

Rental Deposit Compliance Guide

South African Landlords Association | Member resource

This guide explains how a residential landlord should receive, hold, document and refund a tenant deposit under section 5 of the Rental Housing Act 50 of 1999. It focuses on the steps that most often determine whether a deduction can be defended.

The deposit lifecycle

Stage	Landlord action	Evidence to retain
At receipt	Issue a written receipt and place the deposit in an interest-bearing account with a financial institution.	Lease, receipt, bank deposit proof and account terms.
At commencement	Arrange a joint incoming inspection before occupation and record defects.	Signed report, dated photographs and inventory.
During tenancy	Keep rent, utility and repair records. Provide written proof of accrued interest if requested.	Ledger, invoices, correspondence and bank records.
Before expiry	Invite the tenant to a joint outgoing inspection at a mutually convenient time within the three days before expiry.	Dated invitation and delivery proof.
At expiry	Compare condition with the incoming report and distinguish damage from fair wear and tear.	Signed outgoing report, photographs, quotations and receipts.
Refund	Apply the correct 7, 14 or 21-day deadline and provide an itemised statement.	Calculation, receipts, payment proof and closing correspondence.

The 7 14 and 21 day rules

Deadline	When it applies	Required outcome
7 days after expiry	No amount is due and owing.	Refund the full deposit plus accrued interest without deduction or set-off.
14 days after restoration of the dwelling to the landlord	A proper joint outgoing inspection supports amounts due under the lease.	Deduct only substantiated amounts and refund the balance. Make relevant receipts available for inspection.
21 days after	The tenant fails to respond to the landlord	Inspect within seven days after expiry, deduct reasonable supported costs and

expiry	request for the outgoing inspection.	refund the balance plus interest by day 21.
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The 14-day period should not be described as starting only when repairs are complete. The statutory wording refers to restoration of the dwelling to the landlord, ordinarily meaning return of possession.

Inspections determine the claim

- The incoming inspection should identify pre-existing defects before the tenant takes occupation.
- The outgoing joint inspection should take place at a mutually convenient time within three days before the lease expires.
- If the landlord fails to inspect with the tenant as required, the landlord may be deemed to acknowledge that the dwelling is in good repair and may lose the damage claim.
- If the tenant does not respond to the inspection request, retain proof of the invitation and complete the landlord inspection within seven days after expiry.

Lawful deductions

The deposit and interest may be applied to amounts for which the tenant is liable under the lease. These may include unpaid rent, properly chargeable utilities, reasonable repair costs for tenant-caused damage and replacement of lost keys. A deduction must be linked to the lease, proved by the condition evidence and supported by relevant receipts. Ordinary deterioration through reasonable use, age, weather or inherent defects is not tenant damage.

Fair wear and tear assessment

Question	Practical assessment
Was it recorded at entry?	A pre-existing defect cannot properly be charged to the tenant.
Did normal use cause it?	Fading, gradual wear and minor ageing are commonly wear rather than damage.
Was there misuse or negligence?	Breakage, burns, holes, avoidable staining or unauthorised alterations may be damage.
What was the item age and expected life?	Avoid charging the full new replacement cost for an old or partly worn item.
Can causation and cost be proved?	Use dated photographs, reports, invoices and a transparent calculation.

Tribunal route

Failure to refund a deposit and disputes about damage may be taken to the provincial Rental Housing Tribunal. Lodging and the mediation or hearing process are ordinarily free. The Tribunal may investigate, mediate and make a binding ruling that is treated as an order of the Magistrates Court. It does not grant eviction orders.

Principal sources

- Rental Housing Act 50 of 1999, especially section 5(3).
- Consumer Protection Act 68 of 2008 where applicable to the lease or fixed-term cancellation.
- Applicable provincial Rental Housing Tribunal unfair-practice regulations.
- Department of Human Settlements Rental Housing Tribunal guidance.

Important legal note

This pack provides general information and working templates for South African residential landlords. It is not a substitute for advice on a particular lease, deduction or dispute. Provincial unfair-practice regulations, the lease, the evidence and subsequent legal developments must also be considered. The Rental Housing Amendment Act 35 of 2014 should not be treated as operative unless its commencement has been proclaimed. Verify the current law before use.