

THE ABC'S OF LEASING AN APARTMENT OR HOUSE

By Matt House

School is back in session and another generation of young Arkansans is entering the "real world." Do you or your youngster possess the know-how to make solid legal and financial decisions? One of the major decisions of a young adult's life is leasing an apartment or house. For many it is the first legal contract that they will sign. While this article cannot practically tell you everything that you need to know, here are some thoughts to keep in mind:

Always read any lease before signing it. If a document is important enough for you to sign, it's important enough for you to take the time needed to carefully read and understand it.

Be a good renter by paying your rent on time and keeping the property in good shape. Often a new landlord will call your old landlord to determine whether you were a good renter. This information can dictate whether you obtain more favorable terms or are allowed to rent a particular property at all.

Copy the lease after you sign it and before you give it back to the landlord. If you do not possess a copy of the very document detailing your rights and responsibilities, you are in a disadvantageous if not dangerous legal position.

Deposits. A security deposit is money given by the tenant to the landlord to make sure the tenant follows the lease. When you move out it may be used by the landlord to pay rent you still owe or to pay for damages you caused other than normal wear and tear. Be sure to submit a written demand for the return of your deposit immediately after you move out.

Eviction. The landlord can evict you if you breach the lease, which means that you allegedly did not do the things that you promised to do in the contract. The most common reason for eviction is failing to pay your rent, but intentionally or recklessly causing damage to the property is also a valid reason.

Furnishings. When looking at the house or apartment, be sure to ask what furnishings (if any) will be provided. Some units are "staged" for appearance purposes with appliances, furniture, window treatments, etc. but will be removed before you move in. Also, some furnishings that you see may actually be owned by the renters who are soon moving out.

Guests. Be careful about inviting over too many guests too often, especially those of the overnight variety. You could inadvertently violate the lease and give the landlord grounds for eviction if you allow people whose names are not on the lease to essentially live in your unit.

Houses can be more involved than apartments to lease and maintain. For example, consider whether you have the time, money, equipment or desire to maintain the grounds, yard, and exterior of the house, which you likely may not have to do if you rent an apartment instead of a home.

Inspect the property and make sure it is in good condition before you sign the lease. Take pictures and list any problems or damages to the property, such as carpet wear or stains or cracks in the wall, on the lease itself. If you do not discuss and make note of issues before you move in, do not be surprised if the landlord attempts to attribute them to you when you move out.

Just because the lease is already typed out does not mean that it is not negotiable. If you prefer that a term be amended, ask the landlord before signing the lease. If the landlord rejects your offer then you can sign as is or consider other apartments or houses. If it is a weaker rental market, the landlord may be more willing to negotiate.

Keys. Make sure that your locks are rekeyed before you move in the unit. You do not want previous renters to have access to your new home and threaten your safety or property.

Leasing and renting are the same thing. The technically correct term is "leasing" although "renting" is the more commonly used term.

Month to month. If the original lease expires it will usually become a "month to month" lease. This means that the lease remains in effect but either the landlord or tenant may cancel the lease at any time by giving the other party 30 days written notice.

Obtain a list from the landlord of repairs to be completed (if any) before you move into the property. Once you have moved in, as a practical matter you will have lost much of your leverage to ensure that the repairs will actually be completed as promised.

Pets. A landlord can refuse to allow you to have a pet. Alternatively, a landlord may charge you extra rent or an extra deposit if you have a pet. You will be responsible for any damage that the pet causes, and the landlord may evict you if you bring a pet in against the terms of the lease.

Question every provision in the lease agreement that you do not understand. Consider asking an attorney or someone other than the landlord to explain confusing provisions, as the landlord likely has his or her own interests in mind rather than yours.

Renter's insurance may be a good idea if the price is right. What if your apartment is burglarized or catches on fire? The landlord's insurance typically only covers the building and it may not cover your personal property. Ask for price quotes from different insurance agents to find the policy that best suits your needs and budget.

Subleasing involves the tenant leasing the property to another tenant, often for a short period of time. Many landlords forbid subleases, so you should be certain that a sublease is allowed by your own lease before entering into one with someone else.

Termination. If you have signed a lease for a set number of months, you are responsible for the rent for the whole period. However, if you move out before the end of your lease, you may not have to pay for the time on the lease period if the landlord is able to rent the property to someone else for that time. Regardless, it is always best to assume that you will need to be ready to pay for the entire rental period.

Unlawful discrimination. Under applicable law, in general a landlord may not refuse to rent to you because of your race, color, religion, gender, national origin, disability, or family status. If you have questions or complaints contact the Arkansas Office of the Department of Housing and Urban Development.

Violations of lease agreements may not merely get you evicted or sued in civil court, they can also result in you actually being prosecuted for a crime. Arkansas law provides that if after 10 days written notice to vacate the unit the tenant willfully refuses to surrender possession of the premises, the tenant can be found guilty of a misdemeanor.

Written vs. oral leases. The lease technically only has to be in writing if it is for more than one year. Even if the unwritten lease is for longer than a year, it may still be enforceable depending on the circumstances. However, it is always advisable for both parties that there be a written lease in place.

X out all blank spaces and provisions in the lease which have not been filled in or which are not applicable to your situation. You do not want to risk something being filled in after the fact, or being bound to a provision in the lease which you never even knew existed.

Your roommate(s). The landlord may require any roommates to sign the lease and assume responsibility for paying the rent and maintaining the property. Keep in mind that you could be held accountable if your roommate does anything wrong or if your roommate does not pay his or her share of the rent.

Zzzzzz. Wake up and realize that you will not learn much if anything about the ins and outs of leasing---or the particulars of personal finance in general---in high school. Because such subjects as negotiating contracts, budgeting, saving, investing, building and using credit, balancing a checkbook, etc. are not widely taught, you must educate yourself, i.e., read, because these skills are vitally important out in the real world. Good luck !

Matt House is an attorney in Little Rock with the law firm of James & House, P.A. He served as Chair of the Arkansas Bar Association Young Lawyer Section's 2009-2009 public service effort to author 18 And Life To Go: A Legal Handbook For Young Arkansans, available for reviewing and printing at the ABA's website (www.arkbar.com). This 136-page publication covers leasing as well as many other legal and financial issues confronting those entering the real world.