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## Security Deposit (Mietkaution) — Amount, Deposit Account and Refund

Security deposit: maximum 3 months' net rent, installment payments, deposit account, and refund within 6 months.

**Deutsche Begriffe:** Mietkaution | Kaltmiete | Kautionskonto | Mietkautionsbürgschaft | Rückzahlung

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### What is a Security Deposit?

A **security deposit (Mietkaution)** is a financial security provided by the tenant to the landlord upon move-in. It serves as protection for:

- Unpaid rent
- Damage to the apartment
- Outstanding additional costs (utilities)

### Legal Regulations (§ 551 BGB)

#### Maximum Amount

The security deposit may not exceed **3 months' net rent** — excluding utilities.

**Example:** Net rent €700 → maximum deposit: **€2,100**

#### Installment Payments

You have the right to pay the deposit in **3 equal monthly installments:**

- 1st installment: at the start of the lease
- 2nd installment: with the second month's rent
- 3rd installment: with the third month's rent

The landlord **cannot refuse** installment payments — this is legally guaranteed.

## Deposit Account

The landlord must place the deposit **separately from their own assets**:

- **Savings account** or **escrow account** in the tenant's name
- **Interest** belongs to the tenant
- The landlord **cannot use** the deposit for personal purposes

**Tip:** Ask the landlord for proof of the deposit account.

## Alternatives to Cash Deposit

Alternative	How It Works	Costs
<b>Rental Deposit Guarantee</b>	Bank or insurance provides guarantee	3-5% per year
<b>Bank Guarantee</b>	Your bank issues a guarantee	approx. €50-100/year
<b>Rental Deposit Savings Book</b>	Savings book pledged to landlord	Free (interest only)

## Deposit Refund

When is the deposit refunded?

- The landlord has a **reasonable inspection period** — typically **3-6 months** after move-out
- For the final **utility settlement**, the landlord may retain part for up to **12 months**
- The landlord **cannot** withhold the deposit **without cause**

Deductions — What is Permitted?

- **Unpaid rent** — outstanding rental payments
- **Damage** — beyond normal wear and tear (e.g., holes in doors, burn marks)
- **Outstanding utilities** — estimated additional charges

Not Permitted:

- Deduction for **normal wear and tear** (yellowed walls, worn carpet)

- Deduction for **cosmetic repairs** if the clause in the lease is invalid

## Tips

- **Create a move-in and move-out inspection report** (with photos!)
- **Request a receipt for deposit payment** — written proof of payment
- After move-out: **request refund in writing** (with deadline)

--- As of: March 2026. All information without guarantee.