

*The most important investment you can make is in yourself.*  
- Warren Buffett

## WHAT IS A LEASE?

A lease is a legal agreement between a landlord (lessor) and a tenant (lessee) that grants the tenant the right to occupy a property (premises) for a specific period (term) in exchange for rent payments. Here's a breakdown of key points typically found in a lease.

### Parties

- **Landlord:** The owner of the property who grants the right to occupy.
- **Tenant:** The individual or entity who rents the property.

### Premises

- **Description:** A detailed description of the property being leased, including address, size, type (apartment, house, etc.).
- **Permitted Use:** Specifies how the tenant can use the property (residential, commercial, etc.).

### Term and Rent

- **Term:** The duration of the lease agreement, typically stated in months or years.
- **Rent:** The amount of money the tenant agrees to pay the landlord periodically (monthly, quarterly, etc.). Due date and any late fees are usually outlined here.
- **Security Deposit:** A refundable deposit (unless damage occurs) paid by the tenant upfront to guarantee fulfilling lease obligations.

### Net or 'triple net' Leases

A 'net' lease or a 'triple net' lease refers to leases where tenants are responsible for covering certain costs (eg utility bills, maintenance expenses and taxes).

### Tenant Responsibilities

- **Payment of Rent and Utilities:** Tenant agrees to pay rent on time and may be responsible for some or all utilities.
- **Maintaining the Property:** Tenant is generally responsible for keeping the property clean and notifying the landlord of any repairs needed.
- **Use of Property:** Tenant agrees to use the property in a way that doesn't disturb other tenants or violate any laws. This may include restrictions on pets, subletting, or modifications.



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## Landlord Responsibilities

- **Providing Habitable Property:** Landlord must ensure the property is safe and in good condition for living.
- **Making Repairs:** Landlord is usually responsible for repairs beyond normal wear and tear.
- **Access for Repairs and Inspections:** Tenant must allow reasonable access for repairs and inspections with proper notice.

## Termination

- **Lease Expiration:** Lease automatically ends after the term, and the tenant must vacate.
- **Early Termination:** Procedure for either party to terminate the lease early, often with penalties.

## Other Clauses

- **Subletting and Assignment:** Whether the tenant can sublet or assign the lease to someone else.
- **Pets:** Restrictions or prohibitions on pets.
- **Parking:** Details on any parking included in the lease.
- **Dispute Resolution:** How disagreements between landlord and tenant will be addressed.

This is a general summary. Leases can vary greatly depending on the property, location, and specific circumstances. It's crucial to carefully read and understand the entire lease agreement before signing. If anything is unclear, consult with a lawyer or tenant advocacy group.

## Learn more and additional resources

If you'd like to learn more please take a look at our other Education Series publications and access additional resources here:

[www.asarep.com/hub](http://www.asarep.com/hub)

## Please note

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## Contact us!

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