



Damage Beyond Normal Wear and Tear at Move-Out

This document outlines procedures for attribution and deduction of costs from a tenant's security deposit for damage beyond normal wear and tear at the time of the tenant vacating the unit. It should be noted, however, that many supportive housing providers do not charge security deposits to homeless or very low-income tenants, and therefore cannot utilize such procedures. Such providers may need to adjust their maintenance budgets accordingly to absorb these costs.

Damage Within Normal Wear and Tear

Some wear and tear on a unit is to be expected over time, and supportive housing tenants should not be charged for costs associated with repairing such damage. Supportive housing owners know that appliances, fixtures and furnishings in the rental unit will not last forever and will need to be replaced or repaired when damaged or worn out.

- The supportive housing rental agreement should define the expected life of various items within the unit, such as carpets and floor surfaces, stoves, refrigerators, bath fixtures and appliances, bed frames and mattresses.
- If an item in a tenant's unit wears out and needs replacement or repair sooner than the time frame defined in the rental agreement, the manager or designated representative should replace or repair that item promptly, at no charge to the tenant.

Charge-Backs to Tenants for Damage Beyond Normal Wear and Tear

Local landlord/tenant law typically defines how owners can address damage to the unit beyond normal wear and tear. Supportive housing owners should seek expert legal advice regarding landlord and tenant rights and reflect applicable local law in the rental agreement. In example: the rental agreement should include sections on how security deposits are refunded; charge-backs to tenants for damage beyond normal wear and tear; move-in and move-out unit inspection procedures. The rental agreement should list any furniture and furnishings provided in the unit and indicate what the landlord considers the normal life for, in example, furniture, furnishing, appliances, floor coverings and wall surfaces.

Upon move-out, exiting tenants can be charged for damage to the unit beyond normal wear and tear, as defined in the rental agreement. The rental agreement generally defines what the owner considers a normal period of wear and tear for plumbing, walls, carpets, electrical systems, smoke detectors, fire control systems, and furnishings provided by the owner for tenant use. The building manager should conduct a Move-Out Unit Inspection, and use the Move-In Unit Inspection Check-List as reference to determine the condition of said items upon move-in, and damage(s) to the unit, appliance and/or furnishings beyond the normal period(s) of wear and tear defined in the rental agreement.

Note: This document is included within the *Housing Operations* section of CSH's *Toolkit for Developing and Operating Supportive Housing*, which is available at www.csh.org/toolkit2. This document has been adapted from CSH's *Supportive Housing Property Management Operations Manual*, which is available at www.csh.org/publications.

Following are best practices many supportive housing owners use to assess damage that can be charged back to the exiting tenant:

- Require that the building managers or designated representative complete a Tenant Charge-back form (see sample in Appendix). This form must be sent to the tenant at his or her new address promptly, along with the check for the balance, if any, of the tenant's security deposit.
- Depending on the State, the law may require that this be sent to the tenant no later than 21 days after he/she vacates the unit. If there is no forwarding address for the departing tenant, then the check should be sent to the tenant at the unit he/she vacated.
- Note that any unpaid rent can be deducted from the security deposit. If the tenant does not leave the unit clean, the reasonable cost of cleaning the unit can be deducted from the security deposit.
- File copies as appropriate: to the exiting tenant's file and to external agencies as required, for regulatory and financial compliance.