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HOMES • LIVES • DREAMS

6 Things to Remember When Downsizing

1. When thinking of downsizing don't just think of size. Look at the monthly cost and location. Maybe a smaller single story home will fit your needs. You may be saving on utilities as you would not be cooling and heating a larger home. Do you still want a yard? Is it quiet? Safe? Can you walk to stores? How far is it from your social circle of activities? If you decide to move into a condo you must add the homeowner's association fees to your monthly budget. What amenities does the association have that you will benefit from?
2. What are your goals in this next season of life? Do you want to travel? Have more time for your interest. Time with the family? What are the 'must have's' in order to achieve this?
3. Space: It is hard to clean out closets and cupboards of items that haven't been used in years. Go through things once, weed out items you know you don't need to keep. It may take several times of going through this process. You may want to do it again after you move as you are unpacking and realize you really don't need an item. You will most likely be moving into a smaller space and not have a place for item in your new home. This may be a good time to pass on special dishes, tools, furniture or other items that a family member will appreciate.
4. We know about the tax credit on the equity in your home. \$250,000 for a single person and \$500,000 for two, if you have lived in it for two of the last 5 years (Check with your tax consultant). Other tax benefits in California are several laws (60 & 90) that may allow you to move your low tax rate to another property. If you are over 55 the county or city you live in may have some taxes benefits too, you can check to see if your new property qualifies.
5. How will other life events affect my living in a smaller home? Do you use a cane? How many steps up there into the home? Be careful of sunken rooms with even little steps will become big issues later. Will it be easy to move a walker or wheelchair around in a new home?
6. A small home will have other advantages such as; Easier to maintain, less time cleaning, usually less expensive, most likely you will have less debt.

