Rightsizing Partners

The Most Common Mistakes in the Downsizing Process

What the research says about where downsizing goes wrong, and how to get it right

Looking back, most people who have been through a downsizing say a version of the same sentence: I wish we had known this going in. The mistakes are rarely dramatic. They are quiet, common, and usually made by thoughtful people doing their best at something they have never done before.

We work with families through this transition, and the same patterns repeat. That is the encouraging part, because a predictable mistake is an avoidable one. Here are the six that cost families the most, and what the research says about each.

#1: Leading with the house instead of your life

The first mistake happens before a single box is packed: treating the move as a real estate problem instead of a life decision. Square footage is the easy thing to talk about. Harder, and more important, is the question underneath it. How do you want to live? What do you want your days to feel like? What are you finally ready to stop taking care of?

Boomers are not selling starter homes. The typical American homeowner had been in place 11.9 years as of 2023, nearly double the figure from 2005, and Redfin finds that about 40% of Boomers have lived in their current home for more than two decades. Leaving that behind is a real loss. In a 2024 Clever Real Estate survey of 1,000 homeowners, 89% said they would miss something about their home, 45% felt sad about leaving, and a third described a sense of loss. Gerontologists have a name for the grief a late-life move produces that the people around us rarely acknowledge: disenfranchised grief. Naming it is the first step to moving through it.

> *Start with the life, not the listing. The house is the last question to answer, not the first.*
>
> *You are not downsizing a house. You are resizing a life.*

#2: Keeping more house than your life needs

The extra bedrooms, the formal dining room, the big yard. They served a family beautifully for years. The mistake is holding all of it for a version of life that has already passed, or one that may never arrive. Three-quarters of adults over 50 say they want to stay in their current home as they

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age, according to AARP's 2024 Home and Community Preferences Survey. That instinct is understandable, but staying by default is not the same as staying by design.

The oversized home has quietly become the norm. The Federal Reserve Bank of Richmond reports that roughly a quarter of households headed by someone 65 or older had two or more spare bedrooms by 2020, up from 10% in 1970. Redfin finds that empty-nest Boomers now own 28% of the country's large homes of three or more bedrooms, a bigger share than families with children hold.

And the home that feels comfortable at 65 can work against you at 80. The CDC reports that more than one in four adults 65 and older fall each year, causing about three million emergency-room visits and roughly 319,000 hip-fracture hospitalizations, often in homes full of stairs and space that no longer fit the person living there. "Someday" has a way of arriving as an ambulance.

> *Your home should support the life you are living now, not the life you lived 20 years ago.*

#3: Thinking the move is the hard part

Ask anyone who has done it and they will tell you the same thing: the stuff is harder than the move. The furniture, the boxes, the basement shelves, the holiday bins. They all carry memories, and sorting them is slow, emotional work that families routinely underestimate.

It also has a way of becoming permanent. A third of Americans already rent self-storage, according to a 2025 StorageCafe survey, and a standard 10-by-10 unit runs roughly $130 to $200 a month, or $1,560 to $2,400 a year (Neighbor, 2025). What begins as a temporary home for the things no one could decide about often turns into a bill that runs for a decade.

The belongings strain families in ways money cannot fix. Dividing a lifetime of possessions surfaces old dynamics, and a 2023 LegalShield study found that 58% of people experienced family disputes or had assets fall under court control because the planning had not been done. The objects are not really objects. They are someone's life, and they deserve to be treated that way.

The families who handle this well separate the stories from the sorting. They set aside time to hear what things mean before deciding where they go, and they start months earlier than feels necessary.

> *The stuff is harder than the move. Give it time. The difficulty is emotional, and that is normal.*

#4: Mistaking smaller for less

Downsizing gets framed as subtraction, as giving something up. The arithmetic says otherwise. Owning and maintaining a single-family home costs an average of $21,400 a year beyond the

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mortgage, according to Bankrate's 2025 Hidden Costs of Homeownership study: about $8,800 in maintenance, $4,500 in utilities, $4,300 in property taxes, and $2,300 in insurance. Those bills do not shrink with age, and property taxes and insurance premiums have been climbing across much of the country.

Space costs time, too. Angi's research puts the hours Americans spend on household upkeep at around 500 a year. A smaller, simpler home hands much of that money and those hours back. Less space can mean more freedom, more travel, more peace, and more money for the things you enjoy. Smaller is not less. It is often more of what matters.

> *Less house can mean more freedom, more time, and more money for the life you want to live.*

#5: Treating home equity like cash in the bank

The equity in the house is often the largest financial asset a Boomer owns, a median of about $250,000 for homeowners 65 and older, according to Harvard's Joint Center for Housing Studies. The mistake is assuming that number is what lands in your account. It is not.

Selling costs, commissions plus closing, commonly take 6 to 10% of the sale price (Bankrate, 2025). Taxes can take more. The capital-gains exclusion on a home sale, $250,000 for a single seller and $500,000 for a married couple, was set in 1997 and has never been adjusted for inflation. The National Association of REALTORS estimates that more than 13 million homeowners would now exceed it if they sold. A large one-year gain can also raise your income enough to trigger Medicare's IRMAA surcharges, which in 2025 begin at $106,000 for a single filer and $212,000 for a couple and can lift your Part B and Part D premiums for a full year (Kiplinger, 2025).

None of this argues for staying put. It argues for planning the sale rather than simply listing it, and for bringing in a financial advisor or tax professional before the sign goes in the yard, not after.

> *Gross equity is not money in your pocket. The distance between the two is planning.*

#6: Waiting until a crisis decides for you

The last mistake is the most expensive: waiting until something forces the decision. About 11,400 Americans turn 65 every day in 2025, according to the Alliance for Lifetime Income, and yet older adults move at less than half the rate of younger households, roughly 6% a year against 14% (Harvard Joint Center for Housing Studies). Staying is the default, right up until a fall or a diagnosis removes the choice.

The right move is rarely obvious at the start, which is exactly why it pays to begin early. With time and a median of around $250,000 in equity, options come into view that a rushed decision never would: a single-level ranch, a condo with no yard to keep, a winter home somewhere

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warm, a simpler seasonal life closer to the grandchildren. Gerontologists who study relocation, going back to the well-known Litwak and Longino framework, find that anticipatory moves made by choice produce better adjustment than reactive ones made under pressure. Senior move managers generally advise giving the process 12 to 18 months.

The cost of starting early is a few thoughtful conversations. The cost of starting late is a crisis, and every good option that the crisis takes off the table.

The right move is rarely obvious at first. Planning is what brings it into view, while you still have time to choose.

Notice what these six mistakes share. Each one comes from treating downsizing as a transaction to survive rather than a transition to design. The families who struggle are not careless. They are doing something hard for the first time, usually with less time than they wanted.

The ones who do it well start earlier than feels necessary, ask what they want their next chapter to feel like before they ask what the house is worth, and bring in help so the weight does not fall on one person. You do not have to get everything right. You only have to see the common mistakes clearly enough to make them gently, catch them early, and choose your way through them on your own terms.

> **About Rightsizing Partners** Rightsizing Partners is a senior transition consulting practice serving Baby Boomers and their families through the full downsizing journey. Our Integrated Transition Model addresses the emotional, financial, logistical, and relational dimensions of this transition in a coordinated, whole-person framework. If you are at the start of this thinking, we offer a complimentary Downsizing Readiness Assessment at rightsizingpartners.com.

Sources

AARP 2024 Home and Community Preferences Survey; Federal Reserve Bank of Richmond, The Living Arrangements of Older Households (2024); Redfin homeowner-tenure and large-home analyses (2024–2026); Clever Real Estate seller survey (2024); CDC, Facts About Falls (2024); StorageCafe self-storage survey (2025) and Neighbor storage-cost data (2025); Bankrate Hidden Costs of Homeownership and closing-cost data (2025); Angi household-time survey (2022); Harvard Joint Center for Housing Studies, Housing America's Older Adults (2023); National Association of REALTORS, capital gains (2025); Kiplinger, Medicare IRMAA 2025; Alliance for Lifetime Income, Peak 65 (2025). Figures are current as of publication and should be verified at time of use; tax thresholds adjust annually.

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