

Home Finance

A few words about the project

This support document for the *Grade 12 Essential Mathematics* course is designed to be a project spanning several days in order to meet the Home Finance learning outcome. While the document is not the only way this unit can be covered, it provides several possible approaches as well as vocabulary with which students should become familiar. Buying a house is the biggest financial investment that most consumers will make in their lifetime. It is therefore critical that students learn to make informed decisions, given that they will be involved in this kind of transaction at some point in their lives. To make the discussions as authentic as possible, the project explores buying, renting, and maintaining a home. In this document, the terms “housing” or “home” mean a house, apartment, or condominium.

Through this project, students can explore many factors related to housing. They will think about buying and maintaining a house and renting an apartment or home, in a realistic context. Students will use an informed decision-making process by reviewing housing costs as well as the pros and cons of the various housing options. It is important to focus on the vocabulary, which is often new to students. Each section identifies the key vocabulary and related terms. A list of all this terminology is included in [Appendix A: Lexicon](#).

Students are encouraged to work in groups of two or three to promote discussion. While the project can be done independently, it should be noted that in such cases, the condo purchase will be the only affordable option. Given the limited time allotted by the curriculum for this strand, students will not be able to individually determine the costs for all the options; however, by sharing their work, they can benefit from the research done by their peers. It is important for students to compare and discuss what they learn in each of the sections in order to see the possible differences and allow them to make informed decisions in the future.

The project is divided into eight sections that deal with all of the achievement indicators for this learning outcome and is aimed at getting students to explore the various aspects related to housing. Students will start by determining the economic feasibility of a home purchase using the Gross Debt Service Ratio (GDSR). They will have to describe and determine housing costs, including the different types of insurance, mortgages, initial costs, maintenance costs and property taxes. Lastly, students will compare the costs and benefits of owning or renting a home (house or condo).

The appendices identified in each section include tables and the related worksheets. Answers are provided in [Appendix R: Answer Key](#).

Contents

- 1: Jobs and Income
- 2: Choosing a Home
- 3: Home Insurance
- 4: Mortgages
- 5: Gross Debt Service Ratio (GDSR)
- 6: Initial Costs
- 7.1: Ongoing Costs: Maintenance
- 7.2: Ongoing Costs: Property Tax
- 7.3: Ongoing Costs: Energy Efficiency
- 8: Renting vs. Buying

Specific Learning Outcome

12E6.H.1. Solve problems involving the purchase and maintenance of a house.

[C, CN, MR, R, T]

Indicators

- Solve a problem involving mortgages.
- Describe the costs involved in purchasing a home, such as closing costs, land transfer tax, lawyer's fees, house insurance, and moving expenses.
- Solve a problem involving home insurance options.
- Discuss the difference between preventative maintenance and emergency repair costs.
- Compare the benefits of owning and renting a house.
- Discuss energy efficient options and the immediate and long-term impact on your housing costs.
- Discuss the daily costs involved with home maintenance.
- Determine the property tax for a house.
- Determine the economic feasibility of a home purchase using the Gross Debt Service Ratio.