

Settling In: Multiyear Leases

If you're renting and have found or already live in your dream apartment, you may want to look into the advantages of signing a multiyear lease.

There's several reasons a long-term lease can benefit renters and even while the future holds no guarantees there's value to be found in the commitment.

In fact, if you love where you live and you're on solid financial footing, it make sense. Signing a multiyear lease will give you peace of mind that your rent will remain a steady cost for the term of your lease. Because property taxes can increase each year, landlords offset the expense by raising rent each year. With a longer-term lease you lock in a fixed rate that protects you from surprise increases year after year.

Because you'll be able to predict more accurately your financial outlays for rent, a multiyear lease can give you more financial freedom.

Signing a multiyear lease also signals a commitment to your landlord, who is likely to be more attentive to maintenance needs and agreeable to improvements.



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REAL ESTATE 101

Don't Skip Rental Insurance

Many renters think a benefit of renting is not having to pay for insurance. That's a mistake. Most landlords insure only their property, not tenants' belongings. To protect your stuff against theft or disaster, you need rental insurance. It's relatively inexpensive and can give you peace of mind and security in case of the worse. For more on the benefits, visit bit.ly/3vOXFva.

Landlords benefit because they're not constantly marketing an apartment, screening applicants and dealing with move-in, move-out scenarios that are more costly than offering a stable, long-term rate to a committed tenant.

Besides the financial advantages, the ability to settle in to a community without having to think about moving can free you to enjoy your apartment, its amenities and the surroundings of your neighborhood.

Less moving means less expense and less stress. Think about the amount of time you'll spend searching and touring properties, negotiating rent and leases, in addition to the expense of stopping and starting utilities and

moving your belonging.

According to a survey by ResidentRated in a recent article on Realtor.com, The average U.S. renter in a multi-family building stays put for 27.5 months. If you're happy where you are, why not extend that term for your financial benefit?

As with any financial agreement, however, there are cons to consider before signing a multiyear lease.

Even if you're certain you'd like to remain where you are for a long period, life has a way of throwing water on best-laid plans. A job loss or new opportunity or other unexpected event may mean you'll have to break your lease. Depending on the terms of your lease, you might be held liable for the rent, or a portion of it, until the lease expires.

If you're new to an area or are just starting a new job, you may not be ready for a long-term commitment. Long-term leases limit the opportunity for you find another place to live, so a shorter-term lease may be more beneficial.

Fixed financial costs are great — as a long as you have a consistent income. Even if you choose to take advantage of the benefits of a multiyear lease, it's smart to lease an apartment that is just slightly below what you can afford.



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HOMESWISE GLOSSARY

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Convertible ARM: An adjustable-rate mortgage that can be changed or converted into a fixed-rate mortgage during a specified period and under certain conditions of the loan. source: [MLS.com](https://www.mls.com)

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