

ARC Senior Homeownership Challenges

July 2024

More than one in four (25.7%) metro Atlanta homeowners age 65+ pay more than 30% of their household income on housing¹. Housing is considered affordable if a person pays no more than 30% of their income on housing costs. This is termed as being housing cost burdened.

Existing homeowners may need assistance to remain in their homes as they age. Increasing the supply of housing options could help homeowners who wish to downsize.

BACKGROUND

The population of older adults in metro Atlanta is sizable and rising fast. 12.4% of metro residents are age 65 or older², a figure that is expected to reach 22.0% by 2050³.

1.3 million

The 65+ population in metro Atlanta is forecast to reach 1.3 million by 2050³.

The vast majority of older adults in metro Atlanta own their own home. In fact, older persons in metro Atlanta are more likely to own their own home compared to people under age 65.

77.3%

In metro Atlanta, 77.3% of households 65 or older own their home². Among those under 65, just 58.5%⁷ own.

The cost of maintaining a home can be prohibitive, especially for low-income older adults who own older homes that require more upkeep. Financial stresses can increase with age due to limited retirement savings, fixed income, or reliance on modest Social Security income.

1 in 4

About 24.3% of metro Atlanta residents are considered low income and have an annual income less than two-times the poverty level⁵ (\$27,180 if living alone or \$29,656 for two people⁶).

Housing needs change over the course of a lifetime.

Costs to retrofit a home can vary, whether it's installing better lighting or building a ramp. On average, older adult homeowners in Metro Atlanta spend over \$783.90⁴ per year of their already limited income on routine home maintenance costs.

4.5%

Only 4.5% of home improvement activities were for the purpose of increasing accessibility for older adults or people with disabilities⁴.

¹ Source: 2018-2022 American Community Survey 5-Year Estimates, B25093

² Source: 2018-2022 American Community Survey 5-Year Estimates, S0103

³ Source: ARC Series 17 Forecast

⁴ Source: 2021 American Housing Survey, Atlanta-Sandy Springs-Roswell, GA MSA, Home Improvement Characteristics, Owner-occupied Units

⁵ Source: 2018-2022 American Community Survey 5-Year Estimates, C27016

⁶ Source: 200% Federal Poverty Guidelines, 2022

⁷ Source: 2018-2022 American Community Survey 5-Year Estimates, S2502

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SOLUTIONS

Support housing for older persons in the community, which may attract new residents of all ages.

Older persons are more likely to need support to maintain a safe home environment and meet their daily needs regardless of income. Zoning regulations should be written to allow for a variety of home types near the services that enable people to remain independent as they age. Policies should encourage the development of a mix of housing types within existing communities at a variety of sizes and price points.

For homeowners to remain in current homes

- » **Provide incentives or otherwise reduce the cost-burden for home modifications** that support their changing health needs, promotion of independence, and/or reduce ongoing costs (e.g., tax breaks, deferred loans, or grant programs for qualified home alterations).
- » **Make homeowner taxes more affordable for low-income older people** through property tax credits and/or exemptions.
- » **Allow for a range of living arrangements, such as shared housing (AKA “Golden Girls”)** or secondary units on one property, and zoning regulations to enable shared expenses and/or increased income.
- » **Regulate home contractors** to reduce incidence of fraud.
- » **Permit basic services and businesses** within walking distance of residences in zoning regulations.

To increase supply of affordable, accessible housing

- » **Allow for a diversity of housing types and options**, such as cohousing, multigenerational households, secondary units on one property, micro-units, and pocket neighborhoods, in the zoning regulations.
- » **Encourage universal design elements in development codes**.
- » **Provide incentives to build or rehabilitate diverse housing**, such as townhouses or small cottages on lesser lot sizes, near needed services.

Explore more strategies to address challenges to senior homeownership at <https://metroatlhousing.org/strategies/> “Metro Atlanta Housing Strategy Dashboard”.

SUCCESS STORY

The city of Decatur updated its zoning ordinance to enable innovative housing units that enable older residents to stay in their community, including smaller “cottage court” units or an accessory dwelling unit (ADU) on existing properties that can also be rented as a source of income. In addition, Decatur does not put limits on the number of unrelated individuals living in a single-family dwelling.

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