

Landlords & Tenants... Change is Here!

WHAT: BAN ON MOST TENANT FEES WHEN: 1st JUNE 2019

The Tenant Fees Act 2019 seeks to prohibit all fees, and other payments however dressed up, charged to tenants whether at the start of a tenancy or during a tenancy other than those expressly permitted by the legislation.

As the brand-new lettings and management agent in the village, we have anticipated the likely impact of the Tenant Fee Ban on our Landlords as well as for the wider industry. We have therefore already taken the initiative and implemented the new legislation within our business before the ban comes into force.

This makes us perfectly placed to offer a competitive rate for property owners using us to let and manage their property as we will not pass on any administration fees including preparation of the Tenancy Agreement, Inventory and Check-In to our Landlords; these are all already included in our standard letting fee.

It is common practice for letting agents to take commission or referral fees from contractors working on properties which are then passed on to the Landlord; this is not a practice that we have adopted at Hestia Lettings & Management and therefore we believe we offer better value for money for our Landlords.

HESTIA

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Simply put, the key changes under the Tenant Fees Act 2019 are as follows:

AT THE START OF A TENANCY ——— FEES AND CHARGES TO TENANTS WILL BE BANNED FOR:

- **References**
- **Tenancy Agreements**
- **Inventory**
- **Check-in**
- **Lodging the tenancy deposit**

In summary, there must be no Application or Administration charges for the Tenant.

DURING THE TENANCY ——— THERE MUST BE NO FEES FOR:

- **Renewal of a fixed-term**
- **Check-out**
- **Providing an outgoing reference**

HOLDING DEPOSIT ———

Other changes under the Tenant Fees Act 2019 include a restriction on the amount of any holding deposit taken by the Landlord.

Once a tenant has been found for a property and a formal offer has been made, the Agent or Landlord can take a Holding Deposit which will reserve the property whilst references are completed and Tenancy Agreements are drawn up.

The Holding Deposit is usually refundable although there are circumstances where it may be retained in part or in full if the tenancy does not proceed to completion.

Any Holding Deposit is then usually put towards the Tenancy Deposit or the first month's rent.

From 1st June, the amount of the Holding Deposit has now been capped at an equivalent sum of one week's rent.

TENANCY DEPOSIT ———

Often called a security deposit, these funds provide a landlord with security if a tenant causes damage to a property, does not return it in its original condition, does not pay their rent or breaks the terms of their tenancy agreement.

From the 1st June, the amount of the Tenancy Deposit will be capped at an equivalent sum of five weeks' rent.

The Tenancy Deposit must still be protected by one of the Government-backed tenancy deposit schemes.

HOW WE CAN HELP ———

There is so much to say on this important new legislation - this is not intended to be legal advice but instead merely a snapshot overview of the changes brought about by this new important law that applies to both Letting Agents and Landlords.

At Hestia Lettings & Management, we are already compliant with the new law; if you would like to discuss how it affects you and your property or to review your individual requirements, please do contact us at our Cranleigh office on 01483 276565 or cranleigh@hestiapropertylettings.co.uk.

We look forward to hearing from you.

