

40. Useful Life

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A. Takeaway

Useful life is the approximate period of time that an item or asset can reasonably be expected to last before it must be replaced or undergo major maintenance. This policy guideline explains how useful life may affect claims for compensation for damage to property and additional rent increase applications for eligible capital expenditures.

Keywords: compensation, damage to property, loss, useful life, betterment, nominal damages

B. Related Guidelines

[Policy Guideline 16: Compensation for Damage or Loss](#)

C. Legislative Framework

The following sections describe compensation for damage or loss.

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<i>Residential Tenancy Act (RTA)</i>	<i>Manufactured Home Park Tenancy Act (MHPTA)</i>
<ul style="list-style-type: none"> • section 7 • section 32 • section 67 	<ul style="list-style-type: none"> • section 7 • section 26 • section 60

Under section 7 of the Residential Tenancy Act (RTA) and the Manufactured Home Park Tenancy Act (MHPTA), a landlord or tenant who does not comply with the applicable Act, Regulations or their tenancy agreement must compensate the other party for damage or loss that results from the non-compliance, subject to the other party taking reasonable steps to minimize the damage or loss. Section 32 of the RTA and section 26 of the MHPTA provide the landlord and tenant obligations to repair and maintain the rental unit. Section 67 of the RTA and section 60 of the MHPTA provide that if damage or loss results from a party not complying with the Act, the regulations or a tenancy agreement, the director may determine the amount of, and order that party to pay, compensation to the other party.

D. Policy

The table in this guideline (see [G. Table](#)) sets out estimates of useful life for several common items or assets found at rental properties. The estimates in the table are a general guideline that may be used in determining an amount of compensation when an item or asset has been damaged.

Actual life expectancy varies with usage, weather and climate, manner of installation, maintenance, and quality of materials. Accordingly, the director may decide not to apply the estimated useful life of an item or asset when there is evidence that demonstrates a different expected useful life. For example, a warranty or guarantee may provide information about the expected useful life of an item or asset. In another example, the failure to perform the manufacturer's recommended maintenance could lead to an expected shorter useful life. Where there is no evidence available, the director may rely on the table to estimate the useful life of the damaged item or asset.

Rule 6.6 of the [Rules of Procedure](#) says that the onus to prove their case is on the person making the claim. As such, where the parties do not agree about the useful life of an item or asset, it is expected that the claimant will submit any documentary

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evidence available to them relating to the useful life of that item or asset. If the claimant does not submit this evidence when it is available to them, the director may decide not to rely on the table to fill the evidentiary gap.

If no estimated useful life is listed for the damaged property or asset and the evidence does not establish what its useful life would have been, the director may approximate its useful life by referring to an item or asset in the table that the director considers to be similar in character.

Betterment

Compensation for damage or loss is meant to put the person who suffered the damage or loss (claimant) in the same position as if it had not occurred (see [Policy Guideline 16: Compensation for Damage or Loss.](#)) Repair or replacement of a damaged item or asset, may improve the value or condition of the claimant's property, putting the claimant in a better position than they were in before the damage occurred. This is a concept known as betterment. Compensation may be adjusted to account for betterment by considering the remaining useful life of the damaged property at the time the damage occurred.

Claimants often seek the full cost of a repair or replacement. If the repair or replacement resulted in betterment, awarding the full cost of repair or replacement could result in overcompensation. For example, if a person replaces a damaged ten-year old fridge with a new fridge, awarding compensation for the full cost of replacement may put the claimant in a better position than before the damage occurred. Therefore, the director may consider the remaining useful life of the damaged fridge and adjust the amount of compensation to reflect its value at the time the damage occurred.

In some cases, a damaged building element may be replaced with a different type of building element. If this occurs, the award could be based on the remaining life and value of the original building element. For example, a landlord may replace a damaged carpet with new vinyl plank flooring, which is more expensive than a new, similar carpet. However, the amount of compensation the director awards may be based on the remaining useful life of the original carpet and the cost of a new carpet, rather than the higher cost of the vinyl plank flooring.

Antique, rare, or collectible property

Some property may increase in value with age because it is antique, rare or

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collectible. Claims involving this type of property can be difficult to prove and supporting evidence should be submitted to substantiate its value. For example, a professional appraisal, or the documented insured value of the item could be used in support of a claim.

Compensation for full repair or replacement costs

Sometimes an award for the full cost of a repair or replacement may be ordered, even if the damaged property was not new. This may be the case in claims where no obvious improvement in the condition or value of the property has occurred as a result of the repair or replacement (see example #3 under [F. Examples](#)).

The director may also order full repair or replacement costs if the loss or damage is proven to have been intentionally caused or the result of grossly negligent behaviour.

Nominal damages

If there is minimal loss, or no significant loss is proven, nominal damages may be awarded. This may be the case if property is found to be at or past the end of its useful life but still functioning, meaning it likely still has some value. For example, a fridge may continue to function in good working order for many years beyond the end of its useful life. If damaged or destroyed, a nominal amount may be awarded.

Used items

If damage occurs to an item or asset that was in used condition when first installed, then the director may consider the age of the item or asset at the time of installation when determining its useful life.

E. Additional Rent Increases

A landlord may apply to the director for an order approving a rent increase that is greater than the annual rent increase in the circumstances set out in regulation. As described below, the director may refer to the table in this guideline for assistance when deciding those applications.

Residential Tenancy Regulation

Under the Residential Tenancy Regulation, a landlord may apply for an additional rent increase when they have incurred capital expenditures for an eligible reason.

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One such reason could be the installation, repair or replacement of a major system or major component that is close to the end of its useful life. Additionally, one of the requirements for a capital expenditure to be eligible for an additional rent increase is that the expenditure not be expected to recur for at least 5 years. The director may refer to the table in this guideline for assistance in determining whether a major system or major component is at the end of its useful life or whether a capital expenditure is expected to recur within 5 years. However, it is also expected that the landlord will submit any documentary evidence available to them relating to the useful life of the capital expenditure, if there is a disagreement as to whether a major system or major component is at the end of its useful life or if a capital expenditure is likely to recur within 5 years. If a landlord does not do so, the director may choose not to refer to the table.

For more information on additional rent increases for eligible capital expenditures, see [Policy Guideline 37C: Additional Rent Increase for Capital Expenditure](#)

Manufactured Home Park Tenancy Regulation

One of the circumstances allowing an additional rent increase to be granted under the Manufactured Home Park Tenancy Regulation is when the landlord has completed significant repairs or renovations to the manufactured home park that are reasonable and necessary and that will not recur within a time period that is reasonable for the repair or renovation. Factors the director must consider on an application for an additional rent increase also include whether an increase in costs for repair or maintenance arose from inadequate repair or maintenance in previous years.

The director may refer to the table in this guideline for assistance in determining the time period in which it will be reasonable for the repair or renovation to recur. It may also provide assistance in assessing whether a significant repair became necessary because of inadequate repairs and maintenance over the years. However, landlords should still submit any documentary evidence available to them related to the time period in which the repair or renovation will recur and the relevant repairs and maintenance that had taken place prior to the significant repair or renovation.

For more information on additional rent increases for manufactured home park tenancies, see [Policy Guideline 37D: Additional Rent Increase for Expenses](#)

F. Examples

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1. A landlord claims against a tenant for the full cost of refinishing hardwood floors in a rental unit. The tenant is found to have caused damage requiring the floors be refinished. The director considers the length of the tenancy and determines that the damage is not normal wear and tear. It is also established that the floors are 50 years old and had not previously been refinished. Table E (below) indicates the original finish was well past the end of its useful life before the damage occurred. No evidence was submitted to establish the finish on these floors had a longer useful life. Refinishing has improved the floors to like-new condition. The age of the original finish and lack of evidence to establish a different useful life suggests the damage caused by the tenant resulted in a minimal loss and as a result, nominal damages may be appropriate.
2. Same general circumstances as Example #1 above, but in this case the landlord has submitted evidence establishing on a balance of probabilities that although the floor finish was original, it was in excellent condition prior to the damage so that the director should not rely on the useful life in Table E. This suggests that an amount greater than nominal damages may be appropriate.
3. A tenant backs their car into an exterior wall of the residential property causing structural damage. Broken studs are replaced and the exterior and interior finishes are repaired and patched, restoring the property, more or less, to its previous condition. An award for the full amount of the cost of the repairs may be appropriate because there is no obvious improvement in the condition or value of the property.
4. A tenant's dog jumps on the door to the dishwasher in their rental unit breaking it. The dishwasher was 5 years old. The landlord replaces the dishwasher with a new, comparable unit at a cost of \$900. Because the previous dishwasher was half-way through its estimated useful life of 10 years, an award of approximately \$450 may be appropriate.

G. Table

Category	Component	Estimated Useful Life in Years
Driveways, walkways and	Asphalt	20
	Concrete	25

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patios	Gravel	10
	Brick pavers	20
Fences and walls	Concrete	30
	Wood	15
	Chain-link	25
	Metal, wrought iron	25
Roof	Asphalt shingle	20
	Tar and gravel	20
	Bitumen	20
	Rubber/membrane	25
	Wood, cedar shake	25
	Metal	35
	Clay tile	25
	Slate	30
Exterior walls, facades, and siding	Concrete retaining wall	30
	Window wall	30
	Brick or stone veneer siding	45
	Vinyl siding	30
	Insulated panel siding	25
	Masonite siding	30
	Composite/cement board siding	40
	Metal siding	40
	Glass block	50
	Stucco	30
	Wood siding	15
Balconies and decks	Wood balcony	15
	Concrete balcony	25
	Metal balcony	40
	Composite balcony	40
	Wood deck	15
	Composite deck	40
	Wood railings	15
	Composite railings	40
	Concrete railings	25
	Glass panel railings	19
	Metal railings	40
	Vinyl decking	20

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Windows	Vinyl frame	20
	Wood frame	35
	Aluminum frame	35
	Window coverings (shades, blinds, etc.)	15
	Screen	5
	Window crank/opener	15
Doors	Exterior (all types)	30
	Interior: closet door	20
	Interior: solid-core, metal clad, fire-rated	30
	Interior: hollow-core	20
	Interior: glass (French doors or sliding glass)	25
	Screen	5
	Bifold	15
Plumbing	Pipes	30
	Plumbing fixtures	20
	Faucets	15
	Tub/shower/sink: cast iron	60
	Tub/shower/sink: enamel or fiberglass	30
	Tub/shower/sink: porcelain	20
	Toilet	20
Electrical	Panel	30
	Wiring aluminum	19
	Wiring Copper	24
	Switches and outlets	25
	Light fixtures	15
	Generator	20
Temperature control and hot water	Electric baseboard heater	40
	Electric radiant heater	40
	Furnace	15
	Heat pump	15
	Exhaust and supply fans	20
	Fan coil units	20
	Heat exchanger	15
	Heating system	15
	HVAC system	20
	Air conditioner (window or through-wall unit)	15

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	Ceiling fan	15
	Electric fan	10
	Hot water tank	15
	Tankless hot water heater	25
	Thermostat	10
	Boiler	25
	Fireplace: brick	60
	Fireplace: insert	50
	Fireplace: gas or electric	25
Flooring	Hardwood (until refinishing)	10
	Hardwood (until replacement)	30
	Engineered wood	20
	Carpet	12
	Laminate	15
	Linoleum	20
	Vinyl	25
	Asphalt	10
	Parquet	20
	Ceramic Tile	20
	Stone	40
Interior walls	Drywall	35
	Plaster	50
	Wallpaper	15
	Tile, stone, ceramic, glass	35
Paint	Exterior	10
	Interior	6
Appliances	Washer/Dryer	12
	Fridge/Freezer	15
	Range, oven	15
	Cooktop	15
	Range hood	15
	Garburator	10
	Microwave	10
	Dishwasher	10
Countertops and cabinets	Countertop: granite	20
	Countertop: stone	50
	Countertop: metal	40

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	Countertop: wood, laminate	15
	Countertop: cultured marble	25
	Kitchen cabinets: laminate/particle board/plywood	15
	Kitchen cabinets: solid wood	30
Miscellaneous	Garage door: wood	30
	Garage door: fiberglass	35
	Garage door: metal	40
	Mirror	20
	Closet and storage shelving	20
	Interior railing: wood	15
	Interior railing: metal	25
	Ceiling fan, exhaust fan/vent	15
	Insulation: spray foam	60
	Insulation: fiberglass, loose fill, mineral wool	30
	Fire extinguisher, smoke/C02 detector	10
	Fire sprinkler system	30
	Intercom	15

H. Policy Guideline Intention

The Residential Tenancy Branch issues policy guidelines to help Residential Tenancy Branch staff and the public in addressing issues and resolving disputes under the *Residential Tenancy Act* and the *Manufactured Home Park Tenancy Act*. This policy guideline may be revised and new guidelines issued from time to time.

I. Changes to Policy Guideline

Section	Change	Notes	Date Guideline Changed
All	am	Formatted to new template	February 5, 2025
All	new	Updated table and preliminary information	February 5, 2025

Change notations

am = text amended or changed

del = text deleted

new = new section added