

# Cash-Flow Break-Even Calculator



## What This Calculator Does

This worksheet mirrors the online calculator and is intended for manual estimates and planning conversations.

Helps you compare the **annual cost** of staying in your current home with the **annual cost** after downsizing (*taxes, insurance, utilities, maintenance, and any mortgage payments*).

Shows your **estimated yearly savings** (*or extra cost*) if you move to the new home.

Adds up the **one-time costs of moving** (*commissions, closing costs, repairs, moving, and other expenses*).

Estimates how many **years of savings** it could take to **"break even"** on those one-time moving costs.

Gives you a **starting point** for better questions and conversations with your family and professional advisors.

## What This Tool Does NOT Do

It does not give **financial, tax, investment, or legal advice** or replace working with a professional.

It does not project your **net worth, investment growth, or estate** over time.

It does not model the **opportunity cost of equity** (*for example, how selling and investing your home equity might change your long-term finances*).

It does not forecast exact **future repairs or big expenses** (*like a roof or furnace*); those are included only as your best estimate of average yearly maintenance.

It does not guarantee that downsizing is the **"right"** decision; it only shows how the **numbers look on a cash-flow basis** using the information you enter.

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If you prefer to use the online version of this calculator. You can find it located on my website at:

<https://raysguide.com/downsizing-cost-calculator>

If you get a moment, and you found this to be helpful, just let me know, either by sending me a quick email at: [ray@raysguide.com](mailto:ray@raysguide.com) or leave me a comment on the video.

Here is my youtube link: <https://www.youtube.com/@RaysIllinoisHomes>

# Cash-Flow Break-Even Calculator



## Current Home Snapshot

Current Home Value (reference only) \$ \_\_\_\_\_  
Monthly Mortgage Payment (if any) \$ \_\_\_\_\_ per month

## Current Annual Costs

Property Taxes \$ \_\_\_\_\_ per year  
Insurance \$ \_\_\_\_\_ per year  
Maintenance (avg per year) \$ \_\_\_\_\_ per year  
Utilities (per year) \$ \_\_\_\_\_ per year  
**Total Annual Costs of Current Home** \$ \_\_\_\_\_

## Annual Costs After Downsizing (*New Home*)

Property Taxes: \$ \_\_\_\_\_ per year  
Insurance: \$ \_\_\_\_\_ per year  
HOA or Association Fees (annual, if any) \$ \_\_\_\_\_ per year  
Maintenance & Repairs (avg per year) \$ \_\_\_\_\_ per year  
Utilities (per year) \$ \_\_\_\_\_ per year  
Monthly Mortgage Payments (if any) \$ \_\_\_\_\_ per month  
**Total Annual Cost (Downsized):** \$ \_\_\_\_\_

## Transaction Costs (*round up, not down*)

Commission \$ \_\_\_\_\_  
Seller Closing Costs \$ \_\_\_\_\_  
Repairs and Prep \$ \_\_\_\_\_  
Moving and Clean Out \$ \_\_\_\_\_  
**Total Transaction Cost** \$ \_\_\_\_\_

## Net Annual Difference

Current annual cost: \$ \_\_\_\_\_  
Downsized annual cost: \$ \_\_\_\_\_  
Net annual savings (or loss): \$ \_\_\_\_\_

## Break-Even Calculation

Transaction Costs ÷ Net Annual Savings = Break-Even Years

\$ \_\_\_\_\_ ÷ \$ \_\_\_\_\_ = \_\_\_\_\_ years



## Calculator Fields Descriptions

**Current Home Value (for reference only):** The approximate price your home could sell for today. This is just a reference number and does not affect the calculations. A recent market analysis or online estimate is fine.

**Monthly Mortgage Payment (if any):** Your regular monthly mortgage payment on your current home, including principal and interest. Do not include taxes or insurance here if they are paid separately (*those have their own lines below*).

## Current Annual Costs

**Property Taxes (\$/year):** The total amount you pay in property taxes each year on your current home. You can usually find this on your tax bill or mortgage statement.

**Insurance (\$/year):** Your yearly homeowner's insurance cost for your current home. If you pay monthly, multiply by 12.

**Maintenance (average per year):** What you spend in a typical year on repairs and upkeep for your current home (*for example: lawn care, snow removal, small repairs, painting, etc.*). Estimate an average based on recent years.

**Utilities (per year):** Your total yearly cost for utilities in your current home (*for example: electricity, gas, water, sewer, trash*). Add up all monthly bills and multiply by 12.

## Annual Costs After Downsizing (New Home)

**Property Taxes (\$/year):** The expected yearly property taxes for the home you are thinking about buying. Use an estimate from your real estate advisor or local tax information.

**Insurance (\$/year):** The expected yearly homeowner's insurance cost for the new home. Your insurance agent or lender can help you estimate this.

**HOA / Association Fees (\$/year, if any):** Any yearly homeowners association, condo, or community fees tied to the new home. If you pay monthly, multiply by 12. If there is no HOA, enter 0.

**Maintenance & Repairs (average per year):** Your best estimate of average yearly upkeep for the new home. Often this may be lower than your current home if the property is smaller or newer, but use a realistic number.

**Utilities (per year):** What you expect to pay per year for utilities in the new home. Smaller or more efficient homes may cost less; ask your advisor or use your best estimate.

**Monthly Mortgage Payment (if any):** The estimated monthly mortgage payment for the new home, including principal and interest. Your lender can provide this based on price, down payment, and interest rate.



## Calculator Fields Descriptions (continued)

**Total Cost to Make the Move (One-Time Costs):** Enter your best estimate for the **total cost** in each category, not per month or per year.

**Agent Commissions (total):** The total real estate commission you expect to pay when you sell your current home. Your listing agent can give you an estimate in dollars.

**Closing Costs (selling + buying):** All other closing costs for selling your home and buying the new one (*for example: title fees, transfer taxes, lender fees, recording fees*). Your agent or lender can give you an approximate total.

**Repairs and Prep:** Money you plan to spend getting your current home ready to sell (*for example: repairs, painting, staging, cleaning, minor updates*).

**Moving and Clean Out:** The cost of movers, trucks, packing materials, storage, junk removal, or deep cleaning related to the move itself.

**Other / Miscellaneous:** Any other one-time costs not listed above (*for example: temporary housing, extra travel, pet boarding, new furniture you must buy to make the move work*)

## What Happens After You Click Calculate

The calculator adds up your current annual housing costs and your new annual housing costs and shows the difference as yearly savings (*or extra cost*).

It also adds up all your one-time moving and transaction costs.

Finally, it estimates how many years of savings it could take to **"break even"** on those one-time costs.

If there is no savings, it will say there is no financial break-even.

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# Downsizing Calculator Instructions



## Current Home Snapshot

**What to enter:** The current value of your home and your monthly mortgage payment (if you still owe on it).

**Current Home Value:** What your home is worth today (use a recent appraisal or estimate).

**Monthly Mortgage Payment:** Your actual monthly payment to the lender, if any. Leave blank if owned free and clear.

### Current Annual Costs

**What to enter:** What you currently spend each year to own and maintain your home.

**Property Taxes:** Your yearly property tax bill.

**Insurance:** Your yearly homeowners insurance premium.

**Maintenance (avg per year):** Average annual cost for repairs, upkeep, roof/HVAC work, etc. (Estimate: \$1 per \$100 of home value is typical.)

**Utilities (per year):** Your annual cost for electric, gas, water, trash, etc.

The calculator totals these for you.

### Downsized Annual Costs

**What to enter:** What you expect to spend each year in the new, downsized home.

**Property Taxes:** Estimated yearly property tax on the new home (your agent or county assessor can help estimate).

**Insurance:** Estimated yearly homeowners insurance on the new home.

**HOA or Association Fees (annual, if any):** Only enter if the new home has HOA dues.

**Maintenance (avg per year):** Estimated annual maintenance for the new home (typically lower for newer or smaller homes).

**Utilities (per year):** Estimated yearly utility costs for the new home (usually less than a larger home).

**Annual Mortgage Payments (if any):** Multiply your new monthly payment by 12.

Leave blank if buying with cash or paying off the home.

The calculator totals these for you.

### Transaction Costs

**What to enter:** One-time costs associated with selling your current home and buying the new one.

**Commission:** Real estate agent commissions on the sale of your current home (typically 5–6%).

**Seller Closing Costs:** Costs you pay at closing when you sell (title, transfer tax, attorney fees, etc.). Ask your agent for an estimate.

**Repairs and Prep:** Any repairs or updates needed before listing your current home.

**Moving and Clean Out:** Cost to move, haul away items, and clean the old house.

# Downsizing Calculator



## Current Home Snapshot

Current Home Value:

Current Mortgage Balance:

Current Mortgage Rate:

Monthly Mortgage Payment (if any):

Annual Costs

Property Taxes:

Insurance:

Maintenance Average Per Year:

Utilities:

Total Annual Costs of Current Home:

Add the four lines above:

*(property taxes + insurance + maintenance + utilities)*

## Transaction Costs

*Be honest, round up, not down.*

Commission:

Seller Closing Costs:

Repairs and Prep:

Moving and Clean Out:

Add the four lines above:

*(Commission + Closing Costs +  
Repairs & Prep + Moving & Clean-Out)*

SECTION 6: REALITY CHECK QUESTIONS (Yes or No)

These are not math. They're guardrails.

Will I realistically stay put longer than my break-even period?

Would a health event force a move sooner?

Does this plan require a new mortgage above 5%?

Am I relying on future home appreciation to make this work?

Would this decision be harder if I had to make it alone?

If you answer "yes" to the wrong combination of these, the math might work but the plan won't.

SECTION 7: DECISION FRAME

Circle one:

Downsizing improves my situation  
Downsizing breaks even but adds flexibility  
Downsizing does not make sense right now

That's it. No score. No gimmicks.