

# CASE IN POINT: Multigenerational Housing: Fad or Future?

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*By Debbie C. Miller*

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# CASE IN POINT



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# Multigenerational Housing: Fad or Future?

**Increasing numbers of Americans live in multigenerational housing, yet the market is just beginning to accommodate their needs.**

BY DEBBIE C. MILLER

**B**lending communities and families in either a home-within-a-home or a community is a trend that has been developing for several years now, and it will only continue to grow as the baby boomers age and millennials search for affordable housing. The movement, known as multigenerational (or intergenerational) housing, is defined by the U.S. Census Bureau's American Community Survey as those households consisting of at least two generations living under the same roof. Included are households with a grandparent and at least one other generation, known as a "skipped generation" household (Cohn & Passel, 2018).

Optimal multigenerational living is a fusion of the best trends in senior living innovation, as one in five Americans currently lives in a multigenerational household. This number has increased from 42.4 million in 2000 to 64 million in 2016 (Fry, 2017). The most common arrangement is a three-generation household, which typically includes one or more working-age adults, one or more of their children (who

may be adults), and/or aging parents or grandchildren.

### Changing Household Composition

Before World War II, about 25 percent of Americans were in multigenerational households. This compares to 20 percent (and growing) today, but there was a sizable dip in this number after the war, when there was a general feeling that parents should stay in the family home and children should start their own lives separate from parents (Rieger, 2017). The idea of relying on someone else went out of style, as young people left home in search of work. The higher education benefits and low mortgage costs bestowed on service members by the 1944 G.I. Bill (history.com Editors, 2019) also created distance between young adults and parents. The trend was to move to the city and create an independent, nuclear family. Owning a home was considered a measure of success, and single-family homes mushroomed almost overnight to keep up with demand (Rieger, 2017).

But this social and economic dynamic has altered in recent times as marriages were delayed or dissolved, student loans became ubiquitous, and housing costs have risen. The modern trend leans toward pooling resources under one roof to care for aging parents, provide childcare, and increase closeness among family members.

Several factors contribute to this new reality. The 2006-2009 real estate market crash with its foreclosures and short sales affected many homeowners' credit, which resulted in families turning to a parent or other family member for housing. College graduates carried high levels of tuition debt and it was difficult to find a job to cover high rents or a new mortgage. Moving back in with Mom and Dad seemed the logical solution to save money while paying down debt. Even now, millennials are moving back home. That demographic, born between 1980 and 2000, make up almost one-third of stay-at-home children (Fry, 2017).

Another reason for the growth is due to adult children who became "suddenly single" when a relationship doesn't last. The breakup can be especially difficult if children are involved, and it's easier to start again with family support, including childcare.

Census data from 2018 indicates non-Whites often live in multigenerational housing. Asian Americans reported 29 percent lived in multigenerational family households, while 27 percent of Hispanics and 26 percent of African Americans lived with another generation. By contrast, only 16 percent of Caucasians reported living with at least one family member from another generation (Schaeffer, 2019).

### What Does Multigenerational Housing Look Like?

Multigenerational housing can occur in any home, but some housing styles and floor plans are more amenable to cohabitation. Traditional duplexes have the advantage of granting each generation autonomy, and carriage houses or mother-in-law units have long served additional family members. Existing homes that have been retrofitted to accommodate an extended family are popular. These may have dual master suites, or a master suite on the main level and a lower level with bedroom, living/dining area, full bath, laundry, and easy access to the outside.

Nowadays, builders are getting in on the trend by designing **specific floor plans** to meet a growing need. Lennar is a leader in this type of housing with its trademarked "NextGen" designs, but many other builders are following suit with variations on the concept (Olick, 2016).

Lennar's floor plan consists of a main living area and another suite that has its own entrance, kitchen, laundry, and garage. The two are combined under one roof to look like a single residence from the street. The larger space may accommodate parents and young children, while the suite makes a great home for grandparents. However, it's a flexible design where the suite may also house a disabled adult child or one who has returned to the nest due to job loss, divorce, or a variety of other life factors. The design allows multiple generations to live under one roof with just a doorway separating the spaces. Aging grandparents can remain a part of the family unit and can receive care without moving into an assisted living facility. If and when there is no longer a need to house a family member in the suite, it can make an excellent rental unit or nanny suite.

This two-in-one floor plan is often a part of a larger master-planned community, wherein an entire community is planned out before it's built to encompass and support recreational and commercial activities. Master-planned communities, often located in the sun belt, may have age-based neighborhoods with older adults in one area and families with children close by in the same community. This type of community allows older adults to have a daily connection with the neighborhood as well as the rest of the world. Isolation isn't a part of this way of living (Ideal Living, n.d.).

**Casitas** (Spanish for "little house") are another approach to multigenerational housing. A casita is an apartment attached to the main home. They're common in Hawaii, the state with the highest percentage (11 percent) of multigenerational housing (Cohn &



Passel, 2018). They can also be found in California, Arizona, Nevada, Texas, and other warmer climates.

**Accessory Dwelling Units (ADUs)** can be built on an existing property, providing the owner also lives on the site. They may be attached to the main house or garage, or be a separate structure.

A **granny flat**, or **granny pod**, is a more expensive ADU option because it contains advanced medical equipment to provide care for an elderly parent. This type of housing can run upwards of \$100,000. But when you consider the cost of assisted living or nursing care, a granny flat may be an economical alternative. (Note: The popular “tiny house” is a moveable residence on wheels and should not be confused with an ADU).

Cohousing arrangements are popular with single retirees who share housing costs and contribute their talents to making the home run smoothly. College students living with Grandma in exchange for doing chores or providing social interaction is one example.

**Planned cohousing communities** offer an alternative to corporate senior living communities. According to the Cohousing Association of the United States (n.d.), there are currently over 170 cohousing communities in the U.S. As of August 2017, the association reported thirteen completed senior cohousing developments, with two more being built and another thirteen coming together in the U.S.

The increase in social integration when families live together benefits all residents, as well as adding value to the surrounding community. A preschool can be connected to a playground or an art room that hosts multigenerational classes on arts and crafts. Yoga, a movie theater, and open space for parties or gardening can be included as well. There’s an increase in shared relationships, childcare, and more. An area that is already rich in amenities can give seniors more freedom to access these places, even if they don’t drive any more.

Most of these so-called intentional communities are multigenerational, while a growing number are either predominantly or exclusively occupied by senior residents. People own their own home and can sell it on the open market. Residents pay into a fund to maintain community facilities and/or services and collectively agree on how they should be used. Some are rural, others are suburban, or even urban. It’s a community but not a commune.

## Is Multigenerational Housing Here to Stay?

In 1970, only 26 million Americans lived in multigenerational housing but today it’s 64 million. Because

of consumer demand and baby boomers living longer and healthier, there will continue to be a growing demand for this type of housing. Baby boomers don’t want to drift off into the sunset and live in a confined community where everyone else is “old.” Older adults want to live in vibrant communities, and savvy builders are realizing that it makes more financial sense to develop neighborhoods that meet this goal by capturing smaller portions of larger markets and merging them into one community.

Aging in place, or aging in community, is becoming the new norm. It works not only for baby boomers, but for all ages. The multigenerational way of living isn’t a new form but its growth has been hampered somewhat by zoning laws that restrict the number of people who can live in a home and how that home can be changed. Restrictions in many communities will have to be amended or lifted to accommodate the push for more multigenerational housing.

## Is Multigenerational Family Living for You?

Already, 12 percent of home buyers have purchased a multi-generational home to take care of aging parents, for cost savings, and because children over the age of eighteen were moving back. That number rose to 16 percent of buyers aged thirty-nine to fifty-three, and 15 percent of those aged fifty-four to sixty-three.

The benefits of multigenerational living ideally work both ways. They include an older adult facilitating childcare, while younger adults can help older family members through health issues. However, it’s important to keep in mind that while childcare duties typically lessen as the kids grow, the opposite is true as people age, particularly when mobility restrictions or dementia arise. But the cost savings of keeping the grandparents close by is a plus.

## Tips for Keeping the Peace

Check with your local jurisdiction first, to be sure your area allows for multigenerational living. You may want to install an accessory dwelling unit in the back, for example, and zoning laws could prevent that from happening. Is the home compatible for everyone involved? Are there too many stairs? Does a bathroom need renovating to accommodate an elderly parent? And is the home safe for the children and the older adults who live there? When multigenerational families share a home, it can seem much smaller than before.

Multigenerational households should hold regular family meetings to discuss potential problems. Determine childcare boundaries, tasks that will be

undertaken by the children to help an older family member, mealtimes, cooking, noise levels, etc. Families will also need to discuss housekeeping standards, when laundry gets done and by whom, and other household tasks.

Financial discussions must be a part of the experience. Who will pay for what? Is there a mortgage? Real estate taxes, insurance, utilities, and other expenses must all be included in the discussion. Younger family members who may not have income can certainly help with household chores like lawn care or cooking.

Be sure that your house can accommodate multigenerational living. Too many levels, tight bathrooms, narrow hallways, and poor lighting are just a few features that will need evaluating to adjust or upgrade for an interior to work comfortably. Furniture and rugs may need to be removed to protect against falls.

To avoid regrets later, homeowners should obtain legal advice for decisions regarding title (how will it be owned). An estate planning attorney may be able to save families money and headaches by making the right decisions early on. And what arrangements are in place in case someone wants to leave the home?

### Finding a Multigenerational Home

It may take a while to find the answer for your needs. Working with a Realtor® who specializes in this type of housing solution can shorten the search time and

gets you into your new lifestyle faster. The National Association of Realtors published numbers indicating that more than 30 percent of buyers are looking for multigenerational housing (Riggs, 2019).

As many as 40 percent of home buyers are at least considering the possibility of accommodating an elderly parent or adult child. A big issue is that much of the existing housing stock is made up of single-family homes that aren't designed for this type of living arrangement (2019 Home Buyers, 2019).

Homeowners may decide that their existing home can be modified to accommodate multigenerational living. Locating a contractor who specializes in universal design concepts for multigenerational use takes time. The National Association of Homebuilders awards the Certified Aging-in-Place designation to builders and others in this field after a rigorous program of training in adapting existing housing for use by all family members (see resources, below).

Today, many families are creating their own picture of success, and multigenerational housing is one solution. These families choose a way of living that combines extended family resources in a vibrant environment while creating closeness. Being a multigenerational family is more than just a way to live, it's a way to thrive as well. Having family nearby can lessen isolation and tighten the family bond. We are watching the future unfold.

## Case Study: Redesigning a Home

Carolyn, a 72-year-old widow who had recently sold her home, was ready to try multigenerational living. Becoming a widow had left her lonely, and the memories in her old home had been little comfort as she confronted the realities of aging alone. She had spoken to her daughter's family, and after considerable discussion and consultations with professionals, she was interested in buying an existing house that would accommodate her daughter, son-in-law, and grandchildren, as well as herself. The location had to be convenient to public transportation and major traffic arteries, as well as medical facilities and good schools. She wanted her own space and entrance separate from the rest of the family.

Carolyn's ideal home didn't exist in the community where she lived. Her Realtor® knew the most important element was location, so she concentrated her search using the criteria Carolyn had given her

for health care, schools, and transportation. Concentrating on these parts of town, she located a split foyer home that could be converted so the lower level could serve as a living space for Carolyn. The upper level already had a large kitchen and enough bedrooms, baths, and living space for the young family, but limited space would be a challenge in Carolyn's area, and it would have to meet her needs for aging in place. By working with her Realtor® and a Certified Aging-in-Place Specialist and licensed general contractor who were experienced and understood her needs, Carolyn hoped the home would work for this new stage of her life.

### Discussion

The lower level had some advantages from the start. There was no-step access to a private, rear entrance. A long driveway provided off-street parking for the



lower level. A bedroom with a sitting area was part of the original space and only needed painting and new carpet to be ready for Carolyn. However, the rest of the downstairs would need extensive renovation.

Although Carolyn's Realtor® had made sure the jurisdiction allowed for accessory dwelling units, the process for approval was lengthy (as long as one year) and costly (the jurisdiction required the hiring of consultants to guide the homeowner through the process and obtain approval from neighbors and the board of supervisors, which could run several thousand dollars). Due to time constraints, the simplest solution was to omit a stove in the kitchen area so that it would meet zoning requirements without board approval.

### Renovation Begins

A recreation room with a fireplace and wet bar was redefined to create a combined living, dining, and kitchenette area. The hallway that connected the area to the upstairs was walled off and a door put in for access when desired. Laundry facilities were installed at one end of a hallway. An existing wine cellar was converted to a large pantry for storage. Another 9'x 9' room was converted into a walk-in closet with built-in

dressers, shelves, and hanging racks for clothing. A third closet was converted into storage for linens and miscellaneous items and mirrored doors were added.

Since there wasn't enough room for a separate dining room table and chairs, the countertop in the kitchen space was extended to create an area that doubled as an eating space. The wet bar plumbing was left where it was to save money and a slightly larger sink for clean-up was installed. Since storage space was at a premium, a central vacuum system was put in. All the windows and the sliding glass door were outfitted with remote-control blinds that will allow Carolyn to easily regulate light and privacy, even as she ages. Wood laminate flooring was chosen to help prevent falls and allow for possible future use of a walker or wheelchair.

The existing bathroom was gutted and remodeled for aging in place. A new shower features supports behind the tile that will make installation of grab bars easier if they're needed later on. The shower has a hand-held spray device and non-slip flooring. A higher-rise Toto toilet with a remote-controlled washlet (similar to a bidet) and a comfortable-height sink and cabinet were also installed as part of the



remodel. By using a remote video camera, builders discovered that the sewer line under the old shower had a large crack in it (tree roots were growing through the crack, which caused water to back up in the shower). Because of this, the shower floor needed to be jackhammered to replace the damaged line with new pipe, adding to the cost.

### Cost and Results

Construction lasted four months. The total cost for the entire lower-level redesign was approximately \$90,000 for the apartment area and another \$34,000 for the bathroom. It also included replacing all the windows and a sliding glass door. A supplemental heating and cooling system was also installed in the bedroom area, since the existing system was insufficient. Because the neighborhood is subject to frequent power outages, a whole-house generator was also put in to keep the electricity on in case of power failure, which often lasts for more than a day.

This solution, while time-consuming and somewhat costly up front, provided a way for Carolyn to age in place and postpone or eliminate a move to assisted living, which carries a typical price tag of thousands of dollars per month. A home care attendant can easily visit if and when required without disturbing the rest of the family, in case there's a need later on.

Costs are divided in a way that both parties are comfortable with. The young family pays the monthly utilities, taxes, and internet, and maintains the large yard; Carolyn pays a small monthly mortgage and the cost to maintain the backyard swimming pool during summer months. The property is in a trust so that a lengthy probate can be avoided later. Carolyn and her family were happy with the results and look forward to occupying the home for many years to come. •CSA



**Debbie C. Miller** is a Certified Senior Advisor, a Certified Aging-in-Place Specialist, and Associate Broker at McEneaney Associates Realtors. Since 1995, she has specialized in helping seniors and adult children either sell the family home or make improvements to age in place safely in their current home. She is the author of "Move or Improve: The Baby Boomers' Guide to Housing Options and How to Choose What's Right for You." She hosts a podcast on social media, "Move or Improve with Debbie," where she discusses housing topics of interest to baby boomers deciding whether to move from their current home or age in place. Debbie is also a consultant to the senior housing industry.

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### RESOURCES

Investigate the newer **master-planned communities** that are incorporating housing for all generations. <https://www.rclco.com/publication/top-selling-master-planned-communities-2018/>

**Lennar NextGen homes** with attached suite are an innovative option for families seeking multigenerational housing. <https://www.lennar.com/nextgen>

The **National Association of Homebuilders** awards the Certified Aging-in-Place designation to builders and others in this field after a rigorous program of training in adapting existing housing for use by all family members. <https://www.accessibleconstruction.com/certified-aging-in-place>.

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