

Housing for an Aging Population

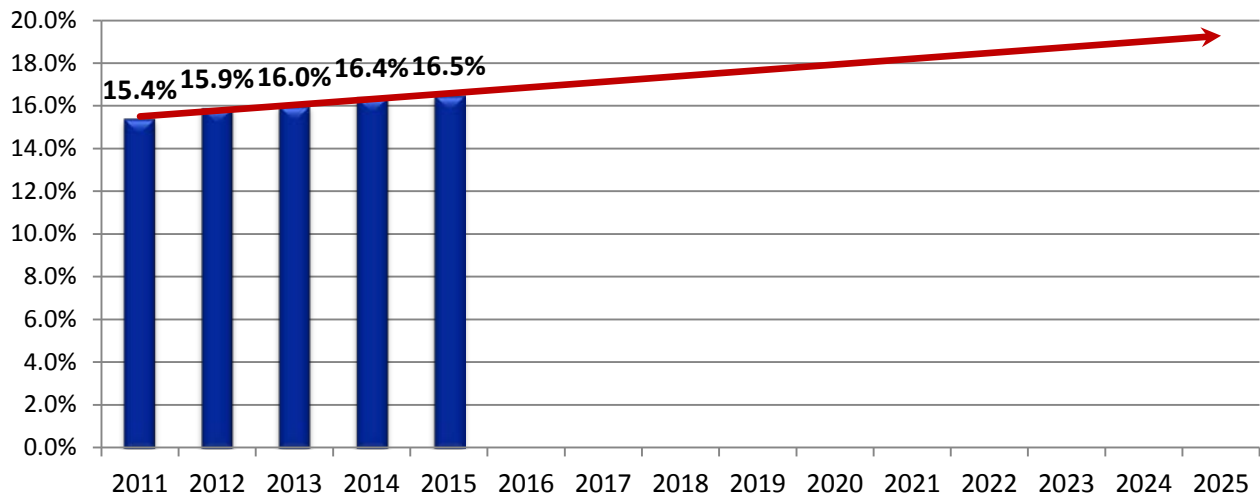
There is an increasing need for affordable, accessible housing that is well connected to services for the aging Baby Boomer cohort. More than one in five U.S. residents will be age 65 and older by 2035; about one-third of households will be headed by someone over 65.

The oldest people in the post-WWII Baby Boom generation have passed age 70. While many express a desire to age-in-place in the community, financial, home structure, need for accessible public transportation, and increasing physical disability are causing an increase in homeowner re-modeling and downsizing. In Nashville, due to the scarcity of affordable housing caused by our “hot” housing market, older adults are not able to find places to move, and are being forced out of homes they have lived in for decades by gentrification of their neighborhoods.

http://www.jchs.harvard.edu/sites/jchs.harvard.edu/files/harvard_jchs_housing_growing_population_2016.pdf

Chart 1 below shows the age 60 and over population of Davidson County by year with a statistical trend line estimating future 60+ population size.

**Chart 1: Percentage of Davidson County Residents Age 60 and Over
With Projection for Future Years**
Davidson County, 2012-2025



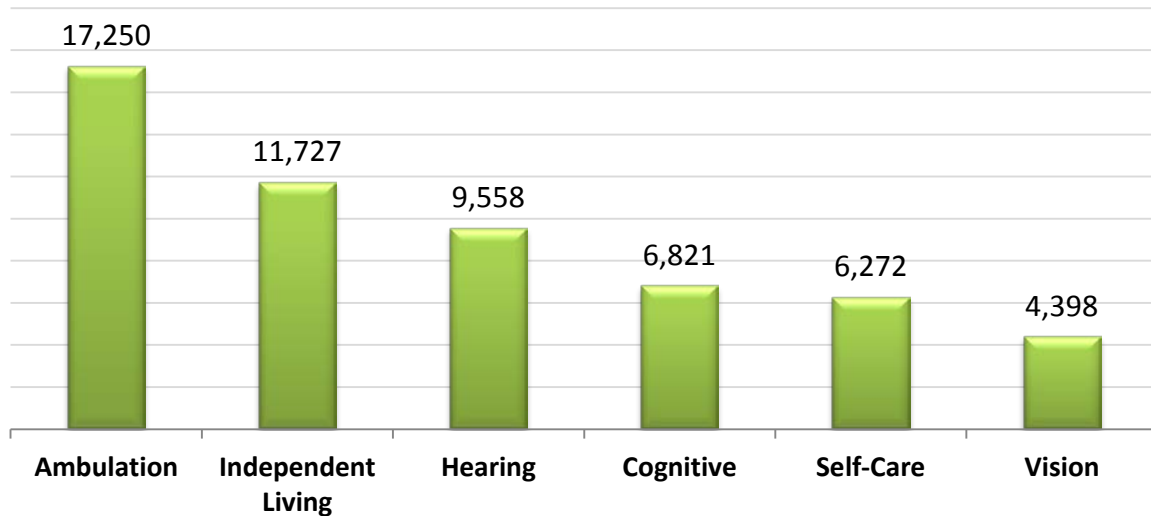
Source: American Community Survey 1-year Estimates, 2015, Table S0101

According to the American Community Survey 2011-2015 5-year estimates (Tables S1101, S1701, B19037), 28.3% of Davidson County households contained one or more persons over the age of 60. Of the estimated 103,622 residents aged 60 or over, 9.6% were below the federal poverty level.

There were an estimated 69,624 residents age 65 and older, 8.8% of whom were below poverty level. Among the 17,826 householders age 65 or older, incomes were less than \$30,000 and 22,732 had incomes less than \$40,000.

Disability increases in an age cohort with age, and Chart 1 shows the number of persons aged 65 and over in 2015 with various disabling conditions (note that persons represented may have more than one disability).

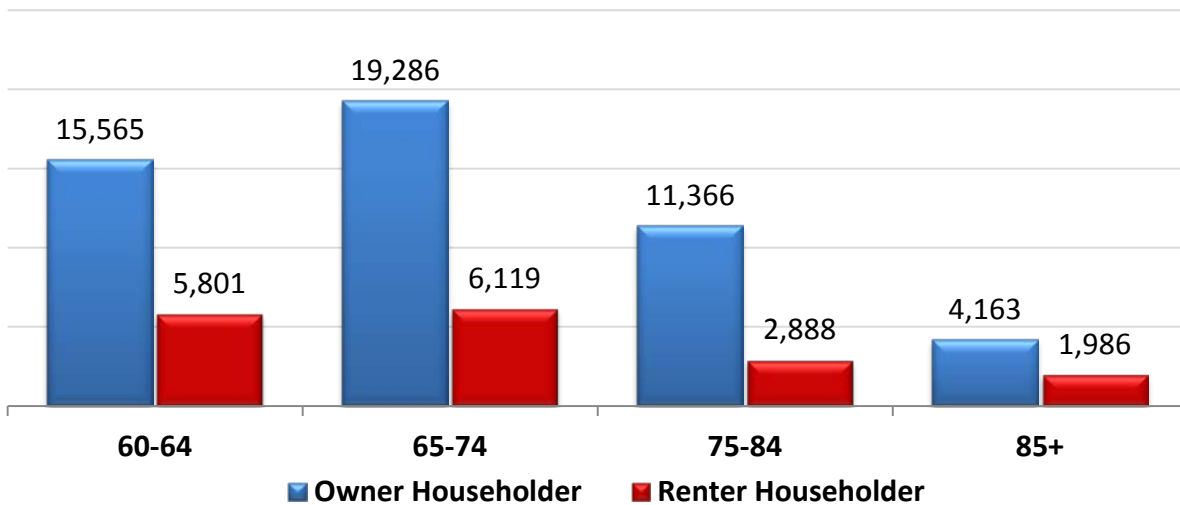
Chart 1: Number of Persons Age 65 & Over with Disabilities
Davidson County, 2011-2015



Source: American Community Survey 5-year Estimates, 2011-2015, Table S1810

Chart 2 shows the tenure of householders by age among those who were age 60 and over according to the ACS 5-year 2011-2015 estimates.

Chart 2: Housing Tenure of Householders Age 60 and Over by Age
Davidson County, 2011-2015



Source: American Community Survey 5-year Estimates, 2011-2015, Table B25007

The Housing Squeeze



Many seniors live on fixed incomes from Social Security, pensions, or other sources. Analyzing Census Public Use Microdata Sample (PUMS) data, the National Low Income Housing Coalition published a housing gap analysis for the 100 largest U.S. metro areas. The Nashville-Davidson–Murfreesboro–Franklin metropolitan statistical area (MSA) ranked 34 in the list of areas with housing units affordable and available. The report indicates that this area has a total deficit of 123,387 units for households at 30% or below of the Area Median Income (AMI).

The report also provides the percentage of households at 30%-50% of AMI with a severe housing burden (50%+ spent on housing) as 32%. The Area Median Income for Davidson County households in 2014 was \$47,434, and for 2015 was \$48,368.

http://nlihc.org/sites/default/files/Gap-Report_print.pdf

https://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=ACS_15_5YR_S1901&prodType=table

A November 2016 article for Realtor.com, *The 5 Real Estate Trends That Will Shape 2017*, predicts that home price increases will slow due to the lack of available inventory nationwide. The article indicates that the for-sale home inventory was down an average of 11% year over year in the top 100 U.S. metropolitan markets (including the Nashville MSA) and that the supply is expected to remain low in 2017. It stated that Baby Boomers are reaching a stage in life that often stimulates them to move, often downsizing to a smaller single family home or to a condominium. Although price increases may slow, the continuing nationwide tight housing market may limit the choices of these Boomer households.

<http://www.realtor.com/news/trends/top-real-estate-trends-2017/>

There is some evidence that the older members of the Millennial generation may be looking for houses in the suburbs with a yard for children and near good schools, which may provide a market for Boomers who want to sell their homes. The Realtor.com blog *Trends* in May 2016 discusses *Reverse Migration: How Baby Boomers Are Transforming City Living*. The article talks about how the large Boomer generation is beginning to leave the suburban homes where they raised families, and are moving to more urban centers with amenities within walking distance. These Boomers do not want to mow grass but do want access to public transportation and housing which has accessibility features they will need as they age.

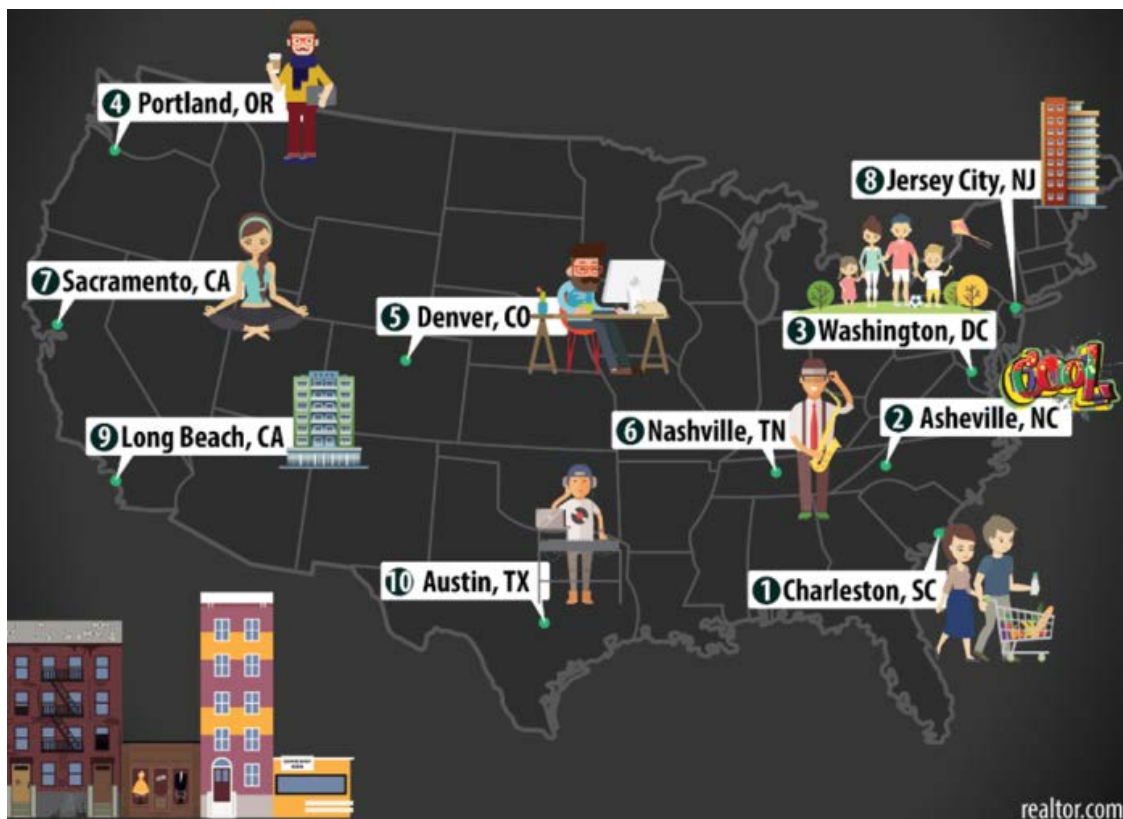
<http://www.realtor.com/news/trends/why-more-baby-boomers-are-moving-back-to-cities/>

In the Trends blog of February 2017, *The 10 U.S. Cities With the Fastest-Growing Suburbs*, explained that older Millennials and minorities are beginning to look for homes in the suburbs, especially areas that require short commutes to jobs, restaurants, and entertainment venues. According to a Realtor.com analysis of Nielsen national population data, suburban households grew 7.9% from 2010 to 2017, while urban areas experienced a 6.6% growth. This article ranks Northwest Murfreesboro of

the Nashville MSA as the ninth hottest market in its list of the top ten. The article states that Murfreesboro is the 13th fastest growing city in the U.S.

<http://www.realtor.com/news/trends/cities-with-the-hottest-suburban-neighborhood/Trends>

Another article from January 23, 2017, provides a map showing the Ten U.S. Cities that are gentrifying the fastest – Nashville is #6. At its simplest, gentrification results in lower-income families, including seniors with low fixed incomes, in growing cities being unable to continue living in their neighborhoods after higher-income people move in and drive up the cost of living.



Since 2011, in-migration to Nashville has outpaced the natural population increase of births minus deaths. This in-migration increase pressure on the housing market and further reduces available affordable housing.

<http://www.realtor.com/news/trends/10-surprising-cities-that-are-gentrifying-the-fastest/>

In a Foxbusiness report in January 2017, *Baby Boomers Could Spark Affordable Housing Boom*, the president of AARP was quoted, “Right now, more than 19 million older adults live in unaffordable or inadequate housing, and that problem will only grow worse in the next two decades as our population ages.”

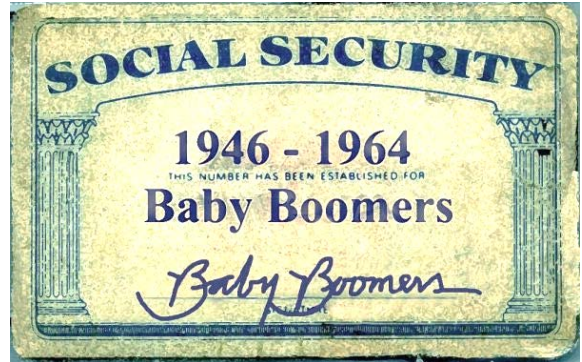
The article also gives a prediction of future financial/housing needs for older adults. In an interview for the article, the CEO of Real Property Management gives an example estimating the money needed for

housing is described. Seniors who can realize \$500 per month income from savings, and who receive about \$1,294 in Social Security benefits will have a total income of \$21,528 per year.

Given the generally tight housing markets, a senior household that spends 35% of income on housing would need \$628 per month to rent an apartment. The 2016 Fair Market Rent (FMR) established by the U.S. Department of Housing & Urban Development (HUD) for the Nashville area was \$756 for a 1-bedroom and \$925 for a 2-bedroom.

<http://www.foxbusiness.com/features/2017/01/13/baby-boomers-could-spark-affordable-housing-boom.html>
https://www.huduser.gov/portal/datasets/fmr/fmrs/FY2016_code/2016summary.odn

There is much discussion and conflicting opinion in the housing sector about the effects of the two largest generations in the U.S. – the Baby Boomers and the Millennials. Some general conclusions about seniors are that low-income and fixed-income seniors will increasingly need affordable housing that is accessible to accommodate increasing disability. The housing will need to be near public transportation as seniors age and no longer drive cars.



Seniors who decide to stay in their suburban homes will need remodeling for accessibility, and will have difficulty accessing public transportation, although private services such as Uber and Lyft may provide an option for seniors who can afford them. One thing that all sources agree on is that the U.S. is generally unprepared for the aging Boomer population in housing, transportation, and healthcare accessibility, and that this generation will continue to have a significant effect on public and private sector services.