

Section 8.3 The Cost of Owning a Home

1. Calculate the total cost of each mortgage for one year.
 - a) weekly mortgage payments of \$831.09
 - b) monthly mortgage payments of \$1069.58
 - c) bi-weekly mortgage payments of \$1241.60
2. Calculate the property tax payment for each situation.
 - a) \$4059 annual taxes paid quarterly
 - b) \$5515 annual taxes paid monthly
 - c) \$2047 annual taxes paid bi-weekly
3. Jade makes bi-weekly mortgage payments of \$957 and monthly property tax payments of \$364.51. Calculate Jade's total annual housing costs.
4. Calculate the total annual housing costs for each situation.
 - a) Moira makes monthly mortgage payments of \$1124.32. Her average, monthly utility expenses are \$329, and she pays monthly common fees of \$323.
 - b) Theo makes weekly mortgage payments of \$752.57. His monthly condominium fees are \$314, and his average monthly utility expenses are \$289.
5. Refer to question 4. Calculate the percent of total income each person spends on housing costs.
 - a) Moira earns \$68 000 per year.
 - b) Theo earns \$52 500 per year.
6. Nicola and Drew have a combined annual income of \$168 000. They live in a three-bedroom home with their two small children. They make bi-weekly mortgage payments of \$1581.22 and their average monthly utility expenses are \$438. Calculate the percent of their total income that Nicola and Drew spend on housing costs.
7. Nassor has a fixed income of \$2450 per month. He lives in a one-bedroom condominium. Nassor's monthly mortgage payment is \$828 and the common fees are \$334 per month. Nassor's average bi-monthly electricity bill is \$148 and his average quarterly water bill is \$162.
 - a) Calculate Nassor's fixed monthly accommodations expenses.
 - b) Calculate Nassor's average monthly utility expenses.
 - c) On average, what percent of his income does Nassor spend on monthly accommodations costs?
8. Fatima's house is 15 years old. It needs a new roof and new eaves troughs. A local roofing company quoted \$8600 for the job. She plans to have the job done two years from now.
 - a) Fatima's savings account pays 3% per year, compounded monthly. How much does she need to save each month to have \$8600 in two years?
 - b) Calculate the monthly payment for a three-year personal loan of \$8600 at 7.85% per year, compounded monthly.
 - c) How much money will Fatima save by paying cash for the repairs instead of taking the loan?

