

Financial Football – Week 8

Renting an Apartment

Renting your first apartment is an exciting prospect, but don't rush into a decision you might regret. Research your options carefully, and know your rights and responsibilities before making a commitment.

To locate an apartment to rent, look through the real estate section of the newspaper, search the internet, read community bulletin boards or use the services of a realtor. Keep in mind that **realtors** will charge you a fee for finding you an apartment, often half a month's rent or more. When looking at listings know the jargon. Here is a helpful sample and guide:

Jamaica Plain.

reno. snl fam. Ranch, 3 br, huge eik,
d&d, w/d, ac, hwf, pkg, yrd, wlk to T.
pet ok.
\$2,000 (888)-888-8888

- reno: renovated
- snl fam: single family
- ranch: ranch style home
- br: bedrooms
- eik: eat-in kitchen
- d&d: dishwasher and disposal
- w/d: washer and dryer
- ac: air conditioned
- hwf: hardwood floors
- pkg: parking
- wlk to T: walk to public transportation
- yrd: yard

Find several listings that seem attractive to you then make appointments with **landlords**, owners of the property, or their representatives to view the apartment.

Before renting make sure you know what you want in an apartment. To figure this out you should address the following questions as you tour prospective apartments:

- How many rooms does it have?
- What condition is it in?
- Are the door and window locks sturdy?
- Are there working smoke detectors?
- Are the walls soundproof?
- Does it have adequate closet space?
- Are there laundry facilities?
- What is the condition of the bathroom fixtures?
- Is parking available?

- Are pets allowed?
- Does the neighborhood appear safe?
- Is it convenient to where you work or attend school?
- Will you have access to public transportation?
- How close is the nearest grocery store?
- What are the terms of the lease?

When budgeting for an apartment it is a good rule of thumb to have one month's rent and utility payments equal to no more than one week's take-home pay. Estimate your utility bills by asking the landlord or previous tenant what the average monthly heating and electricity costs were for the apartment for the previous year.

Keep in mind that you will probably need a large supply of cash up front. Many landlords require in advance the first and last month's rent. Some also ask for a **security deposit**, a sum of money that you pay the landlord to ensure that you will leave the apartment in the same condition you found it in. The security deposit is usually equal to a full month's rent. After you give up the apartment the landlord will inspect it. If you have damaged the property, the landlord will use the money from your security deposit to make the repairs and will return any unused portion to you. If the apartment is undamaged, you will get your entire deposit, sometimes with interest.

Finding an apartment you like is half the battle. The other half is convincing the landlord that you'll be a responsible tenant. Remember that you may be competing with other prospective tenants for the apartment.

You will be asked to fill out a rental application. Most applications ask you details such as:

- the names and phone numbers of your current and previous landlords
- your social security number
- your employer, job position and income
- your bank name, address and account numbers
- personal references

The landlord may also perform a credit check on you – another good reason to maintain a good credit history.

If this is your first apartment rental, you'll have to rely on your personal references, rather than previous landlords, to vouch for your character. Ask responsible adults who know you well, such as a teacher, coach, employer or clergy member to provide you with written references.

Once you have been approved to take the apartment, you will be required to sign a **lease**, a rental agreement between landlord and tenant. Most leases require a one-year commitment and monthly rent payments. The lease also spells out rules such as whether pets are allowed or whether a fee will be charged if a rent payment is late. Some landlords will let you rent month to month without a set end date other than the amount of notice previously agreed upon.

Read any lease or rental carefully, and make sure you understand it before you sign it. Discuss the terms with your landlord, along with any changes you would like to

make. Bear in mind that what you are signing is a **contract**, a binding legal agreement. Both you and your landlord are required to live up to its obligations.

Know your tenant rights. While a landlord has the right to ask for references and perform a credit check, it is against the law to discriminate against a potential tenant on the basis of race, color, national origin, religion, sex, familial status, or handicap. Contact your state's office of Housing and Urban Development for more information.

Landlords are required to provide a dwelling that is structurally safe and sanitary and has heat, water and electricity. Your landlord has the right to enter your apartment only to make repairs or to show it to a prospective tenant, and sometimes he must give notice before doing so.

Rental laws vary in different locations. For example, in rent-controlled neighborhoods, landlords are limited in the amount of rent they can charge. Check with your local housing or consumer affairs office for information.

At the same time, tenants have responsibilities. As a tenant, you must pay your rent on time, keep you apartment clean and undamaged, follow the terms of your lease or rental agreement, and be considerate of your neighbors.

The last thing to consider when renting an apartment is whether or not to get renter's insurance. Renter's insurance is a type of homeowner's policy. It protects your belongings against destruction from fire, wind, lightning, explosions and theft. It can cover you liability if someone is injured in your home. Most policies do not protect you against flood damage; you need to purchase a separate flood insurance policy for that kind of coverage. You might need to keep receipts and other records of major household items to have them covered.

Happy House Hunting!

