



Module 3

Session 7 M3SC7



Stretch Challenge: Mortgage Scenarios

Research the cost of houses/flats in your local area online.

For each scenario, consider the following:

- How much can you borrow? Multiply the salary given in the example by 4.5 and then add on the deposit
- How much would the monthly repayments be? Use a mortgage calculator on a bank's website
- What local facilities does the property have that you would use
- What travel costs would you have to include If you bought that house (Public transport or cost of petrol etc)

What could you buy if you were earning the average salary* of £27,756 a year and have a £20,000 deposit in savings?

What would your budget be for buying a property?	
Is it possible to buy a property in your local area with this amount of money?	
Monthly Repayments	
Local Facilities	
Travel Costs	

What could you buy if you were earning £45,000 a year with a £35,000 deposit in savings?

What would your budget be for buying a property?	
Is it possible to buy a property in your local area with this amount of money?	
Monthly Repayments	
Local Facilities	
Travel Costs	

What could you buy if you were married, both earning the average salary of £27,756 a year and with a combined £30,000 deposit in savings.

What would your budget be for buying a property?	
Is it possible to buy a property in your local area with this amount of money?	
Monthly Repayments	
Local Facilities	
Travel Costs	

* Office for National Statistics (ONS), released 26 October 2022, ONS website, statistical bulletin, Employee earnings in the UK: 2022. Median annual salary & by age: PROV – Age Group Table 6.7a – Annual pay - Gross 2022.xls



Name: