

Information release

Spanish government investigates real estate agencies for abusive practices against tenants in the management of rentals

The management companies investigated allegedly forced tenants to pay a commission for the management of the lease or forced them to sign temporary contracts without any justification for the temporary nature of the contract.

Madrid, 23 October 2024. The Ministry of Social Rights, Consumer Affairs and Agenda 2030 has opened an investigation into several real estate agencies that have allegedly carried out abusive practices against tenants in the management of rentals such as:

- ✓ Forcing them to pay a commission for the management of the lease.
- ✓ Force them to sign temporary contracts without justifying the temporary nature of the contract.
- ✓ Include clauses that are abusive for consumers.

The Ministry points out that transferring property management and contract formalisation costs to tenants is a practice expressly prohibited by «Ley 12/2023 de 24 de mayo por el derecho a la vivienda». In this sense, as article 20 of this law states, 'property management and contract formalisation costs are to be paid by the landlord'. Similarly, it is prohibited to sign temporary contracts in which the temporary nature of the contract is not justified.

In this context, the Ministry recalls that housing is a right and a basic necessity protected by the 'Ley de Arrendamientos Urbanos', and this regulation prevents real estate agencies from including clauses or practices that violate the rights of tenants. Furthermore, these clauses or practices could constitute various offences included in the revised text of the 'Ley General para la Defensa de los Consumidores y Usuarios', and other complementary laws.

In this way, non-compliance with price regulations, the unjustified imposition of conditions on unsolicited services, as well as the use of unfair commercial practices with consumers or users could be classified as serious infringements and sanctioned with fines of up to 100,000 euros, with the possibility of exceeding these amounts up to four to six times the illicit profit obtained. In cases where there are unfair terms in contracts, the infringement could be classified as very serious and be punishable by fines of up to €1 million and up to six to eight times the unlawful benefit obtained.

This investigation is part of the Ministry's priority action to protect the rights of consumers in access to housing. To this end, the Ministry has also carried out informative actions with market operators on potential abusive conduct in rental contracts and other practices that are also contrary to current regulations, such as requiring tenants to pay disproportionate deposits, to assume additional guarantees or to pay monthly instalments in advance.

Source of information: [Ministry of Social Rights, Consumption and Agenda 2030](#)