

Name \_\_\_\_\_

## Apartment Monthly Costs

Pay up front – the amount you pay before you move in; this would include the security deposit and first month's rent.

Average monthly housing expenses total – amount paid for all housing expenses; includes rent and any utilities you need to pay

30% Rule – use 30% of your gross income for housing expenses: rent, utilities, etc.

Use the table at the right when calculating utility costs.

<b>Electric</b>	<b>\$80 per month</b>
<b>Gas</b>	<b>\$60 per month</b>
<b>Sewage</b>	<b>\$30 per month</b>
<b>Water</b>	<b>\$25 per month</b>
<b>Garbage</b>	<b>\$20 per month</b>

1. You are renting an apartment for \$550 per month. You pay electric and gas. The landlord pays all other utilities. You have a security deposit of \$500. How much will you pay up front? What is your average monthly housing expenses total?
2. Your gross annual income is \$36,000. You are looking at an apartment where the rent is \$1,000 per month, all utilities included. Based on the 30% rule, should you rent this apartment?
3. Your gross annual income is \$28,000. Use the 30% rule to determine how much you should be spending for housing expenses.
4. You are looking at two apartments. The first apartment is \$600 per month; you only have to pay the electric bill. The second apartment is \$450 per month, but you pay all utilities. Which apartment will be cheaper?
5. Your gross annual income is \$32,500. Use the 30% rule to find your housing expenses budget. Which of the following options can you afford?
  - a. Apartment for \$600, you pay all utilities
  - b. Apartment for \$750, you pay electric
  - c. Apartment for \$700, you pay electric and water
  - d. Apartment for \$650, you pay electric, gas, and water

6. You are renting an apartment for \$650 per month. The landlord pays sewer, water, and garbage. You have a security deposit of \$650. How much will you pay up front? What is your average monthly housing expenses total?
  
7. You are renting an apartment for \$850 per month. The landlord pays all utilities. You have a security deposit of \$700. How much will you pay up front? What is your average monthly housing expenses total?
  
8. Your gross annual income is \$45,000.
  - a. You are looking at an apartment where the rent is \$1,100 per month, all utilities included. Based on the 30% rule, should you rent this apartment?
  
  - b. You find an apartment where the rent is \$1,000 per month; you pay electric and water. Will this apartment be cheaper than the apartment in part (a)?
  
  - c. You find another apartment where rent is \$900, you pay electric, gas, and water. This apartment charges you \$15 per month to have a pet in the apartment. You have a dog. Can you afford this apartment? What is your average monthly housing expenses total?
  
9. Your gross annual income is \$25,000.
  - a. You are looking at an apartment where the rent is \$650 per month, all utilities included. Based on the 30% rule, should you rent this apartment?
  
  - b. You find an apartment where the rent is \$400 per month; you pay water and sewage. Will this apartment be cheaper than the apartment in part (a)?
  
  - c. You find another apartment where rent is \$350, you pay electric, gas, and water. This apartment charges you \$30 per month for parking. You need your car to get to work. Can you afford this apartment? What is your average monthly housing expenses total?
  
10. You are renting a house for \$965 per month. The landlord only pays for garbage and sewer. You have a security deposit of \$700. How much will you pay up front? What is your average monthly housing expenses total?