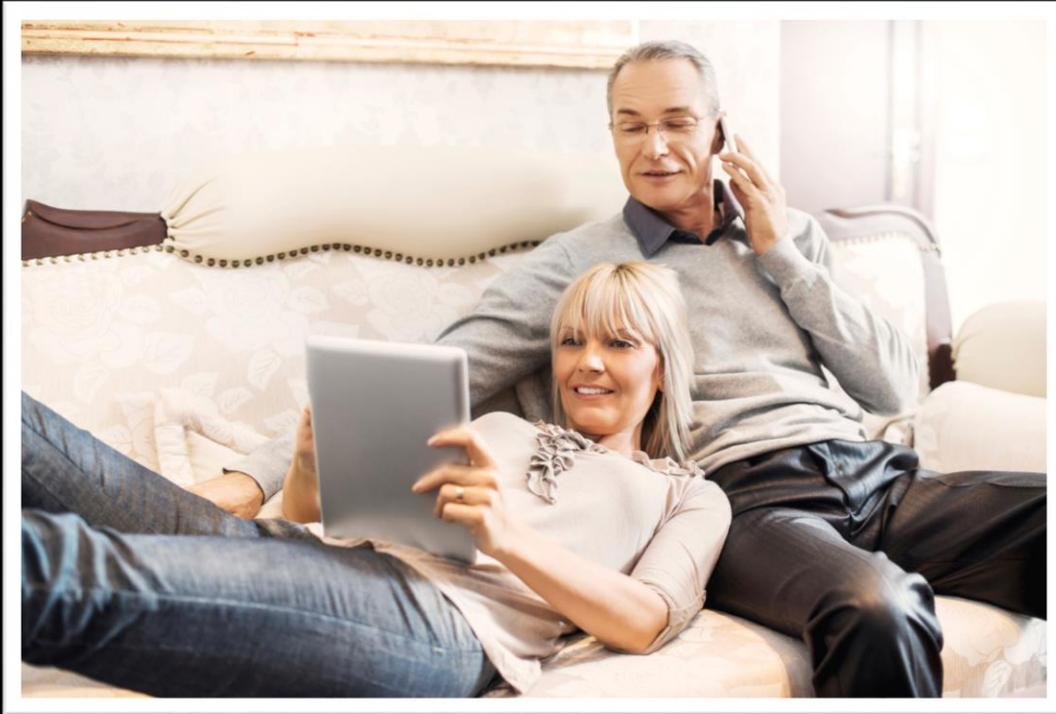


Why RIGHT NOW is the best time to sell (and how you can downsize into the perfect home for your lifestyle)



Helen Hunt

Sales Representative

The Hunt Team

RE/MAX Hallmark Realty Ltd., Brokerage

Cell: [416-417-5864](tel:416-417-5864)

email: helen@thehuntison.ca

When to sell – and downsize into the lifestyle you love.

Depending on what stage you are at in life, your opinion about exactly when it's the best time to sell and downsize may be different.

The market will go up and down and the number of homes for sale at any given time will vary, which can have significant pressure on home values. If there are lots of homes available for sale, then there is downward pressure on home prices. If there aren't a lot of homes for sale, then sellers can charge a premium simply because of the lack of supply.

Today, we are in an unprecedentedly strong seller's market. The prices of homes continues to increase, year over year, as much as 40% in some neighbourhoods!

It might just be the BEST time to downsize right now – cash in on your profits, move to a smaller space or to a home in a smaller (and more affordable) market.

It's the BEST time to sell when...

...The interest rates are low, inventory is low but demand is high (i.e. there are lots of buyers out there just waiting for something to come on the market).

Some neighborhoods are primed for sellers. This is where inventory of homes for sale are low, or have been low for a number of years, and so the number of buyers eager to buy their next home has been growing. The problem becomes when the sellers take on the fear of not being able to find a home to move into once they sell the one they're in. Then, even though the market is perfect for them to sell, they stay put.

Why this can hurt you...

Here's the tragedy of this situation: Let's say you saw the perfect home for you 5 years ago, but because you were afraid the market would tank/the interest rates weren't perfect, you hesitated and didn't make the move. In some markets, over the 5 years that home has doubled in value...and so even if you *wanted* it now, it's out of reach. Sadly, our incomes do not increase by the same leaps and bounds as some home prices have.

If you're in a seller's market, so as the saying goes: get it while it's hot (but don't wait too long or you could get burned). When my clients confide their fears in me about finding a place once they sell, I simply say, "I never leave my clients homeless. I help everyone find a place!"

If you're really nervous about it, there are a few safe guards that we can apply – one option is to buy a home first and *then* sell the one you have. Then your "buyer fears" will be gone, and you can relish in the amazing price you'll get for *your* home!

A good realtor that knows your market and the options available to you for downsizing can help you decide if moving into a condo or a home in a smaller market makes more sense for you today – and in your future.

So if you ARE going to sell, you need to know where to go! It's the biggest concern facing homeowners today – the ones that WANT to move, but hesitate because they're just not sure where they would move to next.

Most downsizers love the lifestyle they have...they just want to move into a space that is a bit smaller or more manageable.

1. Assess your needs carefully and set realistic expectations

When you're getting ready to downsize, you need to start looking into the future needs – in which you might have some constraints on health, mobility, proximity to family and so on. What is it about your home now that you feel is unnecessary? How many rooms do you need to be truly comfortable? If you haven't used a room, or an item in your home in over a year, chances are you won't need it. If you are honest with yourself, you'll be able to assess if you can live without that piece of furniture/book/appliance.

Make a list. Have two columns:

1. What I MUST keep
2. What can GO

Don't have a "maybe" column, because that just turns into a "keeper", so don't fool yourself! Be lethal with your decisions. You don't want to make your move into a smaller abode and then be unable to get around all your stuff!

Next up, expectations! This is critical because if you set up the wrong expectations, you'll find that disappointment lurks around every corner of your new home and you'll suffer buyer's remorse. Not fun!

You may find that moving into a smaller space doesn't save you anything on monthly costs. Lower utilities could be eaten up by condo fees, or you may need to do more driving if you moved from a city center out to the country. But you'll have earned a tidy profit, enabling you to invest it, contributing it to your children's inheritance, or whatever other investment option makes the most sense for you and your family. If you fancy a move to the country, ensure that you know what you're getting into as your country home might not have municipal services like natural gas and town water. Nothing to worry about that, just get yourself familiar with well water and alternative heating options.

On the flipside, if you move from the suburbs into the city core, you might save money by selling your car. Do your research! A realtor can help you get the details so that you minimize or eliminate unpleasant surprises.

2. Decide where you want to live – location, location, location

In many larger cities, the housing market continues to explode. While that's awesome for you and your home value, it's hard to forget that *almost all* properties have been going up by the same rate.

So, to buy or to rent? Is it even *worth* getting a new property?

There is no simple or short answer, but with property values continuing to rise, buying allows you to capitalize on the equity uplift. And, if you don't want to live in your home full time but would rather travel or spend more time with those out of town grandchildren than you can always downsize to a home which has a rental potential and then your tenants will help with the utility costs and you will have a caretaker present at all times which is an added bonus.

Decide what kinds of elements of a community are important to you, and if you want to keep your car, or get rid of it and live where access to transit is high.

Buying a smaller house can work for you, *and* you can make a tidy profit. You can still have access to a garden and patio, which is great if you have pets or enjoy being outdoors. Make sure you make arrangements for any tasks that might be too much for you, like shoveling snow or mowing the lawn. If your new home is part of a condo complex, this is often taken care of for you.

If you want to do a lot of traveling, condos are great because you get the benefit of security when you're gone. You trade off the ability to really have your own outdoor space, but again, it comes down to what lifestyle you are looking for.

So as you can see, everyone's situation is different. You do yourself a favor by starting with a pros and cons list as to what kind of neighborhood and home style will make you most happy, and work with a realtor to find it for you.

3. Price it out and invest the profits

Let's say your home is currently worth \$750,000

You'll want to purchase a home that is *at least \$500,000 or less* in order for you to really have any significant profits. If you're selling a home that is worth \$750,000 and thinking of buying a new one at \$650,000, even though \$100,000 is a lot of money, you'll basically break even once all the costs have been tallied.

Consider ALL potential costs, some of which are:

- Closing costs
- Land transfer tax
- Moving costs
- New furniture/appliances for the new place (if required)
- Commissions
- Balance of the existing mortgage
- Legal fees
- Outstanding property taxes

Map out ALL of the costs, and ensure that you have a clear idea of what your profit margin needs to be before you even begin looking. That way you will avoid disappointment when you put in an offer on a home, thinking you're going to make a killing – and instead, the costs will kill your pocket book.

Downsizing can be complicated, but a well thought-out plan will provide you with liquid cash for the things you always wanted to do but were putting off because of costs and help you keep your wits.

You can benefit from the increased value of your current home and still stay in the market because real estate is still the best investment...

Let's get it done!

Sincerely,

Helen Hunt
Sales Representative
The Hunt Team
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email: helen@thehuntison.ca