**Financial Algebra Name \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**Chap 7 Day 1 Notes Per. \_\_\_\_\_\_\_\_\_**

Find a Place to Live

*Calculate affordability of housing; Determine the lease signing costs.*

|  |  |
| --- | --- |
| **Lease** |  |
| **Evict** |  |
| **Application Deposit** |  |
| **Security Deposit** |  |
| **Tenant** |  |
| **Landlord** |  |

***Where will you live?***

***\* \* \* IMPORTANT:***

***Shopping for a Rental***

Often include the \_\_\_\_\_\_\_\_ of the apartment by listing the square \_\_\_\_\_\_\_\_\_\_\_\_\_\_of floor space.

Just like with car classifieds, there are abbreviations you should know for house and rental advertisements. See how many you can fill in below.

|  |  |  |  |
| --- | --- | --- | --- |
| **Abbreviation** | **What it is** | **Abbreviation** | **What it is** |
| ba or bth |  | mint |  |
| br |  | renov |  |
| DW or D/W |  | rm |  |
| DR |  | stu |  |
| Drmn |  | spac |  |
| EIK |  | WIC |  |
| elev |  | W/D |  |
| gar |  | w/d hkup |  |
| h/w |  | w/w |  |
| htd |  | yd |  |
| Incl ht/hw |  |  |  |

***Rental Fees:***

* Application \_\_\_\_\_\_\_\_\_\_\_\_\_ to pay for processing your application.
* \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ deposit to cover any \_\_\_\_\_\_\_\_\_\_\_\_ to the property.
* Landlord may require \_\_\_\_\_\_\_\_\_ and \_\_\_\_\_\_\_\_ month’s rent to help protect them from you breaking the \_\_\_\_\_\_\_\_\_\_.
* If you use a broker to find a place, there will be that \_\_\_\_\_\_ as well.

**Example 1:**

Joan makes $71,692 per year and pays about 25% of her gross monthly income in federal and state taxes. She wants to find an apartment to rent. Estimate how much she can afford to pay for rent each month. Then determine how much money she will have after taxes and rent are paid.

**Example 2:**

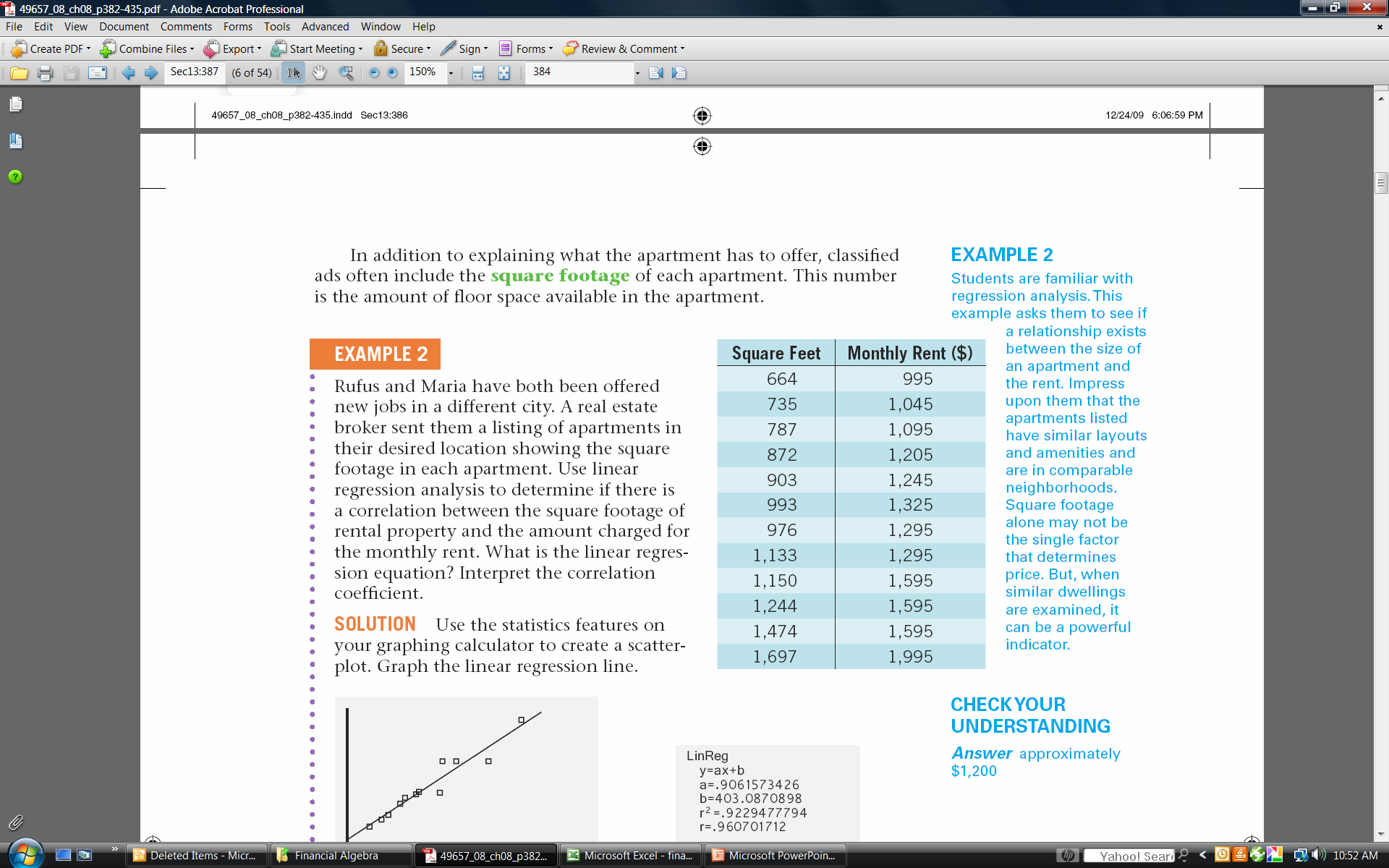
Caitlin’s monthly gross income is $4,340. She pays 22% of her monthly gross earnings in federal and state taxes and 11% for her student loan. Caitlin uses 9% of her monthly gross income to pay toward her credit card balance. She wants to rent an apartment that will cost $1,600 per month. Will she be able to make the payments without changing the amounts she pays toward her student loans and credit card balances?

**Example 3:**

Craig and Christina have both been offered new jobs in a different city. A real estate broker sent them a listing of apartments in their desired location showing the square footage in each apartment. Determine the price per square foot for each listing. What would be a good estimate for the amount of monthly rent charged for an 800-square foot apartment? (see chart below)

**Example 4:**

Daniel and Julienne paid a $300 application deposit for the 1,200-square foot apartment they are renting. They are required to provide a credit report that costs $20 and pay a security deposit equal to one month’s rent. The landlord also requires the last month’s rent at the time of signing the lease. The broker charged 8% of the yearly rent. How much should they expect to pay to be able to move into the apartment if their rent is $1,395 per month?



|  |  |
| --- | --- |
| Application Deposit | $ |
| Credit Report | $ |
| Security Deposit | $ |
| Last Month’s Rent | $ |
| Broker Fee | $ |
| **TOTAL** | **$** |