

# Downsizing

Most homeowners, at some point or another, will have to face the age-old question: to downsize or to stay in the family home? We understand the emotions and the trauma that often accompany a major transition from a large home to a smaller, more manageable residence. We've seen it in our own families and we've been intimately involved in decisions that had to be made concerning letting go of a long time family home as well as many possessions accumulated over the years. This is a time for compassion and understanding, but it's also a time to finally relax and let go of a situation that no longer fits your preferred lifestyle.

Perhaps you're an "empty-nester" and simply tired of a lot of upkeep in too large a home. Or perhaps you no longer wish to deal with stairs in a two or three level home. In any case, downsizing can be a great option for homeowners who want a change.

Here are factors you need to consider before making the move:

## The 3 W's of downsizing

### **Who is going to live in the new home?**

Before you jump at the tempting prospect of a cozy one bedroom, make sure you take guests into consideration. Do your kids come home from university frequently? Do you often host a holiday get together? Your family situation may not be going to change, so plan accordingly. You might need a guest bedroom or a pull-out sofa to make your new smaller space work for you.

## **Where are you going to move?**

This can play a huge role in the success of your downsizing. Remember, smaller isn't always cheaper. Moving into a small condo can be a viable option, but it doesn't necessarily mean you'll be saving a lot of money. Prime real estate usually comes with a price tag, and people who aren't used to condo living don't always take maintenance fees and parking into consideration when making projections about their new housing costs.

## **Why are you downsizing?**

Couples with grown children may be ready to leave their grand Victorian home for a more manageable bungalow. Families who want to travel more may opt for a smaller apartment in order to save money and decrease upkeep.

Whatever your reasoning, having a clear vision of the purpose behind your move can help the other elements of your relocation fall seamlessly into place.

## **Where to go?**

The decision to downsize may come in a flash, or it may require lengthy consideration. Downsizing can and should be a fun, memorable time with your friends and family.

Perhaps you long to live closer to downtown. You may find that suitable condos, town homes or quality smaller single family homes are readily available. Many homeowners sell their homes for say, \$600,000 to \$800,000, and discover that they will only have to spend \$350,000 or less for a condo or smaller home with the desired amenities and in a desirable location.

Oftentimes, our downsizing clients want a smaller home but no less luxury. They want a kitchen with a big island, granite counter-tops and

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stainless-steel appliances, and perhaps two master suites in a single level home. In newer but smaller homes with those features, the trade-off may be smaller secondary bedrooms and less storage.

You may also find the lifestyle you want in an active-adult community or a continuing-care retirement community (CCRC). It's like living in a resort every day, with so many activities. Plus, it's reassuring to know that if one of them is on his or her own someday, the other person won't be left sitting alone. Most adult communities provide prospective buyers with the opportunity to visit for a day or stay over a weekend.

Unlike active-adult communities, CCRCs provide assisted-living and skilled-nursing facilities, allowing seniors to age in place. Some also offer memory care. CCRCs are age-restricted (you generally must be at least 55 to buy in). Be sure to check whether a spouse or partner can be younger than the cut-off age.

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## **Avoiding the “Double Move”**

Moving from one principle residence to another can oftentimes result in what's generally referred to as a “double move”. When the property you're selling closes escrow and passes to the new buyer, you will be expected in most circumstances to give possession to the buyer on the day of closing. You must have somewhere to go at that point. The problem arises when your next home is either not yet purchased, or you have purchased a property but it's not yet closed and recorded into your name so you may not take possession and move in.

Typically, your only alternative is a short term rental until you have a residence to move into, thus resulting in a “double move” on your part.

Our goal is to avoid the hassle, frustration, effort and cost that typically results from having to do a “double move”. We strive for simultaneous closings on the property you are selling and the property you are buying. This takes cooperation and coordination on the part

of all parties to the transactions and our constant oversight and monitoring of both escrows in order to insure simultaneous closings, thereby saving you from the dreaded “double move”.

## **Some additional tips for downsizing**

### **Save money, make money**

Lower utility costs and a smaller mortgage are two of the benefits of downsizing. What people don't always consider is that this is also the perfect opportunity to make some extra money. Consider moving into a home with a rental suite. That way, not only can you downsize your own living space, but you can also make cash on the part of your home that you're not using.

### **Again, Let it go!**

Downsizing is an art, or rather how you prepare for it is. Pare down your belongings before you move by dividing them into categories like keep, sell, donate and toss. Have a yard sale or sell your big, bulky furniture online and then use the money to buy more compact, functional pieces that can work double-duty in your new place. Cut out the unnecessary before you move to a smaller home. Whether you're an empty nester moving from a house into a condo, or a renter trading in a two-bedroom for a studio, you'll have to say “sayonara” to some of your stuff.

## **A Personal Story**

It can happen when the kids leave home or retirement looms or your first grandchild is born hundreds of miles away. You start to think about leaving a house that's now too big for you and downsizing to a smaller house or condo or a retirement community.

After launching three sons from their home of 23 years, Mike and Patty Forbes, both 71, shared an epiphany. “We realized that we spent all our time in our home's kitchen and bedroom. We didn't really

need this house anymore. “What are we doing here?” says Mike. “We thought, wouldn’t it be fun to live near downtown?”

The Forbes listed their two level, 3,056 square-foot home with four bedrooms and three bathrooms for just over \$800,000 in early 2019. While they waited for their home to sell, they shopped for their next one. They found a single level 1,563 square foot condo with two bedrooms and two baths close to downtown, great restaurants and health care facilities. The Forbes paid \$398,000 in cash after they sold their home for \$815,000. They now pay \$168 a month in condo fees which includes all exterior maintenance and a family membership to a “state of the art” Athletic Facility with a heated indoor pool. The Forbes are closer to their church and to restaurants, entertainment and health care. Living in a single level is a boon for Patty, who has arthritis. Mike has a short commute to his gig coaching high school baseball and his senior softball league.

As the Forbes found, downsizing frees you from the cost and time commitment of maintaining a home that’s simply too large. It allows you to unlock your home’s equity, buy a new place, and maybe even retire your mortgage.

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## **In Summary**

After the real estate bust many homeowners delayed the decision to downsize until their home regained at least some of its market value. However, now many homeowners are ready to sell. But clearing out and selling a home, buying a new one and relocating—whether across the street, downtown, out of town or across the country—is a major transition that takes careful planning.

If you choose the right experts to assist you in the downsizing process, and, with their help, research all of your options, you’re less likely to get emotionally stressed out or locked into a situation that doesn’t meet your expectations and leads to another move.

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It pays to find a real estate team who understands and works with seniors and who has earned the **Certified Senior Real Estate Specialist (SRES)** designation from The National Association of Realtors. As such, **THE RAY TEAM** are specialists in helping clients avoid being “overwhelmed” by the downsizing process while at the same time receiving the highest price for their real estate, as well as for their belongings that they may want to sell. We also assist in the process of passing on certain items to family members or friends and/or donating or discarding certain items.

With the right assistance, downsizing can be a freeing experience by lifting the burden of too many possessions and too large of a property to care for and support.

Jack Norm Ray, founder of **The Ray Team** is a **Certified Senior Real Estate Specialist (SRES)**. His training has equipped him and his team members to work well with all age groups, but especially with the baby boomer generation and seniors. We all understand the challenges faced by seniors who need to move into an appropriate living situation. We understand that your current home is filled with wonderful memories, treasured family heirlooms and personal belongings that need to be managed. We will work with you (and with any family members, if appropriate) to help make the transition as easy and stress free as possible.

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**THE RAY TEAM of Realty Executives Northern Arizona is your local specialist in advising and representing senior homeowners who have arrived at the stage in life when transitioning to a more suitable home or living arrangement has become paramount. When the time comes to consider making decisions about transitioning to a smaller home, assisted living, or a retirement community, we can offer excellent**

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**advice, strategies, and the necessary skills to insure the process is organized and tailored to your particular needs.**

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## **WE OFFER A WIDE RANGE OF RESOURCES**

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### **INCLUDING:**

**\*Estate Sale Specialists \*Home Maintenance and Handyman Professionals \*Cleaning Services \*Yard and Landscaping Services \*Information about, and contacts to local Assisted Living Facilities \*Suggestions and Assistance in transitioning to a more appropriate sized, “single level” home, condominium, or townhome \*And much more!**

**\*We would be happy to provide excellent references and testimonials from past clients whom we have helped with their downsizing transition.**

## **When It's Finally Time to Downsize**

***Over the years, our housing needs change. You may be incurring unnecessary expenses and tax costs maintaining a large house. Call us today for an expert review of your housing options.***

***We specialize in providing stress-free transitions for homeowners wishing to downsize.***

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***Please call us to arrange for an initial, no obligation, consultation concerning how we can assist you in disposing of your real estate asset(s) and help you make the transition to a more workable and suitable living arrangement based on your particular needs.***

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# ***THE RAY TEAM***

***Realty Executives Northern Arizona***

**Jack Norm Ray, Team Leader**

**CRS: Certified Residential Specialist**

**SRES: Seniors Real Estate Specialist**

**SFR: Short Sale and Foreclosure Certified**

**CMRS: Certified Military Relocation Specialist**

**CREA: Certified Real Estate Appraiser**

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