**Task 3 Worksheet**

**Name:**

**RENTING** - what do we have to consider?

1. Good record for renting. Most real estate agents want a reference before they will allow you to rent a property from them. This is VERY HARD for your first house but gets better each time IF, the house is kept tidy, there is no damage, rent is paid in full on time, no police complaints about the house you are renting, there are no drunken parties, and you get the picture. Being a good tenant will get you a reference for the second house that you rent or perhaps move into buying your own house.

2. BOND. A bond is an amount of money that the agent will hold for the duration of the lease or rent period. This is given back to you after the rental period is finished and the house is inspected and there is no damage etc. Anything that needs repairing, from your occupancy, is taken from your bond. This amounts to 4 weeks of the rent, so if your rent for the week is $350, you need to pay a bond equal to $1400. This and usually two weeks rent is paid IN ADVANCE before you get the key to move into your rental property.

 *Warning.* You will come across some unscrupulous agents who will find every fault in the place after you leave. If there are any faults, paint chips, damaged walls, doors or anything, you need to bring this to the attention of the agent before you move in and document it with photographs and detailed description signed and witnessed for evidence against someone who later claims that there was no damage.

3. COST of renting. Is the property good value and can you afford it? How MUCH is rent?

4. LENGTH of lease. Remember that a lease is a contract and you cannot change your mind and decide to go somewhere else on a whim. Names on the lease are also important as they are held responsible for the contract, rent, damage to property etc. If you decide to rent with 4 mates, then get advice on who should be on the lease contract. If it is only your name and the other three leave after an argument, then you are held accountable for the continuing cost of the rent, even if they agreed initially to pay their fair share. If their names are not on the lease, only the person whose name is on the lease can be held accountable.

5. FURNITURE. You will need your own furniture and if you do not have any then you have a few options. PURCHASE your fridge, washing machine, TV, sound system etc with all the things that you need. Make a list of what you would need in a house and cost them out. Here are a few for starters. *If you have some or you think you can take it from home, then leave the item blank.*

 Refrigerator COST to Buy $ \_\_\_\_\_\_\_\_\_\_\_ Cost to Rent $ \_\_\_\_\_\_\_\_\_\_

 TV COST to Buy $ \_\_\_\_\_\_\_\_\_\_\_ Cost to Rent $\_\_\_\_\_\_\_\_\_\_

 Washing

 Machine COST to Buy $ \_\_\_\_\_\_\_\_\_\_\_ Cost to Rent $ \_\_\_\_\_\_\_\_\_\_

 Lounge COST to Buy $ \_\_\_\_\_\_\_\_\_\_\_ Cost to Rent $ \_\_\_\_\_\_\_\_\_\_

 Dryer COST to Buy $ \_\_\_\_\_\_\_\_\_\_\_ Cost to Rent $ \_\_\_\_\_\_\_\_\_\_

 Bed COST to Buy $ \_\_\_\_\_\_\_\_\_\_\_ Cost to Rent $ \_\_\_\_\_\_\_\_\_\_

 Kitchen table

 and chairs COST to Buy $ \_\_\_\_\_\_\_\_\_\_\_ Cost to Rent $ \_\_\_\_\_\_\_\_\_\_

 Crockery COST to Buy $ \_\_\_\_\_\_\_\_\_\_\_

 Plates etc COST to Buy $ \_\_\_\_\_\_\_\_\_\_\_

 Bed Linen COST to Buy $ \_\_\_\_\_\_\_\_\_\_\_

 Towels COST to Buy $ \_\_\_\_\_\_\_\_\_\_\_

 \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ COST to Buy $ \_\_\_\_\_\_\_\_\_\_\_ Cost to Rent $ \_\_\_\_\_\_

 \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ COST to Buy $ \_\_\_\_\_\_\_\_\_\_\_ Cost to Rent $ \_\_\_\_\_\_

 \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ COST to Buy $ \_\_\_\_\_\_\_\_\_\_\_ Cost to Rent $ \_\_\_\_\_\_

 \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ COST to Buy $ \_\_\_\_\_\_\_\_\_\_\_ Cost to Rent $ \_\_\_\_\_\_

  **TOTAL TO BUY $ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ RENT $ \_\_\_\_\_\_\_\_\_\_\_**

NOW work out a COST PER WEEK by adding up everything that you have bought. You will need a bank personal LOAN so go to a bank site and do a loan calculation to find out how much this will cost you on a weekly basis (see the [Resources](http://rentorbuybudget.weebly.com/resources.html) page).

IF you have chosen to rent the above item, then fill in the details.

 TOTAL COST $\_\_\_\_\_\_\_\_\_\_ Time period \_\_\_\_\_\_\_\_\_\_\_ years

 COST PER WEEK $ \_\_\_\_\_\_\_\_

 Bank loan repayments (if applicable) per week $ \_\_\_\_\_\_\_\_\_\_

**ADVANTAGES OF RENTING**

Here you can list all the advantages that you have when you rent.

**DISADVANTAGES OF RENTING**

Here you can list all the disadvantages that you have when you rent. If you have never rented as a family, discuss with your peers what these could be with someone who has experienced renting.

**HOUSE TO RENT:**

Now go onto the internet and find a house that you would like to rent. This has to be the same house that you would also buy so that the comparison later will be accurate. DO NOT rent a 6 bedroom house on the canals but then buy a 2 bedroom shack as the comparison to answer our original hypothesis (*is it cheaper to rent or buy a house during your life*) will not give a true picture.

Image: jscreationzs / FreeDigitalPhotos.

Take all figures from real estate agents sites on the internet (see the [Resources](http://rentorbuybudget.weebly.com/resources.html) page).

*Place a picture of your rental house here with details.*

COST to RENT house per week *or*

*Shared cost with mates*  $ \_\_\_\_\_\_\_\_\_\_

Cost of furniture per week $ \_\_\_\_\_\_\_\_\_\_

TOTAL COST PER WEEK **$ \_\_\_\_\_\_\_\_\_\_**

**Now let’s adjust** your budget figure from your Budget spreadsheet:

**BUDGET FIGURE $ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**COST to rent $ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**COST Furniture $ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**NEW TOTAL COST FOR BUDGET $ \_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_**

***INCOME $\_\_\_\_\_\_\_\_\_\_ MINUS new Budget Figure $ \_\_\_\_\_\_\_\_\_\_\_***

 ***= $\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_***

***Comment about your budget with rent included.***

1. Can you afford to rent a house with/without mates/friend?

2. Does your budget allow you to move out of home?

3. Is you total negative?

**DISCUSS ABOVE ITEMS**

COST TO **RENT FOR** **LIFE**

1. COST PER WEEK $ \_\_\_\_\_\_\_\_

2. COST PER YEAR (*take above figure and times by 52)* $ \_\_\_\_\_\_\_\_

3. COST FOR LIFE (*take figure from 2 and times by 70*) $\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

*Example: If you pay $350 per week rent, then your calculations would look like this:*

COST FOR LIFE = $ 350 $×$ 52 $×$ 70

 = $ 1, 274, 000

**YOUR CALCULATIONS:**

Cost for Life = Cost per week $×$ 52 $×$ 70

 = $ \_\_\_\_\_\_\_\_\_\_\_\_\_ $×$ 52 $×$ 70

 = $ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

*Comment on this figure.*