

LET'S DO BUSINESS

The West Brom Task – Hidden costs of purchasing your own home

Our purpose at the West Brom is to offer members a safe and good return on their savings and also to promote home ownership. Although many people know they need to save a deposit to buy their home, very few know the other associated costs in purchasing a house.

Task

- 1 Using the internet or by asking family members, research these associated costs of buying a home: stamp duty, solicitor fees, mortgage arrangement fees, valuation fees and removal and storage costs. Write a report on your findings.
- 2 Using the savings calculator on the West Brom website below, calculate how long it would take to save £10,000 for a deposit to buy a house using the following details:
 - Initial investment of £3000
 - Additional investment of £200 per month
 - Interest rate of 0.75%

<https://www.westbrom.co.uk/savings/savings-calculator>

- 3 Using the 'How much can I borrow?' mortgage calculator on the West Brom website below, calculate how much someone can borrow using the following information:
 - There is one applicant
 - The applicant has 0 adult dependants and 0 child dependants
 - The applicant's gross salary before tax is £30,000
 - The applicant's net salary payment after deductions is £1900
 - The applicant has a monthly loan outgoing of £150
 - The applicant has monthly expenditure of £200
 - The term of the mortgage is 25 years

<https://www.westbrom.co.uk/mortgages/how-much-can-i-borrow>

Outline response

A strong answer will:

- Explain clearly all of the associated costs for part 1 and summarise them in a Word document report. This part of the report should be around 500 words. The report will have separate sections and headings for different costs so it is clear and easy to follow
- The report will be checked for accuracy of spelling and grammar
- The report will include separate sections for your answer to parts 2 and 3