

This provides an overview of information about security deposits and pet damage deposits and includes references to other information available on the residential tenancies website. Please see [www.gov.bc.ca/landlordtenant](http://www.gov.bc.ca/landlordtenant) for more information.

In residential tenancies, a landlord can request a deposit that will be held in trust as security against damage to the rental unit. Whether you're a landlord or a tenant, be sure you understand the process for returning a deposit at the end of a tenancy.

## Security Deposits

At the start of a tenancy, a landlord can ask for a security deposit (or damage deposit) – it can be no more than half of the first month's rent.

Paying a security deposit means that a tenancy has started and the landlord cannot prevent the tenant from moving in. Even if the tenant doesn't move into the rental unit, they're responsible for all obligations under a tenancy – including paying rent or repairing damages.

## Pet Damage Deposits

A landlord may also request a pet damage deposit at the start of a tenancy or during a tenancy if a tenant gets a pet with the landlord's permission. The deposit must be no more than half of one month's rent, regardless of the number of pets allowed.

Deposits are not required for guide or service dogs or pets that were in a rental unit as of January 1, 2004.

A pet damage deposit can only be used to cover the costs of repairing damage caused by a pet, unless the tenant agrees in writing or an arbitrator orders the pet damage deposit be applied to a Monetary Order.

## Manufactured Home Parks

In a mobile home park, tenants usually own their manufactured home and rent the site that it sits

on. In these cases, a landlord cannot request a security deposit or pet damage deposit. If a tenant is renting both a manufactured home and a manufactured home site under a residential tenancy agreement, then the rules related to deposits for a standard residential tenancy apply.

The person moving a manufactured home on or off the site may need to provide proof of insurance (or security) to the landlord if they request it.

Deposits paid before December 31, 2003 can be kept by the landlord until the end of the tenancy and be used for covering damages as agreed by the tenant or ordered by an arbitrator.

## Unpaid Deposits

If a tenant doesn't pay the security deposit within 30 days of entering into the tenancy agreement or the pet damage deposit within 30 days of it being required, the landlord may serve the tenant with a notice to end the tenancy.

## Landlord and Tenant Responsibilities

### Landlords:

- Can only request one security deposit or pet damage deposit per tenancy agreement, regardless of the number of tenants or pets
- Can serve a [One Month Notice to End Tenancy](#) (PDF) if a tenant fails to pay the security deposit within 30 days of entering into the tenancy agreement or a pet damage deposit within 30 days of when it's required
- Cannot request deposits based on rules and procedures used in other areas (for example, landlords can't ask for "first and last month's rent" or "key money")

- Cannot increase the amount of a deposit with a rent increase
- Cannot automatically keep all or part of the deposit at the end of the tenancy

## Tenants:

- Must pay the security deposit within 30 days of entering into the tenancy agreement or the pet damage deposit within 30 days of when it's required
- Cannot use a deposit as rent without the landlord's written permission
- Should [contact the Residential Tenancy Branch](#) if they paid too much for their deposit – they may be able to deduct the overpayment from their rent

## Fees

**Keys:** A landlord can't charge for a key or other access device (e.g. a fob) that is the tenant's only means for getting in to the residential unit or manufactured home park. For keys or devices that aren't the only way to access the rental unit, a landlord can charge a fee that is refunded when the key or access device is returned. The fee must not be more than the direct cost of replacing the keys or access device. Landlords can charge a fee to replace or provide additional keys.

**Application fees:** A landlord must not charge a fee for accepting, reviewing or processing an application.

**Moving fees:** A landlord can charge a fee if a tenant requests to move between units in a multi-tenanted building. This must be stated in the tenancy agreement and the fee can't be greater than \$15 or 3% of the monthly rent. A landlord can also charge a move-in fee only if it's required by strata bylaws.

**Parking and Storage Fees:** A landlord may include parking and/or storage fees as part of a rental agreement or they may have a separate agreement for these fees. If parking or storage fees are included in the rental agreement, they cannot be increased above the total annual

allowable rent increase amount. If your parking/storage fees are included and you believe they have been increased to an unreasonable amount, please contact the branch for assistance. If your parking and/or storage fees are a separate agreement, there may be no limits to the amount they can charge. The Residential Tenancy Branch recommends to carefully read and understand any agreement before signing.

## Returning Deposits

A landlord holds a deposit in trust and must be prepared to return it at the end of the tenancy with any interest. If a tenant damages the rental unit during the tenancy, the landlord may ask the tenant to agree in writing to allow the landlord to keep some or all of the deposit. If the tenant doesn't agree in writing to allow the landlord to keep all or part of the deposit, the landlord must either apply to the Residential Tenancy Branch for dispute resolution or return the deposit to the tenant.

When a residential tenancy ends and after a tenant gives the landlord their forwarding address in writing, the landlord must return all of the deposits plus any interest unless the tenant agrees in writing to allow the landlord to keep all or part of the deposit or an arbitrator orders that the landlord may keep the deposit.

- [See process for return of a security deposit or pet damage deposit](#) (PDF)

When a tenant moves out, they need to give the landlord their forwarding address in writing. The landlord is required to return to the tenant all of their deposits, plus any interest – except in a couple of situations:

- If a tenant agrees in writing to allow the landlord to keep all or part of the deposit
- An arbitrator decides that the landlord can keep the deposit

After a tenant has moved out and given the landlord a forwarding address in writing, the landlord has 15 days to:

- Return the deposit(s) with any interest to the tenant
- Ask the tenant to agree in writing to any deductions and return the difference to the tenant
- [Apply for dispute resolution](#) asking to keep all or some of a deposit

If the landlord doesn't take action within the 15-day timeline, the tenant can apply for dispute resolution requesting their deposit be returned. The landlord may be ordered to pay the tenant double the amount of the deposit(s).

## Inspect the Rental Unit

A landlord and tenant must inspect the condition of the rental unit together at the end of the tenancy (a "walk through") and complete a Condition Inspection Report. Comparing the move-in and move-out Condition Inspection Reports allows the landlord and tenant to determine if the rental unit was damaged and who is responsible for paying for repairs.

- [See how the inspection process should be done](#)

## Interest on Deposit

The landlord must calculate the interest owing on the full amount of the security or pet damage deposit, before any deductions are made. The interest is calculated based on an interest rate set at the beginning of each year and is calculated from the date the tenant paid the deposit to the date it will be returned to the tenant.

- [Use the Deposit Interest Calculator](#)
- [Lookup deposit interest rates by year](#)

## Claims Against Deposits

Security deposits and pet damage deposits are not payments to the landlord – they're a form of security that the landlord must be prepared to return at the end of the tenancy.

If a rental unit is damaged during the tenancy, the landlord can ask the tenant to allow the landlord to keep all or part of the deposit.

Deposits cannot be used to cover normal wear and tear during the tenancy.

In order to keep some or all of a deposit, a landlord must have a completed Condition Inspection Report as well as one of the following:

- The tenant's written consent
- An order from the Residential Tenancy Branch to keep all or part of the deposit
- An order from a previous dispute resolution process which the tenant hasn't yet paid

A landlord may ask to keep some of a deposit to cover:

- Damage the tenant, guests or pets caused to the rental unit that is beyond normal wear and tear
- Unpaid rent or bills
- Changing the locks if the keys were not returned
- Costs if the tenant moves out without giving proper notice

A landlord can keep all of a deposit if:

- A tenant doesn't provide a forwarding address in writing within one year of moving out
- They have an order from the Residential Tenancy Branch that allows the landlord to keep the deposit

## Manufactured Home Park Tenancies

Manufactured home (mobile home) park tenancies that began after December 31, 2003, do not require a tenant to pay a security or pet damage deposit. For deposits paid before December 31, 2003, the landlord has 15 days to do one of the following after a tenant has moved out and given the landlord a forwarding address in writing:

- Return the deposit with any interest to the tenant
- Get the tenant's written consent for any deductions and return the difference to the tenant
- [Apply for dispute resolution](#) asking to keep all or some of a deposit

## More Information

Get more information on the rental housing website at [www.gov.bc.ca/landlordtenant](http://www.gov.bc.ca/landlordtenant) or contact us by email at [HSRTO@gov.bc.ca](mailto:HSRTO@gov.bc.ca) or by phone:

- Greater Vancouver: 604-660-1020
- Victoria: 250-387-1602
- Elsewhere in BC: 1-800-665-8779