

This is an ad (short for advertisement) from the newspaper. Read the ad.

Still Renting?

Stop Throwing Your Money Away

For about the same as you pay for rent, you could start building your own equity in a brand new Wilson Home.

“Everything you need to live in comfort for about the same as you may spend on rent.”
Our homes are right for you with big rooms, open spaces, and your own design choices.

Stop throwing away money means stop wasting money. This ad tells you renting a house is throwing away money. The ad says buying a house is better. They say you “build equity” when you buy a home. Equity is the value of your home. If you buy a home for \$100,000 and sell it for \$150,000 then you have \$50,000 equity. The longer you own your home, the more equity you “build”.

We use the word “build” in many ways. We can build a house or build some shelves for our house. But we can also build trust. If you build trust, you act honestly for a long time. People learn they can trust you because you are honest. They know you will do what you say.

When you buy a house, you have to get a loan from the bank. The bank will require a down payment. This shows the bank that you are able to afford the house. The loan the bank gives you for your house is called a mortgage. You will have to pay off your mortgage every month. Until you pay your mortgage off, your house really belongs to the bank.

Read these conversations:

This ad says their homes have big rooms and open spaces. They also say you can make choices about the design. They probably mean you can choose the paint colors and carpet. Perhaps they will let you choose what kind of cabinets and countertops you want. People like to have choices when they purchase a new home.

Read these conversations in your group. Discuss the meaning of the underlined words. Answer the questions at the end of all the conversations.

Allen: I am thinking of asking Steve to build a new house for me. What do you think of him?

Betsy: I think he is a good builder. Steve worked hard to build my trust. He built the house just like I wanted. And he finished the house right on time. I would recommend Steve.

Amy: I'm not sure this house is right for me. The rooms are small and dark. I like lots of windows. I would prefer more open space.

Brad: I like this house. I like the large, fenced backyard and I love the big closets. They would provide lots of storage space. I like the big master bedroom in this house, too. But I know you hate dark rooms. I think we should keep looking.

Terri: It is so hard to choose the paint for my house. I love bright colors, but my husband prefers white walls.

Bo: It sounds like you will have to compromise.

Terri: Yes, that's what makes my choice so hard. Maybe I can have the walls painted a light grey. That is close to white.

Susie: I am here to pick out the carpet for my new home.

Beth: Here are the choices you have. You can choose from beige, brown, grey or light blue.

Susie: I think the brown is too dark. I don't like blue. I guess I will choose the beige. It is a neutral color that will go with all my furniture. I hope it doesn't show dirt too badly.

Beth: This carpet is very high quality. It is designed to resist spills and dirt.

Andy: I read an ad in the paper from a company that builds homes. It said I was throwing away money by renting. I think they might be right. Do you agree?

Becky: It depends on how much money you have to spend. Do you have money for a down payment on a house?

Andy: I only have \$500 in savings. Is that enough?

Becky: I don't think that would be enough. Most banks require you to put at least 10 to 20% down on a house.

Andy: I didn't know that. I had better keep renting. I will need to build my savings if I want to buy a house.

Anthony: My savings are building up. Soon I will be able to buy a house for us.

Belle: That's exciting. Do you think you will be able to get a loan from the bank.

Anthony: I will be able to put 20% down. That will mean our monthly payment will be pretty low. If we buy a house for under \$150,000 we should be able to make the payments.

Dave: Dad, do you think you might be able to loan me some money?

Dad: Maybe. How much do you need?

Dave: \$10,000

Dad: That's a lot of money. Why do you need so much?

Dave: I need money for a down payment on a house. I have saved \$10,000 already. But the bank requires \$20,000. If you can loan me the money for a down payment, I will be able to pay you back in about 5 years.

Carol: I want to buy a house. I have been looking at houses with a realtor. I cannot find anything i want to buy.

Kate: What kind of house are you looking for?

Carol: I want a house with a concrete foundation. I don't want to see any cracks in the foundation. I want a one story house. I don't like stairs. I like an open floor plan. I'd prefer granite countertops and stained wood cabinets. I don't like carpets, so I want hardwood floors.

Kate: Wow, you have a lot of demands. No wonder it is hard for you to find a house.

Carol: Yes, and I can't pay more than \$150,000.

Kate: I don't think you will find all the things you want for that price. Maybe you should keep renting.

QUESTIONS

1. Who did Betsy recommend as a trustworthy builder?
2. What did Amy think about the house she looked at? What were her complaints? What does Brad like about the house?
3. How much does Anthony intend to put down on his house?
4. How much does Anthony plan to spend on a house?
5. How much money does Dave want to borrow? Who will he borrow from? When will he pay it back?
6. What are Carol's demands in her new house?
7. What does Kate think about Carol's demands?
8. What color walls does Terri's husband like?
9. How much does Andy have saved for a down payment? Is that enough?

Use the underlined words in the conversations above to fill in the blanks below. A list of the underlined words is below:

build, trust, recommend, provide, down payment, neutral color, compromise, resist, spills, depends, realtor, foundation, cracks, stained, complaints, intend

1. If you _____ about something, you say you are not satisfied with it. EX: John _____ that he had to work late every night this week.
2. If you _____ something that someone wants, you give it to them. EX: Ginny _____ books for the students to use.
3. If someone _____ someone or something to you, they suggest that you would find them good or useful. EX: Can you _____ a good doctor in Austin?
4. If you _____ to do something, you have decided or planned to do it. EX: I _____ to go to university after I graduate from high school.
5. If you _____ liquid, it accidentally flows over the top of the container. EX: The children _____ their juice on the rug.
6. If you _____ a structure, you make it by joining wood or bricks together. EX: They will _____ a new hotel on that lot.
7. In a _____, both of you must give up something to reach an agreement. EX: Sam wanted a big house. I wanted a small house. We _____ and got a medium size house.
8. Something that _____ damage cannot be hurt by something. EX: This fabric _____ spills.
9. If you _____ someone, you believe they are honest and will not harm you. EX: I _____ my father to help me decide on a new school.
10. The _____ is the percentage of the total cost that you pay when you buy something. You have to pay the rest of the money later. EX: Charles made a _____ on a new house.
11. _____ are colors like grey, beige and white that "go with" most brighter colors. EX: The builders put light grey carpet in all the apartments because grey is a _____.
12. If someone says, "It _____." they mean that the question cannot be answered without knowing more information. EX: Can you loan me some money? It _____ on how much you want to borrow. I only have \$25.00.
13. A _____ is another word for real estate agent. EX: My _____ took me to a new house that she thought I might like.
14. A _____ is the support at the bottom of the structure. EX: The _____ of this house is made from cement.
15. A _____ is a very narrow gap between two things. EX: This house has a _____ in the foundation. You shouldn't buy it.
16. If you _____ furniture, you rub a dye on it to color the wood brown. It is different than painting. If you _____ wood, the grain of the wood shows through. EX: She _____ her cabinets a light brown color.