Mathematics, Grade 5
Unit V: Lesson A4   Chart / Oral Report: **Buying a House**

Imagine you are going to buy a home which costs $100,000. (You can use another figure if you like.) Ask your parents how much your own home cost to arrive at a realistic figure.

You must repay the money you borrowed from the bank as you live in the home. The bank's interest rate is 10%. Assume that you pay the bank $1000 per month for thirty years. Your final payment can be as big or small as necessary in order to pay off the loan.

Make a chart to show how much you would have to pay each year to the bank if you paid off your loan over thirty years. Make columns for the year, total payment, yearly interest, and yearly principal. Make as many rows as necessary until the debt is paid in full.

When you have completed the chart, add the following information to your records: How much did your $100,000 house actually end up costing? Was it worth the price, or not? Why do people spend so much for houses? You may need to interview several adults who've bought homes to get a good understanding. Make a brief oral presentation to the class when you are finished. Ask for your classmates' comments.