

Common Terms When Renting



Broker's Fee (or Finder's Fee)

This is a fee that only a licensed real estate broker or salesperson can charge as compensation for helping to find you an apartment. There is no set amount to the fee, but typically it is equal to one month's rent.

First Month's Rent/Last Month's Rent/Security Deposit

These are the typical pre-payments that landlords and property owners require of you before you move in. The first month's rent covers your first month of living in your new apartment. The last month's rent covers the last month you will ever live in the apartment – not the last month each year. The security deposit is a form of insurance for landlords, and it can only be used for three things: any unpaid rent left at the end of a tenancy; any damages caused by you (the tenant) which exceed normal wear and tear; and the tenant's portion of an increase in property tax. Neither the last month's rent nor the security deposit, may be greater than the amount of the first month's rent. In some cases, a landlord may also ask for the installation cost of a new lock and key.

Lease

A lease is a formal agreement between a landlord and a tenant that enables the tenant to live in a rental unit at a set price, with certain restrictions for a specified amount of time. A lease is legally binding and recognized by the city and state. Most leases in Boston run for one year, although sometimes they are longer or shorter, depending upon the specific agreement between the landlord and the tenant. A lease is not a way to 'hold' or 'reserve' an apartment. Once you have signed a lease, you have legally agreed to reside in that particular apartment.

Receipts

Upon receiving the last month's rent and the security deposit, the landlord must provide you with a receipt for each of these pre-payments, as well as documentation to show that the payments have been deposited into an interest-bearing account that is separate from his/her personal bank accounts. Your landlord is responsible for paying you the interest that accrues in the account each year on the anniversary of your tenancy.

Sublet (or Sublease)

With your landlord's permission, you may be allowed to sublet (or sublease) your apartment if you will be away for an extended period of time but do not wish to end your tenancy. The sublessee would essentially take over your lease for a designated period of time and live in your apartment while you are gone. He/she would assume all payments to the landlord during the sublet tenancy.

Utilities

The utilities typically refer to the heat, hot water, and electricity bills. In most cases, the cost of utilities is not included in the monthly rent.