

Upsizing on California's Central Coast: 5 Smart Strategies for Your Next Move

The starter home was perfect when you bought it. But life changes. Maybe you've added children to the family, started working from home and need dedicated office space, or you're simply tired of sharing walls with neighbors. Perhaps you're ready for a larger yard, better schools, more privacy, or room to grow.

Whatever the reason, many Central Coast homeowners eventually reach a point where they start asking: **"How do we move up into our next home?"** The good news is that many homeowners have built substantial equity over the past several years and have more options available than they realize.

At **The Schwaegerle Team**, we help clients evaluate five common strategies for upsizing so they can choose the approach that best fits their goals, finances, and comfort level.



THE
Schwaegerle
Team

Owen & Camille Schwaegerle | DRE 02040597 & 02107467

The Schwaegerle Team | DRE 02174659

3591 Sacramento Dr., Ste. 116, San Luis Obispo, CA 93401

Your 5 Move-Up Strategies at a Glance

Before diving into each option in detail, here's a high-level overview of the five pathways available to Central Coast homeowners looking to upsize. Each strategy has distinct advantages depending on your financial situation, timeline, and risk tolerance.

01

Buy First, Then Sell

Purchase your next home, move at your own pace, then sell your current property.

02

Buy First, Keep as Rental

Convert your current home into a long-term rental and build wealth simultaneously.

03

Sell and Buy at the Same Time

The traditional move-up strategy: coordinate both transactions at the same time.

04

Sell First, Negotiate a Rent-Back

Sell your home, stay temporarily, then shop with full equity certainty.

05

Sell First, Then Buy with Temp Housing

Maximum buying power: sell, move to temporary housing, then purchase.

Option 1: Buy First, Then Sell

For homeowners who can qualify for both properties at the same time, buying first can be one of the least stressful ways to move up. Instead of rushing to find a replacement home after selling, you purchase your next home first, move at your own pace, and then sell your current property once you've settled into the new one.

Benefits

- No temporary housing or moving twice
- Time to prepare your current home for sale
- Ability to shop carefully without pressure
- Less disruption for children and family

Considerations

- Must qualify for both homes simultaneously
- May carry two housing payments temporarily
- Additional reserves may be required

For many move-up buyers, the convenience and reduced stress are well worth the additional planning required.

Option 2: Buy First and Keep Your Current Home as a Rental

This is one of our favorite wealth-building strategies. Rather than selling your current home, you purchase your next home and convert your existing property into a long-term rental. Many homeowners currently have mortgage rates that may never be available again, keeping that low-rate mortgage while purchasing a larger home allows you to continue building wealth through appreciation, tenant-paid principal reduction, and rental income.

Some homeowners utilize a **Home Equity Line of Credit (HELOC)** to access a portion of their equity for the down payment on the next home. For homeowners who can make the numbers work, this strategy can be a powerful way to build long-term wealth while still upgrading their lifestyle today.

Wealth Building

Continue building equity and benefit from future appreciation on two properties.

Income Streams

Create additional rental income while your tenant pays down your mortgage principal.

Asset Retention

Maintain ownership of a valuable Central Coast asset with long-term upside potential.

 Must qualify for both properties. Requires landlord responsibilities or property management. Additional financial planning may be needed.

Options 3, 4 & 5: Sell-Side Strategies

Not every homeowner wants to carry two properties. These three strategies all begin with selling, but differ in timing, flexibility, and negotiating strength.

Option 3: Sell and Buy at the Same Time

The traditional move-up strategy. Your current home sells while you purchase your next home at approximately the same time. You access equity immediately and avoid carrying two homes in one coordinated transition. The trade-off: coordinating two major transactions simultaneously can create tight timelines, increased stress, and a potentially weaker negotiating position when buying.

Option 4: Sell First, Negotiate a Rent-Back

A rent-back allows you to sell your current home while remaining in the property for an agreed-upon period after closing. You'll know exactly how much equity you have available with cash proceeds already in the bank, giving you a stronger negotiating position when purchasing. Rent-back periods are temporary and require coordination with the buyer, so you must have a clear plan for your next move.

Option 5: Sell First, Then Buy with Temporary Housing

This option offers maximum buying power and negotiating strength. You sell your current home, move into temporary housing, and then begin shopping for your next home with no contingent offers and full knowledge of your available cash. While moving twice and temporary housing expenses are real drawbacks, this approach provides the greatest financial certainty of all five strategies.



You May Not Need 20% Down to Move Up

One of the biggest misconceptions we hear is: **"We can't move because we don't have enough for a down payment."** Many buyers are surprised to learn there are multiple financing options available depending on their qualifications and goals. Understanding these options can open doors that many homeowners assume are closed.

From government-backed loans to creative equity strategies, the financing landscape for move-up buyers on the Central Coast is far more flexible than most people realize. Here's a breakdown of the most common options available today.

Financing Options for Move-Up Buyers



FHA Financing As Little As 3.5% Down

For qualified buyers, FHA financing may allow a purchase with as little as 3.5% down. Especially helpful for homeowners who want to preserve cash reserves or move before selling their current property.



Conventional Financing As Little As 5% Down

Many conventional loan programs allow qualified buyers to purchase with as little as 5% down, a fact that often surprises homeowners who assume 20% is required to move into their next home.



80-10-10 Financing

An 80-10-10 structure uses an 80% first mortgage, 10% second mortgage or HELOC, and 10% down payment, sometimes helping buyers avoid private mortgage insurance while reducing upfront cash needed.



Bridge Financing & HELOC Strategies

Bridge loans allow homeowners to access equity from their current home before it sells. A HELOC can similarly fund down payments, closing costs, reserves, or renovations on the new property for those with significant accumulated equity.

Why More Families Are Choosing to Upsize

We continue to see homeowners moving up for a wide variety of reasons and the motivations are as personal as the families themselves. Growing families need more bedrooms. Remote workers need dedicated home office space. Others are transitioning from condos and townhomes into detached homes with private yards. Multi-generational living arrangements are also driving demand for larger floor plans.

Many homeowners also recognize that while interest rates may be higher than a few years ago, waiting indefinitely can mean competing against future buyers if rates decline and demand increases. In many cases, the right home and the right lifestyle can matter more than trying to perfectly time the market.



Growing Families

More bedrooms, better school districts, and room for children to grow.



Remote Work

Dedicated home office space and separation between work and living areas.



Outdoor Space

Larger yards, more privacy, and room for hobbies and entertaining.

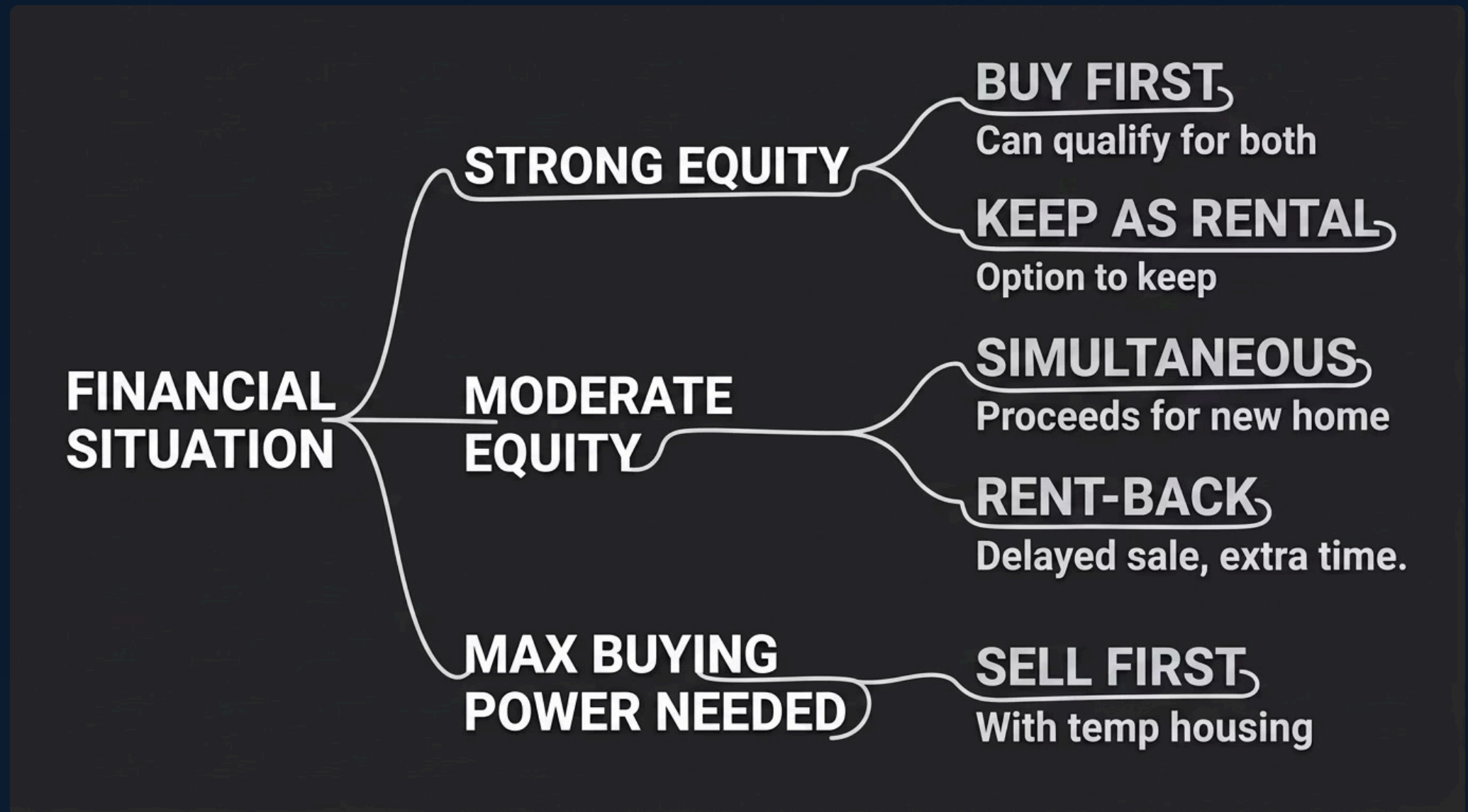


Lifestyle Upgrade

Transitioning from condos and townhomes into detached single-family homes.

Is It Time to Move Up?

The reality is that every family's situation is different. Some homeowners are best served by selling first. Others may benefit from buying before selling. Some may choose to keep their current home as an investment property and continue building wealth through real estate ownership. The important thing is understanding all of your options before making a decision.



No single strategy is right for every homeowner. The best approach depends on your equity position, income, credit profile, family timeline, and long-term goals. A personalized consultation can help clarify which path makes the most sense for your specific situation.

Let's Create Your Move-Up Plan

At **The Schwaegerle Team**, we help Central Coast homeowners create customized move-up strategies based on their goals, finances, timeline, and long-term plans. Whether you're just beginning to explore the idea or ready to take action, we're here to help you navigate every step of the process.

If you're considering a move to a larger home, we'd be happy to help you explore the possibilities and create a plan that works for your family.

Equity Analysis

We'll help you understand exactly how much equity you've built and how it can be leveraged for your next move.

Strategy Selection

We'll walk through all five move-up strategies and identify which approach best fits your goals and financial situation.

Financing Guidance

We'll connect you with trusted lending partners to explore down payment options and financing structures that work for you.

Personalized Plan

You'll leave with a clear, actionable roadmap tailored to your family's timeline, budget, and long-term real estate goals.

