

# Chapter 8-Section 1

Identifying Financial Issues

# Shared Responsibility

- When two or more people agree to bear a portion of an obligation
  - Example: Share an apartment
    - Share the responsibility of paying rent on time
    - Missing this obligation can lead to financial and credit problems
    - Share the responsibility of keeping the apartment in good condition

# Roommate

- Roommate-a person with whom you share living space and responsibilities
  - Select carefully to save frustration and money if a roommate is irresponsible and does not live up to his/her obligations you could be stuck paying all the bills
  - Ask about habits and interests

# Living Habits

- Consider the following when choosing a roommate:
  - Daily routine (how do they live their life)
  - Questions to ask:
    - Does he/she drink/smoke? How do you feel about that?
    - How clean do you like things?
    - Will your social life interfere with your roommate? Will his/hers?
    - Do you have the income to pay the shared expenses?
    - How will the household chores be divided? (cooking, cleaning)
    - What are your leisure activities?
    - Will you need to share transportation?
    - What are your future goals?

# Financial Issues

- Logistics-the act of making a plan and carrying it out to ensure that an event takes place.
  - Each roommate has the responsibility to pay his/her share of the expenses (rent, utilities)
  - Do you pool your money and pay the bills together monthly
  - Does one roommate pay all the bills for the month and then rotate, monthly

# Apartment Expenses

- Security Deposit
  - A refundable amount paid to cover possible damages to property caused by a tenant
  - Covers potential damages and cleaning fees
- Monthly Rental fee
- Utilities
- Renter's insurance
- Cleaning fees after leaving
- Pets-is there an additional deposit or special cleaning fees

# Contractual Rights and Duties

- Contract-a legally binding agreement that specifies the rights and duties of each party to the agreement
- Consideration-something of value exchanged for something of value
- A lease is considered a contract.
  - Lease-A rental agreement that specifies the rights and duties of the landlord and tenant
  - Lasts 3, 6, 12 months
  - If you fail to perform something you agreed to do it is considered "breached"

# Tenant Rights and Responsibilities

- Tenants have the right to:
  - Come and go as they please
  - To have guests
  - Use the property as a residence
  - Right to common areas (hallways, lawns, swimming pools)
- Tenant responsibilities:
  - Use property for the purpose it was intended
  - Take proper care of the property
  - Report needed repairs in a timely manner
  - Obey the rules of the rental agreement
  - Pay rent on time
  - Pay other expenses (utilities not included in rent)



# Tenant Rights and Responsibilities

- Eviction-the process of expelling a tenant from the rented property
  - If a tenant fails to pay the rent
  - Tenants are held liable for property damage and other expenses that result from not meeting his/her contractual duties
  - If a landlord chooses to quit the lease, but tenant refuses to leave.
- Leaving Voluntarily
  - Tenants should give a 30 day notice
  - Clean apartment
  - Contact landlord for instructions on getting back deposit (if one was paid)

# Landlord Rights

- Landlord Rights:
  - Receive rent payments in a timely manner
  - To inspect property with proper notice
  - Retain security deposits for damages cause by tenants
  - Quit the lease agreement after notice is given.

# Landlord Responsibilities

- Landlord Responsibilities:
  - Provide safe, sanitary and habitable living sites
  - Keep roof, walls, doors, floors, ceilings, stairways, and windows in good condition
  - Elevators, halls and stairwells must meet fire and safety regulations
  - There must be adequate locks and latches
  - There must be proper smoke alarms and fire extinguishers
  - Plumbing, appliances, heating and air conditioning units must be in good working order
  - Must provide a convenient way to pay rent

# Managers

- On-site manager
  - A person who lives at the property and has an office where tenants can take their rent payments
    - Responsible for arranging routine maintenance and supervise the safety of common areas
- Property Manager
  - An off-site manager who is responsible for taking care of the property and communicating with the tenants.
  - Collect rent, take care of repairs