



Unit 6 - Adulting

6-1: Finding a Place to Live

Renting an Apartment

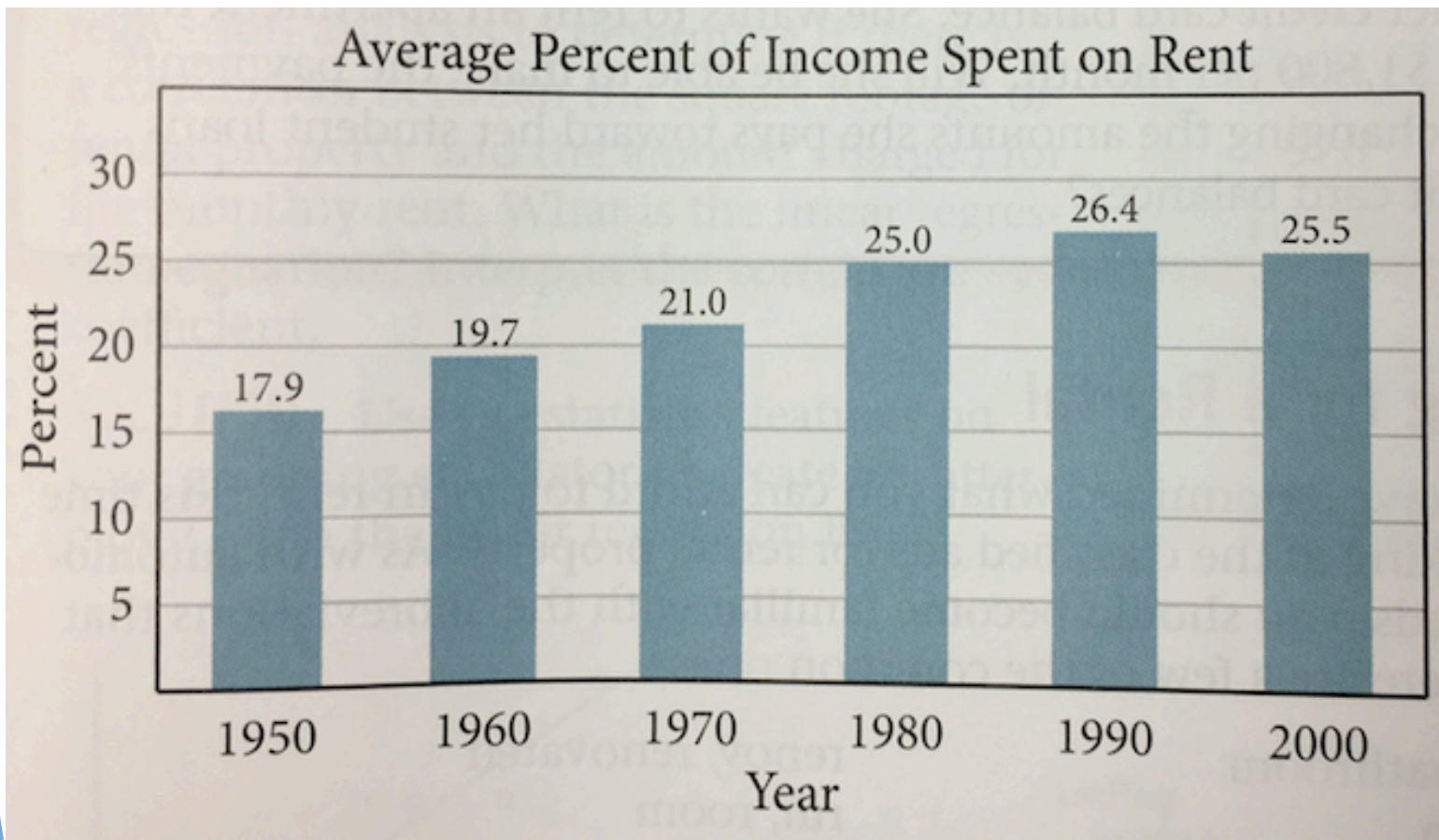
- ▶ Your first experiences in independent living will probably be in a rented apartment.

When you rent an apartment, you are the *tenant* and the owner of the apartment is the *landlord*.



- ▶ As you look for an apartment, you will see that they will come either *furnished* or *unfurnished*.
 - ▶ If an apartment is **furnished**, it means that *it comes with furniture already in it (that belongs to the landlord)*.
- ▶ Before you move into an apartment, you must first *sign a lease*.
 - ▶ This is a *written agreement (contract) between the landlord and the tenant that details the amount rent and length of time you'll rent the apartment*.
 - ▶ This may be a *year-long lease or a month-to-month lease*.
 - ▶ If the tenant stops paying rent, they may be **evicted** (*kicked out from the apartment*).





A prospective renter should budget between 25% and 30% of their gross income for rent. You can use 28% to get a good idea for your budget.

Shopping for a Rental

- ▶ There are common abbreviations used in ads for renting apartments & homes.

ba or bth: bathroom

br: bedroom

DW or D/W or dshwr: dishwasher

DR: dining room

Drmn: doorman

EIK: eat-in-kitchen

elev: elevator (in building)

gar: garage

WIC: walk-in closet

W/D: washer & dryer

w/d hkup: washer & dryer hookup

h/w: hardwood floors

htd: heat is included in rent

incl ht/hw: includes heat and hot water

Shopping for a Rental

- ▶ There are common abbreviations used in ads for renting apartments & homes.

mint: excellent condition

renov: renovated

rm: room

stu: studio

spac: spacious

w/w: wall-to-wall carpeting

yd: yard



Example 1:

Alex makes \$61,999 per year and pays about 25% of his gross monthly income in federal and state taxes. He wants to find an apartment to rent.

a) Estimate how much he can afford to pay for rent each month.

First, divide his annual income by 12 to find his monthly paycheck.

$$16,999 \div 12 = 5,166$$

Next, multiply that by 28% to estimate an affordable amount.

$$5,166 \times 0.28 = 1446.48$$



Example 1:

Alex makes \$61,999 per year and pays about 25% of his gross monthly income in federal and state taxes. He wants to find an apartment to rent.

b) Determine how much money he will have after taxes and rent are paid.

First, multiply his monthly paycheck amount by 25% to see how much he pays in taxes.

$$5,166 \times 0.25 = 1291.50$$

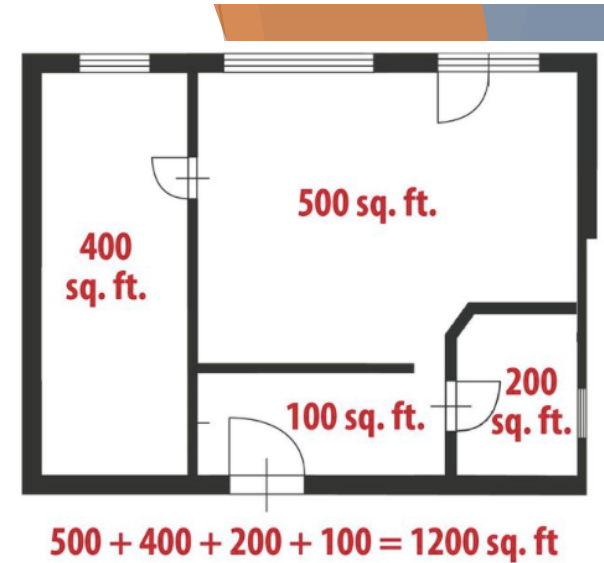
So after paying taxes & rent, he'll have:

$$5,166 - 1291.50 - 1446.48 = 2428.02$$

More terms:

- ▶ Square footage: the amount of floor space in the apartment.
- ▶ Application deposit: the cost of processing the application.
- ▶ Security deposit: money given to the landlord as protection in case the tenant damages the apartment while living there.

If no damage is caused, the money is refunded after the lease has ended.



Example 2:

Russell and Maria paid a \$200 application deposit for an 1150-square foot apartment. The monthly rent is \$1595. They are required to provide a credit report that costs \$25 and pay a security deposit equal to one month's rent. The landlord also requires the last month's rent at the time of signing the lease. They also used a real estate broker who charged 10% of the yearly rent. How much should they expect to pay to be able to move into the apartment?

$$200 + 25 + 1595 + 1595 + (.10 \times 1595 \times 12) + 1595 = \$6924$$

Example 3:

The square footage and monthly rental of one-bedroom apartments yield the linear regression $y = 0.775x + 950.25$, where x represents the square footage of the apartment and y represents the monthly rental price.

a) What would be the monthly rent for an apartment that has 1,500 square feet.

$$y = 0.775x + 950.25$$

$$y = 0.775(1500) + 950.25$$

$$y = 1162.50 + 950.25$$

$$y = \$2112.75$$

Example 3:

The square footage and monthly rental of one-bedroom apartments yield the linear regression $y = 0.775x + 950.25$, where x represents the square footage of the apartment and y represents the monthly rental price.

b) Determine the square footage of an apartment with a monthly rent of \$1,050.

$$y = 0.775x + 950.25$$

$$1050 = 0.775x + 950.25$$

$$99.75 = 0.775x$$

$$128.71 = x$$