



# Landlord and Tenant Fact Sheet

RTB-120

## Security Deposits and Pet Damage Deposits

*s. 17 through 22 Residential Tenancy Act and s. 17 Manufactured Home Park Tenancy Act*

In residential tenancies, a landlord can require a tenant to pay a security deposit (also called a damage deposit) or a pet damage deposit, or both.

In manufactured home park tenancies, a landlord cannot require a tenant to pay a security deposit or pet damage deposit. A landlord may retain deposits paid before December 31, 2003 until the end of the tenancy and can use the deposit to cover damages as agreed by the tenant or ordered by a dispute resolution officer.

### Security deposit

A security deposit is held in trust by the landlord to cover any damage caused by a tenant beyond normal wear and tear during the tenancy.

A landlord can charge only one security deposit per rental unit, no matter how many people will live there. The security deposit cannot be more than half of the first month's rent. The landlord cannot ask for more deposit money if the rent increases.

The tenant should pay the security deposit when signing the tenancy agreement. Once the security deposit is paid, the tenancy could be considered started regardless of whether a tenancy agreement is signed. A landlord cannot request a security deposit after the tenancy has started.

The landlord can give a 1 Month Notice to End Tenancy if a tenant does not pay the security deposit within 30 days.

A landlord cannot require that a tenant give up any or all of the security deposit at the end of a tenancy or for breaching the tenancy agreement.

### Pet damage deposit

Landlords can choose whether they will permit pets. Where pets are permitted, the landlord can charge a one-time pet damage deposit. The landlord can also restrict the size, kind or number of pets. Pet-related rules should be established at the start of the tenancy and it is best if they are included in the tenancy agreement. The pet damage deposit cannot be more than half of one month's rent, no matter how many pets are being allowed. Generally, pet damage deposits can only be used to cover costs of repairing damage caused by a pet.

A landlord who lets an existing tenant get a pet during the tenancy can require the tenant to pay a pet damage deposit. Before receiving the pet deposit, the landlord must get together with the tenant to inspect the rental unit and complete a Condition Inspection Report. The landlord must give the tenant a copy of the report within seven days.

Pet damage deposits cannot be charged for guide animals or pets that were at the rental unit as of January 1, 2004.

### When a tenant pays too much deposit

When a tenant has paid a security or pet damage deposit that is equal to more than the amount permitted by law, the tenant can deduct the excess amount from a rent payment (s. 19 RTA, s. 17 MHPTA).

**When a tenant moves out**

When there are no problems, the landlord must return all of the security deposit or pet damage deposit, plus accrued interest, to the tenant.

A landlord may want to keep some of the deposit to cover damage caused by the tenant or his or her guests or his or her pet(s). The landlord and tenant can agree on an amount or the landlord can apply for a dispute resolution officer’s (DRO) order allowing him or her to keep all or part of the security deposit or pet damage deposit.

After a tenant has moved out and given the landlord their forwarding address in writing, the landlord has 15 days to do one of the following:

- Return deposit monies, with applicable interest, to the tenant. The landlord may deduct any unpaid amount from a dispute resolution officer’s order from a previous dispute.
- Ask the tenant to agree in writing to any deductions and pay the difference to the tenant.
- Return deposit monies, with applicable interest.
- Apply for dispute resolution asking for an order to keep all or some of a deposit. The landlord can continue to hold a deposit until the dispute resolution process is complete.

**Calculating the interest owing on a deposit**

***s. 4 Residential Tenancy Regulation***

The landlord must calculate the interest owing on the full amount of the deposit, before any deductions are made. The interest is calculated from the date the tenant paid the deposit to the date it will be returned to the tenant.

Generally, a landlord calculates the interest owing and provides the information to the tenant. The Deposit Interest Calculator on the RTB website makes this calculation very easy.

A landlord who does not comply with the process outlined in the Act can be ordered by a DRO to reimburse the tenant double the amount of the deposit.

**Interest Rates Compounded Annually**

2011	0.00%	1998	1.50 %
2010	0.00%	1997	0.25 %
2009	0.00%	1996	3.00 %
2008	1.50%	1995	3.50 %
2007	1.50 %	1994	1.00 %
2006	0.50 %	1993	2.75 %
2005	0.00 %	1992	3.50 %
2004	0.00 %	1991	8.25 %
2003	0.00 %	1990	9.00 %
2002	0.00 %	1989	7.75 %
2001	3.00 %	1988	5.25 %
2000	2.00 %	1987	contact RTB
1999	2.25 %		

**For more information...**

**Office Locations:**

Burnaby: 400-5021 Kingsway  
 Victoria: Suite 101 – 3350 Douglas Street  
 Kelowna: 305-478 Bernard Avenue  
 Any Service BC-Government Agents Office  
 Hours: 9:00 am – 4:00 pm, Monday - Friday  
 (Closed on government holidays)

**Public Information Lines:**

1-800-665-8779 (Toll free)  
 Vancouver: 604-660-1020  
 Victoria: 250-387-1602

Email: [HSRTO@gov.bc.ca](mailto:HSRTO@gov.bc.ca)

Website: [www.rto.gov.bc.ca](http://www.rto.gov.bc.ca)