

# Downsize *without compromise.*



Reed & Co.  
ESTATE AGENTS

NOLA  
RESIDENCES



An aerial photograph of a small, colorful boat (yellow, green, and blue) floating on clear, turquoise water. The boat is positioned near a sandy beach that curves along the top left of the frame. The water's clarity reveals the sandy bottom and some darker patches of seabed. The overall scene is peaceful and scenic.

# Things to consider before you downsize

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## How do I know it's time to downsize?

For many of us, the family home is not just a property, it's a place where we brought up our children, made new friends and secured our family. So deciding to downsize is never going to be easy. Nevertheless, there comes a point in everyone's life when it becomes apparent that a large property is too much to handle.

The question is, when is the best time to downsize your property? This is a difficult question to answer because your heart will want to stay, but your head knows a more manageable property will make life easier.

If you're starting to think about downsizing your home, you can make the decision easier by arming yourself with the right knowledge. That way you can move forward with confidence that you are making the right decision.

There are many reasons and benefits of why downsizing your home is a good idea. We go through the many stages and strategies involved in the process and how to make the change the smoothest transition for you. From knowing when the right time to downsize is to the financial strategies and making it a reality.

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You have worked hard all your life, so why not spend a little time now enjoying the fruits of your labour?

## Benefits of downsizing

Let's start by looking at the benefits of downsizing. Freeing up equity is one of the main reasons why people downsize. The family home is the biggest asset for most people, so freeing up capital tied up in it can make a big difference to your life. Do you have a dream destination on your bucket list? Downsizing may give you the means of experiencing it sooner.

A smaller home also means lower energy bills. This will free up capital to treat the grandchildren or perhaps go on a weekend break somewhere. Downsizing to an apartment or duplex also means increased security. This will allow you to travel freely without worrying about the security of your property back home.

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## When is the right time to consider a change?

The cost of maintaining a large family home can be prohibitive if you don't have a regular paycheck coming in. Property tax increases can eat into your available funds, while heating and energy bills keep rising faster than income levels. If you find you are struggling to maintain a comfortable lifestyle, it may be time to think about downsizing.

A large garden, while beautiful, will also become increasingly difficult to maintain as you get older. If you feel that garden maintenance is getting too much, it may be time to think about moving to a more manageable property.

Finally, once the last of the kids have flown the nest you'll be left with several spare rooms collecting dust. If you're not careful you'll start filling these with clutter. This is a clear sign that you are ready to downsize and will benefit from a smaller more manageable home.



## Where do I start?

If you think now is the right time to downsize, where do you start? One of the best things to do is look at the types of property available. Take a look at Nola Street, for example.

Nola Residences feature six Chris Clout designed townhomes that redefine coastal resort-style. Nola is a new pinnacle in private villas, in one of Australia's most desired riverside locations. Designed to maximise its supreme vantage, with an elegance that befits the natural deep blues of the river and the world-famous precinct that surrounds it.

Getting rid of your furniture and belongings is often difficult for people to handle because we all become attached to things. But we also benefit from a good clear out from time to time. So treat this as a chance to reset and be practical about what you need in your new home and get rid of everything else. You will be surprised how liberated you feel after carrying out this exercise.

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# Design and Lifestyle

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## Building a home and a community

Downsizing does not mean making sacrifices to your lifestyle, in fact, it can mean getting more out of life. Living in a right-sized home means having more money to do the things you always wanted to, rather than maintenance and yard work.

So when looking for a place to downsize to, plan ahead and look for a community that suits your lifestyle and hobbies. For example, if you are not ready to move into a retirement community just yet, think about a townhouse or villa which is the perfect compromise after living in a large detached home.

Alternatively, if you or a family member suffers from mobility problems, look for a home on a single level. This doesn't have to mean an apartment, you could consider a bungalow or chalet style home which are popular with older residents.

Regardless of the type of property you are looking for, you should seek to find a home in an area where like-minded people are living. This will ensure you move into a community that suits your lifestyle, allowing you to make new friends quickly and easily.

At Nola Street for example, residents benefit from a it being tucked just off the river in a private, exclusive enclave, presenting an enviable lifestyle in idyllic surrounds where life can be as lazy as the river, or as vibrant as the surf it flows into.





## Designing for a sub-tropical climate

There are other benefits to living at Nola Street. Each residence is a spacious, opulently appointed sanctuary, where form meets function, and where the built environment marries seamlessly with the natural environment. Nola's unique floorplan brings the outside in, with; private courtyards, bi-fold doors, sprawling decks, and entertainment areas of distinction. The climate in this part of Queensland is subtropical so you can expect steady year-round temperatures with hot summers and warm winters.

This means you don't have to waste money artificially heating or cooling your home. While the warm climate also allows you to spend more time in the great outdoors doing the things you love.

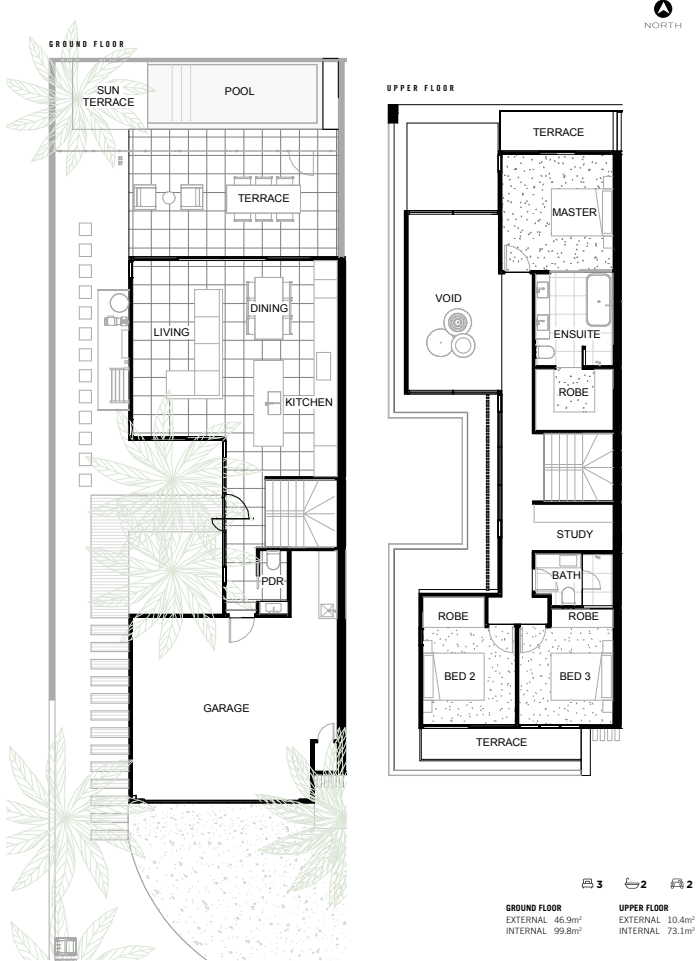
The following types of accommodation are available in the residence:



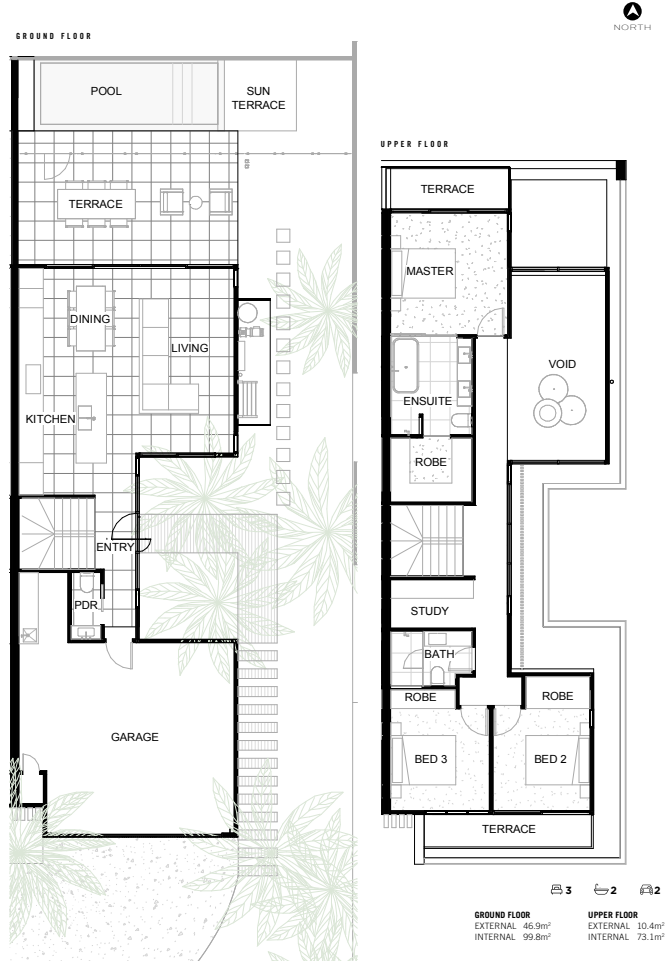
# Northern Aspect Duplexes

Full length with a more traditional layout, the duplexes are elongated along the full length of the block, both with a northern orientation for the pools, terraces and into the main living areas plus the master bedroom above. The three bedrooms on the first floor give good separation to the master while garages with direct access to the street allow for further off-street parking.

DUPLEX A



DUPLEX B



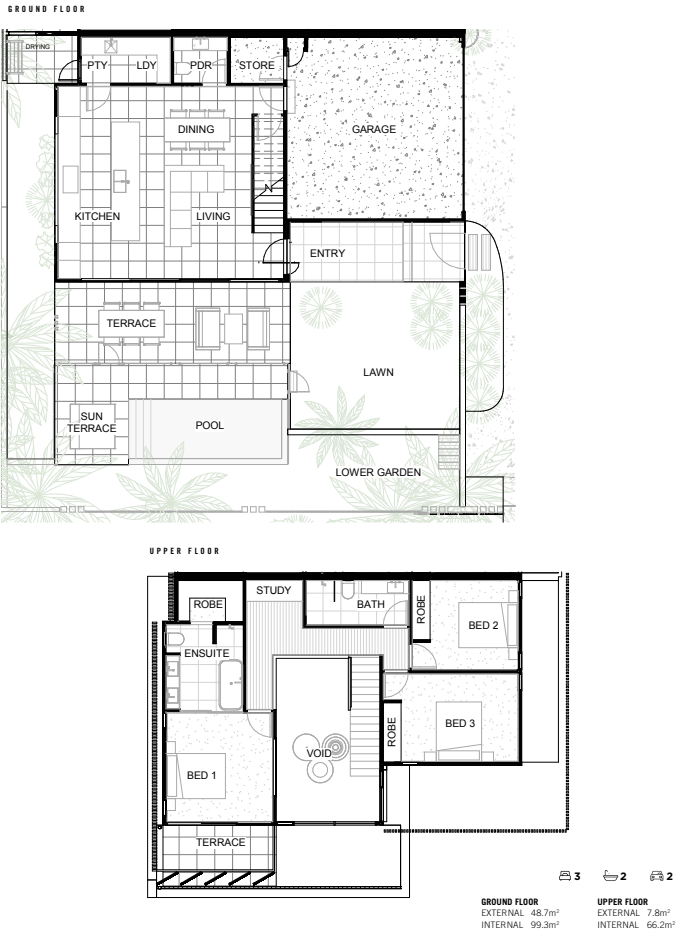




# Townhome Tropical Garden

Offering the largest lawn in addition to the expansive external entertaining area, the tropical garden townhomes keep all the living areas on the ground floor whole the kitchens gain a butler's pantry. Three bedrooms upstairs wrap around a central void above the living and dining.

TOWNHOME ONE A



TOWNHOME ONE B

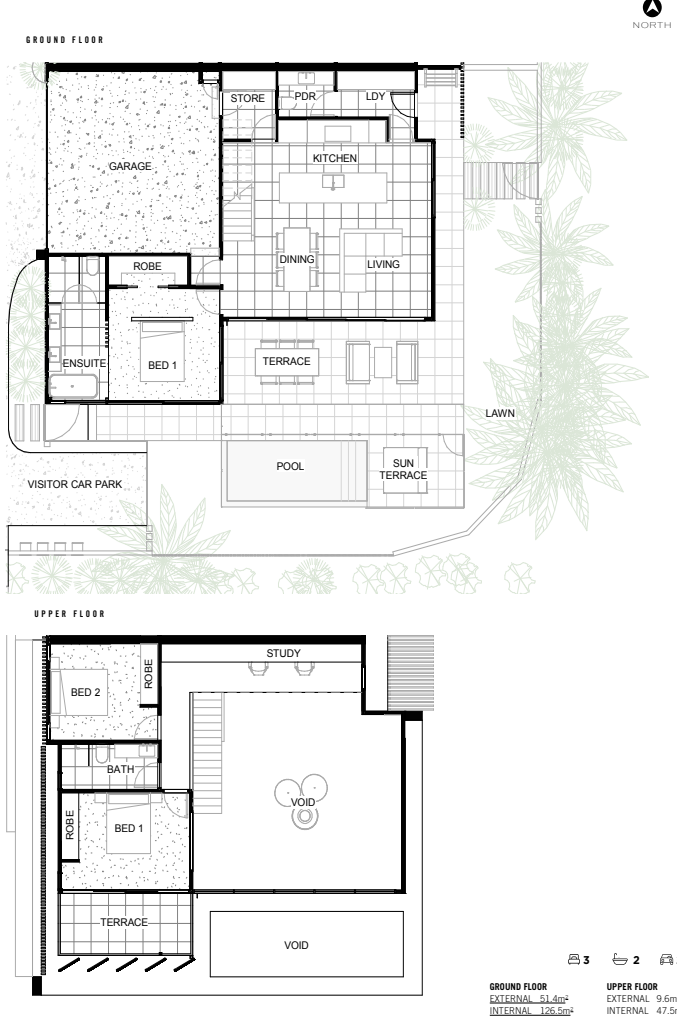




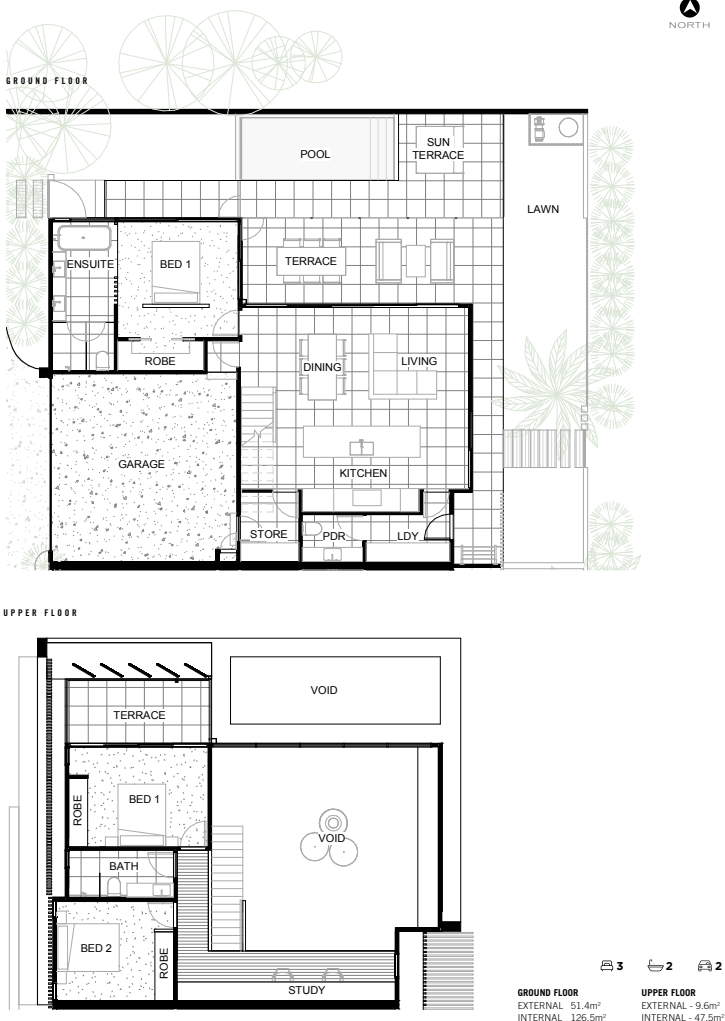
# Townhome Open Space

These benefit from master bedrooms on the ground floor allowing for near full width voids over the kitchen, dining and lounge creating a true architectural statement. Two additional bedrooms are on the top floor plus the biggest of the studies in Nola.

TOWNHOME TWO A



TOWNHOME TWO B







# Financial Strategy

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## What are the real costs in transitioning?

One of the biggest advantages of downsizing is freeing up the equity tied up in your existing home. Releasing this capital could allow you to take up a new hobby, spend more time with your family or take the dream vacation of a lifetime.

But before you rush off and put your home on the market, it's a good idea to weigh up the true costs involved in downsizing your home before making the jump.

Preparing and selling a home in Australia incurs many hidden costs which can eat into your available funds if you're not careful. So in this section, we are going to take a closer look at the financial aspects of downsizing your home.

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## Sale commission and buying

The first thing you have to consider is whether to sell your current home first or buy and then sell. Generally speaking, it is advisable to sell your existing home first before buying a new one. This gives you a clear idea of how much capital you have to play with and reduces the risk of overspending.

On rare occasions however, properties at your desired location may be selling fast. So to secure a home you may have to commit to buying before you sell. There are pros and cons to each, but the property experts at Reed & Co can help you decide which option is best for you.

Should you choose to sell first there are other costs you need to think about such as real estate agent fees, listing fees, stamp duty and more. If you sell your current home before your new home is ready you will also have to factor in renting and storage costs.

Whatever decisions you make, always ensure you have a good idea of the costs involved before moving forward. You should also get a realistic valuation of your current property, and consider whether it is worth making minor repairs before you put it on the market. If so, the cost of these will also have to be factored in.

## Stamp duty and legal fees

When a property is sold, the seller receives the funds minus the real estate agent and legal fees. When the seller buys a new home, they pay legal fees plus stamp duty on top. These costs can eat into your budget significantly so its as well you know how much they are going to cost beforehand.

Stamp duty is payable on nearly all home purchases and is used to help cover the cost of changing the title deeds of the property. The amount you have to pay is determined by the state or territory you are moving to and the type of property you wish to buy. Some low-income retirees may qualify for an exemption on stamp duty so it's wise to see if this applies to you.

If you are moving to an apartment building or managed estate, you should also factor in building management and maintenance costs. These are used to pay for the upkeep of vital services such as air-conditioning systems and fire alarms. Some facilities may also charge for the upkeep of swimming pools and the maintenance of the gardens.

Annual service charges such as these can add up to between \$10,000 to \$15,000. So make sure you know how much they are before committing to move.



## Financial considerations as we downsize

It's not all outgoings however, downsizing usually frees up equity in your current home which you can either invest or spend as you see fit. Let's take a look at the possibilities open to you with this cash windfall.

Pay off your existing mortgage – This is one of the most popular things to do with your released equity. Not having to pay mortgage payments each month will also free up capital to spend on more enjoyable things.

Increase your retirement savings – Topping up your retirement savings will allow you to live a more comfortable life, without having to worry about meeting your daily living expenses. You may also contribute to your superannuation.

Invest to provide more income – If you have a large amount of cash leftover after selling your existing home, you could think about investing it in rental properties to provide another source of income.

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## Superannuation top-up

From 1 July 2018, retirees over the age of 65 who meet the eligibility requirements can make a downsizer contribution of up to \$300,000 to their superannuation. These funds must come from the sale of a property and will not count towards your contribution cap.

The downsizer contribution does count towards your balance cap, which is currently set at \$1.6 million. This cap applies when you move from super savings to the retirement stage of your plan.

You can only make downsizer contributions from the sale of a single home. So the benefit cannot be applied again if a second home is sold. There is also no requirement that you purchase another home after selling your existing one, so you are free to move into rented accommodation if you wish.

Retirees over the age of 65 can also make a one-off contribution to their superannuation of up to \$300,000 upon the sale of a property. These 'downsizer contributions' are an opportunity to top up your super even if you are otherwise restricted due to your age, work status, non-concessional contribution cap or \$1.6 million balance test. Such sellers will also not be required to meet the maximum age or work test rules which usually apply.

# How can I make it a reality?

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So you're intent on downsizing your home, what else do you need to think about before pressing ahead?

## Long settlement and sell

When selling a home it is standard practice to apply a settlement date of 30 days until completion. But 30 days from the contract date is often not long enough for sellers to complete the transaction. This is often the case for downsizers who are looking to move into another property.

Buyers looking to purchase another property will usually need a further 30 days from the day an offer is made to complete the purchase. This does not leave enough time in the original 30 days unless an offer has been made on a new property before selling your existing one.

For this reason, it is wise to negotiate a longer settlement date on your sale contract.

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## Sell to buy

Deciding whether to sell or buy first is a tricky decision to make. There are pros and cons to each method, but if you're looking to downsize your home, selling first is the best way forward. This will ensure you know exactly how much money you have to play with after stamp duty and you won't have to arrange bridging finance for your new home.

Selling first will also put you in a stronger negotiating position for your new property. Developers are keen to offer good deals to homeowners who can move quickly. So by selling first, you should be able to negotiate a better deal.

Selling first has a downside however, you are under pressure to move quickly once the deal is signed. But much of this risk can be reduced by arranging an extended settlement period with your agent.

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## Subject to sale

When buying a property, commonly the sale is subject to the seller buying another property. At Reed & Co we are well equipped to handle this situation and can arrange 'Subject to sale' clauses into contracts to provide a level of protection for the buyer and seller.

With a 'subject to sale' contract, the seller is allowed to continue marketing their property. Should another offer be made (usually not subject to sale) the seller has to make the original buyer aware and give 48 hours notice of their intention to sell. This '48 hour clause' gives the original buyer two business days to obtain an offer on their home or waive the subject to sale condition.

Sales handled with a 'subject to sale' condition often proceed much more smoothly than other types of sales. They also benefit the seller because the buyer usually has to offer a premium for the privilege and protection of guaranteed settlement after selling their property.





# Preparing your home for sale

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When it comes time to sell your home, presenting it in the best possible light will improve your chances of securing the highest possible sale price. Although you may have lots of memories and small items within your home you feel attached to, you may need to step back and take a look at how your home appeals to potential buyers.

It can be difficult to make changes on your home such as removing wallpaper, painting over marked walls and replacing old stained carpet but a prospective buyer will see this as neglect and issues that will cost them money in the long run. It is best to remove any negatives from your home that others may see as an instant turn off. Instead, you want to create a welcoming ambience which calls out to prospective buyers that the house is fresh, clean and ready to move into.

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# Selecting an Agent

Combining youth & enthusiasm with multi-generational experience, we hold over 80 years of real estate experience combined, principally in Noosa but also nationally throughout the southern states. This thorough involvement within the industry gives us tremendous insight into the local market, the previous trends, current movements & future forecasts.

Reed & Co. is built on a multi-generational and long-standing passion and commitment to Noosa. With proven ability to achieve extraordinary results in the most desired sectors of the Noosa property market and an indivisible reputation based on building long standing relationships, Reed & Co. is the smart choice property partner. Marketers in a digital world, engaging consumers long before they become buyers. Great teams drive great results and we are partnered with the best talent in Noosa, delivering exceptional service to buyers and sellers alike.

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*A fresh approach to Noosa's prestige property market.*



# Reed & Co.



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