**You have just finished high school at Kwantlen Park and to celebrate you buy a 6/49 lottery ticket at the Circle K corner store. The grand prize is worth $2,000,000 !!**

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**Imagine, Daydream, if you were to win the $2 Million, think of all of the things you would want to do or buy with your money?**

- make a list below of all the things you would buy or want to do (activities like travel etc)
- You are allowed to do whatever you want with your money, its yours.

Turns out, you were the lucky person who avoided being crushed by a meteor (1 in 700,000), getting struck by lightning (1 in 1 million), or being bit by a shark (1 in 3.7 million).

And to top it all of you also won the lottery!! (1 in 13,983,816)

Q) What do you do now that you're a multi-millionaire?

A) You go and commit to buying and booking all of the things on your list of course!!

- Use the internet and quickly research the price/cost of the things on your list

| Thing or Activity | Cost of the thing or Activity |
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| **Total** |  |

<u>**Reflection:**</u>

**How much did you spend in total?**

**How much money do you have left?**

**Did you save any money for the future?**

**Did you consider the cost of ownership of the things you bought?**

# $1,996,000

2118 166 STREET
Surrey, British Columbia V3Z9X9
MLS® Number: R2776721

5 Bedrooms   4 Bathrooms



After winning the lottery, you decide to put an offer and a deposit on this beautiful house in Surrey. The deposit is non-refundable and is usually 5% of the purchase price.

To calculate any percentage, in this case the amount of deposit, there are 2 ways to do this:

Amount = Price x percentage        Price x $\frac{5}{100}$     or Price x 0.05

Calculate the amount of the deposit below:

Whenever you buy a house you also have to pay a tax called Property Transfer Tax. It is also a percentage of the price you pay

For this house, the percentage of tax you have to pay is 1.9%.

Use the method above to calculate the amount of Property Transfer tax, how much do you owe?

Check to see if your calculation is correct

https://forms2.gov.bc.ca/forms/content?id=EEE44ACAC0DB4212BB616D7BD233F2A6

Fill in the following information: A) 2,000,000 B) 100% C) Yes D) No

In addition to the Property Transfer Tax, you also have to pay Municipal Property taxes every year. For this particular house, you need to pay 0.2% of the house price.

Use the method above to calculate the amount of the Municipal Property Tax, how much do you owe?

Reflection:

1) Can you afford to buy this house? Explain your reasoning.

2) **What happens if you can't afford this house?**

3) **Why do you even need to pay Municipal Property taxes? What are these taxes used for? Use the link below to help**
[https://www2.gov.bc.ca/gov/content/taxes/property-taxes/annual-property-tax/municipality](https://www2.gov.bc.ca/gov/content/taxes/property-taxes/annual-property-tax/municipality)

Tax Free Saving Accounts (TFSA) - a tax free savings account is a savings account that allows you to earn interest without paying any taxes. Currently banks are paying an interest rate of 5% per year if you put your money in this account.

Use the method above to calculate the amount of the interest $ you can earn in 1 year if you had just put your $2,000,000 into a TFSA. (use 1.05 for the percentage)

What if you left your money in the bank account for 5 years total how much money would you have?