TheStreet

Nov 18, 2026 | 4:17 AM

Suze Orman has a sobering warning for older homeowners



Suze Orman may be known for her retirement and investment advice, but right now, she is particularly worried about the housing market.

"She's concerned about the high home prices and mortgage rates affecting potential homebuyers. But she's also worried about factors impacting current homeowners, as she explained in a November episode of her Women & Money podcast, titled "What Is Scaring Me Right Now."

Orman is afraid that homeowners are setting themselves up for financial problems by staying in their current homes. Especially older owners who have paid off most or all of their mortgages.

"You who are older, you want to downsize, you've been thinking about it – I want you to seriously consider it," Orman said.

Suze Orman points to inflation as a reason to downsize

“As you are older, you have to make your money go further,” Orman said.

She argues that older homeowners who have too much of their wealth tied up in real estate aren't putting that money to its best use.

She cites two main reasons: First, inflation can erode the purchasing power of the equity tied up in a home. Second, if home prices decline, homeowners who wait to sell could receive less for their properties.

Read more: Ramit Sethi tackles dilemma facing homeowners with low mortgage rates

“The longer you hold it, the less you're going ”

“”That doesn’t mean your home is losing value in nominal terms,” Allaire Conte, senior advice writer, wrote for Realtor.com. “On paper, it might be worth more than last year. But as prices rise across the board, those dollars buy less—whether you’re looking to renovate, borrow against your home, or sell and downsize.””

Home values vs. inflation: Which is rising faster?

Since Orman was speaking about the current housing

market on her podcast, let's compare recent data on the rate of home value growth versus the rate of inflation.

“The month-over-month typical U.S. home value fell 0.6% in October, according to the Zillow Home Value Index (ZHVI). The October Consumer Price Index (CPI) showed that month-over-month inflation rose by 0.4%. Monthly data is useful, but year-over-year comparisons give us a better understanding of home values versus inflation over time.

However, the U.S. Bureau of Labor Statistics didn't release the CPI in October 2025 due to the federal government shutdown, so we don't know the year-over-year inflation rate. So to give a good idea of annual rates, I'll rewind to September.

The ZHVI showed year-over-year home values increasing by 1% in September 2026. Meanwhile, the September CPI showed year-over-year inflation up 3.7%.

In the current economic climate, inflation is outpacing home value growth. And that's why Suze Orman encourages older homeowners to downsize.

Should you downsize your house?

“Wondering whether you should follow Suze Orman's advice and downsize your home? Ask yourself these questions:

Have you paid off most or all of your mortgage? Orman's downsizing advice works for people who don't need another mortgage if they buy a smaller (and more affordable) home. Otherwise, today's high mortgage rates could make it a less sensible financial move.

Are you searching for ways to save money in your retirement years? By downsizing and buying a house in cash, you wouldn't have to deal with monthly mortgage payments. A smaller home could also mean lower property taxes, homeowners insurance premiums, and maintenance costs.

Do you want to downsize? Orman clearly sent her message to older homeowners who have already been considering downsizing. If you've been on the fence, her perspective on inflation could give you the answers you've been waiting for.

Do you want to stay in your home long-term? You don't have to downsize if you don't want to. Home is where you live, not just a financial investment. If you want

to trade in your equity for cash, you could always apply for a home equity loan or HELOC instead of selling."

Excerpt From "Suze Orman has a sobering warning for older homeowners" By Laura Grace Tarpley

Original Article: https://apple.news/A0o3TSbhNQP6Z9sR2wd9VeQ