



# Rental

GUIDE

# Is an Apartment Right for You?

Several factors must be considered when deciding if a house or apartment fits your specific rental needs.

Size and location are critical elements, as is cost, convenience, space and amenities. The better you understand monthly out-of-pocket expenses, the wiser choice you'll make. There are also intangibles to consider. Here's a helpful guide to make the decision a little easier.

## STUDY THE EXPENSES

Do your homework on how much a house or apartment will cost before committing to one or another rental option. There are plenty of differences: For instance, included apartment amenities like a gym might show up as an expense with a whole-home rental.

Houses typically provide more space, but will also cost more to cool and heat. The additional insulation added to most apartment-complex walls to block noise has the extra benefit of lowering utility costs.

No amount of insulation offers the privacy of living a separate life in a rental house, but social butterflies might crave being among a larger apartment community.

You could have the opportunity to rent-to-own in a home, and that rarely happens with apartments.



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## KNOW THE UPFRONT COSTS

Renting usually has much lower monthly costs when compared with home ownership, but there are sometimes steep upfront costs associated with new rental agreements. Some landlords require up to three months rent before they'll let you move in — and, with larger home rentals, those numbers can quickly balloon. Houses are generally more

amenable to pets, but there can be a hefty deposit involved to cover the costs of any damage or mess your furry friends leave behind.

## INTERESTED IN CUSTOMIZING?

If making a place “your own” is an important consideration, renting a house is probably the best way to go. Landlords are generally more apt to allow for wallpaper or a new coat of

paint, switching out appliances and other small projects when they improve the value of their rent house. Apartment leases typically prohibit any changes, in an effort to keep a uniform look and feel to the units.

## EVALUATE THE AMENITIES

Apartments might have a pool, an in-house gym and a clubhouse where social gather-

ings regularly take place. Then again, houses offer the kind of privacy and space that complexes don't. The latter is particularly important for those with growing families, or active pets. Unsure about which is actually most important to you? Try spending time in each individual living situation. Stay over at a friend's apartment, then visit someone who rents or owns a house. You'll make a far more informed decision.

# Apartment Management

Who you rent from can be just as important as what you're renting.

There are big differences between having an individual owner as your landlord and entering into an agreement in a managed community. Here's a breakdown on what separates the two, along with the advantages and disadvantages. Consider them all before locking down a long-term lease.

## MANAGED COMMUNITY

Landlords are perhaps best compared to the owner of an Airbnb versus your typical hotel manager. The Airbnb owner might help you get settled in, or even recommend area attractions, while a property manager is often "strictly business." On the other hand, an individual owner might not be able to provide the same kind of prompt, comprehensive service that an apartment-complex staff can. A managed community typically has a group of people on hand to help with every day issues from regular grounds and building upkeep to noise complaints to maintenance calls when an appliance stops working in your unit. This 24/7 service may also include on-site security. You'll have peace of mind knowing someone is there if you need something or if something goes wrong — even if it's as routine as locking yourself out of your condo.



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## INDIVIDUAL LANDLORDS

Renting from an individual is more of a personal experience. They're ideal for the classic "people person." You're not dealing with a faceless management company, but rather a neighbor. They might be more willing to renegotiate your rental agreement or collaborate with you on property

improvements. Small agreed-upon changes like planting new flowers or repainting the kitchen can help make the space feel like your own. A landlord could also be more forgiving if you were to fall behind on the rent or must leave early because of some unforeseen issues, while property managers are less

flexible — often because they have to deal with many other tenants. Your rental costs might be lower too, because you're not paying additional fees for a property-management firm.

## WHAT'S RIGHT FOR YOU?

As with the more concrete elements of a rental, like cost,

rental terms and location, deciding between an individual landlord or a management company often comes down to personal choice. Look for reviews of the managed community online, or talk to your potential next door neighbors. They'll be able to tell you more about what's in store when you sign a lease agreement.

# Dealing with Bad Credit

You've made sure you have first and last month's rent.

You've budgeted out monthly expenses so that you can comfortably afford a prospective rental. Your things are neatly packed away and ready to be moved. But there's still one obstacle standing in your way: Credit. Landlords and property managers typically begin the application process by checking your credit. You can do everything else right, and still not get that new place. Here's how to deal with a low score.

## WHY THEY CHECK

Credit scores tell a landlord a lot about a possible renter's sense of responsibility — and their reliability as a bill payer. Applicants with bad scores are usually sent to the back of the line behind those with higher scores. You're won't necessarily be turned down flat, but your time on a waiting list could be extended as better-positioned candidates move in first. You might also be asked to make a larger deposit, or your rent might be more expensive. That's because a bad score indicates an inability to stay current on personal debts, sending a strong signal that you might fall behind on your rent — or, in the worst-case scenario, ultimately require an eviction.

## HOW TO DISCUSS IT

If you have a credit score on the lower end of the spectrum,



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be upfront with your prospective landlord. Take the opportunity to explain any past issues, and what you've done to correct them. It's better to have an honest conversation about your credit than to appear to be hiding from the problem or concealing something from your past. This

approach doesn't guarantee you'll get handed the keys to your next rental, but it certainly improves your chances.

## HOW TO FIX IT

Explore rent-to-own options, since they are ideal for those with poor credit. If you've been turned down

multiple times because of your score, however, it may be time to focus instead on your finances. Sometimes the decision to rent has to wait, as we pay down debt and refill our bank accounts with rainy-day funds. Even then, credit reports can take a while to update. If you've recently

improved your financial standing, come prepared with specific documentation showing the debts you've paid off or a higher balance in your savings account. Include references who are familiar with your credit journey, and the work you've done to raise your score.

# Getting a Roommate

The benefits of sharing your rental with a roommate are clear: You'll split expenses and share in household chores, while having an opportunity for mutual social activity.

Still, living in close quarters with someone else can sometimes be a challenge. Here's how to evaluate whether getting a roommate is right for you — and the conversations to have before you move in together.

## ASKING QUESTIONS

Are you compatible with your prospective roommate? Remember the initial evaluation process goes beyond whether they have the money for bills. Lifestyle and personality differences have split more co-tenants than inability to pay the rent. Be upfront about personal expectations, including deal breakers like smoking or pets. If you're a social person, make that clear. Homebodies should look for others who love nothing more than a good book on a comfy couch. Once you've synced up personally, then dig deeper into financials.

## CLEAR EXPECTATIONS

It's a good idea to get financial agreements in writing, even if the person you're moving in with is a personal friend



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or relative. Remember that a landlord can usually evict both tenants for non-payment, even if you are not the one who missed a rent check. If your lease has what's called an acceleration clause, you might even be personally liable for the entire amount due. Once you've gotten these important considerations out of the way, discuss things like personal

space, kitchen and bathroom arrangements, cleaning and TV schedules — much of which will depend on the particular unit you rent. Setting early ground rules will help you maintain a positive relationship down the road.

## ROOMMATE-FRIENDLY OPTIONS

There are a number of rent-

ing options which make taking on a roommate a much smoother transition. They can protect you from unnecessary financial burdens, while helping to avoid conflict.

Look for individual-leasing options, which are also known as by-the-bedroom agreements. Each roommate is accountable only for their individual room, bathroom

and common areas. If someone violates their lease, the others can remain — without penalty.

Furnished apartments also can help defray the shared costs of a larger living space with multiple renters. Study a variety of floor plans in advance, since some might work better for your particular relationship.

# Choosing Renter's Insurance

Landlords are required to carry insurance on their buildings, but those policies don't cover the personal belongings that came with you.

Renter's insurance helps in the event you need to replace your belongings in case of a storm, other natural disaster, theft or fire. Here's a quick primer on a purchase every renter should make:

## HOW TO GET IT

Polls have shown that more than 60% of responders had not taken advantage of renter's insurance, putting everything they own at risk. If the worst happened, they'd have to foot the bill when it came to replacing personal items. Insurance premiums often vary from state to state, but quotes are readily available either online or through a local insurance agent.

## WHAT IT COVERS

As with cost, what's covered by a renter's insurance policy varies. So, closely read any prospective agreement to ensure that it covers exactly what's needed. A typical HO-4 policy will protect against fire and lightning, windstorm or hail, smoke damage, theft and vandalism. Many policies have exclusions for earthquakes or floods — and that may be a key concern, depending on where you live.

Typically, there are policy add-ons to address these exclusions, but with an additional fee. Some policies also do not cover more costly belongings, like original art or jewelry.

## WHY IT'S IMPORTANT

Hurricanes, fires and floods get all of the headlines, but that's actually not the biggest

danger for renters. Instead, they suffer far higher rates of theft and burglary than typical home owners, according to the National Apartment Association. Renter's insurance serves as your backstop, should someone break in. These policies can also protect you financially if someone gets hurt in your unit, cover-

ing liability expenses.

## TYPES OF COVERAGE

Insurance companies usually offer two different reimbursement choices for lost belongings. "Replacement cost" policies are more expensive, but they pay the just-purchased price of something like a stolen living-room

recliner — meaning the reimbursement will reflect the cost of a typical item of the same value. "Actual cash" policies, on the other hand, appraise your belongings by what they are valued at the time of the loss, a much-lower level. That same recliner will be depreciated by the number of years you've owned it.



# Building a Neighborhood

You may associate neighborhoods with home-owning folks visiting over a white-picket fence, but the same kind of supportive and collaborative relationships can grow up around rentals.

In many cases, these friend networks begin with how you approach things as a new tenant. Here are a few tips on building a neighborhood feel in your complex.

## STANDARD CONCERNS

Friend networks are built, first and foremost, on mutual understanding and consideration. Loud music, stomping feet and slamming doors will bother those around you now. Be mindful of the sounds you make, while also respecting the privacy of your fellow renters. Some condos, apartments and rental homes have assigned parking options — usually at an additional cost. Don't take someone else's, and alert any of your guests about which spots to leave open.

## FIRST IMPRESSIONS

As the newest renter, it's your responsibility to take the initiative. Introduce yourself to everyone, while sharing details about how life brought you into their orbit. They may have had a similar journey,



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and that could help you discover common ground. At the same time, be aware that not everyone may be looking for a new friend. The man upstairs might be an introvert or may have been living near the previous tenant for a long time, building up long-standing relationships. Fitting into your new surroundings might take time, but that's typical of

neighborhoods everywhere.

## GUESTS AND PETS

Avoid having large, loud gatherings — and alert those in your building if you are planning a party. Better yet, invite them over too! Pets are great companions, but they can be a nuisance to others in close quarters. Train your pet so they aren't excessively

noisy, and only use designated pet areas. Always pick up after them.

## HOW YOU'LL BENEFIT

Sponsor a housewarming party, potluck or picnic and you can quickly expand your friend group. Offer to keep an eye on things when a neighbor is away, and they'll likely reciprocate. Bring packages to

their door, water plants or help with pets. Be a good steward of the grounds around your rental, and report anything that seems amiss. If you approach this new living arrangement with a shared goal of responsibility and care, living in a rental community can provide both a sense of community and another layer of security.

# When It's Time to Go

We leave our rentals for a host of everyday reasons, including a new job, a relationship's end or simply outgrowing the space.

Leaving, however, is not always that simple. Here's a list of recommended tips for discussing this life change with your landlord, potentially breaking your lease and getting your security deposit back.

## BE FAMILIAR WITH THE LEASE

Much of what will happen should you leave is outlined on the original agreement you signed to lease the unit. You will likely be required to pay the remainder of the agreed-upon payments should you break the lease. Either way, familiarize yourself with what's required before you walk out the door of a rental. You could be responsible for hidden fees even beyond paying out your remaining term, including advertising costs to relist the space. Sometimes loopholes are built in for responsible long-term tenants. If you've become close to your landlord, or if your issue is particularly sudden, they may decide to smooth the way for early termination.

## SECURITY DEPOSIT

Tenants exiting at the end of their lease still must meet final



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requirements in order to retain their security deposit. This fee, which can be hundreds of dollars, is collected as a kind of landlord insurance policy. They're protected in the event you depart without warning or — as if far more common — cause damage to their property. In most cases, this money is refunded if everything is still in

good shape, but that's at the discretion of the landlord. So, best to go the extra mile in cleaning and making small repairs. Scrub that shower, touch up that wall, mop that floor and fill in that nail hole. The easier you make things when returning their keys, the likelier it is that you'll get your money back.

## LAST-MINUTE CHECKLIST

Collect all of your things before closing the door a final time on your rental. This sounds obvious, but tenants often forget things kept out of sight in closets, storage areas, cabinets, even refrigerators and freezers. (Depending on what's left, this could also impact your final security-deposit refund.)

If there are items of use that you'll no longer need, like say a broom or a tool, discuss leaving it behind for your landlord's use. They might even make small cash-back offers on your final month's rent if you let them keep things like window treatments, decorations or other things that improve the rental space.