

SECURING A LIVING SPACE

FAMILY ECONOMICS & FINANCIAL EDUCATION

There are many housing options to choose from, starting with the decision to rent or buy. Once the decision to rent has been made and the actual living space has been located, one is ready to secure the living space.



Renting

Rent is payment made in exchange for occupying another's land or property. Payments can be made to either a **landlord**, the person who owns the rental unit, or a property manager. A **property manager** is a person who works for the owner in regards to finding and screening tenants, collecting rent, maintaining and securing the property, and responding to tenants' needs and complaints.



Leases include a variety of information. Some information found on a lease can include:

- ✦ Names of the landlord and the tenant
- ✦ Length of time of the rental
- ✦ When rent is due
- ✦ Late charges for overdue rent
- ✦ Rules and regulations
- ✦ Specifications for terminating the lease
- ✦ Security deposit amount
- ✦ Terms of subleasing

A **security deposit** is a one time fee that is paid in advance of moving into a living space to cover the cost of repairs or damages to the space that are beyond normal wear and tear. **Subleasing** is when a tenant rents out their living space to another person for part of the lease time.

Types of Rental Agreements

Rental agreements can come in a variety of forms.

Lease agreement:

This is a written contract specifying the legal responsibilities of both the tenant and landlord. A **tenant**, or the renter, is the one who rents the property. Leases have legal terms which can be very difficult to read and understand. Remember that it is important to understand everything on the lease and not to sign it until everything is understood.

No-lease agreement:

This is a month to month agreement. These agreements are not in writing. They offer flexibility but are

risky in terms of rent increases and the possibility of being asked to move out at any time.

Written Agreement:

This agreement is usually in a short written format which is less formal and easier to understand than a lease. It allows individuals to rent month to month and changes may be made by the renter.

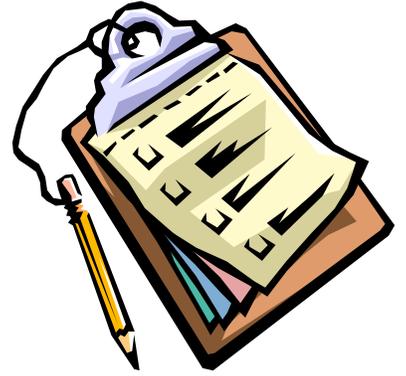
Oral agreement:

This is a verbalized agreement by the renter and landlord/property manager. They are risky because they are not put in writing and no evidence of the terms agreed upon.

Inspecting a Living Space

Once a person has found a living space that meets their needs and budget, they should inspect the space. A living space inspection list can simplify this process. The inspection list should also address specific question about the living space. The following are examples of items that could be on an inspection list:

- ✦ What appliances or facilities are there and do they work? (Do the burners on the range work and does the toilet flush properly?)
- ✦ Are there safety features in the living space? (Fire alarm, smoke detector, safety features like dead bolts)
- ✦ Is there sufficient space for furniture, belongings, and adequate closet space?
- ✦ Are there enough electrical outlets for appliances and electronics?
- ✦ What type of heat is present and who is responsible for paying it?
- ✦ Are pets allowed?
- ✦ Where is the trash to be put and when is it collected?
- ✦ What other services are included in the living space?



Information provided on an application form should be truthful and factual. Giving false information is punishable by law.

Application Process

After a person has walked through the actual living space or viewed it online through a virtual tour and determined that it is safe, habitable and has passed their inspection list, they should obtain and complete an application if they wish to rent the space. An **application form** is a document used by landlords and property managers to determine if a person's credit history, financial stability, references, and other factors make them a worthy candidate for the rental unit. Information provided on this form should be truthful and factual. Giving false information is punishable by law and would not benefit the individual trying to secure a living space.

Before returning the application form to the landlord or property manager, a person should ask some questions to protect themselves. These include, but are not limited to:

- ✦ What is the policy regarding application fees? (Is there an application fee and if so, how much is it and will it be returned if the application is denied?)
- ✦ If your application form is accepted, are you required to rent the space?
- ✦ How long do you have to wait to be notified of the application acceptance?
- ✦ What is the policy regarding security deposits? (Will the security deposit be returned if the unit is left in a similar condition prior to move-in?)



SECURITY DEPOSITS



A **security deposit**, as already mentioned, is money paid in advance to moving into a living space to the landlord or the property manager to be used for repairs or damage done to the space beyond the normal wear and tear expected. The amount of money is sometimes equal to the first and last month rent of the living space. Payment of the security deposit is typically required upon signing the rental agreement. Before signing the rental agreement, be sure to know the terms regarding the security deposit. It is important to find out if the security deposit is refundable or not. These terms should be in writing and the renter should have a copy on file. It is also important to request receipts from the landlord or property manager showing that the security deposit has been paid as well as rental payments and to file these in a safe place as proof of payment.

Damage List

It is important to thoroughly examine the space to be rented with the landlord or property manager and in writing, compile a list all of existing damage. This list may include these items:

- ✦ Dents or marks on walls
- ✦ Holes in window screens
- ✦ Carpet stains
- ✦ Damaged or loose doors
- ✦ Appliance nicks and scratches

The renter and landlord should sign the damage list and each keep a copy. After moving out, the list should be used by both to determine if any further damage, beyond normal wear and tear, has occurred.

The amount of a security deposit is sometimes equal to the first and last month rent of the living space.

In the event that a person has followed all precautions and no damage has occurred to the space and their security deposit is not returned (and the lease states that the security deposit will be returned under such conditions), there are some steps that the tenant can take to try and obtain the security deposit. These steps include:

- ✦ Sending a certified letter to the landlord or property manager stating the desire to have the security deposit returned.
- ✦ Sending copies of all the previously mentioned documents (rental agreement, a copy of the security deposit receipt, list of previously existing damage, and pictures if available)
- ✦ In some cases, take the individual/landlord to small claims court

Remember, having everything in writing is the best way to ensure that your security deposit is returned.