

AM I READY TO DOWNSIZE



Welcome *my friend*



There's a host of reasons for downsizing to a smaller home. You might want to pocket the savings and build upon your nest egg. Maybe you're ready for a new adventure and eager to move to a high-rise condo in the city. Or finally—the kids have flown the coop, and you don't need the extra bedrooms and bathrooms anymore.

Whatever your motive is for downsizing, an honest evaluation of your expectations is essential to make an informed decision. That's why I think it is wise to ask yourself these questions before you even start looking for smaller homes.

Rachel Doppelt

ABOUT YOUR REALTOR®



Rachel became a full-time Licensed Real Estate Salesperson in pursuit of a lifelong goal to help people achieve the American dream of home ownership. In addition to expertly knowing the market she serves, Rachel leverages her previous experience in education, technology, sales & management roles to best serve the real estate needs of her current and future clients.

Rachel's customers and clients genuinely enjoy working with her because she cultivates long lasting relationships, has an excellent reputation as a knowledgeable professional, and is passionate for exceeding expectations.

Prior to real estate, Rachel spent more than 15 years in the technology and business management consulting space at companies such as Accenture, Kaplan, McGraw-Hill, and Coherent Solutions. She has a proven track record and unique approach for analyzing situations, proactively mitigating risks, proposing innovative solutions to complex issues, and maximizing return on investments.

In her spare time, Rachel dotes on her four young children, actively volunteers in her local school district & community, and continuously seeks opportunities to learn. Rachel is a member of the Long Island Board of Realtors [LIBOR], the New York State Association of REALTORS [NYSAR] and the National Association of Realtors [NAR]. Originally from Chicago with family roots in Brooklyn, Rachel Doppelt has lived in New York since 2002. She earned a Master's Degree in Education from the University of Iowa and began her professional career as a Kindergarten & Special Education teacher. She also completed graduate coursework in Instructional Design & Technology.

A handwritten signature in black ink, appearing to read 'rd'.

RACHEL DOPPELT



UPSIDES OF DOWNSIZING

Lower Physical Burden

Moving into a smaller space may reduce the amount of yard or housework on your to-do list.



A Safer Environment

Moving from a 2 story home to a single story will remove a major fall hazard; stairs.

Fewer Decisions

Paring down your personal belongings will help you simplify your everyday life - thus helping you make few decisions each day.





EMOTION

FEARS ABOUT AGING IN PLACE

When a young family moves into a home, they often aren't thinking about what it will be like in 20 or 30 years. But as you age, you may have to make tough realizations about how your body will hold up to the demands of your current home.



We're not talking about maintenance and upkeep (though those points are important) we're talking about whether the baths and showers have grab bars, how often you need to climb the stairs, and whether the doorways are large enough to allow for wheelchair or walker access. The aging in place movement helps seniors and disabled members of the community stay in their homes, and is perfect for those who'd rather downsize to an accessible home than go into an assisted living facility.

Emotional Agony

Sadly, for some people, the home they live in is a constant reminder of something they've lost. Empty nesters, widows or widowers, divorcees, even people who've lost a job may find that it's time to scale down and move on.

Your home is literally the first thing you see when you wake up in the morning. If it causes more heartache than pleasure, take a moment to consider what it would be like to live someplace new. If that thought lifts a weight from your shoulders, then it's likely time for you to downsize.



A GROWING DESIRE TO SIMPLIFY YOUR LIFE

One amazing facet of the late '90s and early 2000s boom in large housing was that many of the people who settled in large homes ended up wishing that they had purchased or built a smaller home.

In fact, a 2017 survey showed that a full 60 percent of people who lived in homes 2,000 square feet or larger said they hoped to downsize.

Some of that is certainly due to the financial considerations we discussed already, but some of it may also be driven by a more thoughtful mindset. Typified by the tiny house movement, some people seek to downsize in order to strip away unneeded complications and focus on what matters most.



MONEY

“HOW WILL DOWNSIZING BENEFIT MY RETIREMENT?”

This is a very important question.

It needs to be asked whether you are retired, heading towards retirement, or just planning in advance. Retirement usually means living on a fixed income, unexpected home repairs, escalating taxes or other unplanned expenses. All of these are sincere hardships in retirement. I would advise talking to your financial planner about how your real estate fits into your retirement planning. We often assume that downsizing will result in fewer expenses for housing. However, that is not always the case.





What are the financial implications of selling my home?

While downsizing will save you money in the long term, you do need to be prepared for the upfront expenses that come with moving.

Living in a smaller space can reduce the mortgage payment, and cost less for utilities, property taxes and maintenance—but downsizing does come with substantial upfront costs.

When you talk to a tax attorney, accountant or financial planner, are you consistently getting advice that it's time to address your home? While everyone's tax situation is unique, if you are consulting with professionals and learning about the advantages of selling your home and downsizing, then that's a good sign that it's time to consider that move. For most people, their home is the largest investment they'll ever make.

Your monthly housing expenses have risen above 30%

When it comes to how much of your monthly budget should be spent on housing expenses, 30% is the magic number. No, we didn't just pull that percentage out of a hat—the U.S. government has been using 30% as the standard for housing affordability since the United States National Housing Act of 1937. Since that time, any household paying above 30% of their income on housing is considered financially burdened.

While you're still working, your housing costs may fit comfortably within your budget. But the simple act of retiring can unexpectedly push some retirees into the "burdened" bracket.

Housing cost burdens increase with age as expenses continue to rise and income is reduced in retirement.

Those who are just getting by because they haven't figured out how to live on a fixed income, that's a sign to downsize into a smaller place with a more reasonable monthly mortgage payment. Seniors who want to avoid getting a part-time job say at a fast-food restaurant just to make ends meet the need to calculate how much house they can afford in retirement.

The Merrill Lynch survey found that a whopping 64% of downsizing retirees are making the transition to a smaller home to cut down on their housing expenses.



Your current monthly budget leaves little leftover cash for saving...or fun

How do you plan to spend your days once you retire?

Maybe you envision yourself as a globetrotting traveler exploring exotic locales. Or perhaps you'd like to head back to school to pursue a passion like painting or writing. No matter what you have planned, chances are it'll cost money. And if you're already spending too much on housing expenses to afford your dreams while you're working, you'll have even less cash to spare when you retire.

HOW ARE AMERICANS SPENDING THEIR RETIREMENT?

The definition of retirement has changed considerably in recent years. Now more than ever seniors are maintaining an active lifestyle that includes travel, exercise, new experiences and continued learning. Check out some of the eye-opening stats below for insight into the modern version of the golden years.

TRAVELING

After leaving the workforce, many older adults take advantage of their newfound free time by **seeing the world**. Seniors report better mental health when they are on the road.

WORKING

The traditional retirement age may be a thing of the past as more and more aging Americans **are choosing to work past their 65th birthday**.

RELOCATING

57% of baby boomers **plan to relocate after leaving the workforce**, with Arizona and Florida remaining top-choice destinations.

LEARNING

Keeping an active mind is an important part of a healthy retirement, so it should come as no surprise that **older adults are heading back to the classroom**. Many organizations are dedicated to supporting older adults in their post-retirement education.

The Osher Lifelong Learning Institutes, for example, caters to adults 50 and older, the organization currently has more than 113,000 dues-paying members.

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wfiles.doe_news/2013/Def%20Webb%20Survey%20Shows%20Baby%20Boomers%20Looking%20to%20Retire%20Sooner%20-%206.11.13.pdf
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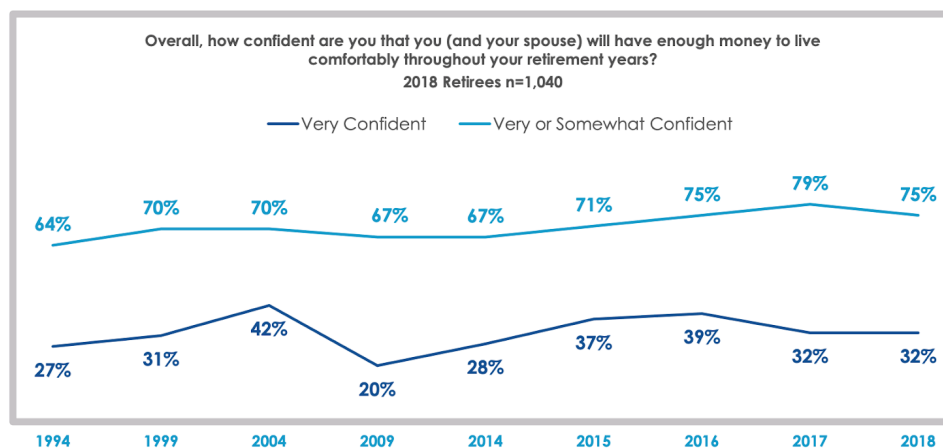
You want to convert your home equity into income

Are you confident that you've saved enough to fund the retirement lifestyle you desire?

A 2018 Retirement Confidence Survey by the Employee Benefit Research Institute found that only 1 in 3 retirees are "very confident" that they have enough money to live comfortably throughout their retirement.

If you're not, you may be counting on your current home equity for retirement income. In fact, covering everyday expenses is the number one reason retirees give for wanting to tap into their equity according to the Urban Institute's Seniors' Access to Home Equity report.

The reason why is no mystery—it's because, for most homeowners, that equity is their most valuable asset. Unfortunately, that asset is expensive to maintain.

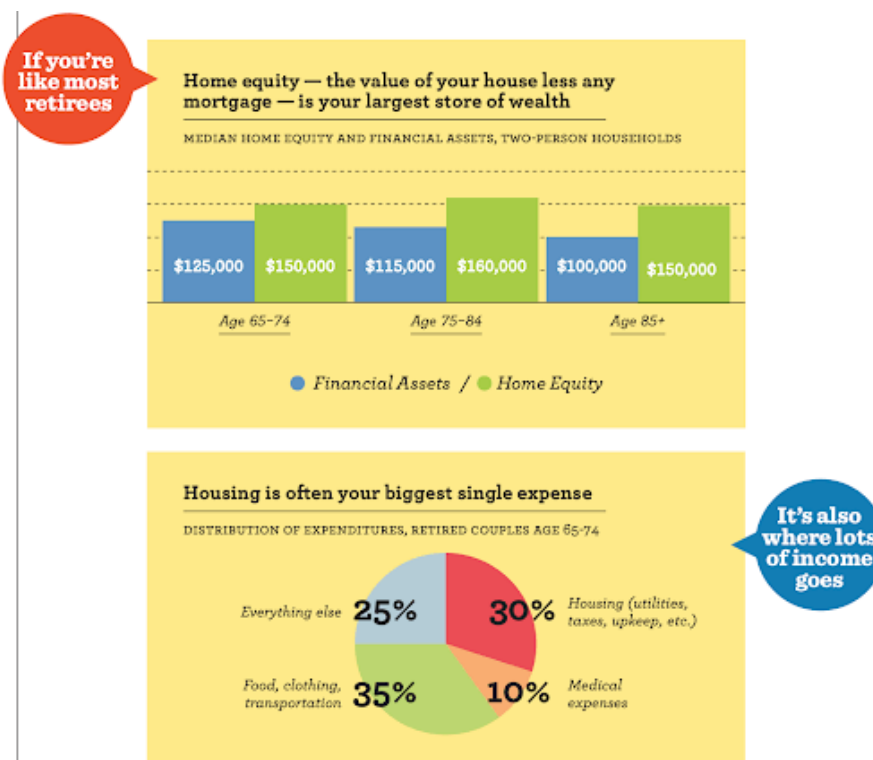


Source: (ebri.org)

money

It stands to reason then, if you're accessing that income to pay your everyday expenses like housing costs, it'll eventually become depleted—unless you've invested that equity in a low-risk retirement account that pays out monthly dividends.

Downsizing your home is one of those things you can do to enhance your lifestyle during retirement. It's all about converting the home equity into a stream of income that will last the remainder of your life.



Source: (crr.bc.edu)

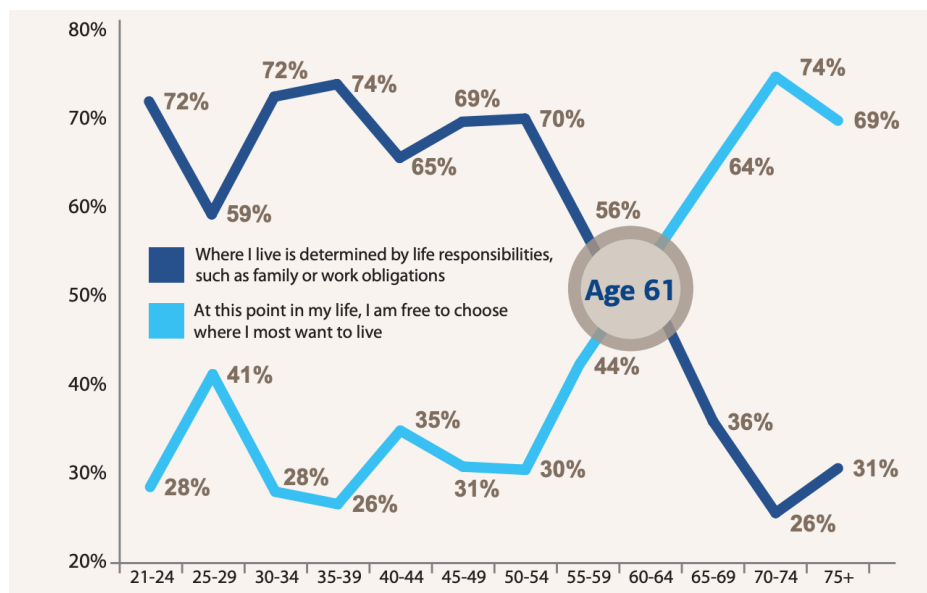
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Your career no longer ties you to your location

Finding that ideal downsized home that's both affordable and accessible may seem like an impossible dream—especially if you're attempting to buy in your existing neighborhood. But the beauty of retirement is that you no longer need to let your career dictate where you live.

The Merrill Lynch survey found that age 61 was the sweet spot for retirees when they were able to take their pick of where to live—and this freedom can be a big help financially. Without a workplace to worry about, you're free to shop around for the states, cities, and neighborhoods with the lowest property taxes, utilities, sales taxes, and more.

You may even find that you don't need to sacrifice square footage at all if you don't want to if you choose to move to a less expensive area. While 51% of those retirement-aged homebuyers surveyed by Merrill Lynch did downsize, 19% purchased the same-sized home and 30% purchased a larger home after retiring. This proves that it is possible to upsize your home while still downsizing your actual monthly housing expenses. Choosing to downsize is a difficult decision to make. Choosing the best time to downsize is even trickier. But if you play your cards right, your move into a less expensive home has the potential to save you money, and make you money, too.





MAINTENANCE



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If you make the
move too late,
your home just
starts
deteriorating.

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MAINTENANCE IS BECOMING OVERWHELMING

If the cost and physical activity it takes to maintain your property have become intimidating, then it's likely time to downsize and find something with less overwhelming maintenance.

While every home will occasionally require maintenance that lies outside your physical or financial comfort zone, if you're regularly struggling to perform the chores required to maintain your property and your home has become a source of frustration, it's time to find a solution. Homeownership should be a pleasure, not a source of physical exhaustion or mental anguish.

The garden patio where you learned of the impending arrival of your first grandchild, the wall where you charted the heights of your kids (and grandkids!), the driveway where your kid spent hours playing basketball. It's precious memories like these that lead retirees to linger longer in their family home than is wise for their health and their financial stability. If sentiment tempts you to hang on to your home too long, it'll wind up doing more damage to your finances than you'd expect.

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If you make the move too late, your home just starts deteriorating. Then you're going to have to spend equity to repair your house before it goes on the market. You don't know how much that delayed maintenance is going to cost you if you wait too long to replace the roof or air conditioner.

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Not only will you wind up spending more money to get your home ready to sell, you'll have wasted years of cash on more expensive homeowners' insurance, property taxes and more.



YOUR HOME HAS FEATURES THAT NO LONGER FIT YOUR LIFESTYLE

Back in the day when your kids were building blanket forts in all the bedrooms, the bathrooms had to wait for lines, and your teens were tussling over the remote in the TV room, there were times when even your spacious home felt too small to contain the chaos.

These days though, most of those bedrooms are now rarely-opened storage, there's a strange smell coming from your unused guest bathroom, and the TV room has become a dust-catcher.

Now that you're only using a handful of rooms in your house (the master bath, bedroom, kitchen, and the smaller, cozier den), it hardly makes sense to pay for heating, cooling, and lighting rooms that you don't even use.

Your home may have features that will take a physical toll as you grow older, like stairs, high-maintenance landscaping, or a steep driveway. Weather in your area is also a consideration as shoveling snow or mowing the lawn becomes more difficult with each passing year.

A survey conducted by Demand Institute found that aging-friendly accessibility was a key factor among baby boomers looking to move, with single-story, low maintenance, and disability accessibility topping the list of most desired features.

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SPACE/STUFF

Signs to Downsize

Empty, Unused Space

Do you have multiple guest rooms collecting dust? A three-car garage holding just one car and an old bicycle? Why spend the time and money to keep unused areas clean and heated when they're far more likely to collect junk than bring joy? Because that space isn't just sitting there, it's actually weighing you down financially and mentally.



Should I consider a condo instead of a smaller house?

A smaller house can give you more space and privacy from your neighbors—but you'll still have grass to mow. A condo is typically cheaper, has less maintenance and upkeep, but you might not save as much as you think once you factor in HOA fees.

In addition to the HOA fees, buyers should ask if they can conform to the association rules, which may dictate things like how many pets you can have or what color you can paint your door.

When is the last time we used that room?

One of the biggest signs you're ready to downsize is unused rooms in your house. Are there rooms you only enter to clean? If you have a formal dining room, living room, den or an entire basement that is no longer being used, it's a good time to think about downsizing. Try counting which rooms you use more than twice a week to estimate how much square footage you're using. The next step is to analyze if the rooms you use are being fully utilized.

- Is there extra seating in your family room?
- Do you have a cabinet in your kitchen that is only opened for a couple select dishes?
- Does your back closet have coats and shoes from grown and absent children?
- Do you know what's in your attic?

Is the floor plan practical for your needs?

When you're downsizing, every square inch counts, so an optimal floor plan is critical to maximizing space—and your happiness.

Yet you shouldn't bypass a house you deem too small based on square footage alone.

What will I do with all my stuff?



Here's a twist: You should really think about what you want to keep instead of what you want to get rid of.

Do you have a home gym, office setup, a guest room for visitors, or multiple sets of den furniture? Deciding what you really need to keep will help you answer the basic number of bedrooms question. This, in turn, helps as you decide how small the next home can truly be. If you decide to part with your stuff, remember to factor in storage costs.



“ Whether you're traveling for business or pleasure, if you're rarely home then the mortgage interest, taxes, and utility costs to maintain that property is almost money down the drain. If it feels like you're not making the best use of your home, reconsider.

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THANK YOU FOR BEING HERE!

We are excited to get to work together! Please let us know if you have any questions or would like more information on how we can help you downsize.

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