

## 9.1: Introduction

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Be it ever so humble, the “biggest” purchase you ever make may be your home. Unlike most other consumer purchases, a home is expected to be more than a living space; it is also an asset that stores and generally increases value. The house has a dual financial role as both a nest and a nest egg.

There are substantial annual operating expenses for repairs and maintenance, insurance, and taxes. Maintenance preserves a home’s value, insurance protects that value, and taxes for community services both enhance and secure its value.

A home purchase is typically financed with debt that creates a significant monthly expense, the mortgage payment, in your budget. A mortgage is a long-term debt that obligates your cash flows for a long time, perhaps even reducing your choices of careers and your mobility.

Your choice of home reflects personal factors in your life. These factors include your personal tastes, your age and stage of life, your family size and circumstances, your health, and your career choices. These factors are reflected in your decision to own a home, as well as in the location, size, and use of your home.

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