



Retiring: Selling Home Covers 50 Years of Rent in San Jose, CA—but Only 10 Years in Hinesville, GA

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Latest MoneyRates.com study shows the best places to downsize in retirement, a list dominated by California metro areas

Foster City, CA – March 12, 2020 – Personal finance resource [MoneyRates.com](https://www.moneyrates.com) announces today the 10 best places to downsize in retirement. Downsizing can provide convenience, safety and financial benefits, and the latest study finds the benefits vary dramatically by location.

MoneyRates.com experts analyzed the cost of downsizing by comparing the proceeds from selling the average-valued home in more than 500 U.S. metropolitan areas to the expected change in monthly housing expenses by shifting from a house to a median-cost rental property. Those expenses consisted of the average rent minus the amount a homeowner would no longer have to pay in property taxes.

Surprisingly, the analysis shows it makes the most sense to downsize in metropolitan areas with high rent because these markets tend to have even more inflated home values than they do rents. Essentially, homeowners who have paid off most or all of their mortgages can benefit greatly from selling their homes and renting a smaller residence.

Top 10 Best Places to Downsize in 2020

- San Jose/Sunnyvale/Santa Clara, CA (Ranked #2 in 2019)
- Santa Cruz/Watsonville, CA (Ranked #3 in 2019)
- San Francisco/Oakland/Hayward, CA (San Francisco ranked #1 in 2019)
- New York/Newark/Jersey City, NY-NJ
- Los Angeles/Long Beach/Anaheim, CA
- Bridgeport/Stamford/Norwalk, CT
- San Luis Obispo/Paso Robles/Arroyo Grande, CA (Ranked #6 in 2019)
- Napa, CA (Ranked #10 in 2019)
- Kapaa, HI
- Santa Rosa, CA (Ranked #8 in 2019)

More than half of the top places to retire ranked among the best in MoneyRates' 2019 research, but there are four new municipalities in this year's list.

In all of the above cities, proceeds from selling a home and the potential savings (from no longer having to pay property taxes) would finance at least 42 years' worth of rent on a median-priced rental property in the same locality.

"It can be hard to live in an expensive area on a fixed retirement income," acknowledges Richard Barrington, senior financial analyst for MoneyRates.com. "But, where areas have home prices and real estate taxes that are high compared to rental prices, it can tilt the economics in favor of downsizing."

Barrington clarifies that MoneyRates' research examines the trade-off between the value of cashing out home equity and the cost of renting over the long term. "We find that in most cases, selling a typical home pays for at least 20 years' of net rental expense," says Barrington. "That should be enough to see most people through retirement. However, in cases where the number is a lot lower, retired homeowners should think twice about whether or not to downsize and when to do it."

For the complete ranking and methodology review the complete report: [Best Places for Downsizing in Retirement](#).

Richard Barrington is available to discuss this research and elaborate on downsizing considerations for empty-nesters and retirees.

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