

Welcome Home!

A Guide to Renting an Apartment

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Now it's time to find a place to live! An apartment becomes your home, so like your other valuable possessions, it is important to select an apartment with care. The following guidelines, from the apartment-renting process to establishing credit, will help you find an apartment that both fits your needs and price range. See the suggested websites for additional suggestions, and good luck in your search!

Steps for Renting an Apartment

1. Search

- To find possible apartments, look in the newspaper, ask friends about openings look in the "For Rent" magazine available at grocery stores, or check the Internet.
- Consider how much you can afford to pay. The suggested amount is usually 30 percent of your income.
CAUTION: Never overextend your finances! If you are unable to pay in full at the time the monthly payment is due, you may be charged late fees or even worse be forced to leave your apartment.
- Use a rental agency to focus your search. The price of a rental agency's services depends on market conditions. Services may be free in a strong market, but you may have to pay a fee.

2. Evaluate the Apartment

- Ask about complex's amenities, which may include a pool, laundry, gym, etc.
- In regard to noise: Consider the number of adjoining walls and the apartments location relative to the garage, main entrance, etc.
- Just before move-in: Inspect the apartment for damages and report them to the landlord. You want to make sure you're not blamed for problems caused by a previous tenant. Make sure the landlord addresses any damages. For example, you can agree to deal with the issues or he/she agrees to fix the damages by a certain date.

3. Negotiate

- Read lease: What's the deposit? How much notice do you have to give before vacating? What is required to get your deposit back?
- Determine what changes you can make—paint, nail holes for pictures, shelves, etc.
- Where available, ask for a lease with the option of buying if you're considering staying long-term or really like the apartment.

Potential Costs Associated with an Apartment

- *Initial fees:*
 - Security deposit: usually refunded once you sign the lease.
 - Credit Report/Application: the landlord will probably want to ensure that you have good credit (see below for tips on establishing credit).
 - Some apartment communities charge an “administration fee” which is usually not refundable.
- *Common fees to pay when signing a lease:*
 - First month’s rent
 - Security Deposit: usually equivalent to one month’s rent
 - Broker’s fee: only applies if you used an apartment broker; this usually amounts to a certain percentage of one month’s or one year’s rent.
 - Last month’s rent: This is not as common a charge, but some landlords require it.
 - Once you move into your new apartment, be sure to pay the entire amount of your rent each month (usually the first day of the month). Most apartment owners will not accept partial payment and/or charge late fees for late payments. If you leave the apartment before the lease ends, you will probably be charged an early termination fee.

How to Limit Cost

- If the apartment you like is too expensive for your budget, ask if you can take on certain responsibilities (mowing the lawn, sweeping common areas etc.) to offset the price. If rent doesn’t already include amenities (internet, cable, heating/air etc.), ask the landlord to throw them in for free. Be aware that for many apartments, the more amenities included in the price, the higher the rent. Because landlords are often looking for long-term, responsible tenants, offer to sign a long-term lease in return for a lower price.
- Find a roommate by using a roommate service and asking friends if they know anyone else looking for a roommate.
- If you are living by yourself, search for listings that advertise a spare room—these are often much cheaper than an apartment.

Credit

- *Credit Basics*
 - You can build “credit history” by paying bills on time and by using a credit card wisely.
 - Each credit card has different terms and conditions, so investigate these before you choose your first credit card.
 - Credit cards also have features like interest rates and credit limits that affect the price of the card.
 - Charges are billed once a month, so be prepared to pay a certain amount approximately every thirty days.

- Credit cards can be very expensive if you get one that doesn't meet your needs, so fully investigate all fees, features, and incentives.
- Credit card companies are not always willing to give credit cards to first-time credit users. So, you may need to be persistent to begin establishing credit. Good companies from which to get your first credit card include the bank where you have a checking or savings account; bank representatives will be willing to speak to you about your credit card options. Department stores and gas stations are also good credit card sources because they usually have easy credit card approval. You can also apply for a secured credit card, which allows you to make a deposit against the account's credit limit. The bank then holds the deposit in case you do not fulfill your payments as agreed.
- If you don't have any credit history, the apartment management may charge you a higher initial deposit.
- *Establishing good credit:*
 - Starting with your first credit card, everything you do that involves credit becomes part of your credit history. Renting an apartment, getting a job, and other important decisions rely on establishing good credit. To establish good credit, follow these tips.
 - Begin with only one credit card.
 - Charge only what you can afford and avoid excessive, irresponsible debt.
 - Do not use all of your credit. For example, do not max out your credit card by spending to the card's limit. A common tip is to stay below 50 percent of your credit limit, usually around 30 percent.
 - If possible, pay your full monthly balance on time. A large part of your credit score is based on timeliness and the avoidance of excessive debt, so paying on schedule and the full amount will improve your score.
 - If you do carry a balance, do so responsibly. Having a credit card balance isn't terrible, as long as you pay more than the minimum monthly balance. If you avoid making late payments, and visibly move toward paying off your balance, carrying a balance will not harm your credit score. But beware that the high rate of interest on this balance piles up fast.
 - Another key way to establish good credit is to pay off your bills (electricity, gas, water, cell phone, loans etc) fully and on time.
- *Accessing your credit report (Federal Trade Commission website)*
 - The federal government requires each major credit report company to provide you with a free credit report once every twelve months.
 - To order your report: visit annualcreditreport.com, call 1-877-322-8228, or complete the Annual Credit Report Request Form and mail it to: Annual Credit Report Request Service, P.O. Box 105281, Atlanta, GA 30348-5281.

You can print the form from ftc.gov/credit. Do not contact the three nationwide consumer reporting companies individually. They are providing free annual credit reports only through annualcreditreport.com, 1-877-322-8228, and Annual Credit Report Request Service, P.O. Box 105281, Atlanta, GA 30348-5281.

For more information, see previous article on opening a credit card account.