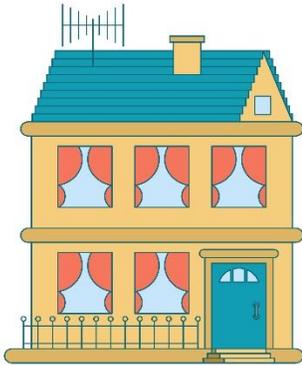


Avoid These Real Estate Mistakes



Getting closer to retirement, many people make the decision to downsize, relocate to a different community, or renovate an existing home. The thought of moving or making major home improvements often carries a lot of emotional attachment that can make these processes overwhelming. Here are some common mistakes to avoid:

Waiting to downsize – Lots of people wait until the kids graduate and then discover that the kids are already back, and sometimes with children of their own. It could cause an 8 to 10-year extension on your time in a larger house.

Spending the windfall – If you're able to downsize and get cash out at the same time, carefully consider what you will do with it. For some people, it will be best to live on the equity and leave retirement funds alone for a while, allowing Social Security benefits to increase.

Moving surprises – Before you move, research the locale. Find out about taxes, access to the activities you enjoy, safety, etc. Make sure the community you're considering moving to is what you have imagined it to be.

Maintaining two households – Make sure you can afford the time and cost of payments, taxes, maintenance, and so forth for two homes. Maybe you think you'll save money by buying a house at today's prices and moving when you retire. Factor in the cost of running two homes to see exactly how much you'll gain – or lose.

Holding a mortgage in retirement – Weigh the advantages and disadvantages of paying off your mortgage before retirement. You might be able to use that freed-up money to delay taking Social Security. Keep in mind that your tax deduction will not be as significant as it was at the start of the mortgage. You probably don't want to be paying a mortgage when you're in your 80s.

Kingsport Press Credit Union can help you calculate out various terms and payments to help you sort out your options and decide what is best for you.