

New Jersey Security Deposit Laws: Limits, Deductions and Deadlines

Summary for landlords and property managers. Last reviewed October 29, 2026. Full guide: <https://www.generationadvisory.com/laws/new-jersey-security-deposit-laws>

New Jersey's Security Deposit Act limits deposits to one and a half months of rent, requires the money to sit in an interest bearing account at a New Jersey institution and gives the landlord 30 days after the tenancy ends to return it with an itemized list.

Key points

- A security deposit cannot exceed one and a half months of rent, and any later yearly increase is limited to 10 percent of the current deposit.
- The landlord must return the deposit with interest, less lawful deductions, within 30 days after the tenancy ends, or within five business days when a fire, flood, condemnation or evacuation displaces the tenant.
- Any deductions must be listed in an itemized statement sent with the balance by personal delivery or registered or certified mail.
- Interest earned belongs to the tenant and is paid in cash or credited toward rent each year on the lease anniversary or renewal, or on January 31 if the tenant was told in writing.
- A tenant whose deposit is wrongfully withheld can sue for double the amount withheld, plus court costs and reasonable attorney fees.

New Jersey at a glance

Rule	New Jersey	Law
Deposit limit	A security deposit cannot exceed one and a half months of rent, and any later yearly increase is limited to 10 percent of the current deposit.	N.J.S.A. 46:8-21.2
Deadline to return the deposit	The landlord must return the deposit with interest, less lawful deductions, within 30 days after the tenancy ends, or within five business days when a fire, flood, condemnation or evacuation displaces the tenant.	N.J.S.A. 46:8-21.1
Itemized deductions	Any deductions must be listed in an itemized statement sent with the balance by personal delivery or registered or certified mail.	N.J.S.A. 46:8-21.1

Rule	New Jersey	Law
Interest on deposits	Interest earned belongs to the tenant and is paid in cash or credited toward rent each year on the lease anniversary or renewal, or on January 31 if the tenant was told in writing.	N.J.S.A. 46:8-19
Penalty for wrongful withholding	A tenant whose deposit is wrongfully withheld can sue for double the amount withheld, plus court costs and reasonable attorney fees.	N.J.S.A. 46:8-21.1

Mistakes to avoid

- Skipping a dated move-in condition report with photos, then having nothing to compare against at move out.
- Charging for normal wear and tear.
- Missing the return deadline, even by a few days.
- Not asking for a forwarding address before the tenant leaves.
- Losing track of deposit money by mixing it with operating funds without a ledger.

Verify current law

Laws named in this summary:

- N.J.S.A. 46:8-21.2
- N.J.S.A. 46:8-21.1
- N.J.S.A. 46:8-19

Official sources:

- New Jersey Department of Community Affairs: Truth in Renting guide:
https://www.nj.gov/dca/codes/publications/pdf_lti/t_i_r.pdf
- New Jersey Department of Community Affairs: landlord tenant information:
<https://nj.gov/dca/home/landlord-tenant.shtml>
- New Jersey Office of the Attorney General: Fair Chance in Housing Act:
<https://www.njoag.gov/about/divisions-and-offices/division-on-civil-rights-home/know-the-law/fair-chance-in-housing>
- New Jersey Legislature: statutes: <https://www.njleg.state.nj.us/>
- New Jersey Courts: landlord tenant: <https://www.njcourts.gov/courts/civil/landlord-tenant>

General information, not legal advice. Check current law and talk to a New Jersey attorney before you act. Last reviewed October 29, 2026.