



Office of the
Deputy Prime Minister

Creating sustainable communities

LANDLORDS

Do you need a property licence?

Q1. Do you let a property of three or more storeys?

Mandatory HMO licensing starts from April 6th 2006.

Q2. Do you let to five or more tenants in two or more households?

Q3. Do the tenants share facilities?

If you answered yes to these questions, you may need a licence.

To check if you're liable visit:
www.propertylicence.gov.uk

No property licence, no rent

What's the aim?

Mandatory licensing for HMO landlords aims to raise standards of accommodation in the private rented sector.

HMOs provide essential affordable housing for many tenants who need it. HMO licensing is intended to ensure that all these properties enjoy a decent minimum standard of management. Raising standards of management will benefit tenants and the wider community as well as landlords who already manage their properties well.

Collectively, badly managed properties can drive down values in an area, which many landlords find frustrating.

Who does it affect?

Landlords letting the largest HMOs, those on three or more storeys with five or more people in two or more households living in them, must apply for a mandatory licence. Some councils may choose to license landlords with smaller HMOs as well.

For the purposes of licensing a household comprises any tenants who are members of the same family living together including couples (whether or not they are married), relatives and half-relatives or step-relatives, adopted and fostered children. A group of friends sharing a house will not be a single household.

When do I need to get a licence by?

If you let an HMO liable under mandatory licensing, you can make an application from April 6, 2006. From July 3, 2006 all liable HMO landlords who haven't applied for a licence will face enforcement measures including fines of up to £20,000. They may also face losing the right to manage their properties as local authorities use Management Orders to allow them to take over the management of properties which should be licensed.

What will I have to do to get a licence?

You should contact your local authority for an application form which will be available from April 2006.

The local authority will grant a licence if it is satisfied that:

- The proposed licence holder and any manager of the property is a fit and proper person.
- Proper management standards are being applied at the property.
- The HMO is reasonably suitable, or can be made suitable, for occupation by the number of tenants allowed under the licence. To determine this the local authority will consider the number, type and quality of bathrooms, toilets and cooking facilities available for the occupants.

How much will it cost?

Each local authority will set its own fee level for licence applications. You should contact the local authority for the area where your properties are situated to find out the cost of licensing them. Licensing fees should reflect the actual costs of licensing a property with a fee structure which is fair and transparent.

Where can I get more information?

Contact the council for the area that your property is in for local information on how to apply for a licence, how much it costs and whether additional or selective licensing will be used locally. Ask to speak to the department that deals with HMO licensing.

For information on mandatory HMO licensing in England and to work out whether your property is affected, see: www.propertylicence.gov.uk

Residential Landlords Association

Tel 0845 666 5000
www.rla.org.uk

National Landlords Association

Tel 0870 241 0471
www.landlords.org.uk

National Federation of Residential Landlords

Tel 0845 456 0357
www.nfrl.org.uk

A Landlord's Guide to HMO Licensing Leaflet

Available from 0870 1226 236