

Renting with Confidence

00:06 Megan

Financial wellness includes the ability to manage money in a way that gives you peace of mind and empowerment to make your own choices. At Golden 1, we're here to help with unbiased financial guidance. As a not-for-profit member owned credit union, our main goal is to help you reach financial well-being. Join us as we discuss why financial knowledge matters and how to apply it to your financial journey. Together, we can be golden!

00:34 Megan

Hello and welcome to the Golden 1 Financial Wellness podcast. I'm Megan.

00:39 Daniela

And I'm Daniela and we are from Golden 1's Financial Education team! Thank you so much for joining us. Today we have an exciting episode lined up for you. We'll be discussing smart renting tips to help you make the most out of your rental experience while keeping your finances in check. Whether you're a first-time renter or a seasoned pro, we've got you covered. So, let's dive right in!

01:00 Megan

A great first step is to establish a budget for housing that takes into consideration your income and other financial obligations. A general rule of thumb suggests allocating around 30% of your monthly income towards rent, but it's vital to consider your complete financial picture.

Take into account essential expenses such as grocery transportation costs, debt management and, of course, your savings goals. Incorporating these factors into your budget can create a more accurate and realistic framework for housing expenses that ensures a healthy balance between your housing needs and other financial priorities. In addition, rent isn't the only expense associated with housing. Utilities like electricity, water heating and internet can significantly impact your monthly budget. If you own a vehicle and require parking, be sure to include any parking fees or associated costs in this budget, too.

One effective strategy to reduce housing expenses is to find a suitable roommate to share the costs. Splitting rent, utilities, and other housing related expenses with

roommates can significantly lighten that financial burden. But we want to be selective when choosing roommates.

A roommate with a good credit history indicates financial responsibility and the ability to meet their financial obligations. And you can request a credit check or discuss credit related matters before finalizing any agreements. Conducting a background check can provide insights into potential roommates character and reliability, and you may consider checking their references, verifying their employment status, and obtaining any necessary legal documentation.

You've got to ensure that potential roommates have a stable and reliable source of income because this helps ensure that they can consistently contribute their share of the rent and other expenses without causing financial strain for everyone involved.

03:13 Daniela

When it comes to researching for, you know, your first house or apartment- you want to make sure that you're thoroughly researching the rental market. That means using different websites and apps to find available properties. You'll want to make sure that you're also researching factors like the neighborhood that you're living in. The proximity to amenities like grocery stores, gas stations, retail stores, and the rental prices. You can also stay up to date on rental trends in your area, which will include the average rental increase. So, that way you know what to expect if you want to renew your lease. You'll know how much to budget for in the future to accommodate for that increase.

03:48 Megan

Once you do find a property that you're interested in, you've got to take the time to schedule a visit to that rental property and allocate enough time for a thorough inspection. Take a close look at the overall condition of the property, including both the interior and the exterior.

Check for any signs of damage like cracks in the wall or ceiling, water stains or loose tiles and take it from someone that knows, inspect the windows and doors to ensure that they open and close properly. I'll never forget the time I was looking at an apartment and the window, like the jam of the window, had been painted over so many times that the window would not open. Of course, I didn't want to pry it open and risk damaging the property. So, I had this concern addressed and noted before I signed the dotted line.

With that being said, it's a good idea to test as many things as you can. Like appliances, including the stove, the refrigerator, the dishwasher, and laundry machines to ensure that they're all in working order.

Check the water pressure and temperature in sinks, showers, and toilets. And look for signs of pests such as maybe droppings or chewed wires.

05:02 Daniela

Absolutely. I remember when I moved into my last apartment. It was the perfect neighborhood on the outside. You know, there was families taking a walk. There was a park, you know, a couple blocks down. And then I noticed that at nighttime, after I moved in, there was a train that went right next to my apartment. So, every night after 10:00pm, the train would shake the walls and keep me up.

So, I would, I wished that I would have done a little bit more thorough researching and in seeing what the neighborhood was like after hours to

05:35 Megan

That definitely sounds like a good deal breaker sleep is really important.

05:39 Daniela

I know, too, when it comes to doing your thorough walkthrough, make sure that and on top of just writing everything down, having photographic proof, you know, of certain defects in the apartments also really important not only to addressing the problems right then and there, but also when it's time to move out. If those issues haven't been addressed. That's also your proof that you didn't damage the property, that it came damaged when you first moved in. You want to make sure that you take clear and detailed photos or videos of each problem area, making sure that you're capturing any visible defects, such as maybe the stains on the ceiling or cracks in the foundation.

This documentation will serve as evidence of the property's condition before you moved in. And it can help you- It can help protect you from any disputes with the landlord regarding, you know, getting your deposit back when it's time for you to move out.

06:31 Megan

Right and before you sign that dotted line, right, you go and you do that inspection.

It's really important that you also read that lease agreement carefully. Make sure you obtain a copy of the agreement from the landlord or that property manager set aside some dedicated time to read through that entire document. Yes, the entire thing. And pay close attention to the terms and conditions that are outlined.

Understand the duration of the lease. It's a fixed term lease or a month-to-month agreement. Take note of that rent amount, due dates, and the accepted payment methods. Identify any additional fees or charges such as late payments or pet fees and check to see if the utilities are included. Because if they're not, once again, that's something you're going to want to include in your budget.

07:22 Daniela

You also want to pay attention to any restrictions regarding pets. There are some properties that have different fees associated with the different types of pets that you might have, as well as different weight requirements when it comes to having, say, like a dog or a cat. I once lived on a property where there were also fees associated with not picking up after your dog. So, if you know, you lived in an apartment and you didn't pick up after your dog, then you could be charged up to \$75 more for each instance.

07:49 Megan

This is also a good time for you to take note of any restrictions on subletting or having roommates as well. I know that that is one of those budgetary things where we've suggested obtaining roommates, but it might not be allowed in your lease agreement. So, you want to be careful, and this is the time to do it. Make sure you're reading through that lease agreement and understand all of the can-dos and the can not's.

08:12 Daniela

It's also a really good idea to look for any clauses related to making any alterations to the property. As someone who loves to live in a creative space, I always make sure that I'm reading to make sure that there aren't any rules against painting the walls, hanging up decorations, you know, doing certain DIY's.

So, it's really important to make sure that you understand that lease agreement before you sign it.

08:39 Megan

And of course, if anything is unclear, this is the time to check and ask that landlord, ask for clarification, and make sure you do have a true understanding of everything that is in that rental agreement. In addition to the rental agreement, it's a good idea to purchase renters' insurance before you move in.

09:00 Daniela

Renters insurance provides financial protection against risks like theft, fire, water damage, vandalism, and certain natural disasters. In the event of a burglary, your policy can reimburse you for stolen items up to the coverage limit specified in your policy. If fire or water damage occurs, renters' insurance can assist in replacing or repairing damaged furniture, electronics, clothing, or other belongings.

09:27 Megan

I remember I had a friend. Her name was Sarah, and she had renters' insurance for her apartment. She came home from vacation and discovered that a pipe had burst in the unit above hers and it caused a lot of water damage to her belongings. She contacted her insurance provider and filed a claim. Thankfully, the insurance company quickly assessed the damage and approved her claim.

They provided her not only the necessary funds to repair or replace her damaged goods, but her policy also included coverage for temporary accommodation while her apartment was being restored. Thanks to her renter's insurance, she was able to recover financially from the water damage incident without bearing the full burden of all of those expenses.

10:17 Daniela

Renters insurance is a relatively affordable way to protect your belongings and mitigate potential financial risks associated with renting. By carefully selecting a policy that aligns with your needs and your budget, you can have peace of mind knowing that your personal belongings are covered in case of unforeseen events. Remember to review your policy periodically and update it as needed to ensure it remains adequate for your circumstances.

10:43 Megan

And remember, this is all part of being a responsible tenant and part of being a responsible tenant also means that you're paying your rent on time to avoid some of those late fees. Make paying rent a priority and ensure that you've got the necessary funds available before the due date. Maybe you set up reminders or automatic payments to help you stay organized and avoid any of those late payment penalties.

11:10 Daniela

My sister, she recently moved into student housing for college and her apartment complex actually lets her set up her due dates herself. So instead of paying the full rent amount on the first of the month, she's able to split that payment into two smaller payments that she can pay throughout the month. So that's something that she was able to do to make paying rent easier on her budget through something that she was able to do in order to kind of stagger her due dates along with her pay period dates as well.

11:40 Megan

That's great. And, you know, another really important thing to do when you're paying rent is to pay by some means that creates a paper trail. Checks, cashier's checks online, Bill pay- all of these things can come in handy if you need to provide proof of residency or payment history for larger purchases like your first home. And payment platforms like Venmo or other digital payment apps might not generate a formal paper trail. A lot of these platforms offer convenience, but it's important to be mindful of the potential limitations when it comes to documenting your payment history.

12:20 Daniela

Being a responsible tenant goes beyond just paying your rent on time by maintaining a positive relationship with your landlord, promptly addressing any issues, and keeping the rental property clean and well-maintained, you increase the likelihood of a smooth renting experience.

Remember that responsible tenancy benefits both you and the landlord, fostering a respectful and mutually beneficial relationship. Your landlord may end up being a good reference for you too,

12:46 Megan

And remember to regularly review your housing situation to ensure it continues to align with your financial goals and priorities. We hope you found these insights valuable and that they are going to help you make informed decisions when it comes to renting. Remember, being financially savvy extends to all aspects of your life, including your housing choices.

To get more financial tips and insights, subscribe to the Golden 1 Financial Wellness podcast on Apple, Google and Spotify. Plus, go to the Financial Wellness tab at **golden1.com** to find a ton of other resources like videos, interactive modules and webcasts. If you are thinking about transitioning from renting to homeownership, check out our podcast on Buying a Home in 2023 or explore our Learning Lab and take advantage of

our Home Affordability Analyzer tool and other great resources to expand your financial knowledge.

13:41 Daniela

Once again, thank you for joining us today. This has been Daniela

13:44 Megan

And Megan, Wishing you financial health and happiness — and, as always, reminding you to

13:50 Daniela & Megan

stay golden!

13:53 Megan

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