RESIDENTIAL LEASE - GLOSSARY

_The main lease topics are as follows (alphabetical):_

**Alterations** - Most landlords do not allow modifications to the property. And if alterations are completed by the tenant that they should be returned back to the original status at the start of the lease.

- For Example - If a tenant decides to paint the apartment red and the original color was white, usually the landlord will ask for the tenant to simply pay for the property to be repainted.

**Appliances** - The landlord should describe all appliances on the premises prior to move-in such as microwaves, washer/dryer, etc.

**Conditions** (Additional) - If there are any other items that have not been mentioned then they should be listed lastly and before the signature area.

- **Verbal Agreements** - Oral agreements are not honored in the court of law. The landlord and tenant should have all negotiated items listed in the contract.

**Furnishings** - If the property was furnished upon the tenant moving-in, all items should be listed such as couches, beds, chairs, desks, musical instruments, and any other valuable items. This is to ensure that upon move-out that the tenant does not vacate with the property of the landlord.

- **Waterbeds** - Due to the consequences of liquid-filled furnishings over the years it is recommended that the landlord bar this type of furniture on the premises. Water damage can be very costly, and if enough is leaked, mold can grow quickly underneath carpeting in the right conditions.

**Governing Law** - Leases are governed on a State by State basis. It is always recommended to view the laws in your municipality but most of the requirements and/or disclosures will be required on the State-level.

**Guests** - A maximum number of people that the tenant is allowed to have on the property should be included as to not encourage constant parties or loud neighbors.

- **Maximum Time Period** - The landlord may also set a maximum time-frame for how long guests may stay on the property.

**House Rules** - Mainly for roommate situations, if there are any house rules such as cleaning times, common areas, quiet times, or any other regulations it should be listed.
**Insurance (Bond)** - The landlord is recommended, and required in some States, to disclose the type and amount of insurance are covered on the tenant’s behalf.

**Late Charges** - Electing to have a late fee is a way landlords try to penalize a tenant for not paying their rent in a timely manner. Some States have limits on how much a landlord may charge but it is always recommended to have a fee.

- **Grace-Period** - Some States have a “grace period” allowing the tenant a few days to pay after the rent is due. During such a period, the landlord is not allowed to charge a late fee.

**Maintenance** - In certain situations, such as the renting of a single-family home, the landlord or tenant may be obligated to conduct timely property upkeep such as lawn care, snow plowing/shoveling, etc.

**Monthly Rent** - Typically paid on the first (1st) of the month.

- **Payment** - Probably the most popular item stated in the lease. The rental payment due each month should be clearly stated numerically ($) and verbally in dollars much like how you write a check so that there isn’t any miscommunication.
- **Due Date** - The day of the month should also be mentioned which is most commonly the first (1st).
- **Payment Location** - How the payment should be made should clearly be stated in the lease.

**Notices** - If the tenant or landlord violates any part of the lease the parties should both have addresses (mailing and/or e-mail) of where each may be able to send legal notice.

**Parking** - If there is parking on the premises the landlord may or may not offer a spot for the tenant.

- **Parking Fee** - In most urban locations the landlord will commonly charge a parking fee.

**Parties** - In the first (1st) paragraph the parties should be introduced. This should mention the "landlord" and "tenant" along with their legal mailing addresses.

- **Occupants** - If the tenant has children, family, or friends that will be living in the residence but not a signor on the lease they would be classified as occupants and not tenants.

**Pets** - If animals are allowed on the premises it should be stated. In an effort to curb any wild animals the lease should mention the exact types of animals and how many are allowed on the property.

- **Pet Fee/Deposit** - Due to the extra wear-and-tear animals have on a property the landlord may elect to have a fee or deposit in the chance major damage is caused.
Property Description - In the following paragraph the address of the premises should be described thoroughly including the number (#) of bedrooms, bathrooms if the property is shared, common areas, and any other details that should be written.

Receipt of Agreement - The lease is not valid unless all parties have received receipt and acknowledgment of the lease. Make sure that all parties have received a copy and the form will become legally valid.

Security Deposit - The amount that is due at the time of lease signing. This is usually equal to one (1) or two (2) month’s rent and is regulated in most States to not be more than a couple months’ rent.

- Refer to the Maximum Allowed Amounts to see how much a landlord may request in your State.

Sub-Letting - The act of subletting is the tenant acting as the landlord and re-leasing the property to another individual, also known as the “sublessee”. This is not allowed in most leases, although if it is allowed, usually requires the written consent of the landlord to ensure any new sublessee is credible.

- Airbnb - With the popularity of Airbnb there is always the temptation by the tenant to make an additional income by renting the property on a short-term basis. This should be established in the agreement to ensure the terms are clear whether it is allowed or not.

Term - This is the length of the lease and should be described. There are two (2) types:

1. Fixed Term - Most commonly being one (1) year but may be any time-period as agreed upon by the parties.
2. Month-to-Month - Allows the tenant and landlord to have a freely on-going basis with either party being allowed to cancel within a certain time period (either stated in the agreement or by using the State’s minimum requirement). Most month-to-month tenancies allow for either party to cancel with at least 30 to 60 days’ notice.

Termination - In most standard leases there is no option for the tenant to cancel the lease. In the event there is an option, usually, it will come at a fee or cost to the tenant.

Utilities - The landlord may opt to pay all, some, or none of the tenant’s utilities. Most will provide some, such as water/sewer, but most will elect the tenant to decide for themselves whether cable, internet, and any other they decide to have.