

Dollars & Sense: The \$121,500+ Guest Room

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I have a wife, two children, two dogs and the need for three bedrooms and two bathrooms. In March 2015, I purchased what I consider to be a modest 4 bedroom, 3.5 bath, 3,000 square foot house in a nice neighborhood with quality public schools. The fourth bedroom is largely unnecessary, but like many people we occasionally have visitors

and feel that it is nice to offer them a bedroom as opposed to a hotel. This is the story of how that fourth bedroom cost me over \$100,000, far more than it would cost to provide our visitors with a hotel room ... a REALLY NICE hotel room.

The Guest Room

The guest room and its accompanying full bathroom are approximately 600 square feet. The house sold for \$140/square foot, meaning that this extra room and bathroom cost me \$84,000. Where I live, you can get a decent hotel room for \$100/night. In other words, I could have purchased 840 nights in a hotel room for any guests we have and I don't think we'll ever have 840 guest-nights unless we stay in this house for a very, very, long time. In addition, we have a quite comfortable queen size Lazy Boy sleeper couch that could have substituted for the guest room.

Running total: \$84,000

The HVAC Incident

"The way they installed this, I don't even think I can fix it." That is not what I wanted my HVAC repair man to say, but that is what he said. The guest

room did not have its own HVAC zone and because it is above the garage and the insulation is not what it could be, the guest room is always too hot or too cold. And what's the point of a nice guestroom if it's not comfortable? After spending \$5,000, the guest room had its own wall mounted HVAC unit and zone.

Running total: \$89,000

The Exchange Student

Since we have an \$89,000 extra room with a bathroom and its own HVAC, we are hosting a Spanish exchange student during the upcoming school year. Hosting an exchange student will likely be a great experience for us all, as I assume it will expand our horizons and hopefully forge a lasting relationship with someone for us to visit in Spain.

I suspect this student, like most humans, will eat and drink and cost some money, so I'm adding that to the running total.

Running total: \$89,000 plus whatever a 16-year-old boy eats and drinks during a school year. Despite the fact that he is of driving age, he is not allowed to drive in the U.S. This, of course, led to...

The Manny Van

Sometime in August, I will have a wife, two kids, two dogs, and an exchange student. It is (was) going to be tough to get around and do the traveling we'd like to do in our Toyota Prius and Ford Fusion Hybrid. Having a 12, 15, and 16-year-old in the back seat, while technically feasible, was not going to be fun for anything other than the shortest of trips. Plus, we like to bring the dogs.

Enter the \$32,500 2015 Toyota Sienna minivan, which I like to call the "manny van" when I'm driving it. I can now haul all living beings for whom I am responsible in the manliest of vans.

Running total: \$121,500 plus whatever a 16-year-old boy eats and drinks in a school year

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The Moral of the Story

One of the classic financial mistakes that almost all physicians make (including me apparently) is that they spend too much money, buying too expensive a car and too large of a house. Sometimes something as simple as wanting a guest room can lead to unintended and expensive consequences. If we didn't have a guest room, I would probably have an extra \$100,000 and I wouldn't be driving a "manny van."

If you have ideas for future columns or have other resources you'd like to share, email me at jschofer@gmail.com.

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