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.

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. 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
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

<table>
<thead>
<tr>
<th>name:</th>
<th>date:</th>
</tr>
</thead>
</table>

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

**Income**

<table>
<thead>
<tr>
<th>Job #1</th>
<th>$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Job #2</td>
<td>$</td>
</tr>
<tr>
<td>Other</td>
<td>$</td>
</tr>
<tr>
<td>Total Income</td>
<td>$</td>
</tr>
</tbody>
</table>

**#1 Monthly Expenses**

**Fixed expenses**

<table>
<thead>
<tr>
<th>Savings</th>
<th>$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rent/Mortgage</td>
<td>$</td>
</tr>
<tr>
<td>Car insurance</td>
<td>$</td>
</tr>
<tr>
<td>Car payment</td>
<td>$</td>
</tr>
<tr>
<td>Other</td>
<td>$</td>
</tr>
</tbody>
</table>

**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 Expenses | $ |
### #2 Moving-in costs

<table>
<thead>
<tr>
<th>Cost Type</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rent for first month</td>
<td>$</td>
</tr>
<tr>
<td>Rent for last month</td>
<td>$</td>
</tr>
<tr>
<td>Security deposit</td>
<td>$</td>
</tr>
<tr>
<td>Utilities deposit</td>
<td>$</td>
</tr>
<tr>
<td>Telephone deposit</td>
<td>$</td>
</tr>
<tr>
<td>Moving costs</td>
<td>$</td>
</tr>
<tr>
<td><strong>Total Cost to Move In</strong></td>
<td>$</td>
</tr>
</tbody>
</table>

### #3 Cost of furnishing and equipping an apartment

<table>
<thead>
<tr>
<th>Room Type</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bedroom #1</td>
<td>$</td>
</tr>
<tr>
<td>Bedroom #2</td>
<td>$</td>
</tr>
<tr>
<td>Living room</td>
<td>$</td>
</tr>
<tr>
<td>Dining room</td>
<td>$</td>
</tr>
<tr>
<td>Kitchen</td>
<td>$</td>
</tr>
<tr>
<td>Bathroom</td>
<td>$</td>
</tr>
<tr>
<td>Other</td>
<td>$</td>
</tr>
<tr>
<td><strong>Total Cost</strong></td>
<td>$</td>
</tr>
</tbody>
</table>

### Summary

- **Total Cost for First Month (1+2+3) $**
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

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.practicalmoneyskills.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)
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
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.

<table>
<thead>
<tr>
<th>Moving to an Apartment</th>
<th>Criteria</th>
<th>Pros</th>
<th>F or W</th>
<th>Cons</th>
<th>F or W</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>What are the costs of renting an apartment?</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Do I get a roommate to share my apartment?</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>How do I go about getting a roommate?</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
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

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Apartment 1</th>
<th>Apartment 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Location</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Building Exterior</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Building Interior</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Apartment Layout and Facilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial Aspects</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**name:**

**date:**
## Activity C
Costs of setting up an apartment

### Costs of Setting up an Apartment

<table>
<thead>
<tr>
<th>Rooms Selected</th>
<th>Items Needed in the Room</th>
<th>Estimated Cost</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Total Cost to Furnish the Room</th>
</tr>
</thead>
<tbody>
<tr>
<td>Room</td>
</tr>
<tr>
<td>Kitchen</td>
</tr>
<tr>
<td>Dining Room</td>
</tr>
<tr>
<td>Living Room</td>
</tr>
<tr>
<td>Bedroom</td>
</tr>
<tr>
<td>Bathroom</td>
</tr>
<tr>
<td>Total</td>
</tr>
</tbody>
</table>
Lesson 03
Interpreting and evaluating lease and rental agreements

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
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?
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: Tenant By:
Alice Chan Tim Baker

Signature Signature
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?

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 (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

Would you sign this rental agreement?
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

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)

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 (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?
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.