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Legal Notes

Top 10 things to know about a lease before you sign it

Residential leases are contracts. Specifically they are contracts that assign a possessory interest in a dwelling such as a house or apartment. This means that you, as the tenant, have the right to possess the property in exchange for valuable consideration (usually money.) Most of us go through life and never have problems renting a house or apartment but most of us have at one time or another lost part or all of a deposit when it may not have been merited or have been asked to leave a property for little or no reason. To prevent these things from happening it is important that you understand the lease BEFORE you sign it. Here are 10 important steps you should take (in no particular order,) when entering into a lease:

1. Read the entire lease carefully. If you have any questions about what something means, ask the landlord (preferably with a witness present.)
2. Pay attention to mention of a requirement to give notice prior to the end of the lease, lest it renew for a period of time.
3. Some landlords list items that the renter is responsible for keeping in good repair while occupying the property. The landlord may include items not usually the responsibility of the tenant such as central heat/air, plumbing, etc. These items are usually expensive to repair you should avoid a lease that has these kinds of items listed as your responsibility.
4. Look for a remedy for early termination for change of employment, marital relationship, or even just because you cannot afford the lease. Some landlords will say that you forfeit your deposit and they charge one or two month's rent if you terminate early. Others do not mention a remedy in which case they could hold you responsible for the remaining balance of the lease.
5. Pay attention to special conditions such as how many guests you may have and what activities may or may not be permitted. Many landlords will make living a normal life in the leased space almost impossible with such conditions. (Although, they will probably NOT enforce these conditions unless you begin to annoy them; then it is a good way to try to evict you; you don't want that hanging over your head.
6. Look for a grace period. This is a time-frame when you may still pay the rent and not pay a late fee. Example: "Rent is due on the first of each and every month during the term of this lease. If rent is not received by the Fifth day of the month in which it is due then a late fee of \$100 will be assessed." This means that you have a five day grace period. This is handy since paydays can shift and since your rent is likely to be the largest of your bills as a renter you may need a couple extra days to get to your next paycheck to pay the rent.
7. Look for obnoxious late fees or penalties. Some landlords will charge a flat fee for being late, others will charge a daily amount; some will charge a combination of both. The important thing is that if you had to pay your rent a week late, would you be able to afford it?! If your rent is \$750 with no grace period, \$100 late payment fee if not received by the first, and \$25 per day if



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not received by the third of the month; you would need to pay \$1025 on the 10th of the month. Always calculate the worst case scenario. If the latest you would ever pay the rent is the 4th than do your math accordingly. You know your paydays and your rental history make sure the figures work for you.

8. Do not sign a lease you do not agree with or that you think will end up with you not being able to pay the rent, late fees, or result in eviction. The vast majority of people with bad rental histories are not bad people; they are people that have made bad decisions concerning their rental leases. If you sign a lease to the first person that will rent to you with poor credit, you can expect a landlord who will stereotype you as a deadbeat and will take every opportunity to glean fees and fines from you. They will be the landlord that will show up unannounced “to check on their house” and tell you that you need to clean up the place or you be evicted. They will be the landlord that will drive by the property and call you at work telling you that you need to mow the lawn when you get home. You get the point.
9. Communicate with the landlord in writing (email works) or when writing is not practical, with a witness. If the landlord calls you on the phone try to get another adult on the phone to listen to the conversation. If the landlord (specifically his/her voice) is not known to the “witness” make sure that you identify the landlord by name during the conversation. Example: Landlord calls to ask about an issue like late rent. You immediately put him on speaker so that your witness can hear. You then say something like “I’m sorry, who did you say this was?” They should reply something like: “This is Sam Anderson, your landlord.” Then if you let him know you will pay the rent on a specific day and he agrees he is estopped from taking action until that date has passed or another ground for eviction arises. If he tries to say he didn’t agree you have your witness. If His attorney asks how they knew it was Sam Anderson on the phone...you guessed it...”be cause he told us it was him!”
10. Make sure you keep a copy of the signed lease!. After reviewing the lease both you and the landlord should sign at the same time. Do not trust the landlord to send you a copy once he or she has signed it. Do not send the landlord a signed copy for them to sign and return. Remember, if there is no producible lease then it is hard for you to defend yourself in any action for eviction, damages, etc.

Disclaimer: There are many things to understand about a lease or any contract; indeed too many to be listed here. The only way to ensure that the lease you sign is valid, fair, and lawful in the state of Indiana or other jurisdiction is to have it evaluated by an attorney. The Law Office of Mark F. Nichols provides such a legal service. For a FREE Consultation, call 317-641-9916 or visit us on the web at: <http://www.MarkNicholsLaw.com>