

# Green Housings' Cancellation Fee



## **Purpose**

This policy explains the rationale and conditions for charging a €500 cancellation fee when a prospective tenant cancels a rental after accepting an option on a property.

## **1. Background**

When a prospective tenant accepts an option, the property is immediately reserved and removed from the open market. During this reservation period:

- Other interested applicants lose the opportunity to view or apply for the property.
- Our team begins administrative work such as preparing tenancy documents and coordinating check-in planning.
- The property is effectively taken off the market, often on short notice.

## **2. Reason for the Fee**

The €500 cancellation fee serves several purposes:

1. Discouraging Non-Serious Reservations
  - It prevents applicants from casually reserving a property “just in case” and then deciding later whether they truly want it.
  - This ensures that only applicants who are genuinely committed accept an option, keeping the process fair to all interested parties.
2. Compensating Administrative Effort
  - Significant time and resources go into reserving the property, screening applicants, and preparing contracts.
3. Covering Market Impact
  - While reserved, the property is not shown to other potential tenants.
  - A late cancellation forces us to re-advertise and find a new tenant quickly, which increases costs and can lead to lost rental income.

## **3. Policy Conditions**

- A €500 cancellation fee is charged if the applicant cancels after accepting the option, regardless of the reason for cancellation.
- The fee is payable immediately upon cancellation.

## **4. Acknowledgment**

By accepting an option on any property, the applicant confirms that they:

- Understand that the property is reserved exclusively for them and removed from the market upon acceptance.
- Agree that a €500 cancellation fee will apply if they cancel after accepting the option.
- Recognize that the fee is fair compensation for administrative work, lost marketing time, and the need to secure a new tenant on short notice.
- Accept that the fee helps keep the process fair by discouraging speculative or non-committal reservations.