

§13-1

The Hunt for an Apartment:
How much can you afford in Rent?

Goals:

- Consider the advantages of renting
- Recognize what is involved in having a roommate
- Identify different types of rental housing
- Find the cost of renting as a percentage of income

Apartment listing abbreviations

LR = ??

K = ??

Ht/wtr = ??

Fully crpt = ??

Hdwd flrs = ??

Bdrms = ??

Definitions

- **Rent**-money paid to a landlord, usually by month for the use of an apartment or house
- **Utilities**-heat, water, electricity, natural gas, etc. Usually paid monthly for the services

Factors to consider when deciding to rent

- Advantages over buying a house
 - Knowing exactly how much you must spend each month
 - Not being tied down to one location
 - Not being responsible for maintenance
 - Getting to know the community before making a long term commitment
 - Monthly expenses are less than buying

Things to consider before taking on a roommate

- Living Habits
- Independence or companionship
- Sharing expenses
- Overnight guests
- Ending the arrangement

Housing Alternatives

- Living with Parents
- Single Rooms
- Dormitory
- Apartments

How to choose an Apartment

- Location
- # of Bedrooms
- # of bathrooms
- utilities?
- Laundry
- Storage
- Pets
- Size
- Neighbors

How much to spend on rent?

- No more than one week's gross income
- Bob estimates his yearly income from his lawn care business to be \$26,500 per year. How much can he afford for rent each month?

Additional costs of living in an apartment

- Broker
- Security deposit
- When Bob moves into his new apartment for \$425 per month, he must pay the broker 8% of one year's rent. IN addition he must pay a security deposit equal to two months rent. He must also pay the first month's rent at the time of signing. How much must Bob bring to the closing (outlay)?

Assignment

- TYS
- Page 590
- #1-7