

# PRESS RELEASE

For immediate release

## RELYING ON CHARGING FEES TO TENANTS IS A BAD BUSINESS MODEL



The outcome of the recent General Election has brought two certainties for estate and lettings agents – that the future whilst Brexit is negotiated will be uncertain and that no matter which party holds power by the end of the year a ban will be imposed on lettings agents charging fees to tenants.

Here at BCM Rural Property Specialists we share the first concern about economic uncertainty, the more so because as well as selling and letting rural property we are also heavily involved in the agricultural industry as land agents and managers.

But when it comes to lettings agents' fees and the Tenants' Fees Bill mentioned in the Queen's Speech, we are nonplussed to understand what the fuss is all about, at least where the agents themselves are concerned.

Some predict the wholesale demise of the industry solely because their business model relies on charging a hefty fee for setting up a tenancy and then ongoing charges each time it is renewed, which can be as frequently as six or 12 months

Our business has been involved in residential lettings for many years and we have never needed to charge tenants' fees. Landlords pay us, depending on the level of involvement we have in organising their lettings.

The costs of this are a legitimate business overhead and should be factored into its economic model. Relying on regular third party fees to make the business viable is not the way to do things. What's more, it puts the industry in a bad light by appearing to milk everyone involved for as much as possible. There's a view that fees are split between tenants and landlords so it's not a case of double charging but it's not an easy argument to sustain. Certainly it failed to work in Scotland, where charging tenants' fees was banned some time ago.

At BCM we are upfront about the costs; credit checks at £25 per applicant and the inventory, a straight passing on of the variable charge from the inventory clerk which we underwrite and then collect from the tenant. That's it. If we have to absorb them, the impact will be minimal.

So no matter what the outcome of the recent Government consultation on lettings agents' fees, which received 4,700 responses, and the political commitment on all sides to end them, here at BCM we will concentrate on the bigger issues affecting the economy.





rural property specialists

01983 828 800 | [bcm.co.uk](http://bcm.co.uk)

**END**

For further information, please contact Andrew Bays, Partner, BCM LLP.  
Call: +44(0)1962 763 900 Email: [abays@bcm.co.uk](mailto:abays@bcm.co.uk)

