

www.LandlordZONE.co.uk

Rental Property Knowledge: a website for Landlords, Letting Agents and Tenants. The site hosts the UK's busiest on-line rental property forum

Highlights:

Management responsibilities for licensed AND non-licensed HMOs have increased and landlords need to be aware of them.

Our sponsor for this issue is "CoverLet.co.uk" one of the leading insurers in the rental property field.

Inside this issue:

Management Responsibilities—HMOs	1
Welcome—the Editor	1
Management Responsibilities—non-licensed HMOs	2
LandlordTrader.co.uk—Marketing your investment properties.	2
The main Landlord Responsibilities—HMOs	3
Accommodation for Students—The student & Student Landlord site.	4
MacKenzie Ward, Estate Agents, Investments and Lettings.	4
Insurance advice from CoverLet.co.uk	5

Management Responsibilities—HMOs

Licensing of Houses in Multiple Occupation (HMOs) became law in England & Wales in April 2006.

However, not all HMOs come under mandatory licensing—in particular some of the smaller student lets will fall outside the mandatory requirement.

If you are a landlord with an HMO that falls outside the mandatory licensing requirement, it's easy to assume that you can carry on exactly as before.

This Newsletter is effectively a brief review of *Statutory Instrument 206 No. 372 "The Management of Houses in Multiple Occupation"* and **readers should consult this document before taking or not taking action.**

The rules say that the larger HMOs - those with three or more storeys and with five or more people -

now have to be licensed by the local authority.

Councils can also extend licensing to smaller HMOs if they can prove there is a need to do so.

(In Scotland, however, all HMOs of any size already have to be licensed.)

However, a complicating factor is that in some cases local authorities appear at this stage to be interpreting the rules quite liberally, making ALL HMOs mandatory licensable.

All the focus in the press has been on the rules for HMOs that need licensing, especially the rules relating to the number of wash hand basins required, the actual cost of licensing and the swingeing penalties of £20,000 plus repayment of rent if you have not got a licence.

So landlords in England



and Wales with smaller HMOs that don't need a licence - because they fall outside the rule of 3+ storeys and 5+ tenants and the local council has not extended licensing to smaller HMOs - could be forgiven for thinking nothing has changed for them.

However, they would be quite wrong! Read on...

For full information on this subject refer to [Statutory Instrument 2006 No. 372](#)—The Management of Houses in Multiple Occupation (England) Regulations 2006

Welcome

We continue here with our series of LandlordZONE Newsletter editions on the topic of **Licensing** and the requirements of the **Housing Act 2004**.

The licensing requirement for HMOs became effective in April: the licence will be issued to "fit and proper persons" who operate HMOs and can demonstrate good management, usually for a period of 5 years.

We are already seeing differences in the way that local authorities are interpreting the rules and the fee levels they are charging according to Mike Stimpson, chair of NFRL.

Fees apparently are varying from nothing at all to just under £2,000 per property. This in itself is a worrying development for HMO landlords.

But, in addition it seems that some authorities are not discriminating between mandatory and discretionary licensing—requiring ALL HMOs to be licensed—not the intention of the legislation at all.

Clearly the situation needs to be monitored and pressure to be brought where necessary.

Tom Entwistle, Editor

Non-Licensed HMOs

ALL HMO landlords—licensed or not—now have some additional management responsibilities.

This will apply in particular to those landlords of student accommodation who have just managed to escape the mandatory licensing requirement but where the property is still classed as an HMO.

Just to recap, an HMO is very broadly defined as where three or more unrelated people (forming at least two households)

share a property. This means a two bedroom house with a couple and another unrelated sharer would constitute an HMO.

Whether you need to apply for a licence for your HMO or not, if you are a landlord of any HMO you will still need to meet the new management standards.

The good news is that most of these new standards or rules are really just common sense – things that all good land-

lords should be doing anyway.

However, now that these have become a legal requirement, landlords will need to be more involved in the actual running of HMO properties.

They may find that they have to visit and inspect the property more often to check that standards are being maintained.

We have summarised the main requirements of the new standards on the next page:



Landlord Trader

Sell your Buy-to-Let to an investor

No agency fees

Deal direct with the buyer

Landlord Trader



Fancy looking for Buy-to-Let's from the comfort of your own desk?

LandlordTrader.co.uk attracts property professionals from all around the UK who are fed up with exorbitant agency and sourcing fees that tap into precious profits. Sell or find your next buy-to-let on Landlord Trader and get in touch *directly* with the buyer or seller and avoid any fee-hungry middle men.

Landlord Trader was founded in June 2004 to overcome the unnecessary high transaction costs of buying and selling property (particularly tenanted property) and to improve market efficiency. On the website landlords can trade property with each other transparently, without hidden costs.

Landlord Trader is free to browse and register, and sellers pay from just £29.99 to list an investment property for sale. If the property sells successfully then the seller pays a flat fee of just £200.

All in all, Landlord Trader is a fun and unique website, which is an invaluable tool for property investors. Check it out at www.LandlordTrader.co.uk.



CoverLet is a trading style of Alan Blunden & Co.Ltd, authorised and regulated by the Financial Services Authority.

Buy-to-Let
Residential Lets
Commercial Lets

Call Free **08009 70 71 72** for a quotation

CoverLet.co.uk

Main Landlord Responsibilities—HMOs

Notices—For all HMOs with five or more people a notice must be prominently displayed showing the fire escape routes.

The notice should also give the name of the landlord or agent who manages the HMO - this must include his name, address and contact telephone number.

Fire Escapes—must be free from obstruction and maintained in good order and repair. The same goes for any fire fighting equipment which is provided.

Window Access—For any windows on the ground floor (or near to it) access should be prevented by bars or other types of safeguards. In addition, access to any roof which is temporarily unsafe – say because work is being done on it – must be prevented.

Gas Certificates—to be made Available to Local Authority on Request. A copy of the latest gas certificate must be provided to the local authority within 7 days of receiving a written request.

To ensure that they are made aware of the request, landlords or their managers should ensure that tenants pass on any mail to them promptly.

Common Parts—should be maintained in good and

clean decorative order, in a safe and working condition, and reasonably clear from obstruction.

Landlords with shared houses will know how fond tenants are of dumping large objects in the hallway. So this standard will be particularly challenging.

External Yards—must be maintained in repair and in a clean condition, and gardens must be kept in a safe and tidy condition. The same goes for boundary walls and fences.

This one will be a challenging one too, given that tenants are very keen to dump all kinds of unwanted items. Again, this implies managers will need to visit more regularly.

Carpets and Stairs - Stair coverings must be securely fixed and handrails and banisters must be kept in good repair.

Ventilation—Windows and other ventilation should be kept in good working order.

General Design—Occupiers should be protected from injury, with regard to the design of the HMO, its structural condition, and the number of occupiers.

Water Supply—and drainage systems must also be kept in good, clean and working condition and tanks must be covered and fittings must be protected from frost.

Nothing onerous here - all landlords will want to minimise frost damage.

Electrical Inspection-installations will have to be inspected and tested at least every five years by a qualified electrician and a certificate obtained.

This one is a significant change to what went previously, and will be music to the ears of electricians, particularly NICEIC, and the other regulatory bodies in this field, who will no doubt do the majority of inspections.

As with gas inspections, if the local authority asks for it, the certificate must be supplied within seven days of receipt of a written request.

Refuse Bins—There must be suitable and sufficient litter bins and/or bags provided for the number of tenants in the property.

References:

[The Management of Houses in Multiple Occupation \(England\) Regulations 2006](#)

[ODPM—Licensing in the Privated Rented Sector](#)



CoverLet is a trading style of Alan Blunden & Co.Ltd, authorised and regulated by the Financial Services Authority.

 **Buy-to-Let**
 **Residential Lets**
 **Commercial Lets**

Call Free 08009 70 71 72
for a quotation

 CoverLet.co.uk

Tenants' Responsibilities in HMOs

Not everything in the standards falls on the landlords shoulders.

Anything bought into the property by tenants is their own responsibility.

Fixtures and appliances should be maintained in good repair and clean working order, but if something is damaged by the tenant through negligence, then the landlord doesn't have to repair it.

Tenants must behave reasonably and not hinder the

manager, allow him reasonable access, provide reasonable information, take care not to damage anything the manager is bound to maintain and comply with any reasonable instructions regarding fire safety.

Penalties for non-compliance under these regulations will apply not just to landlords but to tenants/occupiers too!

Rather neatly the rules say that the manager does not need to take any actions which are the responsibility

of a local authority or any other person.

However, they do have a duty to bring the matter to the attention of the authority or person concerned, so they can take further action.

Tips and Advice:

Check with your local Environmental Health Officer to see if licensing has been extended to smaller HMOs in your local area!

In England, penalties will apply from 3rd July 2006 to landlords with mandatory HMOs who have failed to apply for a licence.



Mackenzie Ward Estate Agents

Mackenzie Ward is privately owned and was founded in 1997. The current owners took over the running of the firm in the summer of 2003.

The company continues to pride themselves in providing a better service and firmly believe that with the assistance of their new premises next to the Hind Hotel in the centre of Wellingborough, Offices in Park Street Wellingborough Spencer Parade Northamp-

ton and Wellingborough road Finedon, will help the business grow from strength to strength.

Mackenzie Ward sell and let homes to prospective clients throughout Northamptonshire as a county.

Beautifully presented brochures and digital imaging to enhance special features are standard. Coupled with a newly redesigned website, we pride ourselves on our property marketing.

**looking to invest in property?
take the next step**

£5000 buys you a brand new property with £20,000 equity. properties are available in **Wooton and Southbridge, Northampton, Corby, Wellingborough** and properties are soon to be released in **Milton Keynes, with no money down**
Please contact Mackenzie Ward on 01604 638238 for further details.

MAC KENZIE WARD
ESTATE AGENTS LTD
residentialsales

Tel: 01604 638238
Spencer House,
3 Spencer Parade,
Northampton NN1 5AA
HERE FOR YOU ACROSS NORTHANTS
www.mackenzieward.com

AccommodationforStudents.com

The UK's leading web site for Students and Student Landlords

Landlords:

- Advertise your properties quickly and easily, for just £5 per property per month. (Discounts are available for bulk uploads and long advertising periods).

- Include images, maps, features, pricing, contact details, and more
- We display performance reports and track the enquiries made by students about your properties

- 1000s of emails are sent by our student visitors to landlords on our site everyday.
- Over 5000 student landlords already registered and using our site.



[Create an account now](#)

LandlordZONE

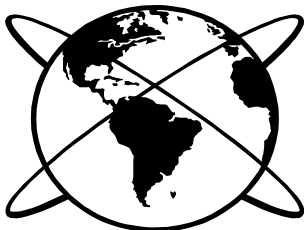
Newsletter

LandlordLOG.com

This publication is Copyright
Parkmatic Publications Limited 2006
all rights reserved

Phone: 0845 260 4420
Fax: 0870 131 3437
E-mail: editor@landlordzone.co.uk

*Rental Property
Knowledge*



LandlordZONE
circles the Globe

Volume 1, Issue 9
May 2006

[Newsletter Archive](#)

Articles contributed to this issue by **David Lawrenson** who is a London-based landlord, property investor, freelance journalist and author of "[Successful Property Letting](#)." David runs seminars and consulting courses on buy-to-let—see www.lettingfocus.com"

LandlordZONE.co.uk - Established in 1999 - a vertical portal for landlords, tenants & letting agents - a knowledge-base for practitioners, and a marketplace for buyers and suppliers. Free access to all - with **125,000 +** visitors per month the site is a key focal point for the rental property industry.

You have received an e-mail notification of this newsletter because you have subscribed on the web site, you have been subscribed by others or through dealings with us. We do not pass on your details to anyone—that's a promise.

If you no longer wish to receive these e-mails please click the UNSUBSCRIBE link or e-mail with UNSUBSCRIBE in the subject line — we will immediately remove you from our secure e-mail list.

Articles in all our publications are for general information only. We try to keep information accurate and up-to-date but cannot guarantee this is always the case. Laws change regularly and investment prices can fall as well as rise.. Always seek expert professional advice in your specific case before making or refraining from making decisions about investments and property management. We do not accept responsibility for any loss suffered.

CoverLet.co.uk— Quotations On-Line—Just a click away!

Multiple Insurance Quotations are just a click away!

CoverLet.co.uk specialises in insurance for residential and commercial landlords. By inputting simple details of your property or portfolio just once onto the CoverLet online quote form, you can access up to five quotes instantly.

CoverLet.co.uk is a trading style of Alan Blunden & Co. Ltd. Insurance brokers, who have arranged over **40,000 insurance policies for landlords in the UK.**

CoverLet.co.uk uses a panel of insurers, selecting the most appropriate ones for your property.

Or you can call CoverLet.co.uk on **0800 9 70 71 72** and we will quote you without obligation for your single property or portfolio.

CoverLet.co.uk is able to offer cover for:

- Residential flats, houses
- Commercial shops, offices
- Industrial units
- Vacant properties
- Blocks of flats
- Bed-sits
- DSS, asylum seekers, students
- Holiday homes, etc.

Save time and money – use CoverLet.co.uk, specialists in landlord property insurance.

