

California's 21-Day Security Deposit Return Law: What Landlords Must Do (and When)



Most California landlords know there's a deposit return deadline. Fewer know exactly when it starts — and almost none know about the good-faith estimate exception that can save a legitimate deduction when repairs aren't finished in time.

This guide covers what Civil Code §1950.5 actually requires, the clock-start rule that trips up landlords every summer, and the Berkeley-specific considerations that apply if your property is subject to the Berkeley Rent Board.

Quick Answer

California landlords generally must return a tenant’s security deposit — or provide an itemized statement of deductions — within 21 calendar days after the tenant vacates and the landlord regains possession of the unit. If repairs cannot be completed within that time, California law allows landlords to provide a good-faith cost estimate within the deadline and follow up with actual invoices once work is complete.

Key Facts: California’s 21-Day Security Deposit Rule

Deadline	21 calendar days from the date the tenant vacates and landlord regains possession
What must be sent	Itemized statement + receipts for deductions over \$125 + remaining balance
AB 2801 photos	Dated move-out photos must accompany the itemized statement
If repairs aren’t done	Send estimated itemized statement within 21 days; final costs within 14 days of last invoice
Penalty for missing deadline	Courts frequently disallow deductions; up to 2× wrongfully withheld amount if bad faith is found
Berkeley addition	Annual interest on deposit owed at 0.9% (2025 rate) — paid each year, not at move-out
Legal authority	California Civil Code §1950.5(g), §1950.5(l) · Berkeley Municipal Code §13.76

Prefer video? [Watch the 3-minute video version](#), with chapter links and a full transcript.

videoid="xMs_DBJ3TSc" title="California’s 21-Day Security Deposit Rule: What East Bay Landlords Need to Know"]

Video Transcript

A Berkeley tenant hands in their keys on June 15th. The lease runs through June 30th. The landlord makes a note: deposit return due June 30th plus 21 days — July 21st. That landlord is already late.

California's 21-day security deposit rule is one of the most consequential deadlines in landlord-tenant law — and the most commonly miscalculated. I'm going to walk you through exactly how it works, what it costs you to miss it, and one exception that most landlords have never heard of.

The 21-day clock starts when the tenant vacates and you regain possession of the unit. Not the last day of the lease. Not the day you finish the walkthrough. If your tenant leaves June 15th — your deadline is July 6th. Full stop.

This matters most in summer, when tenants move out early, hand in keys without notice, or leave belongings behind. At AEBP, we log the key return date in AppFolio immediately and set an internal 14-day reminder. That gives us a week of buffer before the hard deadline — enough time to handle a slow contractor or a delayed invoice. Within 21 calendar days — weekends count — you must send one of two things. If you're returning the full deposit: send the check. Done. If you're making deductions: you must send an itemized written statement listing every charge separately. Include copies of receipts or invoices for any deduction over \$125, and the remaining deposit balance. Each charge needs its own line. A single line saying "cleaning and repairs — \$650" does not satisfy the requirement.

Since April 2025, California also requires dated move-out photos taken before any work begins. Plus before-and-after photos of any work you're charging for. Those photos go with the statement.

Civil Code 1950.5 includes a good-faith estimate exception. If your contractor can't finish before the deadline, you have options. Send an estimated itemized statement by Day 21 — with a written note that final costs are pending. Then, send the actual invoices within 14 days

of receiving the last receipt. The estimate must be real and documented. A vague “repairs pending” notice won’t hold up in court.

If you miss the 21-day deadline, courts frequently disallow your deductions entirely — even if the damage was legitimate. And if a court finds bad faith, you can be ordered to pay the tenant up to twice the wrongfully withheld amount.

The fix is simple: know the correct start date, send the statement by Day 18, and use the good-faith estimate provision. For a full breakdown and our action checklist, the link is in the description. Reach out to us at alleastbayproperties.com.

Most Common Mistake

Many landlords calculate the 21-day deadline from the lease end date. In most cases, the clock starts when the tenant vacates and the landlord regains possession of the unit — which can be days or weeks before the lease formally ends.

The Good-Faith Estimate Exception (What Most Landlords Don’t Know)

We’re putting this first because it’s the provision that most directly affects landlords during peak turnover season — and most competing articles don’t cover it at all.

What do you do when you have legitimate damage but the repair won’t be finished before the deadline?

Civil Code §1950.5(g)(1) provides a limited exception: if repair work is not complete within 21 days, you may send an **estimated itemized statement** within the deadline, include a written notation that final costs are pending, and then provide the **actual final statement within 14 days of receiving the last invoice**.

This exception exists because contractors are often unavailable within 21 days, and the Legislature recognized that forcing landlords to choose between a missed deadline and an unsupported estimate was unworkable.

What the exception does **not** allow:

- Sending nothing and explaining later
- Sending a vague “repairs pending” notice without itemized estimates
- Using contractor delays as an indefinite extension

The estimate must be a real, good-faith estimate — not a placeholder. If your painter quoted \$550–\$650, document that range and use the midpoint or lower end. When the actual invoice arrives, send the final accounting within 14 days.

When Does the 21-Day Security Deposit Clock Start?

The 21-day clock starts when the tenant **vacates the unit and the landlord regains possession** — not the last day of the lease, not the day you receive the keys if that comes later, and not the day you complete your walkthrough.

In most straightforward move-outs, this means the date the tenant physically leaves and returns the keys. If a tenant’s lease runs through June 30 but they move out and hand over keys on June 15, your deposit return deadline is **July 6** — not July 21.

This distinction matters most during peak turnover season, when tenants sometimes vacate early or leave without formal notice. If you’ve been calculating from the lease end date, you may be operating on the wrong deadline.

What Must Be Included Within 21 Days

Under [Civil Code §1950.5\(g\)](#), you must send one of the following within 21 calendar days:

If you're returning the full deposit: Send the check. No itemized statement is required, but documenting your decision is good practice.

If you're making deductions: You must send all three of the following together:

1. An itemized written statement listing each deduction separately with its dollar amount
2. Copies of receipts or invoices for any deduction over \$125
3. The remaining deposit balance (deposit minus total deductions)

A single line reading “cleaning and repairs — \$650” doesn’t satisfy the itemization requirement. Each charge needs its own line. If you used a contractor, include their invoice. If you hired a handyperson at an hourly rate, include the hours worked and rate.

AB 2801 photo requirement: If you’re making deductions, California law also requires you to include dated photographs with the itemized statement — move-out photos taken before any cleaning or repairs began, plus before-and-after photos of any work you’re charging for. Photos must be delivered within the same 21-day window. For the full breakdown of what to photograph and when, see our [AB 2801 move-out photo documentation guide](#).

The statement must be **mailed or delivered** to the tenant’s last known address or any forwarding address they provided in writing, email, or text.

What Happens If You Miss the 21-Day Deadline

Missing the deadline triggers a two-tier consequence structure under California law.

Tier 1 — Late but not bad faith: Courts frequently disallow deductions when landlords fail to comply with the 21-day requirements, particularly when the tenant is prejudiced by the delay. Even legitimate damage claims can be lost on timing alone.

Tier 2 — Late AND bad faith: If a court finds you withheld the deposit without a legitimate basis — not just late, but without reasonable justification — you can be ordered to pay the

tenant **up to 2× the wrongfully withheld amount** in addition to the return of the deposit itself. ([Civil Code §1950.5\(l\)](#))

Courts have found bad faith where landlords had no documentation, made no attempt to itemize, or ignored the deadline entirely. “I didn’t know the deadline” has not fared well as a defense.

What We See in East Bay Turnovers

Having managed residential rentals across Oakland, Berkeley, Emeryville, and Richmond since 2005, we’ve found that deadline miscalculations — not improper deductions — are the most common cause of security deposit disputes we inherit from self-managing landlords.

In almost every case, the landlord calculated from the lease end date, not the actual move-out date. In Berkeley especially — where tenants are more likely to know their rights and have access to Rent Board resources — a gap of even a few days can be the difference between a defensible position and an indefensible one.

We track move-out dates in AppFolio from the moment we receive any indication a tenant is leaving and set an internal reminder at day 14 to confirm the itemized statement is ready. That 7-day buffer has prevented deadline misses on units where contractors ran late or final invoices were delayed. The good-faith estimate provision is one we use regularly — and using it correctly (real estimate, clear notation, prompt follow-up) has never generated a dispute.

Day-by-Day: What a Landlord Should Be Doing

Day	Action
Day 0	Tenant vacates and returns keys. The clock starts. Confirm the exact date.

Day	Action
Day 1-3	Conduct move-out walkthrough. Take AB 2801-compliant photos before any work begins.
Day 3-5	Assess damage vs. normal wear and tear. Get repair quotes from contractors.
Day 7	Confirm contractor availability. If repairs won't finish before Day 21, get written estimates.
Day 14	Internal deadline check — is the itemized statement ready? If using the estimate exception, finalize estimates now.
Day 18-19	Send itemized statement (final or estimated) with any receipts received to date.
Day 21	Hard deadline. Statement must be postmarked or delivered by end of day.
Within 14 days of final invoice	If you sent an estimated statement, send the final accounting with actual receipts.

California 21-Day Security Deposit Return Window



Good-faith estimate exception

If repairs won't finish by Day 21 — send an estimated itemized statement by Day 21, then provide actual invoices within 14 days of the last receipt.

The 21-day window has four key checkpoints. Days 14–21 are your danger zone — use Day 14 as your internal send-or-explain deadline.

Berkeley-Specific Considerations

Berkeley follows California’s 21-day deadline — there is no local extension or modification of the state timeline.

However, Berkeley landlords covered by the Rent Ordinance have an additional obligation that is separate from the move-out process: **annual interest on security deposits**. Under Berkeley Municipal Code §13.76, landlords must pay tenants interest on their security deposits at a rate set annually by the Berkeley Rent Board.

Two things Berkeley landlords commonly get wrong:

The timing: Interest is owed **annually** — not at the end of the tenancy. The Berkeley Rent Ordinance requires landlords to pay or credit interest by the end of December each year, or deduct the owed amount from January rent. It is not something you calculate and pay out at move-out only.

The rate: The current rate (for 2025 deposits) is **0.9%** — low enough that many landlords are unaware it applies at all, but a compliance obligation nonetheless. The Berkeley Rent Board publishes the rate annually at rentboard.berkeleyca.gov.

If you have not been paying deposit interest annually, that is a separate issue from the 21-day return deadline — and worth addressing before your next move-out.

Current rule at a glance

Frequently Asked Questions

When does the 21-day security deposit clock start?

In most situations, the clock starts when the tenant vacates and the landlord regains possession of the unit. This is typically the date the tenant physically leaves and returns the keys — not the last day of the lease.

Does the 21 days include weekends?

Yes. The deadline is 21 **calendar** days, not business days. Weekends and holidays count.

Can a landlord extend the 21-day security deposit deadline?

Generally no. The one exception is when repair work or vendor invoices cannot reasonably be completed within 21 days. In that situation, Civil Code §1950.5 allows a landlord to send a good-faith estimated itemized statement within the deadline and provide the final accounting within 14 days of the last invoice. This is not an extension — the statement must still be sent within 21 days.

Can I send the statement and hold back part of the deposit while repairs are completed?

Yes — under the good-faith estimate exception, you can itemize the estimated cost, deduct it from the deposit, send the remaining balance, and provide actual invoices once work is complete. The estimate must be documented and specific, not a round number.

What if my tenant didn't leave a forwarding address?

Mail the statement to the rental unit address and document that you did so. If the tenant provided a forwarding address in writing, email, or text at any point, use that address instead.

What if the tenant owes unpaid rent in addition to damage?

Unpaid rent is a permissible deduction under §1950.5 — include it as a line item in the same itemized statement. You do not need a separate legal process to deduct unpaid rent from a

security deposit, but it must be documented and itemized like any other deduction.

Is Berkeley deposit interest included in the 21-day statement?

If interest has accrued since your last annual payment and the tenancy ends mid-year, include the prorated interest as a line item in the itemized statement. Note that Berkeley requires annual interest payments — not just a lump sum at move-out — so this should only be a small prorated amount if you've been paying on schedule.

Legal Authority

- [California Civil Code §1950.5\(g\)](#) — deposit return deadline and itemization requirements
- [California Civil Code §1950.5\(l\)](#) — bad faith penalty
- [Berkeley Municipal Code §13.76](#) — annual interest on security deposits

The Bottom Line

California's 21-day security deposit law is specific, and the consequences of getting it wrong scale quickly — from losing a legitimate deduction to paying a penalty that exceeds the original deposit. The two things that protect East Bay landlords most are knowing the correct clock-start date (vacate date, not lease end) and knowing that the good-faith estimate exception exists and how to use it correctly.

If you'd like to understand what's deductible before you get to the deadline, see our [California Security Deposit Deductions guide](#). For the photo documentation that supports any deduction claim, see our [AB 2801 move-out photo guide](#). For the full move-out process from notice to key return, see our [California Tenant Move-Out Checklist](#).