

# build your dream home

*NOTE: This activity can easily be graded.*

## LEARNING OUTCOMES

- Students will understand the general financial processes of building, from getting an estimate, to getting a loan approved.
- Students will understand the financial process of building and understand that money is a limited resource that needs to be allocated carefully in the building process.

## MATERIALS NEEDED

- Video presentation for Building Your Dream Home
- Student Worksheets

Today, your students are going to build their dream home! They can do this as individuals or as a group. Use the following worksheet to complete the activity.

1. They will start by deciding if they want a small, medium, or large house and what "extras" they want for their house.
2. You will have them cut out each of what they want from the worksheet to build their home.
3. They will bring those pieces to a builder to get a cost estimate. To find their estimate, they can add up the numbers on the pieces to come up with a final price for their houses.

## HERE'S THE TWIST:

After getting their estimate, they still need to go to the bank to appraise the value of the plan and ask for a loan. Based on an average American's salary and savings, the bank will approve them for a \$250,000 house - they will need a \$40,000 down payment and they will get a loan to cover the other \$160,000 (remind them that saving for the future is important!).

4. Students will have to re-examine their housing choices. Since they can't afford everything anymore, they will need to figure out what is important to them and prioritize what to build.
5. Students will turn in their final choices to teacher.

## VOCABULARY

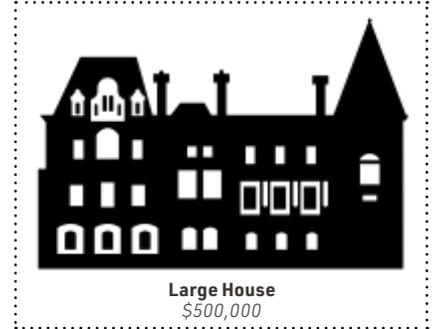
**ESTIMATE** - a written statement indicating the likely price that will be charged for specified work or repairs

**APPRAISAL** - an expert estimate of the value of something

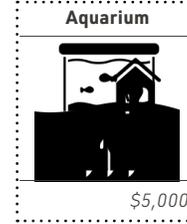
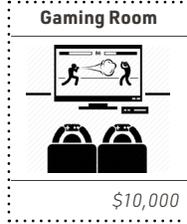
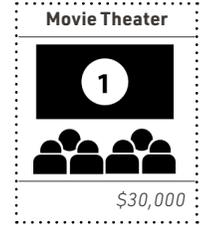
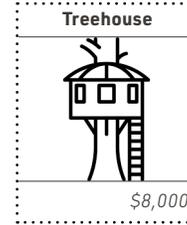
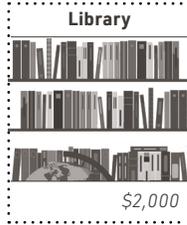
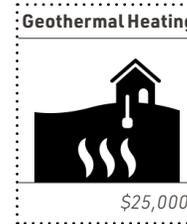
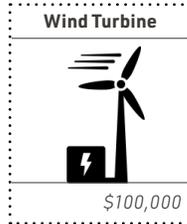
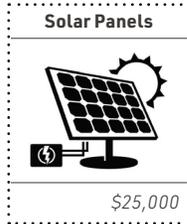
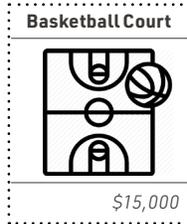
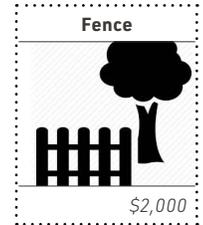
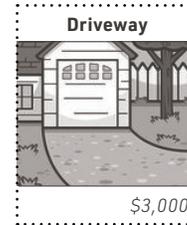
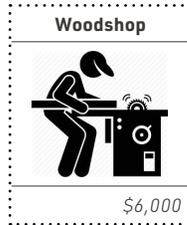
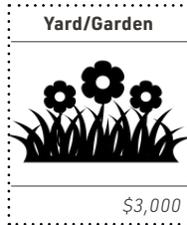
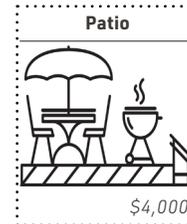
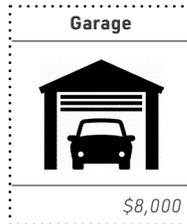
# build your dream home activity



Choose which size of house you want:



Now, choose which extras you want to help turn your house into your dream home:



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Name(s): \_\_\_\_\_ Grade: \_\_\_\_\_  
\_\_\_\_\_ Teacher \_\_\_\_\_

**DO NOT PASTE OR TAPE ANY OF YOUR ANSWERS ON HERE UNTIL YOU HAVE YOUR LOAN TO PAY FOR THEM.**

**YOUR CHOSEN HOUSE SIZE:**

**YOUR CHOSEN EXTRAS:**

1. Go to a builder to get an estimate - calculate the total of the above: \$\_\_\_\_\_
2. Go to the bank and get a loan! They appraised your house at the total you came up with, but you still need to get approved for a loan. Ask your teacher how much you got approved for with your loan and write it here: \$\_\_\_\_\_
3. Prioritize what you want with the money that you have. Rework what size house you want and what you would like to have in or around your house. Now, you can tape or paste your decisions onto the paper, just make sure you can afford them.