

# WHAT YOU NEED TO KNOW ABOUT THE ADVANCE PAYMENT YOU'LL NEED TO MAKE

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Once you've found the property you'd like to call home and your offer has been agreed with the landlord we'll ask you for an advance payment.

You'll either be asked for a holding deposit or pre tenancy application charge (PTAC). These depend on your tenancy 'type'. There are two main categories:

| Housing Act Tenancies   | Non Housing Act   |
|---|---|
| <p style="text-align: center;"><b>Assured Shorthold Tenancies (AST)</b></p> <p>An AST is the most common type of tenancy if you rent from a private landlord or letting agent.</p> <p style="text-align: center;">You usually have an AST if:</p> <ul style="list-style-type: none"> <li>• your original tenancy started on or after 28 February 1997</li> <li>• you don't share any accommodation with your landlord and they live elsewhere</li> <li>• you're not taking the tenancy in a company name<br/>the rent is less than £100,000 a year</li> </ul> <p style="text-align: center;">You'll be asked to pay a holding deposit</p> | <p style="text-align: center;"><b>LICENCE TO OCCUPY</b></p> <p>A licence is a personal right or permission for a party to use, or 'occupy', a property. More specifically, a licence to 'occupy' is essentially permission for one party to do something on another party's property.</p> <p style="text-align: center;">It is, by its very definition, not a lease. The owner of the property is usually referred to as the 'licensor', and the party granted permission to use the property, referred to as the 'licensee'.</p> |

Before you place your offer you need to understand the rules around the payment you'll be asked for.

## The holding deposit explained

### The next steps in a tenancy application

Once you've found the property you'd like to call home and your application has been agreed in principle with the landlord we'll ask for a holding deposit. This payment is taken to show your commitment to the property whilst references are taken and we progress the tenancy. The landlord may wish to continue marketing until the tenancy documents are complete.

You must submit your ID, Proof of Address and Right to Rent as well as completed your tenancy reference application as soon as possible.

Any offer you make on a property is subject to contract, references, and cleared funds.

### As part of your tenancy application referencing will be done

The reference provider will use the following calculation: monthly rent x 30. For example £2000 per calendar month rent x 30 means you'll need an income of £60,000 gross per year. If this doesn't work for your circumstances there are options we can discuss with you, such as paying some or all of the rent in advance, providing a guarantor and so on.

### You'll need to tell us anything that might affect a landlord's decision to let their property to you

If something becomes known, such as any false or misleading information, not given in error, or something not shared, which you should have reasonably told us, the landlord can decide they no longer wish to let their property to you. This would include things such as being on a short employment contract; not telling us about previous missed or late rent payments; declaring your income as too high, or giving any inaccurate information about employment.

You must also let us know if you've ever had or currently have a County Court Judgement (CCJ) served against you. We've explained below how not telling us would affect any holding deposit.

### Understanding the holding deposit

What you'll pay will be the equivalent to one week's rent for the property. For example, if the rental is £1000 per calendar month the holding deposit you'll have to pay will be £1000 x 12 months / 52 weeks = £230.77.

Once the holding deposit is received, the property may be taken off the market (unless otherwise agreed) and you, any guarantor and the landlord until the tenancy start date to complete and sign all tenancy paperwork. If agreed in writing by both parties this period can be reduced or extended. We call this the 'holding period'.

If by the end of the holding period you haven't completed the tenancy the landlord can:

- Withdraw from the tenancy, and/or
- Remarket the property, and
- Keep your holding deposit, or
- Agree with you another date to complete the tenancy.

### What happens to your holding deposit?

If the tenancy successfully goes ahead the holding deposit paid will be put towards your first rents due, unless you advise us otherwise or a different agreement is reached.

If you decide you don't want to go ahead for any reason, or if the tenancy can't proceed because of any of the following the landlord, or we, can keep all of the holding deposit:

- Your application includes false or misleading information, which would affect the landlord's decision to rent their property to you, unless you can prove that it was given in error.
- You change your mind about going ahead with the tenancy and withdraw your application.
- You, any guarantors or anyone acting on your behalf cause any delays to the tenancy being completed.
- You, any guarantors or anyone acting on your behalf fail to take all reasonable steps to enter into the tenancy for example; you don't provide information requested to support your application.
- You fail any Right to Rent checks.

We'll write to the person who paid the deposit within seven days of the holding deposit expiring to let them know the reasons it will not be returned.

If the landlord decides not to go ahead with the tenancy and none of the above applies

We'll repay the holding deposit to the person who made the payment within seven days of the date the landlord decides not to go ahead.

If you're due any refund and the checks are needed, we must complete these before we can return any monies to you, this could take 14 working days but could be longer depending on how quickly we receive all required documentation.

### **When you make an offer and we take a holding deposit on a property that is currently occupied**

Where you enter into a tenancy agreement that is going to start at some time in the future this is often because the property is occupied by current tenants who are due to vacate before you are due to move in.

Whilst we will not knowingly allow you to sign a tenancy agreement if we suspect the existing tenants are not going to vacate at the end of their tenancy, or if the property will not then be available for occupation (for example because of its condition or other major issue that means it cannot be immediately occupied) when paying your holding deposit, you also agree and accept that providing vacant possession or affording occupation of the property is outside our or the Landlord's control. It is therefore agreed that the start of any tenancy is conditional upon us having vacant possession and the property being available for occupation on the tenancy start date.

If we do not for whatever reason have vacant possession or cannot grant occupation on the date you are due to move in then the start of your tenancy will be delayed until we do, and neither we or the landlord will have any liability to you or any third party for any direct or indirect loss that you or they may suffer as a result of such delay. In such case we and the landlord will do all that we can be reasonably expected to do to get vacant possession or make the property available for occupation so that you can move in.

If vacant possession of, or availability to occupy the property has not been achieved within seven days of the date you were due to move in then you may request to be released from the tenancy agreement and if vacant possession or availability of occupation has not been achieved within 28 days of the said tenancy start date the landlord may give notice to terminate and release the parties from the tenancy agreement.

In either case all monies that you have paid for rent and/or deposit will be returned to you and such repayment will be the limit of our or the landlord's obligation to you in relation to the tenancy agreement.

### **The tenancy agreement will detail everyone's responsibilities**

Our standard tenancy agreement terms can't be amended. It's important that you understand your roles and responsibilities of the tenancy agreement; we've attached our draft agreement. If you need further advice, you should contact a solicitor or an advice bureau.

### **When you pay money to us**

If your tenancy is an assured shorthold tenancy, we'll, we belong to Deposit Protection Scheme (DPS), once registered the deposit money will be protected in line with the scheme rules. Any money we hold is protected through client money protect.

We are committed to privacy surrounding your personal data Our privacy policy explains how we use the information we collect about you, how you can tell us if you prefer to limit the use of that information and procedures we have in place to safeguard your privacy.

Once you've read our tenancy agreement and understood the rules around any advance payment you'll make we'll look forward to hearing from you when you're ready to place an offer.

**SIGNATURE**

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