



REAL WORLD 101

RENTER GUIDE

Guide: Renting an Apartment for the First Time

Deciding to rent an apartment is something that many college students decide to do during their time away from home. If you do not rent one while in school, then renting a place of your own is something you will probably be doing shortly after graduation. Before you make that commitment and sign your name on that lease, there are a few things you should probably know and think about first.

Affordability

What can you afford? Evaluate your budget so you know how much rent you can afford without overextending yourself financially. If you found an apartment that you like, but the rent seems out of reach, then consider a roommate. A roommate can split the bills with you, making a once expensive apartment, more affordable.

Utilities

Be sure to check what, if any, utilities are included as part of your rent. Sometimes landlords will pay for the water and heat for a tenant, whereas other landlords will not pay for any utilities. There are even a few landlords out there who will pay for all utilities for their tenants. This is something you should know before renting so that you can estimate your monthly budget accurately. Also, you can usually call utility companies before you move into a place, and they will usually be able to provide you with an estimate of how much you'll be paying each month.

Location

When checking out apartments, check the location. Make sure it is close to school or work. Make sure you will not have a long or out of the way commute to class. An apartment may be really cheap to rent but may be far away from your daily lifestyle. Keep location in mind when searching for that new place to call home. If you are looking for a place in a certain area of a city, maybe pick up a local community paper and browse classified listings. These free and focused community papers cover a specific suburb or section of the city and can help you get to know the area better. You can also search websites like Craigslist and Apartments.com that offer advanced search features.

Restrictions

When you rent, you are under the restrictions of the landlord of the property. You must abide by their rules, which are usually outlined in the lease you sign. Some landlords will not allow pets, while others are more concerned with noise restrictions. If you are renting a room in someone's home, you should check to see if you can have visitors sleep over or any other rules concerning others not residing in that room.

Credit Score/Background Check

Know that when it comes to renting an apartment, there will almost always be a credit report and background check done on you. This is why places have application fees, because it costs money to run these reports. Have too many unpaid bills, or a history of getting into trouble with the law and you can find yourself denied on your application. Because you are a first time renter and don't have much of a history, you may find that in some cases you will need a co-signer on your application. This will depend on many things, such as the policy of the rental agency, your credit score, and whether or not you have a job.

Read the Lease Before You Sign It

Read every line of your lease before you sign. This is important because it will contain the rules that the landlord requests by which you abide. The lease will contain what pets you can have, if any, what utilities you are responsible for, how much your rent is, when a late fee is charged, and what conditions you can break your lease, if at all. It is very important you understand these conditions, as once you sign the lease you are entering into a contract. Typically a renter may feel pressured to quickly sign the lease, but take your time and be sure to read all fine print in anything you sign.

When You Finally Move In

When you find that first place and sign your lease, be sure to go through the apartment and note any damages. It is even better if you can get your landlord to perform this "walk through" with you. If you find anything unusual, such as a water spot on the ceiling, stains on carpets, or anything that could be blamed on you, then notify your landlord immediately. Once you move in and start residing in the apartment, you will usually be responsible for any damage to the apartment, beyond typical wear and tear. When you move out, anything that the landlord deem needs to be fixed may be deducted from your security deposit. Therefore it is important to keep the apartment in good condition so that you are not charged for any unnecessary expenses.

Renters Insurance

It is important that once you start renting, you obtain renters insurance. Renters insurance is fairly inexpensive. This minor expense will insure your valuables against damage from fire or burglary. If you have pets, then most landlords usually require renters insurance. After recently shopping around for renters insurance, I have found State Farm seems to offer the best renters insurance policy for the dollar. It is especially important for you to get covered if you have valuable items such as laptops, stereo equipment, and jewelry.

Renting your first apartment is exciting and rewarding but also a huge responsibility. With some discipline and organization, your first apartment renting experience can be satisfying as well as a huge learning experience.



Smart Renting: Your Apartment Checklist

By: Jaceson Maughan

When you've agreed to rent an apartment, there is one step that many people skim over—completing an apartment checklist. However, this important process is vital to making sure you and your landlord are on the same page when it comes to the condition of the apartment upon move-in. If, when you move out, you don't have a complete apartment checklist, you could be liable for damages in the apartment that were there before you.

The apartment checklist is a tool to provide written record of detailed aspects of the rental property. It should consist of a room-by-room breakdown of both visible and hidden features. It's also a good time to make a list of any repairs that the landlord still needs to make before you move in.

Start in the bathrooms. Check the faucets, both cold and hot water and make sure there are no drips. Turn on the shower as well to check both the hot water and the water pressure. Make a note of any visible stains, chips or scratches on the tub, sink, counter, walls and floor. Record anything out of the ordinary, such as the towel holder being dented or broken, light fixtures or outlets not working or ripples in the flooring from previous water damage. Always flush the toilets and gauge the force of the water.

Check out all appliances. Turn on each burner on the stove until you see the coils start to glow. Turn on the oven and check to see it is heating up. Inspect the freezer and refrigerator, paying special attention to the seals on the doors. Turn on the heater and air conditioner if possible. Any other appliances that come with the apartment, such as a microwave, garbage disposal, dishwasher, washer/dryer or garage door opener should also be tested. Don't forget to check each electrical outlet in every room as well.

Windows and walls are another area to include on the checklist. Record every dent, ding, peel and hole on all the walls in all the rooms on the apartment checklist. Open and close the doors of each room, checking for sticky spots, loose handles and squeaky hinges. Look behind doors, especially for doorstops so you don't punch a hole in the wall with the doorknob accidentally. Open and close each window and make note of holes in the screens.

Do a complete inspection of each room in the apartment and its features. Some other things to remember on the apartment checklist are checking the door locks, inspecting the furnace and water heater, testing the smoke detectors, caulking around sinks, tubs and showers and carpet tears and stains.

Once you've done a complete walkthrough and finished a detailed apartment checklist for the apartment, sign the document. Your landlord should sign it and both of you should receive a copy. When you move out, the apartment will be compared to the condition as outlined on the apartment checklist.

First-Time Renters' Guide

By: Jaceson Maughan

Renting for the first time can be an exciting and daunting experience. It is probably the biggest monetary commitment you've made so far, and you're committing to stay in one place for a set amount of time. A renters' guide can help you understand the agreement you're entering into. Relying on a renters' guide can help you navigate the process to ensure that you do not end up in a bad situation or at the mercy of a bad landlord. A renters' guide can help you find the right place, understand the rental agreement and understand your role as a renter.

Finding the Right Place

Finding the right place for your circumstances is the most important aspect of renting your first property. Any good renters' guide will advise you to understand your particular circumstances. You should be realistic about how much you can afford to spend on rent and avoid underestimating the cost of renting. Once you know how much rent you can afford, check out the rental costs of the apartments in the city or neighborhood you want to move to. Browse the rental section of the newspaper, or check online rental sites to determine if you can afford to rent on your own or if you need to find a roommate to help cover costs. You should also understand that rent is not the only cost you should calculate. You need to plan on expenses related to security deposits, application fees, utility deposits, cable fees and telephone fees, as well as furnishings and other items you've probably relied on your parents for, such as food, soap and cleaning supplies. In addition to these start-up expenses, understand that you need to pay utilities every month and eat on a fairly regular basis.

Once you understand the sort of property you're looking for, a good renters' guide will advise you to see the property before you move in. Even if you are moving cross-country, never move into a property sight unseen. Ask the landlord to let you inspect the actual rental property. Bring a tape measure to get an idea of the place's dimensions for moving day, and be prepared to take notes. Check the faucets, flush the toilets, turn the lights on and off and turn on and visually inspect all of the appliances. Check out the laundry facility, or make sure your own washer and dryer fit in the rental's space if it is allowed. You should also check the outside lighting, make sure the parking lot is well-lit and inspect the common areas. Finally, check to make sure you receive cell phone coverage in the rental property.

If your inspection reveals any damage or serious problems, demand they be fixed before you move in. If the landlord refuses to do so or minimizes the problem, that should be a good indication that you do not want to rent from that particular landlord. Your landlord has an obligation to maintain a habitable space for you to live in, and if the landlord refuses to do so upfront, that is probably not a landlord you want to do business with. When you move in, you must perform a second inspection to determine any damage or problems that existed prior to your arrival. Do not try to skip this process. Be as meticulous as you need to be, and write down every possible defect, no matter how seemingly insignificant. Give a copy to your landlord to avoid being held liable for these problems down the road. If you don't and your landlord thinks you caused those defects, the cost of repairs might come out of your security deposit.



Understand Your Rental Agreement

The rental agreement or lease is a legally binding contract you enter into with your landlord. It specifies your rights, the landlord's obligations and the rules you must live by while you live in the rental property. It was probably prepared by an attorney and likely written so as to discourage you with big words and complex sections so you'll give up and sign the contract. Do not give in. Carefully read the contract, ask questions, take it home with you to read if you need to and discuss any questions you cannot resolve with an attorney. A careful reading of the contract can avoid problems down the road.

You should also be aware that the terms of the contract will likely be enforced unless unconscionable. That means that if you agree to something like early termination or lease-breaking penalties, you will have to pay for them if you decide to break the lease. You should also be aware of late rent penalties, pet policies, repair policies and the protocol for reporting damage or requesting repairs. If those policies aren't clear, ask about for clarification.

Then find out what happens at the end of the lease. Most leases are for a year, after which the rental agreement will shift to a month-to-month agreement unless the contract is renegotiated. In a month-to-month lease, your rental agreement no longer has a specific time limit, and you may move at any time as long as you give a 30-day notice. Your landlord can typically require you to move at any time also, as long as he gives the same notice. However, prior to the expiration of the lease agreement, if you need to break the lease, you

will likely face a penalty. Most lease-breaking penalties include 30 days notice and one more month's worth of rent. Make sure you understand the provisions of your contract that govern breaking your lease prior to signing the rental agreement.

Some of the most important provisions in your contract will be those that govern specific procedures for reporting damage and requesting repairs. You will be responsible for normal wear and tear of the rental property, and the agreement may require you to repair small items. However, the landlord is typically responsible to make large repairs. You should contact the landlord immediately after something breaks, and check your agreement. Most agreements require written notice of damage. If the landlord refuses to make the repair, your options may include withholding rent, paying partial rent, breaking your lease or contacting local building inspectors or city offices.

Renters' Insurance

Do not assume that your landlord's insurance extends to your belongings. After carefully budgeting for and slowly acquiring all of your possessions, imagine if they vanished in a fire or flood, or if they were stolen. A responsible renter will purchase renters' insurance. Regardless of how little you think your belongings are worth, the cost of replacing them adds up quickly. Your landlord's insurance only covers his investments—the building, the grounds and infrastructure.

In order to cover your belongings, you will need to purchase your own policy and ensure that your belongings are covered by some form of renters' insurance. Not all states require renters' insurance. Meticulous landlords, regardless of whether renter's insurance is a state or local requirement, may require you to purchase renters' insurance. You can probably plan on paying \$15 to \$20 a month for a renters' insurance premium, so shop around for the best insurance quote, but check with the company that insures your car first. You might be eligible for a discount for having more than one policy with your insurance company. While your premium might be enough to push your budget over the top, replacing all of your stuff in the event of a disaster would really stretch your budget.



A Guide to Basic Renters' Legal Rights

By: Dachary Carey

Renters' legal rights vary from state to state. Consult your state for specifics, but most renters have access to some variation on these basic legal rights:

Renters have the right to notification if the landlord enters your property.

The landlord can't just come in and out of your apartment whenever he wants. Most states have provisions for the landlord to notify you in advance, typically 24 hours or more before entering your property.

Additionally, you have the right to insist that someone is home when the landlord enters your property. If you can't be available, you have a right to ask the landlord to reschedule the visit. There is some flexibility around this rule when it comes to landlords showing the property for the purpose of finding tenants.

Renters' legal rights include withholding rent if repairs aren't made.

This varies greatly from state to state, but many states have provisions for renters to withhold rent if the landlord doesn't make repairs. In some cases, this applies only to money that renters pay out-of-pocket to make repairs that landlords fail to make. In other cases, with significant repairs, renters have a right to withhold a portion of their monthly rent until the landlord makes the repairs. Consult your state's policies on withholding rent before you engage in this tactic.

Renters are protected by the terms of the lease.

When you have a written lease with a landlord, it's not just for the landlord's protection; it protects renters, too. For example, landlords cannot raise rent during the terms of the lease unless the lease incorporates a specific provision enabling that. If you have a one-year lease at \$1,000 a month, the landlord can't decide after two months that you have to pay \$1,500; the landlord must wait until the lease is up to raise rent.

Likewise, a landlord can't rent the apartment to new tenants during your lease terms unless you otherwise violate or nullify the lease. The landlord can't tell you to move out after four months because he finds someone willing to pay more for the apartment; if you have a one-year lease, you're entitled to live in the apartment for one year. Some exclusions apply if the landlord starts an eviction process.

Renters have the right to recover their security deposit.

A security deposit is just that; a deposit, designated for your landlord to hold in a separate bank account until you move out. The landlord can deduct fees from the security deposit if your rental property is not in good condition when you move out, and the landlord must pay to repair or clean it. However, depending on the security rules of your state, the landlord must provide a detail of what fees he is withholding from your deposit, and must return the rest to you within a specified timeframe.

Consult your state's landlord/tenant laws for specific details.

Renters' legal rights vary from state to state. Before renting, consult your state's landlord/tenant laws to determine your rights. Many law schools offer free clinics for law evaluations if you think you might have a legal violation on your hands, or you can consult a lawyer to get a full and complete interpretation of renters' legal rights in your state.

First-time Renter Advice.

Congratulations! You are moving out and are now on your own. This is no doubt a very exciting time in your life. Here's some advice about what you need to know to make renting your first apartment a very positive experience.

Private landlord vs. Management Company

Before you start looking you might want to decide whether you want your apartment run by a private landlord or a management company. There is an important distinction. A private landlord might be someone with money, hoping to get rich from their commercial real estate investment. Getting rich for them might mean scrimping on expenses and improvements. On the other hand, a management company is in the business for the long-term. Home Properties, for example, manages over 37,000 apartments in more than 105 communities across 9 states. We are professionals who have built our business on word-of-mouth advertising and resident referrals. We strive to ensure that our residents are happy in their new home.



Choosing a Roommate

Unless you landed yourself a really great job just out of college, you will probably need to consider getting a roommate to share expenses. Consider your friends first. Is there someone you already know that will be living in the same area who you would consider rooming with? The idea is to pick someone fairly similar to yourself. Find someone who keeps the same hours, who shares your level of cleanliness, someone who can afford his or her share of the expenses and someone you genuinely like to spend time with. This is an important decision and one that shouldn't be made too quickly.

If you need to look outside your circle of friends, consider local free ads such as community newspapers and local roommate matching services or online at Craigslist or Move.com to post an ad. Also consider checking the listings or create your own at Roommates.com, RoommateNation or RoommateLocator.com. Some of these services may charge you a small monthly fee. When evaluating potential roommates, it is important for you to check references, contact their previous landlord, obtain a recent payroll stub and check their personal credit report.

Apartment Layout

There are many different apartment floor plans available. There are one- and two-bedroom apartments with one or multiple bathrooms and other amenities such as dens, dining rooms, extra storage, etc. Take the time to review the different layouts available to you. Pick a floor plan that most closely fits your lifestyle today... and something you can live with for the next few years. This is also a good time to start thinking about whether or not you are going to be living with roommates and how many will share the apartment. To get a better understanding of how much rent you can afford, check out our Home Properties Living Expense Calculator.

Compare Apartment Community Amenities

When looking for an apartment, it's all about the complete package. Many Home Properties communities, for example, offer swimming pools, fitness centers, computer facilities, outdoor trails, etc. Take the time to compare offerings of several area communities and consider the potential savings if you don't need a separate gym membership, for example.

Reserve your Apartment Online

Once you find the perfect apartment, act quickly. Use the Home Properties website to reserve your apartment online. It only takes a minute.

Application Fee

Once you place a hold on an apartment, the next step will be a credit screening and the application so you can be approved to rent the specific apartment you are interested in. You can download a standard residency application right on our Home Properties website. Just print and complete the form at your leisure. Once you submit the application, you will be asked to pay a small application processing fee to cover the costs of ordering a credit report, checking references and processing your application. This fee is non-refundable.

Finalizing the Apartment Selection

Once you have been approved and are deemed credit worthy, it's time to take a closer look at the exact apartment you will be moving into at this particular community. You may be interested in a two-bedroom, but there may be several two-bedrooms available. Every Home Properties community has a process they follow to prepare apartments for your arrival. You can

The Lease Agreement

Once you are ready to make a commitment to a specific apartment and community, you will be presented with a lease agreement. The lease is a legal document that is binding on both the resident and the landlord. It specifies the terms and conditions of the agreement and defines roles and responsibilities. Read this document over carefully. You might even have your parents or a good friend read it over as well. Once you fully understand the legal agreement you are initiating, go ahead and take the next step. In addition, all of your roommates will need to sign the lease as well. You can view the standard lease agreement used in your state on our website.

Security Deposit

You will be required to put down a security deposit that is roughly equal to one or two months' rent. This will be held by the property manager and applied to the cost of repairing any damages to the apartment. After deducting the proper amount to cover damages and repairs, the remainder of the security deposit is refundable when you move out of the apartment. Terms for holding and refunding the security deposit are spelled out in the lease. Remember this security deposit while you are living in your apartment; you'll want to take excellent care of the apartment so it will be refunded to you when you leave.



Pet Fee/Deposit

Because pets play a central role in so many of our lives, many Home Properties communities are pet-friendly and give residents the option of moving pets into the apartment. In some cases, you may be charged a small, upfront fee and/or a monthly charge to cover the extra cleaning and repair costs that may result from your dog or cat in the apartment. Terms for holding and refunding the pet deposit are spelled out in the lease.

Renters' Insurance

Before you move in, it is important for you to obtain renters' insurance. This is a special insurance policy that protects the contents of your apartment from loss or damage due to fire or theft. A policy of this type is really quite affordable and premiums are calculated based upon the value of your furniture and other personal possessions. Most companies offer policies starting at \$20,000 in coverage, which costs about \$150 a year. You can obtain renters' insurance by visiting the renters' insurance link on every Home Properties Resident Website or contacting your family insurance agent. Remember... any insurance carried by the property owner only insures the buildings. Protecting the contents of your apartment is your own responsibility.

Apartment Walk Through

Right before you are scheduled to move in, it is important to walk through the apartment with the leasing consultant. This allows you to confirm that all preparations have been completed and the apartment is prepared to your satisfaction. If you have a digital camera, it is a good idea to take a few "BEFORE" shots of each room in the apartment.

Arrange for Utilities

Because utilities such as gas and electric, cable television, Internet service and telephone service will be placed in your name, it is your responsibility to call and order service before you move in. You can also access our U-Choose service on each Home Properties Resident Website to arrange for all of these services online in just a few minutes. Depending upon your credit history, these suppliers may request a refundable deposit. This will also help you to start building a credit history in your own name.

Furnishing Your New Apartment

Before moving in, you will want to give some thought to furnishing your apartment. The most important component is having a good bed. After that, consider hunting for furniture and supplies at garage or yard sales, thrift stores and the attic or basement of parents and/or close relatives. You might also consider checking the classified ads in local newspapers or community advertisers. Beyond couches and coffee tables, you may also need to find a small table and chairs for your kitchen or dining room, floor lamps, area rugs and chairs for extra seating. Don't forget to stock up on other basics, including a shower curtain, wastebaskets, cleaning supplies, mops, pails brooms, etc.

Arranging the Move

Once you have found your perfect apartment, completed the paperwork and have a move-in date in mind, it's time to locate a moving company. By accessing our U-Choose service on each Home Properties Resident Website, you will be able to view several companies in the area that you could consider contacting. Ask friends and relatives for recommendations. Unless you choose to pay for the very expensive packing service, you will be responsible for packing everything yourself. Consider purchasing bubble wrap and using it to wrap fragile items such as china, glasses or lamps. Liquor stores and supermarkets are a good place to find boxes or you may decide to purchase new boxes from the moving company or a mailing store. Check out our Home Properties Moving Checklist or RPSRelocation.com for more information.

Find more first-time renter survival tips at: [the Dollar Stretcher.com](http://theDollarStretcher.com), Kiplinger's Personal Finance, and MyFirstApartment.com.



Time for My First Apartment? Tips From Dollar Stretcher

The Questions

I wanted to know how I can determine how much money I would need to live on my own. And is it a good idea to set aside money for furniture now, while I'm living at home. Or buy furniture and put it in storage. Which is best?

Estimate Your Expenses

First, keep track of your current expenses. Write down everything you spend for the next month at least (including anything you put on a credit card). This will give you an idea of where your money goes now.

Next, take a walk through a supermarket. Pretend you're shopping for a week (maybe take a shopping list with you) and see what it will cost. Multiply by 4.3 for a month's food cost. (Do you eat a lot of meals out? Maybe you'd want to reconsider that.)

Look at the Apartments for Rent ads in the paper, so you can see what rental you will have to pay. Ask your friends who already have apartments of the type you will be renting what they pay for electricity, phone, and gas bills. (You may have to put down a security deposit, too, so be sure you have that saved up.)

Do you have a car? Add in car payments and insurance and license fees, as well as gasoline (if you didn't include these in the first step). Otherwise, be sure you get a place near public transportation, and add the cost of bus travel in.

Add it all up (and try not to faint!). Then add at least \$50 to that.

Don't Buy Furniture Before Renting Your First Apartment

I have some experience with this one. NEVER repeat NEVER buy furniture and store it. First off, you will have to pay for the storage. Either that, or impose upon whomever is storing for you.

Second, you will likely find your taste and requirements will change according to where you end up. For example, your place might have built in bookshelves or a built in dining table, eliminating the need to buy these.

Third, furniture is expensive to move and doesn't travel well. Either you'll spend money moving it, or fixing/replacing it when it breaks. Anyone who's moved can tell you horror stories about what broke. The less you move it, the better. Buying and moving it to and from storage is two moves too many.

Fourth, there's a major deflationary trend occurring in furniture. Stuff like bookshelves and desks have been steadily declining in price since I started pricing them 20 years ago. Also, new materials make things really cheap. An example are those molded stacking plastic chairs for 4 bucks --a fraction of the cost of a wooden dining chair, and very adequate around the dinner table. Unless you are buying antiques, it pays to procrastinate.

Fifth, free furniture is easy to come by, once you have a place. Just put the word out, and stuff will flow your way from friends, family, and strangers. If you live in an apartment complex, you'll find abandoned furniture. You can also put a note up on the notice board saying you're interested in very cheap or free furniture. People just can't be bothered to move it! I got three very respectable end tables, a like-new ironing board, drying rack, metal folding chair, Windsor chair, and two matched wooden chairs, and two table lamps that way.



Look for Alternatives First

My suggestion would be to start looking in local papers to get some idea what kinds of rents are being charged in your area. Decide if you will have a roommate (or two!) which can significantly help in reducing living expenses. One thing to keep in mind is that moving into an apartment costs not only the price of the monthly rent, but also the security deposit. This is often the same price as the rent, so I personally have had to come up with double the cost of a month's rent in order to move into a place! Some landlords may be flexible and let you distribute this throughout several months. Doesn't hurt to ask!

Also, remember that unless you have friends with trucks, you'll need to factor in the cost of moving your belongings. I have always found myself needing various items during the move and the few weeks after- such as cleaning supplies, curtain rods, etc.

Be open minded about alternative living arrangements. For example, I have a friend who got a really cheap rent on a large studio apartment in exchange for 10 hours of work each week. The landlord lived in the attached house and my friend would care for his elderly mother in exchange for the reduced rent.

Another option that I have seen is getting free or reduced rent by working as a n apartment complex manager: duties may vary, but I think you would collect rent, etc. Something to think about.

Why Buy Furniture?

I moved out on my own a few years ago and did not have the money for furniture. I found the solution that worked best for me was to find a furnished apartment - that way I did not have to commit to the expense of owning furniture, and I have saved that money. My apartment is in a basement of a home, and is also much more reasonable than the area complex apartments are. The only things that I needed when I moved in were pots, pan, dishes, and linens. I have saved thousands over the years, and will be able to purchase nice furniture when the time is right. I think that situations like this are fairly common.

Apartment Costs More Than Just Rent

To determine how much money you will need to live on your own, first talk to some friends who live on their own and get averages for costs. The things you will need to consider are rent, utilities (electric, gas, phone, cable, water, sewer, garbage, etc), food, entertainment, car maintenance (including gas, oil and repairs), car insurance, renter's insurance, health insurance and clothing expenses. Also, any debts you may currently have - such as major credit cards, student loans or department store credit cards.

Rent averages can be determined by looking at the classifieds in your area and seeing what is available. Your rent should not take up more than 30% of your total after tax income. Estimate high for your food costs. Utility costs can vary. If all utilities are included in your rent payment, your rent could be upped to 40% of your after tax income.

As for furniture, start saving now to purchase these items. Then, when you are 30 days from moving out, start purchasing small items. Thrift stores and garage/yard sales are your best bet. Remember, you only need functionality to begin with, you can purchase better quality after you are settled and earning more money. (Wouldn't it be great to be on your own even if you only have one chair, a bed, a TV and a dining room table?)

In your planning, don't forget to factor in the start up costs of a kitchen. Not only silverware, plates, glasses and pots and pans, but those other items such as spices, flour, sugar, ketchup, mustard, mayonnaise, etc. These items can be quite spendy when you have to buy them all at once.



Do a Little Research Before Renting Your First Apartment

First things first. You can't create a budget without having a realistic picture of costs. Do some research on housing costs in your area. You can do some of that online; however, if you look only at sites like Rent Net, you'll have a slight inflation of prices over the average. Check the classifieds in newspapers for your area. Some of them will be online if you live in a metropolitan area. They should be more accurate. Then call some of the places. Ask about their policies about deposits, pets, waterbeds, whatever you feel you need to know.

Next, call utility companies to get an idea of the average costs for electric and gas service for a residence of the size you plan to rent. Ask if deposits are required. Find out which utilities you pay and which may be included in the rent. Many apartment complexes in my area included garbage disposal and water. If they are not included, you need to find how much they cost. If you want cable television, telephone service or internet service, you must put those costs into your budget, too.

Once you know how much housing and its associated costs will average, you need to estimate how much you will need for food, transportation and entertainment. You will need money for doing laundry, buying miscellaneous supplies and pet food if you have pets. You should set aside a percentage of your wages for savings, no matter what! It is better to have a smaller residence or one in a less upscale neighborhood than to scrimp on your savings because they are what tide you over during periods of unemployment or after a major car breakdown or similar disaster.

As for furniture, save for it. If you buy it now, you will also have to rent storage, thus increasing its actual cost. If you save for it, you'll earn interest on your money and be able to buy more items or better quality items when the time comes.

You might also consider buying some of your furniture second-hand for bigger savings. Check the classifieds in your area, plus second-hand stores, resellers, auctions, garage sales and thrift stores. Things like dressers, bookcases, desks, occasional chairs, miscellaneous tables, dining sets, lamps, and bedroom sets minus the mattresses are often found as good bargains. If you do find something you really want at a very low price, then it might be worth it to buy it ahead of time and put it in storage, after weighing the savings against the cost of the storage unit for the time you'll need it.

Don't forget about appliances, pots and pans, dishes, crystal, flatware, utensils and linens. (If you really have the urge to start buying now, as a symbolic gesture toward your eventual independence, concentrate on these things. They are relatively easy to store and surprisingly expensive when you try to buy them all at once.)

Save First

Having not so long ago moved out on my own, you would be well advised to save your money. Buying the furniture in advance has several drawbacks, including safe storage location. Finding a place that guarantees your property from damage, theft, etc. can cost more than that great deal you got on that new bedroom set.

Also, since it is your first apartment, you may have numerous other expenses that require cash (eg, electricity, telephone, gas, cable, and apartment deposits). You will probably also want to purchase accessories that coordinate well with the carpet and/or fixtures in your apartment.

However, the main disadvantage to purchasing furniture in advance is that it may be too big, or too small for your needs. I moved into my first apartment with a bed frame and mattress set, a card table, a desk, some folding chairs, and a microwave. I didn't buy any furniture for several weeks. The first thing I bought was a really good bedroom set, then 2 wing-back chairs and matching bookcases for the living room. A little while later, I got a dining room table set.

Buying after the move was the best thing I had done. I had time to get a feel for my new space, and I didn't have to move all of that furniture.



Try This Formula

To know how much you will require to live on your own is hard. But here is a formula you can use...

Call to see how much you will spend on average per month for the type residence you desire (apartment, house, duplex, etc.)

Determine how much you will require per month to drive from this residence to the places you frequent. Include work, church, friends, family, grocery store, etc.

Ask the person who determines your current family budget how much is spent on groceries, lights, natural gas, and other utility bills. Realize that this number for you will not be 1/4 your family's budget even if there are four in your house. These bills have minimums that you are billed each month regardless of usage. Find out what these minimums are to avoid surprises in the future.

Don't forget car payments, car insurance, renter's insurance, and other such necessary expenses.

Have your family financial planner (most likely your mom) look at the list you have made, and contribute to the list. She (or he) will probably help you discover that you have forgotten almost as many things as you have remembered.

Add at least 10% to your final total for times when the plumber is called, the car breaks down, etc., and put this in a savings account so you don't spend it.

If you can afford to buy your furniture now and pay for storage, DON'T. Put all of that hard earned money in a savings account and let it earn money for you. Include the money you would pay for storage, and your total will grow much faster.

Start by paying your family rent for your room, and when you get a good taste of what it is like to pay your own bills, you probably won't move out! Your family deserves to have you contribute to the family budget.

Take the Next Step

Estimate how much it would cost to get an apartment. Adjust your budget to see if you have enough income to cover the expense of an apartment before moving out



Seven Sins of First-Time Renters

By Erin Burt, Contributing Editor, Kiplinger.com

Ready to get your own place? Whether you're moving out of the dorms, taking a summer internship or starting a new job, take care to avoid these costly mistakes.

Ah, your first apartment. It may be smaller than a closet with a next-door neighbor who likes to blast Celine Dion into the wee hours of the morning, but hey, it's a space to call your own. Whether you're moving away from college or out of Mom and Dad's house this summer, getting your first real place can be a liberating -- and nerve-wracking -- experience.

Trust us, there are worse situations you can find yourself in as a first-time renter than tight spaces and annoying neighbors. Moving into your own apartment may be one of the biggest financial steps you've taken thus far in your life. In this rite of passage, you're committing to stay put for a long time while shelling out a pretty penny on rent, utilities and furniture. So, naturally, you want to do it right. We detail seven sins that can threaten your financial soul -- and your sanity -- upon moving into your own space. Avoid these missteps for a smoother transition, whether you're a first-timer or a even a seasoned renter.

1. Underestimating the cost

The first item of business when looking for a place to live: How much you can afford to spend on housing? Tally your monthly expenses and see how much money you'll have left to spend on rent. Then, find out how much apartments cost in your desired neighborhood by browsing newspaper classified ads or online rental sites such as Rentnet.com or Craigslist.org. This will help you determine if you can even afford to make the move, and whether you'll need a roommate (or two) to split the costs.

But rent isn't the only cost for which you have to budget. Don't forget to anticipate your "start-up" expenses when you first move in. For example, you may need to pay an application fee for the apartment (say, \$50), a security deposit (usually equal to one-month's rent), your first month's rent, a deposit to turn on the electricity (maybe \$75), a deposit to turn on the gas (another \$75), fees to get your cable and telephone turned on, a deposit for any pets you may have, and maybe even a fee for a parking space. And let's not forget the cost of furnishing your new pad and stocking it with life's essentials (yes, you *really* do need soap). All in all, it can cost you upwards of \$4,000 in your first month at your new apartment, according to research firm Twentysomething Inc.

One note of caution: Don't rely on your credit cards to fund your move-in expenses. You don't want to start out your new life of independence by being chained to ruthless interest payments. Once you get into debt, it's hard to break away.

Once your start-up expenses are covered, don't forget to account for other monthly expenses that come with your new space, including gas and electricity bills and garbage and water fees. And if you're moving from campus housing where your phone service, cable TV and Internet connection were either free or cut-rate, remember to factor real-world prices into your budget. Consider this, too, if you're moving into a place by yourself when you're used to splitting costs among roommates or living free under Mom and Dad's roof. Make it easy on yourself to keep track of your expenses by setting up a budget.

2. Not getting your priorities straight

Before you embark on an apartment hunt, write down a list separating your needs from your wants. *Needs* are those things without which you just can't live. For example, my husband and I own just one car, so for us, proximity to work or to public transportation is a need. *Wants*, however, are those things that would be nice to have, but you could live without for the right price. For example, you may want a gym or a first-floor unit, but they may not be deal breakers.

Sorting out your needs and wants will help keep you from making a choice you may regret later -- say, snagging an apartment with a great city view but having to suffer a grueling commute to work. Remember, your first place isn't going to be perfect, so you need to know which things you can let slide beforehand. Besides, you can always move up to a better apartment when your lease is up.

3. Not seeing the apartment before moving in

It's a good idea to take a look at the place you plan to call home *before* you arrive on moving day and discover your sofa won't fit through the front door. If possible, this means you should inspect the actual apartment you'll be moving in to -- not a model. Bring a measuring tape and try to visualize your furniture in the space. You should also take note of the number and location of phone and cable jacks and electrical outlets.

Don't be afraid to put the apartment through its paces. Turn on the faucets and flush the toilet to make sure the water is running properly (and that it isn't brown). If the power is on, turn on the lights, oven, air conditioner and other appliances to make sure they work. Tune in to the surroundings -- is there a lot of traffic or neighbor noise, or any strange smells? Are the building's hallways, common areas and parking lots clean and well-lit? Are there enough washers and dryers in the laundry room? And don't forget to check out your cell phone's reception from inside the apartment.

You also should inspect the space for damage and request that serious problems be fixed before you move in your stuff. Then, on moving day, go through the apartment with a pen and paper -- and a fine tooth comb. Write down *every* defect, no matter how seemingly small, date and sign your list, make a copy of it and give one to your landlord. You don't want to be held liable for pre-existing damages.

4. Failing to read the lease

A lease is a legally binding contract between you and the landlord, spelling out each of your rights and the rules you must abide by while living in the space. This means it's written in that kind of legal-speak that causes your eyes to glaze over and your mind to go numb. But it's worth your while to f-o-c-u-s and read it all the way through or you may find yourself on the hook for different fees, penalties and restrictions after you've signed on the line. Don't worry about digesting it all on the spot. In fact, you should take it home to read through before you sign, advises consumer advocate Clark Howard. "If you don't understand something, put question marks next to the item and get an explanation," he says.

Every lease will include some basic information, such as the address of the apartment, the length of the lease (say, six months or one year), the amount of rent due, the amount of the security deposit, and the signatures of the landlord and all tenants. That's all pretty straightforward, but there are additional clauses that could have a big impact on your wallet and your lifestyle. Keep an eye out for penalties for late rent, policies for owning pets, what utilities the landlord pays and which ones you're responsible for, policies on painting or altering the apartment, protocol for what to do if something breaks or needs repair, penalties for moving before your lease term is up, policies on subletting and having roommates or even stipulations for having roommates of the opposite sex. I once even had a lease that specifically prohibited owning a piano or organ.

Also, make sure you know what happens to your lease agreement at the end of the term. Usually, your contract will become a month-to-month arrangement, but read the fine print ahead of time to be sure and to learn how much notice is required before moving out. Pick up a copy of the excellent *Every Tenant's Legal Guide* from Nolo Press to learn more about your rights and responsibilities as a renter.

5. Not asking about utilities -- or forgetting to turn them on

On occasion, eating takeout by candlelight may be romantic. But doing it every night, storing your garbage on your balcony and taking cold showers every morning is just plain sad. So before you move in, make sure you ask your landlord specifically what utilities you're responsible for paying -- and for turning on. Some apartment buildings, for example, will provide the garbage and water service as part of your rent but leave you to arrange your own gas and electric service. Others may require you to handle everything. And don't forget the extras, such as a phone line, Internet service and cable TV.

Once you know what you need, find out whom to call. Your landlord should be able to provide you with the names and numbers of the local utility companies. Call them at least one week before you move in and arrange to have your service turned on the day before your arrival.

6. Going without renter's insurance

Unless you have enough money saved to replace everything you own in case of theft, fire or other disaster, you need renters' insurance. Sure, your landlord probably has insurance, but it only covers the building and the infrastructure -- not the stuff you keep in your own unit, says Doug Culkin, executive vice president of the National Apartment Association. You may not think you own much of anything of value, but once you tally up the cost of all your clothes, furniture, computer, software, entertainment system, microwave and CD collection, renters' insurance can add up to a real bargain. Besides, some landlords may require renters' insurance before you move in.

Expect to pay \$150 to \$250 a year, or \$12 to \$21 a month. You may pay more or less depending on your neighborhood and level of coverage. You can get quotes from several companies online at InsWeb.com or NetQuote.com, but check with your auto insurer first to see if you can get a discount for having more than one policy with the company.

7. Forgetting basic items to make a home

If you've never lived on your own before, you're bound to be short a few essentials. For example, I didn't realize when I moved into my first place that a shower curtain wasn't included. I also thought I had planned ahead by packing a bunch of canned food to subsist on for a couple days before my roommate (with the car) moved in -- only to realize she was bringing the can opener too. Oh, and then there's the time I lived in an apartment for a month without a couch -- cozying up for a night of watching my favorite TV show on a metal kitchen chair just wasn't the same. Hopefully, you've already thought of the big stuff, like seating, bedding, a dresser, etc.

But you'll need some smaller basics, too. In addition to the aforementioned shower curtain and can opener, don't forget to bring a waste basket (and liners), lamps, dinnerware, bookshelves, a full-length mirror, cleaning supplies, sponges, towels, bathroom rug, flashlight, vacuum, broom and dustpan. Plus, invest in a small toolkit with a hammer, pliers and screwdrivers so you can hang pictures and assemble your new furniture.

You might want to share the cost of outfitting your new place with your roommates. One person can buy the DVD player, for example, while another picks up a vacuum. This is better than splitting the cost of a single item because then there's no question about who owns it when one person moves out.



Finding Housing

By Erin Burt, Contributing Editor, Kiplinger.com

How can you find cheap -- or even free -- housing? What's the secret to finding a good roommate? How can you furnish your place cheaply but chicly? We answer your questions on everything you wish you had learned in school -- but didn't -- about making the most of your new place.

Q. I'm broke. Should I move back home with Mom and Dad?

A. The prospect of low- or zero-rent living, home cooked meals and a live-in housekeeper is enough to lure about half of all college seniors back home after graduation each year. Whether you join the throng, however, will largely be up your parents -- and your own pride. But if they're cool with it -- and you're cool with curfews, chores and other household rules -- moving back home can be a good way to get your financial bearings after school while you look for a job or try to save up enough cash for a security deposit on your own apartment.

But before you pack your bags, you need to sit down with your parents to work out a contract. This is as much for your protection as it is theirs. To avoid disagreements, your contract should address how long you'll stay, how much you'll pay and what the house rules will be. Learn more about so-called "boomerang kid contracts" and how to make a move-home experience work.

Also, take note: Moving back home to get your finances on track only works if you're disciplined. If you're saving on rent but you're spending more money on other things like entertainment, new tech toys or a brand-spankin' new SUV, you're not really saving much. In that case, grow up! Moving out could be just the impetus you need to finally take your finances seriously.

Q. What questions should I ask when apartment hunting?

A. First, before you even start looking, you should know how much rent you can afford and zero in on a location. (Is it close to your job? Public transportation? Shopping? Nightlife?) You should check out crime rates in the neighborhood through the local police department. Then, you're ready to focus on finding the right apartment. Check out Apartmentratings.com to get tenant reviews of buildings in your city. Then, ask these questions upon visiting specific places to make sure your new apartment is a good fit:

Is there an onsite manager?

How long is the lease?

Is there 24-hour maintenance?

Does the building have parking?

What is the policy for guest parking?

Is there air conditioning?

Is the heat gas, electric or oil?

How much do utilities usually cost here?

Are utilities included in the rent?

Is there an on-site laundry?

Are there enough washers and dryers to go around?

How much is the security deposit?

What's the pet policy?

Q. Help! I can't decipher the lingo in the housing ads.

A. Reading the classifieds can be like reading in a foreign language. Don't panic. We've decoded some of the abbreviations to get you started:

a/c = air conditioning

ba/bth = bathroom

br = bedroom

c/o w/d = coin-operated washer and dryer

dr = dining room

dw = dishwasher

eik = eat-in kitchen (it's big enough for a table)

fp = fireplace

hw fl = hardwood floors

incl ht/hw = rent includes heat and hot water

ldry = laundry

lr = living room

off st pkg = off-street parking (parking lot or driveway)

stu = studio (no bedrooms)

w&d hkup = washer and dryer hookups

wic = walk-in closet

w/w = wall to wall carpeting.

Q. Where can I find cheap housing?

A. Start by asking if your new employer has any apartment or real estate services. Some companies may have helpful contacts in the rental market to help you find a place. Then, go online to head up a search yourself. You can scan big listing sites such as Move.com or Apartments.com. Local newspaper classifieds -- both print and online -- are another good source, as is your local Craigslist site. You also should drive around prospective neighborhoods to spot "for rent" signs that may not have been advertised elsewhere.

Another great way to save on housing, is to get a roommate. If you go it alone, you may find the only places that fit your budget are the size of a refrigerator box, a bit run-down or in a bad part of town. Team up with a roommie, however, and you can live it up in a much nicer place for the same price -- or just a tad more -- than you'd spend to live alone.

Q. Where can I find *free* housing?

A. This isn't a trick question. There really are ways to enjoy rent-free living, and many of them will land you a much nicer place than you could afford to live in on your own. One option is housesitting. Whether homeowners have multiple properties, or they're taking an extended vacation, they may be looking for someone to watch and maintain their home while they're away and offer a free place to stay in exchange. You can search for housesitting opportunities at HouseCarers.com and through the Caretaker Gazette. Before entering an arrangement, make sure you get the terms in writing, including the length of your stay and specific instructions for the care of the property and any pets.

A similar arrangement is the role of live-in housekeeper. Increasingly, single working adults and empty nesters are taking on rent-free roommates in exchange for their services cooking meals, cleaning the house and maintaining the yard. You can arrange such "barter roommate" positions through popular roommate sites such as RoommateExpress.com and Craigslist.

You also might consider apartment management. In exchange for maintaining an apartment building and handling residents, you could get discounted or free rent. This could be a lot of responsibility, so make sure you are up to the task before signing up. You can usually find apartment management opportunities in job listings.

Q. How can I find a roommate?

A. Laverne and Shirley, Joey and Chandler, Bert and Ernie. They all found roommates they could get along with and you can, too, with a little help from the Internet. There are plenty of places on the Web to post roommate want-ads. Some of the most popular are Craigslist and Roommatelocator.com. You can post and browse listings for free, though some such as Roommates.com and RoommateNation.com may charge you a few bucks to send and receive messages to potential matches.

In either case, you'll have to take due diligence to sort out the "Friends" from the "Single White Females." Run a credit check, call references and arrange a face-to-face interview to see if your lifestyles and personalities mesh. You also can hire the services of a specialized roommate finder, such as Roommate Express. It'll pull credit reports, call references and try to match personalities and preferences to yours. Monthly fees run about \$20 to \$30 depending on your location (credit checks cost \$15 to \$20 extra).

Q. What's the secret to getting along with a roommate?

A. No matter how diligent your search, choosing a roommate is a bit of a gamble. But there are ways to increase your chances of winning roommate roulette. Start by drawing up a roommate pre-nup. This is an agreement that spells out the conditions of your living arrangement to protect yourself in case things don't work. Each roommate should sign the contract and then get it notarized. This can help you resolve disputes and give you legal recourse to recover your money from an irresponsible roommate in small-claims court if necessary. your pre-nup should include these topics: How you'll split bills and expenses; chores, food and space-sharing arrangements; and guest and noise policies. Also, a big peace-keeper is to have your own phone lines. You may want to rely on your cell phone and forgo a landline altogether.

Q. Do I need a co-signer to rent an apartment?

A. Maybe. Call 'em crazy, but landlords like to make sure they'll get paid. So they often set income requirements for prospective renters. For example, they may require that you make, say, 2.5 times the amount of your rent each month, and they'll require proof, such as your most recent pay stub or a letter from your new employer stating your salary. If you fall short, you may need to persuade your parents to co-sign. Don't be surprised if Mom and Dad turn you down, though. Because a co-signer essentially promises to pay the bill should you default, they may opt out to protect their own assets. In that case, you may need to find a roommate with income to carry some of the rent burden -- or a cheaper place to live. If Mom and Dad *do* agree to co-sign, however, you'll need to give your landlord proof of their income too.

Q. What is the true cost of renting an apartment?

A. While looking for a place to live, you're probably focusing on the monthly rent. But when you first move into a new place, don't forget to budget for your "start-up" expenses. For example, you may need to pay an application fee for the apartment (say, \$50), a security deposit (usually equal to one-month's rent), your first month's rent, a deposit to turn on the electricity (maybe \$75), a deposit to turn on the gas (another \$75), fees to get your cable and telephone turned on, a deposit for any pets you may have, and maybe even a fee for a parking space. And let's not forget the cost of furnishing your new pad and stocking it with life's essentials (yes, you *really* do need soap). All in all, it can cost you upwards of \$4,000 in your first month at your new apartment, according to research firm Twentysomething Inc.

Q. How much will utilities cost me, and how do I turn them on?

A. You may have spent the last four years living in campus housing where utilities came magically in place. But now, unless you specifically rent an apartment with "utilities included," you'll have to make arrangements yourself to get them turned on. Find out what utilities you *need* to set up. Many apartment buildings will provide the garbage and water service as part of your rent but leave you to arrange your own gas and electric service. Others may require you to handle everything. Once you know what you need, find out whom to call. Your landlord should be able to provide you with the names and numbers of the local utility companies. Or, you can just hit the phone book for the information. You'll want to call the utility companies at least one week before you move in and arrange to have your service turned on the day before your arrival. You don't want to be moving in the dark.

As for how much they'll cost, that'll depend largely on your location, the type of utility and how much you use it. (If you live in Las Vegas, for example, and are running an air conditioner constantly, you'll spend more than someone living in a more temperate climate.) But, for a ballpark figure in a one- to two-bedroom apartment, we'd suggest budgeting at least \$75 to \$100 a month for gas and electricity. It may cost more some months and less others. And don't forget, you'll have to spring for a security deposit for each of your services when you first set them up.

Q. How can I save on moving expenses?

A. Generally speaking, moving yourself is less expensive than hiring full-service movers. The trade-off, however, is that moving yourself can be a royal pain, so make sure you're up to the adventure. Start by recruiting some cash-strapped students for help. Post ads around campus soliciting help, and be sure you list the details: FREE PIZZA AND DRINKS for anyone willing to help haul out your stuff and pack your truck. You may choose to drive your belongings to your new home via U-Haul, Penske or Budget rental trucks. Or, you can rent a Pods container, pack it yourself and someone else will drive it for you.

But be pragmatic. If you don't own much of value, it may be cheaper for you to sell off your bigger items and buy new ones at your destination than to pay hundreds of dollars to ship that \$50 thrift-store couch cross country.

And if you're moving more than 50 miles away, save all your receipts from your move. On your next tax return, you can write off the cost of moving yourself and your household to your new location, as long as the move is job related. (You don't even have to have the job lined up before you move. You only have to start your job within one year of your arrival for it to count.) You can include the cost of storage, movers, truck rental, plane tickets, hotels and gas.

Q. What are the best cities for young people just starting out?

A. Tempting as it may be to launch your career in Boston, New York, Los Angeles or San Francisco, you may find it just as rewarding -- and a heck of a lot cheaper -- to look beyond the bright lights and high rents of those meccas for twentysomethings. Instead, consider places like Atlanta, a hotbed of wireless hot spots; Denver, with its pub-and-club packed downtown; or Minneapolis, with its diverse cultural offerings.

Q. How can I furnish my place cheaply but chicly?

A. Think versatile. If a piece of furniture can work double duty, you get twice your money's worth. For example, Tammy Schoppet, founder of Rental Decorating Digest, is a fan of storage ottomans, which can serve as footrests, tables or extra seating while concealing blankets or magazines inside. You also can look for a coffee table or side table with drawers to organize clutter. You can save money and still serve your guests in style by forgoing a formal dining set in favor of outdoor furniture that can be shifted to a deck or patio in future years.

Furniture is essential, but the extra touches are what make an apartment homey and more personal -- especially rugs, paint and window treatments. See *How to Outfit Well-Dressed Digs* for more ideas. You also can shop for bargains at Craigslist, eBay and local consignment shops.

Q. Do I really need renters' insurance?

A. Nearly two-thirds of renters don't have any protection for their belongings in case of theft, fire or other disaster. Unless you have enough money saved to replace everything you own -- clothes, furniture, computer, entertainment system, microwave, etc. -- renters' insurance is definitely worth the cost. Besides, some landlords may require renter's insurance before you move in. No matter how pathetic your entry-level salary, you probably can scrape enough together to buy a policy. Expect to pay \$150 to \$250 a year, or \$12 to \$21 a month. You may pay more or less depending on your neighborhood and level of coverage. You can get quotes from several companies online at InsWeb.com or NetQuote.com, but check with your auto insurer first to see if you can get a discount for having more than one policy with the company.

Q. Should I buy a home or rent?

A. First, you need to ask yourself how long you plan to stay put. You typically need to stay in a home at least three to five years to recoup your costs. So if you aren't 100% sure you want to stay in town, if there's a chance you could get transferred at work or you think you may want to go to grad school, renting is probably best. But if you're ready to settle down, check out housing prices in your area then see if renting or buying makes the best financial sense for you.

Q. What's the best way to save for a down payment?

A. Even if you can't afford to buy a place now -- or you simply aren't ready -- it's a good idea to start saving for the day you decide to put down roots. Take a look at your budget to see where you can find some extra cash to put away each month into a high-yield money market account like ones at ING Direct or Emigrant Direct. Then, once you build up a solid stash, consider putting a chunk of it into CDs (certificates of deposit), which will net you an even bigger return on your savings.

Tips For First-Time Apartment Renters

So, you are looking for your first real apartment, huh? Time to start paying the rent? Yea, it stinks, I know -- I have been paying rent now for 13 years. And although I want to buy a house, in this market in my neighborhood, it's just not going to happen! So rent I do, so I have a few tips that might help you out when you start to check out apartments to rent.

When you meet the landlord, try to act like a grownup. You might not want to wear your baseball hat backwards or continue smoking that cigarette -- it could reflect badly on you. And oftentimes there are several people applying for any apartment, so you want to present yourself at your best...even if that changes once you sign the lease.

The landlord is probably going to ask you for a check to cover a credit check, so be sure to bring your checkbook. Also, when you get accepted, you will probably be asked for first, last and security, meaning that your new \$1200 a month apartment actually will cost \$2400 plus the deposit for that first month. Be sure to have the money in your account!

Talk to the neighbors if you get a chance. If only I had done this at a few of the places that I lived, I never would have moved in. Between finding out about the guy that sings love songs to his old girlfriend at 3am to the chain smoker in the apartment next door, you can learn a lot just by being friendly with one of the neighbors. Ask them what they think of the place, how the landlord is, etc. – get a feel for your new home before you sign anything.

If having a parking spot is important to you, ask if you get one. A lot of apartment buildings do not have specific spots for everyone, so you should make sure you get one if you want one. I pay \$90 for mine each month, that's how important it is to us!

You should never go over your budget. Most finance professionals tell you that you should be paying 1/3 of your gross income, so if you make \$5,000 per month before taxes, your rent should not be more than \$1,666. Of course, I understand this is not always feasible in certain markets, but it is a good percentage to try to stick to.

Clean up your credit. If you have delinquencies all over your credit report, I seriously doubt you are going to get approved for any apartment. Landlords want to get paid every month! Work on fixing your credit while you stay with a friend on the couch.

Read the lease. Seriously, read the lease. And then read it again. You wanted to play your acoustic guitar in the house? Make sure you can. Your parents come visit every month? Make sure it's legal. This is a legally binding agreement you are signing – make sure you read it.

Once you move in, buy renter's insurance. Our renter's insurance is \$22 a month for \$35,000 worth of coverage. Not bad for piece of mind. When you live with that many other people in one building, you are trusting all of them to not leave a burner on or plug up the toilet – that's a lot of trust. You need Replacement Cost Coverage renter's insurance, which pays the actual cost to replace items that are no longer usable.

Make friends with at least a few neighbors. Stay away from the ones that you think will be knocking on your door everyday, but you need to know a few people in your building. Eventually, you could trade keys in case either of you get locked out, or you can pet-sit if one of you has a dog or cat. Also, you want someone to know when you are away, so they can keep an eye on the place. Trust me on this one!

Relax, you are in your own place now! Decorate as you see fit. Make it a home, not just some apartment you happen to rent. Enjoy