

Guide to downsizing your home





Is downsizing right for you?

Considering downsizing your home?
Thinking about taking the plunge
but daunted by the idea of moving?
Need help getting started?

You're not alone. Research shows that over half of older people in the UK are interested in moving and one in three want to downsize¹.

It certainly makes sense. Not only will there be fewer rooms to clean and possibly smaller annual household bills, but any funds generated can be used as a welcome cash injection.

However there are many other factors

– positive and negative, emotional and practical – that will influence your decision to downsize. Whatever your reasons they will ultimately be very specific and personal to you.

This guide is designed to help you with this decision-making process. It offers guidance, tips and advice, giving you a clear understanding of the pros and cons of downsizing.

¹ Source: Demos, The Top of the Ladder, 2013 (respondents aged over 60 years)

Why we're downsizing

Recent studies have revealed that people aged over 55 are happier than any other age group. Perhaps it's because this is the phase of our lives that can offer the greatest freedom.



You may have benefited from the growth in value of your home and other assets. You may also be enjoying a sense of freedom after the children have flown the nest. From retraining to travelling, with more time and money, it's no surprise that we're now doing things that we always thought we might like to try but never had the chance.

Increasingly we're seeing this period

as an opportunity to streamline our lives and downsize or rightsize the property we own.

According to financial services group Prudential, having too much space is a key motivation for 61 per cent of homeowners over the age of 55 looking to downsize. Other key reasons for downsizing are: the convenience of running a smaller home (58%); accessing equity (34%); reducing



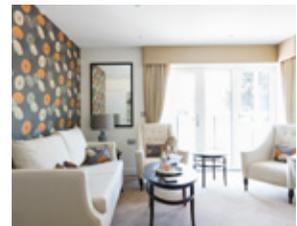
the day-to-day costs of running a large home (22%); and changes in personal circumstances (21%)².

In the next five years, a third of over 60s will be looking to move and free-up the capital currently locked-in to their homes. The release of this equity – an average of over £104,000 per household nationwide, rising to £290,000 in London and £170,000 in the South East³

– can facilitate a new way of life, the opportunity to fund new holidays, top up pension pots or help children to pay for their own house deposits.

So if you think that you don't need as much space as you used to, and that your money could be better used elsewhere, rather than locked up in your current home, downsizing is an increasingly popular option.

Those who downsize often say they feel liberated from the day to day hassle of managing their homes, and question why they didn't do it earlier.



²Source: Prudential Downsizing Index, 2014
³Source: Lloyds Bank, Downsizers Report, 2014



It's a big decision

So, if the idea is appealing, what about the reality?

Let's face it, moving house can be stressful. Choosing to downsize involves considering both emotional and practical factors. We've described the most often – both positive and negative – over the following pages.

There will also, no doubt, be other factors that are specific to you. It's critical that you take the time to consider them.

You may find it useful to make a list of these factors, including everything important to you in moving.

You can use this list to refer to throughout your decision-making process. At the start of your downsizing journey you may find that the negatives outweigh the positives. But as time passes and circumstances change you may find that the balance starts to shift – in which case it's time to review your options. When the positives outweigh the negatives you know that it's the right time to downsize.

Don't rush, making the right decision is key and being in

charge of the decision is vital. Take your time to implement a plan that lets you go at a speed that is comfortable for you. Our research shows that the downsizing journey can take a number of years from initial idea to realisation of your dream.



The downside to downsizing

Let's face it, it's going to be emotional. Much of the anxiety people feel when they consider downsizing relates to the upheaval of leaving the family home. Some people never get past this point. For those who do, downsizing is more than simply moving home, it's about positive change.



Emotional attachment to your home

Most of us develop an emotional attachment to our home. For some, this attachment runs deep. And for good reason. Research shows that over two-thirds (68%) of homeowners have lived in their property for over a decade⁴. It is likely to contain many memories for you and for your children who may have grown up there too. Many people find that coming to terms with leaving the family

home is what takes the most time.

The stress of moving

Changing home might not only be a real pain but also a time of high anxiety. If you've been in your house for any length of time, chances are you've accumulated enough possessions to make the prospect of moving more than a little daunting. In addition because you're downsizing there won't be room for all your stuff. You're going to have to declutter. Getting rid of things that



may have emotional triggers means you will have to make difficult decisions about what to keep. The earlier you can start thinking about decluttering your home the better. Why not treat it as a great excuse to have a clear out? People often find it a very liberating experience. Visit www.wikihow.com/Downsize-Your-Home for useful guidance on decluttering.

Perceived loss of status

You may feel that your existing home confers a certain status. So moving to a smaller home may make you feel that you're reducing your financial and social status too. You know you're downsizing for the right reasons but emotionally this loss of prestige can be hard to overcome at the start. Finding a



smaller home that you can still be proud of is important. Longer term you'll have more time and more money to enjoy life for this to be of lasting concern. And you'll probably find that your friends are envious too.

Loss of a family hub

Having a place where the whole family can gather for big occasions is important. If your current home is used as a family magnet it's going to make you reluctant to move. Logically

though it makes no sense to maintain a big home year round just to be able to provide a hub for a handful of days. Downsizing doesn't mean losing your spare room or entertaining space. Many see it as an opportunity to consider other venues for get-togethers, whether this be another family member's house or a holiday home. And, of course, you may be moving to be nearer to family in the first place.

The downside to downsizing continued



Moving away from your social circle

You may have developed a network of friends and acquaintances who you rely on socially. Moving away – particularly if you plan to move closer to family members – means that you'll have to build a new network which can be difficult. However our research shows that most downsizers are not prepared to give up existing networks. They are looking to move no more than 30 miles from their

current home, and for the vast majority five miles is the furthest that they'd consider.

Reduced space

You'll probably be used to having more than

enough space, not only for your possessions but also for your lifestyle. Moving to a smaller property will require compromise. Our research shows that most people want similar levels of living space but less bedrooms – 64% of respondents wanted to move to a two bedroom property⁵. So it's good to consider exactly what space you must have and what is surplus to requirements before you start looking at properties.

Tip:

You may find it useful to take an inventory of the rooms in your current home that you're not really using or rarely visiting. Add up the number of square feet these unused rooms comprise, then subtract from the overall area of the house. This will give you the rough floor area that you require from your new home.

The upside to downsizing

You'll probably find it's a mixture of lifestyle and financial factors that influence your choice to downsize. And it's about convenience – reducing the cost and hassle of household maintenance, allowing you to concentrate on what's important.



Financial benefits

The capital tied-in to your existing home can be considerable, particularly if you have lived there for some time. Freeing this up presents a great way to boost your income or to help members of your family, for example, with getting on the

housing ladder, a new baby, or university fees. And if you still have a mortgage it will enable you to reduce the monthly payments, or possibly eliminate them altogether.

A recent Prudential survey shows that almost 2.5 million homeowners aged over 55 are planning to raise money from their homes by downsizing. The average amount of capital they hope to free-up as a result of these property

sales is £87,600. Of those expecting to release equity from downsizing, 45 per cent will spend on big ticket or luxury purchases like holidays, 48 per cent say they will save or invest the money, while 40 per cent will use the funds to boost their pension pots⁶.

In addition it is likely that your income will also increase because of the money you'll save on maintaining your smaller home.

⁵Source: Hanover downsizing research, 2014

⁶Source: Prudential Downsizing Index, 2014

The pros of downsizing continued

Reduced monthly outgoings

With a smaller home comes lower bills and less household maintenance meaning your money goes a lot further. You'll be surprised how much cheaper it can be to live in a well-built or ingeniously-converted, energy-friendly new home.

Our research shows downsizers can enjoy significant savings on utilities and insurance costs. Everyone is different, but the research indicates that you can save between £1,500 and £5,750 annually by moving

from a typical three-bedroom house to a carefully-designed new-build apartment?

Low maintenance, low stress living

Take a moment to consider all of those regular chores you have to do. For many, reducing the hassle of home maintenance is a welcome benefit of downsizing. Larger houses can be costly, time consuming and tiring to maintain. We all love our gardens but the continual mowing, weeding and upkeep of boundaries can be strenuous and eat into our valuable leisure time.

Dealing with day-to-day property upkeep can become quite stressful, particularly when finding reliable workmen to do the jobs you need. Moving home may help to reduce this, particularly if you are moving to a modern property where land and home maintenance is covered through an annual service charge. Never having to worry about fallen roof tiles, gutter clearance or fence painting is a benefit that makes downsizing very attractive.

More time to do

With fewer outgoings (and hopefully no mortgage), reduced home maintenance and your children off living their own lives, you'll have more time and money to do the things you want to do and less time doing the things you have to do.

Tip:

Use our free Living Costs Comparison Calculator to compare household costs between a Hanover Downsizer Home and your current property.

www.downsizer-homes.co.uk/calculator



Imagine having more time to take holidays, to travel further afield or simply to spend with family and friends. Imagine being able to lock-up and leave your home safe in the knowledge that it will be looked after while you're away. Downsizing can give you the freedom to enjoy a truly flexible lifestyle.

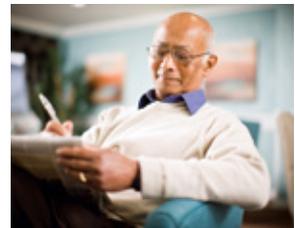
In addition, no longer being surrounded by all your possessions of the past can open up a new perspective, where the emphasis is less about acquiring

and more on doing. Where your wealth is less about how many bedrooms your house has, but more about the richness of your experience.

Looking ahead

Downsizing, and the changes that accompany it, can open a new, exciting chapter in your life. People who have downsized talk about both "settling in" to their new home, but also "opening up" to a new way of living. Trying to replicate the same way of

life in their new home as they had in their previous one would have meant missing out on new opportunities. Equally, becoming at ease with your new surroundings is also critical. Creating a blend of things familiar and things fresh seems to be the best advice.



Five tips for downsizers

- 1. Talk to others** – there are many people alongside you who are also thinking about downsizing or have themselves downsized. Speak to friends and colleagues – you're bound to find someone happy to share their experience and invaluable advice.
- 2. Decide on your approach** – don't leap into action without first being sure about what you want to achieve and how you want to get there. You may prefer to fully understand the requirements for your new home alongside the lifestyle that you want to lead. Or you may prefer to take a more instinctive approach.
- 3. Make a plan** – moving to a smaller home can be a daunting process. Have a plan and then break this down into smaller chunks of action. You'll find it much easier and far less intimidating to take it one step at a time.
- 4. Take your time** – don't rush, making the right decision is key. Be in charge of the decision and don't let it be in charge of you. Implement a plan that lets you go at a speed that's comfortable for you.
- 5. Be prepared for and embrace change** – anxiety about change is the biggest issue for many downsizers but don't let fear of the unknown or self-doubts get in the way. This could be the best decision you'll ever make.

We hope that you've found this guide useful.
Good luck on your downsizing journey.

Getting more advice

You'll find all sorts of advice on downsizing out there. Here are the some of our favourites:

Further advice and tips:

- www.downsizingexpert.co.uk
- www.thisismoney.co.uk/money/mortgageshome/article-2195190/Downsizing-Top-tips-homeowners-moving-smaller-property.html
- www.independent.co.uk/property/house-and-home/property/downsizing-your-home-can-be-a-good-move-7982657.html

Top 10 tips for downsizing:

- www.styleathome.com/homes/real-estate/top-10-tips-for-downsizing/a/308

Decluttering your home:

- www.wikihow.com/Downsize-Your-Home

How to get rid of your unwanted goods:

- www.telegraph.co.uk/lifestyle/interiors/9930198/Downsizing-Heres-how-to-get-rid-of-your-unwanted-goods.html
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About Hanover

A market-leader with over 50 years experience, Hanover has an unrivalled reputation for high quality, age-exclusive housing.

As a not-for-profit organisation we put our customers first. We believe in providing great homes, a first-class service and responsive management alongside a secure investment – peace of mind for now and the future.

For more information visit **downsizer-homes.co.uk** or speak to one of our Sales Advisors on **01480 223179**.

