



**MEMBERS 1<sup>st</sup>**  
FEDERAL CREDIT UNION

**LIVING ON YOUR OWN**  
**The Cost of Renting an Apartment**

# ADVANTAGES OF RENTING



Limited expenses spent on maintenance.



No outside maintenance.



Variety of amenities.



Flexibility with lifestyle changes (job changes, moving, etc.)



Leases are temporary.



# DISADVANTAGES OF RENTING

- Lack of control over property.
- Must rely on owner/manager for all repairs.
- Potential restrictions on decorating/painting walls.
- Lack of privacy. (Landlord may be able to enter when necessary).

# FIXED VS. VARIABLE EXPENSES

## Fixed Expenses

**Fixed expenses** cost the same amount each month. These bills cannot easily be changed and are paid on a regular basis

**Example:** rent, car payment, taxes, insurance.

## Variable Expenses

**Variable expenses** represent those changing costs because the amount that you spend differs from month-to-month.

**Example:** daily spending decisions like eating at a restaurant, buying clothes or buying a cup of coffee.



# WHAT IS A SECURITY DEPOSIT?

- A security deposit represents money the landlord can use for cleaning fees or repairs to the apartment when you move out.
- The amount of the security deposit should be stated in the lease, along with any possible deductions subtracted and how the balance will be returned to you.

**SECURITY DEPOSIT**

# SHOULD I LIVE WITH A ROOMMATE?



**You'll pay more for rent if you live alone.**

You may be able to afford a better location if you live with a roommate



**You'll pay more for utilities if you live alone.**

Splitting your cable, internet and electricity bills with a roommate is much more cost effective



**You have to furnish the home yourself.**



**You have more control over your bills if you live alone.**

Roommates that don't turn off the lights, use too much water, etc. can be costly



**You don't have to worry about ill-mannered roommates if you live alone.**

Choose your roommate carefully!



# LONG TERM GOALS VS. SHORT TERM GOALS

## LONG TERM GOALS

- Buy a car
- Buy a home
- Pay for your children's college education
- Save enough for a secure retirement

## SHORT TERM GOALS

- Purchase a new coffee maker
- Save for a new bedroom suite
- Pay for a family vacation
- Save up for security deposit on apartment



# WHAT IS A LEASE?

- A lease is a legally binding contract, laying out the rules agreed upon between the landlord or property owner and you, the tenant.
- It can be from one to many pages, but in general, a lease defines exactly how long you'll be renting the apartment and exactly how much money you'll pay in rent each month (and on what day).





# THE COSTS OF MOVING

## MOVING IN COSTS

- Rent for first month
- Rent for last month
- Cleaning deposit
- Security deposit
- Utilities deposit
- Insurance

## MOVING COSTS

- Renting a truck
- Hiring movers
- Packing supplies
- Delivery costs

# PREPARING A BUDGET



**When preparing your budget, keep in mind:**

- Your personal and financial goals
- Your income
- Your lifestyle (saver or spender?)
- Your fixed expenses
- Your flexible expenses
- Moving costs
- The cost of setting up house or apartment

# PREPARING A BUDGET



## Budgeting Resources:

### Budget Sheets:

- Google, Excel, Pinterest, etc.
- Find a budget sheet that fits your lifestyle, or create your own!

### Budget Apps:

- Mint
- Every Dollar
- You Need a Budget
- Test out various budget apps to see what you like best!

# ESSENTIAL PARTS OF A LEASE

- **Landlord information.** The lease should specifically identify the landlord and how to contact them.
- **Tenant names.** Include the names of ALL roommates on the lease.
- **Apartment address.** Your lease should include the exact street address of the home you agree to rent.
- **Rent.** The lease should indicate the exact amount of rent and how often it is paid.
- **Additional fees.** Landlords may charge additional fees for certain services, such as replacing a key, allowing pets, carports, and so forth.
- **Services paid by the landlord.** If the landlord is paying for water or any other utilities, be sure it is clearly stated in the lease.



# ESSENTIAL PARTS OF A LEASE

- **Security deposit.** Money the landlord can use for cleaning/repairs to the apartment when you move out.
- **Lease start date and end date.** The start date is the day you assume responsibility for the apartment. The end date is the day you need to vacate the premises or sign a new lease.
- **Landlord's right of entry.** This section of your lease will explain the conditions under which a landlord may legally enter your apartment.
- **Everyone's signatures.** Everyone named in the lease must sign the lease for it to be legally binding.



# RIGHTS & RESPONSIBILITIES OF A **TENANT**

## **Tenant's rights**

- Withholding rent if the landlord doesn't make repairs in a reasonable amount of time.
- No changes in terms and conditions for the length of the lease.

## **Tenant's responsibilities:**

- Paying rent on time.
- Paying for any damage to the walls, floors, and furniture.
- Giving landlord a new set of keys if you change the locks.
- Paying all of rent if roommates move out and you stay.



# RIGHTS & RESPONSIBILITIES OF A **LANDLORD**

## **Landlord's rights**

- Charging extra if rent is late.
- Keeping part or all of the security deposit if you leave before the lease is up
- Keeping all or part of security deposit if you damage walls, floors, or fixtures, or if you make alterations that have to be fixed after you move out.

## **Landlord's responsibilities**

- Making repairs in a reasonable amount of time.
- Keeping premises safe and sanitary.
- Entering premises only at agreed-upon time to make repairs
- Collecting rent.
- Maintaining exterior grounds of building.