FIELD RESOURCE

Downsizing in Brisbane Inner East

A practical guide for empty-nesters considering a smaller home

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> Downsizing is rarely just a property decision. It is a question about how you want to spend the next ten or twenty years, what you want the weekends to look like, and how much of your equity you want working for you instead of sitting in a roof and a back lawn. This guide walks through the trade-offs in plain terms, the numbers that matter, and the local options across the inner east. It is not financial advice. Before you act on the pension or super rules in here, sit down with a financial planner who specialises in retirement.

Why people downsize, and the honest trade-offs

Most owners we speak with in their sixties and seventies are not in a hurry. The decision to downsize sits in the background for years before it gets serious. The clearest motivations tend to fall into a few groups.

- [ ] Maintenance fatigue. A 600 square metre block, a pool, and a Queenslander built in 1925 takes work. Climbing on a roof to clean gutters at 70 is a different proposition than at 50.
- [ ] Releasing equity. Inner east homes bought decades ago carry significant unrealised value. Downsizing converts some of that into liquid funds for retirement, travel, family help, or super.
- [ ] Lifestyle change. Walking to coffee, reduced driving, fewer stairs, a lock-and-leave home that lets you travel for weeks at a time without worry.
- [ ] Health and accessibility. Single-level living, a lift in a building, being closer to medical care or family.
- [ ] The trade-off that gets understated: smaller homes are smaller. Less room for grandkids to stay over, less storage, less garden, often less privacy. These are real losses worth naming honestly.
- [ ] The other trade-off: moving costs money. Stamp duty on the new place, agent fees on the sale, removalists, conveyancing, and the cost of culling thirty years of belongings. A realistic round-trip cost on a $1.6m sale and $1.1m purchase is in the order of $80,000 to $100,000 once everything is counted.

Where downsizers go in the inner east

You do not have to leave the area you raised your family in. The inner east has matured into one of the deepest downsizer markets in Brisbane, with options ranging from new apartments on the river to single-level townhouses tucked behind the main streets.

- [ ] Apartments in Bulimba and Hawthorne. Oxford Street, Riding Road, and the riverfront blocks offer two and three-bedroom apartments with lifts, secure parking, and walking access to the ferry, restaurants, and the river walk. Owner-occupier buildings with low body corporate fees are the ones to focus on.
- [ ] Townhouses in Hawthorne, Norman Park, and Coorparoo. Two or three-bedroom townhouses, often in small complexes of six to twelve, with a courtyard instead of a lawn. Single-level layouts are rare and command a premium.
- [ ] Smaller detached homes in Camp Hill, Carina, and Cannon Hill. A 400 square metre block with a tidy three-bedroom home gives you a private garden and no body corporate, at a price point well below the larger family homes you may be selling.
- [ ] New-build townhouses and apartments in Coorparoo and Greenslopes. The mid-2020s development pipeline produced a wave of newer stock with better insulation, lifts, and modern bathrooms.
- [ ] Over-55 communities and retirement villages. A different model again. Lower entry price in many cases, but read the contract carefully. Deferred management fees, exit fees, and capital gain sharing arrangements vary widely between operators.

The financial maths, in plain numbers

Run the numbers before you fall in love with a floor plan. The headline question is how much of your equity you actually free up, and what it costs you each year to live in the new place.

- [ ] Equity released. Sale price of the family home, minus agent fees (typically 2 to 3 percent in Brisbane), minus marketing, minus any remaining mortgage, equals net proceeds. Then subtract the purchase price of the new home, plus stamp duty, plus legal and inspection costs, plus removalist and immediate setup costs. What is left is what actually moves into super, savings, or your offset.
- [ ] Stamp duty in Queensland. There is no separate seniors concession on transfer duty. The home concession (which applies to anyone buying a home to live in, not just first home buyers) reduces duty on the first $350,000 of the price. Source: Queensland Revenue Office.
- [ ] Ongoing costs. Apartments and townhouses carry body corporate fees that can range from $4,000 to $15,000 a year depending on the building, lifts, pool, and sinking fund position. Always read the last three years of body corporate minutes and the sinking fund forecast before you sign.
- [ ] Council rates and insurance usually drop on a smaller property. Energy costs typically drop too. Lawn and pool maintenance go to zero in an apartment.
- [ ] Capital growth. Houses on land have historically outpaced apartments in the inner east over long periods. This is not a reason to avoid an apartment. It is a reason to size your purchase so the lifestyle gain is worth the slower growth on that portion of your wealth.

Pension, super, and the family home

The federal rules around the family home, the age pension, and downsizer super contributions are the most common source of confusion for owners in this stage of life. The summary below is general information drawn from the ATO and Services Australia. It is not advice. A retirement-focused financial planner is the right person to map this against your situation.

- [ ] The family home is exempt from the age pension assets test while you live in it. Once you sell, the proceeds become assessable, with one important exception (see next point). Source: Services Australia.

- [ ] Home sale proceeds exemption. For homes sold on or after 1 January 2023, the portion of sale proceeds you intend to use for a new principal home is exempt from the assets test for up to 24 months, with a possible extension to a maximum of 36 months in defined circumstances. The same proceeds are still subject to the income test, deemed at the lower deeming rate. Source: Services Australia, Social Security Guide 4.6.3.90.

- [ ] Downsizer super contribution. If you are 55 or older, you may be able to contribute up to $300,000 per person ($600,000 per couple) to super from the proceeds of selling your home. The home must have been owned by you or your spouse for at least 10 years and qualify for the main residence CGT exemption (fully or partially). Source: Australian Taxation Office.

- [ ] The contribution must be made within 90 days of receiving the sale proceeds, using ATO form NAT 75073, and you can only use the downsizer contribution once in your lifetime. It does not count toward your usual concessional or non-concessional contribution caps. Source: ATO.

- [ ] Spouses can each make a downsizer contribution even if only one name is on the title, provided both meet the age and other eligibility tests. Source: ATO.

- [ ] Centrelink interaction. Money moved into super before you reach age pension age is generally not assessed. Once you are over age pension age, super in accumulation or pension phase is assessed. The interaction matters and is a key reason to get planning advice before settlement.

Sell first, buy first, or settle the same day

Three timing strategies, three different risk profiles. None is universally better. The right choice depends on the depth of the market you are buying into, your tolerance for moving twice, and your access to bridging finance.

- [ ] Sell first, then buy. Lowest financial risk. You know exactly how much you have to spend. The downside is that you may need an interim rental if you cannot find the right replacement before settlement. Many downsizers underestimate how stressful the search becomes once the family home is sold.
- [ ] Buy first, then sell. You secure the new home you want, then bring the family home to market. Risk lives in the timing gap, the cost of bridging finance, and the chance that selling pressure forces a lower price. Best suited to owners with significant cash buffers or strong borrowing capacity.
- [ ] Simultaneous settlement. The cleanest outcome on paper. Both contracts settle on the same day, you move once, and there is no bridging cost. In practice it requires careful coordination by your conveyancer, flexible buyers and sellers, and tolerance for last-minute adjustments.
- [ ] Bridging finance. A short-term loan that covers the purchase while the sale completes. Available from most major banks. Interest rates and terms vary. Get pre-approval well before you start the buying search if this is your plan.
- [ ] Selling at auction. Auction gives you a defined sale date, which makes settlement coordination easier. For downsizers buying into a tight apartment or townhouse market, the certainty of date is often worth more than the marginal price difference between auction and private treaty.

The move itself, planned in stages

Most downsizers tell us afterwards that the moving and decluttering was harder than the property decisions. Plan it as a project across months, not a weekend.

- [ ] Start sorting belongings six months before you list, not after. The aim is to declutter for presentation and for the move at the same time.
- [ ] Photograph anything you might want to remember but not keep. The photos are usually enough.
- [ ] Offer items to family in writing, room by room, with a deadline. Vague offers lead to a garage full of boxes nobody collects.
- [ ] Hire a professional declutterer or organiser if the volume is overwhelming. They are not expensive relative to the time they save.
- [ ] Book the removalist as soon as the contract on your sale becomes unconditional. Good removalists in inner east Brisbane book out four to six weeks ahead, especially in spring.
- [ ] Plan the first 48 hours in the new home. Bed, kettle, bathroom essentials, internet, and a printed list of utility account numbers. Everything else can wait.
- [ ] Update your address with Australia Post, Medicare, ATO, banks, super fund, and Centrelink in the first fortnight.

Questions to ask before you commit

Use these as a checklist with your partner, your accountant, and your financial planner. If you cannot answer most of them clearly, you are not ready to list.

- [ ] What does our retirement income look like in five and ten years, and how does the downsize change that picture?
- [ ] How much of the released equity goes into super, how much stays accessible, and how much funds the next ten years of lifestyle?
- [ ] Are we both on the same page about location? One partner wanting Bulimba and the other wanting the coast is the most common source of stalled downsize decisions.
- [ ] Have we visited the new style of home (apartment, townhouse, smaller house) at different times of day, including a weekday morning and a Saturday evening?
- [ ] What is the body corporate situation in any building we are considering, and have we read the last three years of minutes?
- [ ] Does our preferred new home accommodate visiting family, including grandchildren staying overnight?
- [ ] What happens to the plan if one of us has a health event in five years? Is the home suitable to age in for another decade?

When to start the conversation

There is no perfect time. The best time is usually a year or two before you think you need to. That gives space to declutter properly, watch the local market, and choose your moment rather than have it chosen for you.

- [ ] Spring and early autumn are the strongest selling windows in the inner east. Buyer activity is highest, gardens present at their best, and natural light flatters the photography.
- [ ] A pre-listing meeting with a local agent should cost you nothing and give you a written estimate of value, a realistic time to sell, and a campaign plan you can hold in your hand.
- [ ] Use that meeting to ask about recent comparable sales on streets like yours, current buyer enquiry levels for your price band, and how long similar homes have been sitting before they sell.
- [ ] A good agent will also tell you what the home will need before it goes to market, and what is not worth spending money on. The wrong pre-sale renovation can cost more than it returns.
- [ ] If you are not ready to sell, you can still start the conversation. Knowing your numbers a year out is the difference between making a calm decision and reacting to a forced one.

Downsizing well is a planning exercise more than a property exercise. The owners who land softly are the ones who run the numbers early, name the trade-offs honestly, and give themselves time. This guide is general information only. Speak with a financial planner who specialises in retirement, and a solicitor or conveyancer, before acting on any of the rules referenced here.

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