FOR LONGTIME HOMEOWNERS 55+

# The Northern California Downsizing Roadmap

The six-step plan for selling the home you've held for decades — the timeline, the prep, the Prop 19 checklist, and the worksheet that shows what you'll actually walk away with. No hype.

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START HERE

# The Six Steps, In the Right Order

Most downsizing regrets come from doing the right things in the wrong order. This is the sequence I walk every client through — typically over 3 to 18 months, at your pace.

### 1. Define “what's next”

Closer to family? Single-level living? Santa Cruz instead of Silicon Valley? A 55+ community? The destination drives the budget, the timing, and your Prop 19 plan. Decide the life first, the listing second.

### 2. Know your real numbers

Three numbers, honestly computed: today's realistic sale price (street-level comps, not an online estimate); your NET after commissions, transfer taxes, and capital gains beyond the §121 exclusion; and the true monthly cost of the next home, including the property taxes Prop 19 can dramatically reduce.

### 3. Build your Prop 19 plan

If you're 55+, you can transfer your current property-tax base to a replacement home anywhere in California, up to three times. The timing and price rules matter — see the checklist on page 3.

### 4. Prepare the home — and the decades inside it

Sorting, donating, estate-sale services, senior move managers, and only the repairs that return more than they cost in your micro-market. Plan 60–90 days; see page 2.

### 5. Sequence the sale and the purchase

Sell first, buy first, or bridge? With decades of equity you have options: rent-backs that let you move on your schedule, contingent offers from strength, bridge financing. Pick the sequence that protects your money and your sleep.

### 6. Close, transfer, and land well

File the Prop 19 base-year transfer, coordinate the gain with your CPA, and get moved with a team that's done this many times. The goal isn't just sold — it's settled, with your equity working for the next chapter.

STEP 4 IN DETAIL

# The 60–90 Day Home-Prep Checklist

## Days 1–30 — Sort and decide

- Walk the house room by room with three labels: **keep, give, sell/donate**. One room per weekend is a realistic pace.
- Get bids from an estate-sale company or senior move manager for what you won't keep (they typically handle everything).
- Pull your paper trail: purchase documents, receipts for major improvements over the years (these raise your tax basis and lower your capital gain — every kitchen, roof, and addition counts).
- Order a pre-sale termite/home inspection if the home hasn't been inspected in 10+ years — better to know now than in escrow.

## Days 30–60 — Repair and refresh (selectively)

- Review the inspection with your broker and fix ONLY what returns more than it costs in your micro-market.
- Standard high-return items: paint, lighting, landscaping cleanup, deep clean, minor kitchen/bath refresh.
- Usually skip: full remodels, new roofs priced into the sale, anything a buyer will redo anyway.
- Handle the deferred small stuff: leaky faucets, stuck windows, dead outlets — small fixes remove big buyer doubts.

## Days 60–90 — Stage and launch

- Declutter to “model-home light” — you're selling space and possibility, not furniture.
- Professional staging (full or partial) and professional photography — non-negotiable at Bay Area price points.
- Agree on the pricing strategy and launch timing with your broker; spring and early fall lead, but the right price wins in any month.
- Plan where you'll be during showings — longtime owners often find this the hardest week; make it easy on yourself.

STEP 3 IN DETAIL

# The Prop 19 Eligibility Checklist

Proposition 19 lets eligible California homeowners take their low property-tax base with them when they move. For a longtime owner, this is often worth $5,000–$15,000+ per year, every year.

## You likely qualify if:

- You (or your spouse) are **55 or older** (also applies to severely disabled homeowners and wildfire/disaster victims).
- The home you're selling is your **primary residence**.
- The replacement home will also be your **primary residence**.
- The replacement is **anywhere in California** — any county.
- You buy or build the replacement within **two years** (before or after) of selling the original home.
- You haven't used the 55+ transfer more than **three times**.

## How the math works

**Trading equal or down:** your existing taxable value transfers as-is. Example: your Cupertino home has a taxable value of $180,000 (bought decades ago) and sells for $2.6M. You buy a $1.5M Santa Cruz condo — and keep paying property tax on roughly $180,000, not $1.5M. That's roughly $1,800–$2,200/yr instead of $15,000+/yr.

**Trading up:** the difference is added. Buy for $3.0M after selling at $2.6M and your new taxable value is your old base plus $400,000 — still far below a full reassessment.

File the claim (BOE forms via the county assessor) within three years of purchasing the replacement for full relief. I coordinate this filing with every downsizing client.

Heads-up for inherited homes: Prop 19 also changed the parent-child rules — most inherited homes are now reassessed unless a child moves in as their primary residence within one year (and even then the exclusion is capped). If your plan involves leaving the home to the kids, talk to your estate attorney about the trade-offs. More at LanceHulseyBroker.com/trust-estate-sales.

STEP 2 IN DETAIL

# Your Net-Sheet Worksheet

“What will I actually walk away with?” Fill this in with your own numbers, or run it interactively at **LanceHulseyBroker.com/calculator**. Bring the result to your CPA — and to me — and you'll be ahead of 95% of sellers.

| Line | Notes | Amount |
|---|---|---|
| 1. Expected sale price | Street-level comps, not a Zestimate | $ ____________ |
| 2. Commissions | Negotiated; total for both sides | $ ____________ |
| 3. Other closing costs | Escrow, title, county/city transfer tax, repairs, credits | $ ____________ |
| 4. Mortgage / HELOC payoff | If any | $ ____________ |
| 5. Amount realized (1 – 2 – 3) | | $ ____________ |
| 6. Your basis: purchase price | What you paid, plus purchase costs | $ ____________ |
| 7. + Documented improvements | Kitchens, roofs, additions — receipts raise basis | $ ____________ |
| 8. Capital gain (5 – 6 – 7) | | $ ____________ |
| 9. – §121 exclusion | $250K single / $500K married, if 2-of-5-year tests met | $ ____________ |
| 10. Taxable gain (8 – 9) | | $ ____________ |
| 11. Federal + CA + NIIT tax | Rate depends on income; CPA confirms | $ ____________ |
| 12. NET PROCEEDS (1 – 2 – 3 – 4 – 11) | Your walk-away number | $ ____________ |

Estimates only — not tax advice. Your CPA has the final word; I'm glad to run the numbers with them.

BEFORE YOU LIST

# Seven Questions to Ask Any Agent

- What have homes on *my street* (not my ZIP code) sold for in the last 12 months — and why did the highest one win?
- Walk me through my net sheet: commissions, transfer taxes, and my capital gains after the §121 exclusion. (If they can't, that tells you something.)
- How does Prop 19 apply to my move — and will you coordinate the filing?
- Which prep projects return more than they cost in this micro-market, and which should I skip?
- Sell first or buy first in my situation — and what protects me from being homeless or double-paying?
- How many longtime-owner / trust / estate sales have you handled?
- Who is on your team — stagers, senior move managers, escrow — and who pays for what?

## The Next Step

A **What's-Next Consultation** is a conversation, not a sales pitch: your home's realistic value today, your net after taxes, your Prop 19 savings, and the sequence that fits your life. Most clients start this conversation 1–3 years before they move — early is easy, late is expensive.

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