

Downsizing a home for retirement in NaviPlan Extended

Often, people in retirement choose to downsize their house because they no longer have the need for so much room. These are the steps you need to follow in NaviPlan Extended to show the downsizing of a home.

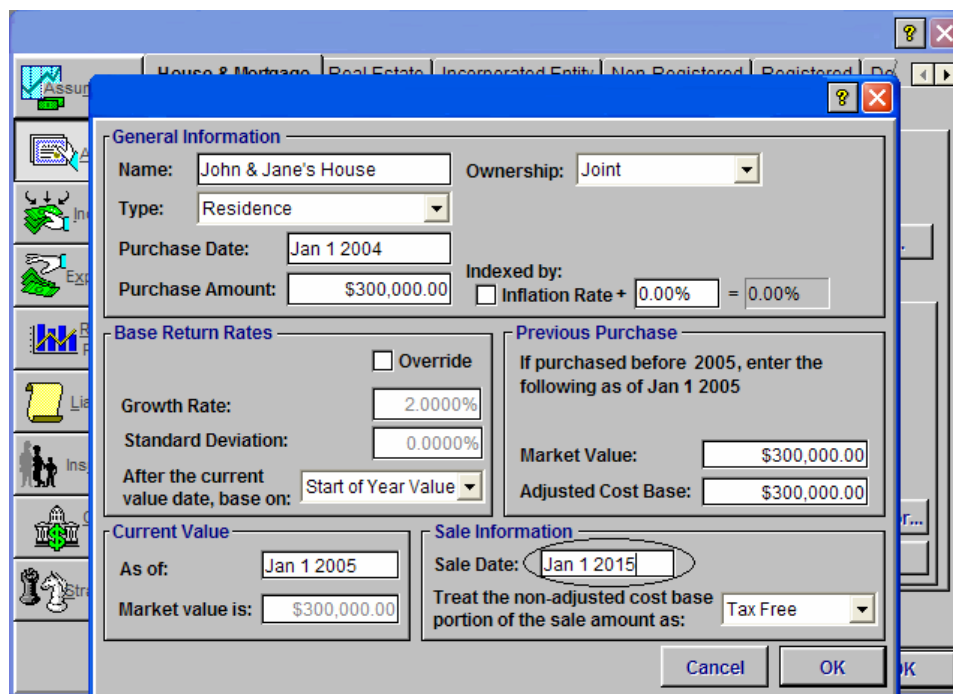
1. Go to **Assets** category – **House & Mortgage** tab. The current residence displays.
2. On the <Clients'> *House* subtab, click the **More** button to open the *Lifestyle (Details)* dialog box.

The screenshot shows the 'House & Mortgage' tab in the NaviPlan Extended software. The interface includes a sidebar with icons for Assumptions, Assets, Incomes, Expenses, Return Rates, Liabilities, Insurance, Other Tax, and Strategies. The main window displays the following information:

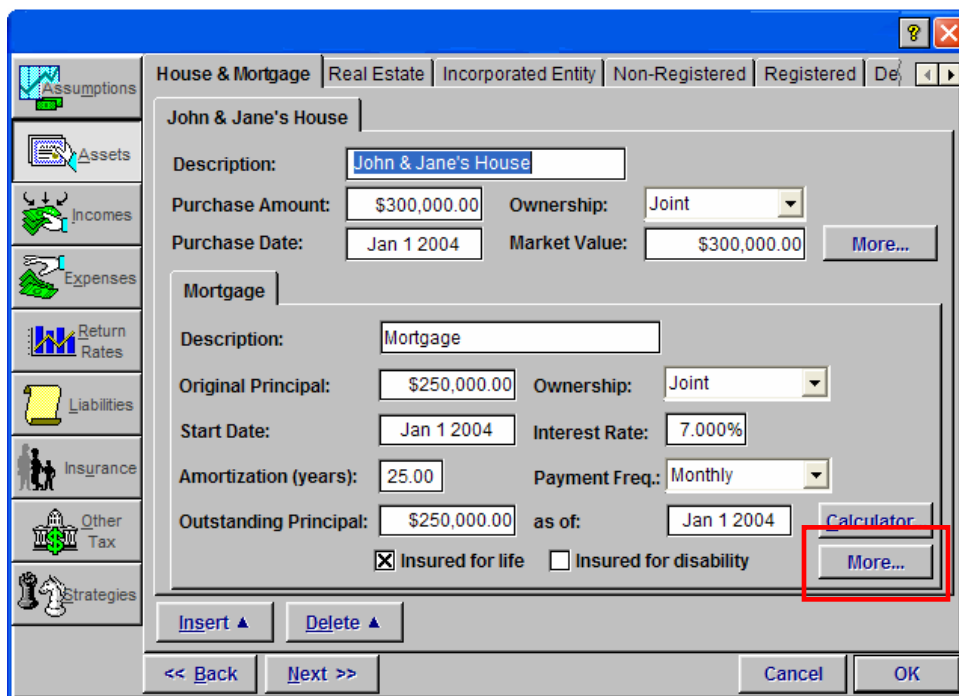
- House & Mortgage** | Real Estate | Incorporated Entity | Non-Registered | Registered | De
- John & Jane's House**
- Description:** John & Jane's House
- Purchase Amount:** \$300,000.00 | **Ownership:** Joint
- Purchase Date:** Jan 1 2004 | **Market Value:** \$300,000.00
- Mortgage**
- Description:** Mortgage
- Original Principal:** \$250,000.00 | **Ownership:** Joint
- Start Date:** Jan 1 2004 | **Interest Rate:** 7.000%
- Amortization (years):** 25.00 | **Payment Freq.:** Monthly
- Outstanding Principal:** \$250,000.00 as of: Jan 1 2004
- Insured for life | Insured for disability

Buttons visible include: **More...** (highlighted with a red box), **Calculator...**, **More...**, **Insert ▲**, **Delete ▲**, **<< Back**, **Next >>**, **Cancel**, and **OK**.

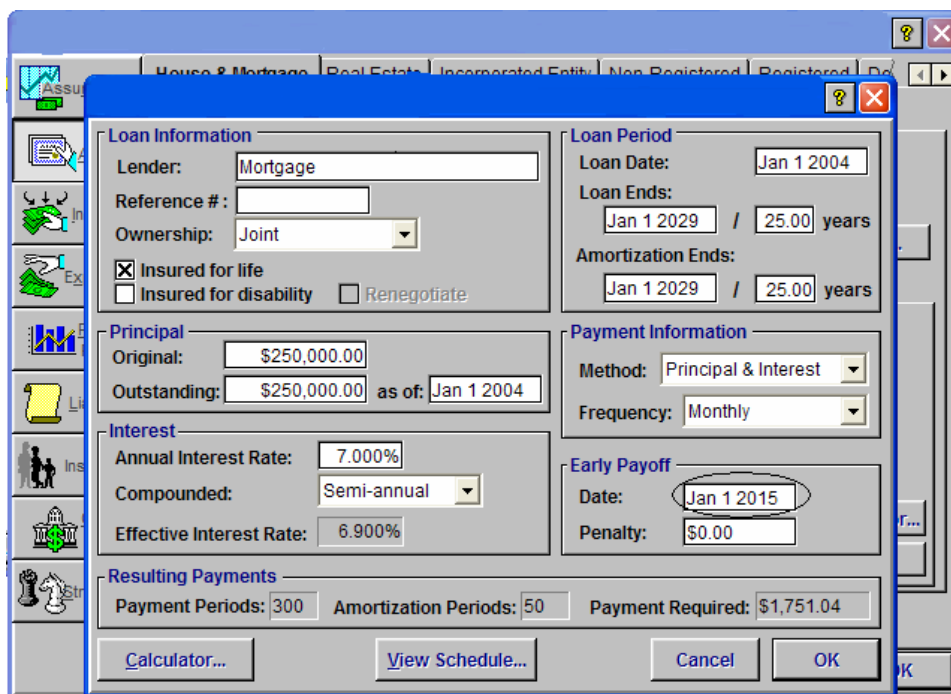
- Under *Sale Information* section, in the *Sale Date* field, enter the applicable sale date for the existing house, and then click **OK**.



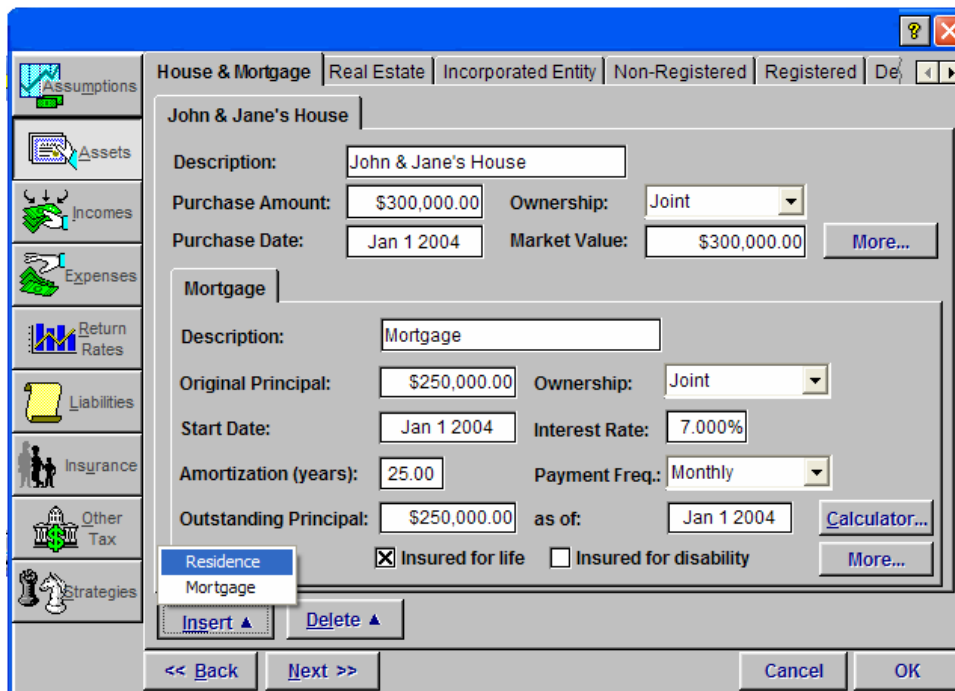
- On the *Assets* category – *House & Mortgage* tab, under *Mortgage*, click the **More** button to open the *Liability* dialog box.



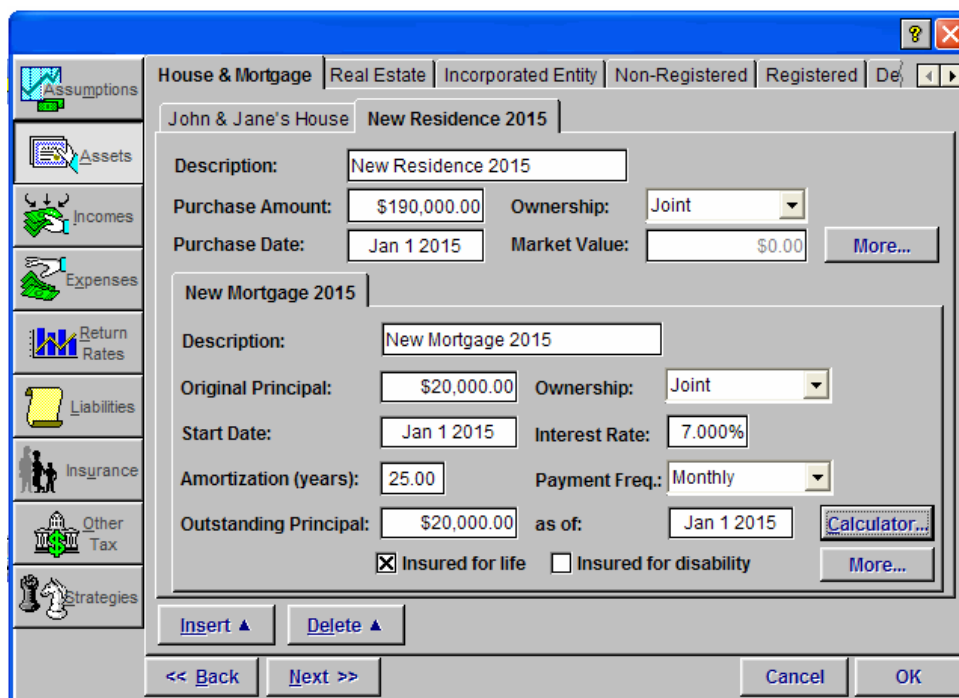
- In the *Early Payoff* section, in the *Date* field, enter a date for the existing mortgage, and then click **OK**.



- On the *Assets* category – *House & Mortgage* tab, click **Insert**, and then select **Residence**. Subtabs for a second house and mortgage asset appear.



- Enter the details for the new house and mortgage. The purchase/start dates for the new house and mortgage will usually correspond with the sale/early payoff dates for the existing house and mortgage.



- To confirm these transactions, view the *Cash Flow Assistant* for the year in question. To do this, click **OK**, go to the **Strategies** menu, and then select **Cash Flow Assistant**.

In the dialog box that appears, change the *Year* field to reflect when the transactions are expected to take place. The sale of the existing house and the amount for the new mortgage will appear as *Received Capital*.

The early payoff of the existing mortgage and the purchase of the new residence will appear as *Lifestyle Expenses*.