



Lewisham Council's
House in Multiple
Occupation (HMO)
Handbook Guide for
Landlords and
Managing Agents

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Introduction - Welcome

Welcome Landlords & Managing Agents, to the world of licensing for Houses in Multiple Occupation (HMO)!

We have created this Handbook to guide you through the licensing process and to provide you with information that you may find helpful managing your property.

Whether you are a new HMO Landlord or already hold an HMO licence, our aim is to provide licence holders with a 'one stop shop' of all the information you'll need to run a successful HMO property business within the borough of Lewisham. The document also contains links with further information to help clarify any issues you may have about how to apply for and comply with your HMO licence?

What is a House in Multiple Occupation (HMO)?

In most cases, an HMO is a house or flat where:

- two or more households live as their main or only residence, and
- some or all of these households share basic facilities such as a kitchen, toilet or bathroom.

Other types of HMO:

- converted buildings that include non-self-contained flats
- buildings with self-contained flats that meet certain criteria
- other buildings where basic facilities are missing.

What is a household?

A household is either a single person or members of the same family who live together.

An example of a family can consist of the following persons:

- married or living together including persons in same-sex relationships
- relatives or half relatives, such as grandparents, aunts, uncles
- step-parents and step-children

Which buildings are exempt from the HMO definition?

Buildings exempt from the HMO definition include those occupied by:

- the resident landlord and a maximum of two other people who are not part of the landlord's household

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- premises occupied by no more than 2 people
- Some flats in blocks that are not above commercial premises

[Read the full list of exempt properties.](#)

What are the different types of licensing schemes operating in Lewisham borough?

There are two types of HMO that need to be licenced in Lewisham. These are:

The National Mandatory Licence Scheme:

By law, an HMO must have a licence if it:

- Has 5 or more people living in two or more households, and
- Residents share amenities, such as bathrooms, toilets and cooking facilities.

The current Lewisham Additional Licence Scheme:

If you have a flat above commercial premises that is occupied by 3 or more people living in 2 or more households, then it will need a licence unless [certain exceptions](#) apply.

New Additional Licence Scheme:

Lewisham authorised a new additional licensing scheme in March 2020. This will take in all HMOs with 3 or more people, regardless of the nature of the property. This scheme was paused due to Covid-19, but will be implemented in 2020-21. Please keep an eye on [our website](#) for further information, as there are significant early bird discounts for landlords who licence their properties before the scheme goes “live”.

Please note that a purpose-built flat situated in a block comprising three or more self-contained flats would not need a license under the current mandatory scheme, but may need a license if it is above commercial premises. These properties would also fall under the new additional scheme when it is in force.

Exemptions to HMO licensing

[Schedule 14 of the Housing Act 2004](#) lists properties that are exempt from HMO licensing as they are not legally defined as HMOs. These include buildings controlled or managed by:

- Public Sector Bodies i.e. Local Authorities & Police

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- a non-profit registered social housing providers and registered Social Landlords

Please contact us urgently if you are unsure if your property is exempt. Our contact details can be found at the bottom of this document.

We cannot treat confusion or ignorance of the law regarding whether your property is exempt, as a reasonable excuse for failing to licence a licensable property.

If you have more than one HMO property

You must submit a licence application for every HMO property you rent out. However, there are discounts available – [please visit our website for more details](#).

Who will we need to tell if you apply for a HMO licence and what do we have to tell them?

The law says that we have to inform certain people that you have applied for an HMO licence before we can grant one.

We must tell:

- Any owner of the property to which the application relates (if that is not you) i.e. the freeholder and any head lessors known to you.
- Any mortgage provider and any other person or company where the loan is secured on the property. This would include the lender of any bridging loan.
- Any other person who is a tenant or long leaseholder of the property or any part of it (including any flat) who is known to you if their tenancy is for longer than 3 years.
- The proposed licence holder (if that isn't you).
- The proposed managing agent (if that is not you).
- Any person who has agreed that he or she will be bound by any conditions in a licence if it is granted.

What we will need to tell the interested parties (people or organisations):

- Your name, address, telephone number and email address or fax number.
- The name, address, telephone number and email address or fax number of the proposed licence holder (if it will not be you).

- That the application is for an HMO licence under Part 2 of the Housing Act 2004.
- The address of the property to which the application relates.
- Lewisham Council's address.
- The date the application was submitted.

How long a does a licence last?

If a licence is granted, it will last for five years.

How do we decide to grant an HMO licence?

When assessing if we will grant a licence to an HMO we look at:

- the suitability of the HMO for the number of tenants
- the facilities in the HMO, such as toilets, bathrooms and cooking facilities
- the safety standards
- the suitability of the landlord or the managing agent to manage the HMO (called the 'fit and proper test')
- the general suitability of managing arrangements.

What are the minimum standards we require to grant a HMO licence?

You can find the full details of the minimum standards we require in all licensed HMOs in our borough on our website [here](#).

How do we apply the minimum HMO standards?

- All facilities in this standard must be available to the occupants at all times.
- When a licensing application is received, we will check whether the property complies with these minimum standards.
- These standards may be varied at the discretion of the Licensing Officer. Where they go beyond the mandatory standards set out in the Housing Act [here](#). We cannot licence any property that does not meet the mandatory standards.
- If the property does not fully comply, completing any necessary remedial works will become a licence condition.

- When setting licence conditions, we may set a timescale for the work to be completed.
- Even if a property complies with these standards, we may still require other works to be carried out.
- A Council Officer may carry out a full inspection of the property within five years of the licence being granted. The Officer will decide whether any further work is required to bring the property up to a reasonable standard under the Housing Health and Safety Rating System (HHSRS). The Officer will also check that the property is being properly managed and maintained in accordance with licence conditions and [The Licensing and Management of Houses in Multiple Occupation \(Additional Provisions\) \(England\) Regulations 2007](#)

What grants/loans are available if you require financial assistance to improve your HMO property?

Private landlords who own rented properties can apply for a grant to help improve their properties. Landlords and Managing Agents of an HMO can use the grant for:

- bringing your property up to the decent homes standard
- resolving any category 1 or 2 hazards which have been included on an Improvement Notice or Prohibition Order served by us
- providing adequate kitchen, bathroom and/or amenities as required within a licensed HMO
- providing 270mm loft insulation and cavity wall insulation (where appropriate).

Eligibility

You must carry out all the necessary work to bring the property up to the decent homes standard to be able to apply for a grant. You must also be:

- the owner of the property
- a member of the London Landlord Accreditation Scheme or a recognised landlord association
- a 'fit and proper' person
- renting or intending to rent the property to someone who is not a member of your family.

More information and conditions of applying [here](#).

Amount of grant available

The grant will cover 50% of the eligible cost of work, up to a maximum of £3,000. The maximum grant limit will be increased to £6,000 for licensed Houses in Multiple Occupation (HMO), or properties where an application is pending and the HMO subject to licensing on completion of the building work.

How to apply

To apply or find out more, contact us on the details below:

Housing Grants Team

Telephone: 020 8314 6622

Email: housingassistance@lewisham.gov.uk

What does ‘fit and proper’ person mean?

To help determine whether a landlord is a 'fit and proper person', you must submit details of any previous convictions for criminal activity or any history of non-compliance relating to housing standards enforcement, harassment or illegal eviction. We will use this information to determine whether a landlord is 'fit and proper'. For further information, please see [here](#).

Anyone without unspent convictions is likely to be a fit and proper person. The Housing Act 2004 allows us to consider any relevant issue, and we reserve the right to refuse to issue a licence where the person applying or someone applying on their behalf has behaved dishonestly within the process of the application, for example by submitting a forged Gas Safety Certificate or other relevant document.

What is the London Landlord Accreditation Scheme?

It is a pan-London scheme which encourages landlords to adopt a high standard of management and professionalism, thereby improving accommodation within the private rented sector. Accredited landlords are entitled to a discount in their licensing fee. For details of the LLAC follow [this link](#).

What are the licensing fees?

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The licensing fees for our Additional and Mandatory Schemes can be found [here](#). Please note that our fees relate to a lettable unit.

Cheaper fees are available for charities and landlords who are accredited through the [London Landlord Accreditation Scheme \(LLAS\)](#) or are members of a recognised landlord association.

How do you apply for an HMO licence?

You can apply for a HMO licence online. The online application form requires quite a lot of information, so you will need to make sure you have the relevant information to hand. You will also need to upload the following documents before we can accept your application.

- Gas Safety Certificate
- Portable Appliance Test
- Fire Risk Assessment
- Emergency Lighting System
- EPC Certificate
- Electrical Inspection Certificate
- Fire Detection Warning System Certificate
- Building Control Certificate of Completion (where property has been converted or extended)
- Tenant Information Pack

The HMO application and all the relevant information you need can be found [here](#).

What happens if you don't license your HMO?

It is a criminal offence to manage or control a property which should be licensed and is not. If your property is not licensed you could:

- Face prosecution and an unlimited fine
- Be issued with a Civil Penalty Notice of up to £30,000.
- Be told to pay back any rent or housing benefit/universal credit to the tenant who paid it during the period of the offence.

Also, if a landlord or manager breaches conditions of their licence they could:

- Face prosecution and an unlimited fine
- Be issued with a Civil Penalty Notice of up to £30,000.
- Have their licence revoked by us, and we may take over the management of the HMO.

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- We may apply for a banning order. This is an order that makes it a criminal offence for someone to operate as a landlord or letting agent in England and Wales.

Section 21 Notices

Under the Housing Act 2004, a section 21 notice of eviction cannot be served on the occupants of a house that requires a licence unless it has a licence. Allowances may be made if there is a properly made application already submitted.

Rent Repayment Orders

Occupants living in an unlicensed HMO can apply to the First-tier Tribunal to have any rent they have paid during the unlicensed period repaid to them (up to a limit of 12 months). Local authorities can also reclaim any housing benefit that has been paid during the time the property was without a licence (up to a limit of 12 months).

What happens after you have applied for a licence?

After you submit your application, we will review it.

If we decide to grant a licence, we will issue a draft HMO licence with a notice of our intention to grant a licence. We will issue the full licence once we have consulted with the relevant persons, are sure that the management arrangements are satisfactory and are sure that your property is suitable for use as an HMO.

How do you meet the Anti-Social Behaviour (ASB) component of your licence?

Whilst we acknowledge that the licensing process will not necessarily make tenants better behaved, we believe there are things you can initially do within the licensing framework to help circumvent ASB issues arising from the outset. You are running your business in Lewisham, and you have a responsibility to take all reasonable actions to avoid disruption and distress to the community.

We expect all licence holders to have an ASB policy and be able to show that they have followed it if we ask. We will only ask this if there have been complaints about ASB or some other good reason. We have created an ASB Policy Guide for you to either adopt or adapt to comply with this licence condition. [Read our model ASB Policy Guide on our website.](#) You are free to change this document, adopt it or create your own, but you will have to provide us with a copy of your ASB policy as part of the licensing process.

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How can you minimise the risk of your tenants becoming involved in Anti-Social Behaviour (ASB)?

Whilst we acknowledge that the licensing process will not necessarily make tenants better behaved, we believe there are things you can initially do within the licensing framework to help circumvent ASB issues arising from the outset. You may want to ask new tenants to provide a reference. We do encourage this though, as it provides landlords with an insight into prospective tenants directly from their previous landlord or someone who knows them well enough to provide a reference.

- Your tenancy agreement should clearly explain the type of behaviour that will not be tolerated and what will happen to tenants who are found to have engaged in this kind of behaviour.
- It's also advisable to speak to each incoming tenant about your ASB policy and to give each tenant a copy.

What can you do to avoid encouraging ASB based on the design of your property or repair issues in the property?

The idea that ASB can be encouraged by the design of your property or disrepair issues may sound strange, but you will be surprised how simple design choices can easily mitigate any unnecessary inconvenience to others and subsequent reports of ASB.

Design Issues

- Avoid placing washing machines against walls that separate your HMO from the neighbouring properties.
- Sufficient storage spaces for the bins

Communal Areas

- Ensure all doors that allow members of the public access to the building and cupboards in the communal areas are secure at all times. If any of the doors that allow members of the public access to the building or communal cupboards are left insecure due to disrepair, please ensure all repairs are carried out urgently and within a timely manner. This will help to reduce ASB complaints relating to unauthorised persons loitering and discarding items in the communal areas.
- All communal lighting needs to be in working order as this is a good deterrent for loiterers and unauthorised persons.

- Tenants should be encouraged to site speakers against walls that separate their living space from communal areas of the HMO. Speakers sited against internal or external party walls are a source of noise nuisance to neighbours and other residents.

Waste Management

It is a priority to make your tenants aware of refuse collection dates, and the Lewisham scheme for recycling and food waste. Tenants should be made aware that recycling bins containing general household or food waste will not be collected and the following links should be provided:

- [when the council collects the bins](#)
- [what is food waste](#)
- [what is recycling as opposed to general waste](#)

Leaving bed frames, mattresses and other large items outside your property for prolonged periods may be classed as fly tipping (illegal dumping). Fly tipping has a negative effect on the community. It is not only an eye sore but it can promote pests and negatively impact the environment. Your tenants need to be made aware of how to book a large item collection as anyone found fly tipping can be issued an on the spot fine (up to £400) or prosecution, unlimited fine and/or 5 year prison sentence. Provide the following links for how to book a large item collection and how to report fly tippers and fly tipping:

- [How to report fly tippers and fly tipping](#)
- [How to book a large item collection](#)

How do you deal with complaints about Anti-Social Behaviour (ASB)?

Complaints about ASB could come from your tenants, neighbours or the local community (businesses or groups). Where possible, anonymous allegations of ASB should be investigated, although we acknowledge that it may be difficult to progress the investigation in the absence of knowledge of who made the complaint or other evidence.

All personal information given as a complaint, or provided during an investigation into a complaint must be treated in confidence. There are some circumstances which are excluded from this, such as when there is a duty to report to another authority or agency. One example is where a child is in need and there is a requirement to

contact The Police, or if you are required to make disclosure in legal proceedings or by Court Order.

Except in very serious cases, ASB can be stopped when challenged early enough. Early intervention will aim to stop the problem behaviour, prevent re-occurrence and achieve effective and long-lasting solutions. Non-legal intervention measures may be used as well as serving statutory notices and, ultimately, evicting the persons responsible.

Tenants are responsible for the behaviour of their visitors. If a tenant is unable to control their visitors' behaviour or prevent them coming to the property this should be reported to the licence holder or their agent immediately. Failing to report should be treated as a breach of the tenancy agreement. In cases where the alleged perpetrator can be identified the following steps will be taken:

- Letter to the alleged perpetrator (if you know the address) on behalf of your tenant notifying them in writing of the alleged issues. This may be useful when dealing with minor and moderate issues of ASB however there are very limited options available to you to allow you enforce any remedies.
- Your tenant may also need to contact the Police if the ASB relates to threats of violence, violence or harassment.

All reports of ASB must be logged and recorded. Records of telephone complaints, interviews and correspondence to and from the involved parties must be kept. These records will be important when it comes to renewing your licence as they can help you to pass the satisfactory management standards test. Further information about this can be found [here](#).

Safety inspections of HMOs

We conduct safety inspections of licensed houses in multiple occupation (HMOs). The licence holder is responsible for making sure that their property is in a good state of repair and complies with all [licence conditions and management regulations](#). These inspections are to confirm that there are no breaches and that the property is generally in a good state of repair.

In most circumstances we will give 24 hours' notice before entry. However, our officers may enter premises at any reasonable time without giving any prior notice if we consider that this is necessary because we suspect that an offence has been committed under section 72, 95 or 234 of the Housing Act 2004. More information can be found [here](#).

How can you appeal a licensing decision made by us?

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If you disagree with a decision that we make you have the right to appeal to the [First-Tier Tribunal \(Property Chamber – Residential Property\)](#).

What happens if you do not comply with the licence conditions?

If you fail to comply with the licence conditions you run the risk of prosecution, with an unlimited fine, or a financial penalty of up to £30,000 per breach. It may also affect your 'fit and proper' status and your licences could be revoked. You could even be banned from operating as a landlord or agent in England and Wales.

Contact details

Private Sector Housing Agency (PSHA)

Phone: 0208 314 6420

Email: pshe@lewisham.gov.uk

Online: <https://r1.dotmailer-surveys.com/d7402e3-861wr821>