

HMO Guidance Document (Draft)

Basic Principles;

HMO

The Housing Act 2004 introduced licensing for houses in multiple occupation (HMO). The Act provides a detailed definition of HMOs and sets out standards of management of this type of property.

Under the Act, Local Authorities are able to “licence” HMO in two different ways, “mandatory licensing” and “additional licensing”.

Mandatory licensing is for all HMOs that have three or more storeys and are occupied by five or more persons forming two or more households.

Additional licensing is when a LA can impose a licence on other categories of HMOs in its area.

When a Local Authority grants a licence it will look at a number of deciding factors

- the suitability of the HMO for the number of occupants;
- the suitability of the facilities;
- the suitability of the landlord and management of the HMO.

Additionally, the LA will need to ensure that mandatory standards are met and continue to be met with regards the HMO, these are:

- an annual gas certificate;
- keep electrical appliances and furniture supplied by the landlord in a safe condition and to supply a declaration of their safety to the council on demand;
- install smoke alarms and keep them in proper working condition and to supply to the council an declaration on their position and condition;
- give the occupants a statement of the terms on which they occupy the HMO.

The LA may specify additional conditions relating to the facilities of the HMO, its condition and management.

Increasingly due to this ability to specify additional conditions on HMO licensing that scheme members are being asked to provide EPCs for HMOs to comply with Local Authority HMO licensing requirements. LAs are using EPC as a means of measuring the HMO's condition. HMOs are not a trigger with EPB and as such, is not covered by the legislation.

HMOs are viewed in a different manner to a domestic dwelling as defined by EPB. HMOs are;

- occupied in a more intensive manner than a standard domestic or commercial property;
- Licensing is not concerned with the property, just the way that it is occupied and if it is in a fit condition;
- licensing does not prevent the property being rented as a single family dwelling, even if a HMO licence is in existence;

EPB legislation is concerned with different drivers when assessing the property. These are;

- methodology is driven by the building type and its designed use;
- RdSAP and SBEM apply a 'standard occupancy' factor to the calculation and ignore the actual number of occupants in the building;

Summary

- Occupancy is immaterial to the assessment of the building;
- Design use of the building is important;
- RdSAP or SBEM may be the appropriate methodology for the assessment depending on the original designed use of the building.
- Similar properties are being assessed using different methodologies, resulting in similar properties receiving different certificates.

Conclusion

Although the EPC is being used within the HMO process, the drivers behind what methodology should be used are those required by EPB. As such the fact that the building is being used as an HMO should have no bearing on the choice of assessment methodology. The building and its initial intended designed use should be the deciding factor when choosing which methodology is correct to follow.

Proposed Guidance

The DCLG document 'Improving the Energy Efficiency of our Buildings', issued in April 2014 states,

'An EPC is not required for an individual room when rented out, as it is not a building or a building unit designed or altered for separate use. The whole building will require an EPC if sold or rented out.'

Therefore this guidance should only be applied to the whole dwelling/building and not an individual room.

If the original designed use of a building was for a single family (e.g. Victorian Mid-terrace House), the correct methodology for assessing the building would be SAP/RdSAP; the result will be more appropriate than other methodologies in assessing the building.

If the original designed use of a building was to have shared amenities (e.g. Halls of residence), the correct methodology for assessing the building would be using SBEM; the result will be more appropriate than other methodologies in assessing the building.