

**NO  
HIDDEN  
EXTRAS  
HERE**



**Cheap isn't always  
better.**

**Are you being short  
changed by your  
letting agent?**



Trying to work out letting agents' fees can be quite a complicated process. You need to look at the total fees and the rent achieved and then see what your yearly net figure is. For example...

You may see an agent charge 10% and achieve £1000 PCM which is £12000 less £1200 (the 10%) = £10800 net

Another agent may charge 8% but only achieve £900 PCM which is £10800 less £864 (the 8%) = £9936 net

So the cheaper deal is actually the more expensive deal for the landlord as he makes £864 less per year.

Landlords need to look at the additional add on costs most letting agents charge which when added together nearly always equal about 20% per month of the monthly rent over a calendar year. These additional extras usually are:

- Credit and reference checks
- Right to rent checks
- Inventories
- Checkouts
- Registering deposits
- Administration fee for key cutting
- Serving notices
- Set up fee for new tenancies which can be anything up to a months rent
- Tax statements
- Copies of documents
- Landlord renewal agreement
- Tenancy renewal fee
- Contractor commission (between 10 and 50% added to any job that involves a 3rd party)



Rockett Home Rentals is very transparent with our fees which are 10% + VAT of the monthly rent and 8% including VAT of the yearly rent which equals 20% per month, we also **do not** charge contractor commission.

Read on to find out more.



You're a savvy landlord, always looking for ways to save money. But beware of cheap landlord fees from letting agents – they can quickly lure you in, add up and eat into your profits. In this blog post, we'll show you how to avoid hidden fees and save money in the long run.

We have spoken to some landlords lately who have said that they have seen some cheap deals from other agents. When we drilled down to what was included, it transpired that a lot of necessary components had been stripped out and were listed as chargeable extras.



These letting agents are making a profit by using underhand methods, such as offering a very stripped down management service with a lot of core elements now listed as chargeable extras, and creating confusing fee structures. To figure out what you're being charged, we recommend to add up all the fees and compare them with other agents over the course of a year.

But first, let's take a look at some of the most common hidden fees. These include:



# 01



## Rent Guarantee and Legal Cover:

This is one of the most common hidden fees, and it can really add up. It covers non-payment of rent by the tenant and legal costs. Non-payment of rent is the single biggest risk facing today's landlords. References taken out on the tenants can only assess the risk of default at the start of a tenancy, but changes in circumstances can lead to difficulties in paying the rent. It is mandatory in our managed service that you are protected against a loss of rental income. Rockett Home Rentals will automatically arrange Rent & Legal Protection Cover for you through the appropriate insurance provider at no additional cost.





# 02



## Tenancy Renewal:

This is another hidden fee that can catch you out and can end up being extremely costly! Some agents charge a fee of up to £200 just to change your tenant. The problem is that there is no standard fee or fee structure for tenancy renewals so many agents charge what the market will bare! Always check the small print. Tenancy renewals are all part of our fully managed fee at Rockett Home Rentals and not a hidden extra.

## Set Up Fees:

Most agents charge set up fees every time you need a new tenant and these can be anything up to one months rent. This practice encourages agents to offer minimum term tenancies so as to get more frequent turnover of tenants and charge more set up fees.



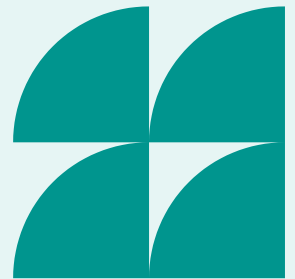
# 03

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## Credit & Reference Check Fees:

Another common hidden fee is a credit & reference check. This is usually a one-time fee charged when a tenant first applies to rent. Be sure to ask about this fee upfront so you're not surprised later.



REFERENCE  
CHECKS





## Other hidden costs can include:

- Credit and reference checks
- Right to rent checks
- Inventories
- Checkouts
- Registering deposits
- Administration fee for key cutting
- Serving notices
- Set up fee
- Tax statements
- Copies of documents
- Contractor commission (between 10 and 50% added to any job that involves a 3rd party)

Now that we've looked at some of the most common hidden fees, let's talk about how to avoid them. Here are a few tips:



# 01 TIP



## Be aware of on average what most agents charge:

- 15% monthly management fee
- Contactor commission can be £100's of pounds added to your costs per year
- £50 register security deposit
- £130 Inventory
- £400 set up fee
- £75 credit and reference checks
- £130 checkout
- £25 annual statement
- £480 rent guarantee and legal cover
- £100 tenancy renewal







# 02 TIP

## Be aware of what you need to let and manage a property and achieve a decent market rent:

You need:

- Professional photography
- Marketing on Rightmove, Zoopla, and On The Market
- Paid social media marketing
- Accompanied viewings
- Professional Credit and reference checks
- Professional inventory
- Registering deposits
- Rent and legal cover insurance
- Mid term inspections
- Professional Checkout inventory
- Re-marketing of the property

If any of this is **NOT** included, they are **NOT** offering a fully managed service.



# 03 TIP



## Ask about fees upfront:

Don't forget that you have the right to ask for a full breakdown of the fees you're required to pay your letting agent for the service they provide. If your current agent declines, it might be time to move on - a lack of transparency usually means that someone has something to hide and they could be making secret profits at your expense.

Before you sign any paperwork, be sure to ask about any and all fees that may be charged, then as advised above add up all the fees and compare them with other agents over the course of a year, you'll be shocked at the outcomes - cheap is definitely not always cheerful!





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