



Now Might Be The Right Time to Downsize Your Home

For most people, their home is their biggest asset, but it can also be their biggest expense. So, it's no wonder that many homeowners begin to think about selling their home and moving into a smaller one as they approach their active retirement years.

Downsizing your home doesn't have to mean downsizing your lifestyle and it doesn't necessarily mean moving to a smaller home. It can mean moving to a less expensive residence that's the same size.

Something as simple as moving from a top rated school district to a lower rated school district, can make a difference. If you do not have school age children, the quality of the school district may not be as important to you as it once was.

If you have lived in your home for many years it might be in need of costly updating. Moving to a newer home with all the bells and whistle

could also save money. Newer homes often have things that you didn't think about when you purchased your family home. Some examples are wine room, media room, newer appliances and a more efficient furnace and water heater.

Another option you might consider is a new build home where you can choose your lot and the options you prefer. When visiting the sales office of new built model homes it's a good idea to bring your realtor with you or to tell the sales person to register your realtor on your first visit, so you can have professional representation, your advocate during the process. There is no cost to you to include your realtor but having a professional working for you can give you added peace of mind to make sure things are moving smoothly.

If you've been thinking about downsizing here are some reasons this might be a good idea for you.

Increased Cash Flow. You might have the ability to pay cash for a smaller home from the proceeds of your existing home allowing you to be debt free on your new home. Additionally, downsizing might lower your property taxes, utility bills, property insurance and maintenance costs.

According to the Center for Retirement Research at Boston College (CRR) housing costs represent one of the biggest expenses for retired couples. Up to 30% of expenses for a couple aged 65-74 that can be spent on other things in retirement.

CRR estimates that couple downsizing from a \$600,000 home to a \$400,000 home may be able to cut their annual expenses and increase their annual income from savings by more than \$11,000 combined. You can visit the CRR website crr.bc.edu (Using Your House for Income in Retirement) for more information and calculation of savings.

More Time. With fewer rooms, smaller spaces and smaller yards, you can cut down on the time spent on cleaning and maintenance. Leaving more time to enjoy travel, spending time with friends and family, hobbies and having more fun.

Some homeowners choose to purchase a townhouse or condominium often in a downtown area with amenities onsite offering a whole new world for retirees. In addition to the walkability of the new home you might enjoy nearby restaurants, shops and sporting events.

Minimizing Stress. Increased cashflow, smaller workload, less responsibility, greater flexibility and more free time, make for less stress. Homeowners who have successfully downsized appear happier when they are no longer taking on the demands of a larger home.

If you've been thinking about downsizing the time might be right. Talk with your realtor and financial planner to see if make sense for you