

## Process

### TASK 1: Finding a Job or Career

A choice of **JOB or CAREER** is very important as it is your wages or salary that the bank will use to determine how much you can **BORROW**. A low paying job, such as a checkout person, will not be able to borrow a large amount of money for a house, whereas a job that is **HIGHER PAYING**, such as an electrician, teacher or bank manager will have the capacity to borrow more because they earn more money. Generally speaking the bank will **LOAN** you an amount of money that is somewhere up to 6 times your annual salary. This will also vary depending on the economic conditions at the time of you wanting a loan, interest rates etc.

This will mean that if you are earning \$28,000 pa then you can at best borrow 6 x \$28,000 which is \$168,000 and probably not enough for you to buy a house. If you get married, then the bank will add both of your salaries together and then calculate the amount that you can borrow. Say, you earn \$28,000 and your spouse earns \$42,000, then together you earn \$70,000 and the bank could loan you 6 x \$70,000 which is \$420,000 which may be enough to buy a house.

1. You now need to **DECIDE which career** you are aiming for and do some **research** to determine the average salary that you can earn in that job.
2. Open Task 1 Worksheet and **RECORD** your findings.
3. Save your completed Worksheet to the RentorBuy folder on your computer.

Use the Resources suggested on the [Resources](#) page to help you with your research.

## **TASK 2: Time to BUDGET!!!**

1. Open Task 2 Worksheet and fill in the required information.
2. Save your completed Worksheet to the RentorBuy folder on your computer.
3. Now, you are ready to **CREATE YOUR BUDGET!!** The figures you determined for items -12 in Task 2 Worksheet can now be entered into your BUDGET spreadsheet.
4. Save your completed spreadsheet to the RentorBuy folder on your computer.
5. **TIME FOR A REALITY CHECK!** You now have to determine if you are living within your means. Open the Reality Check document and fill in the results.
6. Save your completed Reality Check document to the RentorBuy folder on your computer.

Use the Resources suggested on the [Resources](#) page to help you with your research.

## **TASK 3: Find a house to RENT**

Here the choice will vary with each and every student, and that is **GOOD**. Do NOT be influenced by your friend but do this to suite your own taste and desires. You may NOT want to have kids, but the reality is that many students will grow up, become more mature and decide that getting married and having kids is not such a bad choice after all. With this being a possibility, a good house to choose will be at least a three bedroom and two bathroom house.

To **BUY or to RENT is the question** so we will **look at renting first**, as this is what most of you will do when you move out of home. Remember that your parents want you to grow up, become responsible and mature and establish

your own house/home one day. They may not want you to move out immediately, but through this exercise you will appreciate the costs of moving out of home and to establish your own home.

1. Open [Task 3 Worksheet](#) and fill in the required information.
2. Save your completed Worksheet to the RentorBuy folder on your computer.

Use the Resources suggested on the [Resources](#) page to help you with your research.

## **TASK 4: BUYing a house and getting a loan**

Now you are ready to look at **buying** a house and getting a **loan**! In this task you will **LEARN** how to calculate the loan repayment amounts for the house that you would like to buy. You will also **SEARCH** for the house that you would like to buy, either on the **INTERNET** or in your local **NEWSPAPER**. You will also look at other factors to do with Home Ownership, like Council Rates and House Insurance.

1. Now, Open [Task 4 Worksheet](#), do your research and fill in the required information.
2. Save your completed Worksheet to the RentorBuy folder on your computer.

Use the Resources suggested on the [Resources](#) page to help you with your research.

## **TASK 5: YOUR conclusion**

The cost of home ownership is **MORE** than just paying off a loan. Now you will look at the **TOTAL COST** of owning a home for your lifetime and then **COMPARE** it with renting and see if there is an advantage.

1. Open the **Conclusion Worksheet** and fill in the required information from your previous Worksheets.
2. Save your completed Worksheet to the RentorBuy folder on your computer.
3. You will now discuss with your teacher and your peers the **TOTAL FIGURE** for buying your house and the final figure for **RENTING** your house for 70 years.

**IS THAT WHAT YOU THOUGHT??**

**FINALLY!!!!**

After completing all your tasks, you can **PRINT** all the completed Worksheets that you saved under the RentorBuy folder on your computer.

**NOW YOU ARE READY TO** put together your PowerPoint presentation that will summarise your findings. Go to the [Task](#) page to view the requirements for your presentation.