

The Costs of Owning a Home

Property Taxes

After your online investigation, answer the questions below.

1. What factors influence the amount of property tax someone pays?
2. Based on your results, and those of your classmates, approximately what percent of the value of a residential property seems to be charged in property taxes?
3. In your investigation, you used a residential property valued at \$225,000. A typical cottage in Muskoka is valued at 1.2 million dollars. What would you expect the annual property taxes to be on such a property?
4. Check your answer to number 3 by inputting 1.2 million as the assessed value in one of our property tax calculators. Was your estimate close?
5. Do you think that your answer to number 4 is close to the actual amount of property tax paid on a 1.2 million dollar cottage in Muskoka? Explain why or why not.

A Year in the Life of a Homeowner

Below is a typical list of expenses for the annual costs of owning a home.

Mortgage (bi-weekly payments of \$450)

Property Taxes (semi-annual payments of \$1000)

House Insurance (monthly payments of \$115)

Electricity (bi-monthly payments of \$375)

Water (bi-monthly payments of \$80)

*Note this home is on septic and does not pay a sewer bill.

Gas (monthly payments of \$100)

Miscellaneous (unpredictable)

Includes: repairs / renovations, hot water heater rental, snow removal, ...

1. Calculate the annual total cost of owning the home above. Leave miscellaneous expenses out.
2. If your annual gross income is \$45,000, what percent of your gross earnings go to costs associated with your home?
3. If your annual net income is 80% of your gross income, how much money do you have left for non-home related expenses?
4. Now, assume you have a partner, and that their annual gross income is also \$45,000. How much money do the two of you now have left for non-home related expenses?