

When a tenant moves out of your rental unit, they likely will not leave it looking the same as it did when they moved in. It is common for landlords to make minor repairs or send in a cleaning crew after a tenant's lease expires, and routine maintenance is almost always necessary to keep a unit in good condition. However, it can sometimes be difficult to tell the difference between normal wear and tear and property damage when inspecting a unit between tenants.

Normal wear and tear in Washington is defined as deterioration that occurs from the intended use of the rental unit and without negligence, carelessness, accident, misuse, or abuse of the premises or contents by the tenant, members of the household of the tenant, or the invitees or guests of the tenant.

As property managers, we focus on making decisions based on sound reasoning and experience. Landlords do not like to pay for repairs, but tenants also want their security deposit returned. If we have to stand in front of a judge to defend why we charged a tenant for something, we cannot base the decision on emotion or how well we like the tenant. Overzealous landlords are why we have so many laws to protect tenants. The IRS is an established resource. We have also seen how different building materials hold up in many property types, so we can pull from our years of experience.

Materials are expected to deteriorate over time. Therefore, major components such as appliances and flooring have a depreciable life and general life expectancy. Not all flooring, blinds, appliances, and paint are the same, but definitely a range of time exists for how long materials hold up under the average tenant.

As tenants pay rent, they are paying for use of all the components inside a residence. This means the landlord is receiving compensation for the use of those components. Therefore, if a tenant damages something, we cannot charge the tenant the full cost to replace something unless the item is new or nearly new. Repairs are generally charged at 100% of the cost, but replacements are prorated based on life expectancy and current age.

**Normal Wear and Tear vs. Property Damage**

Normal Wear and Tear	Property Damage
<ul style="list-style-type: none"><li>✓ Worn or faded carpet</li><li>✓ Small scuffs on walls</li><li>✓ Sun-faded curtains or blinds</li><li>✓ Warped door frames or windows</li><li>✓ Dirty or loose grout around bathroom floor tiles</li></ul>	<ul style="list-style-type: none"><li>! Burns or pet stains on carpet</li><li>! Holes in doors or walls</li><li>! Ripped or missing curtains</li><li>! Broken windows or missing screens</li><li>! Broken enamel on sinks, toilets, or bathtubs</li></ul>

**EXAMPLES (Not all inclusive) of TENANT DAMAGE versus “NORMAL WEAR AND TEAR”**

Normal costs of turning over an apartment after a tenant vacates may not be included in a claim to HUD for tenant damages. The costs an owner incurs for the basic cleaning and repairing of such items necessary to make a unit ready for

occupancy by the next tenant are part of the costs of doing business. The following is a list of items typically attributable to routine use or “normal wear and tear.”

### **Normal Wear and Tear**

- Fading, peeling, or cracked paint
- Slightly torn or faded wallpaper
- Small chips in plaster
- Nail holes, pin holes, or cracks in wall
- Door sticking from humidity
- Cracked window pane from faulty foundation or building settling
- Floors needing coat of varnish
- Carpet faded or worn thin from walking
- Loose grouting and bathroom tiles
- Worn or scratched enamel in old bathtubs, sinks, or toilets
- Rusty shower rod
- Partially clogged sinks caused by aging pipes
- Dirty or faded lamp or window shades

Tenant damages usually require more extensive repair, and at greater cost than “normal wear and tear” and are often the result of a tenant’s abuse or negligence that is above and beyond normal wear and tear.

### **Tenant Damage**

- Gaping holes in walls or plaster
- Drawings, crayon markings, or wallpaper that owner did not approve
- Seriously damaged or ruined wallpaper
- Gouged wood floors
- Doors ripped off hinges
- Broken windows
- Missing fixtures
- Holes in ceiling from removed fixtures
- Holes, stains, or burns in carpet
- Missing or cracked bathroom tiles
- Chipped and broken enamel in bathtubs and sinks
- Clogged or damaged toilet from improper use

- Missing or bent shower rods
- Torn, stained, or missing lamp and window shades

### **LIFE EXPECTANCY CHART \***

Many major items have a predictable life span. A list of items and their life expectancy are listed below:

All units

Hot Water Heaters	10 years Family
	10 years Elderly
Plush Carpeting	5 years Family
	7 years Elderly
Air Conditioning Units	10 years All units
Ranges	20 years All units
Refrigerators	10 years All units
Interior Painting – Enamel	5 years Family
	7 years Elderly
Interior Painting – Flat	3 years Family
	5 years Elderly
Tiles/Linoleum	5 years Family
	7 years Elderly
Window shades, screens, blinds	3 years Family
	3 years Elderly

### **HOW MUCH MONEY SHOULD LANDLORDS AND INVESTORS EXPECT TO PAY FOR MAINTENANCE?**

Every unit will have general maintenance costs associated with the property. A seasoned investor will take these costs into account when evaluating a potential investment property. As a general rule, most homeowners should save about 1% to 2% of the property's value annually to assist with general maintenance. For landlords, this can act as a good baseline.

## Steps to Address Damage or Excessive Wear and Tear:

1. Repair the item if parts are available and the repair will look reasonably good once completed. This saves the tenant money as well as the landlord.

- Example 1: The tenant drops something in the bathroom sink and has a chip. The tenant is charged for the full cost of the repair.
- Example 2: The tenant spills a large drop of red wine the size of a quarter on the carpet that will not come out. The carpet is fairly new and seams blend really well. A square of carpet is cut out that has the red wine and a piece of carpet is pulled from the hall closet to patch it. The tenant is charged for the full cost of the repair.
- Example 3: The tenant mounts a TV to the wall. The hole will be filled and patched by the painter. The tenant is charged for repairing the hole and the painting the area as needed to match.
- Example 4: The tenant leans too hard on a cabinet door and the door breaks away. The cabinet door is then repaired and the tenant is charged for the full cost of the repair.

2. Replace the item and prorate the cost for replacement based on the number of years reasonably left on the item.

- Example 1: The tenant drops something heavy in the bathroom sink and breaks the sink. If the sink is really old and would be a needed improvement to the property, the tenant would not be charged. If the sink is five years old and will be replaced with the same kind of sink, then the sink replacement cost would be prorated based on a 27.5 year life span. If it costs \$100 with installation, then the tenant would be charged \$81.81.
- Example 2: The tenant spills red wine in several places all over the living room carpet. The carpet is two years old. The carpet is prorated based on a five year life expectancy, so 60% of the life should have been remaining, so the tenant would be charged 60% of the cost to replace the carpet in that room and perhaps a hallway that is directly connected to the living room.
- Example 3: The entire residence needs paint after one year of tenancy and had been painted just before the tenant moved in. The size of the unit and the quality of paint would be factored into how long paint should be expected to last. Various legal experts in Washington State have recommended using two years as the expected life of paint. HUD references three years. If two years are used as the benchmark, the tenant would be charged for the full cost to patch the walls as needed and then 50% of painting costs. If three years is used as the benchmark, the tenant would be charged approximately 65% of painting costs.
- Example 4: The tenant is really hard on the cabinet doors and all doors are now in rough shape making replacement necessary, but the finish did not look great at move-in. The cabinets are 35 years old and improving the cabinets would bring the owner more monthly rent and make the property easier to rent. The tenant may or may not be charged anything depending upon the circumstances such as length of time the tenant lived there and quality of the cabinetry. This is when having a list of reliable vendors to assess options for repair, replacement or improvement is vital.

If a tenant challenges security deposit charges in court, we need to be confident you have a solid chance at winning. We will be professional, go with great documentation and demonstrate our supported reasoning for the charges. Going to court is costly for an owner because we have to gather all the documentation to present in court, travel to court, sit in court to wait our turn which can take hours, and yet still have a chance at losing more of a landlord's money based on the opinion of the judge.

Setting reasonable standards for return of the security deposit prevents problems and also follows the intent of the landlord tenant laws. Our motto is to keep things moving forward as that is the most productive use of our time and your money.