



## The Difference Between Normal Wear and Tear and Damage in a Rental Lease Agreement

As your Management Agent, we expect your rental units to sustain a certain amount of wear and tear during the term of a lease. However, there is a fine line between normal wear and tear and actual damage to a dwelling. We are able to discern between these two to protect your investment and avoid breaking state laws or unlawfully seizing a security deposit.

**Normal wear and tear:** even the most conscientious tenant will cause some minor damage over the course of a rental agreement. This minimal damage is typically referred to as "normal wear and tear." This can include small scratches, minor scuffs, minimal nail holes, etc., on the walls or paint, worn or slightly stained carpeting, broken hinges, or other insignificant damage.

While you may not appreciate having to repaint your property after each tenant moves out, normal wear and tear usually makes this necessary. We consider anything that will cover with one coat of paint after one year or more of occupancy as normal wear and tear. A few scuffs on the wall or the odd nail hole does not constitute damage that is above and beyond normal wear and tear. We will not be able to charge your tenants for this paint job if that is the extent of the damage.

**Damage:** actual damage to a property goes beyond normal wear and tear. For example, instead of small scuffs on the walls or a few nail holes, large holes in the wall or crayon/marker drawing on the walls would definitely be considered damage that is above and beyond normal wear and tear.

If the carpet is stained, ripped, or otherwise unusable for any future tenants, this can be construed as damage depending on the age of the carpet. Pet stains can also be referred to as an actual damage, particularly if we did not have knowledge or give permission for pets in your rental property. In this case, since we did not have a pet deposit to cover this additional damage, the security deposit can be used to repair the damage and restore the property to its original condition.

An excessive amount of garbage, furniture, or personal items that a tenant has left behind is not necessarily damage, but is in direct violation of the lease. In this case, since we will need to hire a contractor to clean the property and to have the items, trash & debris removed, we will deduct from the security deposit to cover these costs.

Per State Law, we are required to "mitigate" or give credit for existing condition and the time in the property when considering the costs that we can pass on to the tenant and deduct from their deposits or charge them in excess of the deposits. The Lease Agreement that the residents sign is quiet clear on what are the normal wear and tear, cleaning & yard maintenance expectations, and what will be considered damages.

We always have tenants sign a Move In Inspection form that contains the existing condition of the property at the time they take possession. We allow tenants up to 3 days after they move in to further document any pre-existing conditions that they feel might jeopardize their deposit when they vacate the property. This agreement is the written evidence that we will use to compare against at the time they move out. We also use the photos taken for marketing the house as additional documentation of the condition of the entire property when the tenants take possession. Without this signed agreement at the time the tenants take possession, no management agent or landlord can keep even one penny of the deposit for any damages done to the property.

Documenting the state of your property is an essential component of the property management process and necessary when accounting for the tenant's security deposit when they vacate the property. With this documentation, we will be able to prove the extent of actual damages and delineate between what is considered normal wear and tear for your property and what is considered damage.