

## 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
  
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                       |

3. Classify each expense as fixed or variable

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|--|--|
| <p><b>Fixed Expenses:</b> An expense that doesn't change from time period to time period</p><br><br><br><br><br><br><br><br><br><br> | <p><b>Variable Expenses:</b> An expense that changes from time period to time period</p><br><br><br><br><br><br><br><br><br><br> |
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4. Which appears to be more expensive: buying or renting a home? Justify your answer.
  
  
  
  
  
  
  
  
  
  
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?

***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
  
  
  
  
  
  
  
  
  
  
  - 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

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.

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|--|--|
| <p style="text-align: center;"><b><i>A single working adult with a vehicle</i></b></p> <p>Property to buy:</p><br><br><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><br><br><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><br><br><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><br><br><p>Property to rent:</p>      |