

HMOs - Guidance for Landlords

This information sheet is aimed at landlords who are interested in creating an HMO rental property.



HMO stands for House in Multiple Occupancy. They are an exciting way of increasing rental yield and, with the current rental market, are popular with younger professional tenants and graduates not long out of university.

There is lots of advice on HMOs online and different local authorities will have different requirements. Therefore, the aim of this information sheet is not to be fully comprehensive, but to indicate the areas you need to research in order to ensure your property is compliant with local requirements.

When commencing an HMO project, do the following in roughly this order:

Establish where you want to invest - a good way to do this is an internet search for a “rental yield hotspots map”. You need to think about how the property will be managed - if you will manage, then proximity will be important. If you’re happy for an agent to undertake the management then you will need to find an agent in the area who either specialises in HMO management or certainly is experienced. You may find a normal high Street letting agent will be willing to take on the work but they might not necessarily have the experience or resources to carry out the routine aspects, for example, monthly fire alarm testing and emergency light testing etc.

Check with the local authority that an HMO property will be permitted in the desired area. There may be local restrictions preventing conversions of properties to HMOs. Communicate with the local authority - they’re normally very helpful even if that involves them telling you what you don’t want to hear! Work with them - not against them.

Read and understand the national and local authority requirements. For example, there are national limits on minimum room sizes as required by the Housing Act. However, your local authority can stipulate more stringent requirements at their discretion - these will normally be published in their own local documents which should be available for public reading.

Find out what the licensing requirements are: these will normally relate to facilities and amenities required in the property such as:

- A fire detection system
- Emergency lighting
- Fire doors
- Energy efficiency measures
- Amenities and facilities such as, increase kitchen space, extra kitchen appliances, bicycle storage etc.
- Electrical Safety Certificates
- Gas Safety Certificate
- PAT Certificate

Find out if your proposed property is in an Article 4 area. Article 4 is a restriction on “permitted development”, and will mean that your HMO project will require planning permission and you will need to submit drawings and plans via the planning portal. It is possible to do these yourself with good old pen, paper and ruler - if you are capable of providing accurate and scale drawings. There will also be fees associated with the planning application.

Finally, consider ongoing management aspects. It is normal for utility bills, Wi-Fi, council tax, etc. to be incorporated into the rent and the landlord pays utility bills and council tax. Therefore it is in the landlord’s interest to ensure that the property is as energy efficient as possible - so you would be advised to consider lighting with motion sensors, and Wi-Fi/intelligent heating. Other tips are combination locks on doors thus removing problems with lost keys. You could even have a Wi-Fi controlled front door, which would allow you to give temporary access to tradesman etc. There are many “top tips” to be found - speaking with other HMO landlords, or me at Proudhouse Property Management, will be time well spent.



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So to summarise

This guide information aims to indicate where to research and the reading required when considering an HMO project. If you are new to this, then I strongly advise that you read all of the documents and all of the advice! I follow various forums on HMOs on the internet and on social media, and I am always surprised at the number of novices who are willing to take their advice from random strangers on a forum instead of reading the official advice provided by the Government and Local Authority.

And my final word is this - seek the advice of a mentor or professional advisor. If you are in Somerset or Dorset then I can help you with this. Or you may be able to find a friendly housing standards officer who would be willing to work with you. Good luck and feel free to contact me for further advice.



This document is authored by Chris Chambers of Proudhouse Property Management.

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