

The Complete HMO Management Solution



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Recent Legislation...

Under the provisions of STATUTORY INSTRUMENTS 2018 No. 221, "The Licensing of Houses in Multiple Occupation (Prescribed Description) (England) Order 2018", 20th February 2018 and in force from 1st October 2018, the HMO mandatory licensing scheme will be extended.

These new regulations bring mandatory licensing to all multi-occupied properties where there are 5 or more occupants from 2 or more separate households (families) and where the building is either a converted building with living accommodation, or one which contains self-contained flats, but not a purpose-built block of flats.

The three-storey rules no longer applies. A House in Multiple Occupation (HMO) property can now be either a one or two storey property.

Anyone who owns or manages a HMO will have to apply for a mandatory licence from the Council.

An application for a HMO licence has to be made under Part 2 of the Housing Act 2004 which makes it compulsory for local authorities to licence certain HMO's. Owners of properties that are operating without a licence are committing an offence and on conviction are liable to a very heavy fine or a civil penalty of up to £30,000.

The Housing Act 2004 defines a House in Multiple Occupation as a building or part of a building – such as a house or flat – that is:

- occupied by more than one household and where more than one household shares – or lacks – an amenity, such as a bathroom, toilet or cooking facilities, or
- a converted building – but not entirely self-contained flats – whether or not some amenities are shared, or
- a building converted to self-contained flats, that does not meet the 1991 building regulations, and at least one third of the flats are occupied under short tenancies.

It is compulsory for certain HMO's to be licensed, if:

- they are occupied by five or more persons comprising more than one household; and
- the tenants are living in the dwelling as their main or only residence.

A single household refers to persons who are all members of the same family. A person is a member of the same family if they are married to each other, live together as husband and wife including same sex couples, and other relationships. A 'relationship' means parent, grandparent, child, grandchild, brother, sister, uncle, nephew, niece or cousin. A relationship of the half-blood shall be treated as a relationship of the whole blood and a stepchild shall be treated as his/her child. A person who lives in accommodation supplied by his/her employer or by a member of his/hers employer's family, is classed as living in the same household, for example, au pair, nanny, nurse, carer, governess, servant, chauffeur, gardener, secretary or personal assistant

Living accommodation occupied by persons as their main or only residence includes persons undertaking a full-time course of further or higher education, migrant and/or seasonal workers and asylum seekers or his/her dependents, who have been provided under contract to, or on behalf of, the National Asylum Support Service. It also includes HMO's that are operated as a refuge.

If the property falls into all of the above categories, it is a HMO that will require licensing under the National Mandatory HMO Licensing Scheme, introduced by the Housing Act 2004. There are other types of licensing that local authorities can operate. However, the relevant application form relating to this guide is for the mandatory scheme only.

Why HMO...

Investing in HMO's can be a very attractive proposition for many landlords. HMO properties tend to be more profitable than other types of private rental due to the number of occupants living at the property. However, an HMO requires much more time and effort in general management so you need to ensure that you will be able to meet all the demands.

A property that is defined as an HMO comes with its own unique set of legal responsibilities for the landlord or property manager. The property may also require a licence based on new legislation introduced on 1st October 2018. These responsibilities can also vary depending on the specific type of HMO property in question.

Generally, the local council takes responsibility for regulating and enforcing correct HMO management.

Your time is valuable and the regulations can be overwhelming. Professional Properties have a unique HMO Management Solution which may be right up your street!

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Landlord/Manager Duties

1. Duty to provide information to occupiers

The name, address and telephone number of the manager must be provided to each household in the HMO, and the same information must be clearly displayed in a prominent position in the HMO.

2. Duty to take safety measures

Means of escape from fire must be kept free of obstruction and kept in good order and repair. Fire fighting equipment and alarms must be kept in good working order. Notices indicating the location of means of escape from fire must be displayed so they are clearly visible to all occupiers. All reasonable steps should be taken to protect occupiers from injury with regard to the design of the HMO, its structural condition and the total number of occupiers. In particular, in relation to any unsafe roof or balcony they must be made safe or all reasonable measures taken to prevent access to them and in the case of windows with sills at or near floor level provide bars or other safeguards to protect occupiers.

3. Duty to maintain water supply and drainage

These must be maintained in proper working order, good repair and clean condition. Specifically, storage tanks must be effectively covered to prevent contamination of water and pipes should be protected from frost damage.

4. Duty to supply and maintain gas and electricity

These should not be unreasonably interrupted. All fixed electrical installations must be inspected and tested by a qualified engineer at least once every 5 years and a results certificate obtained. The latest gas appliance/s test certificate/s and electrical test results certificate/s must be provided to the council within 7 days of the council making a written request for such.

5. Duty to maintain common parts, fixtures, fittings and appliances

All common parts must be kept clean, safe, in good decorative repair and working order and free from obstruction. In particular handrails and banisters must be provided and kept in good order, any stair coverings securely fixed, windows and other means of ventilation kept in good repair and adequate light fittings available at all times for every occupier to use. Gardens, yards, outbuildings, boundary walls/fences, gates, etc., which are part of the HMO should be safe, maintained in good repair, kept clean and present no danger to occupiers.

6. Duty to maintain living accommodation

The internal structure, fixtures and fittings, including windows and other means of ventilation, of each room should be kept in good repair and in clean working order. Each room and all supplied furniture should be in a clean condition at the beginning of the tenant's occupation.

7. Duty to provide waste disposal facilities

No litter should be allowed to accumulate, except for that stored in bins provided in adequate numbers for the requirements of the occupiers. Arrangements need to be made for regular disposal of litter and refuse having regard to the Council's collection service.

8. Duty to inform the Council about occupancy of the HMO

If required to do so, the manager shall provide details of individuals and households accommodated in the HMO.

The Regulations require that the specified standards of management are achieved and maintained.

If a landlord/manager fails to meet those standards, the Council may prosecute immediately (maximum fine £5000 for breach of each Regulation).

Fire Safety.

FIRE ALARM and EMERGENCY LIGHTING

If there is a smoke alarm system or a fire alarm and detection system (with control panel, detectors and alarm sounders etc) and an emergency lighting system in the property, these must be maintained in working order.

The relevant codes of practice state that log books should be kept to record the regular inspections of the systems and set down test procedures that should be adhered to. It is strongly recommended that you take out a maintenance contract with a suitably qualified person to undertake maintenance of these systems on your behalf.

Fire Alarm System - Records of Tests

British Standard Code of Practice 5389 part 1 states that regular tests on the automatic fire detection system should be undertaken: In the case of a system with control panel, detectors, sounders and call points etc the following is required:

- Every week a manual call point should be operated during normal working hours. It should be confirmed that the control equipment is capable of processing a fire alarm signal and providing an output to fire alarm sounders. A different call point should be tested each week.
- Six monthly and annual attention must be carried out by a competent person with specialist knowledge of fire detection and alarm systems.

It is accepted that a landlord will often face practicable difficulties, particularly in smaller HMO's and that weekly access to check the alarm system may not always be possible. A judgment therefore needs to be made in each case as to what frequency of visit is necessary.

The important thing is to be proactive rather than reactive in the maintenance of the alarm system.

Emergency Lighting - Records of Tests

British Standard Code of Practice 5266 part 1 states that the following should be undertaken by a competent person:

- Monthly - each emergency light must be activated from its battery by simulating a failure in the normal supply and an inspection made of each emergency light to ensure that it is functioning properly.
- Six Monthly - each emergency light must be activated as before, but left on for a prolonged period. In the case of lights with batteries rated at three hours the light must be left on for one hour, and in the case of lights with batteries rated at one hour, these must be left on for fifteen minutes.
- Three Yearly - as for the six monthly test, but the batteries must be tested to their full duration – i.e. emergency lighting without with batteries rated at three hours should remain lit for that period.

Other Fire Matters.

Fire Doors and Structural Means of Escape, Record of Defects, Obstructions etc

It is strongly recommended that regular inspections of the property are undertaken to check that passive fire safety measures are in a well maintained condition. Fire doors should be regularly checked for damage to surfaces or heat/smoke seals, and to ensure that they are self-closing and self-latching.

Check that the main final exit door does not require the use of a key to escape. Any lock requiring the use of a key must be removed.

Check that partitions, walls and ceilings around the staircase are complete and undamaged. The frequency of inspection is again a matter of judgment in each case. It is accepted that access to lettings may be difficult in some cases and that landlords should not intrude unduly on tenants privacy. However most of the 'fire escape' provision in an HMO will in fact be visible from the common areas and there should be no difficulty whatsoever in gaining access to such areas on a regular basis.

If there is an external fire escape staircase, check that access is unobstructed to it at all levels, and the foot of the stairs is clear so that in an emergency people can quickly get away from the buildings. Test any lighting to make sure it works. Any rust or mould found should be cleaned down and treated and any broken parts replaced or repaired. Check regularly that the fixings are secure. There should be no rubbish stored underneath this staircase.

Fire Instructions to Tenants

It is strongly advised to ensure that tenants are familiar with the fire safety measures in the house, the routine that must be followed in the event of fire and how the fire alarm system works. It is well worth incorporating such fire safety information in the tenancy agreement paperwork. It is recommended that a copy of relevant Leaflets and Information should be displayed in the house and given to each occupant at the start of a tenancy.

Furniture in Let Accommodation

Furniture and furnishings supplied in let accommodation must comply with the appropriate regulations. It is a condition of Licensing Schemes that these regulations are complied with.

Who is affected?

Any person who lets accommodation in the course of a trade or business is affected. This includes letting agents and estate agents.

What kinds of premises are covered?

All residential premises including holiday homes, flats, bed sits and houses where furniture is supplied as part of the let.



What sort of furniture is covered?

Any upholstered furniture including chairs, sofas, children's furniture, beds, head boards if upholstered, mattresses, scatter cushions, seat pads, pillows and even garden furniture if it is upholstered and can be used in the dwelling.

Carpets, curtains and duvets are not covered.

If you are in doubt about a particular item, you can get advice from Trading Standards.

This is a brief summary of the law regarding furniture in let accommodation. It is not an authoritative document on the law and is only intended for guidance.

Electrical Safety.

Inspections of the electrical installations and equipment by a competent person are requirements under licensing regimes and HMO Management Regulations. Visual inspections should be carried out on a regular basis.

If you have doubts about any aspect of electrical safety, you should employ a competent contractor to carry out remedial work.

Record of Examination, Alteration, Modification or Extension to Electrical Installation

Where new work is carried out this must comply with the Institute of Electrical Engineers' Regulations/British Standard 7671.

All such work must be carried out by a person competent in the installation of domestic wiring. It is recommended that landlords' employ electricians who are qualified installers, who regularly carry out domestic wiring and whose work is subject to regular assessment. NICEIC enrolled contractors, members of ECA and members of NAPIT or members of other recognised organisations are more likely to satisfy these requirements.



Except for minor repairs, replacements, maintenance, and other specified works, all work must either be carried out by a competent person registered with an electrical self-certification scheme authorised by the Secretary of State for the purposes of Part P of the Building Regulations, or be notified to a building control body before work begins.

On completion of any self-certified work, a signed Building Regulations self-certification certificate must be obtained and copies sent to the relevant building control body.

A copy of the electrical installation certificate / minor works electrical installation certificate as per, or similar to, the model in BS 7671 must also be obtained from the registered contractor. The certificate must be made out and signed by the competent person or persons who carried out the design, construction, inspection and testing work.

Record of Examination of Portable Electrical Equipment provided by the Landlord

All electrical appliances made available in the house by the landlord should be inspected visually for defects (e.g. frayed wiring, badly fitting plugs etc) at the beginning of each occupancy, regularly thereafter and in any event every two years.

All earthed equipment (class 1) e.g. kettles and irons and the associated leads and plugs, made available by the landlord should be tested at the point of supply and at least every two years thereafter. This test shall be undertaken by a person competent in the use of the testing equipment and who has the appropriate electrical knowledge and training (i.e. a competent electrician or competent other person in possession of a City and Guilds Certificate 2377).

As soon as any electrical appliance is identified as being unsafe, it should be removed from the house immediately.

Gas Safety.

It is usually a condition of a Licensing Scheme for Houses in Multiple Occupation that the relevant parts of the gas safety regulations are complied with.

Safety of Gas Appliances

As a landlord you have a legal duty to ensure that your premises and appliances are safe. Appliances, which burn any fossil fuel such as gas, coal or oil, can produce carbon monoxide if they have not been fitted properly or serviced regularly. Carbon monoxide is a gas which is highly poisonous to people and animals and is difficult to recognise because it has no colour, no smell, no taste and the symptoms can often be confused with those of other illnesses.

There are some danger signs which you should look for. To ignore these can be fatal.

- Stains, soot or discolouring around a gas fire or at the top of a water heater. This may mean that the flue or chimney is blocked. Carbon monoxide can build up in the room.
- A yellow or orange flame on a gas fire or water heater.
- A strange smell when the gas appliance is on.

It is now law that a Carbon Monoxide detector is fitted in every room where there is a risk of carbon monoxide poisoning.

Gas Safety Regulations

The Gas Safety (Installation and Use) Regulations 1998 require landlords to have all gas appliances and installations etc, subjected to annual safety checks undertaken by Gas Safe registered gas installers. Safety certificates must be kept available for inspection at any time, since your inability to provide proof that appliances have been checked within twelve months of the last safety check could result in prosecution by the Health and Safety Executive.

You are required to:

- Ensure gas fittings and flues are maintained in a safe condition; Gas appliances should be serviced in accordance with the manufacturer's instructions.
- Ensure an annual safety check is carried out on each gas appliance/flue. Before any new lease starts, you must make sure that these checks have been carried out within one year before the start of the lease date, unless the appliances in the property have been installed for less than 12 months, in which case they should be checked within 12 months of their installation date;
- Have all installation, maintenance and safety checks carried out by a Gas Safe registered gas installer;
- Keep a record of each safety check for at least two years; (*HMO Licensing Schemes require you to keep records for the duration of the Licence)
- Issue a copy of the safety check record to each existing tenant within 28 days of the check being completed, or to any new tenant before they move in (in certain cases there is an option to display the record).

Failure to do so may result in unlimited fines and the possibility of imprisonment.

General Maintenance

It is strongly recommended that you undertake both internal and external inspections of your property at regular intervals noting and acting upon all defects found. The desired frequency of such inspections will again be a matter of judgment, depending on the age of the building and the type of tenants in occupation. Log 3 (page 15) could be used to demonstrate your commitment to proactive management and help ensure you are complying with duties and responsibilities under HMO licensing conditions and HMO Management Regulations.

General Maintenance may include, but is not exhaustive:

- Keeping the water supply and drainage clean and in working order.
- Keep all shared areas clean, in good repair and safe. Shared areas may include entrances, corridors, stairways, and the kitchen and/or bathroom.
- Keep the garden area clean, in good repair and safe. This includes any structures which are part of the property (e.g. a shed)
- Keep all parts of the exterior in good order and safe.
- Ensure that the number and location of shared bathrooms and kitchens complies with local minimum standards.
- Keep the interior (including windows, fixtures and fittings, and ventilation) in good working order and safe
- Make sure you have the correct insurance: you will need a special policy for an HMO
- Provide for the regular disposal of refuse and litter

Some content for this brochure has been reproduced from DASH Services.

DASH Services work with landlords, tenants and Local Authorities to raise standards in private sector housing. Further information on DASH, its associates, projects and successes can be found by visiting the website at www.dashservices.org.uk



What can we do for **You?**

We are here to let, manage, help, advise and support when day to day life gets in the way.

When you are ready to take the leap to calling a few letting agents we'd love to be on your list to get you where you really want to be.

You and your needs are at the heart of everything we do.

Has this guide raised a question relating to letting your property? Perhaps you need a little more bespoke advice or have a query over the letting process?

This guide is about you and the process letting your investment property with the minimum of hassle..

However, here is some information about us and how we do things!

History & Expertise

- Local Property Experts since 1999
- Independent, Family Owned business
- Values built on Honesty and Integrity
- Letting and Sales Agent
- Unrivalled Local Knowledge
- Trained, Experienced Team



Marketing

- Prominent Portal presence on Rightmove AND Zoopla
- Premium Listings and Featured Properties included
- Video Tours included
- Full Colour Brochures for Print or Download
- Detailed Floorplans on most properties
- Superb Photography using top quality Digital SLR Camera with Wide Angle Lens
- Daily Property Matching with Applicant Database
- Prominent Social Media Advertising



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Unique HMO Management.

Our HMO Management Solution is unlike any other service in the market place.

NO SETUP FEES

NO MANAGEMENT FEES

NO INVENTORY FEES

NO CHECK OUT FEES

Instead, you pay a **Monthly Subscription** for the duration of the fixed term tenancy agreement with no other fees payable.

What's Included?

Marketing Advice

Advertising and Marketing

Board Erection

Accompanied Viewings

Introducing a Tenant

Tenant Referencing

Preparing the Tenancy Agreement

Tenancy Deposit Registration

Accompanied Move In

Rent Accounting and Arrears

Arranging Repairs and Maintenance

Periodic Property Inspections

Managing the Check Out

Rent Guarantee Protection

Eviction Costs Cover

Fire Alarm - Tests Log

Emergency Lighting - Tests Log

Other Fire Matters - Tests Log

Provision of Information to Tenants

Waste Disposal Management

Communal Area Cleaning

Garden Maintenance

Licence Renewal (if applicable)

Utility Management

Property Inventory

Annual Gas Safety
Certificate

Smoke Alarm Test on
Move In Day

EPC (if applicable)

Arranging Qualified
Contractors



Relax.

Let us take care of it.



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