

# Group Homes Are Becoming the Solution to the Elderly's Surging Demand for Accessible and Affordable Housing

The phrase “waiting list” has become synonymous these days with the assisted living and nursing home industry.

Driving this trend are several factors. But two of the most prominent are an aging baby boomer population and a slowdown in the construction pipeline for new facilities.

Given these factors, the problem will get worse before it gets better, sending the country's elderly, and their adult children looking for a suitable resting spot for their parents, scurrying for solutions. Fortunately, they won't have to look very far down the street for the answer – the group home.

The group home phenomenon is further emboldened by the fact that many seniors want to stay in a home, rather than be institutionalized. But many cannot afford the cost of retrofitting their home with no meaningful financial return on the horizon.

This contrasts with the group home setting, where accessibility initiatives can and must be undertaken in order to get a license and serve as a home for the elderly.

And there's no disputing that such accessibility initiatives are desirable and necessary.

The Joint Center for Housing Studies at Harvard University completed a 2018 study ([https://www.jchs.harvard.edu/sites/default/files/Harvard\\_JCHS\\_Housing\\_Americas\\_Older\\_Adults\\_2018\\_1.pdf](https://www.jchs.harvard.edu/sites/default/files/Harvard_JCHS_Housing_Americas_Older_Adults_2018_1.pdf)), which “found that assisted units are more likely to have ramps or no-step entries, as well as grab bars and medical emergency call systems in bathrooms,” all of which are critical components for keeping the elderly in an affordable and safe setting.

In sum, the report found that “providing safe, affordable, and accessible housing to the nation's aging population is an immediate challenge. Many households currently in their 50s and early 60s are not financially prepared for retirement, with lower homeownership rates than their predecessors and meager gains in income and wealth. In addition, many older adults live in low-density areas and in single-family homes, which adds to the pressures on their communities to provide new housing and transportation options for households in need. And as the baby boomers begin to turn 80 in the decade ahead, growing numbers of households will require affordable, accessible housing as well as supportive services.”

## Cost Is a Factor

Further exacerbating the trend away from nursing homes and assisted living facilities is the fact that the more that low-paying residents (Medicaid and Medicare) are admitted to such facilities, the more the owners and operators of such facilities must make up the difference by reducing services or raising the fees for self-paying residents.

However, self-paying residents have other options, rather than to subsidize the low-paying residents. They can choose to embrace group homes, where the owners and operators are less encumbered by obligations to admit low-paying residents.

The evidence around the rising cost of living in a nursing home or assisted living facility is emerging. In fact, the Georgetown University School of Nursing & Health Studies recently conducted a study, which found that nursing home prices are rising faster than other medical care and consumer prices

The study's lead author, Sean Huang, PhD, MA, noted that individuals in need of nursing home care, who do not have Medicaid, usually pay out of pocket until they run out of money. Then they are eligible for Medicaid, Huang says. They are also trapped in an institutionalized setting.

With all these dynamics at play, it's not surprising that the United States home care market, which includes people being cared for in their own home as well as in a group home setting, is expected to grow from approximately \$100 million to \$225 billion by 2024, according to a recent study by Business Insider Intelligence.

Peter J. Burns III, the CEO and Founder of Luxury Group Homes, said the demand for beds in his properties and others like his is reaching epidemic proportions.

"I have not seen anything like this," he said. "Each day, we are reviewing properties that can be converted into a group home and readied for immediate occupancy. We can't build them fast enough."