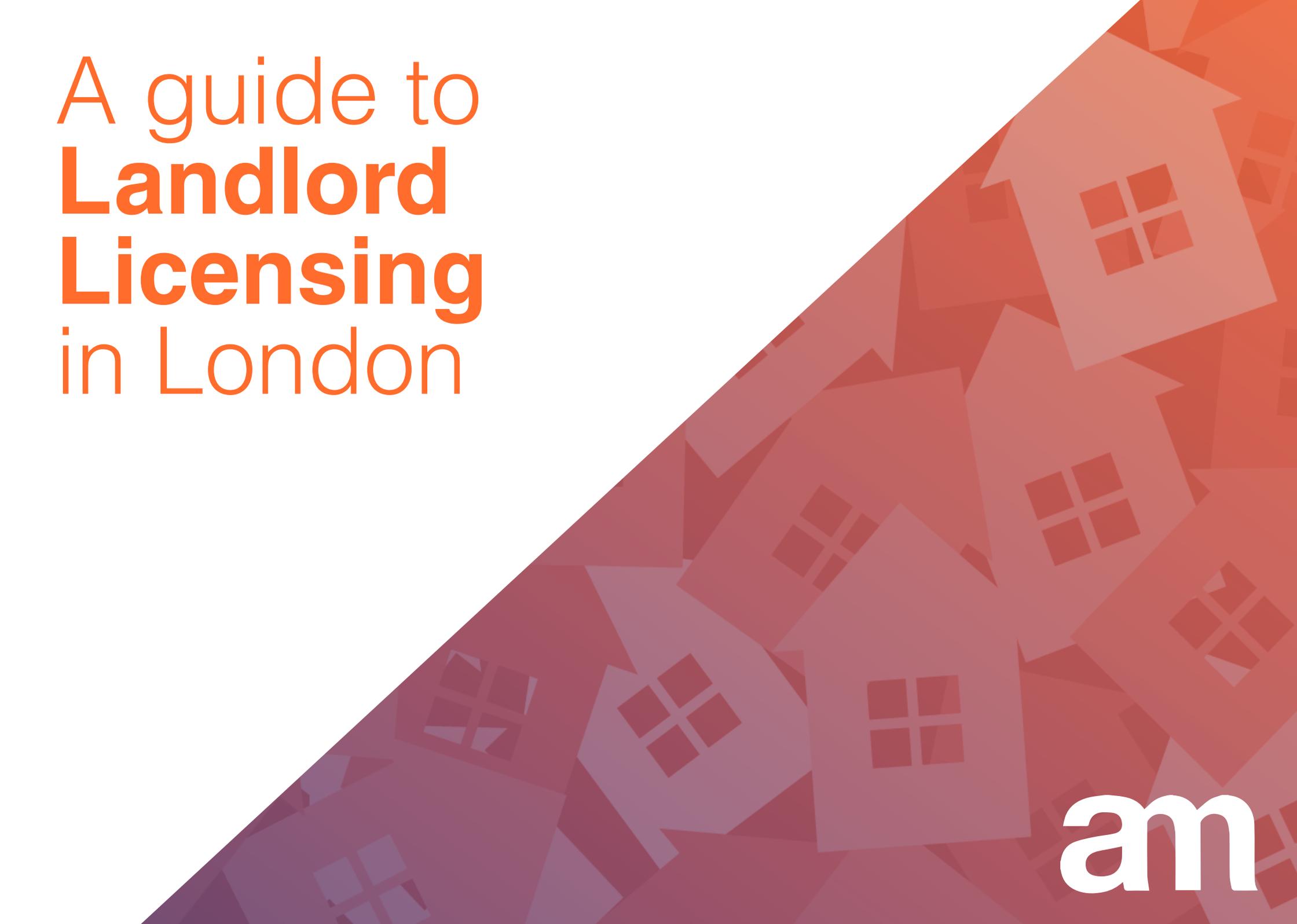


A guide to
**Landlord
Licensing**
in London



an

Hello and welcome to our guide on landlord licensing in London.

Renting a property from a private landlord is now the most common housing choice for Londoners. The huge growth of the private rented sector (PRS) means it is now more professional and regulated than ever before.

One aspect of government regulation which affects many London landlords is [selective licensing](#), which became an option for local

Landlord licensing schemes are designed to help tackle anti-social behaviour, low housing demand, poor property conditions and high crime levels.

authorities in 2006 after the [Housing Act 2004](#) was amended. There are also a range of [House in Multiple Occupation \(HMO\)](#) and [additional licensing schemes](#) landlords in the capital need to be aware of.

Landlord licensing schemes are designed to help tackle anti-social behaviour, low housing demand, poor property conditions and high crime levels.

Since 2006, a number of selective licensing schemes have come into force across the capital and there have also been significant changes to the way HMOs are licensed.

With more licensing schemes expected in the future as well as a 2019 government review of the whole system, it's important for landlords to remain up to date with their [licensing obligations](#).

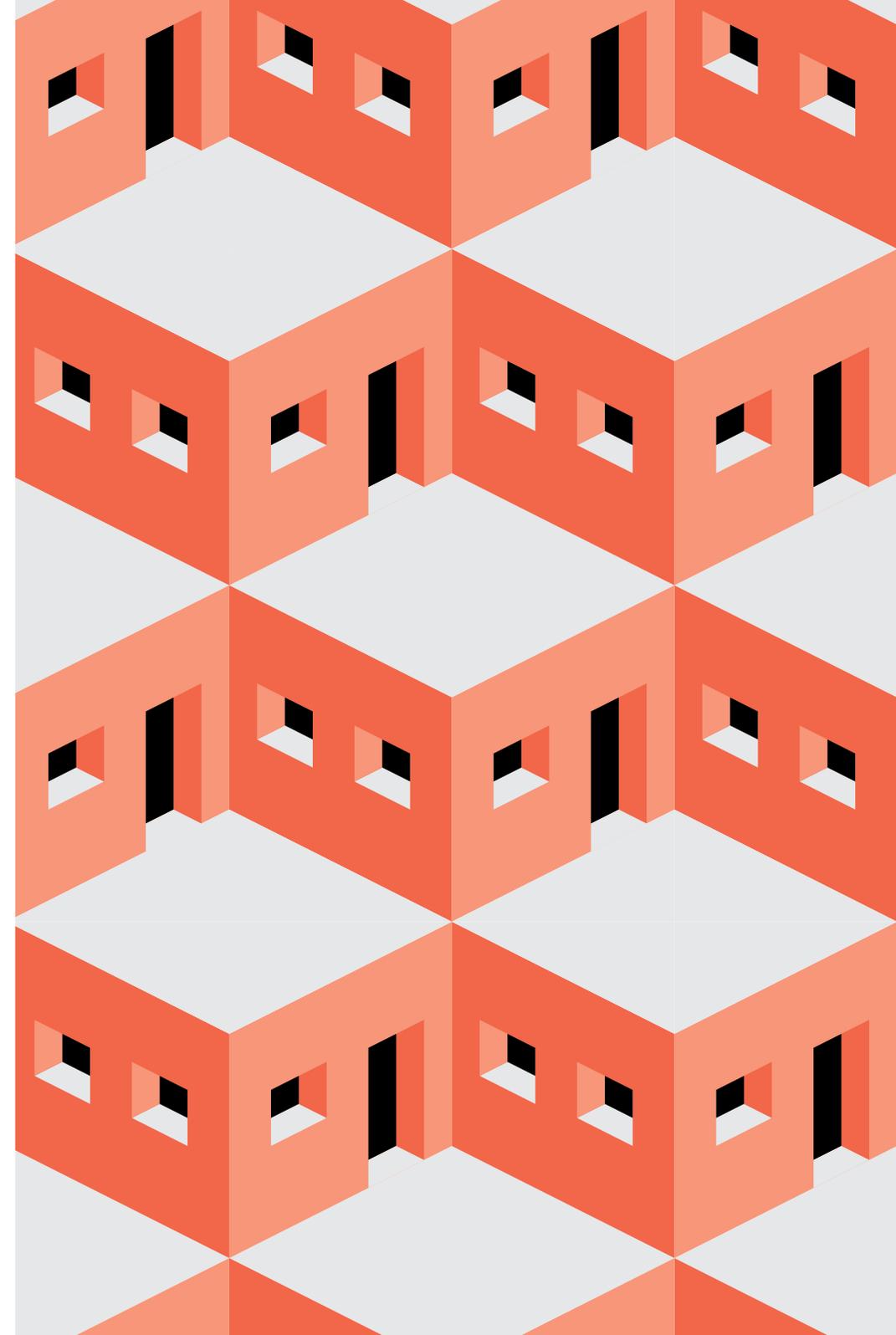
We hope the following guide helps you to comply with your licensing requirements and subsequently stay on the right side of law while providing safe and secure housing for your tenants.

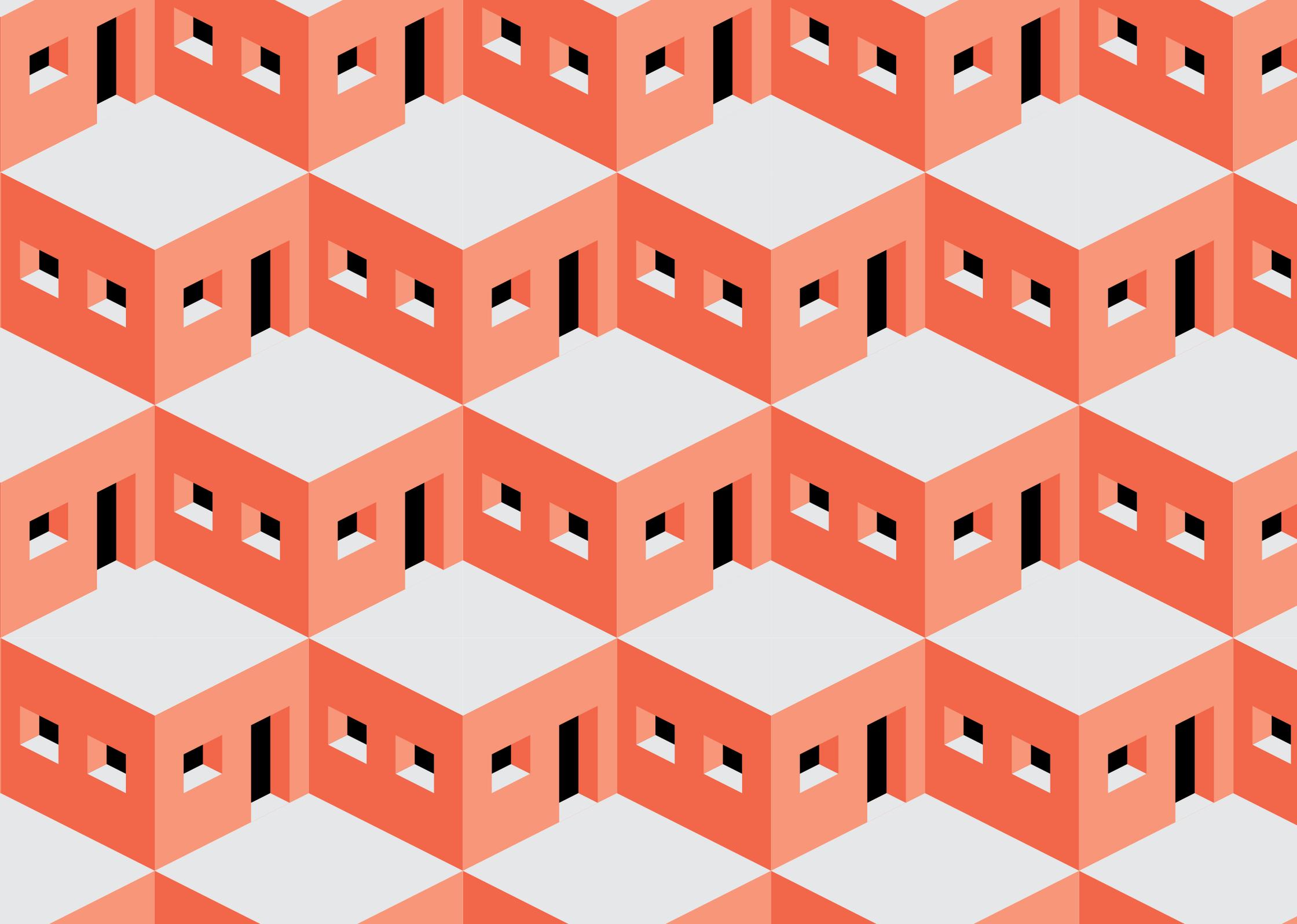


Giles Atkinson
Director



Dan McLeod
Director





Explained – the different types of landlord licensing



Selective licensing

As part of the [Housing Act 2004](#), local authorities were given the powers to implement a selective licensing scheme covering nearly all private rented properties within a defined geographical area – with some schemes covering the whole borough while others only cover certain wards.

Selective licensing was introduced by the government to stamp out rogue landlords and drive up housing standards. It targets areas with low housing demand or substantial and ongoing issues of anti-social behaviour directly associated with privately rented homes.

Government guidance states that, when assessing anti-social behaviour in a given area, local councils should take into account problem neighbours, crime and environmental crime before assessing whether landlords are failing to resolve issues in an adequate, appropriate manner, such as allowing properties to fall into disrepair or become overcrowded.

Further powers (and restrictions) for councils

In March 2015, [fresh regulations](#) were introduced under the Selective Licensing of Houses (Additional Conditions) (England) Order 2015, giving local authorities wider powers to enforce selective licensing in areas with a high number of private rented properties.

However, councils needed to justify the introduction of these schemes by satisfying at least one of four criteria:

▷ **Poor housing conditions** ▷ **Migration** ▷ **Deprivation** ▷ **Crime**

If a local authority wants to introduce a selective licensing scheme, they must not only prove that the need is there but also take reasonable steps to consult with everyone potentially affected for a minimum of 10 weeks.

What's more, new rules came into force on April 1 2015 making it more difficult for councils to introduce borough-wide schemes. It meant that central government approval would now need to be sought for any selective licensing initiative covering over 20% of a borough or 20% of the privately rented homes on offer in a defined geographical area.

There are a number of exemptions, including certain halls of residences, holiday homes, properties subject to a housing prohibition order and HMO homes that already require a licence under a separate mandatory licensing or additional licensing scheme.



HMO licensing

- ▷ Under the Housing Act 2004, certain HMOs became subject to mandatory licensing. This meant large HMOs - defined in the Act as properties with five or more tenants forming more than one household, sharing facilities such as kitchen bathroom and/or toilets, over three or more floors – now had to be licensed to be let out legally.
- ▷ On October 1 2018, mandatory licensing for HMOs was extended. Before, the mandatory HMO licensing scheme only applied to properties that were three or more storeys high, but the government lifted this restriction to widen the scope of the scheme.

Now, an HMO is counted as a large HMO – and therefore licensable – regardless of the number of storeys it has.

Certain exemptions are in place – with purpose built self-contained flats within a block comprising three or more self-contained flats excluded from the mandatory licensing scheme. Equally, any property occupied by just two people who form two households – for example, two friends that share a house or flat – does not count as an HMO.

At the time the new regulations were introduced, it was predicted that, as a result of the changes, an extra 177,000 HMOs would be subject to mandatory licensing in England (on top of the 60,000 that already were).



Additional licensing

This type of licensing is introduced on a discretionary basis by some councils to deal with the issues caused by HMOs that are not already covered by mandatory licensing.

Certain London boroughs, including Brent and Ealing, have additional licensing schemes in place to cover those HMOs not impacted by extended mandatory licensing – usually properties occupied by three or more people making up two or more households.

A brief history of landlord licensing in the capital

There are two main types of landlord licensing – selective and HMO – but when did they first come into play in London?

Selective licensing, implemented to try and prevent socially unacceptable behaviour and force out rogue landlords, was first introduced in London in 2006.

In total, fourteen London boroughs have introduced selective licensing schemes (Barking & Dagenham, Bexley, Brent, Croydon, Ealing, Hackney, Hammersmith & Fulham, Harrow, Newham, Redbridge, Enfield, Southwark, Tower Hamlets and Waltham Forest), ranging from borough-wide projects to schemes focusing on specific wards in the borough.

April 2006

As part of the Housing Act 2004, [Sections 79, 80 and 81](#) provided for the introduction of a scheme of selective licensing of private landlords in a local housing authority's area.

2013

[Newham Council](#) introduced the first borough-wide licensing scheme, meaning all privately rented properties must be licensed. In December 2017, it was extended until 2023.

October 2015

[Croydon Council](#) introduced borough-wide selective licensing to drive up standards in Croydon's private rented sector.

2015

Brent Council introduced selective licensing in several wards across the borough.

April 2015

The government introduced new rules to stop councils from implementing borough-wide licensing schemes, with any selective licensing scheme covering more than 20% of the borough requiring the agreement of central government.

February 2016

The Cabinet of Tower Hamlets Council approved a selective licensing scheme in the borough, which came into force the same year.

July 2017

The London Borough of Redbridge introduced the first part of its selective licensing scheme, followed by the second part – Scheme 2 – on October 1 2018.

May 2020

Waltham Forest Council launched a new selective licensing scheme which runs until 30 April 2025, applying to all privately rented properties let to a single-family or two unrelated sharers.

September 2019

A five-year selective licensing scheme in the London Borough of Barking and Dagenham commenced on September 1.

October 2018

Bexley Council introduced its selective licensing scheme, under the guise of the 'Rent it Right Licensing Partner', covering four defined areas.

September 2021

Starting on September 1, Enfield Council introduced selective licensing across all privately rented residential properties occupied by one or two persons, or one family households located in 14 wards across the borough, following the approval by government of its application.

What about HMO licensing?

Mandatory licensing of certain large HMOs was also introduced in 2006 as part of the Housing Act 2004.

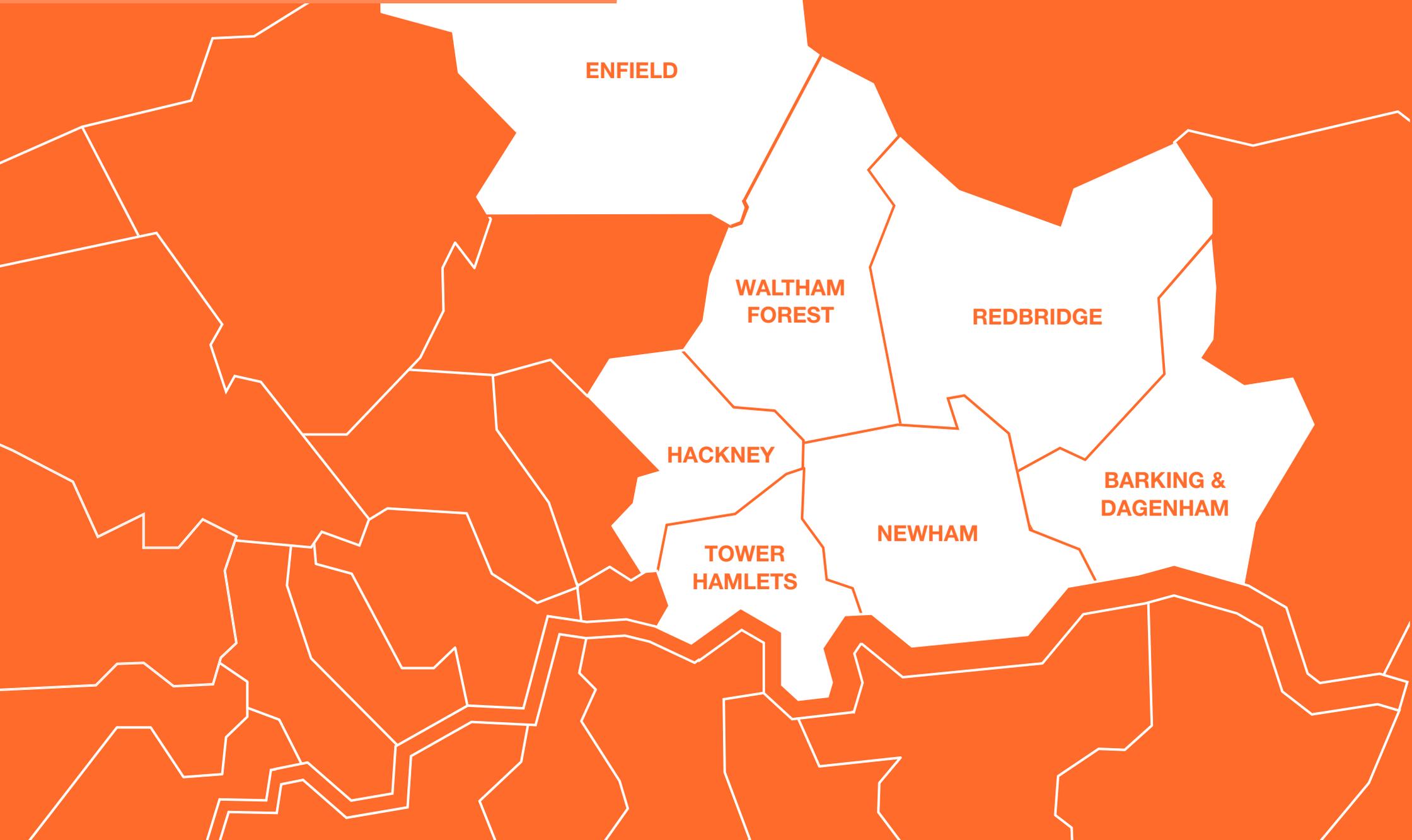
- ▷ From October 1 2018, the scope of mandatory licensing of HMOs was extended to include smaller properties.
- ▷ Before October 2018, an HMO was required to have a licence if the building comprised three or more storeys, was occupied by five or more people living in two or more households, and if it contained shared facilities such as a toilet, bathroom or kitchen.

Mandatory licensing applied nationwide, but local authorities did have the power to require smaller HMOs to be licensed under their 'discretionary additional licensing schemes'.



Mapped – landlord licensing schemes in the capital

East and North London



Barking & Dagenham

Started

Renewed on September 1 2019 (Originally launched on September 1 2014).

Runs until

August 31 2024.

Type of licensing

Selective licensing for all rental properties that do not fall under mandatory HMO regulations.

Reason for introduction

Making sure each property is safe and well-managed, cracking down on anti-social behaviour and overcrowding, as well as tackling problems like rubbish and noise pollution.

Cost per licence

A mandatory HMO licence costs £1,300 and a selective licence costs £900 per property.

Areas affected

Borough-wide.

Prosecutions and enforcement

notices: 70 prosecutions and 570 enforcement notices between 2014 and 2019.

Newham

Started

Renewed on various dates from January 1 2018 (originally started on January 1 2013).

Runs until

Various dates up to February 28 2023.

Type of licensing

Selective licensing and additional licensing for HMOs that are not covered by mandatory licensing.

Reason for introduction

Ensuring properties are well-managed and meet a good standard, as well as cracking down on crime and anti-social behaviour.

Cost per licence

A mandatory HMO licence costs a maximum of £1,650. Additional licences cost £1,250 and a selective licence costs £750.

Areas affected

Borough-wide (excluding the E20 area).

Prosecutions and enforcement

notices: 359 housing prosecutions between April 2011 and March 2014.

Redbridge

Started

Various dates from April 13 2017.

Runs until

Various dates up to September 2023.

Type of licensing

Selective licensing for specified areas (below) and additional licensing for HMOs not covered by mandatory licensing.

Reason for introduction

To better regulate the rental sector and ensure properties are safe and well-managed.

Cost per licence

A mandatory HMO licence costs £1,494. An additional licence costs a maximum fee of £1,864 and a selective licence costs £604.

Areas affected

Selective licensing in Clementswood, Valentines, Goodmayes, Loxford, Snaresbrook, Roding, Newbury, Mayfield, Cranbrook, Seven Kings, Chadwell, Fairlop, Aldborough and Church End.

Prosecutions and enforcement

notices: 30 housing prosecutions between 2011 and 2016.

Tower Hamlets

Started

October 2021.

Runs until

October 2026.

Type of licensing

Selective licensing for specified areas (below) and additional licensing excluding specified areas (below) for HMOs not covered by mandatory licensing.

Reason for introduction

Creating more choice, raising accommodation standards and reducing anti-social behaviour and noise complaints.

Cost per licence

A mandatory HMO licence costs £538 plus £36 per habitable room. An additional licence costs £520 and a selective licence costs £532.50.

Areas affected

Selective licence required in Whitechapel, Weavers, Spitalfields and Banglatown. Additional licensing borough-wide, excluding Weavers, Whitechapel, Spitalfields and Banglatown.

Prosecutions and enforcement

notices: 23 housing prosecutions between 2011 and 2017.

Hackney

Started

Full enforcement started in October 2019 (Originally launched in October 2018).

Runs until

October 2023.

Type of licensing

Selective licensing for specified areas (below) and additional licensing for HMOs not covered by mandatory licensing.

Reason for introduction

To professionalise the PRS, tackle rogue landlords and ensure high standards of accommodation and management.

Cost per licence

A mandatory HMO licence costs £950. An additional licence costs £950 and a selective licence costs £500. There are discounts available for accredited landlords.

Areas affected

Brownswood, Cazenove and Stoke Newington.

Prosecutions and enforcement

notices: Six housing prosecutions between 2011 and 2014 and three court dates set for additional licensing breaches in summer 2019.

Waltham Forest

Started

May 2020.

Runs until

April 2025.

Type of licensing

Selective licensing. Additional licensing scheme also launched from 1 April 2020.

Reason for introduction

To raise property standards.

Cost per licence

£700, split into two parts. There is a £100 discount available for some multiple properties. Additional licensing scheme has a fee of £1,000 per property, payable in two instalments.

Areas affected

Borough-wide.

Prosecutions and enforcement

notices: 72 housing prosecutions between 2011 and 2017.

Enfield

Started

September 2021.

Runs until

N/A

Type of licensing

Selective licensing and additional licensing scheme.

Reason for introduction

To improve property conditions and management standards, as well as reducing deprivation and the antisocial behaviour (ASB) that is sometimes associated with the PRS in the borough.

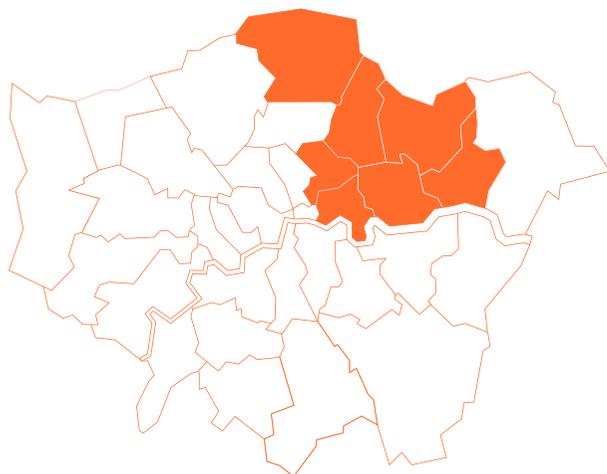
Areas affected

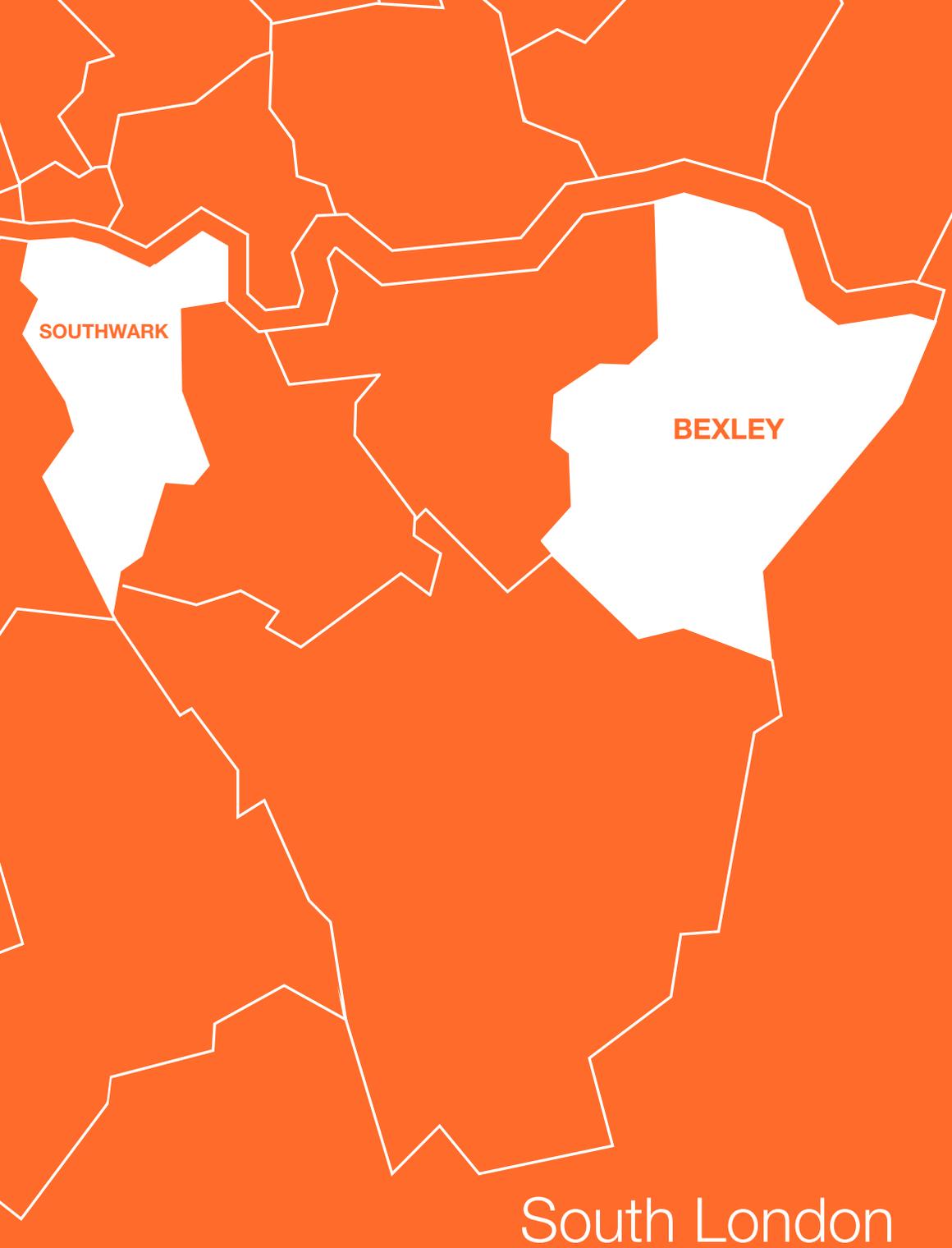
Designation one:

Bowes, Edmonton Green, Enfield Highway, Enfield Lock, Haselbury, Jubilee, Lower Edmonton, Palmers Green, Ponders End, Southbury, Southgate Green, Turkey Street, Upper Edmonton

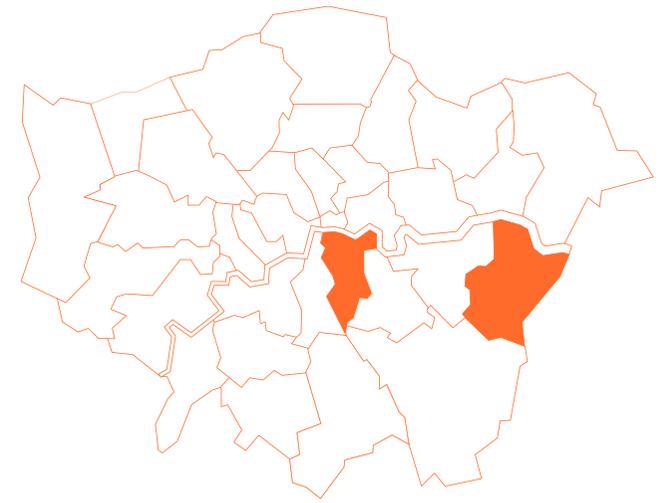
Designation two:

Chase





South London



Bexley

Started
October 1 2018.

Runs until
September 31 2023.

Type of licensing
Selective licensing in specified areas (below) for properties that do not fall under mandatory HMO regulations.

Reason for introduction
Attempting to crack down on anti-social behaviour and poor property conditions.

Cost per licence
A mandatory HMO licence costs £265 plus £145 per letting and a selective licence costs £690 per property (discounts available for accredited landlords).

Areas affected
Thamesmead North, Abbey Wood, Lower Belvedere, and parts of Erith.

Prosecutions and enforcement notices
N/A.

Southwark

Started
March 1 2022.

Runs until
N/A.

Type of licensing
Selective licensing.

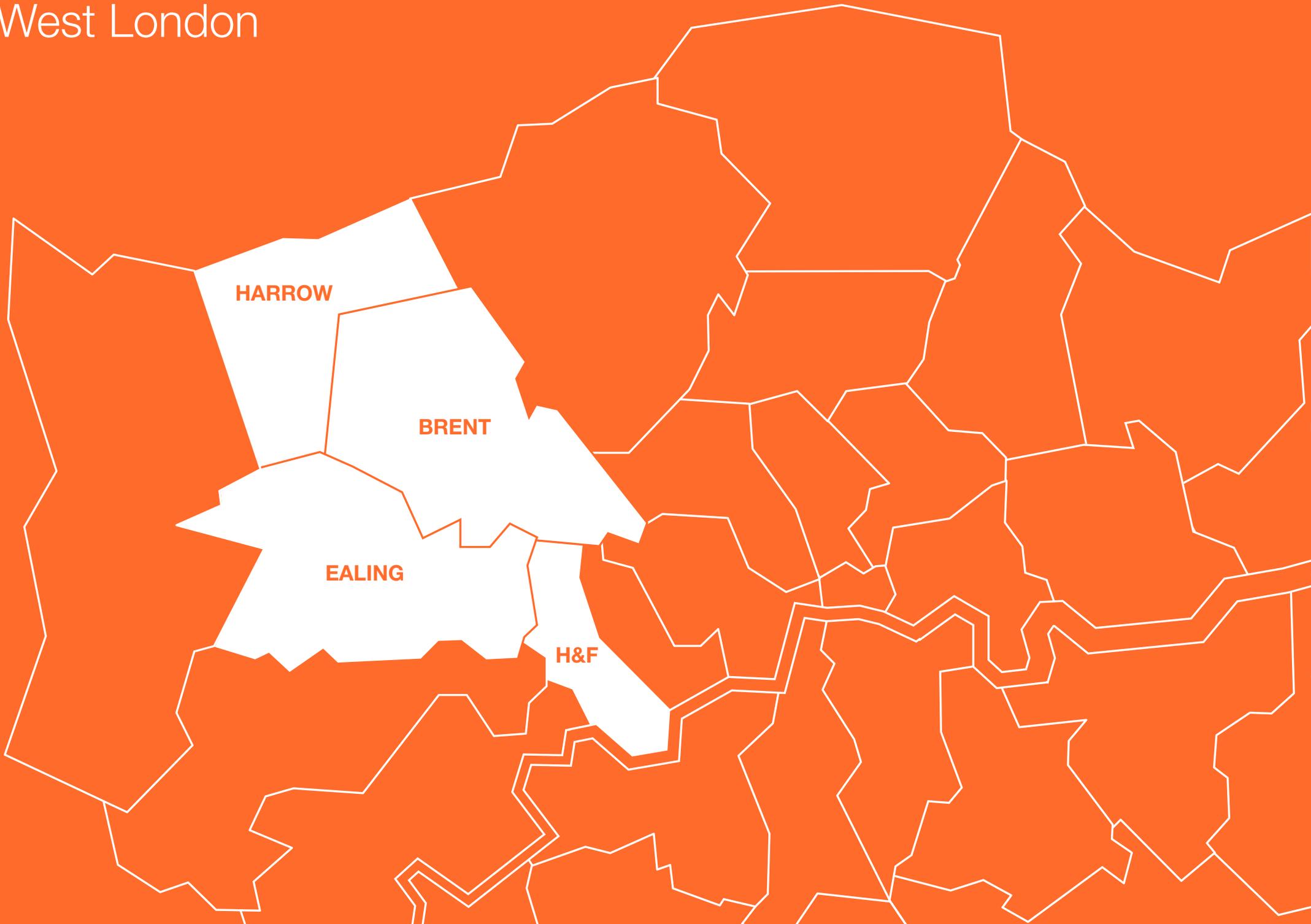
Reason for introduction
To ensure that rented homes meet the correct standards.

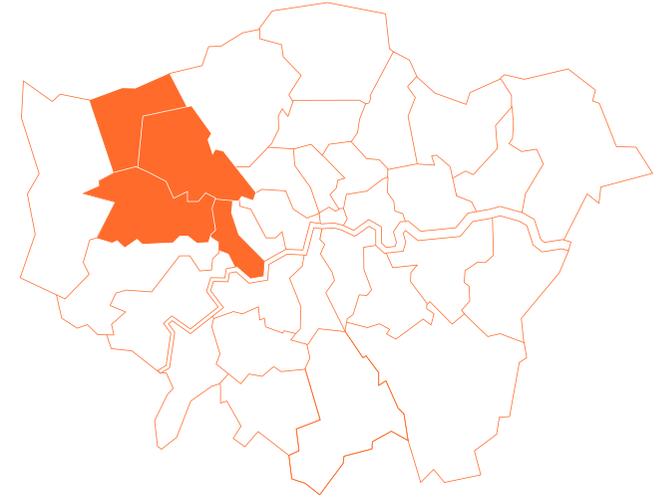
Cost per licence
£900.

Areas affected
Newington, Champion Hill, Faraday, St. Giles, Goose Green

Prosecutions and enforcement notices
46 housing prosecutions between 2011 and 2018.

West London





Brent

Started

January 1 2015.

Runs until

Ongoing.

Type of licensing

Selective licensing for specified areas (below) and additional licensing for HMOs not covered by mandatory licensing.

Reason for introduction

Tackling substandard and dangerous living conditions.

Cost per licence

A mandatory and additional HMO licence costs £840 and a selective licence costs £540 (discounts available for accredited landlords).

Areas affected

Dudden Hill, Kensal Green, Kilburn, Mapesbury and Queen's Park.

Prosecutions and enforcement notices

55+ prosecutions since 2014/15.

Ealing

Started

April 1 2022.

Runs until

December 2027.

Type of licensing

Selective licensing for specified areas (below) and additional licensing for HMOs not covered by mandatory licensing.

Reason for introduction

Raising property standards.

Cost per licence

Selective licence £750, additional licence £1,100+ £50 for habitable room.

Areas affected

East Acton, Southall Broadway and Southall Green.

Prosecutions and enforcement notices

14 prosecutions between 2011 and 2017.

Hammersmith & Fulham

Started

June 5 2017 - 2022.

Runs until

June 2022 - 2027.

Type of licensing

Selective licensing for specified areas (below) and additional licensing for HMOs not covered by mandatory licensing.

Reason for introduction

Raising property standards.

Cost per licence

The average mandatory HMO licence costs £1,400 and a five-year selective or additional licence costs £560 (discounts available for accredited landlords).

Areas affected

Selective licensing of over 100 roads, [which are identified here.](#)

Prosecutions and enforcement notices

Eight housing prosecutions between April 2011 and March 2015.

Harrow

Started

Various dates from December 7 2015.

Runs until

Ongoing.

Type of licensing

Selective licensing for specified areas (below) and additional licensing for HMOs not covered by mandatory licensing.

Reason for introduction

To maintain rental property standards and crack down on overcrowding.

Cost per licence

A mandatory or additional HMO licence costs £1,310 for new applications or £980 for renewals. Selective licences cost £550 per property (discounts available for accredited landlords).

Areas affected

Selective licensing schemes for the Edgware, Wealdstone and Roxbourne & Roxeth wards. Borough-wide additional and mandatory HMO licensing.

Prosecutions and enforcement notices

Six housing prosecutions between 2011 and 2016.

Results of the government's selective licensing review

The government commissioned a comprehensive review of selective licensing, to honour its commitment to improve guidance for letting agents, landlords and local authorities with regards to selective licensing. This was designed to help create a secure, stable and decent housing market for all.

In-depth research and consultations with consumer bodies and the industry were carried out, with the report finding that selective licensing is an effective tool when introduced in the right way, but it also identified a number of areas where schemes could be improved. Such improvements could include the implementation of a landlords register (recently suggested again in the Levelling Up White Paper), changes to the way licensing proposals are consulted upon and a 'light touch' easier renewal of licensing regimes when they expire.

The report also made a number of other key recommendations, including:

- ▶ Enabling local authorities to streamline the licence application process for landlords by allowing them to include on the application form only those questions that they consider relevant to their specific scheme.
- ▶ Considering the introduction of a national registration scheme for landlords to support and complement selective licensing.
- ▶ Exploring alternatives to judicial review as the primary method of challenging a designation – largely because the existing process can prove to be very costly.
- ▶ Issuing best practice/guidance as appropriate to support local authorities and improve the implementation of schemes.
- ▶ Calling on the government to consider expanding the range of offences which can trigger a landlord failing the 'fit and proper person' test as part of an application for a licence to include breaches of planning law.
- ▶ Reviewing requirements for advertising to ensure they are appropriate; reflecting the reduction in the circulation of existing newspapers and the widespread use of social media and other electronic formats.
- ▶ Exploring options for usefully expanding the range of data that can be shared with local authorities, potentially including the revisions of appropriate guidance and legislation to take into account the introduction of Universal Credit.

Little has been heard of the report on selective licensing since, despite it being broadly supported by the Theresa May government of the time, but Brexit, the pandemic and other issues have understandably taken precedence during this period.

When announcing the review, a spokesperson for the Ministry of Housing, Communities and Local Government said that selective licensing had made a real difference to areas across the country.

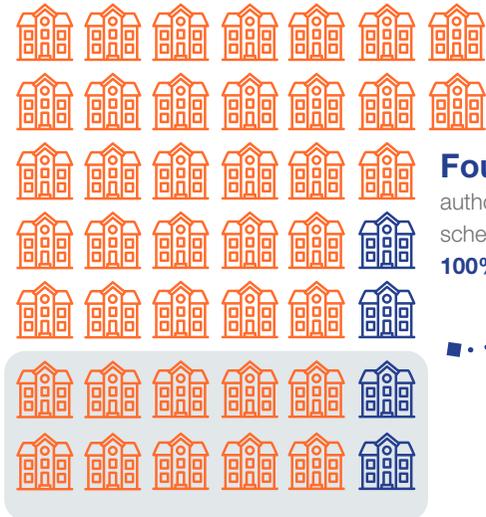
“This report further demonstrates that with proper planning, consultation and implementation, these schemes can make a real difference to the quality of homes people live in,” they said.



What did the review say about existing selective licensing schemes?

As of **January 1 2019**:

44 local authorities reported operating one or more selective licensing schemes



Four of these authorities operate schemes that cover **100% of the area.**

Most common reasons for the introduction of selective licensing schemes:



1 Poor housing conditions



2 Pervasive anti-social behaviour



3 Deprivation



4 Low demand

The report revealed that all local authorities operating a scheme bar one believed their initiatives to be at least **'fairly effective'** in tackling one or more of the issues licensing was introduced to address.

Factors which can impinge on the effectiveness of a licensing scheme



Local authorities being unable to set licence conditions directly relating to property conditions



Failure to licence properties with poor upkeep



An unnecessarily bureaucratic and highly complex designation system



Consistent underestimations of privately rented properties

Other challenges were uncovered, too, including:

- ▷ The size of selective licensing schemes
- ▷ A complex, expensive legal process for challenging a designation
- ▷ High staff costs for licensing schemes
- ▷ Inflexible licence fees
- ▷ Onerous application forms

4 factors which contribute towards an effective licensing scheme



Equally important is implementing a **'robust, consistent and targeted inspection regime'**, engaging effectively with landlords and tenants through **dialogue and training** and updating all parties on **targets, progress and outcomes** on a consistent basis.

You can read the full independent review into the [use and effectiveness of selective licensing here.](#)

Landlord licensing – how to stay compliant

It's important for landlords to understand the differences between the various types of licensing and determining what is required in your local area and for your specific property.

It's likely that your local authority website will provide you with all the information you need on what licensing is in play in your area. It's then up to you to apply this information to your property accordingly.

If your property is an HMO with five or more tenants, it will need a mandatory HMO licence. If you have an HMO with three or more tenants, you may need an additional licence, depending on the location of your property. If you don't have an HMO but there is a selective licensing scheme in your area, you may also need to licence your rental property.

In the event that your property does need licensing, you will need to make an application to your local authority. You may be asked for a floorplan of your property - particularly if you are licensing an HMO - and some other documents to support your application.

You'll then need to pay the licence fee (which could cover you for up to five years) and meet any standards set out by the licensing scheme you are complying with.

Licensing schemes tend to have no grace period, meaning that as soon as you let your property it will need to have the relevant licence.

Moreover, it's important to remember that if your property is unlicensed when it shouldn't be, you can't legally issue a Section 21 notice to regain possession.

Landlords who don't comply with licensing could be prosecuted by their local authority. This could include an unlimited fine alongside court costs and a victim surcharge or a £30,000 civil penalty.

If you're unsure on how to manage the licensing process for your property, a professional letting agent will be able to provide you with the relevant guidance.

What's more, there are a range of licence application handling service providers who can help you through the process.

Landlord licensing tends to move quickly, with new schemes proposed or revisions put forward on a regular basis. Therefore, it's important to keep up to date with what's happening so you're not left uncovered.

As well as staying on the right side of the law, complying with licensing gives you peace of mind and can help you to provide tenants with a home that meets certain standards set out by the authorities.

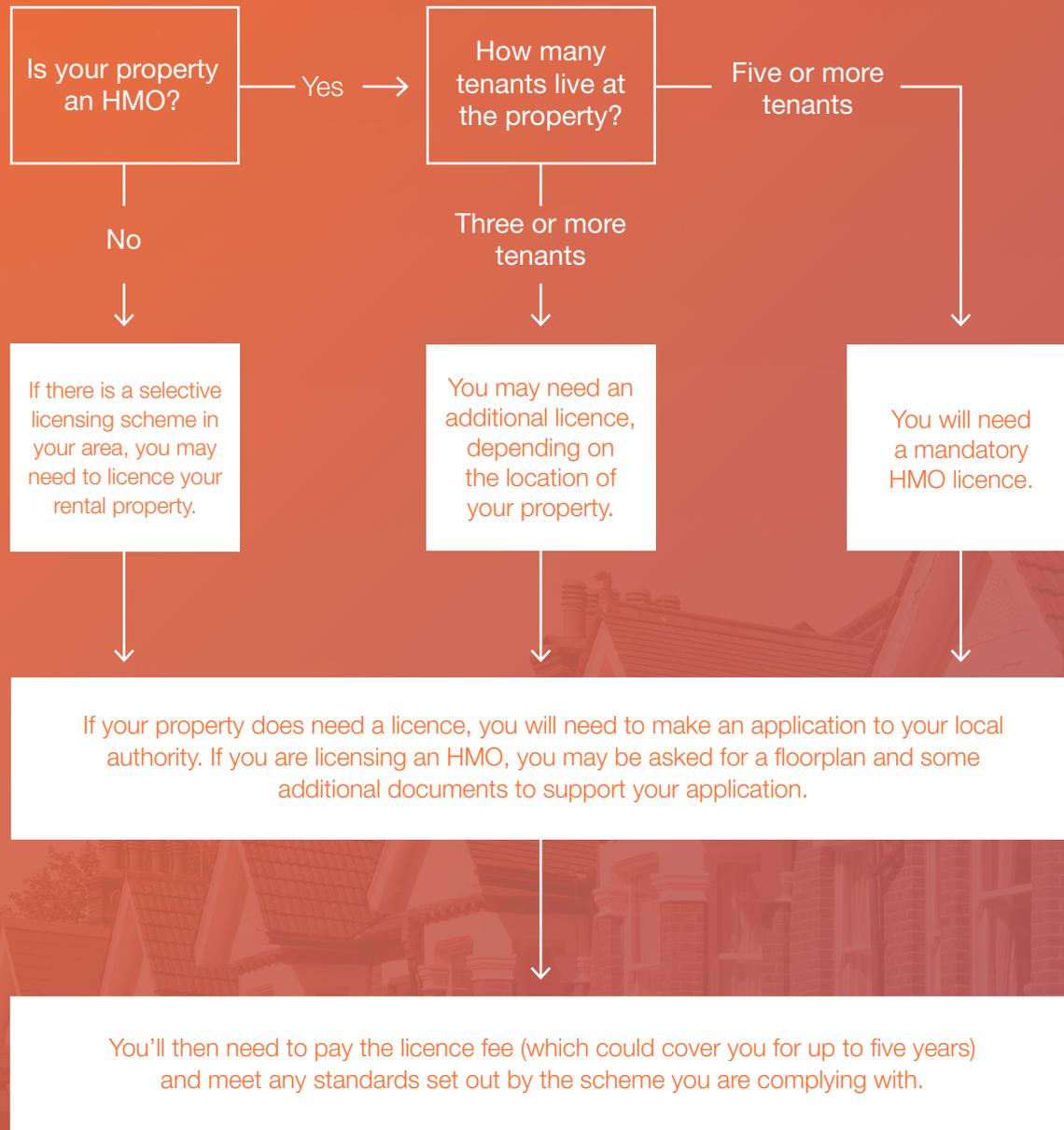
Useful resources

- ▷ [Houses in Multiple Occupation](#) - Government
- ▷ [Selective licensing in the private rented sector](#) - Government
- ▷ [London Property Licensing](#)
- ▷ [Landlord responsibilities and licensing](#) - Which?
- ▷ [Do your rental properties need a landlord licence?](#) - MyDeposits
- ▷ [Selective Licensing Schemes](#) - NRLA

**The majority of the figures and information from this brochure have been sourced from local authority websites and London Property Licensing. All information is correct as of March 2022.*

The information provided in this brochure is for information purposes only and should not be treated as legal advice. If you require further information on landlord licensing, you should contact your local authority or a sector expert.

HMO licensing breakdown



Quick facts



There is no grace period

The moment you let your property it will need the relevant licence.



You can't issue a Section 21 notice to regain possession if your property is unlicensed.



You could be prosecuted

by your local authority if you don't comply with licensing.

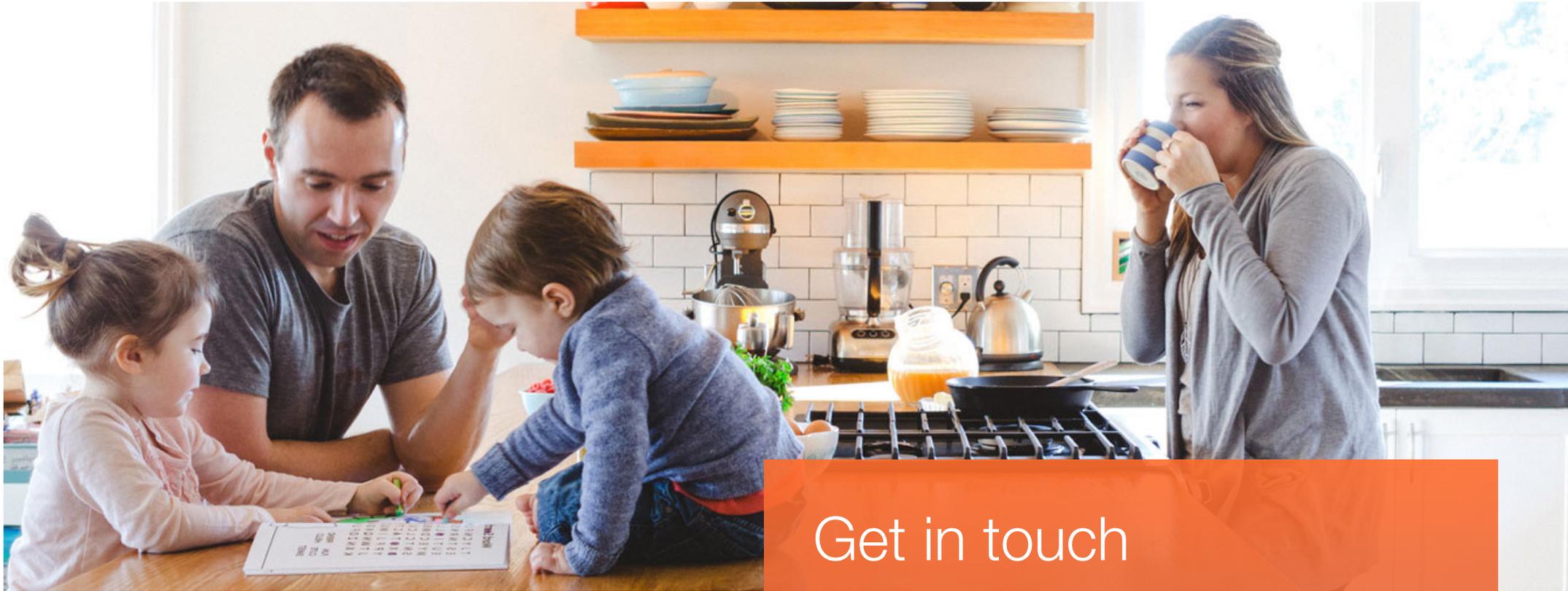


This could include an unlimited fine

alongside court costs and a victim surcharge or a £30,000 civil penalty.



Complying with licensing gives you peace of mind and can help you to provide tenants with a home that meets standards set out by the authorities.



Get in touch

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