

# Downsizing Your Home

Selling and downsizing tips for seniors

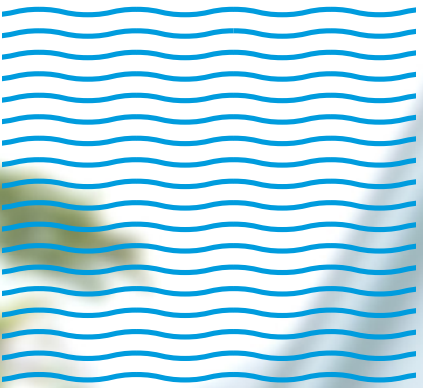


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## What is downsizing?

Bigger isn't always better. If you have a large home, you might be stuck paying more for your mortgage, property tax or bills than you can comfortably afford, not to mention having an excess of space to maintain.

These are just some of the reasons why many older Australians are choosing to downsize their properties to make their lives easier. If your children have grown up and left the nest, or you just want to simplify your life, downsizing your home for a smaller house or flat can make life easier and free up funds to do the things you love.

However, downsizing can be easier said than done, especially if you have a lot of belongings and memories invested in your current home, but the benefits can be worth it. This short guide explains how to downsize your house and how conveyancing solicitors can help you to sell your old home.



## When is the right time to downsize?

With the 2018 Federal Budget allowing home owners aged 65 and over to contribute up to \$300,000 to their super from selling a home, now is a great time to consider downsizing. But deciding to sell your home and move somewhere new is a big step that needs to be taken with care.

You might benefit from downsizing your home if:

- your housing costs are too expensive and eating into your savings
- you have a large home that's difficult or expensive to maintain
- your children have moved out and you don't need the extra space
- it's a good time to buy and sell property and you think you could sell your home for strong capital gains

If you're not sure whether it's the right time to downsize, talking to a financial advisor or conveyancing solicitors could help you to decide what's best in your circumstances.



## What should you keep?

Packing up all your belongings when you move house can be a hassle, but it's also an opportunity to clear out clutter and streamline your life. This is especially the case when downsizing your home, as a smaller house or flat might not have the space to store everything.

If you need to downsize your belongings as well as your home, it's a good idea to organise your stuff into things you need and things you can live without. While these are always going to be personal decisions, there are some items it's generally recommended you hold on to:

- Important documents related to birth, death, marriage and divorce, pensions, insurance, medical records and legal documents.
- Essential kitchen equipment, unless your new house is fully furnished
- Basic furniture and bedding, but only what you need
- Family heirlooms, whether their value is financial or sentimental

Items you want to keep but don't have space for can be put into storage, but this will carry a cost.

## What should you let go?

If it's been a long time since you moved house, the idea of selling or throwing away your belongings can be difficult, but it can also be liberating. Not only could you free up space and make money from selling unwanted items, you'll also save money and time when moving.

You don't have to be ruthless, but you should be realistic. If you haven't used or worn something in the last 12 months, is it really worth taking up the space? This might include:

- Clothes you never wear or that no longer fit
- Furniture you don't use that takes up valuable floor space
- Old or unnecessary appliances and electronics
- Sports and musical equipment that could find a new owner
- Books, magazines, CDs and DVDs that are available digitally
- Ornaments and decorations that don't have sentimental value or are rarely used

Unwanted items can be gifted to friends and family, sold online or at car boot sales, donated to charity or recycled, although some may need to be thrown away.





# How to calculate your retirement budget

Life expectancy in Australia is now over 80 years for both men and women, so many of us can look forward to a long and healthy retirement. Working out your retirement budget will give you an idea of whether you'll be able to afford the lifestyle you want. You can also get an idea of whether downsizing could help your money to go further.

The amount you need for retirement depends on your living situation and the level of comfort you want. As of June 2018, the ASFA Retirement Standard calculates that a couple over 65 living a 'modest' lifestyle needs \$39,442 per year, rising to \$60,604 per year for a 'comfortable' lifestyle. See more calculations at: [www.superannuation.asn.au](http://www.superannuation.asn.au)

To calculate your personal budget, you should add up everything you spend in an average month or year and see if your income or pension covers it. This includes housing costs, bill payments, food and drink, services, clothing, healthcare, transport, leisure and other expenses.





# What are your assets and liabilities?

When you're looking to buy a new home, you need to know what you can comfortably afford. As well as knowing your budget, you should also know what your assets and liabilities are.

## Assets

This refers to anything of value you own that contributes to your net worth. This can include:

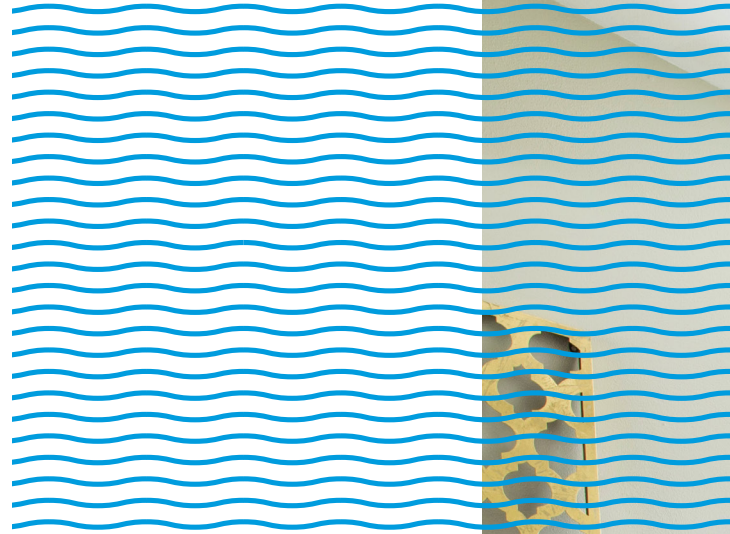
- money in bank accounts
- savings and investments
- life insurance
- superannuation and other retirement funds

## Liabilities

These are debts that detract from your net worth. This includes the amount still to pay on loans such as mortgages, car loans or other personal loans, credit card debt and any other money you owe.

Subtracting your total liabilities from your total assets will give you an idea of your net worth.

Taking steps to reduce your liabilities, such as downsizing your home and switching to a cheaper mortgage, could mean there's more money to go around.





# How to find the right new home

There's more to choosing a home than price alone. Talking to conveyancing firms about your needs and preferences should help you to find the ideal property that ticks all the boxes.

## Location, location, location

Unless you've already picked out your dream retirement location, most people who downsize their home prefer to stay in the same area. It's familiar, your family and friends are there, and it's less hassle to move your stuff.

## Don't go too small

Downsizing doesn't mean living in a shoebox. Make sure you visit the property in person to check that it's large enough for your needs, especially if you like to have guests over. This includes the outdoor area.

## One or two levels?

Many downsizing seniors choose single level homes so they don't have to deal with staircases. Even if you're fit and healthy now, a downstairs bedroom with an en-suite could be convenient in the future.





# How to prepare your old home for sale

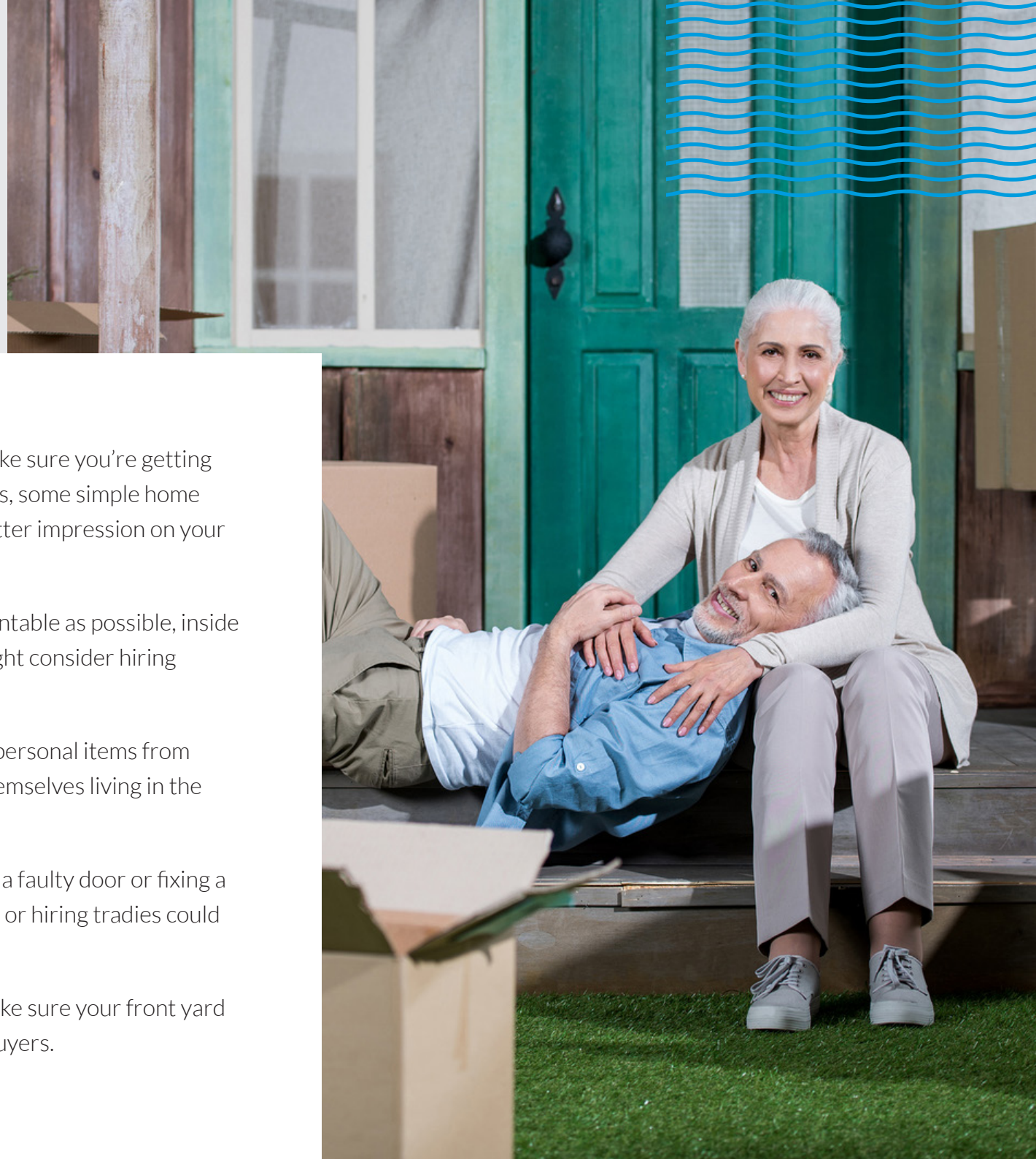
When it's time to sell your home, you'll want to make sure you're getting the best price you can. However old the property is, some simple home improvements could add real value and make a better impression on your buyers. Improvements such as:

**Spring cleaning:** Make sure your home is as presentable as possible, inside and out. If there are stains that won't shift, you might consider hiring professional cleaners.

**Decluttering:** Clearing floor space and removing personal items from display will make it easier for people to imagine themselves living in the home.

**Maintenance:** If you've been putting off replacing a faulty door or fixing a leaking tap, taking care of these problems yourself or hiring tradies could go a long way.

**Tidying the garden:** First impressions matter. Make sure your front yard and entrance make the right impression on your buyers.







## Where to get help

When it comes to your retirement home, you want to get it right first time. Even if you have experience of moving house before, navigating the real estate markets and dealing with contracts can often be difficult and stressful. That's where talking to conveyancing solicitors can help.

Conveyancers are specialist property lawyers who understand the complex legalities involved in buying and selling a home. They can offer professional advice and take care of any paperwork you don't want or don't have time to do yourself, so you won't have to go it alone.

East Coast Conveyancing is a team of licensed property conveyancers that's been helping New South Wales residents to buy and sell homes in Newcastle, the Central Coast, Hunter Valley and Mid North Coast since 1992.

To find out more about conveyancing for seniors and people from all backgrounds, visit our website today:

[eastcoastconveyancing.com.au](http://eastcoastconveyancing.com.au)



# Contact us

For more than 25 years, East Coast Conveyancing has helped people from all walks of life to buy and sell property without the hassle. To find out more about how to downsize your house and sell a family home, talk to your local conveyancing experts in NSW today.

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