MODULE 28A: BUYING, RENTING, AND LEASING

Choose from the Suggested Activities below to find activities to help your students meet the outcome for this module from the Saskatchewan Financial Literacy 20/30 curriculum.

All resources for this module's activities can be found on saskmoney.ca.

OUTCOME

Differentiate between buying, renting, and leasing.

INDICATORS

a. Describe situations when buying, renting or leasing to obtain items such as housing, vehicles or furniture may be considered viable options.

b. Compare the advantages and disadvantages of buying, renting and leasing.

c. Analyze the factors that influence one's decision to buy, rent or lease.

d. Investigate the roles of, and services provided by, professionals such as real estate agents and vehicle dealership sales associates in buying, renting, or leasing.

e. Discuss the advantages and disadvantages of buying and selling privately compared to using the services of a professional.

f. Discuss different types of ownership and leaseholds with varying circumstances (e.g., marriage, living common law and joint tenancy).

OVERVIEW

Students will build the capacity to make sound decisions related to major purchases that they will encounter, including housing, by building an understanding of the options that may be available to them financially.

PREREQUISITE

Modules 27

SUGGESTED TIME

3–5 hours

RESOURCES

- **Textbook** (PDF in *Resources*):
  - *Foundations of Mathematics 12*, Nelson Education, 2012. Chapter 2.4, *Buy, Rent, Lease?* (PDF in *Resources*)
- **Online Tools:**
  - Drawing Conclusions: Is Renting Really a Waste of Money?
    - *Globe and Mail video* (via *YouTube*)
    - Viewing Guide and Key (PDF's)
  - *Khan Academy:* Renting vs. Buying (detailed analysis)
  - Real Estate Agent Commission - Decoded! (*youngandthrifty.ca*)
  - Tricks Realtors Use to Sell Homes (*moneysense.ca*)
  - Types of Home Ownership (*Royal Lepage* site)
  - Understanding Your Rental Agreement video
- **Assignments and Activities:**
  - Types of Ownership x2 (worksheet and key)
  - Loans, Loans, Loans
  - Choices & Decisions: *Buying a home*
  - Viewing Guide (and key): Drawing Conclusions
  - Residential Lease Activity
- **Slideshow:** Living on Your Own

ASSESSMENT

- Formative feedback on accuracy of work completed from the math textbook and worksheet activities
- determine understanding of topics through group discussion and reteach if students don't have a firm understanding
- Quiz for the optional Choices and Decisions unit, *Buying a Home*
- Consider a *Move Out Plan* summative activity if completing Modules A, B, and C. (see last Suggested Activity in Module 28C)

SUGGESTED ACTIVITIES

1. **Students can benefit from studying specific case studies. How might they use those to develop a deeper understanding of the expenses associated with interest payments and other topics involved in purchasing a home?**

   a. There is a crossover between the outcomes for Financial Literacy 30 and Math Foundations 30 (see the chart below.) The textbook ***Nelson Foundations of Mathematics 12*** includes a section that explores the same concepts, and provides numerous opportunities for applied problem solving in this subject (pp. 120–133.) This might be an opportunity for a student to cover outcomes for both at once, or to supplement either course of study.

   Correlation between Financial Literacy 30 and Math Foundations 30 curricula:

CURRICULUM	OUTCOME	INDICATORS
Financial Literacy	28A: Buying, Renting, and Leasing: Differentiate between buying, renting, and leasing	a. Describe situations when buying, renting or leasing to obtain items such as housing, vehicles or furniture may be considered viable options. b. Compare the advantages and disadvantages of buying, renting and leasing
Foundations of Mathematics 30	FM30.1 Demonstrate understanding of financial decision making including analysis of renting, leasing, and buying	i. Compare renting, leasing, and buying of large cost items and generate reasons for considering each choice. j. Solve situational questions related to the costs of renting, leasing, and buying (including questions that require formula manipulation). k. Solve, using technology, situational questions that involve cost-and-benefit analysis.

- Students review the case studies in the activity package **Loans, Loans, Loans** to consider different scenarios around mortgages.

2. **What are the pros and cons of both buying and renting?**
   a. View either of the videos **Drawing Conclusions: Is Renting Really a Waste of Money?** (*Globe and Mail*), or **Renting vs. buying** (*Khan Academy*). Model asking critical questions to lead the students to do the same. "Drawing Conclusions" includes a viewing guide and key.
   b. Walk students through the **Living on your Own** slideshow.
3. **How can a professional salesperson be of benefit, and are there instances where it's better not to use one?** Have students complete a guided inquiry into the pros and cons of using realtors to purchase homes, using websites like **Tricks Realtors Use to Sell Homes** and **Real Estate Agent Commission—Decoded!** Students could be grouped to complete the activity as a Think-Pair-Share activity leading to a full class discussion about the issue.
4. **What are the different forms of home ownership?** Students conduct an internet search to complete the vocabulary activity on the **Types of Ownership** handout (key included).
5. **What are steps in purchasing a home?** For a more in depth study of the process of purchasing a home, the class may complete the activity package **Choices & Decisions,** Section 2, Unit 3: *Buying a home*, which includes 3—75 minute lessons.
6. **Loan and Mortgage Scenarios.** Use the three **Loans, Loans, Loans** activities with students working in groups.
7. **Understanding your rental agreement**—This short video will cover the basics. A lease agreement holds A LOT of information that can be hard to remember or understand. This clip explains the top ten most important things your should get out of a rental agreement, if nothing else.
8. In the **Residential Lease** activity, students will explore an apartment lease in more detail to understand its various components. Then, they will answer questions using the sample residential lease.

For more curriculum information, please visit
the Government of Saskatchewan curriculum website.