FREE GUIDE FROM THE NEW HORIZONS TEAM

The Colorado Downsizing Playbook

How to right-size your home, protect your equity and make the move without the stress

You raised a family here, and the house did its job. Now the stairs, the yard and the empty bedrooms may be more work than they are worth. This playbook walks you through the decision, the numbers, the Colorado details most people miss, and a step-by-step plan for the move itself.

Is It Time? Check Any That Apply

[ ]	Two or more bedrooms sit empty most of the year
[ ]	Stairs, snow shoveling or yard work have become a chore
[ ]	Utilities, insurance, HOA dues or upkeep feel high for how you live now
[ ]	You would rather spend weekends traveling, with grandkids or on hobbies than on maintenance
[ ]	You want to be closer to family, healthcare or a walkable downtown
[ ]	Your home has gained a lot of value and you would like some of that equity working for you
[ ]	You want a main-floor primary bedroom or a home with no steps
[ ]	Your current home would need costly updates to fit your next 10 to 20 years

If you checked three or more, it is worth running the numbers below. You are not committing to anything.

Run Your Numbers

Use this worksheet with a free home value estimate from us. Fill in what you know; we can help with the rest.

Line	Item	Your estimate
A	Likely sale price of your current home	$
B	Mortgage or HELOC payoff	$
C	Selling costs: real estate commission (negotiable), title, closing and prep	$
D	Net proceeds before taxes (A minus B minus C)	$
E	Price range for your next home	$
F	Buying costs, moving and setting up the new place	$
G	Equity left over to invest or keep in reserve (D minus E minus F, if paying cash)	$

Monthly view: compare what you spend now on mortgage, taxes, insurance, HOA, utilities and maintenance with the same costs at a smaller home. Many downsizers are surprised the savings come more from upkeep and utilities

than from the mortgage.

Colorado and Tax Details Most People Miss

The federal home sale exclusion

If you owned and lived in your home for at least two of the last five years, you can generally exclude up to $250,000 of gain from federal income tax, or $500,000 for a married couple filing jointly. Long-time owners with gains above that should talk with a CPA before listing.

The senior property tax exemption does not move with you

Colorado homeowners 65 and older who have owned and lived in the same home for 10 or more years can qualify for the Senior Homestead Exemption, which exempts 50% of the first $200,000 of the home's actual value. A temporary rule let movers keep the benefit for the 2025 and 2026 tax years, but that ended with Senate Bill 26-116. Starting with the 2027 tax year, a move generally means losing the exemption and restarting the 10-year clock. Factor the higher property tax into your next-home budget.

> **Tip:** if you are close to qualifying for the exemption at your current home, ask your county assessor how the timing of a sale affects you before you set a move date.

Buy First or Sell First?

Approach	How it works	Best when
Sell first	Sell, then buy with cash in hand. A rent-back lets you stay in your home for a few weeks after closing.	You want certainty about your budget and do not mind a short-term rental or rent-back
Buy first	Buy the next home before listing, using savings, a HELOC or a bridge loan.	You want one move and have the cash flow to carry two homes briefly
Contingent offer	Your purchase depends on selling your current home.	Your area has steady demand and sellers will accept contingencies
Cash purchase	Pay cash for the smaller home from savings or investments, then sell.	You have the reserves and want the strongest offer

What to Look for in Your Next Home

- **One-level living:** a main-floor primary suite, laundry on the main level and few or no entry steps. See our ranch homes search at newhorizonsre.com/ranch-homes-longmont-frederick/.
- **Low maintenance:** patio homes, townhomes and condos where the HOA handles snow and landscaping. Read the HOA budget and reserve study.
- **55+ communities:** neighborhoods such as Anthem Ranch in Broomfield pair low-maintenance homes with clubhouses and activities.
- **Location:** time to family, your doctors, a hospital and everyday errands matters more than square footage.
- **Metro districts:** many newer Colorado neighborhoods carry a metro district tax. Check the actual tax bill.
- **Future-ready features:** wide doorways, a walk-in shower, good lighting and a garage with easy entry.

Your 12-Week Downsizing Plan

When	What to do
Weeks 1-2	Get a home value estimate and a net proceeds sheet. Talk with your lender, CPA or financial advisor. Decide buy first or sell first.
Weeks 3-6	Measure your next home's rooms and decide what furniture fits. Sort belongings into keep, give to family, sell, donate and recycle. Offer heirlooms to family with a deadline.
Weeks 5-8	Book an estate sale company or consignment for larger items. Shred old paperwork. Make small repairs and touch-ups; skip big remodels unless they pay back.
Weeks 7-10	List your home with professional photos. Line up movers and, if needed, a senior move manager to pack and set up the new home.
Weeks 10-12	Close on both homes, transfer utilities, update your address with Social Security, Medicare, banks and the post office, and notify the county assessor of your new primary residence.

Downsizing Checklist

[ ]	Home value estimate and net proceeds sheet
[ ]	Conversation with a CPA about capital gains and the senior exemption
[ ]	Next-home budget including taxes, HOA and insurance
[ ]	Pre-approval or proof of funds for the next home
[ ]	Family list of heirlooms and a deadline to claim them
[ ]	Estate sale, consignment or donation pickup scheduled
[ ]	Movers booked and floor plan for the new home
[ ]	Address changes, utilities and mail forwarding

Thinking about downsizing in Northern Colorado or the Denver area? The New Horizons Team will prepare a free home value estimate and net proceeds sheet, help you compare next-home options, and coordinate the sale and purchase so you only move once.

Call or text Matthew Starr: 720-432-8695 | matt@newhorizonsre.com

Updated October 2026. General information only, not legal, tax or financial advice. Rules and programs change; talk with a CPA, an elder law or estate attorney, or a lender about your situation. New Horizons Team is part of LoKation Real Estate. Sources: IRS Publication 523; Colorado Division of Property Taxation; Boulder County Assessor.