again if you move far enough to be out of the network service area. **Check [www.medicare.gov/plan-compare](http://www.medicare.gov/plan-compare) to find a new plan before you move.**
- **Housing-related expenses:** Check the housing market in any area in which you want to relocate. Research whether it makes sense to rent initially or buy. Possible expenses include rent or mortgage payments, property taxes, insurance, utilities, homeowners association fees, repair and maintenance.
- **Economics:** Check the cost of living and compare it with your current budget. It's a good idea to check local websites to learn about consumer prices, real estate and business activities. If you want to augment your income in retirement, are there job opportunities? You might want to check with the Chamber of Commerce or a senior citizen agency. Remember, if you save money on clothing, heating and housing costs in Sun Belt areas, the savings may be partially offset by air conditioning costs during most of the year. Ask about any leisure and association fees.
- **Social and spiritual opportunities:** One of the biggest challenges for retirees is rebuilding a social circle after moving, which is why many choose communities with a large population of older adults. Ensure your new location supports your social, spiritual and recreational interests, as friendships in these areas are key to a fulfilling retirement.
- **Cultural and intellectual advantages:** Some retirees seek a community that offers cultural and intellectual opportunities. College towns often offer medical facilities, libraries, diverse cultural events and organizations, concerts, sports and art galleries. Many schools allow retirees to audit classes for free, and some retirees enjoy volunteering on campus.
- **Location and accessibility:** Essential amenities like shopping centers, restaurants, libraries and theaters are generally available everywhere, especially if you drive—but it's still worth verifying. Also, assess airport access, flight availability, travel costs, and the availability of train and bus services.
- **Personal relationships:** If you have no friends or family in your desired retirement location, visit multiple times to gauge the community's friendliness. Most places are welcoming, but some can be difficult for newcomers to integrate into. A lack of warmth and acceptance can add stress during an already challenging transition.
- **Crime:** Check local news sites for a sampling of the area's benefits and challenges. For accurate crime data, contact the local police precinct rather than relying on citywide or statewide stats. If safety is a concern, consider a gated community.
- **Legal considerations:** If you move out of state, have your will reviewed. You might need to draw up a new will in your new home state because laws can differ from state to state. If you are going to live in two states, check that your will, power of attorney and durable power of attorney for health care comply with both states' laws.
- **Taxes:** If moving to another state, county or municipality, find out what your total tax burden will be. Review all income taxes, sales taxes, property taxes, and estate and inheritance



taxes. Some states will charge income tax on Social Security and pension benefits. Some states have programs that give senior or disabled homeowners a break. States often adjust their tax systems, so be sure to regularly check this information.

**For more information on taxes, go to:**

- **Retirement Living Information Center,** [www.retirementliving.com/taxes-by-state](http://www.retirementliving.com/taxes-by-state)

## Types of Living Arrangements

Senior housing and independent living arrangements are broadening to meet the demands of Baby Boomers who aren't as interested in retirement communities designed for previous generations. Continuing care retirement communities—where a resident can transition from independent living to assisted living to intensive nursing care all in one place, often with the requirement of a hefty entrance fee and ongoing monthly fees—may still be the best option for some people. Some other arrangements that are more organically formed and can be intergenerational may be especially appealing to people who are single.

- **Shared housing** means living with unrelated adults like on the TV show *Golden Girls*. See [www.nationalsharedhousing.org](http://www.nationalsharedhousing.org).
- **Co-housing communities** are homes located around shared spaces, where neighbors commit to interacting for everyone's mutual benefit. Typically, there is a common house that may include a large kitchen and dining area, laundry and recreational spaces, and storage for shared resources like tools and lawn mowers. See [www.cohousing.org](http://www.cohousing.org).
- **Naturally occurring retirement communities** are arrangements of older adults where residents informally look out for each other. Apartments, condos and mobile home parks are common locations. See [www.nextavenue.org/natural-occurring-retirement-communities-aging-in-place](http://www.nextavenue.org/natural-occurring-retirement-communities-aging-in-place).

## TAXES AND THE SALE OF YOUR HOME

When you sell your primary residence, you can deduct up to \$250,000 in profit if you're single and up to \$500,000 if you're married. The exclusion can be used more than once. The home or apartment must be the primary residence of at least one spouse for at least two of the past five years. A surviving spouse can sell a home that was jointly owned within two years of a spouse passing away and still file for the \$500,000 capital-gains exclusion. If you sell your primary home, be aware that high profit sales can trigger the special 3.8% Net Investment Income tax, which will be assessed if the seller has an adjusted gross income of \$200,000 for singles and \$250,000 for couples. On sales of second homes, the Medicare tax can hit the entire gain.

## Adjusting to a New Community

When you consider moving, decide what you want and need in a new community now and in future life stages.

When you go into a new community, don't wait to be invited to participate in activities. Seek out new opportunities in your neighborhood. Introduce yourself, mention what you were interested in before and say, "I'd like to be a part of things here."

If you decide to relocate, the success of your move in the long run will be up to you.

## Moving Tips

Check if your homeowner's insurance covers your belongings while in transit.

When you move, secure important documents like medical records, power of attorney, birth certificates and Social Security cards, and keep them with you.

If you decide to use a moving company, be mindful. A common kind of scam involves movers offering a low-cost quote, then after loading your belongings onto their truck, claiming your load exceeds the weight estimate and charging an exorbitant price per pound for the additional weight. The consumer is forced to pay double or higher than the original quote just to get their belongings back.

The U.S. Department of Transportation (DOT) can only verify weight estimates, not cubic footage estimates. In general, be wary of movers that charge by the cubic foot, although scammers can overcharge you using either kind of estimate. Here are some tips to avoid moving fraud.

- Get at least three quotes in writing, and have the movers come to your home to evaluate your belongings. Ask about any scenarios in which your moving estimate could increase.
- If possible, get references from people who have actually used the moving company.
- Verify if a mover is a member of the American Trucking Association at [www.moving.org](http://www.moving.org).
- Ask for DOT and Motor Carrier (MC) identification numbers to see if the movers are registered.

Check these websites for tips, suggestions on reputable moving companies and consumer complaints:

- [www.movingscam.com](http://www.movingscam.com)
- [www.fmcsa.dot.gov/protect-your-move](http://www.fmcsa.dot.gov/protect-your-move).

If you have experienced fraud, you can file a complaint with the DOT's Federal Motor Carrier



Check out a free online tool called the Livability Index from AARP, where you can see how specific neighborhoods rank in terms of their suitability for aging in place. Go to <https://livabilityindex.aarp.org>.

Places ranked more livable have:

- Neighborhoods with easy access to stores, restaurants, entertainment, libraries, parks and places to buy healthy food
- Access to quality health care and lower rates of smoking and obesity
- Safe and convenient transportation
- Civic/social engagement in the community
- Internet access
- Diversity, inclusion and economic opportunity
- Clean environment, including healthy air and water.

Safety Administration (FMCSA) at [www.fmcsa.dot.gov/protect-your-move/file-a-complaint](http://www.fmcsa.dot.gov/protect-your-move/file-a-complaint), or call (888) 368-7238. FMCSA will consider whether to investigate.

# Checklist for Housing



When you are planning where to live in retirement, here are some questions to ask yourself.

**Yes No**

## **Where you live now**

- ☐ ☐ Is my home suitable for retirement living?
- ☐ ☐ Can my home be remodeled for satisfactory retirement living?
- ☐ ☐ Am I emotionally attached to my home?
- ☐ ☐ Is my neighborhood safe?
- ☐ ☐ Will I be able to handle the upkeep and maintenance?
- ☐ ☐ Will the costs of taxes and insurance be in my budget in retirement?
- ☐ ☐ Have I considered using my home equity for income in retirement?
- ☐ ☐ Does my home have suitable security or technology?
- ☐ ☐ Have I planned how to spend my time?
- ☐ ☐ Am I active in my community?
- ☐ ☐ Is it important to be near my friends?
- ☐ ☐ Is it important to be near my family?
- ☐ ☐ Do I want to keep working after I retire?
- ☐ ☐ Do I want to stay where I'm known?
- ☐ ☐ Do I want to make a fresh start somewhere else?

## **Before moving to a new area**

- ☐ ☐ Have I experienced its different seasons?
- ☐ ☐ Is it close to shopping and public transportation?
- ☐ ☐ Is it near good medical care?
- ☐ ☐ Have I gotten legal and financial advice?
- ☐ ☐ Have I taken my time with my choices?



## Checklist for Safety

When you are planning how to live independently as long as possible, here are some changes to maximize home safety.

### Yes No

- ☐ ☐ Do you have no-slip tape in your bathtub or shower?
- ☐ ☐ Do you have grab bars and hand grips in showers and bathtubs and near toilets?
- ☐ ☐ Can your towel bars and soap holders withstand sudden pulls?
- ☐ ☐ Do you keep throw rugs away from the tops and bottoms of stairs?
- ☐ ☐ Do all rugs have no-slip mats under them?
- ☐ ☐ Do you have wheelchair access such as ramps, wider doorways and a roll-in shower?
- ☐ ☐ Are all chairs and stairs sturdy and free of wobbles?
- ☐ ☐ Have you replaced all frayed cords and broken plugs?
- ☐ ☐ Have you relocated all furniture, lamp cords and clutter from traffic paths?
- ☐ ☐ Do you avoid running extension cords under rugs or carpets?
- ☐ ☐ Do you avoid using space heaters, if possible? If they are necessary, are they away from flammable materials and out of traffic lanes?
- ☐ ☐ Do you make sure you do not smoke while lying down?
- ☐ ☐ Have you installed smoke, heat and carbon monoxide detectors throughout the house?
- ☐ ☐ Have you installed fire extinguishers near the kitchen and workroom?
- ☐ ☐ Do you have escape routes planned from all areas of the home in case of fire?
- ☐ ☐ Do you avoid overloading one socket with several plugs?
- ☐ ☐ Have you discarded heavy, hard-to-handle or broken cooking utensils?
- ☐ ☐ Are there handrails on all stairs and inclines?
- ☐ ☐ Have you installed night-lights in the bedroom, bathroom and hallways?
- ☐ ☐ Have you made sure stairways and other areas are well-lit?
- ☐ ☐ Do you have a flashlight by the bed?
- ☐ ☐ If you live alone, do you have a neighbor, friend or relative check in with you at regular intervals?
- ☐ ☐ Do you keep a first-aid kit and emergency phone numbers handy? Have you taken a first-aid course or CPR course?