The Personal Affordability Stress Test

The bank's maximum is not your budget. This worksheet finds *your* number — the one that leaves margin for the life you actually intend to live. Complete all four steps before house-hunting.

Step 1 · The real monthly cost of a candidate home

Candidate price: ____________________ Use a *Canadian* calculator (semi-annual compounding).

Estimated mortgage payment Principal & interest at a realistic rate	$ ____________
Property taxes Annual bill ÷ 12	$ ____________
Home insurance	$ ____________
Heat, water, and utilities Everything rent used to cover	$ ____________
Condo / strata fees If applicable — and remember special assessments	$ ____________
Maintenance fund Home value × 1% ÷ 12 — actually set aside	$ ____________
TOTAL REAL MONTHLY COST	**$** ____________

Step 2 · Against your actual life

Start from *last month's real spending*, not the budget you aspire to.

Household take-home pay (monthly)	$ ____________
Less: total real monthly cost (Step 1)	− $ ____________
= Remaining, which must cover everything below	**$** ____________

That remainder must cover, at minimum:

Retirement savings	$ ________	Other debt payments	$ ________
Food & household	$ ________	Childcare / kids	$ ________
Transportation	$ ________	The life you intend to live	$ ________

MARGIN LEFT OVER **$** ____________

If this is zero or negative, the price is wrong — not the lifestyle

Step 3 · The three shocks (each must be survivable, not enjoyable)

- [ ] **Rate shock** — renewal at 2% higher. New payment: ____________ Survives?
- [ ] **Income shock** — one earner loses their job for six months. Covered by income + emergency fund?
- [ ] **House shock** — a $10,000 repair year. Paid from ____________ without new debt?

Step 4 · The verdicts

Bank's maximum approval	$ ____________	Emergency fund at closing	$ ____________
OUR number (the sticky note)	$ ____________	= months of full carrying cost	_____ mo

GIVE THIS NUMBER TO YOUR REALTOR — IN WRITING

Our maximum purchase price is:

____

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