

DOWNSIZING MAY UPSIZE YOUR BANK ACCOUNT



But weigh the pros and cons before making the big move

Downsizing is on the minds of many these days. Maybe it's the changing demographics as baby boomers become empty nesters and look for a smaller home; or maybe it's the market as supply continues to dwindle for detached and semi-detached home types. Whatever it is, downsizing is a delicate balancing act and it's important to consider the trade-offs before you choose to relocate.

Perhaps the most obvious benefit of downsizing is the financial one. In today's GTA housing market, there may be a good chance that you'll be able to sell your home at a premium, freeing up cash for retirement, travel, etc. Downsizing may even afford you the luxury of buying your next home mortgage-free, giving you financial breathing room through your golden years.

Aside from the financial payout

downsizing may afford, there are also potential positive lifestyle changes in store. Perhaps you'll relocate to a condo in a convenient, walkable area. With groceries, restaurants and theatres at your doorstep, condo living in the heart of a city can be quite attractive. Plus, living in a condo can afford you a simpler life, with security in the building and less home maintenance being some of the attractive pros. Or, maybe you've always dreamed of a simpler life far outside the city and can't wait to indulge in a vacation lifestyle year-round.

Downsizing is good for the GTA housing market as a whole as well. Selling your home could help offset the supply/demand imbalance we're currently seeing in the marketplace.

Of course, financial gain and a more convenient and relaxing lifestyle seem like great reasons to downsize, but many people rush into the decision motivated

by these factors without considering the trade-offs. I believe it's critical to understand what it is you may be giving up before you take the plunge.

Downsizing can be a real culture shock. After so many years living in a big home that's in a familiar area and close to all your friends, family and favourite shops and services, changing your location can be a bit unnerving. While it could be the right decision for you, it's important to understand how it may impact your life when making such a decision.

For instance, when you downsize you may have to face a decision to part with some of your valuables, collections and treasures. If you're considering moving outside of your current neighbourhood, how much distance will you and your family/friends have to travel when getting together, and will you have the space to house and entertain them when they come to visit?

So, before you take the next step in your downsizing adventure, think about what it means to adapt to a new lifestyle. Weigh the positive and negatives and be open and realistic about your expectations. A professional TREB member realtor has helped many with this type of decision and may offer you the insight and advice you need to help you make that decision.

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