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Chapter 1 Understanding the Truths of Renting

The day you sign a lease on a new apartment or house can sometimes feel like the beginning of a relationship. You and the property owner have committed to trust, transparency, respect, and keeping your word to honor the lease.

Maintaining your commitment to paying your rent on time, being a great neighbor, and keeping your home in tiptop shape are a few essential steps to being an excellent tenant.

Likewise, a landlord is committed to responding to your inquiries promptly and efficiently and always maintaining a professional and respectful rapport with you.

This chapter helps you get started with having a happy renting experience.

REMEMBER

When you're searching for a place to call home, note that such a home can come in many different shapes and sizes. Some people rent an entire house, some rent an apartment, and some rent a room or floor in a private house.

Comparing Renting a Place to Buying a Home

Why should you consider renting rather than buying a home? The upfront cost is the most significant difference between the two options:

- Home purchases sometimes require a down payment of 20 percent of the purchase price. Then you add on the closing costs, which are usually 3 to 5 percent of the purchase price.

  TECHNICAL STUFF

  You can qualify for a Federal Housing Administration (FHA) loan if you're a first-time home buyer. An FHA loan allows you to make a lower down payment of 3 to 5 percent of the purchase price rather than the standard 20 percent.
- As a renter, on the other hand, your upfront cost is the first month's rent, security deposit, and broker fee if you use the services of a licensed real estate agent.

Here's how that breaks down for purchasing a $400,000 home:

- A down payment of 20 percent equals $80,000.
- At 3 percent, closing costs are an additional $12,000; at 5 percent, that jumps to $20,000.
- Added together, your upfront costs are between $92,000 and $100,000.

Upfront rental costs vary by market, but they'll almost certainly run much less than $100,000 for a similar property.

TIP

Consult with a mortgage professional to run the numbers if you're considering buying a home versus renting.

Getting an Overview of the Rental Process

Ready to rent? Great! The following sections cover the general steps of the rental process, from deciding which amenities you want in a home to signing the lease, paying the upfront costs, and moving in.

Also, I discuss some of the best apps to search for your home and how to ensure your application is approved.

Figuring out what you want in your new home

REMEMBER

When starting on your journey to find your rental, you may not know what kind of space you're looking for. And guess what? It's okay; finding a place to call home is a learning process. Don't get discouraged; get out and look at places. The more you explore and see, the more you understand what you don't want and what makes one space better for you than another. This process helps you discover what you love.

To figure out what you want in your new home, start with the amenities you must (or really, really want to) have.

- Does washing dishes bore you? You should include a dishwasher on your must-have list.
- Do you prefer to do your laundry in the privacy of your home? You may need an in-unit washer and dryer.
- Does the idea of having private outdoor space excite you? You may need to include outdoor space on your list.

Also think about the charm and aesthetic. Are you a wood floor lover? Do you like high ceilings? Do you prefer a modern or a pre-war look? You get my point.

Now, get your pen and pad and make notes about what you want and what appeals to you. Your home should reflect you; it should exhibit your personality. When you truly live well, those boxes are checked off.

See Chapter 2 for more about figuring out which amenities you want in a rental home. Chapter 3 has details on considering different types of buildings and neighborhoods.

Searching high and low for the perfect place

Looking for the ideal place usually begins on the right app or website. Many good websites and rental apps can help you find your new home. Here are a couple of the options:

- One of my personal favorites is `realtor.com` (`www.realtor.com`). It's a national site that allows you to search for apartments in your favorite neighborhoods. Wherever you're looking, the platform is easy to navigate; gives you the contact details for the landlord's agent; and prominently displays the bedroom and bathroom count, the price, and a map that shows similar properties in the surrounding area.

  Just as important, it pulls from multiple databases with reliable sources to ensure that you get the most accurate and up-to-date information.
- Another reliable source to search is `Homes.com` (`www.homes.com`). This platform is straightforward to use; provides large images of the properties; and allows you to search by entering the neighborhood, agent, school, or place.

  The real estate agent's contact details and the answers to the most critical questions about the unit and property are on the main page and not hidden on the last screen of the listing details.

Keep in mind that when you work with a licensed real estate agent, they have access to the best listing platforms to ensure that you have access to all the available properties for rent. Chapter 4 has details on searching for properties and working with a rental agent.

TIP

When embarking on your search for a new home, making time to see all the listings as soon as possible increases your odds of finding your ideal home.

Applying to rent a space

You're employed, have a strong credit rating with excellent on-time payments, have 6 to 12 months of rent saved, have gathered all the important documents you need, and make an income 40 times the asking rent. In other words, you're ready to apply for your future rental home!

REMEMBER

When you apply for a rental, the most crucial factor to keep in mind is to make sure you can paint a picture of your ability to pay the rent. You can show your verified income through your offer letter, pay stubs, W-9, or tax returns. Discuss with your rental agent or the rental's property manager the documents required to submit your application.

Getting approved for a rental says your application has demonstrated to the property manager or landlord that you're qualified to pay the rent. Nothing can stop you!

Chapter 5 has the full scoop on applying to rent your dream rental home.

Signing the lease and paying upfront costs

You've made it to the lease signing. The upfront cost at this stage is generally the first month's rent and your security deposit, which can be one- or one-and-a-half-months' rent, and any broker fee, if you're using a broker.

REMEMBER

The security deposit amount varies depending on the state you live in and the landlord you're renting from. The broker fee also varies; some fees can range between 10 and 15 percent of the annual rent or a fee equivalent to one month's rent.

Depending on the type of building you move into, you may need to pay additional upfront moving fees, such as the following:

- A pet fee or deposit
- A building-related administrative fee
- A parking fee
- An elevator fee

REMEMBER

The preceding fees are generally associated with larger apartment buildings. Rental buildings with ten or fewer units and private rental homes don't usually charge move-in fees. The first month's rent and security deposit are the most these properties typically expect you to pay.

Speak with your property manager, rental agent, or landlord about the fees in advance. Some may be refundable. You can usually pay all fees due at lease signing by certified check, credit card, or electronic payment.

See Chapter 6 for details on signing your lease and paying the necessary fees. Chapter 11 has the scoop on renewing your lease.

Moving and settling in

Moving can bring new renters excitement, joy, and even anxiety. The prospect of working around empty boxes sprawled out, renting a moving truck, or hiring movers can be daunting. Don't fret; with preparation and organization, you'll be all packed in no time.

REMEMBER

Settling into your new home can take a few days or months. Often the most organized and detail-oriented renters unpack and settle in right away so they can return to their usual way of doing things. For some movers, however, settling happens piece by piece, and they unpack when they can. One way isn't better than the other. It all comes down to your preference or timeline.

Settling in can sometimes mean getting to know your door attendant, figuring out where the building's gym is, or getting to know your landlord (who also lives in the first-floor apartment of the rental house you're moving in to). Initially, these nuances are part of settling into your new home. Learning them quickly can help your transition and provide an initial sense of comfort.

Whatever feelings moving inspires for you, stay calm, get organized, and break the move down step by step. Chapter 7 can help. You've got this!

Taking on Life in Your Own Apartment or Rental House

Living on your own is freedom. Your home should be your sanctuary. It's where you go to recharge, reflect, and relax. If you've never experienced living on your own, getting your first apartment or rental house may be a pivotal moment in your life — a new beginning or even a coming of age.

The following sections go over some major aspects of living in an apartment or rental house.

Enjoying a range of amenities

Attractive amenities may well have swayed your choice of rental. Essentially, *amenities* encompass those extra features and services a property offers beyond the essential living space. Their purpose is to enrich tenants' lives and set one property apart from others.

What qualifies as an amenity can shift with evolving trends and tenant preferences, but the following list highlights several amenities that may exist in your rental:

- **Fitness facilities:** On-site gyms, fitness centers, or yoga studios are popular apartment building amenities that provide an outlet for health-conscious tenants.
- **Co-working spaces:** As remote work continues to become more common, apartment buildings offering co-working spaces or business centers can attract tenants who need a place to work outside their apartments.
- **Common areas:** Spaces such as lounges, rooftop terraces, and green spaces provide tenants with places to connect and relax with neighbors.
- **In-unit laundry:** Having a washer and dryer within the rental is a highly desired amenity because it saves tenants the hassle of going to a communal laundry facility.
- **Bike storage:** Especially in an apartment building, providing storage for bikes and even bike repair stations caters to environmentally conscious tenants and cycling enthusiasts.
- **Pet services:** Some rentals offer amenities like dog parks, pet washing stations, and pet day-care services for tenants with pets.
- **Package lockers:** Dedicated areas for easy, safe delivery of packages have become a valuable amenity.
- **Innovative home features:** Some properties are equipped with smart home technology, such as keyless entry, smart thermostats, and home automation systems.
- **Swimming pools:** Whether indoor or outdoor, pools can be a desirable feature, especially in warmer climates.

The ideal amenities can transform your living space far beyond what you imagined. For example, full-service apartment buildings create an environment that tends to every facet of your life.

As you navigate your rental choices, take a moment to assess the perks various amenities bring, ensuring that they harmonize with your individual preferences and budget and enhance your living experience.

REMEMBER

Amenities often come hand in hand with slightly higher rental costs, but I believe the convenience they bring and their potential to elevate your overall living experience are worth considering. Depending on your budget, the premium attached to living in an amenities-rich building may be a wise investment. See Chapter 2 for more information on considering the amenities you want in a rental.

TIP

Don't forget about things to do in your neighborhood! Choosing a neighborhood with a healthy number of amenities is a plus. Your neighborhood is your community, and connecting with the things that help define it is good. Some of the most desirable neighborhoods offer great parks, restaurants, cultural venues, and more, so if your budget allows it, make sure your new neighborhood offers things you're drawn to. Flip to Chapter 3 for more details.

Living in peace with your neighbors

Whatever kind of rental you live in, getting to know your neighbors can be a good thing. It gives you comfort in knowing you have someone who can alert you of an emergency or even just any changes in the building or procedures. Some neighbors exchange keys with each other to keep themselves from getting locked out.

In a time when people are building more and more relationships virtually versus in person, your neighbors can connect you with other neighbors or people in the wider community that may enhance your life.

Chapter 9 has full details on how to live peacefully with neighbors, whether you're in an apartment building or a rental house. Chapter 12 covers following the rules and staying safe when you live in close quarters with others.

A PERK OF APARTMENT LIVING: (POSSIBLY) HAVING A DOOR PERSON

One benefit of living in an apartment building — as opposed to a rental house — is having a door person. (Keep in mind, though, that not all apartment buildings employ one.) Your door person

- Helps keep your apartment building safe and secure
- Ensures that authorized guests and delivery people gain access to the building
- Keeps the lobby clear of hazards
- Alerts you to anything happening in the building
- Is sometimes the designated person to receive an essential item

In short, they're there to help make your life easier.

The relationship with your door person should be one of respect, care, and professionalism. Your door person is your friend. During the end-of-year holidays, residents customarily tip the door person. Especially if door people do their job well, they appreciate tipping and can sometimes earn a large percentage of their earnings from it.

Working with a property manager

Property managers often take on managing a property that the owner doesn't live near or doesn't want to handle personally. A *property manager* is an individual or entity the property owner hires to oversee and, well, manage the daily workings of their real estate property.

Property manager responsibilities can include the following:

- Setting and collecting rent
- Handling maintenance requests
- Filling vacant units
- Creating a budget for the property

REMEMBER

Depending on the owner's needs, a property manager can be one person or a management company. Either way, your property manager's role is to ensure that the place runs smoothly. That includes receiving tenant notifications about issues in their homes and, for apartments, in or around the building.

The property manager is your first contact when you have a problem in your rental. For example, you should reach out to your property manager if your appliances stop working, if you have an electrical or plumbing problem, if your roof leaks, or if you see a hazard around your apartment building.

Making them aware as soon as the problem arises is important. Most property managers want to address issues as quickly as possible to minimize the cost of repair.

Note: Most property managers work standard business hours (9 a.m. to 5 p.m.). If you call after those hours, you may get an operator to record and report your issue to the property manager, who will call you back.

See Chapter 10 for details on working well with a property manager.

Considering maintenance, repairs, and decor

Renting a property offers the advantage of alleviating concerns over maintenance and repairs because those are the owner's responsibility. However, you have to do your part in maintaining the property. That involves not only keeping the living space tidy but also using it in a way that prevents any avoidable damage or harm beyond normal *wear and tear* (the expected deterioration of items because of regular use). The owner is typically obligated to replace items that have exceeded their manufacturer-recommended life span.

Generally speaking, when repairs are necessary — for instance, if the dishwasher malfunctions — quickly notify your property manager or landlord. They coordinate with a service provider to evaluate the damage and proceed with the needed repairs.

For apartment buildings specifically, you may encounter a couple of different scenarios depending on the size of the building:

- In smaller buildings, tenants may be able (with prior approval from the landlord) to directly hire a repair person and pay the repair cost themselves. In these instances, they can then submit the receipts or invoices and have the incurred expenses deducted from the rent.
- In larger buildings, you should first contact the landlord or property manager regarding repairs. From there, they take charge of the repair process, arranging necessary appointments with service providers. Tenants in larger complexes aren't required to make any direct payments for repairs.

Tenants are generally not obligated to cover repair costs unless explicitly stated in the lease agreement.

REMEMBER

Familiarize yourself with the policies outlined in your lease agreement (which I cover in Chapter 6) and promptly communicate any maintenance or repair concerns. See Chapter 10 for details on what to do when something goes wrong in your rental.

TIP

Also make sure that your lease spells out the cosmetic changes and upgrades you're allowed to make in your rental. Being intentional about designing a home that reflects your lifestyle can be inspiring and welcoming to you and your guests. You get to decide what style works for you and the furnishings that fit in the space to provide comfort, texture, and warmth. See Chapter 13 for details.

Renting Space in a Private House

Renting space in a private house occurs less frequently than renting an entire apartment or house (I cover those options in the earlier section "Taking on Life in Your Own Apartment or Rental House"). However, the right fit provides you with some benefits.

REMEMBER

Make sure you conduct due diligence to determine whether the city or town allows you to rent this kind of place. Zoning laws may prohibit anyone from renting space within a private residence.

Before committing to this kind of rental, carefully consider the entire scenario. The following sections can help.

REMEMBER

Be aware that you're renting space within a private house and sharing everything in the home. Living in close quarters with the owner can be harmonious and peaceful, or sometimes awkward and cumbersome. These arrangements can be affordable and provide flexible lease terms, but you give up some of your privacy.

REMEMBER

Like with any other kind of rental, your lease agreement should spell out the monthly rent, security deposit, utility payment, and other essential details such as late fees, house rules, and the lease expiration date. How you and the landlord split the utilities in this situation can vary (50/50, included in the rent, and so on). Request a copy of the utility bills to confirm what you're paying. (See Chapter 8 for details on paying utilities and other expenses beyond rent.)

Living with your landlord: Pros and cons

Yes, living with your landlord is a thing. In most multifamily homes in U.S. cities, the landlord rents out a portion of their home. For instance, many of my clients live on a floor or two of a house and rent the remaining floors for additional income.

Some renters look for homes with an owner as the occupant. This setup gives the renter an added level of security and comfort. They get to live in a quiet, well-maintained building. They find comfort in knowing the owner can quickly address any concerns or issues with the building and rented space. (Most owner-occupants are responsive to problems right away because they understand that taking care of an issue immediately may save money.)

TIP

Another benefit is having someone who's lived in the area and can recommend the best local restaurants and shops.

WARNING

If you prefer to come and go as you like, host as many guests as possible, and have a more active and entertaining lifestyle, living with your landlord in part of their house may not be the ideal situation for you. Your coming in late when the landlord is sleeping may disrupt their sleep habits and become a situation. (This warning goes the other way, too; living with a landlord who wants to party long after you've gone to bed probably isn't going to be an idyllic home life.)

Just knowing that they're living with the landlord can make some renters feel like they have to walk on eggshells. You're likely going to see your landlord daily, even during awkward or contentious periods. Or perhaps you have a landlord who complains or nitpicks about every minor situation, such as leaving the mail in the mailbox or an item at the front door for too long. Whether their reminders are just annoying or actively passive-aggressive, this kind of potential interaction is something you need to consider.

Being mindful

REMEMBER

Especially when you're sharing a private home with multiple floors, monitoring your sounds, steps, and conversation tone is an important part of neighborly courtesy. These small gestures go a long way toward a peaceful home environment. Chapter 9 has more details on being a thoughtful neighbor.

Being a mindful neighbor in this kind of rental scenario goes beyond just not acting like a jerk. If your landlord is elderly, consider offering to help carry their groceries. Perform random acts of kindness, such as baking cookies or giving flowers. When the homeowner is considering your lease renewal, they're going to think about whether you're a tenant who's respectful, professional, and caring.

TIP

When hosting guests in this kind of rental, be considerate and give your landlord a heads-up, particularly if you anticipate the gathering lasting into the night. If you have a great rapport with the landlord, you may even want to consider inviting them, too.

Contacting your landlord when necessary

REMEMBER

The million-dollar question is always "When do you contact your landlord?"

- In case of an emergency, whether that's a fire, a leak, an electrical issue, or something else you think the landlord should be aware of as soon as possible.
- When your stove breaks, your dishwasher stops working, or if you have a clogged bathtub. Most responsive landlords want to know immediately when something breaks or needs repair. The sooner they're aware of problems, the better. Issues or repairs that linger can cost more to repair, so timely reporting saves money.

The lease signing is a great time to discuss what's considered an emergency and when you should contact the landlord. Most communications should occur during regular business hours, such as 8 a.m. to 6 p.m. or 9 a.m. to 5 p.m. In some instances and emergencies, you must contact your landlord after business hours, however. The lease will also contain language in the lease to cover these situations. For more information on getting help when things go wrong in your rental, head to Chapter 10.