



Freecall: 1800 812 953

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Postal Address: GPO Box 3180, Darwin NT

Location: 8 Manton Street, Darwin, NT

SECURITY DEPOSITS (BONDS)

You may be asked to pay the landlord a security deposit, also known as a bond, at the start of the tenancy. The Residential Tenancies Act 1999 (NT) sets out rules about security deposits.

Paying a security deposit

How much you need to pay

The landlord can ask for a security deposit at the start of a tenancy. The maximum security deposit a landlord can ask for is an amount equal to 4 weeks rent. The landlord must give you a receipt for the security deposit containing the name of the person who made the payment, the amount paid and the date it was paid.

In this factsheet, a reference to a landlord generally includes a real estate agent or another person acting on the instructions of the landlord.

Co-tenants and security deposits

Unless the tenancy agreement sets out what portion each co-tenant has paid towards the security deposit, it is assumed that co-tenants paid equal portions.

If you cannot afford a security deposit

If you cannot afford a security deposit, you can:

- ask the Department of Housing about an interest free loan called bond assistance;
- or

ask the landlord if you can pay the security deposit in instalments. If the landlord agrees, you should write down the agreement and have it signed by you and the landlord.

Increase of security deposit

The landlord can increase your security deposit to an amount no more than 4 weeks rent payable under the tenancy agreement if:

- your rent is validly increased (see the DCLS factsheet 'Rent increases and rent reductions'); and
- you receive written notice of the increase in security deposit; and
- it has been two years since the security deposit was last paid or increased under the tenancy agreement.

Getting your security deposit back

A landlord can keep part or all of the security deposit to:

- repair damage, other than damage caused as a result of fair wear and tear;
- clean the property if it has been left in an unreasonably dirty condition;
- replace locks that have been changed, removed or added without the landlord's consent; and
- cover unpaid rent, or electricity, gas or water charges owed by the tenant.

If the landlord wants to keep part or all of your security deposit, they must notify you within 7 business days of the end of the tenancy. Among other things, the landlord must also give you a copy of a statutory declaration setting out why they are not returning part or all of your security deposit, and any receipts, invoices or other documents relating to the claim.



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You should seek legal advice as soon as possible if your security deposit is being withheld for reasons you disagree with or do not understand.

Steam cleaning

Under law, you are required to return the premises to the landlord in a reasonable state of repair and cleanliness, allowing for reasonable wear and tear.

Nothing in the *Residential Tenancies Act 1999* (NT) requires a tenant to steam clean carpets at the end of a tenancy. However, some tenancy agreements contain a term requiring the tenant to steam clean carpets at the end of the tenancy. This may not be a valid term. You should seek advice from Darwin Community Legal Service if your tenancy agreement contains this term.

Co-tenants and security deposits

If you assign your tenancy to someone else, your portion of the security deposit automatically gets transferred to this person. You should ask this person to pay you the amount you paid towards the security deposit.

Dispute over security deposit

You can make an application to the Northern Territory Civil and Administrative Tribunal* for the return of part or all of your security deposit:

- after you receive notice from the landlord that they intend to hold part or all of your security deposit; or
- if you do not receive such a notice within 7 business days of you returning the keys to the property at the end of the tenancy.

It is important to keep good records throughout your tenancy in case a dispute arises. You should:

- keep the receipt for the security deposit;
- keep rent receipts;

- keep records of requests made throughout the tenancy for repairs or notification of damage; and
- complete the ingoing and outgoing condition report if provided by the landlord, and take photographs of the parts of the premises where you disagree with the landlord's condition report.

See also the DCLS 'Condition reports' factsheet.

Contact Darwin Community Legal Service for further information.

*If you make an application to the NTCAT prior to approximately June 2015, you will need to use a Commissioner of Tenancies application form. Prior to making an application, contact the NTCAT for up to date information.