



*How does it feel
To be on your own
With no direction home
Like a complete unknown
Like a rolling stone?*



Bob Dylan, "Like a Rolling Stone"

Overview

As young people grow up, a common goal is to "live on their own." Quite often, their expectations are unrealistic. Making it on your own takes money, determination and planning. This lesson provides a "reality check" for students as they investigate the costs associated with moving, obtaining furniture and appliances, and renting an apartment.

In preparation for living on their own, students are reminded of the budgeting process. Fixed and flexible expenses are discussed. While many of the flexible living costs (entertainment, food at restaurants, vacations) are more fun, the fixed expenses (rent, utilities) are necessary for financial survival.

Where should I live? How much can I afford to pay for rent? What are the monthly costs for living in the apartment? These questions and various sections and clauses of an apartment lease are discussed. This material can help to create awareness and caution among students before signing a lease (or other contracts).

Goal

Help students understand the costs of living on their own and provide practice in setting up budgets. Help students to develop the skills and knowledge necessary to interpret and evaluate lease/rental agreements.

Time Frame

Three 75-minute periods

Lesson 02.02.01

Costs of living on one's own

Lesson 02.02.02

Apartment selection process

Lesson 02.02.03

Interpreting and evaluating lease and rental agreements

End-of-unit quiz and answer sheet

Each lesson includes black-line print masters for overheads and activities.



Lesson 01
Costs of living on one's own

.01

Overview

As young people grow up, a common goal is to “live on their own.” Quite often, their expectations are unrealistic. This lesson provides a reality check for students as they investigate the costs associated with moving, obtaining furniture and appliances, and renting an apartment.

In preparation for living on their own, students are reminded of the budgeting process. Encourage students to carefully consider various fixed and flexible expenses. While many of the flexible living costs (entertainment, food at restaurants, vacations) are more fun, the fixed expenses (rent, apartment insurance) are necessary for financial survival.

Goals

Help students understand the costs of living on one's own.

Help students prepare a budget that includes fixed and flexible costs for living on their own.

Objectives

Identify and prioritize the fixed costs associated with living on one's own.

Identify and prioritize the flexible costs associated with living on one's own.

Timeline

Discussion	15 minutes
Note taking	10 minutes
Student activities A and B	50 minutes

Instructions

Discussion

Brainstorm things that you need to take into account when preparing your budget.

Ask students what a fixed cost is and have them brainstorm what they think some of these fixed costs are. List them on the board and separate them into necessary fixed costs and costs that they could live without if finances don't allow.

Ask students what a flexible cost is and have them brainstorm what they think some of these flexible costs are. List them on the board and separate them into necessary flexible costs and costs that they could live without if finances don't allow.

Note taking

Students will take notes from Overhead A, Preparing a budget.

Student Activity

Have students work in groups of three.

Provide students with:

A copy of Activity B, Budgeting to live on your own.

A copy of Activity A, The cost of setting up an apartment.

Time to complete the activities. Ensure students have access to computers and the Internet so they can access the resources in the Web link

www.practicalmoneyskills.ca.

An opportunity to seek clarification.

Teacher Notes

Preparation of required materials prior to lesson.

Required Materials

Activity A, The cost of setting up an apartment

Activity B, Budgeting to live on your own (two pages)

Overhead A, Preparing a budget

Assessment and Evaluation

Activities can be used as a formative or summative assessment

Notebook check.

Additional Web Resources

Practical Money Skills

www.practicalmoneyskills.ca

Select: Students

Select: Life Events

Select: Renting an Apartment

Select: Tenant Insurance

Select: Finding a Roommate and Splitting the Bills



activity A

The cost of setting up an apartment

02.02.01

name: _____ date: _____

Each team member should pick one room (choices include kitchen, dining room, bedroom, living room, and bathroom). Research how much it would cost to furnish and equip the room. Consider various alternatives, including second-hand stores, garage sales, donations from family and relatives, etc.

1. What items did you include?

2. What was your source for each item?

3. What was the total cost?

4. How did the total compare to what you expected?



Activity B

Budgeting to live on your own

02.02.01

name: _____ date: _____

Use this form to set up a budget that would allow you and your teammates to rent and furnish an apartment.

Income

Job #1	\$	_____
Job #2	\$	_____
Other	\$	_____
Total Income	\$	_____

#1 Monthly Expenses

Fixed expenses

Savings	\$	_____
Rent/Mortgage	\$	_____
Car insurance	\$	_____
Car payment	\$	_____
Other	\$	_____

Flexible expenses

Food/Eating out	\$	_____
Utilities (heat, electricity, phone, cable)	\$	_____
Transportation	\$	_____
Bus fare	\$	_____
Gas and oil	\$	_____
Parking and tolls	\$	_____
Repairs	\$	_____
Others	\$	_____
Clothing	\$	_____
Entertainment	\$	_____
Personal items	\$	_____
Medical (e.g., Rx)	\$	_____
Household items	\$	_____
Tuition/School expenses	\$	_____
Total Monthly Expenses¹	\$	_____

Activity B

Budgeting to live on your own (continued)

activity B

02.02.01

name: _____ date: _____

Continue to calculate what you and your teammates would pay to rent and furnish an apartment.

#2 Moving-in costs

Rent for first month	\$
Rent for last month	\$
Security deposit	\$
Utilities deposit	\$
Telephone deposit	\$
Moving costs	\$
Total Cost to Move In²	\$

#3 Cost of furnishing and equipping an apartment

Bedroom #1	\$
Bedroom #2	\$
Living room	\$
Dining room	\$
Kitchen	\$
Bathroom	\$
Other	\$
Total Cost³	\$

Summary

Total Cost for First Month (1+2+3)	\$
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overhead A

Overhead A

Preparing a budget

02.02.01

When preparing your budget, keep in mind

- Your personal and financial goals
- Your income
- Your lifestyle
- Your fixed expenses
- Your flexible expenses
- Moving costs
- Moving-in costs
- The cost of setting up house or apartment

Rule of thumb

- You should spend no more than **32%** of your gross income on rent or mortgage payments.



Lesson 02
Apartment selection process

.02

Overview

As students start the apartment selection process, many factors need to be considered. Where should I live? How much can I afford to pay for rent? What are the monthly costs for living in the apartment? Should I share living costs with another person? Will I get along with the other person? These are just some of the questions students will address in this lesson.

Goals

Help students understand the factors to consider when selecting an apartment.
Help students understand the costs of living on one's own.

Objectives

Summarize the factors to consider when starting the apartment selection process.
Summarize other considerations when deciding to live on your own.

Timeline

Note taking	10 minutes
Student activities A, B, and C	45 minutes
Group Discussion	20 minutes
Homework Activity (outside of class time)	

Instructions

Student Activity

Have students interview family and friends about:

- How much it costs to rent an apartment.
- How costs are divided up among roommates.
- The pros and cons of having roommates.
- What it costs to furnish an apartment.
- Setting up and sticking to a budget
(use Activity A, Moving to an apartment checklist)

Ensure students have access to computers and the Internet so they can use the Web site www.practical-moneyskills.ca as a resource to answer the questions.

Student Activity

As a homework assignment, have students work in pairs, taking notes from Overhead A, Selecting an apartment criteria, and compare two different rental units based on the following criteria:

- Location
 - Building exterior
 - Building interior
 - Apartment layout and facilities
 - Financial aspects (rent, utilities, etc.)
- (Use Activity B, Compare two rental units)

Students will bring their results to class and two groups will pair-share to discuss their findings.

Student Activity

Have students stay in the same groups of two and calculate the cost of setting up an apartment. Ask each team to choose a room in an apartment. Choices include kitchen, dining room, bedroom, living room, and bathroom. Ask each team to research how much it would cost to furnish and equip that room and itemize these costs. Ensure that within the class all rooms are selected. Encourage students to look at various alternatives, including second-hand stores, garage sales, family and relative donations, etc. (Use Activity C, Costs of setting up an apartment, to fill in the costs to set up their room as well as the other rooms in

the apartment from the discussion with the entire class.)

Ask all teams to prepare a summary of their findings, including an itemized list of what they would buy, the estimated cost of each item, the source for each item, and the total cost of furnishing and equipping "their" room. Have all teams present their findings to the class, and have the students fill in the costs to set up all other rooms in the apartment from the discussion with the entire class.

As a class, discuss students' findings and brainstorm ways to cut costs.

Teacher Notes

Preparation of required materials, prior to lesson. Familiarize yourself with the web resources provided to facilitate the activity.

Required Materials

Activity A, Moving to an Apartment Checklist
Overhead A, Selecting an Apartment, Criteria
Activity B, Compare two rental units
Activity C, Costs of Setting up an Apartment

Assessment and Evaluation

Activities can be used as a formative or summative assessment.
Notebook check.

Additional Web Resources

Practical Money Skills

www.practicalmoneyskills.ca

Select: Students

Select: Life Events

Select: Renting an Apartment

Select: Tenant Insurance

Select: Finding a Roommate and Splitting the Bills



activity A

Moving to an apartment checklist

02.02.02

name: _____ date: _____

You can obtain many of the answers to this assignment by either

asking family or friends

or

going to this Web site

www.practicalmoneyskills.ca → Students → Life Events → Finding a Roommate

Obtain the information to fill in the chart below by either of the above methods. Indicate where you got your information by placing an (F) or a (W) in the column beside your answers.

Moving to an Apartment				
Criteria	Pros	F or W	Cons	F or W
What are the costs of renting an apartment?				
Do I get a roommate to share my apartment?				
How do I go about getting a roommate?				



overhead A

Overhead A

Selecting an apartment criteria

02.02.02

Compare two different rental units based on the following factors:

location

Place of employment, schools, churches, synagogues, shopping, public transportation, recreation, parks

building exterior

Condition of building, grounds, parking availability, recreation facilities

building interior

Exits, security, hall maintenance, condition of elevators, access to mailboxes

apartment layout and facilities

Condition, size, closets, carpeting, appliances, type of heat, air conditioning, plumbing, water pressure, storage area, room size, doors, locks, windows

financial aspects

Rent amount, length of lease, security deposit, utilities, other costs

Use Activity B and C, to organize your responses.



Activity B

Compare two rental units

02.02.02

name: _____

date: _____

Criteria	Apartment 1	Apartment 2
Location		
Building Exterior		
Building Interior		
Apartment Layout and Facilities		
Financial Aspects		



activity C

Costs of setting up an apartment

02.02.02

name: _____

date: _____

Costs of Setting up an Apartment			
Rooms Selected			
Items Needed in the Room	Estimated Cost		Source
Total Cost to Furnish the Room			
Total Cost to Furnish the Apartment	Room	Cost	Alternative to Reduce the Cost
	Kitchen		
	Dining Room		
	Living Room		
	Bedroom		
	Bathroom		
	Total		



Lesson 03
Interpreting and evaluating lease
and rental agreements

.03

Overview

Are most of your students aware of the elements of a lease? In this section of the lesson, various information sections and clauses of an apartment lease are discussed. This material can help to create awareness and caution among students before signing a lease (or other contracts).

Goal

Develop the skills and knowledge necessary to interpret and evaluate lease and rental agreements.

Objectives

Understand the rights and legal responsibilities of a tenant.

Understand the rights and legal responsibilities of a landlord.

Read and interpret various clauses in a lease.

Read and interpret various clauses in a rental agreement.

Timeline

Student Activity A	50 minutes
Discussion	20 minutes
Note taking	5 minutes

Instructions

Student Activity

Read and interpret Overhead A, Lease agreement.

Divide students into teams of three or four people.

Ask each team to answer the questions about various terms and clauses in the lease in Activity A, Would you sign this lease?

Ensure students have access to computers and the Internet so they can access the Web sites listed below to help them answer the questions.

Are there clauses they would add? Would they sign the lease? (Activity A)

Student Activity

Repeat with Activity B, Would you sign this rental agreement?

Discussion

As a class, after the groups have completed the question sheets, discuss the teams' findings. Are there clauses they would want to change?

Teacher Notes

Preparation of required materials prior to the lesson

Review answer sheets before the lesson.

Required Materials

Activity A, Would you sign this lease? (two pages and answer sheet)

Activity B, Would you sign this rental agreement? (two pages and answer sheet)

Assessment and Evaluation

Have students take the quiz when the entire unit, Living on Your Own is completed.

Additional Web Resources

CanLaw—Landlord or Tenant Issues
www.canlaw.com/tenants/tenantinfo.htm

Ontario Tenants Rights
www.ontariotenants.ca/index.phtml

Practical Money Skills
www.practicalmoneyskills.ca

Select: Students

Select: Life Events

Select: Renting an Apartment

Select: Leases

Select: Your Rights



activity A

Activity A

Would you sign this lease?

02.02.03

name: _____ date: _____

Use the attached lease form to answer the following questions:

1. What utilities, if any, does the landlord pay for?

2. If you were to fall down a wet flight of stairs and break your leg while in the apartment building, could you hold the landlord legally responsible for your medical bills?

3. If you break any provision of the lease, what recourse does the landlord have?

4. What terms and conditions apply if you choose to stay after the lease has expired?

5. If the landlord changes (or waives) any provision in the lease, how are the other provisions affected?

6. If you want to let the landlord know you are moving out, what must you do?

7. Is there anything in this lease you would change?

8. Would you add any provisions to this lease?

Activity A Would you sign this lease? (Lease agreement)

02.02.03

Lease agreement

Lease

1. Parties/Premises

This Lease is made this 27th of August, 2008, by and between Alice Chan (herein referred to as "Landlord") and Tim Baker (herein referred to as "Tenant"). Landlord hereby leases to Tenant certain real property situated in the City of Toronto, Province of Ontario, commonly known as 123 Main Street and described as Two-Bedroom Apartment (hereinafter called the "Premises").

2. Term

The term of this Lease shall be for one year commencing on September 1, 2008, and ending on September 1, 2009.

3. Rent

Tenant shall pay to Landlord as rent for the Premises the sum of \$850.00 dollars per month, on the first day of each month. Rent shall be payable without notice or demand at the address as the Landlord may designate to Tenant in writing.

4. Utilities

Tenant shall make all arrangements and pay for all gas, heat, light, power, telephone, and other utility services supplied to the Premises and for all connection charges.

5. Hold Harmless

Tenant shall hold Landlord harmless from any and all claims arising from Tenant's use of the Premises. Except for Landlord's wilful or grossly negligent conduct, Tenant assumes all risk of damage to property or injury to persons in or about the Premises.

6. Default:

If Tenant shall default and breach any covenant or provision of the Lease, then the Landlord, after giving the proper notice required by law, may re-enter the Premises and remove any property and any and all persons therefrom. The undersigned Resident(s) whether or not in actual possession of the premises, are jointly and severally liable for all obligations under this rental agreement.

7. Holding Over

If Tenant, with the Landlord's consent, remains in possession of the Premises after expiration of this Lease, such possession shall be a tenancy from month-to-month at a rental in the amount of the last month's rent. Tenant must notify Landlord in writing at least sixty (60) days prior to evacuating the Premises, unless otherwise stated in the lease agreement. All other provisions remain the same.

No waiver by Landlord of any provision hereof shall be deemed a waiver of any other provision hereof.

Landlord By:
Alice Chan

Tenant By:
Tim Baker

Signature

Signature



activity A

Activity A

Would you sign this lease? (answers)

02.02.03

1. What utilities, if any, does the landlord pay for?

According to the lease, the landlord doesn't pay for any of the utilities.

2. If you were to fall down a wet flight of stairs and break your leg while in the apartment building, could you hold the landlord legally responsible for your medical bills?

Only if you could prove the landlord was "wilfully and grossly" negligent.

3. If you break any provision of the lease, what recourse does the landlord have?

The landlord, after giving proper notice required by law, may enter the Premises and remove any property and any persons therefrom in the manner allowed by law.

4. What terms and conditions apply if you choose to stay after the lease has expired?

Tenancy becomes month-to-month at a rental in the amount of the last month's rent.
All other terms and conditions remain the same.

5. If the landlord changes (or waives) any provision in the lease, how are the other provisions affected?

All other provisions of the lease stay the same.

6. If you want to let the landlord know you are moving out, what must you do?

Notify the landlord, in writing, at least 60 days before you plan to move out.

7. Is there anything in this lease you would change?

8. Would you add any provisions to this lease?



activity B

Would you sign this rental agreement?

02.02.03

name: _____ date: _____

Use the attached rental agreement form to answer the following questions:

1. Except in an emergency, how much notice must the landlord give you before entering your apartment?

2. What must you do if you want to alter the apartment in any way?

3. Under what circumstances may the landlord withhold your security deposit?

4. After you move out of the apartment, how long does the landlord have to return your security deposit (assuming you leave the apartment clean and in good condition)?

5. What recourse, if any, does the landlord have if you sublease the apartment without prior consent?

6. You rent the apartment with a friend, and you both sign the rental agreement. Then, you decide to move out but do not notify the landlord. At a later date, your former roommate defaults on the rent. Can the landlord hold you legally responsible?

7. Is there anything in this rental agreement you would change?

8. Is there anything you would want to add to this rental agreement?

Activity B

Would you sign this rental agreement? (rental agreement)

activity B

02.02.03

Rental agreement (month-to-month)

This agreement is entered into this 23rd day of December, 2008, by and between Anna Numekevor "Owner" (Landlord) and Faheem Singh "Resident" (Tenant), hereafter referred to as "the parties."

IN CONSIDERATION OF THEIR MUTUAL PROMISES THE PARTIES AGREE AS FOLLOWS:

1. Owner rents to Resident(s) and Resident(s) rents from Owner, for residential use only, the following "premises" known as: 325 Shady Lane, Canmore, Alberta.
2. Rent is due in advance of the first day of each and every month, at \$800.00 per month, beginning on the first day of January, 2002. If any rent shall be due and unpaid five (5) or more days after the due date, or if default shall be made by Resident(s) in any of the other covenants herein contained, then Owner, at his option, may terminate the tenancy by law.
3. Owner is given the right to enter and/or inspect the apartment for the following purposes:
 - (a) In case of emergency.
 - (b) To make necessary repairs or improvements, supply necessary services, or exhibit the dwelling unit to prospective or actual purchasers, tenants, or contractors.
 - (c) When Resident(s) has abandoned or surrendered the premises. Except in cases of emergency, or if it is impractical to do so, Owner shall give Resident(s) reasonable notice of his intent to enter. Twenty-four hours shall be presumed to be reasonable notice.
4. No pets, barbecues, or dangerous items shall be kept or allowed in or about the premises without Owner's written permission.
5. No alterations or decorations shall be made by Resident(s) without Owner's prior written consent. Any improvements to the premises shall become property of Owner at the end of the tenancy.
6. Resident(s) shall pay for any damage or injury to any portion of the premises, common areas, furnishings, fixtures, or appliances, or for personal injury caused by Resident(s).
7. Resident(s) shall pay for all utilities, services, and charges, if any, made payable by or predicated upon occupancy of Resident(s), except monthly water and garbage bills.
8. Resident(s) shall deposit with Owner, as a security deposit, the sum of \$800.00. Owner may claim and withhold of the security deposit, only such amounts as are reasonably necessary to remedy Resident(s) defaults as follows:
 - (a) in the payment of rent, or
 - (b) to repair damages to the premises, if necessary, upon termination of the tenancy. No later than two weeks after Resident(s) has vacated the premises, Owner shall furnish Resident(s) with an itemized written statement of the basis and the amount of any security and shall return any remaining portion of such security to Resident(s).
9. Resident(s) shall neither assign nor sublet these premises or any part thereof or otherwise permit others to occupy the apartment without written consent of Owner. This clause is a special consideration for this contract and its violation shall result in termination of this contract.
10. The undersigned Resident(s) whether or not in actual possession of the premises, are jointly and severally liable for all obligations under this rental agreement.

The undersigned Resident(s) acknowledges having read and understood the foregoing.

Owner:
Anne Numekevor

Resident:
Faheem Singh

Signature

Signature



activity B

Would you sign this rental agreement? (answers)

02.02.03

- 1. Except in an emergency, how much notice must the landlord give you before entering your apartment?**

24 hours

- 2. What must you do if you want to alter the apartment in any way?**

Obtain written consent from the Owner

- 3. Under what circumstances may the landlord withhold your security deposit?**

A landlord can withhold a "reasonable and necessary" amount to remedy the following defaults: payment of rent, to repair damages to the premises caused by Residents, exclusive of ordinary wear and tear, or to clean the premises, if necessary, upon termination of tenancy.

- 4. After you move out of the apartment, how long does the landlord have to return your security deposit (assuming you leave the apartment clean and in good condition)?**

No more than two weeks.

- 5. What recourse, if any, does the landlord have if you sublease the apartment without prior consent?**

The landlord can terminate your lease.

- 6. You rent the apartment with a friend, and you both sign the rental agreement. Then, you decide to move out but do not notify the landlord. At a later date, your former roommate defaults on the rent. Can the landlord hold you legally responsible?**

Yes. There is a clause that states: "The undersigned Resident(s) whether or not in actual possession of the premises, are jointly and severally liable for all obligations under this rental agreement."

- 7. Is there anything in this rental agreement you would change?**

- 8. Would you add any provisions to this rental agreement?**



Living on Your Own

name: _____

date: _____

True/False (5 marks)

1. ____ An electric bill is commonly considered a fixed living expense.
2. ____ A security deposit covers the rent for the first month when moving into an apartment.
3. ____ A roommate may reduce the financial burden of renting an apartment.
4. ____ Saving money for a down payment to buy a house is usually considered a short-term goal.
5. ____ A lease is designed to protect the rights of both a tenant and a landlord.

Multiple Choice (5 marks)

- | | |
|---|---|
| <p>6. A common flexible expense associated with apartment renting is</p> <ul style="list-style-type: none">A. a security depositB. apartment insuranceC. electricityD. rent <p>7. A _____ deposit refers to money held to cover possible damage in an apartment.</p> <ul style="list-style-type: none">A. cleaningB. securityC. telephoneD. utilities | <p>8. A common moving-in cost for an apartment would be</p> <ul style="list-style-type: none">A. a down paymentB. building insuranceC. real estate taxesD. a security deposit <p>9. A long-term goal would be to</p> <ul style="list-style-type: none">A. rent an apartmentB. own an apartment buildingC. move to a larger apartmentD. buy additional furniture <p>10. The agreement between a renter and a landlord is a</p> <ul style="list-style-type: none">A. security depositB. mortgageC. leaseD. deed |
|---|---|

Case Application (5 marks)

Helga recently completed high school. She is working full-time and taking courses in the evening and on weekends at a local community college. Since she is making a good income, Helga wants to get an apartment. She believes this would give her more privacy to study, resulting in higher grades and a better chance to transfer to a top college or university. What would you recommend in this situation?



answers

Living on Your Own

quiz

Quiz

02.02.

True/False (5 marks)

1. **F** An electric bill is commonly considered a fixed living expense.
2. **F** A security deposit covers the rent for the first month when moving into an apartment.
3. **T** A roommate may reduce the financial burden of renting an apartment.
4. **F** Saving money for a down payment to buy a house is usually considered a short-term goal.
5. **T** A lease is designed to protect the rights of both a tenant and a landlord.

Multiple Choice (5 marks)

6. **A common flexible expense associated with apartment renting is**
C. electricity
7. **A _____ deposit refers to money held to cover possible damage in an apartment.**
B. security
8. **A common moving-in cost for an apartment would be**
D. a security deposit
9. **A long-term goal would be to**
B. own an apartment building
10. **The agreement between a renter and a landlord is a**
C. lease

Case Application (5 marks)

Helga recently completed high school. She is working full-time and taking courses in the evening and on weekends at a local community college. Since she is making a good income, Helga wants to get an apartment. She believes this would give her more privacy to study, resulting in higher grades and a better chance to transfer to a top college or university. What would you recommend in this situation?

While an apartment may be an appropriate decision, Helga must also consider other

factors. Since she works and goes to school, the apartment may not be used much.

Also, by living at home, she would be able to save more money for future educational costs.