What is Damage?



This booklet is intended to serve as a general informational guide and the information contained herein does not constitute legal advice or a legal opinion.

Every reasonable effort has been made to assure the accuracy of the information contained herein.

However, if the information in this booklet conflicts with applicable laws, codes or regulations, those laws, codes and regulations apply.

Contents

Introduction	4
What is a Security Deposit?	5
Who is responsible for what?	6
During the Tenancy	6
Helpful Tips	7
Difference between wear and tear & damages?	8
Why is life expectancy important?	10
Life Expectancy	10
ADHESIVES, CAULK & PAINTS	10
APPLIANCES	10
BATHROOM	11
CABINETRY & STORAGE	11
CEILINGS, WALLS & FINISHES	11
COUNTERTOPS	11
DECKS	12
DOORS	12
ENGINEERED LUMBER	12
FIXTURES & FAUCETS	12
FLOORING	13
FOOTING & FOUNDATIONS	13
FRAMING & OTHER STRUCTURAL SYSTEMS	14
GARAGES	14
HOME TECHNOLOGY	14
HVAC	14
INSULATION & INFILTRATION BARRIERS	15
LIGHTING & ELECTRICAL	15
MASONRY & CONCRETE	16
MOLDING & MILLWORK	16
PANELS	16

ROOFING	16
SIDING & ACCESSORIES	17
SITE & LANDSCAPING	17
SKYLIGHTS & WINDOWS	18
How do you calculate tenant responsibility?	19
Age and Depreciation	19
Calculating the tenant's portion of the replacement cost	19

Introduction

One of the most common questions we receive at the Support Center at Property Management Business Solutions (PMBS) concerns deductions made by a landlord from a security deposit and how to find normal wear and tear vs. actual damage. This booklet provides guidelines and principles for fairly and accurately determining what constitutes ordinary wear and tear versus damage to rental property, and the life expectancy and depreciated value of the most common household fixtures, furnishings and appliances.

The basic obligations and responsibilities for the maintenance and care of the rental property by landlords and tenants are contained in State Statute and/or County Laws and Ordinances. The handling and disposition of security deposits are controlled by State Statute.

It is our hope that this booklet will provide guidance and clarification of information that will reduce misunderstandings regarding what a tenant can or cannot be held responsible for at the end of a tenancy.

What is a Security Deposit?

State Code defines a security deposit as "... any payment of money, including payment of the last month's rent in advance of the time it is due, given to a landlord by a tenant in order to protect the landlord against non- payment of rent, damage due to breach of lease, or damage to the leased premises, common areas, major appliances, and furnishings," in excess of ordinary wear and tear.

Pet cleaning deposits paid by the tenant to the landlord are part of the security deposit, and may NOT be considered "non-refundable". A deposit by definition is refundable once the conditions of the contract have been fulfilled.

A common misconception is that the security deposit is a fund that landlords can access to restore the rental property to the same condition it was in at the beginning of the tenancy, or to make improvements to enhance the value of the property or to prepare it for sale. In reality, the deposit is not a revenue source for the landlord rather, the security deposit is to protect the landlord from financial loss at the end of the tenancy due to non-payment of rent, damage due to breach of lease, or damage to the rental property in excess of ordinary wear and tear.

Ordinary wear and tear is deterioration that occurs without negligence, carelessness or abuse of the premises, equipment, furnishings or appliances by the tenant, a member of the household or other persons on the premises with his/her consent.

It is important to remember that a security deposit is, at all times, the tenant's money, held in trust by the landlord.

Who is responsible for what?

Before A Tenant Moves In

Local codes require a landlord to "deliver the leased premises and all common areas in a clean, habitable and sanitary condition, free of rodents and vermin, and in complete compliance with all applicable laws." In other words, the rental unit must be ready for the new tenant at the beginning of the tenancy and the landlord is to have completed all required maintenance, painting and cleaning.

Landlords and tenants are encouraged to use the sample Move In/Out checklist located on rpmintranet.com, operations library or the Inspection Application on AppFolio when conducting any evaluation of the home. Use of these checklists will facilitate comparison of the condition of the rental property at the beginning and end of tenancy.

During the Tenancy

The basic obligations and responsibilities regarding maintenance and upkeep of the rental property are contained in the local laws which provide that:

Tenants must:

- Keep the part of the rental property that they occupy and use, clean, sanitary, and safe.
 - -A tenant of a single-family rental property must cut any grass and weeds periodically and must not allow grass and weeds to grow more than 12 inches high;
 - A tenant of a single-family home may also have the responsibility for pest control
- Remove all rubbish, garbage, and other organic or flammable waste in a clean and sanitary manner from the rental property.
 - -A tenant of a single-family rental property may be required to provide and maintain appropriate receptacles to remove ashes, rubbish, and garbage;
- Keep all plumbing fixtures as clean and sanitary as their condition permits;
- Use and operate all electrical and plumbing fixtures in the manner in which they are intended;
- Not allow their guests to willfully or wantonly destroy, deface, damage, impair, or remove any part of the structure or rental property or the facilities, equipment, or appurtenances; and
- Comply with all covenants, rules, and requirements that are brought to their attention, that they consent to in writing, and that are reasonably necessary to preserve the property of the landlord, other tenants, or any other person.

Landlords must:

- Reasonably provide for the maintenance of the health, safety, and welfare of all tenants and all individuals properly on the premises of the rental property;
- Comply with applicable provisions of federal, state, or county law or regulation regarding the maintenance, construction, use, or appearance of the rental property and common areas:
- Keep all areas of the building, grounds, facilities, and appurtenances in a clean, sanitary, and safe condition;

• Make all repairs and arrangements necessary to keep the rental property in as good a condition as it was, or should by law or agreement have been, when the tenancy began.

The tenant may <u>not</u> be held responsible for replacement of or repairs to structural elements of the building, major appliances, or electrical, plumbing, heating, or air conditioning systems, unless the replacement or repair of these items is required because of the negligence or abuse of the tenant or quests;

- Maintain all electrical, plumbing, and other facilities and conveniences supplied by them in good working order;
- Provide and maintain receptacles to remove trash, and pay for its frequent removal.
 -A lease for a single-family rental property may require a tenant to provide and maintain their own receptacles, and to pay for trash collection; and
- Supply heating/cooling and water and hot water as reasonably required by the tenant and adequate heat.
 - -In a rental property located in a common ownership community (homeowner, condominium or cooperative association), the landlord must provide water, hot water and adequate heat to the extent that the landlord is responsible for providing these services.
 - -A lease for a rental property may require a tenant to pay for gas, heating oil, electricity, water, or sewer service that the tenant uses.

End of Tenancy Inspection

Many State Codes provide that a tenant has the right to be present when the landlord inspects the rental property at the end of the tenancy:

If the tenant wants to be present at the final walkthrough evaluation, be cognizant to not state your feelings of the condition of the property or give any indication of how much of the deposit will or will not be returned.

A best practice is to state they will be notified by the office in writing and that you do not make the decisions in this matter.

Helpful Tips

- It is always a good idea to inspect the rental property occupancy to make certain it is ready for the new residents.
- It is also a good idea to take photographs of areas that might be disputed later along with the general condition of the home. It is highly recommended that you use a camera that records the date and time.
- Landlords should conduct periodic evaluations of the rental property, especially during long-term tenancies. Good communication may help the parties prevent escalating damages and costs.
- At any evaluation, the landlord and the tenant should note, <u>IN WRITING</u>, the condition of the rental property.
- It is important to comply with timeframe requirements in handling the security deposit. A
 technical violation of law could result in the forfeiture of the landlord's right to withhold any
 part of the security deposit.

Difference between wear and tear & damages?

"Ordinary wear and tear" to one person may be viewed as "abuse" or "damage" to another. In the absence of a definition of ordinary wear and tear in the State Code or County Code, we offer the following:

Ordinary wear and tear means deterioration that occurs without negligence, carelessness or abuse of the premises, equipment, furnishings or appliances by the tenant, a member of his household or other persons on the premises with his/her consent.

The following chart provides some guidelines for distinguishing normal wear and tear from damage (remember you may not be able to charge the full price of the repair or replacement – see calculating tenant responsibility):

Ordinary Wear and Tear:	Damage:
Minor marks on or nicks in wall	Holes in wall larger than nail size (picture hanger) or excessive nail holes
Faded, cracked or chipped paint	Crayon marks, writing on walls, unapproved paint color or excessive dirt requiring more than one coat to cover
Plaster cracks from settling	Holes in walls from doorknob, nails, screws or carelessness
Loose wallpaper	Ripped, torn or marked up wallpaper
Carpeting/curtains slightly worn or faded by the sun	Torn, stained or burned carpeting/ curtains
A rug worn thin by ordinary use	Stains and odors in rug caused by pets, spills or leaks
Minor scuffing on wood floor	Large gouges or scratches on wood floor
Vinyl flooring worn thin	Vinyl flooring with tears, holes or burn marks
Water-stained vinyl flooring by shower	Stained or untreatable tiles or grout

Stains on old porcelain fixtures that have lost their protective coating	New staining or grime-coated bathtub and toilet (extra cleaning)
Bathroom mirror beginning to "de- silver" (black spots)	Mirrors broken, missing or caked with grime
Toilet running or unstable	Broken toilet seat or tank top
Worn gaskets on refrigerator	Broken refrigerator shelves, trays, bins or bars
Worn countertop	Burns or cuts in countertop
Cabinet doors that will not close	Greasy, sticky or broken cabinets and interiors
Loose hinges or door handles	Damage to door or door frame from forced entry
Closet door off track	Damaged or missing closet door, door- knobs/handles
Slightly dusty blinds	Missing, broken or bent slats on blinds
Slightly dirty windows or screens	Broken windows or torn or missing screens

Why is life expectancy important?

Keep in mind that most fixtures and appliances will someday require replacing and a tenant's financial liability must be based upon the life-expectancy and age of the item. When a household fixture or appliance needs replacing due to tenant abuse or neglect, the remaining "useful life" of the item must be determined before a landlord can assess a portion of the replacement cost against the tenant's security deposit.

Life Expectancy

The following chart provides general guidelines on the life expectancy of a variety of items. The actual useful life of specific items (i.e. "high end" appliances) may be longer or shorter than those reflected on this chart. However, the landlord must be able to justify any charge that is made.

Interior and exterior paints can last for 15 years or longer; however, investment homeowners often paint more frequently. Surface preparation is likely the most important determination of paint life expectancy.

ADHESIVES, CAULK & PAINTS	YEARS
Caulking	3-5
Paint	3-5
Roofing Adhesives	15+

Appliance life expectancy depends largely on its use. Furthermore, consumers often replace appliances long before they become worn out due to changes in styling, technology, and consumer preferences. Of a home's major appliances, gas ranges have the longest life expectancy.

APPLIANCES	YEARS
Air Conditioners	7-10
Boilers	20+
Compactors	2-4
Dehumidifiers	5-8
Dishwashers	5-7
Disposers, Food Waste	2-5
Dryers	3-5
Exhaust Fans	5
Freezers	7-10
Furnaces	7-10
Gas Ovens	18-10
Heat Pumps	10
Humidifiers	8
Microwave Ovens	9

Range/Oven Hoods Electric Ranges Gas Ranges Refrigerators Washing Machines Water Heaters	3-5 7-10 8-12 5-8 3-5 7-10
BATHROOM Cast-Iron Bathtub Fiberglass Bathtub and Shower Shower Door Toilet	YEARS 20 10-15 15 10
CABINETRY & STORAGE Bath Cabinets Closet Shelves Entertainment Centers/Home Office Garage/Laundry Cabinets Kitchen Cabinets Medicine Cabinets Medicine Cabinets Modular/Stock Manufacturing Type Walls and ceilings last the full lifespan of the home.	YEARS 15-20+ 15-20 10 17 15 7-12
CEILINGS, WALLS & FINISHES Acoustical Ceiling Ceiling Suspension Ceramic Tile Standard Gypsum	YEARS 25+ 25+ 25+ 25+

Natural stone countertops, which are less expensive than they were just a few years ago, are becoming more popular, and one can expect them to last a lifetime. However, cultured marble countertops have a shorter life expectancy.

COUNTERTOPS	YEARS
Cultured Marble	20
Natural Stone	25+
Laminate Countertops	10
Tile	15+
Wood	15+

Decks are exposed to a wide range of conditions in different climates, from wind and hail in some areas to relatively consistent, dry weather, in others. Under ideal conditions, they have a life expectancy of about 15 years, but they can fail much sooner.

DECKS	YEARS
Deck Planks	5-10
Wood	10–20

Exterior fiberglass, steel, and wood doors will last almost as long as the house, while vinyl and screen doors have a shorter life expectancy.

DOORS	YEARS
Closet (Interior)	7-10
Fiberglass (Exterior)	15+
Fire-Rated Steel (Exterior)	25+
French (Interior)	7-15
Screen (Exterior)	5-7
Vinyl (Exterior)	10-15
Wood (Exterior)	10-15+
Wood (Hollow Core Interior)	7-10
Wood (Solid Core Interior)	15+

Floor and roof trusses and laminated strand lumber are durable household components, and engineered trim may last 30 years.

ENGINEERED LUMBER Engineered Trim Laminated Strand Lumber Laminated Veneer Lumber Trusses	YEARS 30 25+ 25+ 25+
FIXTURES & FAUCETS	YEARS
Accessible/ADA Products	515
Enamel Steel Kitchen Sinks	5–10
Faucets	5–10
Modified Acrylic Kitchen Sinks	8-15
Saunas/Steam Rooms	15–20
Shower Enclosures/Modules	15-20
Shower heads	3-5
Soapstone Kitchen Sinks	15+
Toilets/Bidets	10
Whirlpool Tubs	10-15

Natural wood floorings may last as long as the house. Marble, slate, and granite will last for about 100 years, but require more maintenance. Vinyl floors can last up to 15 years, linoleum about 10 years, and carpet between 5 and 10 years (with appropriate maintenance and normal traffic).

FLOORING	YEARS
All Wooden Floors	20+
Bamboo	20+
Brick Pavers	25+
Carpet	5
Concrete	20+
Engineered Wood	20+
Exotic Wood	25+
Granite	25+
Laminate	7-10
Linoleum	5-10
Marble	20+
Other Domestic Wood	20+
Slate	30+
Terrazo	30+
Tile	25+
Vinyl	10-15

Concrete and poured block footings and foundations will last a lifetime, assuming they were properly built. Termite proofing of foundations will last about 12 years if the chemical barriers put in place during construction are left intact. Waterproofing with bituminous coating lasts 10 years, but if it cracks, it is immediately damaged.

FOOTING &

FOUNDATIONS	YEARS
Baseboard System	15-20
Bituminous Coating Waterproofing	10
Cast Iron Waste Pipe (Above Ground)	35+
Cast Iron Waste Pipe (Below ground)	20–35
Concrete Block	25+
Concrete Waste Pipe	25+
Poured Footings and Foundations	25+
Pumps, Sumps, and Wells	5–12
Termite Proofing	12

Framing and structural systems have extended longevities; poured-concrete systems, timber-frame houses and structural insulated panels will all last a lifetime. Wall panels and roof and floor trusses will also last a lifetime. Hardboard, softwood, and plywood last an average of 30 years, while the OSB and particleboard subfloor are expected to last twice that long as long as there is not water intrusion.

FRAMING & OTHER STRUCTURAL SYSTEMS	YEARS
Poured-Concrete Systems	25+
Structural Insulated Panels	25+
Timber-Frame Homes	25+

Garage door openers are expected to last 10 to 15 years, and light inserts will last slightly longer.

GARAGES	YEARS
Garage Doors	10–15
Garage Door Openers	5-10
Light Inserts	10

Home technology systems have diverse life expectancies. While a built-in audio system will last 20 years, security systems and heat/smoke detectors have life expectancies of 5 to 10 years. Wireless home networks and home automation systems are expected to work properly for more than 20 years.

HOME TECHNOLOGY	YEARS
Built-In Audio	10-12
Home Automation Systems	5+
Security Systems	5–10
Smoke/Heat Detectors	3-5
Wireless Home Networks	15+

Heating, ventilation, and air conditioning systems require regular maintenance to work properly, but even well maintained systems only last 15 to 25 years. Furnaces, on average, last 15 to 20 years, heat pumps last 16 years, and air conditioning units last 10 to 15 years. Tankless water heaters last more than 20 years, while an electric or gas water heater has a life expectancy of about 10 years. Thermostats may last 35 years, but they are usually replaced before they fail due to technological improvements.

HVAC	YEARS
Air Conditioners (window)	5-7
Air Quality Systems	10
Attic Fans	7-10
Boilers	13–21
Burners	8
Central Air Conditioning Unit	7-10

Dampers	15
Dehumidifiers	5
Diffusers, Grilles, and Registers	25
Ducting	10
DX, Water, or Steam	20
Electric	15
Electric Radiant Heater	25
Furnaces	10-15
Heat Exchangers, shell + tube	10–15
Heat Pumps	12
Heat Recovery Ventilators	20
Hot Water or Steam Radiant Heater	20
Induction and Fan-Coil Units	7-10
Molded Insulation	7-10
Shell and Tube	7-10
Thermostats	5-7
Ventilators	7
Water Heaters	7-10

As long as they are not punctured, cut, or burned, and are kept dry and away from UV rays, cellulose, fiberglass, and foam insulation materials will last a lifetime. This is true regardless of whether they were installed as loose fill, house wrap, or batts/rolls.

INSULATION & INFILTRATION BARRIERS	YEARS
Batts/Rolls	25+
Cellulose	25+
Fiberglass	25+
Foam	25+
House Wrap	25+
Loose Fill	25+

Copper plated wiring, copper clad aluminum, and bare copper wiring are expected to last a lifetime, whereas electrical accessories and lighting controls may need to be replaced after 10 years.

LIGHTING & ELECTRICAL	YEARS
Accessories	10+
Bare Copper	25+
Copper Clad Aluminum	25+
Copper Plated	25+
Lighting Controls	10+

Masonry is one of the most enduring household components. Fireplaces, chimneys, and brick veneers can last the lifetime of a home.

MASONRY &

CONCRETE	YEARS
Brick	25+
Sealer Caulking	2–10
Stone	25+
Veneer	25+

Custom millwork will last a lifetime, and all stairs—circular and spiral stairs, prebuilt stairs and attic stairs—are expected to last a lifetime.

MOLDING & MILLWORK	YEARS
Attic Stairs	15-20
Custom Millwork	25+
Prebuilt Stairs	15-20
Stair Parts	10-15
Stairs, Circular and Spiral	15-20

The lifetime of any wood product depends on the level of moisture intrusion.

PANELS	YEARS
Flooring Underlayment	25
Hardboard	30
Particleboard	20
Plywood	15-20
Softwood	15-20
Oriented-Strand Board	40
Wall Panels	25+

The life of a roof depends on local weather conditions, building and design, material quality, and adequate maintenance. Slate, copper, and clay/concrete roofs have the longest life expectancy, while roofs made of asphalt shingles, fiber cement, or wood shakes will fail sooner.

ROOFING	YEARS
Aluminum Coating	3–7
Asphalt Shingles (3-tab)	20
Asphalt (Architectural)	25
BUR (Built-Up Roof)	30
Clay/Concrete	25+
Coal and Tar	30
Copper	25+

EPDM (Ethylene Propylene Diene Monomer) Rubber	15–25
Fiber Cement	25
Modified Bitumen	20
Simulated Slate	20
Slate	20+
TPO	7–20
Wood	25

Outside materials typically last a lifetime. Brick, vinyl, engineered wood, stone (both natural and manufactured), and fiber cement will last as long the house. Exterior wood shutters are expected to last 20 years, depending on weather conditions. Gutters have a life expectancy of more than 20 years if made of copper, and 20 years if made of aluminum. Copper downspouts last 100 years or more, while aluminum ones will last 30 years.

SIDING &

ACCESSORIES	YEARS
Aluminum Downspouts	25
Aluminum Gutters	20
Aluminum/Interior Shutters	10+
Brick	25+
Copper Downspouts	60
Copper Gutters	20+
Engineered Wood	25+
Fiber Cement	25+
Galvanized Steel Gutters/Downspouts	20
Manufactured Stone	25+
Soffits/Fascias	20
Stone	25+
Stucco	20–60
Trim	15
Vinyl	25+
Wood/Exterior Shutters	20
Wood/Interior Shutters	15+

Most landscaping elements have a life expectancy of 15 to 25 years. Sprinklers and valves last about 20 years, while underground PVC piping has a lifespan of 25 years. Polyvinyl fences are designed to last as long as the house, and asphalt driveways should last between 15 and 20 years. Tennis courts can last a lifetime if they are recoated; most coatings last 12 to 15 years. The concrete shell of a swimming pool is expected to last more than 25 years, but the interior plaster and tile have life expectancies of about 10 to 25 years.

SIT	E &	LAI	NDSCAPING	

Asphalt Driveway	15–20
Asphalt with Acrylic Coating or Cushion	12–15
Brick and Concrete Patios	15–25
Clay Paving	25+
Cleaning Equipment (Swimming Pool)	7–10
Coating	5–7
Concrete Shell (Swimming Pool)	25+
Concrete Walks	25+
Controllers	15
Decking (Swimming Pool)	15
Fast-Dry Green Tennis Court	25+
Fast-Dry with Subsurface	25+
Gravel Walks	4–6
Interior Finish (Swimming Pool)	10–20
Polyvinyl Fences	25+
Sprinklers	10–14
Underground PVC Piping	40+
Valves	20
Waterline Tile (Swimming Pool)	10

Aluminum windows are expected to last between 15 and 20 years, while wooden windows should last nearly 30 years.

SKYLIGHTS &

WINDOWS	YEARS
Aluminum/Aluminum Clad	15–20
Window Glazing	10+
Vinyl Windows	15-20
Wood	25

Note: Life expectancy varies with usage, weather, installation, maintenance, and quality of materials. Items listed as lasting 25+ years, especially those that open and close, often fail prematurely due to misuse or overuse. Use this list only as a general guideline, not as a guarantee or warranty regarding the performance or life expectancy of any product.

How do you calculate tenant responsibility?

Age and Depreciation

Household fixtures and appliances depreciate (decrease in value) at different rates depending on their life expectancy. As a practical matter, Straight-line Depreciation is the preferred method for calculating depreciation. Through this method, the useful life of a household fixture or appliance is expensed evenly over the expected life of the fixture or appliance.

For example, if a new toilet costs \$200, and the life expectancy of a toilet is 20 years, the new toilet depreciates at a rate of \$10 each year (\$200÷20=\$10).

Calculating the tenant's portion of the replacement cost

After determining that an item requires replacement due to tenant abuse or neglect, to calculate the tenant's responsibility, a landlord must first know:

- The actual cost to replace the fixture/appliance
- The life expectancy of the fixture/appliance
- The current age of the fixture/appliance
- The remaining life (life expectancy less current age)

The remaining percentage value (remaining life divided by life expectancy

Below are several examples for determining tenant responsibility:

BASIC INFORMATION	CALCULATIONS	TENANT RESPONSIBILITY
Cost of new dishwasher: \$400 Life Expectancy of dishwasher: 10 Age of dishwasher at end of tenancy: 4 years	Remaining Life = 6 years (10 years less 4 years) Remaining Value = 60% (6 years divided by 10 years)	Tenant Responsibility (\$400 times .60) = \$240
Cost of new washing machine: \$750 Life Expectancy of washing machine: Age of washing machine at end of tenancy: 4 years	Remaining Life = 11 years (15 years less 4 years) Remaining Value = 73% (11 years divided by 15 years)	Tenant Responsibility (\$750 times .73) = \$547.50
Cost of new carpeting: \$1000 Life Expectancy of carpeting: 5 years Age of carpeting at end of tenancy: 6 years	Remaining Life= 0 years (5 years – 6 years) Remaining Value = 0% (0 years divided by 5 years)	Tenant Responsibility (\$1000 x 0) = \$0