

Move-In Fees vs. Security Deposits: What's the Difference?

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Apartment hunting is an exciting time, but the process can bring about a lot of [questions](#), especially when it comes to the associated fees of renting. Whether it's your first apartment, or you're relocating to an entirely new city, there are many things about the rental process to take in, including move-in fees and security deposits.

A deposit of some kind is a standard practice when leasing an apartment. Landlords may ask for different types of deposits from a tenant, such as a security deposit and a [pet deposit](#) (for pet owners). Though, you may see another charge as well: a move-in fee. What's the

shall we?

The Differences between Move-In Fees and Security Deposits:

1. Security deposits are refundable and move-in fees are not.
2. Move-in fees cost considerably less money than security deposits.
3. Security deposits are regulated and move-in fees are not.

MOVE-IN FEES

A move-in fee is a completely separate cost from a security deposit. It's a non-refundable fee that some landlords charge new tenants to cover the costs of touch-ups and small changes made to the **rental**. Adding this fee is up to the landlord's discretion – and the updates they might make with it include a fresh coat of paint on the walls or a new **key** fob to gain entry into the community. Generally, the charge is for services rendered by the landlord prior to a new tenant moving in.

How Much Are Move-In Fees?

A renter can spend anywhere between \$300 and \$500 on a move-in fee, more or less. Estimating the move-in fee of a prospective apartment? A good rule of thumb to follow is to calculate the fee using a percentage of your rent, somewhere between 33 and 50 percent should give you a close estimate.

For example:

Monthly Rent: \$800

Fee Percentages: 33 to 50%

Estimated Move-In Fee Costs:

- **Low end:** $\$800 \times 33\% = \264
- **High end:** $\$800 \times 50\% = \400

In this example, a renter looking at an \$800 per month apartment might spend between \$264 and \$400 on a move-in fee. Again, it could be more or less, depending on the landlord.

When calculating your move-in fee, be sure to include it in the total cost of the apartment. If the total amount is capping your **budget**, try **negotiating your rent**, fees, or even deposits with the landlord. It can't hurt to try anyway.

SECURITY DEPOSITS

A security deposit is pretty standard in the apartment world. It's required by most landlords and property managers because it has two specific purposes. A tenant will pay a predetermined sum of money to a landlord, who will then hold onto it until the end of the renter's tenancy. Landlords can only spend the security deposit for these reasons:

1. Tenant caused **damages** to the apartment beyond normal wear and tear.

Once the tenancy is over, the landlord will deduct the amount needed from the deposit to cover the cost of damage or rent owed. Unlike a move-in fee, security deposits are both refundable and regulated. State laws limit what a landlord can spend the security deposit (see above) on, while there are very few states that control what a move-in fee can be used for.

Landlords keep their tenants' security deposits in an interest-bearing account. When a tenant's lease is over, the landlord is required to return the deposit, minus any expenses noted in the move-out inspection. Because security deposits are more regulated, landlords should provide their tenants with a bank receipt that shows where their money is being held at.

And if you're hoping to get a breakdown of everything you need to know about security deposits, we've got you covered [here](#)! The cost of a deposit may be determined by your credit score when the landlord runs a [credit check](#). A low score could mean a higher amount owed – security deposits are typically one- to two-month's rent – and vice versa. If you're considering a furnished apartment, your amount may be higher as well. [No credit](#)? A cosigner, roommate, or building up your credit by paying off small purchases could help your chances at getting a lower amount for your security deposit.

As you can see, there's clearly some differences between a move-in fee and a security deposit. While you may favor only paying for one, some landlords may require both in order for you to rent their apartment. And when you do eventually move out, check out these tips to [avoid losing your security deposit](#) completely!

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184 Responses



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