

Lesson 4: Living on Your Own

Costs of Living on Your Own:

1. Typical Fixed Monthly Expenses:

- Rent
- Car payment
- Car insurance

2. Typical Flexible Monthly Expenses:

- Food
- Utilities (water, heat, electricity)
- Transportation (gas, oil, bus fare, etc.)
- Clothing
- Entertainment
- Personal items

Moving-In Costs Can Include:

- Rent for first month
- Rent for last month
- Cleaning deposit
- Security deposit
- Utilities deposit
- Telephone deposit
- Renting a truck
- Hiring movers

Roommates?

1. Pros and Cons
 2. Issues to consider:
 - Lifestyles
 - How to split expenses
 - How to divide chores
 - House rules
 - Legal obligations if someone moves out
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When Preparing Your Budget, Keep In Mind:

- Your personal and financial goals → short-term, medium-term, long-term
- Your income
- Your lifestyle
- Your fixed expenses
- Your flexible expenses
- Moving costs
- Moving-in costs
- The cost of setting up house

Rule Of Thumb:

You should spend no more than 40% of your net income on rent or mortgage payments.

$$\$600 \times .40 = \$240$$

Landlord/Tenant Vocabulary

ASSIGNMENT OF A LEASE → legally turning your rights in
a lease over to another

CLEANING DEPOSIT → advance deposit for cleaning
anything above and beyond normal wear and tear.

CONSTRUCTIVE EVICTION → landlord fails to provide
conditions that are normal and necessary for
habitation. This gives the tenant the right to move
without breaking the lease.

EVICTION → tenant is removed from the rental property for a
violation of the lease

LANDLORD → the person who owns the property and turns
over property rights to the tenant.

LEASE → contract for the rental of real property

PERIODIC TENANCY → rental agreement (lease) for a specific amount of time.

RENT → something of value, usually money, for the right to use the property. This is an exclusive right that cannot be interrupted unless the lease is violated.

SECURITY DEPOSIT → an amount that must be paid (usually at least the last month's rent) to insure that the landlord will get their payment.

SUBLETTING → turning over your rights to rental property to another person for payment but remaining responsible for the property and the rent.

TENANCY FOR YEARS → lease is for one year at a time.

TENANCY FROM MONTH TO MONTH → lease is for one month at a time.

TENANT → person who rents the property and gets property rights for a length of time

UTILITIES → electricity, water, gas, telephone

WARRANTY OF HABITABILITY → guarantee that the property is suitable for human habitation.

FIXTURES → items attached to property that would damage the property if you take them with you. Cannot be removed from rental property without the permission of the property owner.

WAIVER OF RIGHTS → voluntarily giving up your rights
(waived rights)

HOLDOVER → someone staying in rental property beyond the length of their lease and a new lease begins automatically.

COVENANT → legal agreement

DEFAULT → not carrying out the terms of an agreement as agreed

JOINTLY AND SEVERALLY → responsible as a group and as an individual

Lease

1. Parties/Premises:

This Lease is made this 5th of January, 2002, by and between William Lloyd (herein referred to as “Landlord”) and Susan Williams (herein referred to as “Tenant”). Landlord hereby leases to Tenant certain real property situated in the City of Syracuse, State of New York, commonly known as 458 Chestnut Street and described as Two Bedroom Apartment (hereinafter called the “Premises”).

2. Term:

The term of this Lease shall be for one year commencing on February 1, 2002, and ending on February 1, 2003.

3. Rent:

Tenant shall pay to Landlord as rent for the Premises the sum of \$750.00 dollars per month, on the first day of each month. Rent shall be payable without notice or demand at the address as the Landlord may designate to Tenant in writing.

4. Utilities:

Tenant shall make all arrangements and pay for all gas, heat, light, power, telephone, and other utility services supplied to the Premises and for all connection charges.

5. Hold Harmless:

Tenant shall hold Landlord harmless from any and all claims arising from Tenant's use of the Premises. Except for Landlord's willful or grossly negligent conduct, Tenant assumes all risk of damage to property or injury to persons in or about the Premises.

6. Default:

If Tenant shall default and breach any covenant or provision of the Lease, then the Landlord, after giving the proper notice required by law, may re-enter the Premises and remove any property and any and all persons therefrom. The undersigned Resident(s) whether or not in actual possession of the premises, are jointly and severally liable for all obligations under this rental agreement.

7. Holding Over:

If Tenant, with the Landlord's consent, remains in possession of the Premises after expiration of this Lease, such possession shall be a tenancy from month-to-month at a rental in the amount of the last month's rent. Tenant must notify Landlord in writing at least thirty days prior to evacuating the Premises. All other provisions remain the same.

8. Waivers:

No waiver by Landlord of any provision hereof shall be deemed a waiver of any other provision hereof.

Landlord By:

William Lloyd

Signature

Tenant By:

Susan Williams

Signature

Tenant's Rights:

- Withholding rent if the landlord doesn't make repairs in a reasonable amount of time.
- Safe and sanitary premises.
- No changes in terms and conditions for the length of the lease.

Tenant's Responsibilities:

- Paying rent on time.
- Using the rental for the purpose stated in the lease.
- Taking reasonable care of the property.
- Notifying the landlord if any major repairs are needed.
- Giving notice if leaving at the end of the lease.
- Giving notice if leaving before the lease is up and paying rent for the balance of the lease if the landlord can't find new tenants.
- Paying for any damage to the walls, floors, and furniture.
- Not making alterations that the landlord must fix later.
- Giving landlord a new set of keys if you change the locks.
- Paying all of rent if roommates move out and you stay.

Landlord's Rights:

- Charging extra if rent is late (amount specified in lease agreement).

- Keeping part or all of the security deposit if you leave before the lease is up (as specified in the lease).
- Charging rent through the length of the lease even if you aren't living on the premises.
- Keeping all or part of security deposit if you damage walls, floors, or fixtures, or if you make alterations that have to be fixed after you move out.
- Keeping all or part of the cleaning deposit if you don't leave the premises clean when you move out.

Landlord's Responsibilities:

- Making repairs in a reasonable amount of time.
- Keeping premises safe and sanitary.
- Entering premises only at agreed-upon time to make repairs (unless there is an emergency), or to show the apartment to potential renters if you are moving out.
- Paying interest on deposit money.
- Collecting rent.
- Maintaining exterior grounds of building.

