

Know the Terms

Lesson: Renting vs. Buying

A lease is a binding contract between the landlord and the tenant that describes the terms of the lease. It is important to read and understand it before you sign the document and lock yourself into the terms. By signing the agreement, you are committing to pay a certain amount of money in rent to the landlord for a specified amount of time and to abide by the lease rules. In return, the landlord commits to provide certain things to you as the renter.

Objective

Examine a lease agreement.

Activity

In this activity, students will learn how to find answers to certain questions in a standard lease agreement. Print the sample lease agreement at midfirst.com/leaseagreement.

Provide each student with the sample lease agreement. Inform the students they are starting their junior year in college and want to rent a nearby apartment. Have the students answer the following questions about the lease agreement:

- a. Is there a security deposit? If so, how much?
- b. When is rent due? Is there a late fee?
- c. How much does it cost to break the lease agreement?
- d. Are pets allowed, and if so, is there a pet deposit? Is it refundable?
- e. What utilities, if any, is the landlord responsible for?
- f. Is parking provided? Is there a cost?
- g. Are there restrictions on roommates?
- h. Are you allowed to make customizations, such as painting walls?
- i. Is renters insurance required?
- j. Does the unit come with a refrigerator?



Reflective Questions:

Are there aspects to a rental agreement you didn't think about? What are they? What consequences could there be if you did not understand the lease terms?