

## Teacher Version

### Vocabulary Activity

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

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

A home is an **asset**, 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 **appreciated**. Now, suppose that housing prices dropped, and your parents' house is worth only \$75,000. This means that your home has **depreciated** in value.

When people **invest** 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**).