

Houses in Multiple Occupation



A Guide for Landlords and Managers

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ਜੇਕਰ ਤੁਹਾਨੂੰ ਆਪਣੀ ਜ਼ਬਾਨ 'ਚ ਅਨੁਵਾਦ ਚਾਹੀਦਾ ਹੈ, ਤਾਂ ਕ੍ਰਿਪਾ ਕਰਕੇ ਸੰਪਰਕ ਕਰੋ:

જો તમને પોતાની ભાષામાં ભાષાંતર જોઈએ છે, તો મહેરબાની કરીને સંપર્ક સાધો:

Se necessitar de uma tradução, contacte por favor:

যদি আপনার নিজের ভাষায় অনুবাদ চান তাহলে অনুগ্রহ করে যোগাযোগ করুন:

اگر آپ کو ترجمہ اپنی زبان میں چاہئے تو برائے مہربانی رابطہ کریں۔



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Houses in multiple occupation

The Housing Act, 2004 introduced the licensing of Houses in Multiple Occupation (HMOs). It is compulsory to licence larger, higher-risk HMOs. Councils will also be able to licence other types of HMO to tackle problems in these smaller properties (at present the Council does not intend to implement such licensing).

What is an HMO?

HMO stands for House in Multiple Occupation, which means a building, or part of a building, such as a flat, that:

- is occupied by more than one household and where more than one household shares – or lacks – an amenity, such as a bathroom, toilet or cooking facilities or
- is occupied by more than one household and which is a converted building – but not entirely self-contained flats (whether or not some amenities are shared or lacking) or
- is converted into self-contained flats, but does not meet as a minimum standard the requirements of the 1991 Building Regulation, and at least one third of the flats are occupied under short tenancies.

The building is occupied by more than one household:

- as their only or main residence
- as a refuge for people escaping domestic violence
- by students during term time
- for other purposes prescribed by the Government.

A household is:

- families (including single people, couples and same sex couples)
- other relationships, such as fostering, carers and domestic staff.

Please note that licensing only applies to HMOs where rents or other considerations are payable.

Why does the Government want HMO's licensed?

Larger HMOs, such as bedsits and shared houses, often have poorer physical and management standards than other privately rented properties. The people who live in HMOs are amongst the most vulnerable and disadvantaged members of society. As HMOs are the only housing option for many people, the Government recognises that it is vital that they are properly regulated.

Licensing is intended to make sure that:

- landlords of HMOs are fit and proper people, or employ managers who are
- each HMO is suitable for occupation by the number of people allowed under the licence

- the standard of management of the HMO is adequate
- high risk HMOs can be identified and targeted for improvement.

Where landlords refuse to meet these criteria the Council can intervene and manage the property so that:

- vulnerable tenants can be protected
- HMOs are not overcrowded
- Councils can identify and support landlords, especially with regeneration and tackling antisocial behaviour.

Do all HMOs have to be licensed?

No. Under the Housing Act 2004 there are three types of licensing:

1. **Compulsory** (required by law) licensing of HMOs for properties that are:

- three or more storeys high
- have five or more people in more than one household, and
- share amenities such as bathrooms, toilets and cooking facilities.

2. **Additional** licensing of HMOs

A discretionary power that Councils may decide to apply to a particular type of HMO, for example, two-storey properties occupied by three or more students or asylum seekers.

3. **Selective** licensing of other residential accommodation

Properties that are not subject to HMO licensing could be covered under a selective licensing scheme. This is where the Council may declare that certain areas, for example, where there is low demand for housing and/or antisocial behaviour, are appropriate for selective licensing. This licensing would cover all forms of private rented housing, including HMOs.

How will it work?

Anyone who owns or manages an HMO that must be licensed has to apply to the Council for a licence. The Council must give a licence if it is satisfied that:

- the HMO is reasonably suitable for occupation by the number of people allowed under the licence
- the proposed licence holder is a fit and proper person
- the proposed licence holder is the most appropriate person to hold the licence
- the proposed manager, if there is one, is a 'fit and proper person'
- the proposed management arrangements are satisfactory,
- the person involved in the management of the HMO is competent
- the financial structures for the management are suitable.

What does a 'fit and proper person' mean

The Council will carry out checks to make sure that the person applying for the licence is a fit and proper person. In deciding whether someone is fit and proper the Council must take into account:

- any previous convictions relating to violence, sexual offences, drugs and fraud
- whether the proposed licence holder has broken any laws relating to housing or landlord and tenant issues
- whether the person has been found guilty of unlawful discrimination
- whether the person has previously managed HMOs that have broken any approved code of practice.

It is advisable for the landlord or manager to be a member of a professionally recognised body, or an approved landlords association that is affiliated to the National Federation of Residential Landlords.

What is in a licence?

The licence will specify the maximum number of people who may live in the HMO. It will also include the following conditions, which apply to every licence:

- a valid current gas safety certificate, which is renewed annually, must be provided
- proof that all electrical appliances and furniture are kept in a safe condition
- proof that all smoke alarms are correctly positioned and installed
- each occupier must have a written statement of the terms on which they occupy the property, for example, a tenancy agreement.

Councils may also apply the following conditions:

- restrictions or prohibitions on the use of parts of the HMO by occupants a requirement that the condition of the property, its contents, such as furniture and all facilities and amenities, bathroom and toilets for example, are in good working order
- a requirement for specified works or repairs to be carried out within a particular timeframe
- a requirement that the responsible person attends an approved training course.

How long will it last?

A licence will normally last for a maximum of five years, although it can be for a shorter period.

Within five years of issuing a licence a Local Authority must inspect a property to ensure that the property meets the requirements of the Housing Health and Safety Hazard Rating System i.e. is safe to live in.

How much will it cost?

Landlords will have to pay a fee to cover the administration costs of the licence procedure. This will vary depending on the amount of time and resources that are needed to satisfy all the licensing conditions.

A Local Authority can set fees at their own discretion but these fees must reflect the actual costs to the Local Authority of HMO licensing.

Epsom and Ewell has determined the fee to be:

Up to 6 units (or lets)	£ 580.00
Over 6 units (or lets)	£ 96.50 per unit (or let)

Cheques should be made payable to Epsom & Ewell Borough Council. Credit card payment can be made through the Council's Contact Centre.

Please quote payment reference: **psh01 zd140**

Can the Council refuse to licence my property?

Yes, if the property does not meet the conditions set out above and the landlord or manager is not a fit and proper person.

What will happen then?

If a landlord fails to bring an HMO up to the required standard, or fails to meet the fit and proper person criteria, the council can issue an Interim Management Order (IMO), which allows it to step in and manage the property. The owner keeps their rights as an owner. This order can last for a year until suitable permanent management arrangements can be made. If the IMO expires and there has been no improvement, then the council can issue a Final Management Order. This can last up to five years and can be renewed.

Can I appeal?

You may appeal if the Council decides to:

- refuse a licence
- grant a licence with conditions
- revoke a licence
- vary a licence
- refuse to vary a licence.

You must appeal to the Residential Property Tribunal, normally within 28 days. Details of how to appeal will be available soon.

Temporary exemption from licensing

If a landlord or person in control of a property intends to stop operating it as an HMO or reduces the numbers of occupants and can give clear evidence of this, then he or she can apply for a Temporary Exemption Notice. This lasts for a maximum of three months and ensures that a property in the process of being converted from an HMO does not need to be licensed. If the situation is not resolved, then a second Temporary Exemption Notice can be issued. When this runs out the property must be licensed, become subject to an Interim Management Order, or cease to be an HMO.

Are there any penalties?

It is an offence if the landlord or person in control of the property:

- fails to apply for a licence for a licensable property or
- allows a property to be occupied by more people than are permitted under the licence.

A fine of up to £20,000 may be imposed. In addition, breaking any of the licence conditions can result in fines of up to £5,000.

Rent repayment orders

A tenant living in a property that should have been licensed, but was not, can apply to the Residential Property Tribunal to claim back any rent they have paid during the unlicensed period (up to a limit of 12 months). Councils can also reclaim any housing benefit that has been paid during the time the property was without a licence.

Appendix 1

Is my property an HMO?	Housing Act 2004 section and schedule numbers
It will be an HMO if it is one of the following:	
<p>A shared house lived in by people who belong to more than one family* and who share one or more facilities**.</p>	<p>s254(2) (The 'standard test')</p>
<p>A house in bedsits lived in by people who belong to more than one family* and who share one or more facilities**.</p>	<p>s254(4) (The 'converted building test')</p>
<p>An individual flat lived in by people who belong to more than one family* and who share one or more facilities**.</p>	<p>s254(3) (The 'self-contained flat test')</p>
<p>A building of self-contained flats that do not meet 1991 Building Regulation standards.</p> <p>Exemptions:</p> <ul style="list-style-type: none"> • If it is occupied by only two people. • If it is occupied by the owner (and their family if any) and one or two lodgers. • If it is occupied by a religious community. • If the occupiers have their main residence elsewhere***. • If no one in the property is required to pay rent. • If the owner or manager is a public body. • If the owner or manager is an educational institution. • A building of self-contained flats if two thirds or more of the flats are owner-occupied. • If the property is part of a guest house or hotel (unless an 'HMO Declaration' is made). 	<p>s257</p> <p>Sch 14, 7 Sch 14, 6(c) Sch. 14, 5 s259 s254(2)(e) Sch. 14, 2 Sch. 14, 4 s257(2)(b) s254(2)(d)</p> <p>(s255(1))</p>
Some of these HMOs must have a licence – which ones?	
<p>An HMO must have a licence if all three of the following apply:</p> <p>a. It is an HMO (see definition of HMO above) and b. it is three storeys or more (includes basements) and c. it is occupied by five people or more.</p> <p>Exemptions:</p> <ul style="list-style-type: none"> • If the whole property is in self-contained flats. • If the basement is in commercial use and there are only two residential storeys above. <p>* Family – husband, wife, co-habitee, child, step-child, foster-child, grandchild, parent, step- grandparent, brother, half-brother, sister, half-sister, aunt, uncle, niece, nephew, cousin. ** Facilities – basic amenities: wc; wash hand basin, shower, bath; cooking facilities. *** Accommodation used by full-time students while they are studying is taken to be their main residence. parent, foster-parent</p>	<p>Regulations made under s55</p> <p>s258 s254(8) s259(2)(a)</p>

Appendix 2

Are you living in a privately rented property?

If so, please read this, as it may apply to you!

The law has changed concerning large houses where people who are not related live together and share facilities (like kitchens and/or bathrooms, etc.); certain houses in this category may need to be licensed by the Epsom and Ewell Borough Council.

In 2006 new laws will require all houses which are 3 floors or more in height (and this can include properties which have shops, offices, etc., occupying 1 or more floors), have 5 or more people, who do not live in one household (i.e. usually not related to each other) and share some facilities, such as kitchens, common rooms, bathrooms, etc., and are not owned by a Housing Association or Trust (also known as Registered Social Landlords or RSLs), then these properties must be licensed by the local authority.

If you are unsure whether your property needs to be licensed then please telephone the Contact Centre and ask for Environmental Health Services or e-mail contactus@epsom-ewell.gov.uk.

Remember properties which have:

- **3 storeys or more and**
- **5 people or more, in more than one household and**
- **Shared facilities**

will need to be licensed!

Be licensed be safe

Environmental Health Services

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