



Downsizing your home

With the robust rise in real estate prices in recent years, your house likely represents a significant part of your net worth. Downsizing is an opportunity to unlock your home equity. This *Wellness Worksheet* is designed to help walk you through the financial decision-making process of downsizing. However, before you list, enlist the expert advice of our certified financial advisors.

■ What is your motivation to sell your home?

Investment income; upcoming expenses; worry-free travel; less maintenance or yard work; health or accessibility issues

■ Where do you plan to live and why?

Available amenities; health services; proximity to family; walkable neighbourhood

■ If buying, what type (size) of home do you think you'll need?

Condo; townhouse; smaller house

■ Are you prepared for the emotional side of selling your home?

Smaller space; fewer things; missing neighbours and community

■ What is a realistic price for your home?

Get opinions from several realtors; check recent appraisals; consider what similar homes have sold for in your neighbourhood

■ If you have a current mortgage, how will it affect your home sale?

Maturity dates; penalties; interest rates; portability

■ Are you planning on buying or renting?

Consider rental availability; research potential neighbourhoods; what the area is like year-round

■ What is the difference in operating costs between your current home and new?

Strata fees; utilities; maintenance; insurance; property taxes

■ What's your risk tolerance during this transition?

Bridge financing required; buy, then sell; sell and then buy or rent

■ What do you plan to do with the net proceeds from the sale of your home?

Retire early; travel; boost nest egg; help children with education or home purchase costs



Next steps:

FINANCIAL WORKSHEET:

Enter values in the right-hand column to reflect your scenario.

What might be the net proceeds of my downsizing?

CURRENT HOME VALUE

Estimated value (sale price) of your home \$ _____

Remaining mortgage balance - \$ _____
Remember to factor in any applicable mortgage penalties.

A. Net value = \$ _____

COST OF SELLING

Renovations, repairs or staging costs to prepare house for sale \$ _____

Realtor commission + \$ _____
Typically 7% charged on the first \$100,000 of sale price, 2.5% - 3.5% charged on the balance (+GST)

Legal fees on the sale + \$ _____
Legal fees vary. An estimate of \$2,000 could be used to cover the sale of your home.

Moving expenses + \$ _____
Typically \$2,000 - \$5,000 depending on the extent of the move.

B. Cost of sale = \$ _____

COST OF BUYING

Cost of new home (leave blank if you plan to rent) \$ _____
Remember to include GST on a new home.

Mortgage if applicable - \$ _____

Property Transfer Tax (PTT Calculator) + \$ _____
1% on the first \$200,000; 2% on the portion greater than \$200,000 up to \$2,000,000; 3% on the portion greater than \$2,000,000 up to \$3,000,000; 5% on the portion greater than \$3,000,000.

Legal fees on the purchase + \$ _____
Legal fees vary. An estimate of \$2,000 could be used to cover the purchase.

Furnishings and upgrades + \$ _____

C. Cost of buying = \$ _____

D. Net proceeds = \$ _____

A-B-C=D. Net proceeds

HOW WILL YOU ALLOCATE YOUR NET PROCEEDS?

- Savings (high interest savings account, term deposits) \$ _____
- Investments (stocks, bonds, mutual funds, annuities) \$ _____
- Luxury purchases or travel \$ _____
- Vacation home or investment property \$ _____
- Assist family members (education, home purchase) \$ _____
- Health-related expenses \$ _____
- Other \$ _____



In order to gain the maximum benefit from the *Wellness Worksheet*, book an appointment with your BlueShore Financial advisor to review your downsizing plan.

This worksheet is provided as a general source of information and should not be considered personal investment advice or solicitation to buy or sell any financial products.