

Lesson 2: Renting an Apartment

Part 1

Student Guide Pages: 152-154

Lesson Objectives: By the end of this lesson, your students should be able to:

- list four ways to save money on an apartment rental

Lesson Summary:

You will never get any of your rent dollars back, so while you should be happy with where you live, it's important to get a good deal.

Here's how:

- ✎ **Negotiate.** Use the Negotiation Checklist and Great Things to Say in a Negotiation from Unit 4, Lesson 2. Remember, to get a better deal, sometimes all you need to do is ask.
- **Take on roommates.** The more roommates you have, the lower the cost will be per room, and you'll also save on utilities and other bills. Cable TV, for instance, is the same price for all, whether one person or ten are using it in the household.

- **Remember chain-reaction shopping expenses.** Rent is not the only expense. How much does it cost to heat the place and keep the lights on? Do you have to pay for parking or laundry? Will you need new furniture?
- **Live at home as long as you can.** This is not ideal for everyone, but it's a powerful way to save.

Review Questions:

- Is rent an asset or liability?

Answer: It is definitely a liability, because there is no profit or gain in it. Therefore, find the cheapest place you feel safe in. If you want a nicer place, get roommates to split the financial burden.

Homework Assignment:

Tell each student the average starting salary of a graduate of your school, then instruct them to find an apartment in the area that supports that salary, including estimated utilities and other expenses. They should write one or two paragraphs explaining how they can cover those costs. They might have to live at home for three months first, and they might have to take on roommates or skip cable.

Class Activity:

As a class or in small groups, students should discuss their rental experiences, both with the landlord and roommates. Discuss as a class what worked and what didn't during the process and what they could have done differently. Even students who still live at home can join the discussion. What do they like and not like about living at home? Do they share a room with a brother or sister? How do they deal with conflict? Answering these questions can prevent future fiascos.

Additional Information:

A standard lease for your state should be available from the Real Estate Commission. If not, ask your local board of realtors or local real estate agent for help.

www.craigslist.org: This is a great place to find apartments, roommates, and even furniture.

www.realtor.org: This is the official website of the National Association of Realtors, the professional association of real estate agents. They also have local chapters in every state.

Fun Facts:

In 1759, Arthur Guinness, signed a 9,000-year lease to rent space at the St. James Gate Brewery to make his beer. Today, the lease is no longer valid, as Guinness bought the property outright many years ago.

Notes: _____

Apartment Rental Checklist

Monthly Rent _____
Realtor Fee _____
Average Electric Bill _____
Average Gas Bill _____
Average Water Bill _____
Washer/Dryer Fee _____
Parking Space Fee _____

What to do when looking at an apartment:

- _____ Turn on faucets.
- _____ Flush toilet, and if a bubble of air pops up, that means the toilet has been improperly vented.
- _____ Turn on the stove and make sure it works.
- _____ Turn on all lights.
- _____ Look in the closets for water damage, as landlords often forget to hide it or paint over it there.
- _____ Check the basement.
- _____ Determine which way the apartment windows face. Maybe you prefer a sunset view.
- _____ How far is it from the subway or bus stop, stores, your job or school, etc.?
- _____ Ask the current tenants why they're moving out.
- _____ Talk to neighbors if you can.

What to look for in the lease:

- Who pays for utilities? _____
- How long must they notify you (or you them) about renewing? _____
- Can they increase the rent to any amount next year? _____
- Are there any special items not allowed in the apartment, like pets, waterbeds, aquariums, etc.? _____
- Can you *sublet*, rent out your unit to someone *before* your lease is up, in the event you move? _____
- How much is the security deposit? _____