# Finding your Dream House

Content Area: **Gifted and Talented**
Course(s): **Generic District Course, Gifted and Talented**
Time Period: **Week 24**
Length: **7 Weeks**
Status: **Published**

## Unit Overview

Having had the opportunity to research their jobs and salaries and to analyze their spending habits, in this unit, students have the opportunity to buy a house. They determine the specifications for their dream home, research mortgage rates, places to live, and tax rates, and make decisions about their fiscal ability to purchase their dream house.

## Standards

| | |
|---|---|
| WORK.5-8.9.2.8.9.2.8.A.64 | Examine how labor market trends and the cost of living can affect real income, spending decisions, and lifestyle. |
| WORK.5-8.9.2.8.A.1 | Relate how career choices, education choices, skills, entrepreneurship, and economic conditions affect income. |
| WORK.5-8.9.2.8.A.3 | Relate earning power to quality of life across cultures. |
| WORK.5-8.9.2.8.B.1 | Construct a simple personal savings and spending plan based on various sources of income. |
| WORK.5-8.9.2.8.B.3 | Relate the concept of deferred gratification to investment, meeting financial goals, and building wealth. |
| WORK.5-8.9.2.8.B.4 | Analyze the effect of the economy on personal income, individual and family security, and consumer decisions. |
| WORK.5-8.9.2.8.B.6 | Construct a budget to save for long-term, short-term, and charitable goals. |
| WORK.5-8.9.2.8.B.12 | Evaluate the appropriate financial institutions to assist with meeting various personal financial needs and goals. |
| WORK.5-8.9.2.8.C.1 | Compare and contrast the financial products and services offered by different types of financial institutions. |
| WORK.5-8.9.2.8.C.2 | Compare and contrast debt and credit management strategies. |
| WORK.5-8.9.2.8.C.3 | Demonstrate an understanding of the terminology associated with different types of credit (e.g., credit cards, installment loans, mortgages) and compare the interest rates associated with each. |
| WORK.5-8.9.2.8.C.4 | Calculate the cost of borrowing various amounts of money using different types of credit (e.g., credit cards, installment loans, mortgages). |
| WORK.5-8.9.2.8.D.1 | Determine how saving contributes to financial well-being. |
| WORK.5-8.9.2.8.E.1 | Prioritize personal wants and needs when making purchases. |

## Essential Questions

- Why is it important to consider a house's location when buying?

- How does one balance needs and wants when making large purchases?
- How does one prepare for making large investments in real estate?

## Application of Knowledge and Skills...

## Students will know that...

- Different types of mortgages require various amounts of down payment.
- Taxes, insurance, and mortgage rate affect the monthly payments required to purchase a house, not just the initial cost of the house.
- The location of a house determines the tax rate and price. Influencing factors include: the success of the local school system, the safety of the neighborhood, convenience to highways and/or mass transportation, etc.

## Students will be skilled at...

- Calculate mortgage payments based on the anticipated cost of the house.
- Calculate the cost of taxes and insurance based on the anticipated cost of the house and local tax rates.
- Determine the total monthly expenditure for purchasing various houses.
- Justify their decision to purchase a particular house based on their desires and their budget.

## Assessments

- Searching for the perfect house Summative: Personal Project Students search real estate listings in the areas that they chose to live and find three houses that meet their criteria for a "dream home", but are also affordable within their budget. Students present their perspective houses, the cost analysis for monthly payments, and a projection for when they will be able to purchase the house based on their current budgeted saving rate.
- Calculating the cost Formative: Suggested Instructional/Assessment Strategies Using varying costs of homes in several locales and different types of mortgages and tax rates, students compute the monthly costs for the house and taxes. (i.e. a $400,000 house in Green Brook vs. a $450,000 house in Watchung)

- Choosing a neighborhood  Formative: Personal Project  Based on where students have secured their "jobs", they select a location where they want to purchase their dream house.  Students research the area and provide reasoning as to why they want to live in this area.
- Your Dream House  Diagnostic: Self Assessment  Brainstorm a list of items desired in students' dream houses.

## Activities

- Brainstorm qualities/items that students want in their dream house
- Introduce vocabulary terms pertinent to home-buying including interest, mortgage, down payment, fixed-rate, variable-rate, principle.
- Consider collaboratively different factors that contribute to deciding where someone wants to live. Using some of these criteria, students research, select, and rationalize several towns where they are interested in purchasing a house.
- Using the New Jersey tax rate website, calculate several examples of taxes for areas in which students are interested in buying.
- Search real estate listings for the areas students identified as possible neighborhoods for their new house.
- Create a comprehensive presentation for three possible home purchases.

## Activities to Differentiate Instruction

- Assist students one-on-one with difficult mathematical concepts.
- Students will work at their own pace on personal projects.
- Provide multiple examples of information to help students draw connections and understand trends in data.
- Allow students to present information in a format that is suitable for their learning style.
- Students may choose to obtain information from print resources or the Internet, depending on their personal preferences.

## Integrated/Cross-Disciplinary Instruction

Enlist the support of the math teacher in working on percentages, calculations, and interest rates.

## Resources

- New Jersey Tax Rates: http://www.state.nj.us/treasury/taxation/lpt/taxrate.shtml
- Mortgage Rates: http://www.bankrate.com/mortgage.aspx
- Real estate listings: http://www.realestate.com/

- Real estate listings: http://www.realtor.com/

New Jersey tax rates
Mortgage Rates
Find real estate listings
Find real estate listings