



# Rental Guide



# House or Apartment?

**Y**our decision of whether to rent a house or apartment comes down to a variety of factors. How much space do you need? What is your budget for monthly payments? Do you prefer to have a yard that will give you more room but will also require weekly maintenance during the summer?

Renters must take all of these questions into consideration to make sure they choose the best option for themselves and their families.

## CONSIDER THE AMENITIES

The two greatest amenities of a home rental versus an apartment are space and privacy. Houses are generally larger and come with some form of outside area. This makes houses more likely to attract people

with dogs, several vehicles or young children.

The privacy advantage cannot be overstated. Houses provide more personal privacy as compared to apartments where you can hear the neighbors above and next to you.

Apartments come with plenty of perks, however. Depending on your current life situation, an apartment may be the perfect option for you. Many apartment complexes

offer complimentary gyms, community pools or shared outdoor areas. People who work out regularly or like being in cozier spaces may prefer an apartment.

The key to deciding which is best for you is spending time in both. Hang out in a friend's apartment for a day and see how he or she lives. Then do the same with a friend or family member who rents or owns a home. This way you'll be able

to make the most informed choice.

## MAKING IT 'YOUR SPACE'

One of the biggest differences between a rental house and an apartment are the customization allowances. Landlords generally are more prone to allow painting or other projects that might actually improve the value of a house. You likely will be required to notify the landlord of your plans first, but

these kinds of customizations can make your house rental feel more like a home that you own.

Many apartment complexes are precisely laid out and designed by developers. Leases commonly prohibit painting, adding new kitchen appliances or other basic modifications. This can be frustrating to someone hoping to put a little of their own personality into their living space.

# Hot Rental Markets

**S**haky confidence in the economy and the preference of renting over buying a home are two factors driving the success of the rental industry.

The U.S. home-ownership rate has dropped to 66.4 percent of households, its lowest level in 13 years, according to recent census data.

Developers and landlords are taking advantage of this rental mindset by building new complexes offering even more perks than traditional apartments. Additionally many of the homes that were foreclosed upon during the housing crash of 2008 have become profitable rental homes for savvy investors across the country.

Where are the best areas to find quality rental homes? From the investor's perspec-

One of the main reasons the rental market is experiencing such positive growth is the effort developers are putting into their housing designs.

tive, which areas in the United States offer the best chance for a profitable return?

A recent study by HomeVestors uncovered the top 10 best markets for real estate investing. In other words, the study found the places where developers and landlords are finding the most success in landing reg-

ular tenants. The list is topped by the Denver market, followed by three Texas cities that continue to grow and evolve as housing hotspots.

The list was also created by identifying markets that will be good rental markets and where home prices are likely to increase at a good rate over the next few years, according to HomeVestors.

Here is the list:

10. Raleigh, N.C.
9. Nashville, Tenn.
8. Charleston, S.C.
7. San Antonio, Texas

6. Orlando, Fla.
5. Seattle, Wash.
4. Austin, Texas
3. Houston, Texas
2. Dallas, Texas
1. Denver, Colorado

## HIGH-END AMENITIES

One of the main reasons the rental market is experiencing such positive growth is the effort developers are putting into their housing designs.

Many apartment complexes offer swimming pools, shopping services and work-

out areas, not to mention accessibility to popular downtown businesses and shops to make life convenient for renters.

Other luxury amenities driving the rental trend include indoor basketball courts, yoga facilities, rock climbing, movie theaters, dog parks, driving ranges, wine rooms and large children's play areas. As more developers and investors continue to put more perks into renting, the rental market only looks set to continue its expansion.



# Get Back Your Deposit

If you decide to leave your apartment because you've found a new place or are relocating for work, don't forget about the security deposit you paid to your landlord.

Your deposit was likely collected as an insurance policy of sorts, used by your landlord as protection in case you leave suddenly or cause any damage to the property. In most cases, security deposits are refunded at the time you leave — if you've kept the place in good shape.

Depending on the size of the home or apartment, security deposits can be hundreds or thousands of dollars. It's important you be a clean, respectable tenant if you're hoping to see your money again.

Below are some tips on earning back your deposit when it's time to leave. Always check your renter's agreement for any stipulations your landlord may have in place.

## **CLEAN, CLEAN, CLEAN**

Earning back your security deposit will take more than a quick tidying up. It's up to you to make life easy on your landlord when keys change hands. The better you scrub the shower and mop the floor, the more impressed your landlord will be with your effort. After the heavy lifting is done, don't forget to perform a little light cleaning on the morning of your exit.

Your lease may require you to rent a steam cleaner for the



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carpets. Don't skip this step. Your landlord has put in these rules for a reason, so make sure you follow them.

Cleaning also means touching up any chipped paint — if you can match the color — and any other minor damage has occurred through normal daily living. Take care of these

issues before your landlord has to, and you'll be in a great position for a refund.

## **COLLECT YOUR THINGS**

When you move out, it's up to you to empty the house of all of your belongings. This includes food. One of the most common mistakes made

by renters is not cleaning out their refrigerator, freezer and cabinets. Landlords consider this to be an inconvenience and may take away some of your deposit for this type of work, especially if it is spelled out in the lease.

Talk with your landlord about items that you don't

particularly need, especially ones that improve the space. Maybe you no longer need the nice shower curtains, window treatments and other decorations you bought to improve the space. Your landlord may be interested in keeping them, but double-check first.

# Keys to Happy Roommates

**R**oommates are great — until they're not. Sharing space with someone can be a challenge for many people, one that requires patience and understanding to overcome.

If you can make it work, the benefits can be outstanding. You only have to pay a fraction of the rent, plus you have someone to socialize with on a daily basis.

But if you've ever had a bad roommate, you know that having a roommate isn't guaranteed to be a positive experience.

Fortunately, there are steps you can take to make sure your roommate situation remains tenable.

## RESPECT PERSONAL SPACE

First things first when setting ground rules with your roommate: Personal space is key. Make sure you find a roommate who makes similar lifestyle and socialization choices as you. In other words, if you don't like having a lot of people in your space, agreeing to room up with a party animal isn't the right choice for you.

Have the conversation about any ground rules prior to entering an agreement. That way, both parties understand what is expected of them. Working together on the front end is always better than trying to fix an issue when you've already signed a lease.

## THE CLEANING CONVERSATION

Another area where a like-minded roommate makes sense is in the cleaning department. Get a sense of how clean your potential roommate is before moving in together. Ask mutual friends if it would be a good fit.

Again, setting ground rules is key to



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maintaining a positive roommate relationship. Who is going to clean the kitchen? The bathroom? Designating one person for each job makes things more streamlined than trying to maintain weekly or monthly rotations. Find a system that works for you.

## PAYING THE BILLS

Sharing space with a roommate

means you're also sharing electricity, water, Internet and television, and these things cost money. Who is going to be in charge of making sure these bills are paid on time? How will you coordinate when certain payments are expected from the other person to make sure accounts stay current?

These are questions you have to ask each other. Bills are a breaking point in many relationships, especially if

there is not a clear distinction as to who will pay what. Sit down with your potential roommate and put together a list of monthly bills.

Decide if you are splitting them down the middle and draft up a contract with your signatures. That way, if your roommate bails on any of his or her financial responsibilities, you have a document stating the original terms and conditions.

# Ending Your Lease

**T**here are many reasons for ending your rental lease early.

A new job, relationship issues and outgrowing the space are only a few. So what happens when you need to break your lease before the end date?

That depends on how understanding your landlord is.

Legally, you are likely required to pay back the remainder of the agreed-upon rental payments. You'll need to check your lease for specific rules regarding early termination.

If you've built a great relationship with your landlord and have made timely payments during your stay there, you may be given some leeway on what happens next.

Here are some important steps to follow when trying to

break your lease in the most amiable — and cost-effective — way possible.

## **KNOW YOUR LEASE**

As with any written contract, when you sign something, you should probably understand the details within it. It's up to you to understand your lease and how it is structured when it comes to early termination.

Look for details that specifically spell out what happens if you terminate your lease earlier than expected. Are you responsible for the entire remaining term? Are you responsible for paying the advertising costs associated with finding a new tenant? These are important factors to consider and understand.



Knowing the rules will help you make a more informed decision. You also may discover loopholes that the landlord has incorporated into the lease for responsible, upstanding tenants. If you fall into this category, you could be in luck when it comes time to move ahead of

your legal end date.

## **BE OPEN WITH YOUR LANDLORD**

Life happens. If there is an extenuating circumstance prompting you to break the lease, hopefully your landlord will understand. But he or she can't understand

unless you communicate.

If you're in a lease with a large property management firm, find your local associates and tell them about your issues. Be open and honest with your landlord. This approach will go a long way in helping you responsibly and legally end your lease.

# Overcoming Bad Credit

**Y**ou've saved up enough money to cover first and last month's rent. You have a budget in mind for monthly payments that you could comfortably handle given your income.

You're emotionally ready to move into a new place and experience all of the joys that come with it.

The last remaining obstacle is your credit. Applicants with poor credit scores are less likely to be given a chance of renting than those with higher scores. Landlords who check your credit are doing so for a reason.

They have likely been burned in the past by a tenant and are trying to cover themselves in the event of it happening again. Checking your credit gives them an idea of how diligently you pay bills. This is valuable information for a landlord.

Bad credit doesn't mean you are automatically turned down for rental opportunities. You may be asked to pay more money up front or your monthly payment may increase. Renting with bad credit is still possible, but it may be more challenging.

## BE UPFRONT

If you already know your credit score, disclose it ahead of your landlord running a check. Give yourself a chance to explain any past payment issues and explain how you have worked to correct them.

This option is better than letting your landlord find out

your score and think you may be hiding something since you didn't bring it up initially. Your landlord will appreciate honesty. And even if he or she decides to rent to someone else, at least you took the right

approach.

## BE PREPARED

Even if you plead the most passionate case about your financial situation and how you have worked diligently to turn

it around, it may not be enough for some landlords.

It's better to be prepared with documentation that shows you have paid off debts or improved your savings.

References are crucial to tell-

ing a positive side of your financial situation. List people who have watched you improve your fiscal standing as references on your application. Give them a heads-up so they are prepared to back you up.



# Apartment Hunting Mistakes

**E**specially if this is your first hunt, finding the right apartment can be an overwhelming experience.

From your budget to your target location, there are many factors running through your head as you search and follow up on listings.

Signing an expensive lease is a big deal for both new and veteran renters. Doing so locks you into a commitment with your landlord that is upheld legally.

Many people are so stressed out by the process of hunting for an apartment that they make simple mistakes that cost them in the long run. The key to not falling into this category is setting a comprehensive plan that outlines your monthly budget and location preference, as well as any special requirements that you hope your next place meets. This can include proximity to your work and certain amenities.

Here are some common mistakes apartment hunters make, and how you can avoid them:

## **OVERSPENDING ON A PLACE**

Maybe the monthly payment sounds do-able, but don't feel pressured to sign that lease until you've crunched the numbers one more time.

Take into consideration any other monthly expenses, such as water, trash and utility bills. Also factor in your commute and estimate the cost of fuel to get you there and back every day.

Just because you love a specific

apartment doesn't mean you can necessarily afford it. Even if you can, it helps to have a precise idea of living costs. Not doing so hurts your wallet up front when your landlord asks for first and last month's rent payments, and also during the course of the lease.

Remember that emergency spending will likely come up, so don't drain your bank account to sign the dotted line.

## **NOT ASKING ANY QUESTIONS**

You serve as your own real estate agent if you're on the hunt by yourself. Not asking questions and assuming certain things will put you in a compromised position from the jump.

There are specific things you should be curious about before signing the lease, including rental terms, the price of utilities, policies on pets and whether or not you can customize the space.

Here are some other questions to ask:

- Is the area safe?
- How many people have rented the unit over the past year?
- Are the walls soundproofed?
- Where are the emergency exits?

Jot down your questions before you check out potential places and keep records to compare later. Smart shopping will lead to the best results.

