

Creating a worksheet to determine if you can afford a house involves calculating your income, expenses, and potential mortgage costs. Here's a simplified template:

#### INCOME:

Monthly salary/wages: \$ \_\_\_\_\_

Additional sources of income (e.g. rental income, side gigs): \$ \_\_\_\_\_

#### EXPENSES:

Savings and investments: \$ \_\_\_\_\_

Payments for existing debts: \$ \_\_\_\_\_

Monthly bills (utilities, insurance, etc.): \$ \_\_\_\_\_

Groceries and dining out: \$ \_\_\_\_\_

Transportation (fuel, public transit, maintenance): \$ \_\_\_\_\_

Health insurance and medical expenses: \$ \_\_\_\_\_

Entertainment and leisure activities: \$ \_\_\_\_\_

Other expenses (e.g. childcare): \$ \_\_\_\_\_

#### MORTGAGE COSTS (ESTIMATES):

Mortgage principal and interest: \$ \_\_\_\_\_

Property taxes (annual, divided by 12): \$ \_\_\_\_\_

Homeowners insurance (annual, divided by 12): \$ \_\_\_\_\_

Private Mortgage Insurance (if required): \$ \_\_\_\_\_

Homeowners Association (HOA) fees (if applicable): \$ \_\_\_\_\_

**Total Monthly Income:** \$ \_\_\_\_\_

**Total Monthly Expenses:** \$ \_\_\_\_\_

**Total Monthly Mortgage Costs:** \$ \_\_\_\_\_

**Remaining Income After Expenses:** \$ \_\_\_\_\_

To determine if you can afford the house, compare your remaining income after expenses to the total monthly mortgage costs. If the remaining income comfortably covers the mortgage costs, you may be able to afford the house. Remember to consider other financial goals and potential changes in income or expenses when making your decision. It's also crucial to consult with a financial advisor or mortgage professional for a more detailed assessment tailored to your situation.