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## Rental market tips back to favor the landlords

*Days of renters able to negotiate price, perks over for now in many cities*

By Janna Herron, Associate Press

NEW YORK — Apartment bargains peppered virtually every block during the throes of the recession, even in typically high-demand cities like New York and San Francisco. Not anymore.

More renters, feeling better about the economy and their jobs, are moving out of mom's basement or ditching a roommate. Across the country, apartments are filling up and landlords are boosting rents.

The only discounts left are concentrated in cities still reeling from the housing collapse or high unemployment, or in areas with too many new developments.

In most of the country, landlords are gaining sway.

Rental activity recorded its best start to the year since 1999, despite a snowy winter and what's traditionally a slow time for leasing, said real estate tracker Reis Inc. The vacancy rate dropped to levels not seen since mid-2008, and rents have increased for the past five quarters to \$991 per month.

Concessions are also sliding. Landlords are back to offering typical inducements like one month free. A year ago, new tenants received three to four months rent-free to ink a lease. Gone, too, are the giveaways like new TVs or carpeting for existing tenants.

The outlook for renters is expensive. Analysts expect apartment vacancies to shrink and rents to rise all the way through 2013 as the economy recharges and the labor market improves.

The cities where renters have little haggling room are on the coasts, including New York, Washington, D.C., Boston, Los Angeles, San Francisco, Seattle and San Jose, Calif. New supply in these areas is low and the local economies are adding jobs.

Seattle landlord Andrew Davies put a townhouse up for rent in January and three weeks later signed a lease. Davies advertised for \$1,600 a month, a little on the high side but he wanted to build in a \$100 negotiating cushion. He ended up signing the lease for \$1,500 a month, exactly what he expected to get.

"I had numerous calls on it and a good number of showings," he said.



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In New York, the apartment market's quick turnaround is taking renters by surprise. The increase in rent in the Big Apple is double the national average and the vacancy rate is the lowest in the country.

Rachel Gigliotti's landlord is hiking the rent on the Manhattan two-bedroom apartment she shares with her husband and 5-month-old son by \$350, to \$3,650 a month. The family has lived there just 13 months and the increase takes effect in June. The landlord won't negotiate.

Gigliotti is looking for a similar apartment in the same neighborhood, but she is realizing they have been priced out in just over a year. Last March, she had "the pick of the litter" with landlords offering one or two months of rent-free.

Likely, the family will downsize or move to another, cheaper part of town, Gigliotti said. "It's hard to come to terms with it."

The sweetest deals are in cities where unemployment outpaces the national average and foreclosures dot the streets. Renters might have luck in Las Vegas, Tucson, Ariz., Phoenix and a handful of cities in Florida. Las Vegas was the only city to see its rents drop last year, Reis said.

Still, if you're looking in a hot city there are a few ways to find a discount. For example, skip the west side of L.A. where everyone wants to rent and try downtown where developers put up too many new apartment towers, said Peggy Alford, president of online apartment listing site Rent.com. The vacancy rate there is twice what it is on the west side.

Otherwise, renters should brace for increasing rents over the next three years.

"If you're in the market to move," Alford said, "do it soon."

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### **Tips for renters**

Ready to move from Dad's couch to one of your own? Consider the following tips as you look for an apartment.

#### **Set a budget**

To stay in control of your finances, spend no more than 30 percent of your monthly take-home pay. Your landlord will probably ask for the first month's rent and a security deposit upfront. Don't forget to factor in utilities, cable, Internet, phone service and renter's insurance. If utilities aren't included in the rent, ask for an estimate. Also inquire about extra fees for parking or pets, for example. Consider doubling up with a roommate to share expenses.

#### **Do your homework**

Narrow down the neighborhoods that appeal to you using your budget as a guide. Check websites like Apartments.com, Rent.com and Craigslist.org to compare rent. Prioritize amenities. If you have children, you may want on-premise laundry, a playground or pool. If you own a car, you'll want convenient parking. Other perks to look for include gyms, tennis courts, dog walks and roof decks. When you visit a complex, ask residents for their opinions. They likely will give an honest assessment.

#### **Get it for less**

It's getting harder to find deals, but new developments often offer incentives such as one to two months rent-free for new tenants. Other landlords will reduce the monthly rent if you sign a 2- or

3-year lease. Ask about any manager's specials and bring advertisements from nearby apartments if they offer lower rents. Some landlords may try to match the rent.

**Put it in writing**

Landlords likely will run a criminal background check and a credit check before you sign a lease. So be prepared to provide identification and your Social Security number. Other apartment owners may want proof of employment like a letter from your employer or pay stubs.

Make sure to read the entire lease before signing. Are the terms correct? Is the rent accurate?

Understand the rules regarding apartment improvements, pets, subletting, security deposits, noise violations and common areas. Note any penalties for terminating the lease early or leaving the apartment in bad condition. Include any repairs that need to be done in the lease and document damage that is already present.

If you read something that doesn't make sense, it's better to ask than to assume.