

# PRESS RELEASE

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## CONFERENCE ANNOUNCEMENT COULD SIGNAL END TO TENANT'S FEES



Housing minister Alok Sharma has already announced it's coming and very likely the revelation of exactly when will come from Communities Secretary Savid Javid next week at the Conservative Party conference in Manchester.

What is it? The news that letting agents will be banned from charging fees to tenants by the end of the year or very soon after as a result of the Tenants' Fees Bill announced in this year's Queen's Speech becoming law.

Agents were among those consulted earlier in the year about the major alteration to the way they operate but here at BCM Rural Property Specialists we never felt the need to join in the debate. Why not? Because it's always been our policy not to charge fees to tenants for doing our job. The only charges we have asked them to cover are third party fees from outside referencing agencies that are necessary to ensure for landlords that new tenants have the wherewithal to cover the rent, a not unreasonable demand, and the inventory fee compiled by an independent specialist.

However, there is an element of panic among many in the world of residential lettings agents as they work out how to cover their lost income.

The day after Mr Sharma made his announcement at a conference in Wales, one of the major property lettings software companies had launched an online calculator so that agents could work out what they would lose when fees were banned and then presumably come up with a plan to recoup the money. Again, it's a link that we haven't needed to click here at BCM.

It's likely that someone will be asked to stump up the lost fees income and most probably it will end up passed to tenants as higher rents. This could be a double whammy, as landlords losing various business tax concessions and facing paying higher Stamp Duty land tax on properties they buy because they are not "first homes" already means increasing costs having to be covered.

There's no excuse for rents rising to cover lost fees. Here at BCM, we have worked to a business model that has made managing residential lettings properties realistic for our business without a list of "extras", some of which tenants allege they only find out about after they have made some degree of financial commitment in their search for a home. Tenants should maybe watch the market now so they can detect a hike in rents when the ban becomes effective and, wherever possible, vote with their feet by taking their possessions elsewhere!





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