



## Property Management Essentials:

### *Normal Wear and Tear*

Normal wear and tear is a very important topic because it's where landlords and property managers often run into difficulties when over-charging when conducting a security deposit disposition.

The tenant moves out of the house and the carpet is heavily worn. The landlord wants to withhold some of the security deposit to repair or replace the carpet. The landlord has to ask some questions before they withhold some or all of the security deposit.

- How old is the carpet?
- How long have the tenants been living there?
- Is the damage above and beyond normal wear and tear for a typical renter in their same situation (e.g. family of 4 living there for 3 years)
- Do we have photo or video documentation of what the carpet looked like BEFORE the tenant moved in?
- Was there a pre-move-in inspection sheet returned to us?

#### Key Topics

- *Useful life of carpet and pain in non-owner-occupied properties*
- *Dealing with mold and mildew*
- *Who is accountable for holes in the wall?*
- *What about scuff marks?*

If the carpet is more than 3 years old, the landlord has to be very careful because, in the state of Colorado, the average useful life of carpet (or paint for that matter) in a non-owner occupied property is typically 3 years. Does that mean if the carpet is 5 years old, and if the landlord has documentation showing the carpet was in great condition before the tenant moved in, then one little section was completely destroyed during their stay – that they can not withhold deposit? No, they can absolutely withhold for that. They just have to be careful when we are dealing with carpets that are entering the end of their useful life.

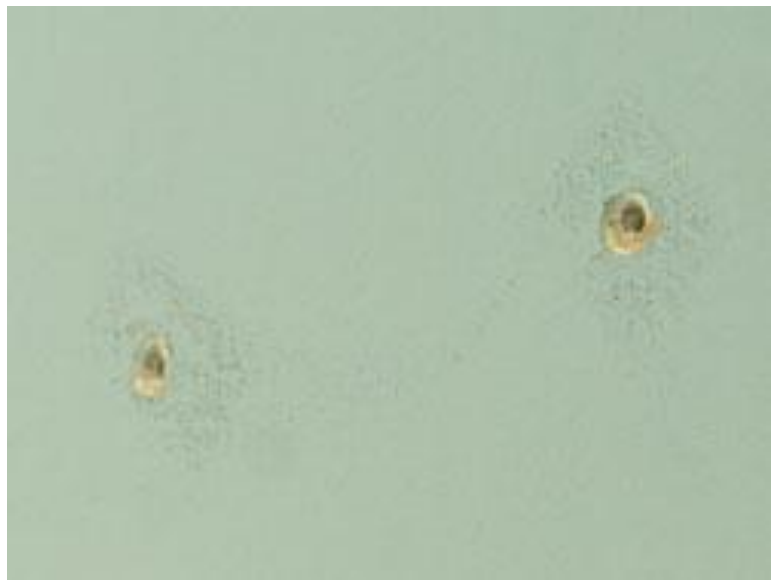


Mildewed bathroom, very unclean kitchen. Here is another situation where the landlord might want to withhold security deposit to scrub the tile and maybe even re-grout because it's so badly worn. Can they do this? Again, if this is a situation where a family of four had lived there and the tub area was already starting to get mildewed. When they move



out the judge would ask 'what would that tub look like after normal use by a family of four who had lived in the home for X period of time.' The landlord will have to ask themselves this question because this will be what's going to be defensible in court. The most important thing you'll need to do is have documentation of what the area looked like before the tenant moved in. If you do NOT have before pictures or video, be very careful about withholding security deposit.

Holes in the wall. This is a very common issue – because people like to hang things on walls; from pictures and mirrors, to flat screen TVs. In this case, the landlord checks a tenant out and find quite a different size few holes in the walls. What can they withhold for? Our first recommendation is having lease verbiage that defines what is allowed, and what is not. For instance: "...tenant cannot make alterations to wall surfaces without prior written approval from the landlord, aside from small nail holes used to hang pictures." If the landlord does not have clear language in the lease agreement a judge could easily rule against them and say the big anchor bolts in the wall are in fact normal wear and tear because most televisions available today are flat screen and require wall mounting. Another good idea is to simply ask the tenant to leave all nails in the walls so it will be easier for the landlord to go back and clean up the areas versus the tenant trying to fix t walls and making it even worse. This could require the landlord to come back and have to retexture and paint the surface and then charge the tenants... which they won't like.



Scuff marks are another issue that's common and often misunderstood. Scuff marks can result from a couch, chair or bed head board being close to the wall. The landlord would most likely want to charge the tenant to have the wall re-painted. In general, if the tenants have been living there for a reasonable period of time there, will be normal wear and tear and we would advise against withholding exorbitant security deposit in this case. There will be some cases of excessive dings and dents in which you might have cause to withhold, but you have to be very careful.

For more information on this and other topics, please visit us online: <http://echo-summit.com/education>

If you prefer to watch a video on this topic, visit us at: <http://echo-summit.com/education/videos>