

## Topic 7

# LIVING SITUATION

---



# 7

## LIVING SITUATION

---

Whether you rent or own, later in life you may find yourself thinking about moving from a home your family may have lived in for many years. For some people, this can be the beginning of a welcome new chapter in their lives. For others, it's a very difficult decision, especially if it's due to financial hardship.

Make sure you explore all your options thoroughly before you decide to move. You may also benefit from financial advice, especially if affordability is an issue for you. For example, if you own your home, would a reverse mortgage allow you to stay? Would sharing your home with other family members or renting out some of your space be a good solution?

Here's how to start a conversation about your living situation with your adult child(ren).

Would you like to learn more about choices for your living situation? Read **Housing options for seniors.**

## What's to talk about?

- A. **How do you discuss selling or leaving the family home?  
What role or input should adult children have related to  
the family home?**

Deciding to sell or leave the family home can be one of the biggest life decisions you will ever make. Especially if your family has deep emotional ties to this home. To prevent hurt feelings and misunderstandings, it's a good idea to gather your family members and discuss the decision to move.



Here's how to start the conversation.

*If you are parents of adult children:*

- If you have any concerns that your child(ren) will struggle with letting go of the family home, let them know before you put up the “For sale” sign or decide to leave. The move can mark an important transition for both you and your child(ren) even if they haven't lived there for years.
- Start by talking about why you need to make this change now. Your reasons can include changes in your health and mobility, financial concerns, a desire for peace of mind or less upkeep to worry about. Remember that the decision is yours to make.
- Invite your child(ren) to talk about how they feel and what the home means to them. It can be an emotional but important conversation.
- Preparing to leave a family home and downsizing can be a very time-consuming and tiring process. Let your child(ren) know if you will need help or ask if they can recommend a company to help you prepare.





- If the move involves downsizing, invite your child(ren) to have a family discussion about what to do with the extra possessions you no longer need or have room to store. You can also ask your child(ren) if there are any heirlooms or family treasures they want to have now.

*If you are an adult child:*

- At some point in time, you may see that your parent(s) is/are struggling with living in the family home. You may feel they need help with mobility or housekeeping. They may be depressed. Or they need to move for their own safety. Before you talk with your parent(s), be clear about your concerns.
- This can be a difficult conversation but it's important to have it early, before there's a crisis. Talk to your parent(s) in person if you can. To start, let them know you love them and are worried about their well-being. Then ask them some general questions to see if they're ready to talk. For example: How are they doing living at home? Are they doing OK with shopping and meals?



Do they need help? Do they have any safety concerns? You may even be able to ask: Are they lonely? Missing friends or neighbours who no longer live close by?

- You can then ask your parent(s) if they've considered any other living options, like downsizing or moving to a retirement residence. Describe these options in positive terms – especially how they will free your parents from worry and responsibilities while keeping them safe.

- It's important to listen rather than advise. Don't rush them or minimize their feelings. Your parent(s) may need more time before they're ready to talk about the situation. Start the conversations early and plan to talk again and again. You will likely need a series of talks to work through all aspects of the decision and consider different options.
- Remember that unless you have power of attorney for property, you cannot make the decision to sell or leave the family home. The decision belongs to your parent(s).
- Once the decision to leave the family home is made, you may experience a sense of loss – even if you understand the reasons for the move. You may find it helpful to share some of your favourite memories with your parent(s) and invite them to do the same.

Ready to learn more? Read:  
**Downsizing for retirement.**



## B. **What types of senior living facilities are there and how do they vary?**

Senior living has changed in Canada in the past 20 years. There are many more options, each designed for different health care needs, preferences and budgets. Today, independent living for seniors is often a lot like living at a resort, with wonderful restaurants, entertainment and activities.

Once you decide it's time to move, one of the next steps is to learn about what's available in your area. Here's how to start the conversation.

### *If you are parents of adult children:*

As you explore your options, it will be helpful to identify your main preferences and needs. Your children can be a great sounding board. For example, consider:

- What is your monthly budget for housing?
- How much space will you need?
- Do you want meals included?
- Will you need medical care to be available on site?
- How much home or yard maintenance will you want to do?
- Do you want to be close to any specific services or facilities?
- How important is it to be close to family or friends?
- Will you need easy access to public transit now or in the future?
- Would you like access to social activities and entertainment where you live?
- Will you need any health or mobility supports? How about housekeeping or personal care services? Do you want access to them in the future?

In some centres you can start with independent living and add more services and support as your needs change.



*If you are an adult child:*

- Offer to find out which options are available to your parent(s) in the area(s) where they'd like to live. You could visit some of them and pick up brochures and other information to share with your parent(s). Or arrange to take your parents on a tour with you.
- You can also do a lot of research online. Many senior living centres offer video tours, photo galleries and floor plans on their websites. They may also provide information about their services and fees.
- Be careful not to overwhelm your parent(s). Share a little information at a time. You don't have to cover everything in one conversation.

Ready to learn more? Explore  
**Housing options for seniors.**





## C. How do you discuss the kind of senior living that you would prefer?

There are many important factors to consider when choosing senior living. The hardest step may be making the decision to move. Here's how to start the conversation.

### *If you are parents of adult children:*

- For many people, leaving the home they know and love and moving into senior living can seem like the end of their independence. It can be very upsetting even to think about it. But if your family doctor, your friends and/or your child(ren) are telling you it's time, ask yourself some questions:
  - “If you fell or got sick and couldn't take care of yourself at home, where would you go?”
  - “Do you feel lonely sometimes? Would you like to spend more time with people your own age?”
  - “Are you finding it hard to manage your finances or keep up with paying your bills?”
  - “Would you like help with housekeeping and laundry?”
  - “Are you finding the upkeep on the house and gardens stressful?”
- If you make the decision to move, think about where you might like to live, the size and type of building you want to live in, the accommodations you would prefer, and how close you want to be to family and friends. Also make a list of the care services you may need now or in future.
- Share your thoughts with your adult child(ren). They may be able to help you sort through your options. Ask them to help you build a list of places that match your preferences and needs. Cover the range of independent and assisted living options. Be sure to check references.
- Ideally you will then go and visit your top picks to get a better sense of the atmosphere, the accommodations, the staff and the people who live there. You can also ask your child(ren) if they would like to join you for a tour.

### *If you are an adult child:*

- If your parent(s) decide it's time to move, you can be an incredible source of support and practical help. You can help them research and find places that would work for them. Try suggesting a complementary lunch and tour so they can see what life there looks and feels like. If your parent(s) are struggling with living at home but not willing to consider other options, be patient. Do your best to keep the lines of communication open. Reassure your parent(s) that you simply want to discuss the choices available to them. You are not “putting them in a home.”
- If your parent(s) become angry or upset, stop the conversation and try another approach. **Avoid frustration. For example,** let them know you're concerned about their quality of life. It's hard for you to see them isolated, slowing down or lonely. You want to make life easier and staying in their own home may no longer be the answer.
- You can also try presenting other options to your parent(s) if they are no longer able to live on their own. For example, can they move in with another family member? Or can another family member move in with them?

Ready to learn more? Explore  
**Housing options for seniors.**



## D. **What if you need help from children or social agencies to afford the kind of senior living that is either needed or wanted?**

Some Canadians struggle to cover the costs of senior living. One common reason is that their health care needs may increase as they age. They may have underestimated other costs. Or be carrying too much debt. With few options left, they may turn to their adult child(ren) for help. There are also social agencies that can help.

Here's how to start a conversation.

### *If you are parents of adult children:*

- Have an honest talk with your child(ren) as early as possible about the challenges you're facing and the kind of help you need. A financial advisor can help lead the conversation.
- Before you ask your child(ren) for help, explore what's available from social agencies. Your province or local government may offer housing for low-income seniors. Ask your child(ren) to do some research for you if you find it difficult to navigate the system.
- Ask your child(ren) how your request for help will affect them. Can they afford to help you financially? Or are there other kinds of help they can offer? For example, they may be able to help you improve your situation with better budgeting, or by moving to a less expensive place.

### *If you are an adult child:*

- If your parent(s) need your help financially, gather as much information as you can about their situation. If you have siblings, suggest everyone meet together to review the situation. You will need to get a full accounting from your parent(s) of all assets, sources of income and debts.



- Before you make any decisions, consult a financial advisor. How will helping your parent(s) affect your financial plans? Will you still be able to save for retirement? Pay for post-secondary education for your child(ren)? You may need to adjust some of your goals to take care of your parent(s). Or you may think of other ways to help, like buying their groceries or inviting your parent(s) to live with you.
- You'll also need to ensure that your parents will responsibly spend any money that you give them. Some people have helped their parent(s) financially only to find out the money has gone toward a home shopping habit or other non-essentials.
- A financial advisor can also help families figure out if they qualify for tax credits, grants and other financial tools that may help reduce the financial impacts of caring for aging parents.

Ready to learn more? Explore  
**Housing options for seniors.**



## E. **When is it necessary to move from a seniors' living facility to an assisted living or long-term care facility?**

Moving to assisted living or long-term care is a decision based on health needs. There's often a sliding scale of services available in assisted living. But if you need 24-hour personal and nursing care, you have only two options: a long-term care home or costly private 'round-the-clock care, which many people cannot afford.

Sadly, seniors often avoid the conversation about getting more health care supports until there's a crisis. This leaves family members scrambling to research options and find a place that matches the parent's needs and preferences. They may find there are wait lists, assessments and other hurdles to jump before they can get the help needed. Here's how to start a conversation early about when it's time to move to assisted living or long-term care.

### *If you are parents of adult children:*

- The move to assisted living or long-term care can feel like a major blow to your independence. But avoiding the topic will not help. Start by having regular conversations with your doctor about how you're doing and whether you need to prepare for a move.

Your doctor has helped other families with these decisions and can help yours.

- You may also find it helpful to talk to friends who are at a similar stage of life or may have already moved into assisted living or long-term care. How did they make the decision to move? How are they doing now?



- Talk to your child(ren) early and often about your wishes. You may say something like, “This is hard to talk about and I want to stay as independent as I can for as long as I can. I’m going to follow my doctor’s guidance on when I need to make changes. But I know this affects you and I want you have this conversation as a family starting now.”
- Listen to how your adult child(ren), grandchildren, and family feel. What are their worries and hopes for the future? They may have concerns about finances or be feeling guilty or sad about the changes you are going through.

*If you are an adult child:*

- Keep the conversation as low-key as you can. Pick a relaxed, casual spot like the kitchen table. If you start the conversation early, while your parents are still in their 70s, you can make these discussions less threatening and more about getting information that may or may not be needed in the future.
- Offer to do some research on what’s available to your parent(s) either near where they are living now or near you. You can even suggest a tour of some places, so they get a feel for what assisted living or long-term care feels like nowadays. If they are already living in a senior’s residence and have made friends there, they may be able to stay where they are and simply add more care services. Or the same residence may offer long-term care in another wing or building.
- If your parent(s) are struggling with the decision to move, let them know if you’ve noticed any changes in their health. For example: Are they no longer able to take their medication correctly without help? Have they developed any mobility issues? Are they having any memory issues?
- If you have concerns, ask them if they have discussed their care needs recently with their doctor. With their permission, you may also reach out to their doctor and arrange a family discussion. It’s often easier for your parent(s) to agree to move when they are hearing it from their doctor instead of you.



- Emphasize that you want to honour the wishes of your parent(s) to remain as independent as possible, but at the same time keep them safe. If you can, learn about their financial situation and their options for funding their care. Then you can offer solid information that is based in reality.

Ready to learn more? Read:  
**Housing options for seniors.**



## F. **When downsizing – how do you decide if it's better to buy or rent?**

If you've been a homeowner most of your life, you may automatically be thinking you will buy a smaller home when you downsize. But renting can also be a good option. Here's how to start a discussion about the pros and cons.

### *If you are parents of adult children:*

- Start by talking to a financial advisor to understand which choice may best meet your needs and financial situation. An advisor can also help you assess the tax implications of renting and buying.
- Talk to your child(ren) about your thinking. It's easier to move if you have a rental, but you run the risk of rents rising over time. However, you may free up capital that you could invest and turn into retirement income.
- On the other hand, buying a home can leave you vulnerable to changing market values and rising interest rates if you have a mortgage. You will also be responsible for property taxes and maintenance costs – including surprise repairs. However, over time you may build up equity in a home that you own.
- If you're looking for input, you can invite your child(ren) to weigh in. For example: Do you need to draw on the equity in your current home to provide income in retirement? Is renting the best way to do this? Have you considered a mortgage? Are you looking to end maintenance chores and costs? Is renting or buying a condo the better choice for this goal? Are you leaning toward renting because your costs will be more predictable?





### *If you are an adult child:*

- Ask your parent(s) if they have received financial advice on the decision to own or rent. It's good to run a few scenarios to see how things look under different conditions. For example: What if your parent(s) buy and then housing prices drop? How would a loss affect their financial future? Or will they likely be able to stay long enough for the housing market to recover?
- If they are thinking of making a big move, ask your parent(s) if they'd consider renting for a year before they buy. For example, are they moving to a new town or a different part of the country? Are they going to be giving up a bigger home in the suburbs for a condo in the city? A test drive through renting might be a smart idea.
- Ask your parent(s) if they have a timeline in mind for this move. Those with greater uncertainty over the next five to 10 years may want to consider renting for financial reasons as well as greater overall flexibility. It can be hard to recover the costs of buying and selling a home in less than five years.

Ready to learn more? Read:  
**Downsizing for retirement or  
Selling your home to free up cash.**





## G. **What are the tax implications of owning multiple properties instead of one? What happens if you hang onto your family home when you move into senior living or explore downsizing?**

Keeping the family home while you explore senior living or downsizing could have tax consequences. Once you change your main residence, you may lose your capital gains exemption on the family home. Likewise, if you have more than one property to sell in one year, you will need to plan ahead to minimize taxes. There are also property taxes to consider if you have multiple properties. Here's how to start a conversation about these taxes.

### *If you are parents of adult children:*

- Talk to your financial advisor or tax specialist to understand how to plan ahead for taxes as you move into senior living or downsize. You may want to have these discussions as part of a broader conversation about retirement and/or planning your estate.
- Let your child(ren) know how you are planning to manage the taxes on your different properties as you change your primary residence. Will any of these properties pass to them or will you sell them all? What are the tax consequences for your estate?

### *If you are an adult child:*

- If your parent(s) are planning to change their primary residence, ask them if they have received tax advice on the sale of the family home and any other properties they own. How does selling one or more these properties change their financial situation? How will a move to senior living or downsizing affect what they plan to do with their properties?

Ready to learn more? Read: **Using the principal residence exemption when transitioning to retirement living.**

# Let's Talk Money: Seniors Conversation Starters

---

## Living Situation

### *Questions for you as an Older Adult*

- I have given some thought to moving to a new place that might better suit my needs – both for my lifestyle and my financial situation. Do you have any concerns that you would like to share before I start down that pathway?
  - I have a friend who has recently moved from their home into a retirement community. Do you think that is an option that I should consider – they love it, but I am concerned about my independence?
  - I am concerned about my low level of income and my ability to afford assisted care as I continue to age and face life's challenges. What do you think my options are for assisted care? Can you help me explore my options?
  - I don't understand – what is the difference between a retirement home and assisted living?
  - I would like to begin to use some of the equity that I have built up from the house to help me to some of my “bucket list” goals. Do you think it is a good idea to look at selling the house now, while I am capable, renting and freeing up some of my money now, or maybe looking into a reverse mortgage?
- 
- 
-

