

Buntain Wealth Management
Changing Face of Retirement Series

When is it time to downsize?



The short answer: before you have to.

You can remember how much money you spent on your Chesterfield, your china cabinet, your copper-bottomed pots — never mind the pool table in the basement, the shop in the garage, the grand piano in the living room. And now your kids are telling you they don't want any of it — and neither will anyone else. How to downsize your home without feeling like you're downsizing your life?

Downsizing can have such a huge emotional impact on our lives. And it's no wonder. Most of us spend the first two-thirds of our lives accumulating — houses, cars, kids, degrees, titles. Reversing that drive to acquire not only makes us sensitive to the onward march of time, but it can also

make us question our accumulative motivations and desires in the first place. Indeed, it's not uncommon for retirees, faced with selling off their worldly possessions for a cup of coffee, to find themselves in a kind of existential crisis — especially when they no longer have work to distract them.

It makes sense. Your possessions served you well for a number of years, and they likely bring back precious memories — as does your home. It's perfectly natural to mourn the loss. Still, we have seen that with careful planning, you can help to navigate this transitional period in a way that honours your past — and gets you excited for the future.

And let's face it; it's hard not to get excited about the potential cash windfall that may be coming your way, depending on your local market. So our first piece of advice would be just that — look at the market. In most cities, prices have reached a historic high, which is great for you, but it's questionable as to how much higher prices can go. We don't have a crystal ball — no one does — and it's impossible to predict how much higher prices may rise, but if you take a clear look at how much your house has already appreciated, it may help you make the decision. While you're at it, factor in any debt you have. If downsizing will allow you to clear off your debts, you may feel more confident entering retirement.

You must also take a hard look at your health, and your partner's health. Has maintaining your home become a burden? If so, you will want to start the process as quickly as possible. Don't wait until you have to move — make the decision now, when you can be in control of the outcomes. Trust us; your children may not necessarily understand the significance of that Tiffany lamp from your great Aunt Mary that has held a special place of honour in your bedroom for the past forty years. If you want to preserve your relationships and your sanity, we think it's actually best not to outsource some of these tasks. Ideally, you should take your time, and declutter gradually, but systematically, over a number of months, or even years.

You want to be able to include your children or any other important people in your life — not burden them.

When you take the time to do things on your terms, you will be able to think with your head, not your heart, and take proactive steps to ensure that you are creating the future you desire, rather than simply reacting to events out of your control. Indeed, this is one of the key benefits of working with an investment advisor you can trust — one who knows you, your goals, and your unique situation. No advisor can tell you when it's time to downsize — only you and your partner can make that decision. But it is an advisor's job to give you honest, objective advice — and when you're faced with big decisions like these that can make all the difference.

We hope you've enjoyed our Retirement Series, "The Changing Face of Retirement." Next month we'll be switching gears a bit, as we discuss the pros and cons of buying a vacation property.



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