***NGPF Activity Bank***

***Buying a House***

RESEARCH: Finding the Right House

When searching for a home, everyone’s needs, wants and finances are different. In this activity, act as a real estate agent for three clients. Review their profile, advise them on a reasonable price range for homes, and help them find the home of their dreams!

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# Part I: Sarah Johnson

Your first client is Sarah Johnson.

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|  | **Meet Sarah Johnson*** Sarah makes $90,000 per year
* Sarah is single and does not have children
* Sarah has $300 in monthly debt
* Sarah has $40,000 saved for a down payment

 **Must have items*** Be located in the province of Alberta
* At least 2 bedrooms
* Be at least 1500 square feet

**Nice to have items*** Has central air conditioning
* Is a single-story home
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Use the [Freddie Mac affordability calculator](https://myhome.freddiemac.com/resources/calculators/how-much-can-you-afford) to estimate the price of homes that Sarah can afford. Enter income, monthly debt, and down payment. For the interest rate, visit [Bankrate](https://www.bankrate.com/mortgages/mortgage-rates/) and enter the National Average rate for today. Use this interest rate for the remainder of the activity.

1. Advise Sarah on a price for homes that she can afford.

Search [REALTOR](https://www.realtor.ca/) for 2 to 3 potential homes that meet Sarah’s criteria. If there are less than 3 homes available, begin removing criteria until homes are available. Start with nice to have items, then must have items, and finally the total cost.

1. Advise Sarah on the criteria that you removed (if any) in order to find houses for her. Include links for potential homes that she could look at.

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# Part II: Carlie and Maria Rodriguez

Your second clients are Carlie and Maria Rodriguez.

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|  | **Meet Carlie and Maria Rodriguez*** Carlie and Maria make a combined $120,000 per year
* Carlie and Maria have 2 children, ages 5 and 7
* Carlie and Maria have a combined $950 in monthly debts
* Carlie and Maria have $6,000 saved for a down payment

**Must have items*** Be located in Winnipeg
* At least 3 bedrooms
* At least 2 bathrooms

**Nice to have items*** Has a backyard for the kids to play in
* At least 2000 square feet
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Use the [Freddie Mac affordability calculator](https://myhome.freddiemac.com/resources/calculators/how-much-can-you-afford) to estimate the price of homes that Carlie and Maria can afford. Enter income, monthly debt, and down payment and verify that the interest rate is correct.

1. Advise Carlie and Maria on a price for homes that they can afford.
2. Carlie and Maria's total income is higher than Sarah’s. Why do they have a lower maximum home price?
3. What other considerations might be important to Carlie and Julia because they have kids?

Search [REALTOR](https://www.realtor.ca/) for 2 to 3 potential homes that meet Carlie and Maria’s criteria. If there are less than 3 homes available, begin removing criteria until homes are available. Start with nice to have items, then must have items, and finally the total cost.

1. Advise Carlie and Maria on the criteria that you removed (if any) in order to find houses for her. Include links for potential homes that she could look at.

# Part III: Emily and David LiYour final clients are Emily and David Li.

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|  | **Meet Emily and David Li*** Emily and David make a combined $160,000 per year
* Emily and David are married and have no children
* Emily and David have a combined $2,000 in monthly debts
* Emily and David have $50,000 saved for a down payment

**Must have items*** Be located in Ontario, near Toronto or Windsor where family members live
* At least 3 bedrooms
* Have a garage

**Nice to have items*** Has a pool
* Has A/C
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Use the [Freddie Mac affordability calculator](https://myhome.freddiemac.com/resources/calculators/how-much-can-you-afford) to estimate the price of homes that Emily and David can afford. Enter income, monthly debt, and down payment and verify that the interest rate is correct.

1. Advise Emily and David on a price for homes that they can afford.

S earch [REALTOR](https://www.realtor.ca/) for 2 to 3 potential homes that meet Emily and David’s criteria. If there are less than 3 homes available, begin removing criteria until homes are available. Start with nice to have items, then must have items, and finally the total cost.

1. Advise Emily and David on the criteria that you removed (if any) in order to find houses for her. Include links for potential homes that she could look at.
2. Emily and David make double what Sarah from Part 1 makes. Why are they not able to afford double the home price?

**Part IV: Reflection**

1. Describe the importance of compromise in the homebuying process and provide examples of how clients may need to adjust their expectations or criteria in order to find a suitable home within their budget.