

Stop the lettings agency fees rip-off



Swindon Housing Action Campaign

Swindon Housing Action Campaign is campaigning around a number of proposals which we are asking lettings agencies to adopt. We are calling on them to cut the extortionate costs that private tenants have to pay in order to get a tenancy. Here we explain how tenants are exploited and explain our proposals.

Swindon Housing Action Campaign has been investigating agency fees in Swindon. Lettings agencies are ripping off private tenants by charging fees which are certainly not justified by the amount of work they do. Nor is there any rationale for the considerable differences between rates for the same type of work charged by different agencies. The difference between the overall fees of agencies is substantial, from £200 to £497 for 1 person, from £240 to £622 for 2 adults. The average fee for one person (for the 33 agencies we have checked) is £292 and £362 for two. This means the financial burden is greatest on individuals. In the case of many agencies there is an *additional* fee to pay for 'check out' at the end of a tenancy so the overall fee for each tenancy is higher still.

Letting Agencies are taking advantage of the shortage of housing to exploit tenants. It should be borne in mind that they are also charging landlords for finding tenants and providing managing the property. So they take money *on both sides* of each letting and re-letting.

The amount of money that private tenants have to pay in order to get a tenancy is extortionate, especially when you consider that tenancies can be as short as six months. Below we give some examples of properties with local agencies (See Appendix). As you can see, when you combine a month's rent in advance, the security deposit and agency fees, even a tenant looking for a 1 bed property can face having to pay out £1,500 to £2,000. The overall cost in the examples we show for 1 bed flats/apartments varies from £1,140 to £2,010. For a two or three bed property you will probably have to pay more than £2,000 to secure a tenancy. It's no surprise, therefore, that both Shelter and the Citizens Advice Bureaux have reported that many tenants have to either borrow this money off of their family or from commercial sources.

Some agencies charge a specific fee for a Tenancy Agreement, usually £200 and in the case of Taylor's a whopping £300. These are standard documents which require little else than printing off.

In Scotland agency fees have been banned. SHAC supports the extension of this to England, as do Shelter and Citizens Advice Bureaux. If you go to an employment agency for a job you don't pay them because the agency is providing a service to the employer, finding them an employee. Likewise a lettings agency is either finding a tenant for a landlord and/or management of the property. However, so long as fees remain legal in England we think it's important *to campaign to cut the costs for tenants*, who are being fleeced by landlords¹ and agencies.

1 See article on rising private sector rents: <http://swindonhousingaction.org/swindon-private-sector-rents-rip-off>

Therefore, SHAC will be campaigning around a number of proposals which would make the upfront costs of finding a private rented home less expensive. We will be contacting all local letting agencies and calling on them to:

1. Limit security deposits to one month's rent

A small number of agencies charge one month's rent as a security deposit, as opposed to 1.5 months or 6 weeks, which the majority charge. It may go as high as 2 months. Given the fact that tenants have to fork out one month's rent in advance, and agency fees, a lower security deposit makes a substantial difference. If your rent is £800 per calendar month then having to pay a month's deposit instead of 1.5 months means you pay £400 less deposit.

2. End the charging of Renewal fees

Fees for extending/renewing a tenancy are a real rip off. Some agencies are charging more than £100 even when there is no alteration to the contract. Yet one agency, Belgravia, does not charge renewal fees either to the tenant or the landlord. As the Manager said to us, "it's only a piece of paper we are printing off".

3. Incorporate Inventory/check-in/check-out in the overall fees

Some agencies include inventories or check-in/check out charges in their fee. Others charge them *on top of* their up-front fees. Belgravia includes a £50 inventory at the start and £50 when leaving, as part of their fee. It's carried out by an independent inventory clerk so Belgravia doesn't make any money on this. In contrast Gatekeeper charges £150 'administration fee' at the end of a tenancy. Connell's charges £144 for an inventory check of a furnished property. We have found seven agencies that include inventory/check-in/check-out in their administration fee but most don't.

4. Charge more realistic fees for Reference/credit checks

Credit/reference checking is now very cheap. Yet some agencies charge extraordinary amounts. For instance Forefront charges £240 for the first person and £120 for additional tenants. Charles Harding charges £210 for referencing. Atwell Martin charges £250 for referencing of one person and £350 for two. Yet Belgravia includes them in their fee and they cost only £19.95 including VAT per person.

5. End the use of non-returnable fees

One of the most objectionable aspects of the conduct of letting agencies is where they take a non-refundable payment. If a tenant does not gain a tenancy through no fault of their own then they are being fleeced for a service which provides them with nothing. Non-refundable fees should be stopped.

6. Charge lower fees for individuals

Some agencies charge a fixed amount for one or two people. Some charge a lower fee for individual tenants. Given the financial pressures that single people are under, especially (though not exclusively) young ones, we are calling on agencies to charge lower fees for single tenants.

7. Provide longer, more secure tenancies

The absence of long term secure tenancies in the private rented sector makes it difficult for individuals and families to live settled lives. Tenancies as short as six months often mean

that tenants are paying regular fees for staying in the same property, or they are forced to move about as landlords remove them even though they have treated the property perfectly well. We are asking agencies to press landlords to provide tenancies of a minimum of 1 year (unless the tenant wants a shorter one for a specific reason), preferably longer.

Help us pressure agencies to cut fees

We will be writing to agencies and attempting to open up a dialogue with them. You can help our campaign to cut costs for tenants by emailing letting agencies in support of our proposals. Below is a list of contact details for local agencies. If you receive a response please let us know what they have to say by emailing us at

shac@swindonhousingaction.org

We will report back on the responses we receive.

Here are some of the agencies you can write to or email:

Allen & Harris, 1 / 2 College Court, Swindon SN1 1PZ swindontclet@allenandharris.co.uk

Ashcox & Stone, Suite L, Market House, 2 Marlborough Rd, Swindon SN3 1QY

office@ashcoxandstone.co.uk

Atwell Martin, 56-57 Godwin Court, Old Town Swindon SN1 4BB www.atwellmartin.co.uk/

staff/chris-pomphrey

Castles, 47-49 Westcox House, Commercial Rd, Swindon SN1 5NX

mark@castlesproperty.co.uk

Chappells, 76 Victoria Rd, Old Town, Swindon SN1 3BB phil@chappells.uk.com

Connells, Unit B11, North Swindon District Centre, Thamesdown Drive, Swindon SN25

4AN swindonnorth@connells.co.uk

Dewhurst, Taw Hill Village Centre, 27 Aiken Rd, Swindon SN25 1UH

manda@dewhurstandco.com

Forefront, Basepoint Business Centre, Rivermead Drive, Swindon SN5 7EX

enquiries@forefrontproperty.co.uk

Gatekeeper, Nexus, 6 Derby Close, Swindon SN2 2PN enquiry@gatekeeper.co.uk

Charles Harding, 8/9 Commercial Rd, Swindon SN1 5NF michael@charles-harding.co.uk

In-house, 54 Godwin Court, Old Town, Swindon SN1 4BB mikeb@inhouseproperty.co.uk

Richard James, 101 Victoria Rd, Old Town, Swindon SN1 3BD mandy@richardjames.info

Martins, 108 Commercial Rd, Swindon SN1 5PL swindon@martinco.com

Nationwide Property Ltd, Queens House, College Court, Regent Circus, Swindon SN1

1PZ gary@nationwidepropertylettings.com

NFJ Lettings, Newport Suite 1, Market House, Marlborough Rd, Old Town, Swindon SN3

1QY info@nfj.co.uk

Primary, 101 Commercial Rd, Swindon SN1 5PL info@primaryhomesandlettings.co.uk

Ridgeway, 13 Commercial Rd, Swindon SN1 5NF swindon@ridgewayestateagents.co.uk

Right Rental, 3 Temple Chambers, Temple St, Swindon SN1 1SQ rob@right-rental.co.uk

Strakers, 39 Commercial Rd, Swindon SN1 5NS swindoncentre@strakers.co.uk

Swindon Property Group, 124-125 Commercial Rd, Swindon SN1 5PL

info@swindonpropertygroup.com

Taylor's, 115 Commercial Rd, Swindon SN1 5PL www.taylorsestateagents.co.uk/contact/

Michael Tuck, 6 The Neighbourhood Centre, St Andrews Ridge, Swindon SN25 4FD

lettings.swindon@michaeltuck.co.uk

Appendix

Some examples of overall costs

Agency	Property	Rent	Deposit	Fees	Total
Allen & Harris	1 bed flat	£550 pcm	£650	£450	£1,650
	2 bed flat	£675 pcm	£775	£450	£1,890
	2 bed house	£800 pcm	£900	£450	£2,150
	3 bed house	£695 pcm	£795	£570 (2)	£2,050
ATC Property Management	Shared	£400 pcm	£400	£120	£920
	1 bed flat	£500 pcm	£500	£240	£1,240
	2 bed flat	£675 pcm	£675	£240	£1,590
	2 bed house	£725 pcm	£725	£240	£1,690
	3 bed house	£875 pcm	£875	£240	£1,990
Ashcox & Stone	1 bed flat	£625 pcm	£937	£290	£1,852
	2 bed flat	£750 pcm	£1,125	£340 (2)	£2,215
	3 bed house	£850 pcm	£1,200	£340 (2)	£2,390
Attwell Martin	1 bed flat	£695 pcm	£834	£250	£1,779
	2 bed flat	£875 pcm	£1,050	£350 (2)	£2,275
	2 bed house	£700 pcm	£840	£350 (2)	£1,890
	3 bed house	£795 pcm	£954	£350 (2)	£2,099
Belgravia	2 bed flat	£650 pcm	£650	£300 (2)	£1,600
	2 bed house	£750 pcm	£750	£300	£1,800
	3 bed house	£895 pcm	£895	£400	£2,190
Belvoir	Shared	£445 pcm	£545	£225	£1,215
	1 bed flat	£485 pcm	£585	£225	£1,295
	2 bed flat	£675 pcm	£775	£225	£1,675
	2 bed house	£725 pcm	£825	£225	£1,775
	3 bed house	£845 pcm	£945	£225	£2,015
Carringtons	Shared	£350 pcm	£250	£120	£720
	1 bed flat	£450 pcm	£450	£240	£1,140
	2 bed Flat	£550 pcm	£550	£240	£1,340
	2 bed house	£550 pcm	£550	£240	£1,340
	3 bed house	£695 pcm	£695	£330 (2)	£1,720
Castles	1 bed flat	£625 pcm	£725	£240	£1,590
	2 bed flat	£775 pcm	£885	£240	£1,900
	2 bed house	£775 pcm	£850	£240	£1,865
	3 bed house	£750 pcm	£850	£240	£1,840
Chappells	1 bed flat	£575 pcm	Not shown	Not shown	
	2 bed flat	£625 pcm	Not shown	Not shown	
	2 bed house	£750 pcm	Not shown	Not shown	
	3 bed house	£750 pcm	Not shown	Not shown	
Connells	1 bed flat	£525 pcm	£726	£450	£1,701
	2 bed flat	£750 pcm	£1,038	£450	£2,238
	2 bed house	£725 pcm	£1,003	£450	£2,178
	3 bed house	£795 pcm	£1,110	£570 (2)	£2,355
Dewhurst	1 bed flat	£625 pcm	£725	£295	£1,650
	2 bed flat	£650	£750	£295	£1,695
	2 bed house	£750 pcm	£850	£295	£1,895
	3 bed house	£825 pcm	£925	£295	£2,045
Forefront	1 bed house	£750 pcm	£750	£420	£1,920
	2 bed flat	£675 pcm	£675	£420	£1,770
	2 bed house	£750 pcm	£750	£420	£1,920
	3 bed house	£950 pcm	£950	£420	£2,320
Gatekeeper	2 bed flat	£750	Not shown	£350	
	2 bed house	£700 pcm	Not shown	£350	
	3 bed house	£750 pcm	Not shown	£525 (2)	

Henry George	3 bed house	£995	£1,450	£300	£2,645
Charles Harding	1 bed flat 2 bed flat 2 bed house 3 bed house	£525 pcm £695 pcm £795 pcm £850 pcm	£788 £1,043 £1,193 £1,275	£255 £255 £255 £355 (2)	£1,568 £1,993 £2,243 £2,470
In-house	1 bed flat 2 bed flat 2 bed house 3 bed house	£545 pcm £625 pcm £850 pcm £875 pcm	£818 £938 £1,275 £1,313	£210 £210 £210 £210	£1,573 £1,773 £2,335 £2,398
Richard James	1 bed house 2 bed flat 2 be house 3 bed house	£650 pcm £725 pcm £675 pcm £850 pcm	£900 £1,003 £934 £1,176	£300 £300 £300 £350 (2)	£1,850 £2,028 £1,909 £2,376
Amanda Jones	1 bed 2 bed flat 2 bed house	£700 pcm £625 pcm £695 pcm	Not shown Not shown Not shown	£240 £240 £240	
Mlettings	1 bed flat 2 bed house 3 bed house	£525 pcm £725 pcm £895 pcm	Not shown Not shown Not shown	£200 £300 (2) £300 (2)	
Martins	Share 1 bed flat 2 bed flat 2 bed house 3 bed house	£480 £595 pcm £770 pcm £725 pcm £930 pcm	£720 £900 £1,170 £1,087.5 £1,425	£300 £300 £300 £300 £300	£1,500 £1,795 £2,240 £2,112 £2,655
McFarlane	1 bed flat 2 bed flat 2 bed house 3 bed house	£625 pcm £695 pcm £700 pcm £875 pcm	Not shown Not shown Not shown Not shown	£350 £350 £450 (2) £450 (2)	
Samuel Miles	2 bed flat 2 bed house 3 bed house	£725 pcm £725 pcm £895 pcm	Not shown Not shown Not shown	£300 (2) £300 (2) £300 (2)	
Minerva Property Management	2 bed flat 2 bed house 3 bed house	£725 pcm £750 pcm £1,250 pcm	Not shown £900 Not shown	£336 £336 £336	£1,986
Nationwide Property	1 bed flat 2 bed flat 2 bed house 3 bed house	£460 pcm £775 pcm £750 pcm £750 pcm	£690 £1,163 £1,125 £1,125	£200 £200 £200 £350 (2)	£1,350 £2,158 £2,025 £2,225
NFJ lettings	1 bed flat 2 bed flat 3 bed house	£625 pcm £700 pcm £775 pcm	£938 £1,088 £1,163	£420 £420 £420	£1,983 £2,208 £2,358
Primary	1 bed flat 2 bed flat 2 bed house 3 bed house	£625 pcm £695 pcm £795 pcm £795 pcm	£938 £1,043 £1,193 £1,193	£300 £300 £300 £360 (2)	£1,863 £2,038 £2,288 £2,343
Property Shop	Share 1 bed flat 2 bed house 3 bed house	£520 pcm £500 pcm £695 pcm £895 pcm	£520 £500 £695 £895	£330 £330 £330 £330	£1,370 £1,330 £1,720 £2,120
Ridgeway	1 bed flat 2 bed house 3 bed house	£725 pcm £725 pcm £795 pcm	£925 £925 £995	£300 £300 £320	£1,950 £1,950 £2,110
Right Rental	2 bed flat 2 bed house 3 bed house	£650 pcm £750 pcm £750 pcm	£650 £750 £750	£300 £300 £400 (2)	£1,600 £1,800 £1,900

Strakers	1 bed flat	£575 pcm	£863	£267	£1,705
	2 bed flat	£675 pcm	£1,013	£267	£1,955
	2 bed house	£750 pcm	£1,125	£267	£2,140
	3 bed house	£850 pcm	£1,275	£362 (2)	£2,477
Swindon Property Group	1 bed flat	£700 pcm	£1,050	£360	£2,110
	2 bed flat	£650 pcm	£975	£360	£1,985
	2 bed house	£695 pcm	£1,043	£420 (2)	£2,158
Taylors	1 bed flat	£550	£825	£425	£1,800
	2 bed flat	£800 pcm	£1,200	£425	£2,425
	2 bed house	£675 pcm	£1,013	£425	£2,113
	3 bed house	£795 pcm	£1,173	£550 (2)	£2,518
Michael Tuck	1 bed	£530 pcm	£730	£220	£1,480
	2 bed flat	£550 pcm	£750	£220	£1,520
	2 bed house	£750 pcm	£950	£220	£1,920
	3 bed house	£850 pcm	£1,050	£300	£2,200