

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. Visit our homes today!

Students: Read these paragraphs and answer the questions. Tell what the words in bold print mean.

What does the ad mean when it says, “Stop Throwing Away Money?” The ad says buying a house is better than renting. Do you agree? . 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. What are some disadvantages to buying instead of renting?

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, carpet, countertops and cabinet styles. Would you buy a house where you didn’t get to make these choices?

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.

Does Betty think Steve is trustworthy?

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.

Do you and your spouse have different ideas about houses? How do you differ?

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.

Are you a bright color person, or a white walls person? Would you prefer beige carpet, gray carpet or no carpet at all? Many people think hardwood floors are better than carpet. What do you think?

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.

What are neutral colors? Are neutral colors best for decorating? What is your decorating style?

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.

Have you ever bought a house? Are you saving for a down payment? Do you think a 20% downpayment is fair? Is that what is required in your country?

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.

Would you ever borrow money from your parents to buy a house? Do you think your parents would be willing to help you buy a house? Would you be willing to help your children buy a house?

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.

Is Carol being too picky? Are you picky when it comes to choosing a house? Do you own or rent? What is the most important thing to look for in a new house? Would you choose a good bargain over a more expensive house that had everything you wanted?