

## Lesson 6.2 Choosing a Home – To Buy or to Rent?

**Goal: Investigate factors that influence the decision to buy or to rent a home**

### ACTIVITY

1. Work in partners. Brainstorm a list of at least five factors that would influence a decision whether to rent or to buy property

- Income (what can you afford to do?) + Savings
- Maintenance (do you want to deal with it?)
- 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 (definitely P!)	Legal Fees P
Home Inspection P	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 P	Condo Fees P
Security Deposit R	Parking R	Cleaning B

3. Classify each expense as fixed or variable

**Fixed Expenses:** An expense that doesn't change from time period to time period

- Parking
- Condo Fees
- Cable

**Variable Expenses:** An expense that changes from time period to time period

- Phone, Internet.
- Property Taxes
- Utilities (water, heat, hydro?)

4. Which appears to be more expensive: buying or renting a home? Justify your answer.

Buying is more expensive because there are more fees and expenses.

5. Once a buyer pays off the mortgage, he/she owns the property. How is this different from renting? Why does this make owning property appealing?

When renting you always pay a monthly amount. Buying is better if you will live somewhere for a long time because eventually you won't have that monthly cost.

#### 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
- driveway or parking spot.
- 1 bathroom.

- Close to work.  
or close to  
Highway.

- A college student with no vehicle

- 1 bedroom
- Shared house or apartment
- close to school, close to transit.

- A single parent with a young child and a teen; the parent has a vehicle, but the teen uses public transit

- 2-3 bedrooms
- 2 bathrooms
- close to schools and transit
- Parking

- Safe neighbourhood

- A couple with three children, aged 5, 9, and 12; the family has two vehicles

- House with 3-5 bedrooms
- 2-3 bathrooms
- 2 car parking
- Close to schools
- Safe community

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