Housing & Aging in Place: Navigating Choices, Costs, and Safety

The New Reality: Aging in Place Amid Tight Supply

The preference to age in place is stronger than ever. A Northwestern Mutual study found that 84% of baby boomers expect to remain in their current homes rather than downsize, even as the oldest boomers turn 80 in 2026, a demographic milestone pushing senior housing demand to record levels.

While this desire reflects the emotional security, community ties, and autonomy associated with remaining at home, the market fundamentals are presenting headwinds. Supply is not keeping pace.

Year-over-year inventory growth in 2025 was just 1%, the lowest rate the National Investment Center for Seniors Housing & Care has recorded since it began tracking the data in 2006. For families and advisors, this sets the stage for careful planning: staying put may be preferable, but it also requires attention to accessibility, safety, and financing.

That mismatch between desire and availability is creating real strain. Roughly 12.4 million older households are considered housing cost-burdened, spending more than 30% of their income on housing.

Meanwhile, many homeowners who want to age in place cannot find accessible housing or afford the modifications, grab bars, ramps, and single-floor layouts, that would let them do so safely.

These obstacles are not purely structural; they are also financial. In markets where home equity has grown substantially, homeowners may have paper wealth but still lack liquid funds for renovations, caregiving, or medical costs. The result is a growing need to translate home equity into practical support without sacrificing long-term security.

On the financing side, proprietary reverse mortgages are gaining ground fast, now claiming 52% of new reverse-mortgage originations versus government-backed HECM loans.

For retirees with higher home values, these products expand the toolkit for unlocking equity without selling. Yet, as with any financial product, details matter: costs, interest accrual, non-borrowing spouse protections, and repayment triggers upon moving out or selling the home

For most households, the right answer blends low-cost safety fixes with a realistic funding plan that preserves flexibility.

In short, aging in place can work, but it requires an integrated approach that aligns the home's physical condition with the owner's financial resources and evolving health needs.

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From Data to Decisions: What the Numbers Mean for Households

The data points above are not just headlines; they translate directly into home-level choices. When neighborhoods lack accessible housing stock, the default strategy becomes modifying the current home. But not all projects deliver equal impact.

Research and field experience show that targeted safety interventions, improving bathroom stability, eliminating trip hazards on stairs and thresholds, and improving lighting, can reduce falls and extend independent living more cost-effectively than full remodels. In addition, minor accessibility changes often maintain the home's familiar layout and routines, which can be crucial for cognitive well-being and daily functioning.

At the same time, affordability challenges force households to scrutinize trade-offs. For cost-burdened seniors, any increase in monthly expenses, from property taxes and insurance to utilities, can quickly erode stability.

This is where financing strategies enter the picture. A reverse mortgage, whether HECM or proprietary, is not a one-size-fits-all solution, but it can convert illiquid equity into a buffer for safety upgrades, in-home care, or bridging gaps while waiting for other benefits. The key is to weigh the lifetime cost of borrowing against the tangible benefits of staying put, including proximity to caregivers, familiarity with medical providers, and access to community services.

Families should adopt a planning mindset anchored in three pillars: safety, sustainability, and support. Safety means addressing the most common causes of injury at home, usually concentrated in bathrooms, entryways, and stairways. Sustainability means ensuring the home's ongoing costs remain manageable relative to income and that financing adds resilience rather than risk. Support means aligning the home environment with available caregiving, whether from family, paid aides, or community programs like Meals on Wheels and transportation services. When evaluated together, these pillars help determine whether a modest set of upgrades is sufficient or whether a larger redesign, or even a move, would better serve long-term needs.

ACTION ITEM: Start With a Professional Home Safety Assessment

Before assuming a home renovation is the only path to aging in place, get a professional home safety assessment. Many Area Agencies on Aging offer these free or low-cost. A trained specialist will review the home's layout and identify the highest-risk areas: slippery bathroom surfaces, poor lighting at stairs and hallways, narrow doorways that complicate walker or wheelchair use, and exterior entry points with uneven surfaces.

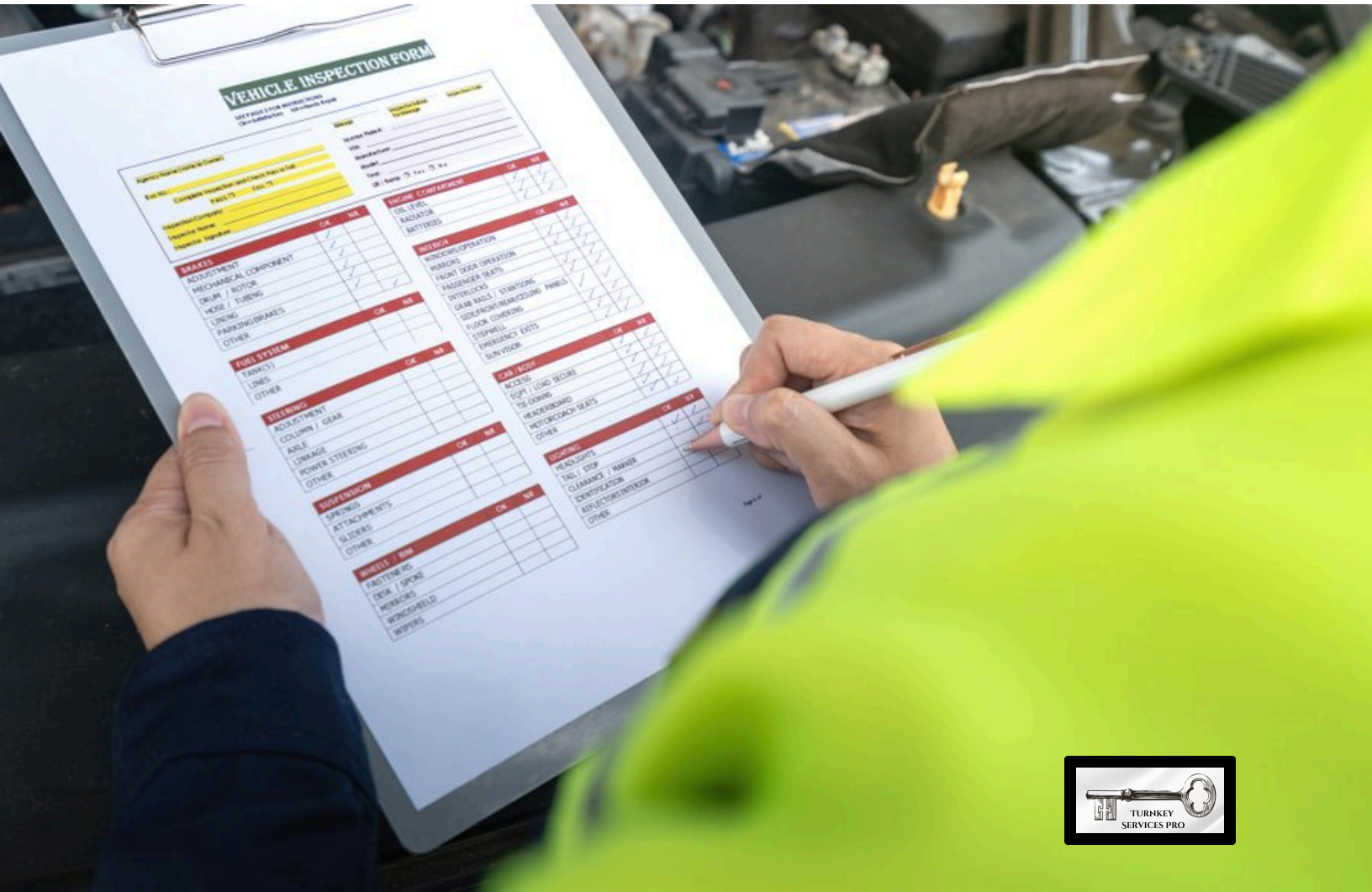
The assessment typically yields a prioritized list of changes, ranked by risk reduction and cost. This clarity matters: it is often cheaper to fix the two or three highest-risk spots in a home than to relocate, and it clarifies whether a reverse mortgage or other financing is actually needed.

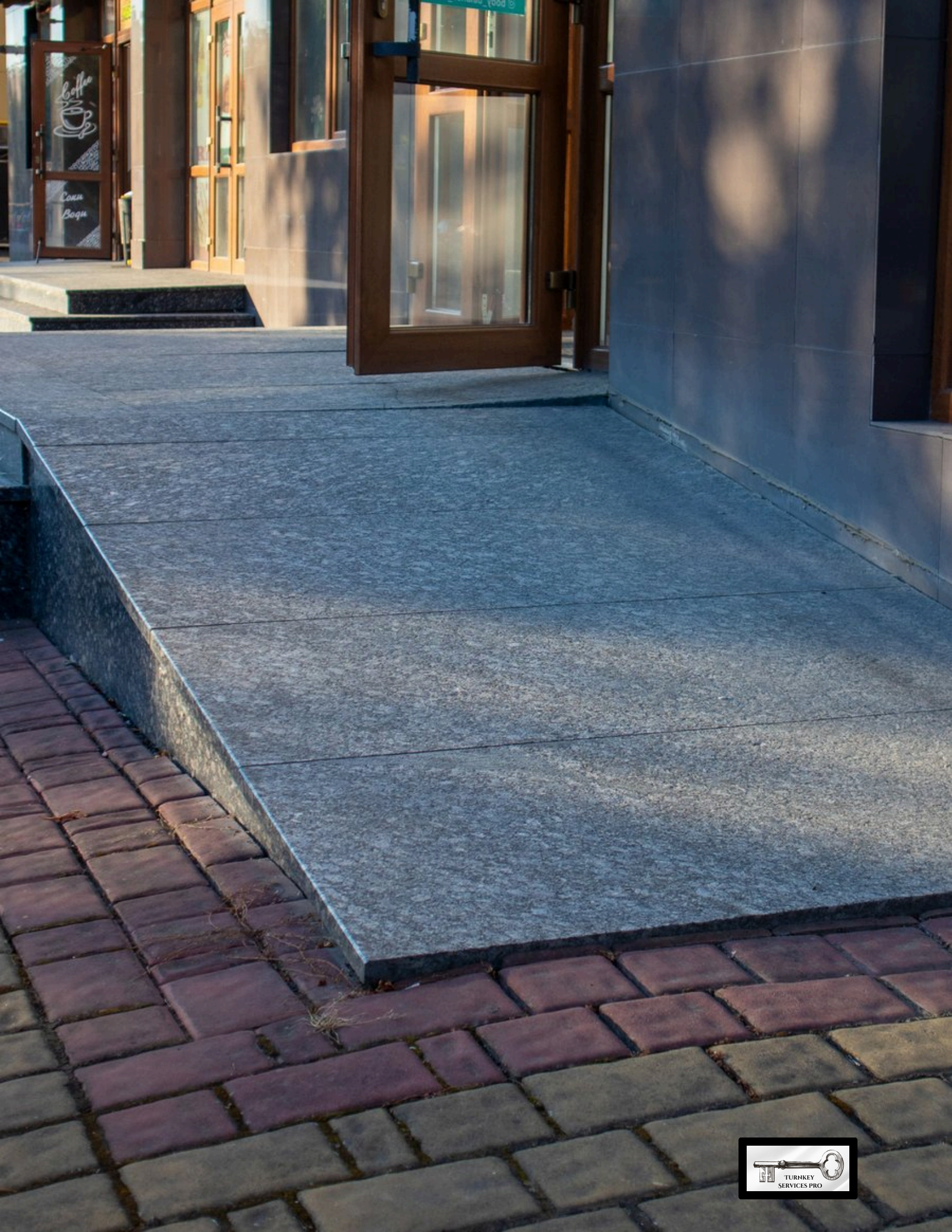
A practical next step is to categorize recommendations into three groups. Quick wins include non-slip mats, brighter LED lighting, nightlights, contrast tape on stair edges, and properly installed grab bars. Moderate projects might entail widening doorways, installing lever-style handles, or adding a zero-threshold shower. Major projects could involve reconfiguring a ground-floor bedroom or adding a ramp and covered entry.

By sequencing projects, households can match improvements to budget and urgency, preventing scope creep and ensuring the most protective upgrades happen first.

Finally, consider the integration between safety upgrades and financing. If cash reserves are tight, compare options: small grants via local nonprofits, Medicaid waiver programs where eligible, property tax abatements or freezes for seniors, home improvement loans, and, only when appropriate, reverse mortgages.

When evaluating reverse mortgages, compare HECM safeguards and counseling requirements to proprietary product flexibility, loan limits, and closing costs. Ask how interest accrues, what happens if the borrower moves out for more than 12 months, and how non-borrowing spouses are protected. The goal is to preserve autonomy without compromising future housing choices.

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Financing the Plan: Reverse Mortgages and Beyond

Reverse mortgages can be useful, especially for owners with substantial equity and fixed incomes. Proprietary reverse mortgages, now 52% of new reverse originations, often appeal to higher-value properties or borrowers needing larger proceeds than HECM limits allow. However, HECM loans come with mandatory counseling and federal insurance features that many households value.

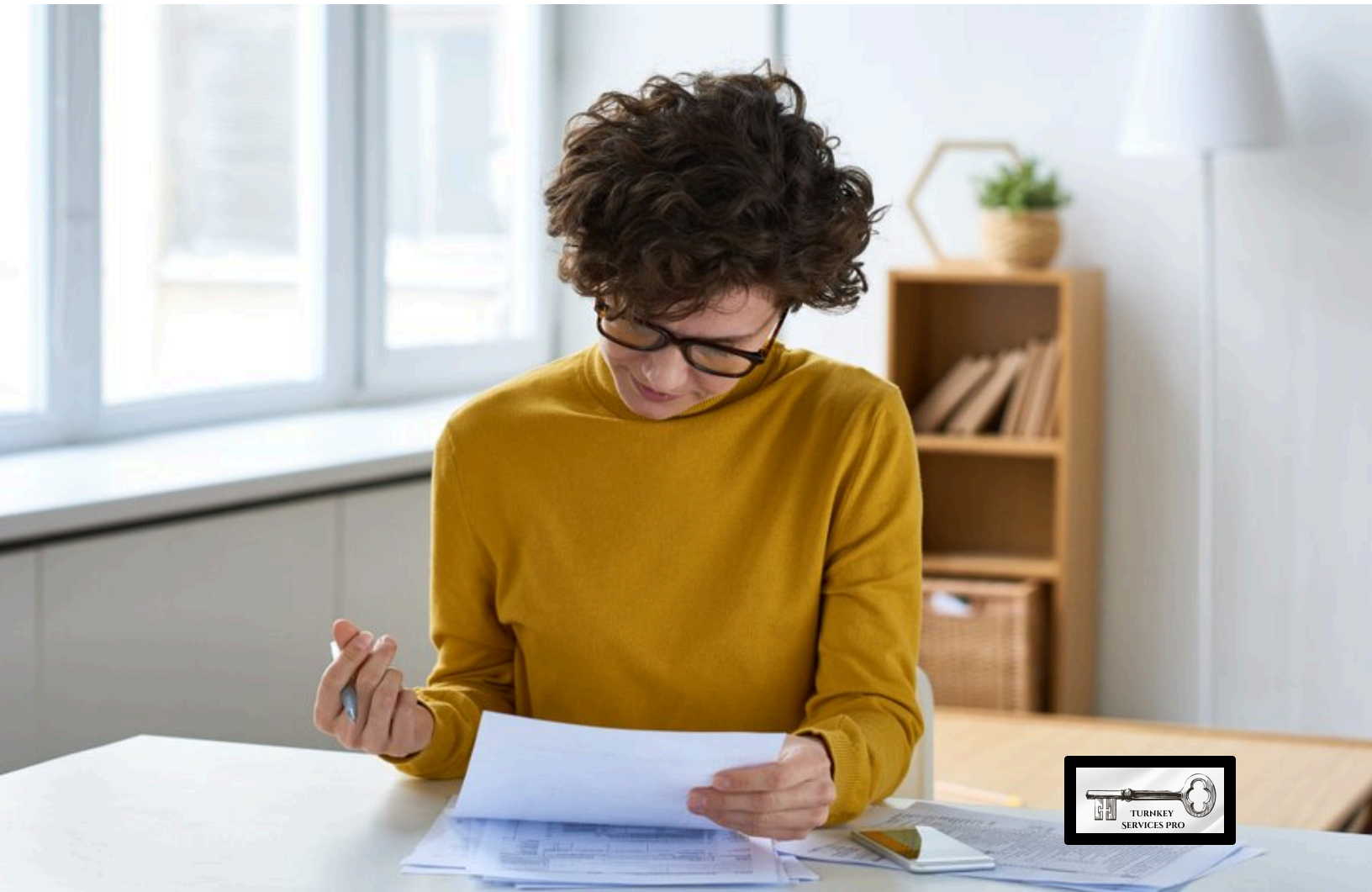
When comparing products, look at total borrowing costs, mortgage insurance premiums (if any), origination fees, servicing fees, and rate type. Understand disbursement options, lump sum, line of credit, or tenure payments, and how each aligns with renovation timelines, in-home care costs, and emergency reserves.

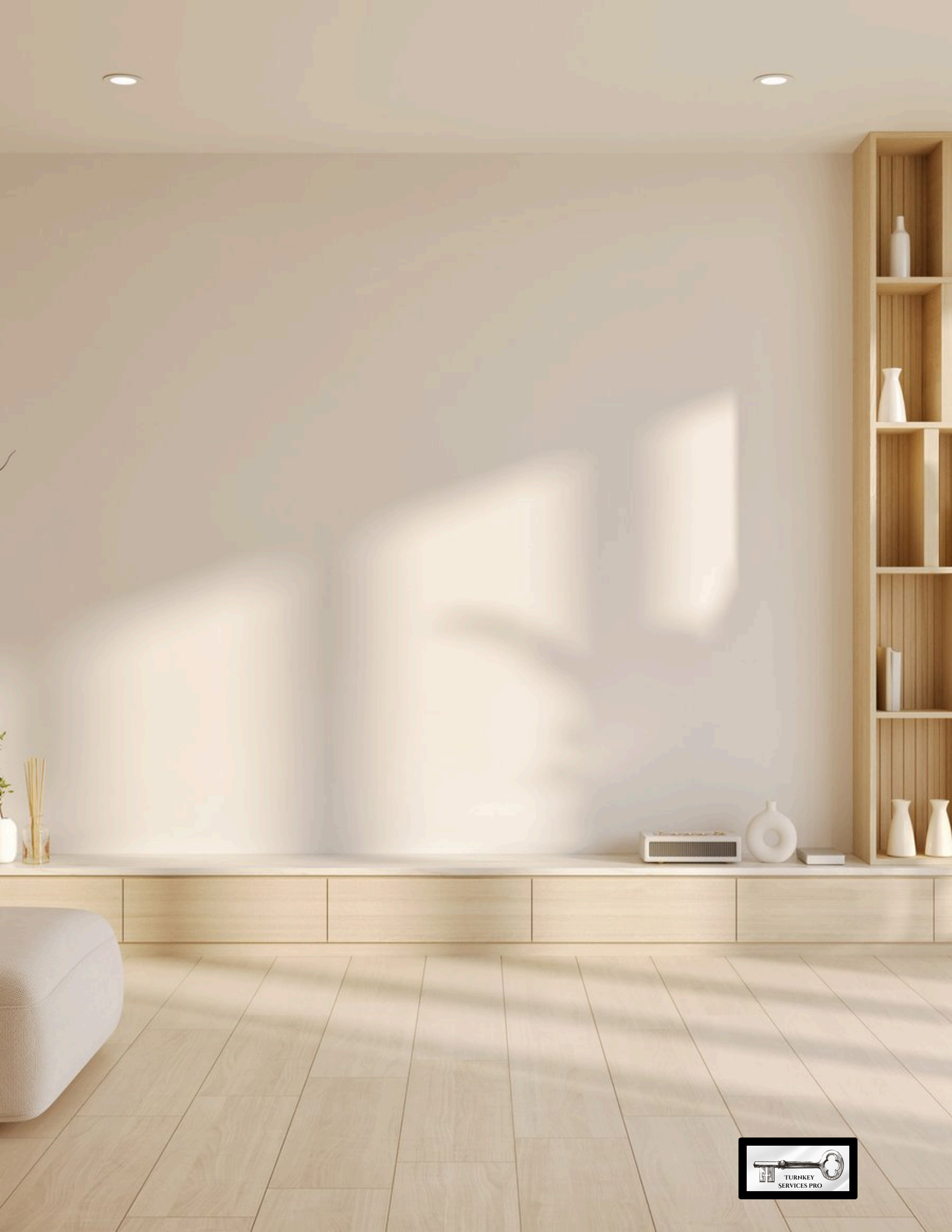
Alternatives deserve equal attention. For smaller scopes of work, a personal loan or home equity line of credit (HELOC) may be cheaper and easier to unwind.

Some utilities and municipalities offer weatherization or energy-efficiency grants that indirectly free up cash for safety upgrades by lowering monthly bills. Nonprofits and faith-based organizations may run volunteer programs for basic modifications like railings and ramps. Veterans should explore VA grants for home adaptations. The best approach pairs the least expensive capital with the most impactful safety changes, preserving flexibility if health status changes.

Whatever the funding mix, document a clear budget tied to the assessment's priorities. Build in a contingency of 10%–15% for surprises, hidden moisture damage behind showers, electrical updates required by code, or structural changes uncovered during doorway widening.

Keep a running total of recurring costs introduced by the plan, such as monitoring subscriptions or equipment maintenance. A disciplined, transparent budget ensures the strategy remains sustainable and that equity is deployed where it most directly supports safe, independent living.

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