

SUBLETTING FAQ:

What Is Subletting? Guide to Sublet Apartments

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Subletting

You've probably heard the term a few times before, but it's one of those words that doesn't offer a clear definition. If you, like many others, aren't sure what subletting is, no worries. We've got you covered with everything that you need to know about subletting and whether it's the right move for you.

What is Subletting?

A sublet, sometimes called a sublease, is a contract under which a tenant rents out their apartment to another individual while their name is still on the lease. The original tenant is referred to as the sublessor, and the new tenant is referred to as a sublessee. Basically subletting is renting your apartment or room inside your rental to someone not on your lease for a set period of time. The person you sublet to is called a subletter or a subtenant, **and they generally sign a lease or rental agreement with you, rather than your landlord.**

This differs from simply renting out a room to a roommate. When subleasing, only the original tenant's name is on the lease. In a roommate situation, all tenants are named on the lease. Setting up a sublease is different from traditional renting because it adds another layer to the tenant-landlord relationship. If you rent a home, you rent from the property owner. You typically pay a security deposit, sign a lease, and pay your rent directly to the property owner or the property's representatives.

A sublet situation is more like a sandwich. If you rent a home from the property owner and then sublet it to someone else, you're in the middle between your subtenant and your landlord

There are many reasons why someone might choose to sublet their apartment. Sometimes a person must move out of their apartment before their lease ends. Or perhaps a renter must move out of town for an extended period of time. Subletting an apartment allows tenants to avoid breaking their lease and save money.

How to Sublet an Apartment

Subletting an apartment can be an easy, pain-free experience if you know what you're doing and take the time to do it right. Here's everything that you need to know about how to sublet an apartment/room/space.

1. Make Sure You Are Allowed to Sublet

One of the most confusing things about subletting an apartment is determining whether or not you're actually allowed to do so. There are varying laws regarding subletting on both a state and municipal level. Not to mention, your landlord may have a clause discussing subletting written into your lease agreement.

That's why it's imperative to ensure that you're legally allowed to sublet. Go over your lease and rental agreement thoroughly and look for anything mentioning subtenants and subleasing. Sometimes landlords don't want anyone other than their own vetted tenant, you, living in their property. **If you don't see a clause in the lease, be sure to ask your landlord.**

2. Check-In With Your Renter's Insurance Company

Renter's insurance typically covers your belongings in the event of a theft and limits your liability if someone is injured in your home. It may also extend the coverage of your living expenses if, for some reason, you are unable to occupy the home you currently reside in. Before subletting, check-in with your renter's insurance provider to determine whether your coverage extends to subtenants. If it doesn't and the provider doesn't have any packages that do, you may have to remove your personal belongings from the home. This will prevent you from having to cover any damage to your property out-of-pocket that comes from a subtenant. Remember, you paid the security deposit when you moved in. Therefore, damages caused by the new tenant is money out of your wallet.

3. Interview and Screen Potential Subtenants

Once you have gotten a few offers on your apartment, schedule a sort of "showing." You'll be responsible for showing the apartment to potential subtenants. Once you have shown the house, tell subtenants to submit an application. **Your landlord may already have subletting forms.**

After they do so, you should be free to complete background checks on potential subtenants. You'll want to ensure that they don't have a history of evictions, not paying rent, or criminal history. This will help you to avoid headaches in the future.

4. What are the drawbacks to a sublet?

It comes down to one word: liability.

"As a landlord, you're not crazy about the idea of a subtenant, because you have someone in between you and the person who's occupying your space," says William C. Vogel, president of Vogel Advisors, in Royal Oak, MI. "As a tenant, you're still liable for the lease. If the subtenant doesn't pay, you still have to make the payment."

Liability issues go beyond monthly payments, though. Leases also typically address the overall condition of the apartment or property you're leasing.

"The obligation is that you're going to get the house, or the apartment, back in the same or better condition than you found it, and the risk is really significant with the wrong subtenant," says Vogel.

If your subtenant trashes the kitchen or forgets to maintain the pool, it could cause thousands of dollars in property damage. Who's on the hook for that? Often it's the person in the middle.

5. Sign a Sublet Agreement

After finding the perfect subtenant, you can then have them sign a sublet agreement. There are many sublet agreement templates online that you can customize to suit your needs.

However, it may be a good idea to ask your landlord for some help. They can make suggestions for any clauses to add or omit. Once you've both signed the sublease agreement and you've received payment — congrats! You've officially sublet your apartment.

6. Keep making your rent payments.

While you're away, it is a good idea to continue paying your rent as usual and have the subtenant pay you. Even if your subletter is paying 100% of your rent, you'll still be responsible for any late fees, so paying the rent yourself and on time is the best way to ensure timely payments. Remember you are in charge of collecting from your subletter. **Not your Landlord.**

7. Make a backup plan in case a subletter breaks your sublease.

Odds are, your subletting experience will work out just fine. **But because you are ultimately the responsible party, it's smart to have a plan for what to do if anything goes awry.**

It is suggested to save up as much money as possible so you'll be able to pay a month or so of rent if your subletter is late or fails to pay. And designate someone as your check-in person in case your subletter stops communicating with you. A friend, neighbor, or even the landlord can stop by to make sure they're still there—just be sure to send a message to the subletter in advance to let them know you're sending someone over.

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