



Moving from Your Dream Home to a Dream-Like Retirement

When retirement hits, it's common to move; however, they're not moving into traditional [senior housing](#). Instead, seniors are downsizing, choosing to age in their own homes for as long as possible. Whether seniors are moving toward a different climate or to be closer to family and, moving into a smaller space comes with many perks and a long [to-do list](#).

Deciding what to do with your current home when [you downsize](#) is one of the tasks that can take a lot out of you. Many factors should be taken into consideration when you're looking at keeping, selling, or renting out your home. With that in mind, here are answers to a few of the questions that you might have during this process.

Can You Currently Pay for Two Mortgages?

Let your finances make the first decision for you. On the limited or fixed income you'll receive in retirement, can you afford to take on another mortgage? The cost to [keep and maintain](#) a home — much less two — is a hefty expense that shouldn't be overlooked.

Take a good look at all of your accounts to decide whether it's in your best interest to take on another payment. Then, create a homeownership estimate for your new, smaller home. Find the property taxes that were paid by the previous owner, and feel free to ask the owner about the utility payments they were commonly billed throughout the year.

Dive deep into your income and expenses and put together a [budget](#), giving yourself a better idea of how far you can stretch a dollar. Setting a budget before searching for a downsized home can save you a lot of heartaches, now and in the future, especially with the [rising cost of care](#) you'll be responsible for. With the down payment and closing costs for your home purchase included, [can you afford](#) to keep your home while purchasing the smaller one?

If you cannot afford the cost of moving into a new home, sell it. If you can afford to keep two homes, you're now tasked with figuring out what to do with the larger one.

Do You Have What It Takes to Be a Landlord?

While selling the home offers a lump sum to pad your savings account for future use, renting out the home might be the most effective way to maximize profits and fund future expenses. But being a landlord isn't as simple as filling your vacant property. You'll take on lots of responsibility, financial and otherwise, once you sign on your first tenant.

According to Consumerism Commentary, successfully renting out a property isn't for everyone, but many landlords often "[thrive](#)." A tenant's monthly payment should cover your costs and provide a worthwhile profit. However, if you must rely on the monthly income in order to get by yourself, being a landlord might not be a viable solution for you.

Before you rent out your home, [hire an inspector](#) to come by and let you know what must be repaired. From there, make the updates or repairs yourself and show the home some cosmetic love, too, to justify a [higher monthly payment](#) from future tenants.

If you can handle the responsibility, renting the home could fund your next vacation or retirement activity. Since you are in retirement, you might not want to work. In those cases, go ahead and consult your family members for suggestions.

Does Your Family Want the Home?

Before you meet with an attorney to write up the paperwork that gives possession of the home to your heirs, consult with your family and speak candidly about whether or not they want to take on your home now or later. A home is usually one of your largest assets, and you might consider it a gift when leaving it behind for loved ones. Your children might prefer you sell the home ahead of time, which could simplify the distribution of your assets.

Speaking with family members can help guide the discussion and decision in a beneficial way for everyone. After all, you want to do what's right for your family and yourself. The hard part, deciding to downsize, has already been done. Now, all that remains is making the next great step toward your comfortable retirement.

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