

# Empty Nesters

So The Kids  
Have Moved  
Out?

Special Report Presented  
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**Empty Nest?  
So The Kids Have Moved Out?  
It's Time to Move on to *Smaller* and *Better* things....**

All of a sudden the dream home you bought just a “few” years ago has become more than you need. Your kids have grown up and have moved out to start families of their own and you're finding yourself a little lost in all the space leftover in your house. How do you decide if it is time to downsize? You are not alone in having to make this decision. Many people find it emotionally difficult to think of moving from the home where they raised their family.

This is just the start to a wonderful new phase of your life. Here are a few things to keep in mind while you contemplate the next step.

**WHY DOWNSIZE?**

Your needs have changed (and will continue to change). You don't need the four bedroom, 2 ½ bath home anymore. You want to spend less time maintaining a large home and garden and more time enjoying new adventures. And you want to **make your money work for you**. Smaller house payments would better enable you to do the things you always dreamed of when the kids moved out. Your discretionary income may now be used for health spas, dabbling in stocks, or more frequent travels.

**Here are some questions to help you decide if now is the time to downsize or relocate:**

- **Do you want to reduce your expenses?** Do you still have a mortgage? If so, would you enjoy life more if you had smaller payments? What about property taxes and maintenance charges – are they feeling like too much of a burden? One or more of these conditions may make it difficult for you to manage financially or may keep you from enjoying the lifestyle you deserve. Before making the final decision, investigate what type of living arrangements you would like and how much they would cost to make sure that the savings are really there to support your decision.
- **Would you like to have a larger capital base from which to generate income?** It sounds complicated but it just means if you find that your retirement income doesn't quite meet your expenses, the capital you will free up by selling your home can be invested in income-producing investments, providing you with the extra income you may need. Again, look into what type of living arrangements you would choose and how much they would cost to make sure the extra income would cover those living expenses and more.
- **Would it be more convenient for you to live in a smaller place?** Or a place that's closer to certain facilities - friends, family, activity centers you plan to use regularly, etc.? Consider the safety of the neighbourhood, the public transportation available, the proximity of stores or availability of delivery services. All of these factors are also important to consider in light of changing physical capabilities as you age.

- **Will you be able to comfortably live in your home as you grow older?** Look closely at your current home: are there many stairs? Slippery floors? Do you believe you will be able to comfortably do all the chores your house requires as the years go by? Will you find it difficult to keep up maintenance and repairs? Can you afford to have someone else do those maintenance tasks for you?
- **What about your retired lifestyle? How much traveling are you planning to do?** If you're spending most of your time traveling, will your home be empty while you're away? Do you have a cottage where you're planning to spend much of your retirement years? Do you belong to a community club or church where you're planning to spend much of your time? These decisions will help you decide whether it makes better sense to sell your house and downsize or simply relocate.

**Will health problems make it necessary to have assistance later on?** Are you experiencing short-term memory loss? Things like forgetting to take medication, or key dates and commitments or finding it difficult to do daily tasks such as preparing meals or doing laundry? If you may need assistance in the future you will need to be close to family or other caregivers. Now is the time to make that move.

#### **WHEN IS THE RIGHT TIME TO DOWNSIZE?**

While the decision of when to give up the “family home” will remain a personal and emotional one, some objective financial factors should be considered:

- **Is The Area Appreciating Or Depreciating?** Empty Nesters would be very wise to keep a finger on the pulse of the real estate market in their area. Selling at the “right time” can make a substantial difference in the profit you realize from the sale of your home. Make friends with a local real estate agent and let them know you are considering a move.
- **Do You Have The Ability And Desire To Keep Up With Maintenance?** Let's face it, all residences require maintenance and the larger the dwelling, the more there is to do. If you believe you might have problems keeping up with repairs then you may want to consider selling before even MORE chores show up (the house isn't getting any younger, either!). Homes that show signs of deferred maintenance (a fancy way of saying it wasn't “kept up”) will sell for less on the marketplace.
- **When Will Major Components Need Replacing?** The longer you remain in your home, the more exposure you have to expensive, necessary replacements. How old is your roof? What is the age of your heater? Your air conditioner? In a nutshell, you should take a cold, hard look at the reality of your real estate. Determine how much extra it may cost you to remain in your present "comfort zone" for a few more years, and then decide if you are willing to pay the price.

## WHERE DO WE GO FROM HERE?

Okay, so you have decided that you would like to move from your current home. Where do you go from here? What choices do you have in accommodations? What type is going to best suit you?

- **Condominiums:** Short on maintenance and long on amenities, the condominium lifestyle has been a favourite of people who want to keep their lives simple. Condominiums can be in the form of apartments or town homes and are available in virtually every price range and neighbourhood. Many offer recreational facilities such as swimming pools, tennis courts and fitness areas. Unlike owning your own property, owning a condominium means that you're governed by the by-laws, rules and regulations established by the condominium board. Generally, these rules are necessary to ensure the enjoyment, safety and cleanliness of the condominium. It may be a wise move to check with the condominium board to determine how these by-laws, rules and regulations will affect you as an owner, especially if you have a pet. Please note that there are generally monthly maintenance fees that range in cost, so be sure to check on these and calculate these into your budget estimates.

When seriously considering a move to a condominium, make sure you review:

- Bylaws
- Rules and regulations
- Master deed
- Master insurance policy
- Financial statements

Don't just browse through these documents. Read them carefully, because they'll answer important questions like:

- Where does my sole ownership end (i.e., bare walls or studs in)?
  - What is covered under the master insurance policy? (You may need loss assessment coverage to pick up the shortfalls of the master policy.)
  - How large is the operating budget?
  - How large are the financial reserves?
  - How are trustees elected?
- **Single, detached and a bungalow:** Bungalows provide empty nesters and retirees with the best of both worlds - the opportunity to own a house and a yard with minimal maintenance. Typically, these bungalows are located in smaller, more affordable communities in more rural areas.
  - **Retirement Villages:** Retirement communities offer retirees the amenities often associated with condominium living, smaller homes and the opportunity to live with like-minded individuals. Today's complexes can be a mixture of apartment units, townhouses and single detached homes. Some retirement communities are resort-like in nature, offering a variety of fitness and lifestyle opportunities. For the most part, they're built in quiet areas close to urban centres, but far enough away from the hustle and bustle of city living.

- **Retirement home or senior citizen complex:** Retirement homes have evolved from the traditional style that was common twenty years ago. Now there are a variety of types of retirement homes to suit every need and budget - some offer simply an efficiency apartment with meals taken communally; others offer full amenity apartments with eat-in kitchen. Some expect their tenants to be fully independent; others will have services for tenants with reduced mobility as well. To help you choose, there are now agencies that specialize in helping you find a home that will match your expectations and your budget.

If you have [health concerns or limited mobility](#), some senior's homes offer more personal and medical care. Generally, these homes offer a bedroom or a bed sitting room with private bath but no kitchen. Alternately, [if full medical attention is required](#), there are extended-care facilities available throughout the country.

- **BUT WAIT!!! Renting has its advantages:** As a renter, you'll enjoy greater freedom than you did as a homeowner. If you sign a typical one-year lease, you're responsible for paying rent (and not causing damage) and your landlord is responsible for maintaining the building. So if something breaks (e.g., plumbing, windows, appliances), you call your landlord, and hopefully the problem will get fixed in a short amount of time, costing you nothing.

Another advantage to renting is that it could give retirees who are contemplating moving to an area where they have never lived before a feel for the area without committing to it in a big way. This way, if you find that you're miserable in the new location, it's easier to pick up and move than it would be if you had bought a home that might be difficult to resell.

## WHAT IF WE DECIDE NOT TO MOVE???

If you decide that you prefer to stay where you are, but would appreciate a little more financial freedom, you may want to check out a “reverse mortgage”. A reverse mortgage (also known as a “home equity conversion mortgage”) is a special type of loan available to equity-rich, older owners. Repayment is not necessary until the borrower sells the property. Because borrowers are qualified on the basis of the value of their home, the loan is not the same as a home equity loan. For more information, check out the following sites:

<http://www.cbc.ca/consumers/market/files/money/revmort.html>

<http://money.msn.ca/articles/banking/mortgages/article29.asp>

## IN CONCLUSION:

Having an empty nest can be one of the most exciting times of your life. Now you get to choose exactly what you want to do with your money and time. Downsizing to a more manageable home and freeing up your time will enable you to truly live the life you have been waiting for.

**Additional Information:**

These Special Reports may also be of interest to you-

1. Selling Your Home?
2. Selling Mistakes! Common mistakes and how to avoid them.
3. Selling Your Home? Is it necessary? Is NOW the right time

<http://www.newhomesource.com/newhomeguide/articles.asp?article=emptynesters&refer=mv&testcookie=1>

<http://www.startribune.com/stories/1664/>