



Housing Act 2004

Property and Management Standards Applicable to Houses in Multiple Occupation (HMOs)

Management Standards

Management Standards

4.10 The Management of Houses in Multiple Occupation (England) Regulations 2006

These new regulations replace the previous similar management regulations and apply to **most HMOs**, whether licensable or not, but do not apply to HMOs comprising properties converted into self-contained flats. The new regulations detail the management standards to be met and require the manager of the premises to carry out certain duties to maintain their property, taking account of the age, character, locality and prospective life of the house. The Regulations are summarised below but a full copy may be obtained by clicking on the link www.opsi.gov.uk. Follow the links to *legislation; statutory instruments; year 2006; statutory instrument number 372*. They may also be purchased from The Stationery Office Limited.

The duties of the manager are as follows:

- **To display their contact details** – the manager’s name, address and contact telephone number must be clearly displayed in a prominent position. On the wall in the entrance hall is usually the best place. (Regulation 3)
- **To maintain all means of escape from fire** – all fire doors must be maintained in a good condition, free from damage and fully self-closing so that they will close fully into the rebates of the frame. The main routes of escape eg exit doors, landings, staircases and hallways must be kept free from obstruction. Escape routes must also be clearly indicated by fixing notices in appropriate places in all HMOs having five or more occupants. The fire detection and warning system and emergency lighting system must be tested regularly. For most small and medium sized HMOs a monthly test by the landlord should suffice in addition to a thorough annual test by a suitably competent person (such as a qualified electrician or specialist fire alarm engineer). For larger HMOs more regular testing may be required. Fire fighting equipment, where provided, must also be maintained in good working order. (Regulation 4).
- **To take safety measures** – all necessary measures to protect the occupiers from injury must be taken, having regard to the design, the structural condition and the number of occupiers in an HMO. In particular this relates to the prevention of accidents associated with access to any roof or balcony and any low window sill (Also Regulation 4).
- **To maintain the water supply and drainage system** – the water supply or drainage system must be maintained in a good, clean and working condition. They must not be unreasonably interrupted from use by any occupier. Any water storage tank must be covered and kept clean. Any water fitting which is liable to damage by frost must be suitably protected (Regulation 5).
- **To maintain gas and electrical supplies and to provide safety certificates** – the gas installation and any appliances must be tested

annually by a CORGI registered engineer who will issue a 'Landlords Gas Safety Certificate'. This must be supplied to the local authority within 7 days of any written request to do so. The electrical installation must be inspected and tested at least every five years by a qualified electrician who must issue a test certificate. Again, this must be supplied to the local authority within 7 days of a written request to do so. Neither the gas or electricity supplies must be unreasonably interrupted. (Regulation 6).

- **To maintain all common parts and installations within the property** – all common parts of the HMO eg. entrance hallways, entrance doors, porches, steps, staircases, landings, shared bathrooms and kitchens plus all shared fittings and appliances must be maintained in a good state of repair and safe and working condition and kept clear from obstruction. Communal areas must also be kept clean and well decorated. In HMOs where the occupants are previously acquainted with each other and rent the house under the terms of a single tenancy agreement, for example a student shared house, it may be acceptable to expect the tenants to undertake the cleaning of the common areas on a group basis. The manager should visit from time to time, by prior appointment, to ensure that the common areas are being maintained to a satisfactory standard of cleanliness. In all other types of HMO, cleaning of communal areas will normally be the responsibility of the manager (Regulation 7).
- **To maintain in good order and repair any outbuildings, yards, gardens or boundary fences** – any outbuilding, yard, forecourt, boundary wall, fence or railing belonging to the HMO must be maintained in good and safe repair so as not to constitute a danger to the occupiers. Any yard or garden belonging to the HMO must be kept in a safe and tidy condition (Regulation 7).
- **To maintain each unit of accommodation** – each unit and any furnishings must be clean at the beginning of a person's occupation of it. The internal structure, any fixtures, fittings or appliances, any window or other means of ventilation must be maintained in good repair as long as the tenant has treated the accommodation properly in accordance with the conditions contained within his lease or tenancy agreement (Regulation 8).
- **To ensure refuse is stored and disposed of adequately** – a sufficient number of bins must be provided for the storage of refuse pending disposal. Arrangements must be in place to ensure that all refuse is removed and disposed of on a regular basis, generally this will be undertaken by the Local Authority. It would be expected that one standard refuse bin be provided per three occupiers and that appropriate instructions are provided to each tenant at the beginning of the tenancy as to the refuse collection arrangements. For larger hostel type premises (10 or more occupiers), a Trade Refuse Contract with the local authority would be expected. This may also be necessary for smaller premises, particularly where meals are provided (Regulation 9).

The regulations (Regulation 10) also place a duty on all occupiers of a HMO to:

- Conduct themselves in a way that will not hinder or frustrate the manager in the performance of his duties.
- Allow the manager at all reasonable times to enter any living accommodation to enable him to carry out any duty. Except in the case of emergencies, at least 24 hours notice either in writing or by phone of any intended visit should be given to the occupiers.
- Provide the manager with any information requested to enable him to carry out his duties.
- Take reasonable care to avoid causing damage to the property and its contents.
- Store and dispose of refuse in accordance with the arrangements made by the manager.
- Comply with the reasonable instructions of the manager in respect of any means of escape from fire, the prevention of fire and the use of fire equipment.

Under regulation 11, the manager is not expected to carry out any works or actions with respect to the supply of water, gas or electricity or to the drainage of the house where responsibility for a particular fault or problem lies with either the local authority or the supply company. The manager is however expected to bring any such faults or problems to the attention of the appropriate person, authority or company as necessary as soon as he becomes aware of the matter (for example a blocked sewer or power failure)

It is an offence not to comply with any of these regulations. A person who is convicted of such an offence may be fined up to level 5 on the standard scale (currently £5000). This applies to both the manager of a property and to the occupiers as appropriate.

4.20 Management Arrangements for Licensable HMOs

4.21 Management Arrangements

Before issuing a licence, the Council must be satisfied that the management arrangements for the property are satisfactory and that the person involved in the management is a fit and proper person and competent to do so. Where there are any concerns over the competency of the manager, the Council can require that he / she attends an approved training course as a condition of a licence. Management arrangements will obviously be different for each property, depending upon the age, size and type of house, the number and the type of tenants and the type of accommodation provided. However, the sort of issues for which arrangements should be in place are as follows:

- Procedure for tenants to report any repairs.

- Procedure for ensuring that any repair work or general maintenance work is carried out.
- Ensure that sufficient funds are available to enable emergency repairs to be carried out.
- Procedure for checking that the emergency lighting and the fire detection and warning devices are in good working order.
- Ensure that all tenants are made aware of the fire safety procedures and the proper use of fire safety installations.
- Procedure for ensuring that the escape routes are kept free from obstructions.
- Arrangements to ensure that the gas installation and all appliances are kept in safe and good working order.
- Arrangements to ensure that the electrical installation and appliances are kept in a safe and good working order.
- Ensure that tenancies are created and terminated in accordance with the law.
- Ensure that the common areas such as shared kitchens, bathrooms, entrance hallway and stairwells are kept clean and in good order.
- Ensure satisfactory arrangements are in place for the storage and collection of refuse.
- Ensure that the front and rear yards, gardens and fencing are kept in good order.

4.22 Financial Arrangements

The Council must also assess that suitable financial arrangements are in place before a licence can be issued. Again, these will vary from property to property but, in the majority of cases, the manager will need to demonstrate that arrangements have been made for the following:

- Financing the cost of repairs and general maintenance
- Receiving rents
- Receiving and handling deposits
- Paying the mortgage (if appropriate)
- Paying the Council Tax (if appropriate)
- Paying utility bills (if the owners responsibility)

For larger hostel type premises further financial arrangements may need to be in place, such as:

- To hire and pay staff such as caretakers, cooks, cleaners etc
- To purchase food and other supplies

4.23 Terms of Occupation

When a licence is issued by the Council it will contain a number of conditions, some of which are mandatory for all licences and others will be specific to that particular property. One of the mandatory conditions is a requirement of the licence holder to supply to the occupiers of the house a written statement of the terms on which they occupy it. In many cases the landlord may already have fulfilled this requirement by the provision and signing of a Tenancy Agreement at the start of each tenancy. It is important that any such statement or tenancy agreement contains certain information, as listed below: (references to licence or licensee below relate to a persons occupation of a property and not to the property licence).

- Name of tenant(s) or licensee and address of property
- Name and address of landlord(s)
- Name and address of agent (if any)
- Tenancy or licence start date
- Amount of deposit paid, how held and terms of return TDP
- Inventory of items supplied by landlord eg. Furniture
- Length of tenancy, if a fixed term tenancy
- Amount of rent and how often due
- Arrangements for payment/collection of rent
- Recording of rent ie. Rent book or receipt
- How and when rent can be increased
- Responsibility for payment of Council Tax, Water Rates and fuel bills
- Repairing obligations for both parties
- Arrangements for reporting repairs
- A statement as to expected standards of behaviour of tenants and their visitors. For instance prohibiting use of the premises for illegal activities,

not playing loud music -- particularly late at night, not holding parties involving excessive noise or numbers of people, not using the premises for illegal business eg car repairs or second hand car sales.

- The consequences of failing to abide by these prohibited behaviours.
- Tenants right to quiet enjoyment of the property.
- Ending a tenancy – notice requirements on both parties, including the need for a Possession Order and a Warrant before eviction. Procedure for ending a term of occupation under a licence.
- Landlords right of access into the property
- Duty of the tenant to enable the landlord to perform his management responsibilities
- Duty of the tenant to avoid causing unnecessary damage to the property and its contents
- Duty of the tenant to store and dispose of refuse as arranged by the landlord and in accordance with local authority arrangements for refuse collection.
- Duty of the tenant to comply with the landlords reasonable instructions in respect of any means of escape from fire, the prevention of fire and the use of fire equipment

There is a procedure to be followed to terminate any tenancy. It is a criminal offence to either illegally evict or to harass a tenant so as to cause them to leave a property, for example threatening them or cutting off supplies of fuel or water. The Council will take legal action against anyone committing harassment or illegal eviction. In addition, the HMO licence may be revoked and a Management Order may be made whereby the Council will take over the day to day management of the property, including receipt of the rent.

4.24 Temporary Exemption Notices

If a landlord or a person in control of a licensable property intends to stop operating as a HMO or reduce the number of occupants and can give clear evidence of this then he or she can apply for a Temporary Exemption Notice (TEN). Where occupation levels are to be reduced, the tenants being displaced must confirm (in writing if possible) that they intend to vacate the property. Where it is intended that a property will cease to be in multiple occupation, the landlord must be able to provide evidence that any existing tenants have made suitable alternative housing arrangements and that they will have moved out within 3 months from the date of application for the TEN. If necessary, consideration may be given to issuing a further TEN for another 3 months but each case will be considered separately. A person who applies for a TEN but is refused may appeal to the Residential Property Tribunal within 28 days.

Upon expiry of a TEN, the property must either be licensed, cease to be a HMO, be no longer licensable or become subject to an Interim Management Order.

4.25 HMO Declarations

The Council may declare a building or part of a building to be a HMO if it is used for some other purpose but the living accommodation is also occupied, by persons who do not form a single household, as their main residence and this constitutes a significant use of that accommodation. This may be most commonly used for premises operating as bed & breakfast type establishments where a number of rooms are also used to house people who would otherwise be homeless. Such use will be deemed as significant if 25% or more of the total number of sleeping rooms are occupied by persons in receipt of housing benefit or paying a weekly or monthly rent as opposed to an overnight charge.

In order to make such a declaration the Council must serve a notice on the owner and/or manager of the premises who will have the right to appeal to a Residential Property Tribunal within 28 days. If no appeal is made the premises will be deemed to be a HMO and may require to be licensed. If circumstances change and the premises is no longer occupied in a similar manner, the Council may revoke the declaration, either by its own initiative or on application by the owner or manager.

4.30 Regulatory Powers

4.31 Offences

It is an offence if a landlord or the person in control of a property either fails to apply for a licence for a licensable property or allows a property to be occupied by more people than are permitted under the licence without reasonable excuse. A fine of up to £20,000 may be imposed.

It is also an offence to break any of the licence conditions without reasonable excuse and conviction can result in fines of up to £5,000.

4.32 Interim Management Orders

Where the condition of a property is such that it presents an imminent risk to the health and safety of the occupiers or if a landlord fails to apply for a licence or bring a HMO up to the required standard, or fails to meet the fit and proper person criteria, the Council can issue an Interim Management Order (IMO), which allows it to step in and manage the property. The owner keeps their rights as an owner but the rental income will be collected by the Council and can be used to fund repairs and other charges incurred in managing the property. The order can last for a year but once it has expired the Council must decide whether a licence can now be issued or whether to make a Final Management Order (FMO).

In IMO can also be issued if the Council intends to revoke a licence and it is necessary to make the order to protect the health, safety and welfare of the occupants of the property.

4.33 Final Management Orders

A Final Management Order (FMO) cannot be made unless immediately beforehand an IMO or another FMO was in force. A Final Management Order lasts for a maximum of five years but can be renewed. It transfers the management of the house to the Council for the duration of the order. As with an IMO the owner retains rights as an owner but the Council will collect the rental income to fund repairs and other charges incurred in managing the property and may also create new tenancies without the owners agreement. The Council would need to produce a written management scheme detailing how it would intend to manage the property during the period the FMO was in force.

A person who is aggrieved by the making of a FMO may appeal to the Residential Property Tribunal within 28 days.

4.34 Rent Repayment Orders

A tenant living in a HMO that should have been licensed, but was not, can apply to the Residential Property Tribunal to claim back any rent they have paid during the unlicensed period (up to a limit of 12 months). The Residential Property Tribunal must make such an order if the landlord has been found guilty of the offence of failing to obtain a licence or where an order has already been made in favour of a local authority to claim back housing benefit payments. Councils can also reclaim any housing benefit that has been paid during the time the property was without a licence where a landlord has been found guilty of the offence of failing to obtain a licence or if the Council has sufficient evidence that an offence has been committed.