

## Leasing Glossary

**Cashier's check:** A check written by a bank or thrift institution on its own funds and signed by a cashier.

**Constructive eviction:** When a landlord provides housing that is so substandard (for example, refuses to provide heat or water) that a landlord has legally evicted the tenant.

**Contract:** A legally enforceable agreement between two or more competent parties made either orally or in writing.

**Credit report:** An account of your credit history, prepared by a credit bureau.

**Demised:** To convey possession of property by will or lease.

**Deposit:** Money given as security for temporary use of an item or property.

**Escrow:** Money or a written instrument such as a deed that, by agreement between two parties, is held by a neutral third party (held in escrow) until all conditions of the agreement are met.

**Eviction:** The legal process by which tenant is removed from the property due to violations of terms of the lease.

**Fee:** A nonrefundable charge.

**Guarantor:** A person who provides proof to the claim that they are legally and financially responsible if you do not meet financial qualifications on your own. Typically, guarantors are parents or other legal guardians and must supply their name, employer information, annual earnings, credit history, and an address/phone number. The guarantor is equally responsible and liable for any defaults and settlements. Some apartment complexes and other rental properties require a guarantor.

**Habitable:** Housing that is fit to live in.

**Implied warranty of habitability:** A legal doctrine that requires landlords to offer and maintain livable premises for their tenants.

**Landlord:** The owner of property, such as houses, rooms, or apartments, that is rented out to another. The landlord may be an individual who owns a spare room or second house, or she may own thousands of apartments under a property management company.

**Lease:** A contract between a tenant and a property manager that stipulates the length of the lease, rent amount, and other terms and conditions.

**Lessee:** One who rents property owned by another; also tenant.

**Lessor:** See Landlord

**Money order:** An alternative to cash and much safer than cash, because it can be replaced if the money order is lost, stolen or damaged. Sold by the US Postal Service and many retailers.

## GET A HEAD START: LEASE SMART

**Month to month lease:** Apartments rented out one month at a time. The lease lasts for one month, and if neither party has given notice to terminate or change the agreement, it automatically renews each month. How early you must notify each other should be stipulated in the rental agreement.

**Negligence:** Failure to exercise ordinary care.

**Normal (Ordinary) wear and tear:** Deterioration of the premises that occurs during normal conditions; wear that occurs in normal use for which the property was intended without neglect or abuse of the premises by the occupant(s) and guest(s).

**Pro-rate:** To divide proportionally. If you move in or out of rental property during the middle of a month, the rent will be pro-rated for the days you actually occupy the property.

**Rent:** Payment of a specified amount of money for the right to occupy a property, usually in monthly installments.

**Renter's insurance:** A form of insurance that covers a policyholder's belongings against perils such as fire, theft, windstorm, hail, explosion, vandalism, riots, and others. Also provides personal liability coverage for damage the policyholder or dependents cause to third parties and additional living expenses, known as loss-of-use coverage, if a policyholder must move while the dwelling is repaired. Also can include coverage for property improvements. Possessions can be covered for their replacement cost or the actual cash value that includes depreciation.

**Right of entry:** A property manager's very limited right to enter premises, usually only in emergency situations, to show the unit to a prospective tenant or make repairs. In most situations, proper notice is required prior to entry.

**Right of quiet enjoyment:** The right of a property owner or tenant to enjoy his or her property without interference. This right does NOT refer to noise.

**Security deposit:** Money that the tenant pays to the property manager. It provides monetary security to the property manager, in case of damage to the apartment or failure by the tenant to comply with the agreement (such as moving out before the lease ends). The tenant receives the deposit back at the end of the lease, minus any deductions for repairs / restoration.

**Sublease/Sublet:** The lessee or tenant rents out all or part of the apartment to another person, while still maintaining status as the prime tenant and contractually bound to the lease agreement with the property manager.

**Surety bond:** An agreement providing for monetary compensation in the event of a failure to perform specified acts within a stated period. The surety company, for example, becomes responsible for repaying the security deposit if the property manager disappears.

**Tenant:** See Lessee

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