



# RENTER'S GUIDE



## **AT BOND, WE ALIGN WITH YOU TO FORM A PARTNERSHIP.**

The competition for finding a home can get pretty intense and it's important to keep a few key things in mind to ensure your home finding process is as stress free as possible.

There is a lot of paperwork to get in order and assessments of your finances to be done. In New York, there are also qualifications that each tenant must meet in order to secure a landlord. Finally, you are going to want to review the pros and cons of each apartment you have seen so you can review them with a clear head.

Use our guide to help yourself get organized and figure out exactly what you will qualify for. Happy house hunting!

# SHOULD I RENT OR SHOULD I BUY?

	<b>RENTING</b>	<b>OWNING</b>
<b>Time Cycle (from offer to move-in)</b>	Very quick. Typically, less than one week.	Three months or more.
<b>Investment Value</b>	No.	Yes.
<b>Impact on Credit Rating</b>	None unless default on payment.	Builds credit.
<b>Impact on Cash Reserves</b>	Cash remains intact.	Equity subject to real estate market and is not a liquid asset.
<b>Maintenance and Upkeep</b>	Mostly not your responsibility; however, any damage done to apartment will be taken out of security deposit.	Your responsibility.

## **SECURING A MORTGAGE:** HOW DOES IT WORK?

The process of getting approved for a mortgage is a validation of Income: Assets, Credit & Collateral (Appraisal).

All four of these components must be strong enough to support a mortgage approval. If one of these entities is slightly weaker than the rest, a stronger entity can compensate for the loan as a whole.

Buyers need to be able to validate and prove their income and assets, and demonstrate a good credit history.

The larger the loan, the more validation is needed, such as adding a rental history. A buyer needs to be able to demonstrate they have paid their rent on time for the previous year.

# ESSENTIAL TO DO LIST: **RENTING**

There are 4 essential steps needed to begin your search in New York:

**1**

## **CONTACT YOUR BOND AGENT FOR A THOROUGH NEEDS ASSESSMENT.**

This initial conversation will help your agent get a better understanding of what you are looking for; through it, the agent can educate you on the current market conditions. Most landlords are looking for an annual income qualification of 40x the monthly rent and a good credit score (700 and above). If you think you might have trouble with either one of these qualifications, now is a good time to have an open, honest conversation with your agent, who will begin working with you to find a solution. You will also work with your agent to create a search timeline. Typically, you will want to begin your search 30-45 days before your desired lease start date.

**2**

## **DETERMINE YOUR BUDGET.**

As a guideline, you can expect to spend approximately 25% of your gross annual income on rent. In order to qualify for an apartment, landlords typically require you to make 40x the monthly rent. Use our **INCOME CALCULATOR** on the next page to figure out your budget. If you will need a guarantor—someone who is willing to guarantee your lease—they will need to make 80x the annual rent.

Keep in mind that there are other costs that go into renting an apartment, like application fees that can range from \$50 to \$200. In addition to your first month's rent due at lease signing, you will also need to provide a security deposit which can range from one to three months' rent and sometimes more depending on your credit score or annual income.

**3**

## **PREPARE YOUR DOCUMENTS.**

We cannot stress this enough. Inventory moves very quickly in New York and you want to have everything in order to make sure you don't miss out. Use our **PAPERWORK CHECKLIST** on the next page to get organized.

**4**

## **MAKE A LIST OF "MUST HAVES" AND "WANTS" AND PRIORITIZE THEM.**

Can you absolutely not live without a doorman? Are you OK with a walk-up but draw the line at no laundry facilities in the building? There are many parameters to consider when looking for a home, and knowing where you are willing to compromise and what you cannot live without will help to focus your search. Use our **"MUST HAVE" VS. "WANTS" CHECKLIST** on the next page to prioritize your search criteria.

# INCOME CALCULATOR

Landlords require a tenant to make 40 to 50 times the monthly rent and have a good credit rating. Depending on the landlord, it is possible to combine incomes or have a guarantor. A guarantor will be required to have an annual income of 80 to 100 times the monthly rent, and have a good credit rating; most landlords prefer he or she be from the tri-state area (NY, NJ, CT).



## WHAT YOU WILL NEED TO GET PREPARED

- Letter of employment on company letterhead: the letter must state your position, length of employment or start date, your annual income and be signed by an authorized employee.
- Copy of your last three most recent pay stubs.
- Last two years of tax returns.
- Your three most recent bank statements.
- Bank account numbers.
- Photo identification such as a driver's license or passport.

## "MUST HAVES" VS. "WANTS" CHECKLIST

Use this checklist to help prioritize your search. This will help you narrow down your criteria to what you really need and help your agent find apartments that best suit your needs.

MUST HAVES	WANTS

\*It is prudent to check with a bank/mortgage broker for any additional fees. These are only estimates. Please confirm specific costs with an attorney and/or bank.

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