

WEEK FOUR ECONOMICS ONLINE INSTRUCTION



Week 4: Monday May 18, 2020 thru Sunday May 24, 2020

Directions: Please read and analyze all readings and case studies and COMPLETE/ANSWER all questions ON the ANSWER SHEET at the end of the online packet.

Please write your answers neatly and email me back ONLY your answer sheet. Thank you.

Mr. Sapia

The landlord-tenant relationship is created by a type of contract called the lease, or rental agreement. A lease specifies the amount of rent that must be paid in the length of time for which the dwelling may be rented. It also states the rights and duties of both landlord and tenant.

Before you rent an apartment or a house, you should do at least two things to protect your interests. First, completely inspect the dwelling or living space to ensure that it meets your needs and is in good condition. Second, because most leases are written to the advantage of the landlord, carefully read and review lease. If you do not understand or cannot read the lease, get help from someone else before signing it. The following list includes issues you should consider before renting:

- a. And what kind of area do you wish to live?*
- b. What are the costs, including rent, utilities, security deposit, and so on?*
- c. What is the condition of the apartment or house? Will repairs be made by the landlord before you move in?*
- d. How long will the lease last, and how can it be ended? Can you sublet this apartment to someone else or to other tenants to the lease?*
- e. Will the landlord make or pay for repairs that occur after you move in?*
- f. Are there any special rules (for example, no pets or no parties)?*
- g. Do you understand all the clauses in the lease? Are any of them illegal or difficult for you to accept?*

Once you have inspected a rental house or apartment, you will probably be asked to fill out a lease application. This is a form that the landlord uses to determine whether you qualify for the rental property. You will be asked for information such as your name, age, address, place of employment, source of income, and a list of previous residences. You will also be asked for credit references, including from previous landlords. Landlords use this information to determine your ability to pay the rent. If the landlord approves your lease application, you will then be asked to sign a lease.

A lease is a legal contract in which both the landlord and the tenant agree to certain things. A lease usually includes the date the tenant may move in, the amount of the rent, the dates on which the rent is to be paid, and the term or length of the lease. It also includes the amount of any security deposit, the conditions under which the rent may be raised, and information about whether the tenant can sublet the rental property to someone else. The lease also states the rules governing repairs, maintenance, and other conditions in the apartment or house.

Depending upon your particular situation, one type of lease may be better than another. For example, if you are planning to rent for only a short period of time, or if your job often requires

you to move on short notice, you might prefer a **month to month lease**. While this type of lease usually enables you to leave after giving 30 days notice, it has the disadvantage of allowing the landlord to raise the rent or evict you with just 30 days notice as well. You should also keep in mind that renting an apartment on a month-to-month basis will usually be more expensive than entering into a long-term lease.

Another type of lease allows a tenant to move in with the understanding that the lease is for an indefinite period. This arrangement is called a **tenancy at will**. Tenants who remain an apartment after the lease has expired are usually considered to be tenants at will. There is very little protection for either the landlord or the tenant in a tenancy at will arrangement, because the tenant may leave-- or be asked to leave at any time. Often, however, such a lease will have a provision requiring that the party who wants to end the lease gives the other party fair notice, such as 30 days.

A lease for a fixed period of time-- such as six months or a year-- is called a tenancy for years. This type of lease generally prevents the landlord from raising the rent or evicting the tenant during the term of the lease. If you are planning the rent for a long period of time, this may be the best type of lease for you.

Written leases can be difficult to read and understand. To protect yourself, be sure to read all clauses in your lease carefully before signing it. Never sign a lease unless all blank spaces are filled in or crossed out. If you are unsure of anything in the lease, ask to take it home and consult with the representative of the tenant organization, legal aid office, private law firm, or others' experience with leases. Also make sure that any promises made by the landlord are written into the lease. For example, if the landlord promises to paint the apartment before you move in, get the promise in writing.

Leases with the term of one year or longer must be in writing to be enforceable court. However, leases for less than one year may not have to be written to be legally effective, and an oral agreement may be binding. To avoid problems, you should always get a written lease that is signed and dated by both you and the landlord. If there is only an oral agreement and problems arise, one of you may remember the terms of the agreement differently than the other.

THE CASE STUDY OF... MOSHE'S SUMMER RENTAL

Moshe, a college student, moves to resort town to work for the summer. After searching the classified ads in the local newspaper, he finds an apartment for rent. He phoned the landlord and after seeing the apartment tells him he will rent it for three months. After a month he moves to a cheaper apartment down the street. The landlord demands rents for the two remaining months, but Moshe claims he does not owe any money because the lease was not in writing!

Name/Class:

Economics 11

Date:

Mr. Sapia

WEEK FOUR ECONOMICS ANSWER SHEET

Directions: Please record your answer NEATLY in the space that is provided. Any answer/response that I can't understand will be scored a zero. Only return the answer sheet for me. Thank you.

1. What is the primary difference between a month-to-month lease and a tenancy at will lease?
2. What are two things an individual could do if they are unsure or don't understand the language found in a lease?
3. Is Moshe obligated to pay the additional two months' rent?
4. What should Moshe have done when he found the cheaper apartment?
5. Why do you believe that leases with a term of one year or longer (for the most part) must be in writing to be enforceable in court?