

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

- Income (what can you afford buy or rent?) + Savings
- Maintenance (do you want to deal with a leaking roof, burned out furnace, flooded basement, landscaping, shovelling)
- Location (how long will you stay there?)
- Value (will buying be worthwhile?)

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

3. Classify each expense as fixed or variable

<p>Fixed Expenses: An expense that doesn't change from time period to time period</p> <ul style="list-style-type: none"> - Parking - Condo fees - Cable - Rent - Mortgage Payment 	<p>Variable Expenses: An expense that changes from time period to time period</p> <ul style="list-style-type: none"> - Phone, internet - Utilities
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4. Which appears to be more expensive: buying or renting a home? Justify your answer.

There are more fees and expenses involved in buying initially; however, history shows us that owning is better financially because you build equity with each payment and home prices go up by average 6% in Canada annually.

5. Once a buyer pays off the mortgage, they own the property. How is this different from renting? Why does this make owning property appealing?

When you buy, you build equity with each payment; however, when you rent you have to build your equity with the money you save each month. Most people make their mortgage payments; yet, not everyone saves the right amount at the end of each month.

CHOOSING PROPERTIES TO RENT OR TO BUY

6. 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
 - 1 - 2 bedrooms (1 br considerably cheaper)
 - parking spot
 - close to work or highway
- A college student with no vehicle
 - 1 bedroom
 - Shared house or apartment
 - Close to school or public transit
- A single parent with a young child and a teen; the parent has a vehicle, but the teen uses public transit
 - 2 to 3 bedrooms - parking
 - 2 bathrooms - safe neighbourhood
 - close to schools and transit
- A couple with three children, aged 5, 9, and 12; the family has two vehicles
 - home with 3 to 5 bedrooms - 2 car parking
 - 2 to 3 bathrooms - close to schools
 - safe community

7. 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.

<p style="text-align: center;"><i>A single working adult with a vehicle</i></p> <p>Property to buy:</p> <p>Property to rent:</p>	<p style="text-align: center;"><i>A college student with no vehicle</i></p> <p>Property to buy:</p> <p>Property to rent:</p>
<p style="text-align: center;"><i>A single parent with a young child and a teen</i></p> <p>Property to buy:</p> <p>Property to rent:</p>	<p style="text-align: center;"><i>A couple with three children</i></p> <p>Property to buy:</p> <p>Property to rent:</p>