

Can I afford to move out?

Easy · 30 min to do · Free

YOU'LL NEED

- ☐ Your last two pay stubs
- ☐ Three real listings for places you'd actually live
- ☐ Utility estimates from the landlord or the utility company
- ☐ A budget worksheet or spreadsheet

DO IT LIKE THIS

- 1 **Find your real monthly income.** Use take-home pay, the amount that actually lands in your account. If you're paid every two weeks, multiply one check by 26 and divide by 12.
- 2 **Run the 30% test.** Multiply your monthly income by 0.30. HUD counts a household as cost-burdened when housing, including utilities, is more than 30% of monthly income, and severely burdened above 50%. HUD means income before taxes. Running the test on take-home pay is stricter, and that's on purpose: it leaves room for everything else. On \$2,400 a month take-home, 30% is \$720 for rent and utilities combined.
- 3 **Price real places, with utilities.** Look up actual listings, not averages. Ask the landlord or the utility company what electricity, gas and water usually cost there, and add internet. California's official guide lists rent plus utilities as the first number to settle before you look.
- 4 **Add up the move-in cash.** Plan for first month's rent, the security deposit, application or screening fees, any pet deposit, and moving costs. Many states cap deposits. In California and New York the cap is generally one month's rent.
- 5 **Add the first-month extras.** Renters insurance, a bed, basic kitchen stuff, cleaning supplies, a shower curtain and the first big grocery run. Price them before you commit.
- 6 **Build the full budget with that rent in it.** Follow the government's method: list bills, add your income, subtract. Include savings as a line item. If the only way it balances is saving nothing, you're one surprise away from trouble.
- 7 **Close the gap if it doesn't fit.** Your options, in order of impact: a roommate, a cheaper area or a smaller place, more income, or a few more months of saving first.

Watch out Scammers target people in a hurry. Rent far below the area's going rate plus pressure to pay before you've seen the place is a classic rental scam.

DAD NOTE *Run the numbers on paper before you fall in love with the apartment.*

Full lesson: aptkeys.com/your-place/moving-out/can-i-afford-to-move-out/

Checked October 2, 2026. Sources: U.S. Department of Housing and Urban Development; California Department of Real Estate; New York State Attorney General; Federal Trade Commission; Consumer Financial Protection Bureau; Insurance Information Institute; USA.gov.