

What is the difference between lease and rent?

When you rent an apartment, you are basically saying that each month you are going to pay to live there for a month. At the end of that month, you then pay to live another month. And, if you choose not to live there at some point in time, you tell your landlord before the last month you intend to occupy the place that you are moving out at the end of the next month. This is called renting on a month-to-month basis.

A lease is where you enter into an agreement with a landlord to rent the place for a set term (number of months, like 6 months or a year). Over the lease term, the monthly payment cannot change. That's the protection you get with a lease, because in a month-to-month rental, the landlord can increase your rent whenever he wants to (generally with a 30-day notice for less than a 10% increase or a 60-day notice for more than a 10% increase). The protection the landlord has in a lease is that you are obligated to pay that rent each month for the full term of the lease. Even if you move out, you are still liable for the rent payments for the full lease term.