

Chapter

21

Renting a Residence

21.1 Housing Choices

21.2 The Renting Process

GOALS

- List and describe several rental housing alternatives.
- Discuss potential living arrangements.
- Explain how to plan a successful move into a rental property.
- List the advantages and disadvantages of renting a place to live.
- Describe the elements of the rental application, rental inventory, and lease

Housing Alternatives

- There comes a time when everyone has to make a choice about where to live.
- You may choose to get a job, live at home with your parents, and move out later.
- You may decide to commute to college or live on campus.
- You may choose to work and move away from your parents' home.

A **dormitory** is an on-campus building that contains many small rooms that are rented out to students.



A **studio apartment**, has one large room that serves as the kitchen, living room, and bedroom.



An **apartment**, has a separate kitchen, living room, and bedroom.



Where to Live

- The decision of where to live will depend largely on finances.
- Other things to consider include:
 - Deposits and fees
 - A **security deposit** is a refundable amount paid in advance to protect the owner against damage or nonpayment.
 - Length of time you plan to stay
 - Distance from work or school
 - Distance from entertainment
 - Repairs and maintenance

Renting a Place to Live

- Most people begin their independent lives as renters.
- **Renting** is the process of using another person's property for a fee.
- A **landlord** is the owner, or owner's representative, of rental property.
- A person who rents property is called a **tenant** or renter.

Advantages of Renting

- Mobility
- Convenience
- Minimal responsibilities
- Social life
- Lower cost

Disadvantages of Renting

- Noise
- Lack of privacy
- Small living space
- Lack of storage space
- Scarcity of parking

Rental or Lease Contracts

- When you rent or lease a place to live, you will have to fill out a rental application.
- The landlord will verify your income, previous rental experience, credit rating, and so on.
- The landlord does this to assure that you are not a risk.

Rental or Lease Agreements

- A **rental agreement** is a written agreement that allows you to leave anytime as long as you give the required notice (**usually a month**)
 - The landlord can raise the rent anytime or ask you to leave anytime.
- A **lease** is a written agreement that allows you to use the property for a set period of time.
- You may sign a lease for six months, a year, or longer.
 - During this time, rent remains constant.
 - If you decide to move before the lease expires, you are still responsible for the remaining rent.

Furnished or Unfurnished

- Rental housing can come furnished or unfurnished.
 - A **furnished rental** means that the basics are provided—bed, dresser, sofa, chairs, lamps, dining table and chairs, and essential appliances.
 - An **unfurnished rental** may or may not include basic kitchen appliances such as a stove and refrigerator.

Furniture and Household Items

You can buy or rent furniture.

- Compare purchase and rental payments carefully before you make a decision.
 - New Furniture (**expensive**)
 - Used Furniture (**cheap but who used it?**)
 - **Rent-to-own**, you rent furniture with an option to buy.
- You will also need basic household and personal items.

Moving Costs

- Moving costs include the time and money spent in packing, loading, transporting, unloading, and unpacking.
 - You can save money by:
 - Doing your own packing
 - Renting a truck or trailer and using your own labor for loading, driving, and unloading
- Professional movers charge according to the distance traveled, and whether or not they do the packing. (**could be several hundred dollars**)

Connections and Installations

- When you move into a new residence, you may have to pay some installation charges,
 - telephone, Internet, cable services, water, gas and electricity.
- You may be able to save money if you can bundle these services.
 - **Bundling** is combining services into one package. (**Comcast triple play**)

Shared Living Arrangements

- To share expenses, you may wish to have a roommate.
- Be sure you are compatible with your potential roommate before you move in together.
- Discuss possible areas of disagreement that may cause trouble if not settled in advance. (**loud music, bills, guests...**)

Roommate Financial Decisions

- Roommate budgeting allows for the careful allocation of expenses, so that each person pays his or her share.
- The budget should be prepared and put into writing following a good discussion.
- It's important for each person to understand and agree to his or her responsibilities. (cleaning, garbage, noise, guests, bills, etc....)

Rental Inventory

- The **rental inventory** is a detailed list of current property conditions.
 - Carpet
 - Stove
 - Fridge
 - Dishwasher
 - Garbage disposal
 - Walls