

# Have your say on landlord licensing in Camden





**Camden sits at the heart of the world's most vibrant city and as such is a popular place to live. With house prices beyond the reach of many, the number of households renting privately has grown rapidly in recent years and even poor quality accommodation can be rented out easily. We believe all our residents deserve access to a decent quality place to live.**

With rising rents, an increasing number of renters are having to share properties in a variety of ways, for example shared flats and houses, bedsits and studios. Good quality shared accommodation can provide decent and affordable places for Camden residents to live. However, the Council is aware that this type of accommodation can also be badly managed causing problems for the occupants as well as those living nearby.

The [Camden Plan](#) states that we will strive to make homes in Camden safe, well managed and well maintained. The borough-wide additional [house in multiple occupation \(HMO\) licensing scheme](#) introduced on 8 December 2015 helps us achieve this by improving rental standards. HMOs are shared homes, including house and flat shares, student homes, bedsits and some buildings converted into flats.

Read this summary before you answer our online survey. If you want to learn more about the proposed scheme and the reasons why we think it will continue to improve the private rented sector, please view the [supplementary information](#).

## Background

In 2015 we introduced a borough wide additional licensing scheme for HMOs. An HMO is [defined in law](#) as a house or flat shared by three or more persons who are not part of the same family. The Council also licenses some buildings converted into flats (where the conversion does not meet recent building standards) and where half or more of the flats are rented.

Our licensing scheme has helped improve the quality and safety of homes for people living in the private rented sector. We have now received over 4,300 licence applications, licensed over 3,100 properties and carried out 3,500 inspections. 99% of the licences contained requirements for works to meet the HMO standards, mainly to

do with fire safety but also electrical works, improvements to bathroom and kitchen facilities and heating. Nearly three quarters of the licences have either been fully or mostly complied with.

At the same time, the Council has targeted letting agents and landlords who are operating unlicensed or ineffectively managed HMOs. According to the GLA rogue landlord database LB Camden is now issuing more civil penalty notices (CPNs) and prosecuting more rogue landlords/agents than any other borough in London. Since the current scheme started we have taken 135 prosecutions against rogue landlords/agents and issued 226 CPNs. In addition, 5 rent repayment orders have been made against unlicensed landlords. We have also banned one of our worst landlords from operating for a period of five years.

A recent [review](#) showed that the licensing scheme has made good progress in improving property and management standards in a large number of HMOs - thereby improving the safety, comfort and well-being of tenants.

## Our proposals

As stated above, the Council has recently carried out a comprehensive [review](#) of the current additional HMO licensing scheme. We have clear evidence that the scheme is having a positive impact on improving property and management standards within Camden.

However, it is clear there are still a significant number of HMOs that have not yet been licensed. Despite extensive publicity both locally and nationally, we appreciate some individual landlords may still not be aware they need a licence. There also remains a core group of rogue landlords and agents that seek to exploit vulnerable tenants for financial gain. Whilst the enforcement team are actively pursuing these landlords there is still more to be done. For these reasons, the Council proposes renewing the current scheme.

We have listened to feedback from landlords and are making improvements to our processes. As shown, we are taking robust action against landlords who fail to license their properties and who do not comply with licence conditions. We will be making the process for renewal as simple as possible for those landlords who have complied and who make their applications for renewal in a timely manner.

We are proposing the following changes to the new scheme:

### Shorter licences

The Council is considering giving shorter licences (one year) to landlords or agents where there are serious concerns about their management of properties. See the [supplementary information](#) for more information on how this will be determined.

### Fees

The Council charges a fee to cover the administration of the licensing scheme over five years. The law states the fee can only be used for this purpose and no other Council function. The Council does not (and cannot) make a profit.

Benchmarking exercises have shown our current fee to be below average when compared to other London boroughs even though we carry out a full survey of all properties before we license them (not many local authorities do this). The Council has been subsidising the costs of the licensing scheme to date, and so to cover all the costs associated with the new scheme the fee will have to be increased. The new fee will also differ from the existing fee structure as there will be a flat fee that relates to all HMOs rather than one that reflects the number of units.

**We are proposing a new basic fee of £1,300 for all HMOs, with a discount of £100 for accredited landlords.** The fees will be kept under review on an annual basis to ensure income does not fall short or exceed cost recovery.

For more information on the fee structure, see the [supplementary information](#).

### HMO standards

The Council has a set of standards that apply to HMOs. These mainly relate to room sizes, kitchen and bathroom facilities, fire safety, heating and sufficient electrical sockets.

We are proposing to introduce separate standards for a) shared flats and houses and b) self-contained flats within HMOs so there is more clarity on what is required. We will continue to have separate standards for hostels. The requirements in the standards are essentially the same as before although there have been some small changes. See the [supplementary information](#) for a summary of the changes and the proposed standards.

## Selective licensing

We are also seeking initial views on whether a selective licensing scheme should be introduced in the future to license all private rented accommodation, not only HMOs. This could be in the whole or only part of the borough. The Council will consider this possibility further when the consultation is finished and we have looked at the available evidence. This is **not** a statutory consultation on selective licensing. Further information on selective licensing can be found [here](#).

## What properties are included in the additional licensing scheme?

The scheme includes all HMOs which are not currently subject to mandatory licensing and to the exemptions detailed in the legislation. See the [supplementary information](#) for more information.

It also includes properties that have been converted into self-contained flats which do not meet recent building regulation standards (known as [section 257 HMOs](#)). Licensing only applies to those properties where less than half of the flats are owner-occupied (not including those with resident landlords).

## Examples of properties that are included in the additional licensing scheme

Property description	Likely occupiers
<b>Bedsits or rented rooms</b>	Individual tenants who have no connection to each other. The landlord rents each room separately. The tenant only has exclusive use of their own room, although there are likely to be shared facilities such as kitchens, bathrooms or toilets. Or there may be facilities which are for the tenant's own use but not within the room. <b>Three or more sharers living as above in a house or flat requires a licence.</b>
<b>House or flat shares</b>	Likely to be rented by a group of students or professionals on one tenancy agreement. The group will typically know each other when they move in,

	<p>and choose replacement tenants when someone moves out.</p> <p><b>Any shared house with three or more sharers living as above requires a licence.</b></p> <p><b>Any shared flats under the control of a leaseholder with three or more sharers living as above requires a licence.</b></p>
<b>Resident landlord with lodgers</b>	<p>The owner lives on site and rents out rooms to more than two lodgers. Occupiers may share meals with the owner, or have meals included, or they may live independently.</p> <p><b>Any resident landlord with three or more lodgers requires a licence.</b></p>
<b>Buildings (or parts of a building) are converted into self-contained flats or studios. The conversion does not comply with the Building Regulations 1991 (or later) and <u>less</u> than 50% of the flats are owner occupied</b>	<p>This does not apply to properties which were originally built as self-contained flats – only those that were subsequently converted.</p> <p><b>A freeholder who owns/controls the common parts of a converted building where the flats are owned by separate leaseholders must apply for a ‘common parts’ licence.</b></p> <p><b>A freeholder who owns a converted building and owns/rents any of the flats within it must apply for ‘common parts and flats’ licence.</b></p> <p>NB: If one of the flats within the building is itself a flat in multiple occupation, then this will need an independent licence.</p>
<b>Student accommodation</b>	<p>This includes purpose built flats and cluster flats occupied solely by students that are not owned or managed by an exempted educational establishment. Parts of the building will have shared facilities such as kitchens, bathrooms and toilets.</p>
<b>Hostels</b>	<p>This would include hostels managed by charities and refuges for people seeking refuge from domestic abuse. Other hostels such as those used for homeless etc. will be treated on a case by case basis. It would not include youth or backpacker hostels housing people on holiday.</p>

## How do I apply for an HMO licence?

Landlords or their agents (or someone on their behalf) apply for a licence online if their property falls under the scheme. The application form includes details about the landlord, managing agent, and interested parties such as the mortgage company and other leaseholders (if it is a building converted into self-contained flats). It also requires details about the property. For more information about the application process, visit our [webpages](#).

The licence holder needs to be the most appropriate person to be the licence holder – the person in receipt of the rent and in control of the property. This is nearly always the landlord. There needs to be suitable management arrangements in place and the licence holder must be considered a ‘fit and proper’ person before we issue a licence.

There are several documents that need to be submitted with an application for a licence. These include a 5 yearly electrical installation condition report (EICR), annual gas safety certificate (where there is a gas appliance), floor plans and any necessary fire alarm and emergency lighting certificates. In addition a fee needs to be paid (see above).

We always inspect properties before issuing a licence for the first time.

Properties are expected to meet a set of HMO standards including the number and type of kitchen, bathroom and toilet facilities for the number of occupants, and any necessary works must be complied with within a specified time. The licence also specifies the maximum number of people who may live in the HMO and includes [specific conditions](#) which apply to every licence.

If there are safety or management issues these are listed on a separate advisory note. These issues are listed separately for legal reasons, but will need action at the same time as the works on the licence. Any serious safety hazards or management issues which are identified in a property during the licence inspection will be referred to our housing enforcement team for further action.

Licences are generally issued for a period of five years. However, see above for proposals to issue shorter licences where we have serious concerns about the management of a property.

### Renewal applications

The Council will be writing to existing licence holders 3 months before the expiry of the licence (5 years after the date of the final licence).

If the licence holder has changed or the property has been sold then the new responsible person will need to apply for a new licence (see process above).

When the renewal application is made online, certain information will be retrieved from the previous licence application (and inspection) and will not need inputting again. Such information will need to be checked and verified. This will mean the process for renewal applications will be simpler than the original application.

We will not be re-inspecting all properties on renewal. We will be taking a risk based approach to any inspections taking into consideration information that has been provided to us regarding compliance.

## What else are we doing to improve private renting in Camden?

**There is no single solution - improvements in the sector need a diverse set of interventions.**

- training and support for landlords through the **London Landlord Accreditation Scheme**;
- grants and financial incentives for landlords to improve or bring empty properties into use;
- help to improve the energy efficiency of homes;
- greater use of our existing powers to take enforcement action and replace poor management with decent provisions;
- successful use of central government grants to target the rogue landlords exploiting the most vulnerable tenants;
- landlord events and newsletters aimed at informing and supporting HMO landlords;
- partnership of tenant advisory services in Camden to co-ordinate services;
- providing advice to private renters and supporting a stronger private tenant voice;
- lobbying for the introduction of a national landlord registration scheme to sit alongside local licensing schemes.