

Before you decide on a rental unit, there are several other points to consider. For example: Is an oral rental agreement legally binding? What are the differences between a lease and a rental agreement? What are some of the advantages and disadvantages of each? This section answers these and other questions.

RENTAL AGREEMENTS AND LEASES

General information

Before you can rent a rental unit, you and the landlord must enter into one of two kinds of agreements: a **periodic rental agreement** or a **lease**. The periodic rental agreement or lease creates the tenant's right to live in the **rental unit**. The tenant's right to use and possess the landlord's rental unit is called a **tenancy**.

A periodic rental agreement states the length of time (the number of days) between the rent payments - for example a week (seven days) or a month (30 days). The length of time between rent payments is called the **rental period**.

A periodic rental agreement that requires one rent payment each month is a month-to-month rental agreement, and the tenancy is a month-to-month tenancy.⁵¹ The month-to-month rental agreement is by far the most common kind of rental agreement, although longer (or shorter) rental periods can be specified.

If the periodic rental agreement requires that rent be paid once a week, it is a week-to-week rental agreement and the tenancy is a week-to-week tenancy.⁵²

In effect, a periodic rental agreement expires at the end of each period for which the tenant has paid rent, and is renewed by the next rent payment.⁵³ A periodic rental agreement does not state the total number of weeks or months that the agreement will be in effect. The tenant can continue to live in the rental unit as long as the tenant continues to pay rent, and as long as the landlord does not ask the tenant to leave.

In a periodic rental agreement, the length of time between the rent payments (the rental period) determines three things:

- How often the tenant must pay rent;
- The **amount of advance notice** that the tenant must give the landlord, and that the landlord must give the tenant, if either decides to terminate (end) the tenancy; and
- The amount of advance notice the landlord must give the tenant if the landlord decides to change the terms of the rental agreement other than the rent.⁵⁴ (Special rules apply to the amount of advance notice that the landlord must give the tenant to raise the rent (see **Rent Increases**)).

Oral rental agreements

In an oral rental agreement, you and the landlord agree orally (not in writing) that you will rent the rental unit. In addition, you agree to pay a specified rent for a specified period of time—for example, a week or a month. This kind of rental agreement is legally binding on both you and the landlord, even though it is not in writing. However, if you have a disagreement with your landlord, you will have no written proof of the terms of your rental agreement. Therefore, it's usually best to have a written rental agreement.

However, even if the agreement is oral, the landlord must give you a written statement regarding the name, street address, and phone number of the landlord or agent for receipt of legal notices; the contact information for the person who is to accept the rent; and how the rent is to be paid (for example by cash, check or money order.)⁵⁵

It's especially important to have a written rental agreement if your tenancy involves special circumstances, such as any of the following:

- You plan to live in the unit for a long time (for example, nine months or a year);
- Your landlord has agreed to your having a pet or water-filled furniture (such as a waterbed); or
- The landlord has agreed to pay any expenses (for example, utilities or garbage removal) or to provide any services (for example, a gardener).

Any time that a tenant and a landlord agree to the lease of a rental unit for more than one year, the *agreement must be in writing*.⁵⁶ If such an agreement is not in writing, it is not enforceable.

Written rental agreements

A written rental agreement is a periodic rental agreement that has been put in writing. The written rental agreement specifies all the terms of the agreement between you and the landlord—for example, it states the rent, the length of time between rent payments, and the landlord's and your obligations. It may also contain clauses on pets, late fees, and amount of notice.

The length of time between rent payments is important. In most cases, the amount of advance notice that the landlord gives you when notifying you of changes in the terms of the tenancy must be the same as the length of time between rent payments. For example, if you have a month-to-month rental agreement, the landlord usually must give you 30 days' advance written notice of changes such as an increase in the charge for parking or an increase in the security deposit.

In addition, the amount of advance written notice that *you* give the *landlord* before you move out of the rental unit must be the same as the length of time between rent payments. For example, in a month-to-month rental agreement, you must give the landlord at least 30 days' advance written notice in order to end the rental agreement (see [Tenant's notice to end a periodic tenancy](#)). If you have a week-to-week rental agreement, you must give the landlord at least seven days' advance written notice in order to end the rental agreement.

Normally the amount of advance written notice that the landlord gives the tenant to change the terms of the tenancy must be the same as the length of time between rent payments. However, the landlord and tenant can specifically agree in writing to a shorter amount of notice (a shorter notice period).⁵⁷ A landlord and a tenant who have a month-to-month rental agreement might agree to 10 days' advance written notice for a change in the terms of the agreement (other than the rent). This would allow the landlord, for example, to increase the charge for parking or end the tenancy by giving the tenant 10 days' advance written notice. Similarly, the tenant could end the tenancy by giving the landlord 10 days' advance written notice. The notice period agreed to by the landlord and the tenant can never be shorter than seven days.⁵⁸

If you have a written periodic rental agreement, special rules apply to the [amount of advance notice that the landlord must give you to raise the rent](#).

Leases

A lease states the total number of months that the lease will be in effect—for example, six or 12 months. Most leases are in writing, although oral leases are legal. If the lease is for more than one year, it must be in writing.⁵⁹

It is important to understand that, even though the lease requires the rent to be paid monthly, you are bound by the lease until it expires (for example, at the end of 12 months). This means that you must pay the rent and perform all of your obligations under the lease during the entire lease period.⁶⁰

There are some advantages to having a lease. If you have a lease, the landlord cannot raise your rent while the lease is in effect, unless the lease expressly allows rent increases. Also, the landlord cannot evict you while the lease is in effect, except for reasons such as your damaging the property or failing to pay rent.

A lease gives the tenant the security of a long-term agreement at a known cost. Even if the lease allows rent increases, the lease should specify a limit on how much and how often the rent can be raised.

The disadvantage of a lease is that if you need to move, a lease may be difficult for you to break, especially if another tenant can't be found to take over your lease. If you move before the lease ends, the landlord may have a claim against you for the rent for the rest of the lease term.

Before signing a lease, you may want to talk with an attorney, legal aid organization, housing clinic, or tenant-landlord program to make sure that you understand all of the lease's provisions, your obligations, and any risks that you may face.

SHARED UTILITY METERS

Some buildings have a single gas or electric meter that serves more than one rental unit. In other buildings, a tenant's gas or electric meter may also measure gas or electricity used in a common area, such as the laundry room or the lobby. In situations like these, the landlord must disclose to you that utility meters are shared before you sign the rental agreement or lease.⁶¹ If you become a tenant, the landlord must reach an agreement with you about who will pay for the [shared utilities](#).

Rental units in older buildings may not have separate water meters or submeters. California law does not specifically regulate how landlords bill tenants for water and sewer utilities. Ask the landlord if the rental unit that you plan to rent has its own water meter or submeter. If it does not, and if the landlord will bill you for water or sewer utilities, be sure that you understand how the landlord will calculate the amount that you will be billed.⁶²

TRANSLATION OF PROPOSED RENTAL AGREEMENT

A landlord and a tenant may negotiate primarily in Spanish, Chinese, Tagalog, Vietnamese or Korean for the rental, lease, or sublease of a rental unit. In this situation, the landlord must give the tenant a written translation of the proposed lease or rental agreement in the language used in the negotiation before the tenant signs it.⁶³ This rule applies whether the negotiations are oral or in writing. The rule does not apply if the rental agreement is for one month or less.

The landlord must give the tenant the written translation of the lease or rental agreement whether or not the tenant requests it. The translation must include every term and condition in the lease or rental agreement, but may retain elements such as names, addresses, numerals, dollar amounts and dates in English. It is never sufficient for the landlord to give the written translation of the lease or rental agreement to the tenant after the tenant has signed it.

However, the landlord is not required to give the tenant a written translation of the lease or rental agreement if all of the following are true:

- The Spanish-, Chinese-, Tagalog-, Vietnamese-, or Korean-speaking tenant negotiated the rental agreement through his or her own interpreter; and
- The tenant's interpreter is able to speak fluently and read with full understanding English, as well as Spanish, Chinese, Tagalog, Vietnamese or Korean (whichever was used in the negotiation); and
- The interpreter is not a minor (under 18 years of age); and
- The interpreter is not employed or made available by or through the landlord.

If a landlord who is required to provide a written translation of a lease or rental agreement in one of these languages fails to do so, the tenant can rescind (cancel) the agreement.⁶⁴
