

Instructions for Tenant

You are in the tenth month of a twelve-month lease on an apartment in the city, and the time has come to decide whether to renew your lease. At \$1800/month, the apartment was a fine price when you were working as a lawyer at Able and Brown, but you have since followed your dream to become a prosecutor, and the government salary does not stretch nearly so far. You want to pay as little as possible for your apartment, and in fact, if you pay more than \$1600/month, you will probably have to sell your car, which is currently worth about \$3,000. You are willing to do this if you think it is necessary since the city is walkable, but you would like to avoid it.

While you love your modern, sun-filled apartment, you could do without your slumlord of a landlord. At \$1800/month—high-end for this part of town—you have been frustrated that the landlord has been so slow to fix critical issues, such as when a pipe burst and you went without water for almost two weeks. The landlord has even ignored some problems entirely, such as holes in the baseboards and ant infestations.

If you can get the price down, you are willing to stay. After all, you figure it'll cost you at least \$1000 in moving expenses to switch, and you'll also have to buy some new appliances and furniture (e.g., television, kitchen table, and chairs) because much of it came with the apartment and belongs to the landlord.

Unfortunately, you have not had time to shop around for a new apartment, and the landlord is demanding you make a decision today. If you negotiate a price you think is reasonable, you are prepared to renew your lease. If not, you will search for a new apartment and hope to find something just as nice for less. Ideally, you'll reach a deal to spare yourself the hassle of an apartment hunt.

The landlord knocked on your door.

To be filled out after the negotiation:

Did you reach an agreement (i.e., will the tenant renew)? [YES] [NO]

If you reached an agreement, what price will the tenant pay? \$_____ per month

Did the landlord and tenant agree to any special terms? If so, explain: