

The draft Tenant Fees Bill, which aims to ban certain Lettings fees, was introduced into Parliament this month. IMA Research explores what this might mean for Landlords, Tenants and Agents.

Background

Draft legislation to put a ban on lettings fees for Tenants, the Tenant Fees Bill, has been discussed by Parliament and a Committee will now evaluate the Bill to move it forwards to be enshrined into law.

The idea is that agents should charge only their clients (Landlords) to provide the service of finding and securing a Tenant and Landlord earn only from their rental income.

Key Points in the Bill

- Ban to include all upfront fees charged to Tenants to set up a tenancy, including charges for referencing, as well as charges to continue a tenancy once the original tenancy term expires
- Deposits to be limited to six week's worth of rent; 'holding deposits' to one week's worth
- Other fees for things like replacement keys can still be charged to Tenants, but even these have to be made clear from the outset of the tenancy
- Landlords cannot recover possession until any unlawfully charged fees returned to Tenants

What Does This Mean?

[Hopefully] greater transparency for all parties involved – Tenants and Landlords know exactly what they are charged and why, and agents and Landlords face serious penalties for breaching the new laws.

Ishil Mehta, Managing Director, says: *“IMA has never charged unnecessary fees to either tenants or landlords and never will. We want to create long-term, trust-filled relationships between ourselves, our clients and our tenants.”*

For further information or advice, including discussing letting through IMA as a landlord or tenant, please call Ishil or a member of our Lettings and Property Management teams on 020 3371 1460.

Some 'commentators' fear huge rises in rents to make up for agents being unable to charge the same fees they can get away with under current law; however, a similar ban introduced in Scotland six year ago has resulted in no such effect.

We think this is more scaremongering rather than actual intellectual forecasting; therefore, agents who engage in good practice from now should mean they can continue to offer fair rents and retain happy Landlords and Tenants alike.

How Can IMA Help?

IMA already adhere to the Bill's principles [we think it should be called the 'Do It Like IMA' Bill]:

- No charge to Tenants to set up tenancies
- No charge to Landlords at check-out
- Any fees competitive, clearly explained, and available from the first point of contact

We can help answer questions you may have about your existing fee or tenancy agreements, such as:

- Whether the fees adhere to upcoming law
- What the fees are for, whether they are fair and valid charges – and if not, what *should* you expect to be charged for and when
- Whether your fees are in line with market rates
- How to put things right on your next tenancy

£0

Fees charged to Tenants at tenancy set-up

12 Hours

Time within which IMA Property Management calls attended to

6 Months FREE

IMA Spring Offer for new Landlords – call for more info