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WEALTH MANAGEMENT

MacDougall
Wealth Management Group

Newsletter

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In this edition

Welcoming Bidisha!

As the newest associate to the team, Bidisha Ganguli helps support clients to MacDougall Wealth Management Group. Working on marketing and event planning, she provides a unique approach using her technical and business skills. Bidisha enjoys spending time with her family. Her three boys keep her young whether they are golfing, skiing, baking or biking. She enjoys live music, yoga, travelling and being a supportive and kind person through mindful wellbeing.

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Downsizing a home — Why fewer people are making the move

A recent *Globe and Mail* article suggested that the best time to plan to downsize is "when you're still excited about what comes next."[1] The argument is straightforward: it's better to decide on your own terms, before health issues or practical limitations force a decision. Waiting too long can mean the choice is driven by necessity rather than preference, often under pressure from family or advisors.

Those who successfully transition tend to act proactively, motivated by what their next home offers, whether it's simplicity, convenience or a better lifestyle fit. Downsizing can also provide financial advantages by unlocking home equity and reshaping both financial position and lifestyle. A smaller home typically reduces maintenance, utilities and property tax bills, while freeing capital for other priorities.

Yet fewer people are choosing to downsize. Many prefer to remain in their homes as long as possible. A recent survey found that among those over age 50, only 11 percent had a desire to downsize.[1]

This shift reflects broader changes in housing economics and retirement planning. In the past, more homeowners expected to use real estate as a retirement resource. Today, that assumption is less common. Longer life expectancy, improved health in later years and higher overall wealth have contributed to a greater ability to remain in place. At the same time, the rising costs of seniors' housing can reduce the net financial benefit of downsizing, limiting the equity released in practice. Several other factors may also influence the decision:

Emotional impact. Downsizing is not purely financial. Long-time homes are often tied to memory, routine and identity — factors that can delay decisions long after the financial case is clear.

The cost of moving. Selling expenses, including legal fees and commissions, can account for a meaningful portion of proceeds. Preparing a home for sale (e.g., staging, repairs) adds further expense, as do moving costs and updates needed to settle into a new property. The process itself can also create administrative complexity.

Market uncertainty. Limited inventory has made it difficult to find a suitable property for some, while market price fluctuations can affect what a sale will ultimately yield. In many markets, prices have shifted from their highs.

Trade-offs in housing flexibility. Moving to a rental or community setting may reduce maintenance responsibilities, but can introduce uncertainty around lease terms, fees or future cost increases. Ownership typically provides greater control and predictability.

However, as life circumstances evolve, including changes in health or mobility, the question often shifts from whether downsizing is financially optimal to whether current housing still fits day-to-day life.

This is why early exploration is recommended, before the decision becomes forced by circumstances. It helps to avoid rushed decisions. Spending time in a potential new location across different seasons can help clarify lifestyle fit. In the case of condominiums, reviewing bylaws and restrictions, such as pet rules or renovation limits, well ahead of time can materially affect the decision.

Ultimately, downsizing may be less about finances alone than aligning housing with changing priorities. And, while the home may become smaller, the opportunities can expand in meaningful ways.

1 https://www.theglobeandmail.com/investing/personal-finance/article-what-is-the-right-age-to-downsize-your-home-its-all-about-timing/

Intergenerational wealth planning: Integrate the FHSA into your plan

As the saying goes, *"Give a man a fish, and you feed him for a day; teach a man to fish, and you feed him for a lifetime."* Last year, 35 percent of homebuyers received down-payment gifts averaging $74,570, while first-time buyers in markets like Vancouver received around $208,000.[1] While meaningful to help buyers enter the market, other approaches may better build long-term financial habits.

From an intergenerational wealth planning perspective, a more structured way to provide support may be to direct funds toward a child's First Home Savings Account (FHSA). Eligible Canadian residents aged 18 and older can contribute up to $8,000 per year, to a lifetime maximum of $40,000. Contributions are tax-deductible, similar to an RRSP, with qualifying withdrawals tax free, similar to a TFSA. The FHSA can generally remain open for 15 years (or the year following a qualifying withdrawal). If opened at age 18, it could remain open until around age 33, when many Canadians prepare to buy their first home.[2]

How does the FHSA help build the next generation's financial skills?

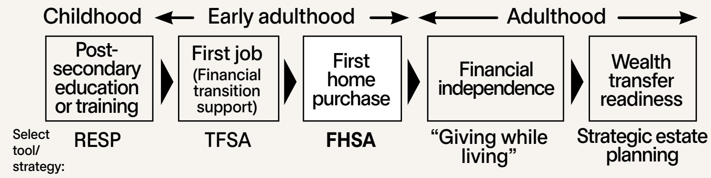
Encourages investing behaviour and enables compounded growth — The FHSA provides meaningful tax-free growth potential. For example, if contributions are maximized from the outset, at an annual return of 5.5 percent, it could grow to $80,461 after 15 years (chart). This can then be withdrawn completely tax free for a qualifying first home purchase, in addition to the tax deductions received on contributions.

A reminder: FHSA potential growth at 5.5% annual return

Year	Contribution	End of year
1	$8,000	$8,440
2	$8,000	$17,344
3	$8,000	$26,738
4	$8,000	$36,649
5	$8,000	$47,104
...10	–	$61,564
...15	–	$80,461

1 cmhc.ca/2025MCS; www.forbes.com/advisor/ca/mortgages/gifted-down-payment/
2 In 2021, the average first-time home buyer age was 33; today, it's around 40.

Illustrative: A lifecycle of intergenerational support



For many HNW investors, planning often begins with education savings and the Registered Education Savings Plan. As children reach adulthood, families turn to the next milestone: the first home. The FHSA may be a natural step in intergenerational support.

Supports structured saving toward a substantial down payment — A first-time home buyer who holds the FHSA can also access the Home Buyers' Plan (HBP) through their RRSP. The HBP allows withdrawals of up to $60,000, subject to available funds and repayment rules. Together, these tools can help establish a structured approach to saving for homeownership. Using the example above, this could result in over $140,000 available for a down payment.

Introduces tax-planning awareness over time — The tax deduction does not need to be claimed in the year contributions are made and can be carried forward to future years, even after the account is closed. This creates an opportunity to develop longer-term tax-planning discipline, helping align contributions and deductions with future income levels and resulting in greater tax savings.

Provides flexibility if plans change — While the FHSA is designed to support the purchase of a first home, if a qualifying purchase is not made within 15 years, the balance can be transferred to an RRSP/RRIF without affecting RRSP contribution room. Non-qualifying withdrawals are subject to withholding tax and are considered taxable income.

To learn more about how the FHSA can be integrated into your intergenerational wealth plan, please call.

Aftermath of major geopolitical events: Why staying invested matters

When markets rebounded in April, it was one of the fastest V-shaped recoveries on record (chart). It was a reminder that exiting the markets during periods of strain can be costly. In brief, here are some reasons:

1. Markets often reprice faster than underlying economic or geopolitical realities evolve. Equity markets can adjust quickly to new information, while macroeconomic and geopolitical conditions may evolve over longer horizons. This mismatch can make market moves feel disconnected from fundamentals, as markets are inherently forward-looking.

S&P 500 days to recover a 10 percent loss

	Period	Days to recover
Dot-com crash	2000	1,166
Global financial crisis	2008	1,166
EU debt crisis	2011–2012	99
China yuan devaluation	2015	103
Interest rate hike fears	2018	139
U.S.-China trade war	2018	81
COVID-19 pandemic	2020	103
Interest rate hike fears	2022–2023	318
Liberation day tariffs	2025	55
Iran conflict*	2026	11

*Iran conflict was a 9.1% decline.
Source: J.P Morgan, Bloomberg.
www.a16z.news/p/charts-of-the-week-the-fastest-v

2. Historically, some of the best-performing market days occurred shortly after the worst. Missing even a small number of those days can materially affect long-term returns, and re-entering the market at higher levels can often prove psychologically difficult.

3. Disruptive events are more common than we may recognize. Geopolitical, economic and financial shocks are a recurring feature rather than the exception. On average, major disruptions occur roughly every two years. Given this frequency, waiting for clarity before investing can mean more time on the sidelines than in the market.

More broadly, history shows that markets have repeatedly absorbed geopolitical shocks and other periods of stress, ultimately recovering and resuming their upward trajectory. Accordingly, staying committed to a long-term investment plan can be one of the best actions investors can take.

Rethinking wealth in retirement: Have you planned for five types?

One of the things we've learned in our time supporting retirement planning is that the non-financial aspects can be equally as valuable as the financial ones. Of course, one of our most important roles is helping clients build a financial future to support their long-term goals.

Yet financial security alone does not necessarily lead to a fulfilling retirement. Some individuals retire very comfortably from a financial sense, but struggle with a loss of structure, purpose or connection. Others discover that while they spent decades preparing financially, they gave far less thought to how they would actually spend their time (and their money) once they got there.

The idea that wealth extends beyond finances is explored in the book, *The Five Types of Wealth*.[1] When a group of people between the ages of 80 and 90 was asked what advice they would give to their younger selves, what stood out most was not what they said, but what they didn't say. Almost nobody mentioned money. Instead, their reflections centred on relationships, health, purpose, regret and peace of mind. This observation formed the foundation for the idea that wealth can be understood more broadly than financial net worth alone, encompassing four additional forms that together contribute to a meaningful life. Here are perspectives on each type in the context of retirement planning:

Time wealth — Time is often overlooked as one of our most valuable assets. Drawing on the philosophy of *memento mori* (Latin for "remember you must die"), the book suggests that an awareness that life is finite can change the way we prioritize our days. Time wealth is the ability to control how time is spent, rather than letting it be dictated by external demands. While retirement offers the opportunity to reclaim control over schedules, it also forces an important question: what will we actually want to do with that freedom?

Social wealth — Relationships and human connection are increasingly being recognized as essential contributors to physical health and longevity, particularly in an age of growing social isolation. The book suggests that digital interaction can create the illusion of connection, while often replacing deeper human interaction. It introduces the concept of "anti-networking," which involves focusing less on collecting contacts and more on developing deeper relationships that evolve into genuine friendships. In many ways, retirement can either strengthen or weaken social wealth. Work often provides built-in routines, communities and social interaction. Without intentional effort, many of these connections fade over time.

Mental wealth — One of the book's recurring themes is that many people unconsciously tie their self-worth to achievement, productivity or professional identity. Retirement can therefore feel disorienting because people are no longer receiving the external validation that careers often provide. Mental wealth involves curiosity, growth and purpose. The book suggests that fulfillment later in life often comes from shifting away from achievement-based validation toward contribution, mentorship, creativity and personal growth. Many of the happiest retirees continue developing new skills, exploring interests, volunteering, teaching or remaining intellectually engaged.

Physical wealth — Physical wealth underpins nearly every other form of wealth because without health, our ability to enjoy time, relationships, purpose and even financial security can become limited. In the book, physical wealth is framed less as fitness performance and more as energy, vitality and capability. During our working years, this is often viewed as something that can be postponed as careers and other responsibilities take priority. Yet many of the habits that shape physical well-being, such as sleep, exercise, nutrition or stress management, can compound gradually over decades.

Financial wealth — Of course, financial wealth still matters. A well-constructed financial plan provides stability and flexibility. Yet, the book distinguishes financial security from the endless pursuit of more, and suggests that defining what "enough" means well in advance can lead to greater clarity and satisfaction.

As advisors, our role is to help clients build their financial future. Yet some of the most meaningful conversations clients will have are about much more than money: how time will be spent, and what will make the years ahead worthwhile. *The Five Types of Wealth* offers a reminder that planning ahead for all dimensions of wealth can help shape a more fulfilling retirement.

1 "*The 5 Types of Wealth: A Transformative Guide to Design Your Dream Life*," Sahil Bloom, Random House, February 2025.

Shaping your experience together

As part of our ongoing commitment to improving your experience, we welcome your feedback. You may have received or will be receiving an email inviting you to complete a short satisfaction survey as part of our commitment to enhancing your experience. The email will be sent from National Bank (noreply@experience.bnc-nbc.ca) and will include a secure, personalized link. No confidential information will be requested. The survey can be completed anonymously; however, providing your name can help us better understand your feedback and make meaningful improvements.

We thank you for your time and continued trust.

The MacDougall team attended the 2026 National Bank Financial conference in early June.

Our key takeaways:

› Collaborating and learning from other NBF advisory teams is always good

› Understanding the changes that new technology will bring to the advisory business

› Better recognizing behavioural relationships with money, spending, and investing across different generations.

A client referral is the greatest compliment our team can receive. If you are aware of a friend, family member, or business associate who could benefit from the services our team provides, please have them call or email our team directly.

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