

Houses in Multiple Occupation Licensing FAQs

Legislation

Following the introduction of the [Housing Act 2004](#), all landlords and property managing agents who let certain types of Houses in Multiple Occupation (HMO) will need to apply for an HMO licence.

What is the licensing scheme?

The licensing scheme is designed to:

- ensure that we know about all HMOs within the borough
- ensure that HMOs are run by good landlords who comply with all the necessary regulations and are 'fit and proper' persons
- ensure that minimum standards of repair and amenity are reached and maintained in HMOs in Lambeth
- protect vulnerable tenants, living in HMOs.

How do I know if I need a licence?

If you can answer yes to the following questions you may need a mandatory licence:

- do you rent out property?
- does your property have three or more storeys (including habitable attics or basements)
- does your property have five or more unrelated tenants?
- any of your tenants unrelated to each other?

What is a household?

A single household refers to members of the same family living together. People in a family relationship include:

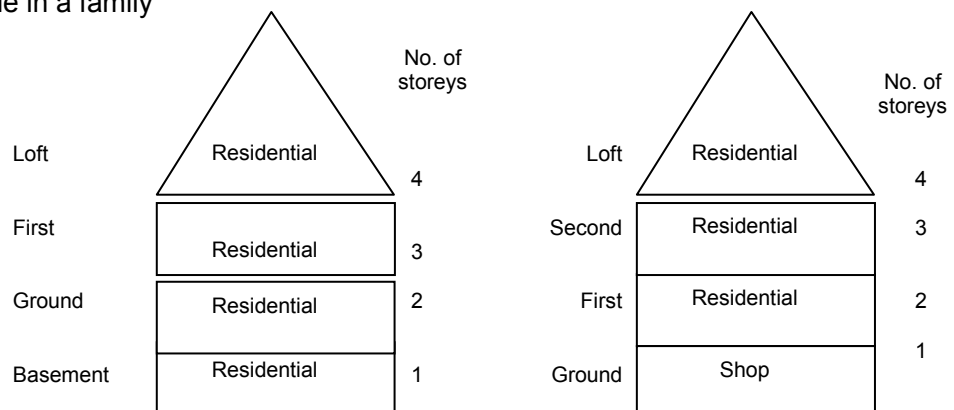
- married couples or cohabitantes who live together as husband and wife
- same-sex couples who are in an equivalent relationship
- parents, grandparents, children, grandchildren, brothers, sisters, uncles, aunts, nephews, nieces and cousins
- half-blood relationships, for example, half-brother or half-sister, are treated as full-blood relationships
- stepchildren are treated as children

Therefore if a family rents a property they are a single household. Three friends sharing together are considered three households; and if a couple are sharing with a third person that would consist of two households.

What is a storey?

For the purposes of licensing, storeys include:

- Basements, attics and lofts if they are occupied or if they have been converted for occupation by residents or if they are used in connection with the occupation of the HMO by residents, e.g. gas or electric meter position, storage or laundry facilities.
- Mezzanine floors, that is, a floor at a different level that is not used solely as a means of access between adjoining floors



Do all HMOs have to be licensed?

No, however mandatory licensing which covers HMOs which comprise of three or more storeys, occupied by two or more households, with five or more people is currently compulsory for us.

We may in the future adopt an additional licensing scheme which would include all other HMOs where three or more people are occupying a property sharing one or more amenities including two storey HMOs as well as converted properties that do not meet 1991 Building Regulations.

Am I right that HMO licensing will only apply to five people sharing? If I make sure I only ever have four people sharing, then I won't be required to licence my property?

Apart from losing out on potential income on maintaining vacant room(s), where there is a risk to the health and safety of the occupant the Council can use other powers available to it to deal with all types of residential premises. In addition to this the Council can apply to extend licensing to HMOs that are less than three storeys and have less than five people sharing, if the Council believes there is a risk to the tenants. Therefore taking steps to avoid licensing now, may not mean that you would avoid licensing in the long term.

Even if the number of occupants is under the licensing threshold the landlord will still be required to ensure that the property meets with the council's HMO standards and is free from hazards under the [Housing Health Safety Rating System](#) (HHSRS).

Who needs to apply for the licence?

The licence holder must be the landlord or a person nominated by the landlord who is responsible for managing the property and to whom the tenants pay rent to if different from the landlord. They must also be a 'fit and proper person'. Therefore, if a managing agent is responsible, they may find themselves liable.

The licence holder should also be the person who is able to authorise, organise and pay for essential repairs to the property. They must be available to the tenants should questions or problems arise in respect of the property, and have the means to resolve them where reasonably practical to meet the standards required by the Housing Act 2004.

Can a company be a licence holder or manager, and hence a fit and proper person?

Yes. A company can be nominated in these roles as opposed to a named individual, and can be assessed as a fit and proper person in the same way as an individual.

Will the property be inspected?

The property will be inspected before the licence is granted to ensure that licensing conditions are being met, as well as allowing us to check details given during the application process.

It will also be inspected by an enforcement officer periodically and before the licence is renewed to ensure that it is free of any serious hazards under the [Housing Health Safety Rating System](#) (HHSRS) and that the licence holder is complying to the conditions of the licence.

Do I need a licence for each of my properties?

A licence is only valid for one property; therefore if you have a number of properties you will need to apply for a licence for each one.

If you have properties outside of the borough you will need to apply for the licence with the local authority in the area where the property is located.

How will the Council know if I have an HMO?

If you are the owner of an HMO that requires licensing, the legislation requires you apply to the Council for a licence to operate the HMO. If you do not do so, you are committing an offence and could face prosecution.

The Council can use evidence from tenants, Housing Benefit, Council Tax, Planning, Fire Authority, Land Registry and many other sources to identify potential HMOs. The Council is also able to serve Notices on the landlords requiring him/her to provide information relating to the premises.

How do I licence my property?

First you must complete the HMO Licensing application and return it to the Private Sector Housing Unit with all of the requested information and pay the required fee.

What will I have to provide with the application?

The supporting documents required are set out within the application form, this includes fire safety risk assessment, gas safety certificates, electrical installation certificates, and maintenance records relating to fire detection systems, tenancy details, annual insurance certificate and floor plans.

What is the criteria for a licence to be granted?

In order to grant a licence for an HMO we have to be satisfied of the following:

- that the proposed licence holder and any manager of the property is a fit and proper person

- that the proposed licence holder is the most appropriate person to hold the licence
- that proper management standards are being applied at the property
- that the HMO is reasonably suitable, or can be made suitable, for occupation by the number of tenants allowed under the licence with at least the minimum prescribed standards of amenities and facilities. These include the number, type and quality of shared bathrooms, toilets and cooking facilities, fire precautions.

The licensing application form contains questions which enable us to decide whether or not the landlord and the property meet the criteria and can be given a licence.

How long will the application process take?

The length of the application process will vary as each case is different; we endeavour to process most applications within 8 weeks.

Provided that you have submitted a valid application, the HMO can continue to operate until we reach a decision and any appeals against that decision are complete. However, the property may need to be inspected in order for us to be satisfied that it is suitable for licensing.

How long is the licence valid for?

A HMO licence will normally last for up to five years, however it can be issued for a shorter period. We are encouraging all HMO landlords to become accredited, preferably via the London Landlord Accreditation Scheme (LLAS) and where landlords are accredited they may be considered for a full five year licence.

Can we refuse to licence your property?

Yes, if the property does not meet the conditions required or if the proposed licence holder is not a 'fit and proper' person.

How do I find out more?

Contact the Private Sector Housing Unit on 020 7926 4444 or 020 7926 4247 for an application form or for further help and advice.

Appeals against licensing decisions

An appeal may be made to a [Residential Property Tribunal](#) against the local authority's decision whether to grant or refuse a licence.

Appeals must normally be made within 28 days of the decision being made. However this period may be extended if the tribunal feels there is good reason to do so.

What happens if a HMO is not licensed?

Licensing is compulsory, it is a criminal offence to operate an HMO without a licence, and could lead to the persons deemed to be in control of or managing the HMO being prosecuted for non-compliance. The maximum penalty is £20,000.

What happens when a licensed property is sold?

The licence is not transferable from the vendor to the purchaser. Any prospective purchasers should contact the Private Sector Housing Environmental Health team and begin the application process as soon as possible.

Are there any other penalties for operating without a licence?

In certain cases, rent from housing benefit or paid by tenants themselves can be reclaimed if you are found to be operating a licensable HMO without a licence.

If you have been convicted of the offence (or we are satisfied that the offence has been committed even though the landlord has not been prosecuted), we can reclaim any benefits paid when you were operating without a licence by applying for a Rent Repayment Order.

Similarly, tenants (including former tenants) are also allowed to make an application for a Rent Repayment Order where you have been convicted of the offence or where a Rent Repayment Order has already been granted to us on the same property.