

THE ESSENTIAL GUIDE TO DOWNSIZING



The 'forever home' is quickly becoming a thing of the past, as more and more homeowners choose to downsize.



Downsizing has many benefits, for example:

- Freeing up cash from your equity (or downsizing your mortgage)
- More manageable sized home
- Less House to Maintain
- Better access to local amenities
- Lower energy bills
- Reduced maintenance costs
- Possibly smaller council rates
- Minimalist lifestyle with less clutter
- Mental clarity & ease of living
- Ultimately improving your quality of life

Downsizing into an apartment helps to keep your independence, without having to rely on family and professionals to maintain a large family home.

An often overlooked macro benefit, is freeing up larger homes for growing families in prime locations.

Although there are many benefits, downsizing from a family home that you have lived in for many years is not always easy.

The philosophy around downsizing has dramatically changed over the years. Downsizers are now looking to enjoy more lifestyle benefits and be actively involved in their new communities.

Letting go of the family home, and the memories associated, can often be the most difficult part.

Emotional stress and the inability to deal with it properly can hinder the process and in the end, create a not so ideal financial result. You need to take as much emotion out of the equation as possible. This is often easier said than done.

Here are some tips that can help you prepare for the sale and deal with some of the stress and emotions during the selling process:

1. Start the process early. The earlier you start, both mentally, and physically, preparing your house to be sold, the easier it will be when the day comes to move out.
2. Focus your emotions on your next home. It is much easier to focus on positive emotions going into your new home than to dwell on the loss of a home. It is the people that hold memories, not places.
3. Get out of the house. Instead of spending time around your house, worrying about the move, get out and explore some of the areas around your new home or where you want your new home to be.

When you stay busy, active and socialise, there is less time to overthink.



Important aspects to consider when downsizing

If you plan to buy into a body corporate property, check out the monthly fees such as the Body Corp Admin and Sinking Fund Fees. Does the Sinking Fund have a healthy sum in it? A Sinking Fund is used for maintenance and repairs to common areas that can be sudden or planned for but it is not for regular things like insurance and admin. Depending on where you would like to live, calculate your cost of living, which might be higher in an inner-city environment.

Take the time to thoroughly think about your desired lifestyle. Consider which activities, hobbies or interests you want to pursue. How will you accommodate your hobbies, and what will you need to do so for example space to do your art or wood working?

Now is also the time to do the things you've always wanted to do: exercise, start painting, join a writing group, travel, socialise with friends, play golf and spend more quality time with your family. Choose a location close to the places you love and the services you need or want to pursue. Do extensive checks on the level of security your new home will have and you will have peace of mind. Are your new neighbours owners, renters or is it a short rental like an Air BNB? Preferably they'll be owner occupiers similar to yourself. If you are living on your own, it can be reassuring to know that you are not alone in the building, and that familiar neighbours are within reach in case of an emergency.



Downsizing Your Belongings

Many people find downsizing their belongings overwhelming, as over the years we all collect so much 'stuff'. There's even a new word for it - 'Stuffocation'!



Don't be afraid to be ruthless.

Ditching clutter can be tough so it's important to be strong and decisive when doing so. Approach it as though you're having a spring clean, or a house detox.

Start by going from room to room, you can compartmentalise the decisions only to that room, thus making it easier to envision what you need and what you don't.

Living Room, Family Room & Bedroom

Knowing how big your new living room and bedrooms are will determine if your old furniture can still fit.

Measure your bed frame, dressers, sofa and other large items that you intend on taking with you. Draw a map of each room in your new place, marking the lines with their length. Now loosely draw each furniture piece onto the map and mark its length and width. Graph paper is good for this. This will give you a good representation of what's going to making the moving cut and what won't.

Kitchen

How many kitchen items you plan on bringing depends on the size of your new kitchen. If you are moving into an apartment in the city, will you eat out more? Try to think of how much cooking you'll do. If you have items that you only use once a year if that perhaps it's time for a cull.

Cupboards & Closets

Now is really the time to follow the mantra “throw out items that you haven’t worn in a year”. Chances are, if you’re downsizing, you will not have space for a massive walk-in wardrobe.

Tools and Yard Equipment

This again depends on the type of home you’re moving into. For many men, it’s hard to get rid of all the tools, nuts, and bolts you’ve accumulated. Some apartment buildings do have ‘Project’ space for arts, crafts or small building projects. See if your new place has that as well or it may be time to let all the rainy-day project materials go to someone who does have the space for them.

Important Documents

An absolute must is to gather all your important papers together and make a plan for putting them somewhere safe. These can be stored in a physical filing cabinet, a safe- deposit box, or perhaps now is the time to digitally save them securely online. Make sure your loved-ones know where they’re stored.

Downsizing and Your Pension

Many people maybe concerned how downsizing may affect your pension. The Federal Government made changes to make this easier and provide incentives to downsize.

Check out the <https://www.ato.gov.au/> for up to date information.





I'm always happy to provide you free, expert advice regarding your existing or future home. You don't need to be selling now.

There is a lot to think about when it comes time to down size and a fresh set of experienced eyes can save you spending on parts of your home that aren't going to necessarily add more value to it, whilst other parts could do with some cost effective attention.

For an obligation free, in person, more accurate market price guide for your home or if you have any questions, please contact me any time.

Knowledge is power.



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