

IDC4U

Real Estate Business Simulation

Assume that you are a real estate agent. Your clients have saved **\$80,000** to put down on a house. They have two school-aged children, want *at least* a three-bedroom house near a school, but can only afford a mortgage payment of **\$1,500** per month.

Step 1:

Using various Canadian banking web sites, find the best **5 year closed fixed mortgage rate** currently available.

Step 2:

Open the Amortization Table spreadsheet we completed in class together. Your clients would like you to investigate the options available for the following mortgage amortizations:

Amortization	Down Payment	Monthly Payment	Principal	Max Home Price	CMHC \$
15 years	\$80,000	\$1,500	?	?	?
20 years	\$80,000	\$1,500	?	?	?
25 years	\$80,000	\$1,500	?	?	?

Step 3:

Shop online at www.realtor.ca. Zoom in and out on the map to search anywhere in the Windsor Essex geographical area. For EACH of these three scenarios:

- Find the **best** house (according to the above criteria) in a suitable area and spend as close to the maximum price as you can.
- Prepare an **information sheet** for your clients which includes the following items:
 - A **picture** of the house along with the listing price. (2)
 - Full description of the property (NOT COPY & PASTED!!), including address, number of bedrooms and bathrooms, heating, cooling, pool, etc. and other desirable features. (6)
 - An explanation of where the schools are in relation to the house (include a map from Google or the realtor website). (3)
 - Yearly property taxes for the house. (1) Use the following link:
<https://publicpropertyinquiry.citywindsor.ca/>
- You will also include (copy+paste from Excel) the first page (NOT all of the pages) of the **mortgage amortization table** from Excel, which shows the selling price, down payment, principal mortgage amount, CMHC premium, interest rate, percent down payment, monthly payment amount, annual property taxes, PIT, and total interest cost at amortization. (11)

All documentation will be **7** pages in total (title page, 3 information sheets, 3 amortization tables)
Title page (include a summary of the 3 houses that includes the most important information for all 3 houses (described above "2. Prepare an **information sheet** for ...")) Use different font colour, size, etc.

/69 + 6(overall impression) = 75 marks