

Name: \_\_\_\_\_

**Vocabulary Activity**

**Directions:** Use the word bank below to complete the following paragraphs.

**Word Bank:** depreciated, invest, asset, appreciated

A home is a(n) \_\_\_\_\_, because it has value for its owner. Suppose that your parents bought a home for \$100,000. Five years later, your house was worth \$125,000. The value of your home \_\_\_\_\_. Now, suppose that housing prices dropped, and your parents' house is worth only \$75,000. This means that your home has \_\_\_\_\_ in value.

When people \_\_\_\_\_ their money into buying houses, they hope these real estate assets will increase in value. During a speculative bubble in the housing market, housing prices are much higher than expected. Therefore, many homes are (undervalued/overvalued).