



## Non-Refundable Deposits

In order for applicants to secure an apartment, CCOC requires a deposit of half of the first month's rent. The deposit must be received within 48 hours after the applicant is notified of their approval for the unit. Once the deposit is received, it is non-refundable should the applicant change their mind about renting the apartment. The deposit must be paid by certified cheque, debit or money order. Personal cheques or cash are not accepted.

The applicant is advised of the Deposit Policy at the time of their approval and again when the deposit is submitted.

### Background:

**Legal opinion on Non-Refundable Deposits:** CCOC has experienced situations where tenants back out of renting their unit once they had given their deposit and had requested that their deposit be returned. CCOC's practice has always been to keep the deposit, since our understanding has been that the giving of the deposit is a binding contract between the applicant and CCOC. The applicant has agreed to become our tenant and CCOC has agreed to accept them as a tenant by accepting their deposit. In response to these incidents, CCOC sought legal opinion on this issue of keeping the deposit and was advised that the ***Residential Tenancies Act*** clarifies that security deposits for the purpose of securing an apartment are legal and can be kept in the event where the prospective tenant decides not to move in. As the landlord, we have the obligation to try and mitigate our losses by attempting to re-rent the unit, however if unable, can retain the deposit. CCOC has been advised to inform all applicants that the deposit is forfeited if they do not take possession and to indicate in writing on the deposit receipt that the deposit is non-refundable.