



# 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:

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# 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.