

# KentReliance

## for Intermediaries

### **The changing rules on HMOs – what you need to know**

The housing sector is expected to face tax and regulatory changes throughout the coming year but there are also significant changes coming into effect that will impact HMO landlords.

Last year the Government undertook a consultation looking at HMOs and residential property licensing, with changes due to be enforced later this year.

So what exactly is the purpose of the consultation? And what do these forthcoming changes mean for new and existing HMO landlords?

Let's take a look.

#### **What you need to know:**

1. The consultation aimed to give councils best-practice guidance on improving living conditions in HMO properties
2. The scope of licensing is being extended, meaning a licence will be required for HMOs with five or more occupiers (regardless of storeys)
3. A new minimum room size has been proposed, with floor space no less than 6.51sqm and 10.22sqm for single and two adults sharing respectively
4. An estimated 170,000 properties will be affected, not including the existing 60,000 already under licence
5. The new legislation is enforceable from 1 October 2018.

#### **What can you do to help?**

These forthcoming changes will no doubt impact both existing and prospective HMO landlords, many of whom may be unsure of the steps they need to take.

It is important that brokers raise awareness of the changes and advise their clients where necessary. This serves as a useful reminder that our mortgage terms & conditions contain a general obligation that mortgaged properties comply with all relevant licensing standards. Additionally, landlords could face further burden; whether that's having their local council

chasing them about a licence, or having to renovate properties to make them habitable, in situations like this, time is precious. So please make sure your clients allow plenty of time to apply for a licence by the 1<sup>st</sup> October 2018 deadline.

In other words, landlords must have their licence applications submitted before 1 October 2018. Applying for a licence is not optional and the landlord can be prosecuted for failure to have a licence.

### **Lending a helping hand**

Kent Reliance for Intermediaries understands the implication of these changes. The specialist lender is able to assist brokers with HMO clients or those entering this area of buy to let.

For more information on how Kent Reliance for Intermediaries could help your HMO clients, please visit [www.krfi.co.uk](http://www.krfi.co.uk), contact their broker liaison team directly on **01634 835791** or speak to your local BDM.