

TRANSITIONING TREASURES, LLC

Downsizing: Where to Move, What to Take

From US News and World Report, June 29, 2009:

*Specializing in
Senior Move Management,
Household Downsizing and
Aging in Place Planning*

*Downsizing is the act of
sorting and dispersing
those items that will not
be accompanying you to
your new home.*

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Question: *My husband and I are empty nesters, living in a large home and paying high property taxes. We figure we will be able to save more for our retirement if we downsize now instead of waiting. I'm looking for advice on the advantages/disadvantages of condos, co-ops, active adult communities, especially relating to owners' rights, tax obligations, insurance requirements. Also, I need help deciding how to downsize our furniture and belongings; I don't even know where to begin.*

Co-op vs. Condo vs. Active Adult Community: Unless you live in New York City, or the northeast, you probably won't be looking at a co-op. Condominiums are much more prevalent in the rest of the country. Though the lifestyle is similar, there are important differences. With a co-op you don't actually own real estate, you own shares in a company as part of a cooperative housing corporation. The corporation owns the common areas. Property taxes are assessed to the whole property and are charged back to the tenants as part of the monthly maintenance fee.

In a condominium you own your individual unit plus an interest in the common areas, like the pool, lobby and parking lot. Property taxes are charged individually to each unit, as they would be if you owned a house. You still have a maintenance fee, but it is usually lower with a condo because it does not include the built-in property tax assessment.



An active adult community is usually geared to people over 55, and it can be age restricted, requiring that at least one household resident is at least 55. Others are age-targeted, marketing to the 55-plus crowd, but not explicitly excluding younger residents. When deciding on an active adult community, keep in mind that the age of the development is a good reflection of the age of its residents.

Active Adult Communities can have social and convenience benefits. I moved into an active adult community for people 55 and over and it was the best decision I ever made. I save a lot on what I was paying on my mortgage, taxes and insurance. Plus, I now have access to a clubhouse, pool, gym and tennis courts without paying to be a member of a club. Also, I was paying a lot to have my grass cut, my driveway shoveled, my gutters cleaned and my pool maintained. I figure I have cut my costs in half by downsizing. On top of that I have a great new group of friends. We play bridge and tennis, take trips together and my social life is a lot better than when I lived alone. I even started dating one of the other members in my community.

Hire a Senior Move Manager: I was overwhelmed when my husband and I faced moving from our 3,000-square foot house to a much smaller home in a retirement community. The best advice I got was to hire a senior move manager through the National Association of Senior Move Managers. She helped us deal with how and what to sell. First, we asked our children if there were any items they wanted. It was easy to part with belongings knowing they would be kept in the family. We kept the small “convertible” pieces that would work in our new home. A small chest of drawers stores serving items that don’t fit in the kitchen. The sofa bed turned the den into a bedroom for guests. She also referred us to trustworthy estate sale agents to get the best price for selling items. Downsizing is not easy, but with the right help it’s a lot better than trying to face this arduous task on your own.

LINKS:

- <http://www.usnews.com/blogs/the-best-life/2009/06/29/downsizing-where-to-move-what-to-take-.html>
- www.Boomerator.com

