



## Is There an Upside to Downsizing?

**Q: How do I know when it's time to move to a smaller, more manageable home?**

**A:** This becomes a very personal decision that many homeowners make at varying stages in their lives for different reasons. Sometimes the costs of a larger home become a detriment to either enjoying or starting retirement from a financial perspective. Other times the move to a smaller home is made so homeowners can start enjoying a different lifestyle. That could mean opting for one-level living and less maintenance as living in a larger home becomes more difficult with age, or downsizing in order to have less house to clean and take care of so that more time is freed up to travel.

**Q: What real estate market factors should I be considering when planning a downsize?**

**A:** If you are flexible on timing, you should consider current financial conditions and how they are affecting the housing market. Interest rates, while now on the rise, are still at historic lows. This is an important consideration if you will be seeking financing for your next property.

Housing values are also an important factor. While it is impossible to predict housing value trends in the future, we currently have record low inventory, which is driving sale prices very high. It can be difficult to

navigate a sale and a purchase in the same low-inventory market, but we have numerous clients choosing to capitalize on record sale prices for their homes given the inventory. Many are accelerating the timing of their sale given the current housing market, even if that means they need to rent for a while until they find their next home.

**Q: Is it worth it to downsize if the home we want to buy is going to be comparably priced to our current one?**

**A:** Many homeowners are currently enjoying a superior quality of build and top amenities in their current homes, not to mention any recent updates they have completed during their time of ownership. Unfortunately, that construction quality and level of updates is often difficult to find in a smaller home at a lower price, especially if the home is older. Many who are downsizing view their next home as their "forever" home, so they end up opting for new or newer construction in order to get everything they want. That does come at a higher cost, but there are newly available mortgage products that can assist buyers looking to downsize and save on mortgage costs, even if buying a similarly priced home.



### ABOUT THE CONTRIBUTOR

*Ellie Kowalchik, a real estate agent with Keller Williams Pinnacle Group, leads the top-ranked Move2Team. A multi-million dollar producer and company sales leader, she holds the advanced designations of Seller Representative Specialist, Certified Residential Specialist, as well as e-Pro with a focus on technology. She was also named one of America's Best Real Estate Agents by RealTrends in 2018, 2019 and 2020.*

**Have real estate questions you'd like to see answered in a future edition of Ask the Expert? Give Ellie a call at (513) 536-6831 or email her at [EllieKowalchik@gmail.com](mailto:EllieKowalchik@gmail.com).**