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## **BEFORE YOU MOVE OUT OF HOME**

Moving out from your family home might seem like a great idea, but as a first-timer renter there are a few things you should know so the experience doesn't become a nightmare. Don't let the excitement of moving out distract you from the costs involved.

Before you move out, you should create a budget to help you add up all the costs of moving out of home and your new living expenses. You need to be honest with yourself when you do a budget so you can plan for any unexpected and ongoing expenses.

Know where you stand financially.

Renting a house or flat can be expensive. Make sure you have enough money to support yourself because you'll have lots of ongoing costs once you leave home these can consist of:

- Rent
- Bond
- Utility bills like gas, water and electricity
- Food
- Entertainment and transport, just to name a few.

And don't forget if you have a credit card or personal loan too, you'll need to keep up those regular payments on top of your other bills.

## **ONE-OFF COSTS**

Before you leave home, think about the one-off costs of moving:

- Removalist fees or costs of hiring a moving truck.
- Rental bond.
- Connection fees for phone and internet.
- Gas and electricity.
- Furniture and furnishings.
- Linen and kitchenware.

In most cases if you are renting, you'll be asked to pay 2 weeks rent in advance and a bond (usually 4 weeks rent) as a security deposit.

Try to save 10% of your income for emergencies like not being able to work for a week (unexpected bills).

The location of your rental property could affect your budget, depending on how close it is to public transport and shops. It could mean you end up paying more for taxis or petrol.

Here's where to start looking for places to rent:

- Visit real estate websites (You can search by suburb, price, number of rooms and type of accommodation - e.g. unit, townhouse or house).
- Call real estate agencies in the area to get a current rental list
- Check rental lists in newspapers or on student notice boards and magazines.
- Ask your friends or work mates.

Put aside some cash to buy groceries and stock up your food on the day you move into your new place.

## **SHARING WITH FLATMATES**

House sharing is one of the easiest ways to save money when you move out of home. For example, splitting rent and household expenses for a four-bedroom house with three other flatmates could end up cheaper than renting a one-bedroom unit by yourself.

If you're sharing, set ground rules with your flatmates at the start, even before you move in together.

You and your flatmates should decide how to:

- Pay for bills.
- Share the cost of rent and utilities.
- Share responsibility for household chores.
- Withdraw from the rental lease when someone moves out.
- Pay a shared cost for food as a group or shop individually.

In shared households, make sure everyone's name is on all the bills. If the bill is addressed only to you, even if you share the costs, you are legally responsible.

## **FORMAL LIVING ARRANGEMENTS**

Sharing a lease with your flatmates is called a formal living arrangement.

There are different contracts you will need to sign when you live in a formal arrangement. You will need to sign the rental agreement as well as any contracts for services that are connected to the property like electricity, gas, water and internet. These contracts are legally binding, so you and your housemates will be legally responsible for paying bills for these services.

Make sure you understand the contract before you sign it. Can you afford the repayments? Check the small print and obligations of the contract. Can you cancel the contract and what happens if you do? Unfortunately, you cannot cancel some contracts just because you have changed your mind.

## **INFORMAL LIVING ARRANGEMENTS**

**Smart tip:** In shared households, try not to have your name on all the bills. If the bill is addressed only to you, even if you are sharing the costs, you are legally responsible.

There are times when you rent part of a house from another tenant but have not signed the lease. This is known as an informal living arrangement. You will still need to pay for your rent and for services like electricity and gas. However, there is no legal contract as you have not signed a lease.

In a situation like this, the tenant you are renting from will have signed a written tenancy agreement with the owner of the house or unit. This makes them the 'head-tenant'.

If you are in this situation you should get a written agreement with the head-tenant that covers things like how much rent, you will be paying and how shared house costs will be divided and paid. A written agreement can help set agreed rules and can be used to resolve disputes.

Be careful if you allow a housemate to live with you and they are not on the lease or you do not have a written agreement with them. If things don't work out and they move out or stop paying rent, you could end up out of pocket without any way to get the money back.

## **MOVING OUT CHECKLIST**

**Here is a checklist of things you need to do before you move out for the first:**

**Utilities:** Set up electricity, phone, internet connections.

**Furniture:** Find out if the place comes furnished or budget for new or second-hand furniture.

**Renter's Insurance** Get online quotes if you want to insure your home contents. If you have car insurance, this will also need to be updated as the new address may mean your insurance premium will go up or down.

**Budget:** Complete a budget for your moving expenses, making sure you have enough money to cover the one-off and ongoing costs.

**Removalists:** Book and pay for a removalist or arrange to get help from family and friends.

**Research the area:** For example, where is the closest bus stop or train station, supermarket, petrol station and doctor? Are they within walking distance?

**Sell unwanted items:** Get rid of any unwanted items you have to raise extra money for item at the new place.

**Redirect you mail:** Make a list of everything that has your address on it or organisations that will need to be notified of your new address in order to send mail to you, such as your driver's licence, your bank statements, your employer and your Medicare care.

### **Ways to save money when moving out:**

Offer to buy lunch for friends who would help to move house, instead of paying for a removalist.

Shop around for furniture at local second-hand stores.

Buy only the essential items to begin with.

Contact family and friends to see if they have any second-hand furniture or kitchen goods that they don't need.