

# 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  | Variable Expenses   |
|---|---|
| <b>Fixed expenses</b> cost the same amount each month. These bills cannot easily be changed and are paid on a regular basis | Variable expenses represent those changing costs because the amount that you spend differs from month-to-month. |
| Example: rent, car payment, taxes, insurance.   | <b>Example:</b> 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.





# 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**

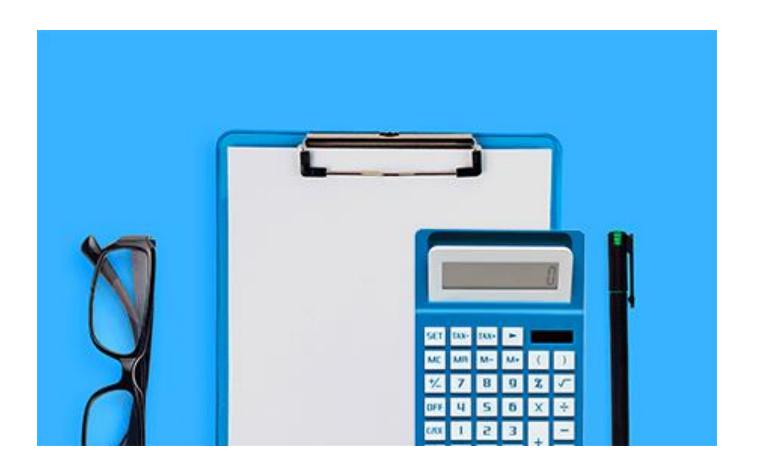
- Rent for first month
- Rent for last month
- Cleaning deposit
- Security deposit
- Utilities deposit
- Insurance

#### **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.

