

Private Rented Property Licensing: A Guide



Private Rented Property Licensing

Introduction

This guide gives you all the information you need to understand property licensing schemes and how to make a property licence application. You may also find it useful to read the [Communities and Local Government guidance on HMOs \(PDF, 853kb, 46 pages\)](#)

What if I don't get a licence?

Failure to have the correct licence may result in landlords and managing agents being prosecuted and subject to an unlimited fine or being issued with a fixed penalty notice of up to £30,000. They can have control of their unlicensed properties taken away from them and could also be made to repay any rents they have received from their tenants.

You must ensure you hold the correct licence type for your rental property. See the 'Licence types' section of this guide for more information on the type of licence you may need to apply for.

HMO Licensing Exemptions

In some cases properties maybe exempt from the requirements of HMO licensing. The following list gives those exemptions.

- Buildings controlled or managed by a Local Housing Authority.
- Buildings controlled or managed by registered social landlords and housing providers.
- Buildings controlled or managed by Police.
- Buildings controlled or managed by fire brigade.
- Buildings controlled or managed by Health Service Body.
- Buildings regulated by other enactments.



- Certain university/college accommodation occupied by students.
- Buildings occupied by religious communities (except section 257 HMO's).
- Any building occupied by two persons who form two households.

If you think that your property is exempt from the requirement of licensing please contact your local council.

What is an HMO?

A house in multiple occupation (HMO) is a property that is occupied by 3 or more unrelated individuals/households who share facilities such as a kitchen or bathroom, or do not have exclusive occupation of the whole property.

For example, HMOs can commonly be occupied by a group of individuals sharing a house or flat, individuals living in bedsit accommodation, and some properties that have been converted into several flats.

Bed and breakfast and hostel accommodation occupied by individuals as their main and permanent address are also considered to be HMO.

A house in multiple occupation is defined by the Housing Act 2004. There are four tests that define what a HMO is:

1. The standard test:

Any building which consists of one or more units of accommodation which are not self-contained and where two or more households share one or more basic amenities, or where the accommodation is lacking basic amenities.

2. The self-contained flat test:

Any part of a building which is a self-contained flat, which consists of one or more units of accommodation, in which two or more households share one or more basic amenities or where the accommodation is lacking basic amenities.

3. The converted building test:

Any building, which has been converted and contains one or more units of accommodation which are not self-contained (whether or not the building also consists of some self-contained units).

4. Certain converted blocks of flats:

Any building which has been converted into and consists of self-contained flats only, and it does not comply with the 1991 Building Regulations and less than two thirds of the flats are owner occupied, (more than one third on short tenancies).

Application Form Frequently Asked Questions (FAQs)

Type of Application

Apply for a new licence

If you are applying for a licence for the first time or your licence has already expired or has been taken away (revoked) or refused by the council.

You will also need to apply for a new licence if there has been a change to the licence holder of a licence that is currently valid.

Manage an existing application

To continue completing an application that you have already started.

Renew your property licence

To renew a licence which is about to expire

Before you start your application

Please have the following available before you start:

- Room sizes and property facilities (including bedroom sizes, information on bathrooms and kitchens including the location of all rooms within the property)
- Details about the property structure and safety equipment
- Name and addresses of persons or organisations with an interest in the property (such as freeholders, leaseholders, managing agents, mortgage provider)
- Payment card details
- Licence holder date of birth (the date of birth of the appointed licence holder)

Who can apply for a licence?

Anyone can apply for a property licence; usually the applicant will be the owner or manager employed by the owner.

Licence holder

The proposed licence holder needs to be the most appropriate person, namely the landlord, person in receipt of rent or in control of the property.

At the very least, the council expects the licence holder to have the power to:

- Let and terminate the tenancies.
- Access all parts of the premises to the same extent of the owner.
- If it is a limited company please give the full company name and address of a UK registered office and listed director who will be the proposed licence holder.

Interested Parties

The Housing Act requires you to notify various 'relevant persons' (who have an interest in the rented property) that you are making the application, and to notify the council of those persons' details.

The 'relevant persons' are:

- the landlord (unless you are the applicant)
- any other owner of the property if the landlord does not own the freehold ie the freeholder and any head lessors, who are known to you
- any person who is a long leaseholder (You do not need to notify any tenant who has an assured shorthold, an assured or protected tenancy whose tenancy is periodic or has less than three years to run, or a statutory tenant.)
- any mortgagee
- the proposed licence holder (unless you are the applicant)
- the proposed managing agent (if any, and unless you are the applicant); and
- any person who has agreed that he will be bound by any conditions in a licence if it is granted.

The Council, by law, will have to write to all relevant persons with details of the draft licence.

If it is an organisation you can put 'The Manager' if you do not know the person's name

Other licensable properties

When applying for a licence you will be asked if you have other licensable properties these can be located anywhere in England. A list should be provided to the Council of these properties.

Fit and Proper Person (Suitability)

In order to obtain a private rented property licence the proposed licence holder will need to demonstrate that they are a 'fit and proper' person i.e. they are suitable to have the responsibility. This will involve making a declaration to confirm their status with regards to criminal offences. In determining whether an applicant is 'fit and proper' the council must take into account any evidence found that the person applying for a licence has:

- Committed any offence involving fraud or other dishonesty, violence, drugs and certain sexual offences.
- Practised unlawful discrimination on the ground of sex, colour, race, ethnic or national origins or disability in connection with any business.
- Contravened any provision of the law relating to housing or landlord and tenant law.

The applicant must also be able to demonstrate satisfactory management and financial arrangements are in place for each rented property. Failure to meet the fit and proper person test may result in an application for a licence being refused.

Read more about unspent convictions in the [Guidance on the Rehabilitation of Offenders Act 1974 \(PDF, 173KB, 16 Pages\)](#)

Accredited Landlords

Some Councils will offer a discount on the licence fee if you are an accredited landlord with certain organisations. Please check with your local Council to see if you qualify, most Councils will only accept accreditation from organisations which require members to have attended training.

- **NLA – National Landlords Association**

<https://www.landlords.org.uk/>

- **RLA – Residential Landlords Association**

<https://www.rla.org.uk/>

- **LLAS – London Landlords Accreditation Scheme**

<http://www.londonlandlords.org.uk/>

- **NALS – National Approved Letting Scheme**

<http://www.nalscheme.co.uk/>

Management Order

A Management Order means that a Local Authority has taken over control of a privately rented property. The Council would have followed a detailed legal process to serve this, so if you have no knowledge of this, then it is unlikely that an Order has been made.

You can check the Council's Public Register as Management Orders have to be put on the Public Register.

Licence Type

There are three types of licensing schemes that can be operational in a borough. Check with the local authority where your property is located to find out which schemes are in force.

Don't worry...our system will automatically chose the right licence type for you based on how you answer the application form questions. It is important that you accurately supply all information requested.

1. Mandatory HMO Licensing

Mandatory houses in multiple occupation (HMO) licensing applies to all HMOs occupied by five or more persons living in two or more households. This is a national scheme and applies to all properties meeting this criteria in every borough across England.

2. Additional Licensing

An additional HMO licensing scheme is one that a council has chosen to introduce in their local area to include smaller HMOs which are not covered by the Mandatory scheme.

Additional HMO licensing can be applied across the whole borough or only apply to specific wards/areas within a borough. You should check your council website to see if it covers your property.

Additional HMO licensing requires all landlords who let a property that is occupied by 3 or more non-related occupiers that are sharing some basic facilities or amenities such as a kitchen or bathroom to have a licence.

Most additional HMO licensing schemes will also cover certain converted flats if it meets the conditions below

- Any building which has been converted into and consists of self-contained flats only, and it does not comply with the 1991 Building Regulations and
- less than two thirds of the flats are owner occupied, (more than one third on short tenancies).

You should check with your local Council if converted flats are included in the additional licensing scheme.

3. Selective Licensing

A selective licensing scheme is one that a Council has chosen to introduce in their local area to cover properties that are rented by a single family or shared by two unrelated tenants.

Selective licensing can be applied across the whole borough or only apply to specific wards/areas within a borough. You should check your council website to see if it covers your property.

APPLICATION FORM QUESTIONS

About your property and occupiers

To answer this question you need to know who occupies the property and whether they are individuals or a family grouping. There may be a mixture of groupings within a property. Please see the definition of HMO and the definition of household within this guide.

Number of people living at the property

Please specify the number of people living at the property, including children

Households

'Households' for the purposes of the Housing Act 2004 includes members of the same family living together who are:

- Couples married to each other or living together as husband and wife (or in an equivalent relationship in the case of persons of the same sex).
- Relatives living together, including parents, grandparents, children (and step-children), grandchildren, brothers, sisters, uncles, aunts, nephews, nieces or cousins.
- Half-relatives are treated as full relatives.
- A foster child living with his foster parents is treated as living in the same household as his foster parent.

Lettings

The number of separate letting units e.g. in an HMO with shared facilities with 5 bedrooms this would mean 5 lettings.

Habitable Rooms

This means rooms that are, or could be, used for sleeping accommodation. Not bathrooms, kitchens, cupboards under stairs or coal bunkers.

Room sizes

The size of the rooms will determine how many people are permitted to occupy the property.

From October 2018 the government introduced minimum room standards for mandatory HMO licences, these are;

- 6.5m² – single room
- 10.22m² – double room

Some Councils may have agreed higher room standards i.e. they may require a larger room than 6.5 for a single person.

Kitchen hob

A kitchen 'hob' is a cooktop or hotplate, as distinguished from an oven. A hob is not to be confused with hob rings or elements.

Age of property

Please provide information on the age of the property. This is being asked because it is a question which has been specified in the Act.

This can usually be found on the title deeds. Sometimes there is a date stone in a terrace of properties, if your property is of a similar design then you could assume it is of the same approximate age.

Rooms in the Property

Add ALL rooms in the property, including kitchens and bathrooms.

When describing the location of a room in a property assume you are standing outside facing the front door. If you use this method left and rights, rear and fronts will be consistently described

What is the difference between Shared and Exclusive?

Exclusive use is where facilities or rooms are in sole use by one household.

How much will it cost?

You can view our fees at [lambeth-hmo-licensing-fee-calculator_December 2021.pdf](#).

The fee is not normally refundable even if you are not granted a licence.

Licence fee refunds

We will give you a refund if:

- There is a duplicate application
- The application was made in relation to an exempted property

Please note: if a refund is agreed, the Council will only refund to the original payee by the same method of payment used i.e. via original credit card used etc.

We will not give you a refund if:

- the application is refused
- the application is withdrawn

- a Prohibition Order is made against the property
- the licence is revoked

The initial fee (first payment) is non-refundable once the application is submitted, the property is sold, or the property ceases to be let

Other HMO licensing fees or information

- change of licence holder - new licensing application will be required
- renewal of licence following expiry of reduced term (five years), subject to a new application fee
- revocation notice, no charge
- sale of licensed HMO, HMO licensing fee not refundable
- Temporary Exemption Notice, no charge
- Variation Notice, no charge unless additional rooms or units are occupied - HMO licensing fee would apply

Licence term

Licences can last up to 5 years. However, the Council may determine that the licence should be granted for a shorter period.

Contact Us

If you have any questions or concerns about an HMO, please contact us via the email below

- Email: hmolicensing@lambeth.gov.uk