

Bridge McFarland - Business News Article

NEW LICENSING REGIME FOR HOUSES IN MULTIPLE OCCUPATION (czh)

Part II of the Housing Act 2004 which is due to come into force fully in April 2006 introduces a new licensing regime for 'houses in multiple occupation' (HMO).

If a property is designated as a HMO it will be required to meet certain requirements in relation to fire doors, management and layout. These new licensing requirements are largely the same as those imposed under the current system. What will change is the number of properties which will be classed as HMO.

Criteria

A property will be considered to be a HMO if it fulfils the following criteria:

- It has three or more storeys (this includes basements and attics)
- It is occupied by 5 or more tenants who comprise more than one family - this will cover most student houses and migrant workers' houses

It will then be compulsory for a licence to be obtained from the local authority.

In addition to this, local housing authorities will have the option of extending the licensing requirements in their areas.

Consequences

A licence-holder will be liable to a fine if he should fail to comply with the terms of his licence.

If a HMO is operated without a licence then the residential property tribunal may order that rent or housing benefit be repaid to the tenants. The landlord could also be fined up to £20,000.

If you require any further information about the implications of this Act and what effect it will have on you, please contact a member of our commercial property team.

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