

Name _____ Date _____

Renting an Apartment

Before you look for an apartment, you should know the maximum amount you can afford to spend on rent. In general, you should be able to spend a maximum of 28% of your gross monthly pay on rent.

Example 1: Your annual gross salary is \$37,440. What is the maximum amount you should be able to spend on rent?

Step 1 Divide to find your monthly gross pay. $\$37,440 \div 12 = \$3,120$

Step 2 Multiply to find the maximum rent.

THINK: $28\% = 0.28$ $0.28 \times \$3,120 = \873.60

You should be able to spend a maximum of \$873.60 a month on rent.

Utilities such as gas and electricity are usually not included in the rent.

Example 2: You want to rent a 1-bedroom apartment in the Moon Lake Apartments. *Plus Utilities* means that you must pay separately for electricity, gas, and water. About how much will you pay each month for both rent and utilities?

THINK: Rent for a one-bedroom apartment = \$689. Average monthly electric = \$75; average monthly gas = \$40; average monthly water = \$40

1. Add to find the cost of utilities.

$$\$75 + \$40 + \$40 = \$155$$

2. Add to find the total cost.

$$\$155 + \$689 = \$844$$

You will pay about \$844 per month for both rent and utilities.

Moon Lake Apartments

\$689* 1 bedroom

\$795* 2 bedroom

\$950* 3 bedroom

Plus Utilities

*with one-year lease

You may need to pay a **security deposit** and a **fee** to a rental agent when you move into your apartment. These payments are **move-in costs**.

Example 3: Your rent is \$689 per month. You paid 10% of that as a rental fee and two months' rent as a security deposit. What were your move-in costs?

Step 1 Multiply to find the rental fee.

THINK: $10\% = 0.1$ $0.1 \times \$689 = \68.90

Step 2 Multiply to find the security deposit. $2 \times \$689 = \$1,378$

Step 3 Add to find the total move-in costs. $\$68.90 + \$1,378 = \$1,446.90$

Your move-in costs were \$1,446.90.

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Think About It

1. What other costs might a person have when moving into his or her first apartment?

2. What other costs might a person have when he or she moves from one apartment to another?



Practice

Remember to estimate whenever you use your calculator.

Find the maximum monthly rent for the gross monthly pay.

- 1. \$2,600 _____
- 2. \$3,750 _____
- 3. \$4,166.67 _____
- 4. \$1,958.96 _____

Find the gross monthly pay and the maximum monthly rent. (Assume that the work week is 40 hours and remember that there are 52 weeks in a year. Round to the nearest cent.)

- | | |
|-----------------------------|-----------------------------|
| 5. \$16,640 per year _____ | 6. \$8.50 per hour _____ |
| 7. \$9.50 per hour _____ | 8. \$20,800 per year _____ |
| 9. \$10.50 per hour _____ | 10. \$11 per hour _____ |
| 11. \$24,960 per year _____ | 12. \$13 per hour _____ |
| 13. \$14 per hour _____ | 14. \$28,493 per year _____ |

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Use the advertisements for the following problems. Find the total monthly cost for rent, utilities, and extras. Use these amounts for utilities: Electricity = \$49 per month; Gas = \$37 per month. (No additional charge for water at these apartments.)

<p>The Overlook: <i>Great price for the location!</i></p> <p>Studio: \$360 1-bdrm: \$385 2-bdrm: \$415</p> <p>— plus utilities —</p>	<p>Hastings House</p> <p>1 bdrm. = \$375 2 bdrm. = \$485 3 bdrm. = \$520</p> <p>(utilities included)</p> <p>Parking: \$40 per month</p>
<p><i>Eckerson Apartments</i></p> <p>1 bdrm. \$495* 2 bdrm. \$660* (*plus electricity) Health Club—\$35/mo extra</p>	

15. The Overlook, Studio

16. The Overlook, 1 Bedroom

17. Hastings House, 3 Bedrooms + Parking

18. Eckerson Apts., 2 Bedrooms

19. Eckerson Apts., 1 Bedroom

20. The Overlook, 2 Bedrooms

21. Eckerson Apts., 2 Bedrooms + Health Club

22. Who offers the least expensive rent and utilities for 2 Bedrooms?

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Find the move-in costs:

Building:	<i>The Overlook</i>	<i>Hastings House</i>	<i>Eckerson Apts.</i>
Apartment type:	1 bedroom	2 bedrooms	2 bedrooms
Rental agent fee:	75% of 1 month's rent	10% of annual rent	1 month's rent
Security deposit:	2 months' rent	1 month's rent	1.5 months' rent
Total move in costs:	23. _____	24. _____	25. _____

Solve. Remember to estimate whenever you use your calculator.

26. The Wilsons are moving into a \$915 apartment they found through a rental agent. The rental fee is 15% of the annual rent. A security deposit of 1.5 months' rent is required. What are the move-in costs? _____
27. The Chens found an apartment that rents for \$1,096.75 per month. They do not have to pay a rental fee, but a security deposit of 2 months' rent is required. They paid the first month's rent at the same time they paid move-in costs. How much did they pay in all? _____
28. The Degollados are moving into a \$1,000 per month apartment in the Everglen Apartments. They must pay 10% of a month's rent to the rental agent, as well as a 2-month security deposit. How much are their move-in costs? _____
29. Jan Dollinger found a great deal! She can move into a studio apartment at The Scranton for only \$450 a month. She'll pay a total of \$150 a month for utilities, plus \$50 per month more to park her car on the premises. What will she pay each month? _____
30. The Shibargers found a three-bedroom apartment in a good location that's big enough for their growing family. The rent is \$1,250 a month, and utilities are additional. Electric runs \$70 per month, gas is \$50 per month, and water is an additional \$45 per month. What will they pay each month?

31. Mr. Del Ray's monthly gross income is \$4,333.00 a month. How much apartment rent can he afford?

7. \$648.70

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Part II Test

1. \$23,934.19;
2. \$1,631.92
3. \$339.03
4. \$115.27
5. \$1,797.46
6. AGI = \$46,887 / TI = \$41,187 / Fed. Tax = \$6,475
7. AGI = \$64,478 / TI = \$53,078 / Fed. Tax = \$7,124
8. Fed. Tax = \$1000 / State Tax = \$417.50 / City Tax = \$105
9. \$850

Part III: Housing

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Pre-Skills Test

- \$43,770
2. \$67,190
 3. \$203,410
 4. \$308,792
 5. \$22,320
 6. \$21,875
 7. \$35,728
 8. \$42,998
 9. \$216,000
 10. \$139,400
 11. \$652,572
 12. \$73,830
 13. \$36,306
 14. \$68,878.40
 15. \$1,200
 16. \$3,105
 17. \$3,192.75
 18. \$7,656.38
 19. \$150,000
 20. \$139,196.43

21. \$210,625
22. \$388,442.86
23. 5 24. 4
25. 4 26. 3
27. 8 28. 12
29. 9 ft 30. 12 ft
31. 42 ft 32. 108 sq ft
33. 12 sq yd

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Think About It

- Renting An Apartment*
1. Answers may vary.
 2. Answers may vary.

Practice

1. \$728 2. \$1,050
3. \$1,166.67 4. \$548.51
5. \$1,386.67: \$388.27
6. \$1,473.33: \$412.53
7. \$1,646.67: \$461.07
8. \$1,733.33: \$485.33
9. \$1,820: \$509.60
10. \$1,906.67: \$533.87
11. \$2,080: \$582.40
12. \$2,253.33: \$630.93
13. \$2,426.67: \$679.47
14. \$2,374.42: \$664.84
15. \$446 16. \$471
17. \$560 18. \$709
19. \$544 20. \$501
21. \$744
22. Hastings House
23. \$1,058.75
24. \$1,067
25. \$1,650
26. \$3,019.50
27. \$3,290.25
28. \$2,100
29. \$650
30. \$1,415
31. \$1,213.24

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Problem Solving Application

1. \$355
2. \$404
3. \$49
4. Jefferson Manor includes covered parking.
5. No; she pays \$9.00 less.
6. \$2,370
7. \$3,232
8. \$5,505
9. Jefferson; three rooms
10. Jefferson Manor
11. Washington Rooming House

Pages 88-90

Practice

1. \$82,000; \$100,000
2. \$73,000; \$114,600
3. \$81,640; \$109,260
4. \$143,000; \$195,600
5. \$90,240; \$95,240
6. \$169,800; \$194,209
7. \$2,500
8. \$52,500
9. \$72,265
10. \$926
11. \$93,526
12. \$12,656.70
13. \$153,286.70
14. \$6,000
15. \$206,000
16. 0%
17. \$200,000
18. 2%
19. \$212,160
20. \$0

Think About It

1. Students should explain that a house appreciates

