***ACTIVITY***

1. Work in partners. Brainstorm a list of at least 3 factors that would influence a decision whether to rent or to buy property
2. Below are a list of expenses associated to buying and/or renting a home. For each expense, identify if it is an expense that   
    🡪 only someone purchasing a property would pay (**P**), or   
    🡪 only a renter would pay (**R**), or  
    🡪 both purchasers and renters may pay (**B**)

|  |  |  |
| --- | --- | --- |
| Down Payment | Insurance | Legal Fees |
| Home Inspection | Moving Costs | Appliances |
| Mortgage Payments | Furnishings | Utilities (water, heat, hydro) |
| Land Transfer Tax | Property Taxes | Landscaping |
| Repairs & Maintenance | Painting | Renovations |
| Cable, Phone, Internet | Security System | Condo Fees |
| Security Deposit | Parking | Cleaning |

1. Classify each expense as fixed or variable

|  |  |
| --- | --- |
| **Fixed Expenses:** An expense that doesn't change from time period to time period  Car Insurance  Rent  Property Taxes  Long-Term Savings Payments  Life Insurance  House Insurance  Mortgage | **Variable Expenses:** An expense that changes from time period to time period  Entertainment Internet  Cable Gas  Recreation Account Telephone  Clothes Heat  Water Groceries  Hydro Medical Expenses  Vacation Savings |

1. Which appears to be more expensive: buying or renting a home? Justify your answer.
2. Once a buyer pays off the mortgage, they own the property. How is this different from renting? Why does this make owning property appealing?

**CHOOSING PROPERTIES TO RENT OR TO BUY**

1. Describe what you would look for if you were choosing a home in your community for each person or family described below. Include details such as location, number of bedrooms and bathrooms, parking, and special features.

* A single working adult with a vehicle
* A college student with no vehicle
* A single parent with a young child and a teen; the parent has a vehicle, but the teen uses public transit
* A couple with three children, aged 5, 9, and 12; the family has two vehicles

1. Using the web, find one property to rent and one property to purchase in your community that you think would be suitable for each person or family described above. Give a BRIEF description of each.

|  |  |
| --- | --- |
| ***A single working adult with a vehicle***  Property to buy:  Property to rent: | ***A college student with no vehicle***  Property to buy:  Property to rent: |
| ***A single parent with a young child and a teen***  Property to buy:  Property to rent: | ***A couple with three children***  Property to buy:  Property to rent: |