

PFL Academy

Teacher Guide: Chapter 6.1 — Understanding Rental Costs and Responsibilities

OVERVIEW

TIME	MATERIALS	PREREQUISITES
45-50 Minutes	Student Activity Packet, Calculator	Basic budgeting concepts

LESSON FLOW

5 min THE CHALLENGE

- Read Emma's apartment scenario aloud or have students read silently.
- Discussion: "What surprised you most about Emma's costs?"
- Ask students to estimate what they think renting costs in your local area.

8 min CORE CONCEPTS

- Review the 5 key terms. Emphasize that "security deposit" is different from "first month's rent."
- Discuss why renter's insurance matters (liability protection, not just belongings).
- Quick check: Ask for examples of utilities that might or might not be included in rent.

25 min APPLY IT

- **Part A (12 min):** Students calculate costs for three scenarios. Circulate to check math. Emphasize that roommates reduce individual costs but add complexity.
- **Part B (8 min):** Lease clause analysis. Discuss why the "entry without notice" clause is a major red flag (violates privacy rights).
- **Part C (5 min):** Tenant rights scenarios. Have students share responses; emphasize documentation and written communication.

10 min CHECK YOUR UNDERSTANDING

- Complete in class or assign as homework.
- Review Q3 (Calculation) and Q4 (jointly and severally liable) as these are most commonly misunderstood.
- Q5 reflection: Encourage specific, actionable steps like "start saving \$200/month."

DIFFERENTIATION

Support

- Provide a calculation template showing formula:
 $\text{Upfront} = \text{Deposit} + \text{First Month} + \text{App Fee}.$
- Work through Scenario 1 as a class before independent work.
- Pair students for Part B lease analysis.
- Provide sentence starters for tenant rights scenarios.

Extension

- Research actual rental listings in your area and calculate true costs.
- Compare state tenant protection laws (some states have stronger protections).
- Calculate what income level would be needed for each scenario using the 30% rule.

- Draft a letter to a landlord about the leaking sink scenario.

ANSWER KEY

Part A: Rental Cost Analysis

Scenario 1 (Downtown Studio):

Upfront: \$950 (deposit) + \$950 (first month) + \$50 (app fee) = \$1,950

Monthly: \$950 + \$60 + \$55 + \$30 = \$1,095

Annual: \$1,950 + (\$1,095 × 12) = \$1,950 + \$13,140 = \$15,090

Scenario 2 (Suburban 2-Bedroom, Alicia's share):

Upfront: \$700 (deposit share) + \$700 (first month) + \$35 (app fee) = \$1,435

Monthly: \$700 + \$120 (utilities share) = \$820

Annual: \$1,435 + (\$820 × 12) = \$1,435 + \$9,840 = \$11,275

Scenario 3 (Campus 3-Bedroom, per person):

Upfront: \$700 (deposit) + \$700 (first month) + \$25 (app fee) = \$1,425

Monthly: \$700 + \$60 (utilities) + \$75 (parking) = \$835

9-Month: \$1,425 + (\$835 × 9) = \$1,425 + \$7,515 = \$8,940

Part B: Lease Agreement Analysis

Clause 1: Protects Landlord — YES, Red Flag (violates tenant right to privacy; most states require 24-48 hour notice)

Clause 2: Protects Tenant — No red flag (this is standard and fair)

Clause 3: Protects Landlord — Yes, Red Flag (tenant shouldn't pay for repairs they didn't cause)

Clause 4: Neutral — Potential concern (60 days is long; could be a red flag if tenant forgets)

Clause 5: Protects Landlord — No major red flag (5-day grace period and \$50 fee is relatively standard)

Q4: The "entry without notice" clause is the biggest red flag. Ask for it to be changed to "24-48 hours written notice required except in emergencies."

Part C: Tenant Rights Scenarios

Q5: You have the right to habitable housing. Steps: (1) Send written notice to landlord documenting the issue and date first reported, (2) Give reasonable time to fix (7-14 days for non-emergency), (3) If no response, contact local housing authority, (4) In some states, you may be able to withhold rent or "repair and deduct."

Q6: This is NOT allowed. You have the right to privacy. Landlords must provide advance notice (typically 24-48 hours) except in true emergencies. "Checking smoke detectors" is not an emergency.

Q7: Accept reasonable priorities with clear explanations. Common answers include price, location, safety, parking, pet-friendliness, and in-unit laundry.

Check Your Understanding

1. B (30%)

2. Advantages: Flexibility to move, no maintenance responsibility, lower upfront costs, no property tax. Disadvantages: No equity building, rent can increase, limited control over property, less privacy.

3. \$1,100 (security) + \$1,100 (first) + \$1,100 (last) + \$45 (app fee) = **\$3,345 total upfront**

4. "Jointly and severally liable" means each tenant is responsible for the full rent, not just their share. Options: (1) Find a replacement roommate, (2) Negotiate with landlord, (3) Sublet if lease allows, (4) Pay full rent temporarily while pursuing roommate for their share.

5. Look for specific steps like: build savings for deposits, establish credit history, create a rental budget, research typical costs in desired area, maintain good references.

COMMON MISCONCEPTIONS

Misconception	Clarification
"The security deposit is the same as first month's rent."	They serve different purposes. First month's rent pays for housing; security deposit is held for potential damages and should be returned when you move out.
"Landlords can enter whenever they want."	Tenants have privacy rights. Landlords must provide advance notice (usually 24-48 hours) except in genuine emergencies like fire or flood.
"Renter's insurance only covers stolen items."	It also provides liability coverage if someone is injured in your apartment and protects against various damages (fire, water, etc.).