

# Y Pwyllgor Cydraddoldeb, Llywodraeth Leol a Chymunedau - Rhentu Cartrefi (Ffioedd etc) (Cymru)

## Cyflwyniadau Senedd Dialogue

### 1. Spread the cost out so there's less to pay upfront

I've recently moved to Cardiff for work and found trying to secure somewhere to rent very fast paced and competitive. Me and my housemate travelled two hours to view properties on one day, most of which pulled out on the day because they had been secured by other tenants. Consequently, every time we viewed a property we were faced with pressure from the letting agent who would say there was 'no guarantee' the next viewer wouldn't take it. The problem was that they all charged vastly different amounts for their 'admin fees' and because competition for properties was high it was difficult to 'shop' around for a better deal. This, along with needing half a months rent to secure the property, a bond and then the rest of the months rent in advance made things very tight financially. As a condition of being allowed to rent the property we also had to buy a specific 'tenants liability insurance' which was very conveniently offered by the letting agents sister company (and nowhere much else). After already so much expense it was an unexpected extra. I had to use my credit card to pay the fees (and so am now paying even more in interest). I think that even if this Bill makes rent slightly higher each month, at least this is more manageable than having to pay everything up front and might avoid people getting into unnecessary debt. Would be good to see something in the Bill which safeguards rental prices to some extent and perhaps caps how much tenants are charged for the services of letting agencies (even if it is spread out in the monthly rent amounts). All upfront costs and timeframes should be somewhere visible and accessible on their websites too.

### Why the contribution is important

It protects tenants while understanding that letting agencies are businesses.

Posted by Respondent 1

### Comments

Posted by Respondent 2

Agents insisting on you buying tenants insurance seems worryingly common these days! Just another way to get money... renters don't have a choice to rent. The risk is taken by the landlord, it's absurd that they pass it on to the people providing their livelihoods.

### 2. Pressure on tenants

Fees are too high and not justifiable. The market in Cardiff means that tenants often accept and pay them because they are desperate.

Posted by Respondent 3

### Comments

Posted by Respondent 4



I agree that tenants feel a pressure to just pay fees and not question them as they are too worried about the consequences if they do - including being told to leave.

I appreciate that if fees are banned then this will likely lead to a rise in rents however, in my opinion that would be more manageable. I know how much my rent is going to be each month and I plan and budget around that. I also know that if I was told to leave (due to the landlord wanting to sell the house for example) I would need a first months rent and deposit up front. It is a challenge but I also try and plan for this as well.

However, because fees are so varied and spring up and all sorts of times, often with little to no warning they are very difficult to prepare for.

That being said landlords often put rent up and the cost of certain fees up each year or six months as it is, so if the costs were to rise even more then this could be a real concern for a lot of people.

Posted by Respondent 5

### **3. View from Ceredigion**

I work for homelessness and one thing I see is people being unable to afford upfront costs on properties. If something could be put in place to help them e.g. spreading the cost over a 6 - 12 month period.

Posted by Respondent 6

### **Comments**

Posted by Respondent 7

I agree with the above.

For those on low incomes there should be a way to spread the upfront costs over a period of time as the initial costs are an incredible barrier.

I think this is the case across Wales.

### **4. Impact on families**

Fees charged to tenants has had an impact on families, resulting in them not being able to afford food and having to resort to help of food banks. Has an impact that they go without heating.

Posted by Respondent 8

### **5. Rogue letting agents**

I remember when I was a student, living in a HMO in Cathays, Cardiff. When it came to moving out of our rented house at the end of our third year, our letting agent tried to charge us £50 for the removal of a mirror. That mirror wasn't listed on our inventory, and in fact actually belonged to one of my housemates. We even managed to find photos from our previous house (from second year) where the same mirror could be seen in the background.

We disputed this from DPS but the process took too long and some of my housemates needed their money back sooner rather than later. We ended up accepting the £50 off our bond just so that we could get the rest of the bond back.



## Why the contribution is important

Because letting agents are in a position of relative power compared to tenants who just need their money back. They're able to make deductions from bonds and tenants who need their money back will essentially be forced to accept the deductions in order to get their bond back.

Posted by Respondent 9

## Comments

Posted by Respondent 10

Where letting agents falsely or mistakenly charge for items not on the original inventory list, should not the DPS refer the matter to the Police. The possibility of a criminal prosecution would sharpen minds considerably.

Posted by Respondent 11

It's not up to the police to fix the rental market... the Deposit Protection schemes should be able to rectify this quickly (after all, it's for reasons like this they were set up). But it's so common for renters to accept a 'hit' so they can get the money back as soon as possible, even if it's not the full amount. Which is completely understandable because it's usually a lot of money (when you're already out of pocket for a deposit on the next place) and disputing it often causes more aggro on top of a stressful move.

This sort of story is super common with renters talking on Twitter with #ThatTimeMyLettingAgent... it seems to be an aim for most bad agents to try and get something off it.

## 6. Disparities in Fees

As a tenant living in the private sector, I have mixed experiences of letting agency fees. I appreciate that setting up tenancies requires a certain degree of work and as with any other service in the private sector, it is not unreasonable to expect a fee in return for this service. Despite that, there are glaring disparities between fee amounts across different agents which do not seem to be justified. Especially when they are supposed to be offering the same service.

I once viewed a property (rent p/m £650) and was advised by a Cardiff based letting agency, that the initial letting agency fees to start the application would cost over £600. When questioned as to why the figure was set at that, I was advised that it was due to the agency producing a tenancy agreement, 'which was an actual legal document'. This particular fee was completely unaffordable when considering a security deposit and a month's rent in advance and as such, I was not able to apply for the property. During this period, I viewed a different property marketed at the same rent level (within the same area) however the letting agency fees were remarkably lower (£150) and as such, I was able to apply for the tenancy and was successful.

## Why the contribution is important

The private rented sector is increasingly becoming the only viable option for a diverse range of people who cannot afford their own home or do not meet the criteria for social housing. I feel that some letting agents have heavily exploited this by charging excessive fees in order to maximise their own income. By doing so, they have contributed to making the sector inaccessible, unaffordable and difficult for people who are reliant on it.



Posted by Respondent 12

## Comments

Posted by Respondent 13

£600 is a ridiculous amount to request, even considering referencing etc. is probably included.

The tenancy agreements are almost always 'boilerplate', even more so with more terms prescribed by law. While the agent may have paid a lawyer to prepare the precedent for their firm - and good agents usually pay very good and often the more expensive lawyers to do this given their importance - each agreement they produce thereafter takes minutes, usually by an administrator.

Other agents may use precedents prepared by a professional body (if they're a regulated firm - ARLA, RICS etc.), which is similarly simple to complete for each letting.

Posted by Respondent 14

Abolish initial letting agency fees.

Limit security deposits to 3 weeks or 1 months rent at most.

Holding deposits if used should NOT be set in addition to security deposits and the initial advance months rent. If taken up, the holding deposit should be used for the security deposit and the advance months rent.

Abolish Section 21 (eviction without explanation) as in Scotland.

If point 4 is not taken up, then return the security deposit within 24 hours of termination of contract by a section 21 eviction.

Posted by Respondent 15

If there are fees, then I think they should be capped or set for different services (this is how much you can charge for references).

Posted by Respondent 16

Not only are there excessive fees, estate agents charge unnecessarily for guarantors. Partner had a good job (junior doctor) but had to get a guarantor as the job wasn't technically permanent. It was subject to passing hospital standards like all other junior doctors but 99% pass this without problems. We had to get my mother to be guarantor even though she earns less than partner. This was at a cost of £120 and quite unnecessary. It is just a matter of greed as we are not high risk tenants.

### **7. Changes to fee structures still won't improve standards, but...**

Changing the fee structure charged to tenants won't improve standards for tenants, but using websites like Marks Out Of Tenancy to make renters aware of good / bad landlords and letting agents will do.

### **Why the contribution is important**

Tenants can find out from previous tenants if a letting agent or landlord is decent before deciding to use that agency or rent from that landlord.

Posted by Respondent 17



## Comments

Posted by Respondent 18

+1

Posted by Respondent 19

I'm a landlord in Cardiff and there's no way for good landlords to show that they're different from the rogues. Tenants need to be able to tell who is good and who is bad. This counts for letting agents as well as landlords. There's good and bad ones but the bad ones give all us good ones a terrible name. Tenants want good places to live, what ever the fees they pay and how ever they pay them - they still need to know who to rent from and who to avoid.

Posted by Respondent 20

As a tenant I feel strongly that fees are a red herring to an extent. I'd much rather pay a fee and have a good landlord than pay no fee but have a landlord who wants to kick me out via section 21 in 6 months as he wants to move his daughter in, or who decides to sell the house in 3 months, let himself in unannounced, etc.

Yeah I'd love to not have to pay fees. But even more importantly, I'd love to be able to tell which landlords are good professional people rather than creepy sleazebags before I move in and am stuck living there for 6 months. I think something like this possibly has the potential to have a bigger impact than controls on fees.

Posted by Respondent 21

Agree. Personally, I don't mind paying a reasonable upfront fee on being provided with a clear breakdown of the services I'm paying for, if it means I can be assured that I'm getting a decent property and a good landlord. This is one of the reasons why I have used agencies to find properties. The landlords I encountered on places like Gumtree were extremely dodgy!

Posted by Respondent 22

Let Down started off with letting agent reviews for around Cardiff, to try and warn people off the worst culprits. But unfortunately, this awareness can only help so much, as people ultimately have to choose based on property not on agent.

Posted by Respondent 23

Renting privately through a letting agent costs a fortune, they have the monopoly on how much to charge and when it's rechargeable.

I have no issue with paying a suitable administration fee but at present there is no cap on what they charge, and quite frequently they are poorly managed. My landlord lives abroad and also pays a management fee to the letting agent for maintenance etc. However actually getting them to complete maintenance is an actual joke...at one point the landlords elderly dad had to complete some of the maintenance because they continually made excuses. There's nothing to regulate this.



Prior to this I've always rented privately, without agents, and to be fair my landlords have been amazing and have done what is required. I don't think landlords themselves get a fair representation and are forced to use 'agents' to help with legalities of potential issues and/or unsuitable tenants.

A total reform/overhaul is needed.

## **8. Keep Fees Fair**

As a former letting agent (in England) and tenant (in both England and Wales), I am sceptical of the significance of the barrier posed by set-up fees to tenants when considered in the context of rents, which of course are rising. However, I am in favour of tighter regulation on agents and landlords in what is in many cases an unbalanced transaction, particularly where there is a housing shortage. I recognise that the opportunity to charge fees may be being exploited.

In the transaction, it is clear that the landlord should fairly shoulder some costs and the tenant others, and the agent should be able to earn a fee for their professional service. Their fee should be paid by their client (the landlord), as is customary in the residential property sector, but there may be some legitimate costs (especially of bought-in services) which should arguably be paid by the tenant, at cost only, ie without any additional administration fee.

The landlord should pay the agent a fee which covers the whole process of marketing the property including: particulars, EPC, advertising and viewings along with the preparation of the inventory and any safety checks (unless the landlord has arranged them separately). The landlord should also pay for 50% of the charge for preparing the tenancy agreement / occupation contract and renewals.

The prospective tenant should only be charged the cost (not a fee) of the reference, which is almost always provided by a third party provider, and the other 50% of the charge for preparing the tenancy agreement / occupation contract and renewals.

I fear that if the landlord or agent is required to pay for the reference, they may be unreasonably selective of the applicants they accept for proceeding to reference.

It seems unreasonable to charge tenants for viewings and I have never come across this practice, although I don't argue that it is possible, particularly as there seems to be an emerging trend more broadly in property to charge for viewings as an extra service, which it should not be.

I think the Consumer Protection Act changes, for upfront disclosure of fees, was very positive. The onus now is to make sure they remain reasonable and not unfairly weighted on the tenant. To ban them entirely will obviously result in some additional costs being covered by the landlord. Whether or they will result in higher rents is questionable, particularly as I believe some (but not all) of the fees and costs are tax deductible.

Posted by Respondent 24

Posted by Respondent 25

Ces i brofiad ofnadwy pan oeddwn rhentu fflat yng Nghaerdydd gydag asiantaith tai.

Mae rhaid angen gwneud gwaith i reoli'r ffioedd a eu chadw yn isel.

Posted by Respondent 26



## 9. Cap fees

If there are no fees then rents will rise even more.

Just cap them don't make it even worse.

Posted by Respondent 27

## 10. Extortionate fees

I believe fees are extortionate - far too many young renters lose desposits or need hundreds of pounds to move house. I am a landlord and I refuse to charge desposits or fees. It has to be regulated.

Posted by Respondent 28

Posted by Respondent 29

## Comments

Posted Respondent 30

No wonder no one can afford to save a deposit to buy!

## 11. Positive

Good experience. No fees. No deposite.

Posted by Respondent 31

## 12. Longer Tenancies

This may be a bit off-topic, but one of the things that would most help me would be some inducement for and perhaps a public register of good landlords who are happy to offer longer tenancies (e..g,5 years). I am in my forties and have no chance of buying a property anytime soon because I don't have a deposit. Moving every couple of years is exhausting and expensive. Surely there are landlords out there who would appreciate some middle-aged, fully employed tenants who can pay the rent and look after the property over a longer period of time!

## Why the contribution is important

It would help older people who are employed and able to pay the rent but unable to buy property because they don't have a "bank of Mum and Dad" to pay the enormous deposits that are now required to buy a peroperty.

Posted by Respondent 32

## 13. Abolish Fees & Lengthen Tenancy Contracts

My view is that letting agency fees should be abolished completely. As others have already stated, they are a huge financial burden on tenants who in many cases are on lower incomes, and are imposed at the start of the tenancy when a tenant often also has to pay a number of months rent upfront. Being self employed, in my previous rental tenancy, I was required to pay the full 6 months of the tenancy upfront, plus a 1 month deposit, plus the fees. It is utterly unrealistic to expect many tenants to have the capital available to do that. I cannot understand why this is even be debated, letting agency fees were abolished in Scotland in 2016, when my girl friend contacted our AM about this in 2017 we were told it was being



debated in the Senydd and would become law later in 2017 or early 2018. We are now in August 2018 and the debate seems to be pointless, and never ending.

I also believe that tenants should have access to longer rental contracts. At present, the maximum that is offered appears to be a 12 month tenancy contract, which with the continued existence of the appalling Section 21 Eviction Notice, can mean you can be the victim of a no-fault eviction after 10 months of a 12 month contract, or 4 months into a 6 month contract. Several countries in Europe offer standard rental contracts of 3 or 5 years, or even longer, which the tenant can extract themselves from without penalty by giving an agreed notice period. This provides tenants with very much needed stability and peace of mind. I understand that the Scottish Parliament is in the process of introducing 3 year tenancy agreements, however in Wales it seems to be yet another endless debate. When is the Senydd going to stop sitting on its hands in endless debates, and actually take some positive and critically needed action?

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Posted by Respondent 33

### **Comments**

Posted by Respondent 34

Agree. Unless there are big changes in the way the property market works, more and more people are going to be renting well into middle-age and an increasing number will never own their own property. The market needs to provide people with stability. The Welsh Government should look into how this is managed in European countries, where renting later in life is normal, and seek to implement an appropriate model in Wales.

### **14. Rights for UK Tenants NOW!**

To my knowledge all the changes made to the rental sector in the past few years only made matters worse! The only thing those changes created was more revenue for governments and letting agents! As a rule the best landlords manage their properties themselves and are often very proud of them and of their tenants (what I call independent landlords). A close bond between landlord and tenant would make it possible for landlords to know who lives in their house without the need to photograph and inspect it 4 times a year, without references which often mean nothing at all but sometimes have to go back 5 years and are quite humiliating and demeaning for law abiding citizens, and there would be dialogue. Agents discourage all dialogue, creating a lot of resentment between L and T (landlords and tenants). Having to hire an agency also contributed to make rents more expensive and as we often saw they didn't contribute at all to better the rights of L or T. Agencies are soulless, they only care about their own



profits. A L is keen to keep good tenants, most agencies don't care if there is a constant turnover, making life more difficult for L and T alike.

- A T should not pay anything to an agent since they are not their clients and receive no protection, something many T find the hard way! You would think that if you pay around £400, sometimes twice a year, you would at least have some protection but that is oddly enough not the case. If that money is meant to be for contracts and referencing, then make contracts simple and abolish referencing, because adults should be responsible for their actions, not third parties.
- Like there is a need for T to disclose their past L for referencing there should be a disclosure of bad L and properties
- A T has to pay a bond, which can be in the hands of the agency or L for years. This is outrageous but then so should a L. There should be money somewhere which will pay for any maintenance the L doesn't wish to do. Anyway, if the justice system worked there would be no need for a bond because matters would swiftly and cheaply dealt with!
- There is already a website where one can register houses, agents and L but it is a private one, why?
- Right now there are houses, even expensive ones, where the rents rise ever higher, with no concern at all for maintenance. If you sell a house the price goes down the more rundown a house is, if you let a house the price goes up no matter what. Inventories are also a waste of money but created a lot of revenues. They don't flag the shortcomings of a house, they only say that the house may be in a bad state of disrepair but so what? Leave it the same way when you leave. Crazy!!!! Refreshing a rental property should be a question of maintenance, not decoration. If not done and the house looks bad the rent should be lower. Right now there are no standards for how a house should be presented, as far as maintenance (also painting) and cleanness.
- A contract should only be signed after the house is seen empty and all the work that needs doing is agreed, not when a house is seen full of furniture and the new T has no idea what it will look like when he moves in.
- Unfortunately there is the need for house viewings to be recorded as right now T are shamelessly lied to!
- Access to justice should be for all, not only for those with money. Agencies and L know that there is not much most T can do and this perpetuates this culture of terror and disrespect against one section of society. Many solicitors won't even defend T and it is know, at least in Wales, that many judges won't rule in favour of T, especially older judges. No win no fee solicitors only work for L. The Small Claims Court is far too expensive for most T and all the organizations which would seem to be there to help T don't work. There are also companies which specialize in getting rid of bad tenants (maybe just tenants who dared to raise their voices and demand their rights?) but no company represents T.
- If a L comes across a bad T then there should be ways to swiftly solve the problem. That would pass a message to other bad tenants that there is no way they will get away with it.
- No S21 should be allowed in case of Revenge Evictions. Right now people are being badly punished, losing their home, because they demanded their rights. This has no place in a 21st century, so-called civilized country!!!! We were evicted from our last property and live now in fear of losing this one too!



- Most politicians have no clue of what is going on, don't care or have vested interests, who is the Rental Sector ever going to change?

- No one should have to pay the full contract up front! That leaves T with no way to force a solution for their problems and T are not made of money either!!! No company pays anyone 1 year salary up front, for example! When a T has put money on the table for extortionate agency fees, full contract rent up front and around 1 month in bond he really has to be rich indeed in order to be able to rent a house in the UK

### **Why the contribution is important**

My views are very important because I have become an expert, having rented three houses with huge problems, which wrecked my life and my health. I paid a lot of money for my own misery! Tenants like me are often indeed experts, after having been put through the mills and are the people who know the most about the sector. Governments should also be confronted with the victims, who, one at a time, would tell them about the horrors they have been put through, which start with the uncertainty but go on with humiliation, very high costs, lack of rights, the shock that is receiving the S21, not being seen as a valued member of society, etc. In the UK, many minorities have managed see justice done. Still, Tenants are a forgotten group, mainly due to greed, self-interest from groups like politicians (who are often landlords), agents and landlords. What we tend to forget is that all the groups who now see their rights respected lose them all when they become tenants. And tenants are not just the poor (not that they don't deserve the same rights)... you can pay a lot of money indeed for your own nightmare! I believe that there should be a right to compensation for all those Tenants who have seen their lives and health wrecked by such practices, like it exists in other countries. This would stop the same happening in the future, as well as the need not to take years to change situations that so badly affect human lives! Maybe going abroad and looking closely how the sector works there would help? And it is the government who should compensate victims of Tenancy Nightmares, not only agencies and Landlords, as governments allowed it all to happen with impunity for many years! Many other groups have received compensation for their suffering and so should tenants. A T bad experiences can be life shattering!

Posted by Respondent 35

### **15. Implement system like Open Rent**

I have rented from both estate agents and private landlords directly, but the best experience was with Open Rent: <https://www.openrent.co.uk/>

Tenants don't pay any fees (this was a huge saving!) and in general I have found it more straightforward and effective dealing with landlords directly rather than estate agents. If Open Rent or a similar system was used more widely in Wales that would be fantastic.

### **Why the contribution is important**

Cut down on unnecessary admin fees from estate agents

Deal with landlords directly rather than estate agents (much preferred)

Posted by Respondent 36

### **16. Deposits that move when you move**



This was something mentioned by Bethan Sayed AM in the ELGC Committee scrutiny - Let Down would definitely support a way to make deposit payments easier and more affordable. Deposit return schemes should be reformed to allow a passporting scheme, so it can be held against two properties. Renters could perhaps pay 10-20%, to cover any damage that is taken out of it, then expected to pay any extra that might come out beyond that to 're-fill' the deposit.

It shouldn't be that difficult a scheme to devise, but would make a massive difference to renters, cutting in half the amount that many have to borrow - if not from family or friends, then from loans. Many get in debt just trying to secure their home. It's another way that renters stay poor and unable to save any money.

### **Why the contribution is important**

Deposits, next to fees, are the biggest expense for renters as they move. As things stand, renters need to essentially have two deposits available. You need one for the place you vacate, as you wait for weeks to get it back (most people tell us they wait 1-2 weeks for a deposit to be returned, if not longer, despite check out having been completed). Then you need another one for the place you've secured, often months before you actually move in, so you can be out of thousands of pounds for several months.

Posted by Respondent 37

### **17. Pet deposits**

It'd be massively helpful to have a standardised amount / process for pet deposits. If taken care of and with appropriate access, pets don't cause much damage to a home. For peace of mind for landlords and renters, Let Down would like it if they were a normal part of discussions over the contract and a standard amount (say £100) to add to the deposit to take care of any pet-related damage.

### **Why the contribution is important**

'No pets' is routinely put on adverts and it's a significant cause for pets being abandoned / left at old properties. For the sake of animal welfare, as well as renters' rights, it's really important landlords try and accommodate this and work with appropriate organisations to come up with a fair amount. (It'd be even better to have them just ask for any damage to be repaired at the end of a tenancy, but it's unlikely landlords would agree to this).

Posted by Respondent 38

### **Comments**

Posted by Respondent 39

Great idea! I often see animals being re-homed which is so sad for everyone. And really, do they cause that much damage? I'd be happy to pay a bit more so I could have a cat.

### **18. tenants' fees**

I am the owner of a small flat in Welshpool, which I let. When I first bought the flat, the estate agent, who handled the sale, also managed the letting. I thought that they charged the tenant too much rent, and too much in fees. When the first tenants left, I carried on managing the renting myself. I dropped the rent to what I thought the property was worth, I get the tenancy agreements, and bank SO forms off the internet, they don't cost me anything.



I welcome the plan to abolish fees for tenants, and it wouldn't cost me anything either.

I would also welcome any plans to abolish Section 21 altogether. I haven't come across any landlords yet, who are in favour of this, only tenants. Are all landlords in favour of a regulation that allows a landlord to evict a tenant on a whim? If not, let's speak out together, and allow tenants a bit more security. The pay off may well be that they look after our properties better.

### **Why the contribution is important**

In the UK a lot of tenants have many costs, and very little security, which means that there is little incentive for them to spend time and money on improving their home, and they won't feel safe there. They haven't got anywhere else to feel safe either, and seem to be seen as a social underclass by many landlords.

Posted by Respondent 40

### **19. Fees for landlords.**

I think the fees of the licence of being a landlord are too much. I agree there should be some sort of licence for renting a property. But when people are going on about rogue landlords there needs to be a cap on the fees for landlords licence. Needs to be some sort of encouragement for landlords to sign up.

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Posted by Respondent 41

### **20. Agents will make their money in other ways**

The latest idea that agents have seems to be making money from building work. Builders will do work for £X, whereas agents will charge landlords £X + 20%. (the bill is basically discounted for the agent) So for a thousand pound job, agents will earn £200 simply for instructing their favourite builder. Easy money.

I have heard of this happening for works that were never required in the first place. I imagine it's mainly landlords who live abroad that are most susceptible to this, as they may have no way of checking if works are required and just give the go ahead. Actually this has probably been going on for some time but watch this practice increase when fees are cut.

### **Why the contribution is important**

It's not really an idea. It's just a comment regarding how agents will make money in other ways. And it's already happening. Landlords should especially check that works are required, rather than taking their agent's word for it.

Posted by Respondent 42

### **21. No Agency Fees for Tenant's**

The lettings agencies charge both tenant's and landlords, when really they're only answerable to the landlord.



As a tenant, simply looking for a good place to live. I don't usually look into the agency fees of companies as I had previously assumed they're all in the same ball park. However in my last move the place we wanted to rent was perfect for us, but when it came to the referencing it was £250 more than I had ever paid before! I was shocked and called the agency up on it, but they said it was their national rate, most likely the London rate used everywhere!

As a tenant I understand that referencing needs to be done, but it's for the landlords piece of mind, not us as tenants. So those who are benefiting from the work being done should pay for it.

I've never been a landlord, but I assume they pay letting agents as well, so I do believe that they are charging these rates simply because they can.

### **Why the contribution is important**

The cost of living is high already.

For anyone trying to start renting in the private sector needs to have 3 amounts of money ready to pay before they've even moved in, the deposit, 1 months rent and agency fees.

The last time I moved that was roughly 3 times one month's rent, which is a lot of money! And because I was moving from 1 rented property to another my previous deposit wasn't returned until a month into my new tenancy which is normal, but that again it is a lot of money to not have during the time of moving.

If you want to help people to start privately renting, putting a cap on or removing agency fees would be a step in the right direction.

Posted by Respondent 43

### **22. more secure/longer tenancies**

I work in a homeless hostel in Swansea where I have worked for the last five years and worked in one in Cardiff for ten years.

The barriers we find to homeless people accessing private rented are-

-not secure/long enough tenancies- if someone currently has/previously had support issues plus families etc need longer term secure and stable accommodation. They will understandably not want to have to move out of a hostel for example into a property and the landlord decides to sell six months later, and they are back at square one again.

-upfront fees- can't afford

-landlords not accepting people on housing benefit

-landlords that do accept housing benefit sometimes being untrustworthy/offering sub standard accomm etc

As workers, we would usually not refer our clients to private rented for the above reasons as we would be setting them up to fail.

### **Why the contribution is important**



If private renting was a valid option, we would be able to refer more of our clients into it and thus reduce the strain on social housing and HA properties. As well as reduce the length clients are living in hostels and potentially bedblocking and sometimes gaining more support issues due to the chaotic nature of hostel life.

Posted by Respondent 44

### **23. Stop All Agency Fee's**

Agency fee's are not acceptable and landlords should be paying for the costs of finding tenants. Paying a fee does not guarantee that the the property will be allocated to the individual and can result in people losing money. This can result in people then not having the money to pay for another property.

It is pure business and results on those on limited budgets to afford to secure private rented properties. The PRS is for most people now the only option to access accommodation. Where you have people on £70 a week benefits where are they expected to get the agency fee's from?

Some LA will assist but this can be a challenge. On a personal level a agency once tried to take agency fee's off me but told me after challenging them that I wouldnt be awarded the property due to having a CCJ. This is extremely bad practice.

I think agency fee's should be paid by the landlords. This will also promote landlords to try and keep tenants and not just change tenants every 6 months to try and get more rent. It will also stop agencies promoting changing tenants as they will want to keep landlords happy and not make money on agency fee's.

### **Why the contribution is important**

To all access to all to the PRS sector as LA housing and HA are very limited.

Posted by Respondent 45

### **24. Cap fees**

If fees are not charged to the tenant, there is no financial commitment from them to indicate their genuine intention for taking a property. If fees are capped, it provides clarity and consistency for tenants.

Examples of set fees could be:

- an agency fee is capped at £30 per tenant/applicant/guarantor for referencing
- renewing a tenancy agreement is capped at £45
- amending an existing tenancy is capped at £35
- an inventory is up to £70 (depending on size of property)
- checkout is capped at £25

Fees have to be subject to VAT if service providers are so registered.

### **Why the contribution is important**

There is a principle at stake of securing a fee of recognising a service that is costly and time consuming. A fee has the benefit of showing commitment to a legal process that is not always easy and has many



pitfalls. It gives the prospective tenant a contractual and right based stake in that process on an equal basis to the housing provider namely the landlord.

The absence of fees can adversely affect their stake and their responsibility to the process. If fees are not charged to the tenant, there is no financial commitment from them to indicate their genuine intention for taking a property. This can lead to long unnecessary void periods and expenses and leave other committed tenants unable to view properties that are 'taken'.

If a prospective tenant is not expected to make a financial commitment for a property, they could commit themselves to a number of properties and then withdraw from them at the last minute.

Agents costs are continually rising, therefore if fees are not charged to the tenant, they will inevitably be charged to the landlord and ultimately this will likely result in rent increases or a decision to leave the rented sector which can have an adverse impact on supply.

There are increasing pressures on agents and housing providers (such as landlords) to vet prospective tenants for immigration and money laundering purposes. This places additional costs and obligations on such providers in relation to potential fines and litigations by government bodies.

Therefore costs for entering into a formal tenancy should be shared between tenants and landlords as it benefits both parties. However it should be recognised that there is a limit to these costs, and therefore a cap on the fees charged should be implemented.

Posted by Respondent 46

## **25. Set Regulated Fees - For all Landlords, Agencies and Tenants across Wales**

The main issue I feel with Fees within Private Rental Sector, is the large difference in the amounts being charged

Set Regulated Fees

Firstly there should be no duplication of fees. If the Agency is charging the Tenant the credit check and reference fee, then this shouldn't be charged to the Landlord as well.... or vice versa

- Reference Check - How much does it cost on average for someone to check references? 1 Hour's Labour plus a small profit - £15?

- Credit Check - Credit Checks for Agencies can be done from as little as £1.95 for the Letting Agency, plus then say again 1 hour's labour and small profit (£15) so maybe set a Max Fee of £20. Currently there are Agencies out there charging over £100 for a Credit check fee.

Application Fee - How long on average does it take for a Person to complete just the application form? With online forms, this time must be quite minimal now. Max fee should be set at £50 in total and that should include the itinerary. This fee could be split between the Landlord and Tenant (£25 each) to ensure it's fair, but the total charged should not exceed £50

### **Why the contribution is important**

As much as it would be fab to say NO FEES, they do however play a vital role and I believe if controlled and Part of a Legislated Standard set across Wales, this will allow Fees to play a key part in controlling



the Market, ensuring High Standards are kept and that competition within the industry is kept healthy and Fair.

Fee's should not be scrapped, but controlled. Flexibility can be given to Landlords / Agencies in splitting the Fee's per application, however should not exceed the agreed amount, as in my examples

Posted by Respondent 47

### **Comments**

Posted Respondent 48

Agree. If there are going to be fees, they MUST be regulated and set.

#### **26. Make it illegal to ask for rent guarantor without good reason**

Over the last couple of years I've noticed an increase in agencies asking for guarantors for all tenancies. I believe this is mainly something they are offering as part of the "deals" they use to attract landlords to pay for their services, or to save money by just using a guarantor instead of paying for proper referencing and credit checks.

Personally, I think it should be illegal to ask for a guarantor unless there is a good (and defined) reason for doing so, e.g., they are a student, it is a high risk tenancy for some other reason, or there if there is a known history of the tenant defaulting on the rent.

I am a middle-aged professional who has never missed a rent payment in my life, so I was shocked to be asked for a guarantor when discussing a potential tenancy with an agency. I'm in my forties and certainly don't have someone who could pay my rent for me if I defaulted on it!!!

Nor is it ethical for people to be asking elderly parents and grandparents to be signing up as rent guarantors just because they want to help relatives get tenancies.

#### **Why the contribution is important**

It's important that, if letting fees are banned, we don't see agencies asking for guarantors becoming the norm (because it's cheaper for them!) - as this could make it difficult for people who don't have wealthy family to get tenancies.

Posted by Respondent 49

#### **27. Re-introduce Fair Rents**

The barriers to obtaining private rented sector housing are difficult costly and sometimes prohibitive and this issue is certainly one that needs addressing.

The second great barrier is the financial ability to afford private sector rents. As things stand, private sector rents can easily consume half or even more of the average weekly/monthly wage. The re-introduction of a fair rents act would act as a barrier to landlords charging unaffordable rents and allow those on low wages to escape the poverty created by landlord greed.

#### **Why the contribution is important**

I believe my idea is important because the housing situation is at crisis point. It is admirable that the Welsh Government are considering changing the means by which access to private sector housing can



be more easily accessed. However, once secured, the high cost of private sector housing directly leads to poverty for those on low incomes and/or on benefits which are "capped" by local authorities at a rate often far below the rents charged by private landlords.

Posted by Respondent 50

