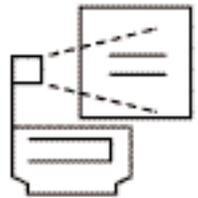


# lesson four

living on your own



overheads



# the costs of moving

---

## **moving-in costs can include:**

- Rent for first month
- Rent for last month
- Security deposit
- Utilities deposit
- Telephone deposit

## **moving costs can include:**

- Renting a truck
- Hiring movers
- Others?

# preparing a budget

---



**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.



# budgeting to move

---

## income

Job #1	\$
Job #2	\$
Other	\$
Total income	\$

## expenses

### fixed expenses

Savings	\$
Rent/Board	\$
Car insurance	\$
Car payment	\$
Other	\$

### flexible expenses

Food/ Eating out	\$
Utilities	\$
Transportation	
Bus fare	\$
Gas and oil	\$
Parking and tolls	\$
Repairs	\$
Other	\$
Clothing	\$
Entertainment	\$
Personal items	\$
Medical (e.g., Rx)	\$
Household items	\$
Tuition/School expenses	\$
Other	\$
<b>total monthly expenses<sup>1</sup></b>	<b>\$</b>

# budgeting to move (continued)

---



## **moving-in costs**

Rent for first month	\$
Rent for last month	\$
Security deposit	\$
Utilities deposit	\$
Telephone deposit	\$
Moving costs	\$
Other	\$

**total cost to move in<sup>2</sup>** \$

## **cost of furnishing and equipping an apartment**

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

**total cost<sup>3</sup>** \$

## **summary**

<b>Total cost for first month (1+2+3)</b>	<b>\$</b>
---	-----------



# a lease agreement (continued)



Revisions and Additions  
Form L2501 (September 2004)

Sharon Jones-Lester  
Page 1 of 4

**On** ~~the~~ **fourth** day of **April** the premises for and during the term of

to be computed from the **fourth** day of **April** **one thousand**  
**nine hundred and** **eight** and ending on the **fourth** day of  
**April**, **one thousand nine hundred and** **eight**

**YIELDING AND PAYING** therefor yearly and every year during the said term unto the  
said Lessor the sum of \$ **one thousand nine hundred and** of lawful money of Canada, without any  
deduction, defalcation or abatement whatsoever to be payable **on the**  
following days and times, that is to say:

The first of such payments to become due and to be made on the **fourth** day of  
**April** next.

THE Lessee agrees to deposit with the Lessor the sum of \$ **one thousand nine hundred and** as prepaid  
rent, to be applied towards the last month's rent of the term. The Lessor agrees to pay to  
the Lessee interest annually in arrear at the rate of 6% per annum. Subject always to  
Section 93 of the Landlord and Tenant Act, if the Lessee abandons or vacates the prem-  
ises at any time prior to the expiration of the herein term of lease, the Lessor shall be  
permitted to retain absolutely the aforesaid sum of money so deposited with the Lessor.

THE Lessee covenants with the Lessor:

- to pay rent;
- to pay taxes, except for local improvements;
- to pay water rates and charges for gas, electricity and telephone;
- to maintain the premises in a state of cleanliness, and to repair any damage caused  
thereto by his own willful or negligent conduct or that of persons who are permitted  
on the premises by him;
- to keep up fences;
- not to cut down timber;
- not to assign or sublet without the consent of the Lessor, such consent not to be  
arbitrarily or unreasonably withheld. The Lessee shall pay the Lessor's reasonable  
expenses incurred thereby;
- not to carry on upon the premises any business that may be deemed a nuisance or by  
which the insurance on the premises will be increased;
- that he will leave the premises in good repair, reasonable wear and tear and damage  
by fire, lightning and tempest only excepted;
- that the Lessee will repair according to notice in writing, reasonable wear and tear  
and damage by fire, lightning and tempest only excepted;
- to promptly notify the Lessor of any repairs to be made by the Lessor, and upon  
giving prior notice in accordance with Section 93 of the Landlord and Tenant Act,  
the Lessor shall be permitted to enter and view the state of repair and to make any  
such repairs.

PROVIDED that the Lessee may remove his fixtures, if such removal may be, and is, done  
without injury to the premises.

PROVIDED that in the event of damage to the premises by fire, lightning or tempest,  
rent shall cease until the premises are rebuilt.

PROVIDED that, where the premises become vacant and so remain for a period of 30  
days, it shall be presumed that the Lessee has abandoned the premises and the Lessor  
may re-enter and take immediate possession of the premises.

PROVIDED that if the Lessee be assessed as a Separate School Supporter, he will pay to  
the Lessor a sum sufficient to cover the excess of the Separate School tax, over the public  
school tax, if any, for a full calendar year.

PROVISED for re-entry by the Lessor on non-payment of rent or non-performance of cove-  
nants, provided that such re-entry shall, at all times, be in accordance with the provisions  
of the Landlord and Tenant Act.



# a lease agreement (continued)

Howland and Gillies  
Form L-9277 (Revised Nov. 1983)

Short House Lease  
Page 3 of 4

PROVIDED that, if the term hereby granted shall be at any time seized or taken in execution or attachment, by any creditor of the Lessee, or if the Lessee shall make an assignment for the benefit of creditors, or becoming bankrupt or insolvent shall take the benefit of any Act that may be in force for bankrupt or insolvent debtors, the then current rent, together with the rent for three months thereafter, shall immediately become due and payable, all subject to the provisions of the Landlord and Tenant Act, as amended.

THE Lessor shall maintain the premises in a good state of repair and fit for habitation during the herein lease in order that the premises comply with health and safety standards required by law.

THE Lessor covenants with the said Lessee for quiet enjoyment.

THE Lessee covenants with the Lessor to permit the said Lessor during the last month of the currency of this lease, to put up upon the said premises, notice of his intention to lease the same; and also to permit during the same time, such person or persons as he may be desirous of leasing the said premises at the expiration of this lease to visit and inspect the same on written notice to the Lessee, given at least twenty-four hours before the time of entry, which shall be during daylight hours and specified in the notice.

IT IS HEREBY agreed between the parties hereto that if, upon the determination of the lease by effluxion of time, the Lessor permits the Lessee to remain in possession of the premises and accepts rents in respect thereof, a tenancy from year to year shall not be created by implication of law, but the Lessee shall be deemed to be a monthly tenant only.

Strike out  
if not  
applicable

AND the said spouse of the said Lessor hereby consents to the transaction evidenced by this indenture.

IT IS HEREBY declared and agreed that the expressions "Lessor" and "Lessee", wherever used in this indenture, shall, when the context allows, include be binding on and inure to the benefit of not only the parties hereto, but also their respective executors, administrators and assigns.

AND it is further agreed between the parties hereto that wherever the singular and masculine are used throughout this lease they shall be construed as if the plural or feminine had been used, where the context or the party or parties hereto so require, and the rest of the sentence shall be construed as if the grammatical and terminological changes thereby rendered had been made.

IN WITNESS WHEREOF the said parties hereto have hereunto set their hands and seals.

Signed, Executed and Delivered  
in the presence of

### RECEIPT OF TENANCY AGREEMENT:

I/WE hereby acknowledge receiving a duplicate original copy of the herein lease this day of \_\_\_\_\_, 19\_\_.

.....  
Lessee (Tenant)

.....  
Lessor (Tenant)





# rights and responsibilities of tenants

---

## **tenant's rights:**

- Withholding rent if the landlord doesn't make repairs in a reasonable amount of time.
- Safe and sanitary premises.
- No changes in terms and conditions for the length of the lease.
- Landlord cannot enter premises without the tenant's consent, or unless an emergency exists.

## **tenant's responsibilities:**

- Paying rent on time.
- Using the rental for the purpose stated in the lease.
- Taking reasonable care of the property.
- Notifying the landlord if any major repairs are needed.
- Giving notice if leaving at the end of the lease.
- Giving notice if leaving before lease is up and paying rent for balance of lease if landlord can't find new tenants.
- Paying for any damage to the walls, floors, and furniture.
- Not making alterations that the landlord must fix later.
- Giving landlord a new set of keys if you change the locks.
- Paying all of rent if roommates move out and you stay.

# rights and responsibilities of landlords

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## landlord's rights:

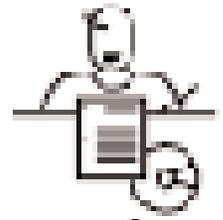
- Charging extra if rent is late (amount specified in lease agreement).
- Keeping part or all of the security deposit if you leave before the lease is up (as specified in the lease).
- Charging rent through the length of the lease even if you aren't living on the premises.
- Keeping all or part of security deposit if you damage walls, floors, or fixtures, or if you make alterations that have to be fixed after you move out.

## landlord's responsibilities:

- Making repairs in a reasonable amount of time.
- Keeping premises safe and sanitary.
- Entering premises only at agreed-upon time to make repairs (unless there is an emergency), or to show the apartment to potential renters if you are moving out.
- Paying interest on deposit money.
- Collecting rent.
- Maintaining exterior grounds of building.

# lesson four

living on your own



student activities

name: \_\_\_\_\_

date: \_\_\_\_\_



## estimate the cost of your bedroom furnishings

---



### directions

On a sheet of paper, prepare an itemized list of every major object in your bedroom, including furniture, linens, and other items. Then, estimate the cost of each item and answer the questions below.

1. What items did you include?

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

---

---

---

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3. For what items did you underestimate the cost?

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---

---

4. For what items did you overestimate the cost?

---

---

---

---

name: \_\_\_\_\_

date: \_\_\_\_\_

# calculate the cost of setting up an apartment or redecorating a home

---



## directions

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 secondhand stores, garage sales, donations from family and relatives, etc.

1. What items did you include?

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2. What was your source for each item?

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3. What was the total cost?

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---

---

---

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

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---

---

name: \_\_\_\_\_

date: \_\_\_\_\_



## budgeting to live on your own or upgrade your lifestyle

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	\$
<b>total income</b>	<b>\$</b>

### 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	\$
Other	\$
Clothing	\$
Entertainment	\$
Personal items	\$
Medical (e.g., Rx)	
Household items	\$
Tuition/School expenses	\$
<b>total monthly expenses<sup>1</sup></b>	<b>\$</b>

## **budgeting to live on your own** (continued)

---

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

### **moving-in costs**

Rent for first month	\$
Rent for last month	\$
Security deposit	\$
Utilities deposit	\$
Telephone deposit	\$
Moving costs	\$

**total cost to move in<sup>2</sup>** \$

### **cost of furnishing and equipping an apartment**

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

**total cost<sup>3</sup>** \$

### **summary**

<b>total cost for first month (1+2+3)</b>	<b>\$</b>
---	-----------

name: \_\_\_\_\_

date: \_\_\_\_\_



## would you sign this lease?

---



### **directions**

Use the attached lease form to answer the following questions.

1. For which utilities, if any, does the landlord pay?
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?



# lease agreement

---

## lease

### 1. Parties/Premises:

This Lease is made this 27th of August, 2000, 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, 2000, and ending on September 1, 2001.

### 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 days prior to evacuating the Premises, unless otherwise stated in the lease agreement. All other provisions remain the same.

### 8. Waivers:

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

**Landlord By:**

Alice Chan

\_\_\_\_\_  
signature

**Tenant By:**

Tim Baker

\_\_\_\_\_  
signature

name: \_\_\_\_\_

date: \_\_\_\_\_



## would you sign this rental agreement?

---



### directions

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?

# rental agreement



## rental agreement (month-to-month)

This agreement is entered into this 23rd day of December, 2001, 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 \$600.00 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 \$600.00. 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

\_\_\_\_\_  
signature

**Resident:**

Faheem Singh

\_\_\_\_\_  
signature



## would you sign this lease? answer key

---



### directions

Use the attached lease form to answer the following questions.

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?

# would you sign this rental agreement?



answer key

---



## directions

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?  
*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?



name: \_\_\_\_\_

date: \_\_\_\_\_



## selecting an apartment

---



**Compare two or three 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



## lesson four quiz: living on your own

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### true-false

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.

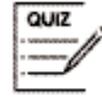
### multiple choice

6. \_\_\_\_\_ A common flexible expense associated with apartment renting is:
  - A. a security deposit.
  - B. apartment insurance.
  - C. electricity.
  - D. rent.
7. \_\_\_\_\_ A \_\_\_\_\_ deposit refers to money held to cover possible damage in an apartment.
  - A. cleaning
  - B. security
  - C. telephone
  - D. utilities
8. \_\_\_\_\_ A common moving-in cost for an apartment would be:
  - A. a down payment.
  - B. building insurance.
  - C. real estate taxes.
  - D. a security deposit.
9. \_\_\_\_\_ A long-term goal would be to:
  - A. rent an apartment.
  - B. own an apartment building.
  - C. move to a larger apartment.
  - D. buy additional furniture.
10. \_\_\_\_\_ The agreement between a renter and a landlord is a:
  - A. security deposit.
  - B. mortgage.
  - C. lease.
  - D. deed.

### case application

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?

# lesson four quiz: living on your own answer key



## true-false

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

6. C A common flexible expense associated with apartment renting is:  
A. a security deposit.  
B. apartment insurance.  
C. electricity.  
D. rent.
7. B A \_\_\_\_\_ deposit refers to money held to cover possible damage in an apartment.  
A. cleaning  
B. security  
C. telephone  
D. utilities
8. D A common moving-in cost for an apartment would be:  
A. a down payment.  
B. building insurance.  
C. real estate taxes.  
D. a security deposit.
9. B A long-term goal would be to:  
A. rent an apartment.  
B. own an apartment building.  
C. move to a larger apartment.  
D. buy additional furniture.
10. C The agreement between a renter and a landlord is a:  
A. security deposit.  
B. mortgage.  
C. lease.  
D. deed.

## case application

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.*