

# RENTER INFORMATION KIT



## Where to Begin

Looking for an apartment? It can be both exciting - and frustrating! But if you approach the whole process systematically and if you know your rights, apartment hunting doesn't have to be a hassle. Read through this Renter's Kit before you begin. And happy hunting!

## Before You Start Looking

1. **Know your rights and responsibilities:** Federal law prohibits housing discrimination based on your race, color, national origin, religion, sex, family status, or disability. If you have been trying to rent a home or apartment and you believe your rights have been violated, you can file a fair housing complaint. When you live in an apartment, you have both rights and responsibilities. Be sure you know what's expected of you - and what you can expect in return. You can call toll-free to file a discrimination complaint at 1-800-669-9777.
2. **Figure out how much you can afford:** Some experts recommend that you budget 25-30% of your income on housing. Below is a section entitled "Budgeting for Your First Apartment" that provides information about budgeting for your rent.
3. **Figure out what you need:** It's a good idea to think through what you need in an apartment BEFORE you begin shopping. How many bedrooms do you need? Do you need to be close to schools? Do you need any special accommodations due to a disability? Do you need parking? Make a list before you begin...that will help you narrow down your search.

## Rental Housing Options



Basically, there are three options when looking for rental housing.

1. **Private Rentals:** These are apartments rented by a private landlord and leased at any rent the owner chooses. These apartments are usually advertised in the classified section of the newspaper, by word of mouth, or with "For Rent" signs on the property.
2. **Assisted Rentals:** These are apartments rented with some form of rental assistance or reduced rent. Usually these apartments are in a complex, have an application waiting list and require you to sign a one-year lease. The rent is based on the applicant's income or set at a generally affordable rental rate. These are commonly known as subsidized housing, assisted housing and public housing. Many of these buildings have units specifically designed to be wheelchair accessible. For a list of assisted housing, contact The Housing and Urban Development office in your area.

**Rental Assistance:** Local housing agencies provide rental assistance to the landlord on the tenant's behalf. The tenant selects a privately owned apartment, it is inspected by the housing agency, then the agency sends a check directly to the owner for the difference between what the tenant can afford to pay and the full rent. This is often called Section 8, housing certificates or housing vouchers. This assistance moves along with the tenant if the new apartment meets the program requirements. The waiting lists for these programs are very long. Applicants often have to wait years before they will be offered assistance.

## Budgeting For Your First Apartment

Are you thinking about moving into your first apartment? Are you worried you won't have enough money? Try setting up a budget that will help you save money and establish good spending habits before you get out completely on your own. The following guidelines are suggested to help you create a reasonable balance of expenses:

Generally you should spend:

- 25 to 30% ON HOUSING
- 8 to 15% ON FOOD
- 5 to 7% ON HEALTH CARE
- 7 to 9% ON INSURANCE/PENSIONS
- 6 to 8% ON CLOTHING
- 5 to 9% ON ENTERTAINMENT
- 6 to 10% FOR GENERAL SAVINGS



Of course, these percentages will vary depending on your individual needs, but this is a general guideline. Start saving 25 - 30% of your income for rent while you're still living at home. You'll want to have about three month's rent saved in your account before you move in so that you can pay the security deposit and first month's rent, and then have some left over so that if for some reason you go over budget one month, you won't have to worry about making any payments.

Once you've moved in, you should continue to follow the budget. If you feel you need to save even more money, there are other ways to cut back. Consider spending less on food, transportation, and entertainment. This doesn't mean you have to starve, but there are easy ways to save money. The average American spends about 5% of their income on eating out. One easy way to save money is by packing lunch for work or school rather than stopping at a local cafe. You'd be surprised how much of a difference this could make. If you decrease the amount allowed for entertainment, clothing and other unnecessary expenditures, you could save even more. There are countless options to help you save for that new apartment.

First-time apartment renters share one thing in common: surprise at just how many hidden expenses they encounter. Hiring movers and paying your first month's rent only represent two small pieces of what can be a rather expensive pie. Here's a brief run-down of some of those hidden expenses -- and pre-move procedures -- of which many renters either aren't aware, or that they overlook in the excitement and bustle of moving:

**Application fees.** Some landlords and apartment complexes will require an application fee. Sometimes the fee may not be refunded. Some will be applied to the first month's rent or other fees. Check carefully before you agree to pay anything up front.

**Security deposits.** Security deposits range from \$100 to a full month's rent; the average deposit is approximately \$250. Some apartments require separate deposits for roommates.

**Credit check.** Credit application fees are generally \$10 to \$35. Sometimes these are part of the application fee.

**Rental history.** Any previous rental history will be verified. Additionally, some are also conducting criminal background checks.

**Leases.** Most apartments require a written lease. Most leases are written for 12 months. Shorter lease terms and month-to-month options often are available at higher rental rates.

**Utilities.** Your rent will often include sewer, water, trash, and pest control. The tenant almost always pays gas, electricity, telephone and cable TV costs separately.

**Pet deposits.** Although many apartment complexes allow pets, many require a deposit. Pet deposits can be stiff, and tenants are charged per pet. Deposits range anywhere from \$100 to \$300 per pet, and either all or a portion is nonrefundable. Some complexes charge additional rent for pets -- on top of the security deposit. Pet size is commonly restricted to 20 pounds and 12 inches in height, although some complexes do allow larger pets. There are also exceptions for pets required for persons with disabilities.

**Renter's Insurance.** It is strongly recommended that you purchase renters' insurance to cover your valuables. Your landlord's insurance policy will not cover your losses. Renters' insurance typically costs \$350 a year for a \$50,000 policy that covers loss due to theft or damage caused by other people or natural disasters. It also covers lawsuits by someone who claims to have been injured in your apartment due to your carelessness.

## Five Tips Every Tenant Should Know

1. The best way to win over a prospective landlord is to be prepared. Bringing the following information when you meet prospective landlords will give you a competitive edge over other applicants: a completed rental application, written references from landlords, income and benefit information, etc.
2. Carefully review all the important conditions of the tenancy before you sign on the dotted line. Your lease or rental agreement may contain a provision that you find unacceptable -- for example, restrictions on guests, pets, design alterations or running a home business.
3. Keep communication open with your landlord. If there's a problem -- for example, if the landlord is slow to make repairs -- talk it over to see if the issue can be resolved short of a nasty legal battle.
4. Keep a file that contains the signed lease, tenant or house rules, and rent receipts for future reference. Try to put everything in writing when notifying the landlord of any problems with the apartment or move-out notice. You should request the landlord provide all notifications in writing also. This will help prevent misunderstandings.
5. Make sure the security deposit refund procedures are spelled out in your lease or rental agreement. To protect you and avoid any misunderstandings, make sure your lease or rental agreement is clear on the use and refund of security deposits, including allowable deductions.

