

Home Economics

Family & Resource Management



Topic: Acquiring a House

Group level: Form Four/Form Five

INSTRUCTIONS

1. Review the information.
2. Return to this worksheet and answer the questions.
3. Use the answer key to mark your responses.

ACQUIRING A HOUSE

Owning a house is an investment of a lifetime and a dream come true for many persons. However, finding one's perfect home is not an easy task. We all have different needs and ideas which will dictate our choice of home.

Here are some ways by which someone can get a house:

- Purchasing: through a home mortgage financial institution, bank or credit union
- Building
- Renting: privately or from a housing agency

In addition to the above, some persons are also able to acquire a house in the following ways:

- Inheriting: from a relative or significant other
- Special gift: from a family member, friend, business associate
- Winning/chance: from a promotion or raffle

INVESTING IN A HOUSE

When a decision is made to invest in a house, consider the following:

- What is the maximum amount of money you can afford as purchase price?
- What other expenses you may have to meet before the sale is completed?
- What is the maximum down payment and mortgage payment that suits your budget?
- Is the location convenient to workplace, stores, schools, library, hospital and public transportation?
- Is the neighbourhood residential, well-kept with stable or rising real estate values?
- Do the zoning laws protect residents, or prevent them from full enjoyment of their property?
- What is the age and condition of the building? Are their repairs to be done? If so, how much?
- Are all utilities and services available at reasonable cost?

CHOOSING A HOUSE

You have considered the points to invest, now you are ready to choose a house. Some of the key factors that should influence your choice are:

SITE/LOCATION

Site is important as it helps to determine the health and safety of the people who occupy a particular place. In addition you want your home's value to grow over time. Site and location include:

- the kind of neighbourhood
- the size of the house
- type and style of the building
- proximity to work, shopping areas, churches and schools
- elevation (ground level, foot of a hill, on a slope or on top of a hill)

SUSTAINABLE AMENITIES

Amenities is a commonly used term in the real estate industry and refers to the characteristics that are considered to be advantageous to a piece of property. Amenities most of the time, increase the value or appeal of a property. Examples of these are parks, schools, shopping centers, health centers and post offices.

NEIGHBOURHOOD

The neighbourhood should be safe for families, who should in turn help to maintain this safety. A desirable neighbourhood is of particular importance if you are buying a house because the money paid could probably be your largest investment in future living.

FINANCES/COST

Whether to rent or to buy the place in which you live is a major decision. It doesn't just affect how much money you have left at the end of the month, it also affects your lifestyle and the size of the savings you accumulate over the years.

Legal and financial advice are helpful when making a choice between renting and purchasing/building. If the buyer does not have all the purchase money, mortgage loans can be obtained from lending agencies. The borrower should take care that he chooses the kind of house that is adequate for the family size and within his ability to pay.

TASTE

The design of the house usually reflects the personality of the homeowner. Therefore, look for a house which design matches your taste. Many prospective homeowners hire the services of architects to design their home based on their personal tastes and preferences. However, if you purchase a house from a developer, you can still renovate and decorate the interior.

Ways to make a house comfortable

- Arrange and use space wisely
- Have space for everything
- Keep everything in the space provided for it
- Plan multi-purpose rooms or areas – e.g., dining room for serving, porch for dining, bedroom for sewing
- Plan for the use of under-utilized areas like patios, verandahs, porches
- Arrange furniture that will give more space for free movement
- Avoid having too many bulky furniture/and or cumbersome items around the house
- Have versatile furnishings, such as a couch that converts to a bed
- Keep it clean
- Have good ventilation to help maintain a comfortable inside temperature and a fresh and healthy home

Worksheet

1. List three ways of owning a home other than by purchasing or renting.

i.

ii.

iii.

(3 marks)

2. The advertisement below offers a home for sale by a real estate agency.

Joe's Real Estate

Now available for sale

AFFORDABLE PRICE 2-bedroom home with all conveniences



CALL JOE at 868-1111

TOO GOOD TO MISS!

A young couple who has two young children is considering the purchase of the property in the advertisement above. The couple teaches computer classes at home.

(a) State three specific factors that the couple must consider before making the decision to purchase the house.

(6 marks)

i).....

ii).....

iii).....

(b) Apart from the considerations in (a) above, suggest four important questions that the couple may ask the relator in order to arrive at the decision. (4 marks)

- i).....
- ii).....
- iii).....
- iv).....

3. The couple decided to purchase the house. Suggest three ways by which they can make the house comfortable.

- i).....
- ii).....
- iii).....

(3 marks)

Total16 marks

Answer Key

1. List three ways of owning a home other than purchasing or renting.

- Building
- Inheriting: from a relative or significant other
- Special gift: from a family member, friend, business associate
- Winning/chance: from a promotion or raffle

(1 mark each for any three correct responses)

(3 marks)

2. (a) Three considerations before making the decision to purchase

- The building must accommodate classes
- It must be easily accessible to transportation
- It must be located in close proximity to school
- The neighbourhood must be a good social one free from crime
- Couple must have enough money for a down payment

(2 marks for any of the three considerations)

(6 marks)

(b) Four suggested questions to ask the relator

- What is the total cost of this building
- When can an appointment be made to view the house?
- What is the size of the building?
- Is the house above ground level?
- Would it be easy to obtain a mortgage?
- How old is the building and of what materials it is constructed?
- Where is the building located and is there access to water, roads and electricity?
- What are the amenities in the building?
- What are the structural features of the building?
- How soon would the building be available for occupation?

(1 mark for any four suggestions)

(4 marks)

3. Three ways in which the house can be made comfortable.

- Arrange furniture that will give more space for free movement
- Avoid having too many bulky furniture/and or cumbersome items
- Arrange and use space wisely
- Have space for everything
- Keep everything in the space provided for it
- Plan multi-purpose rooms or areas
- Plan for the use of under-utilized areas like patios, verandahs, porches
- Keep it clean

(1 mark each for any three correct responses)

(3 marks)

Total 16 marks

14 – 16 Excellent 11 – 13 Good

10 and under – Review information and try again

REFERENCES

Textbook:

Stewart, Thelma (1994) Certificate Management of Homes and Families. Carlong Publishers

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