

Should
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to rent out
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Camden sits at the heart of the world's most vibrant city and as such is a popular place to live. With house prices beyond the reach of many, the number of households renting privately has grown rapidly in recent years and even poor quality accommodation can be rented out easily.

We believe all our residents deserve access to a decent quality place to live, but, in a recent online survey, less than half of private renters in Camden said they are satisfied with the overall quality of their home.

With a third of households living in the private rented sector, it is our ambition that those households don't get left behind and are able to enjoy security, decent living conditions and feel empowered to assert their rights when things are not up to standard. At the same time, we want to enable landlords to provide a quality service and run a successful business.

Currently, Camden licenses 300 Houses and Flats in Multiple Occupation (HMOs). An HMO is a property shared by three or more persons from more than one household. At the moment, we only license larger HMOs (three or more storeys high with five or more occupants).

Good quality HMOs can provide a decent and affordable place for Camden residents to live. With rising rents, an increasing number of renters are having to share properties in a variety of ways, for example shared flats and houses, bedsits and small studios. However, the Council is aware that this accommodation can be badly managed causing problems for the occupants as well as those living nearby.

Between April 2012 and March 2013, we took action to improve 220 rented properties in Camden – half of which were Houses in Multiple Occupation. Over 90% of the rented properties we inspected under our mandatory licensing scheme were found to have category 1 hazards – the most serious health and safety hazards. These can include excess cold and fall hazards.

Earlier this year (2014), our environmental health professionals visited 391 HMOs that don't fall under our current licensing scheme. They found that 40% appeared to be poorly or very poorly managed. More than two in five (44%) had at least one serious or other health and safety hazard.

Our proposal

In a recent online survey, 75% of private renters and 58% of other residents in Camden said Camden Council should do more to improve private rented homes. We think that ensuring all shared accommodation is licensed in Camden is one way we could make a difference.

We don't have the resources to enforce standards across the whole sector or the power to regulate all privately rented homes. We propose to introduce a licensing scheme for a greater number and type of HMOs across the whole of the borough. The scheme will help us work together with landlords to make sure that homes are safe and well managed. **We want to know what you think.**

Read this summary before you answer our online survey. If you want to learn more about the proposed scheme and the reasons why we think it could improve the private rented sector, please view the [supplementary information](#).

What properties would be included in the licensing scheme?

The scheme would include all HMOs which are not currently subject to mandatory licensing and to the exemptions detailed in the legislation.

It would also include properties that have been converted into self-contained flats which do not meet the standards of the 1991 Building Regulations (known as Section 257 HMOs). However, we are proposing that licensing would only apply to those properties where half or more of the flats are tenanted (including those with resident landlords).

The number of storeys would not be relevant in the new scheme.



Examples of properties that would be included in the new scheme

| Property description | Likely occupiers |
|--|---|
| Bedsits or rented rooms | Individuals who live there have no connection to each other. The landlord rents each room separately. The tenant only has exclusive use of their own room, although there are likely to be shared facilities such as kitchens, bathrooms or toilets. Or there may be facilities which are for the tenant's own use but not within the room. |
| House or flat shares | Likely to be rented by a group of students or young professionals on one contract. The group may know each other when they move in, and choose replacement tenants when someone moves out. |
| Resident landlord with lodgers | The owner lives on site and rents out rooms to more than two lodgers. Occupiers may share meals with the owner, or have meals included, or they may live independently. |
| Houses converted to self-contained flats or studios | Residents don't share facilities like bathrooms and kitchens. Half or more of the units will be tenanted. This does not apply to properties which were originally built as self-contained flats – only those that were subsequently converted. |
| Student accommodation | Parts of the building have shared facilities such as kitchens, bathrooms and toilets. Student accommodation would be exempt if run by an exempted university or organisation. |
| Hostels | This would include hostels managed by charities and refuges for people seeking refuge from domestic abuse. It would not include youth or backpacker hostels housing people on holiday. |



A summary of how the proposed scheme would work

We want to create a scheme that is quick and easy and provides good value for private landlords and renters.

Landlords or their agents will be able to apply for a licence online if their property falls under the scheme. The application form will include details about the applicant and the property.

We will inspect properties before issuing a licence.

Properties will be expected to meet a set of minimum standards including the number and type of kitchen, bathroom and toilet facilities for the number of occupants, which must be complied with within a specified time. The licence will also specify the maximum number of people who may live in the HMO and will include specific conditions which apply to every licence.

There will need to be suitable management arrangements in place and the licence holder be considered a 'fit and proper' person before we issue a licence. If any significant hazards are identified in a property during the licence inspection, the matter will be referred to a housing enforcement team for further action. For more information about the application process, standards and conditions, see the [supplementary documents](#).

Fees



The cost of the scheme will be met solely from fees charged to licence holders. The fee payable will depend on the type of property, including the size and complexity of the layout.

Fees for a five-year licence will start at £450 with an extra cost of £45 per unit.

There will be a 10% discount for landlords accredited by the [London Landlord Accreditation Scheme](#) and other accreditation schemes. There will also be a £100 discount for prompt and accurate applications.

For more information on the fee structure, see the [supplementary information](#).



Why introduce a scheme for houses in multiple occupation across the whole of the borough?

Some people say the Council should only focus on the worst homes in the worst areas of Camden and leave the rest alone.

We estimate over 8,000 out of the 32,000 homes available for private rent in Camden could be HMOs.

We recently completed a survey of 391 HMOs in different locations across the borough. Our environmental health officers found that 40% are poorly or very poorly managed overall. 44% of them have at least one health and housing safety hazard with excess cold most commonly reported.

Our evidence suggests that these homes are scattered across the whole of the borough and there is no single area that is worse than others, although some problems may be more common in particular types of properties (for example, excess cold in older homes).

There is currently a lot of confusion amongst landlords about which HMOs require a licence. We don't want to make the matter more confusing by introducing licensing in different areas or for different HMOs. The proposed system will simplify the system and create a level playing field for all HMO landlords. There will be clear and transparent standards that apply to all HMOs.



Will licensing work for the private rental market in Camden?

Some people say that licensing will reduce the supply of affordable private rentals because landlords would choose to leave the market.

The housing market within the borough changes rapidly and often in response to pressures that we may not be aware of.

The rapid growth of private renting and high rents are a sign that the rental market is thriving in Camden. The median weekly rent in Camden ranges from £215 for a studio or a room in a shared house and £1,000 per week for a four bedroom home.

Often, people choose to live in HMOs because they are cheaper and more affordable. Camden already seeks to protect HMOs as a cheaper source of accommodation (particularly for single young people) through planning policies.

If the scheme is introduced, we will review the impact it has had on Camden's private rental market.



Will licensing work for landlords?

Some people say that only good landlords will apply for a licence and they will pay for the cost of enforcement action against the bad ones.

At our Landlord Forum in March 2014, landlords told us that good management of properties by decent landlords is the best way to prevent poor standards and property conditions.

We know from listening to landlords, that a licence can be something for landlords to be proud of. It is a stamp of approval on their properties and provides peace of mind that they are meeting minimum standards.

The cost of the fee will only be used to cover the cost of administering the scheme and may not, by law, be used by councils to make money.

We will advertise the scheme widely, so that people are aware of their responsibilities.

Landlords who fail to apply for a licence could be subject to a large fine. We will encourage everyone to report landlords who are avoiding applying for a licence and we will investigate unlicensed properties when intelligence suggests they are HMOs.

We will take robust enforcement action against poor landlords. We will actively chase, and if necessary prosecute, landlords who do not come forward to license their properties. We will also monitor the works needed under the licence and take specific enforcement action in relation to properties with significant health hazards.

The worst landlords will no longer be able to operate and will either leave the sector or we will make sure a good management system is put in place, which meets the requirements of the scheme.

We are very keen to retain good quality HMOs as an affordable tenure, and will work closely with landlords to advise and support them during the licensing process, including the carrying out of works.

Landlords will be eligible for further training and support should they become members of the [London Landlord Accreditation Scheme](#). We will also continue to provide grant funding for certain works to bring properties up to standard.



Will licensing work for private renters in Camden?

Some people say that the cost of licensing will be passed on to tenants. They will continue to get a bad deal from the worst landlords who evade licensing.

We have tried to keep the costs as low as possible. The proposed fee covers a five-year period. Not all landlords will increase rents to cover the cost of the fee and may use existing rental incomes.

As an example, this could work out as £2.63 per month per tenant, without available discounts, for a unit in a flat that is an HMO with a total of four units.

In our recent survey, seven in 10 (70%) renters said that they are not satisfied with the management of their home, but less than a third (28%) had made a complaint to the Council about their landlord.

From talking to renters, we think this is because renters are worried about reporting complaints to their landlord because they fear being evicted. A licensing scheme will allow the Council to take action to improve standards without the tenant needing to make a complaint.



Will licensing work for the residents of Camden?

Some people say that the Council should focus its resources on other pressing issues.

Private renting is the biggest tenure in the borough of Camden. 59% of residents who are not renters said poor management of private rented properties is a major problem in the borough.

Our proposed licensing scheme is designed to make sure that properties meet a minimum standard and neighbourhood problems such as noise, nuisance and rubbish are managed properly.



What else are we doing to improve private renting in Camden?

There is no single solution - improvements in the sector need a diverse set of interventions.

You can read our policy '[A private rented sector that works for everyone](#)' to learn about the other actions we are taking, including:

- training and support for landlords through the [London Landlord Accreditation Scheme](#);
- grants and financial incentives for landlords to improve or bring empty properties into use;
- help to improve the energy efficiency of homes;
- greater use of our existing powers to take enforcement action and replace poor management with decent provisions;
- developing a partnership to protect the most vulnerable tenants;
- providing advice to private renters and supporting a stronger private tenant voice.