GENERAL MATHEMATICS 3

WEEK 10 NOTES – TERM 1

Renting a property

The Residential Tenancies Act, which applies to properties rented in The ACT, specifies the rights and responsibilities of all landlords and tenants. One of the major responsibilities of tenants is to pay their rent on time. Rent can be paid by cash or cheque directly to the real estate agent managing the property, or it can be paid electronically by Bpay or direct debit. If you pay rent by cheque or cash, make sure that you get a receipt and keep it in a safe place.

Calculating rent

Example 1

Justin is looking for a unit to rent. The rent for a two-bedroom studio in Brisbane is $240 per week, payable fortnightly in advance.

a Calculate the fortnightly rent.

b If Justin rents the property, how much will he pay annually in rent?

Solution 1

a There are 2 weeks in 1 fortnight.

$$\begin{aligned}\text{Fortnightly rent} &= 2 \times \text{weekly rent}\\ &= 2 \times \$240\\ &= \$480\end{aligned}$$

b Annual rent means the rent for 1 year. There are 52 weeks in a year.

$$\begin{aligned}\text{Annual rent} &= 52 \times \text{weekly rent}\\ &= 52 \times \$240\\ &= \$12\,480\end{aligned}$$

Exercise Set 1

Q1. Mirella is renting a property that was advertised as $210 per week. How much is the rent:

a) per fortnight?

b) annually?

Q2. Majid's rent is $524 per fortnight.

a) How much is his weekly rent?

b) Calculate the annual rent.

Q3. The monthly rent on a granny flat is $560.

a) What is the annual rent?

b) Calculate the weekly rent.

Q4. The annual rent on a home unit is $13 000.

a) What is the weekly rent?

b) Calculate the monthly rent.

Q5. Caleb is trying to decide between two similar units. One unit is advertised as $275 per week and the other as $14 250 annually. Which unit is the cheaper and by how much?

Q6. A two-bedroom unit in a security block is being rented for $410 per week. Due to increased expenses the owner is increasing the rent by 15%.

a) By how much will the weekly rent increase?

b) Calculate the new annual rent.

Q7. Anthony wants to rent a property close to the centre of town in Cleveland. The table summarises the properties advertised for rent in the local paper.

Property in Cleveland	Rent per week
House: 4 bedrooms with pool	$410
Split level house: 4 bedrooms, 2 bathrooms, security system	$540
Townhouse: 3 bedrooms, airconditioned	$290
Older style house: centre of town, 3 bedrooms	$260
Townhouse: 2 storeys, 3 bedrooms, lock-up garage, airconditioned	$270
Home unit: 2 bedrooms, lock-up garage	$230
Modern unit: security building, 2 bedrooms, views across harbour, airconditioned	$350

a) Calculate the average rent per week of the properties available for rent in Cleveland.

b) Anthony's take-home pay is $465. If he rents the cheapest property available, how much will he have left from his pay after he pays his rent?

c) List three things, other than rent, that Anthony will have to pay for each week from his take-home pay.

Q8. Ben is trying to decide between two very similar flats to rent. One flat is advertised at $165 per week and the annual rent for the other is $8500. Which flat do you think he should rent? Use a calculation to justify your answer.

Rental bonds

A bond is a landlord's security in case a tenant leaves owing rent or does damage to the property that has to be repaired. A landlord does not have to ask for a bond. However, if they do, the bond cannot be more than 4 weeks' rent. Landlords are required to pay all bond money to the Office of Rental Bonds (ORB) within 2 weeks of receiving the bond. If you pay it to a real estate agent they have 4 weeks to lodge it. If you don't receive a receipt from the ORB within a few weeks of paying the bond, you should contact them to check that they have received the bond. If the landlord hasn't paid the bond to the ORB, contact the Residential Tenancies Tribunal, which will issue the landlord with a directive to pay the bond to the ORB.

Example 2

Faiz is going to rent a property for $295 per week. What is the maximum bond he can be required to pay?

Solution 2

The maximum bond is 4 times the weekly rent.

Maximum bond = 4 × $295
= $1180

Exercise Set 2

Q1. The bond on each of these properties is the equivalent of 4 weeks' rent. Calculate the bond for the following properties.

a) A townhouse with weekly rent of $246

b) An apartment with a weekly rent of $205

c) A studio apartment rented for $185 per week

Q2. When David rented a small unit his bond was $648. The bond was equivalent to 4 weeks' rent. How much is David's weekly rent?

Q3. The landlord of an expensive waterfront property is planning to rent the property for $860 per week. The bond is $5160.

a) How many weeks' rent is the bond?

b) Suggest a reason why the landlord may have set a high bond.

Q3. Billy rented a unit for $235 per week and his bond was 4 weeks' rent. When Billy left the unit he owed 1 week's rent. He had damaged the carpet and left the place dirty. The landlord deducted the rent owing, $280 to fix the carpet and $136 for cleaning. How much of the bond did Billy receive?