

#BetterRenting

# Licensing Hackney's private rented homes

Tell us your views on our proposals to expand property licensing in Hackney



Contact us on:  
020 8356 4520  
[consultation@hackney.gov.uk](mailto:consultation@hackney.gov.uk)

 **Hackney**

# Making private renting better for everyone



With 13,000 households on the Council's housing waiting list and house prices increasing more than sevenfold in twenty years, Hackney today is facing an unprecedented housing crisis.

As a result, the borough's growing population is increasingly turning to the private rented sector to find a place to live. The number of private renters has doubled in the last decade to 34,000, or one in three households.

These changes have real consequences. Rising rents have meant the average two bedroom property now costs £1,820 a month on the private market – over £300 a month more than it did in 2011 – and requires a £65,000 annual household income. With nearly half of private renters earning less than £30,000, many families are struggling to pay their rent.

And while the majority of landlords provide a professional service to their tenants, increases in demand have allowed some to exploit a poorly regulated private rented sector, and forced many private renters to accept conditions that don't meet modern day standards.

11% of Hackney's private renters – that's almost 4,000 households – have to put up with serious hazards like leaking roofs, dangerous boilers, exposed wiring and vermin infestations. This increases to 20% in hotspots such as the Brownswood, Cazenove and Stoke Newington wards and across Hackney's shared properties.

In Hackney we've long been committed to change, successfully campaigning for new measures such as banning orders for rogue landlords, legal requirements for fire and carbon monoxide alarms, action on revenge evictions and a ban on letting fees for tenants. And this year we launched our Better Renting campaign – a new commitment to improving the sector for everyone by supporting Hackney's private renters and encouraging greater professionalism among the borough's landlords.

We think licensing more privately rented properties could be a major step towards achieving this. Targeting the key areas where the problems in Hackney's private rented sector are at their most acute could help ensure that privately rented homes are registered, landlords are fit and proper and poor conditions are addressed. By letting us focus resources on the rogue landlords who exploit the system and tarnish the sector, we think this will benefit both the majority of good landlords who do the right thing, but most importantly the private renters who are on the receiving end of poor treatment.

It's Hackney's renters, landlords and residents who have experienced these issues first hand, and we want to know what you think. To respond to the consultation, please complete the questionnaire at: [consultation.hackney.gov.uk](http://consultation.hackney.gov.uk).

**Cllr Sem Moema**, Mayoral Advisor for Private Renting and Affordability

# Private renting – what's the problem?

**Hackney has 34,000 privately rented homes, accounting for around 30% of all homes in the borough – a proportion that has more than doubled in the last decade.**

With such huge growth, the Council has commissioned new research into Hackney's private rented sector to understand how this change has affected people living in privately rented homes. This has revealed that:



**11% OF HOMES CONTAIN SERIOUS HAZARDS**

This includes issues like exposed wiring or overloaded electrical sockets, dangerous or broken boilers, leaking roofs, and vermin infestations.



**11% OF PRIVATE RENTERS SUFFER FROM FUEL POVERTY**

As a result of poor heating or insulation.



**17% OF PRIVATE TENANTS ARE ON LOW INCOMES (LESS THAN £15,000 A YEAR)**

A quarter of all people on low incomes in Hackney.




**13% OF PRIVATELY RENTED HOMES ARE HOMES IN MULTIPLE OCCUPATION (HMOs)**

Homes with two or more households with shared amenities such as kitchens and bathrooms.

**In particular, the research revealed that:**

**Issues in the private rented sector are particularly prominent in HMO properties.**



**21% OF HMO PROPERTIES CONTAIN SERIOUS HAZARDS OR DISREPAIR**

This is 10% higher than across privately rented properties as a whole.

**Issues in the private rented sector are particularly concentrated in certain wards in Hackney.**



**20% OF NON-HMO PROPERTIES IN BROWNSWOOD, CAZENOVE AND STOKE NEWINGTON CONTAIN SERIOUS HAZARDS OR DISREPAIR**

This is 9% above the average across all privately rented homes, and 15% higher than the Hoxton West ward.

These issues have a significant impact. Living in poor conditions, with problems such as poor heating or damp and mould, has a direct impact upon health. And this has a wider effect on our community as a whole – poor health has a subsequent impact upon health and social care budgets, and badly maintained homes with inadequate bin stores and overgrown gardens have a detrimental effect on the local environment and the overall sense of wellbeing in our neighbourhoods.



### What are we doing already?

The Council has always enforced against landlords who don't do the right thing and long campaigned for better standards to ensure private renters have a safe, secure and affordable home. This includes providing help and support to private renters, encouraging greater standards of professionalism among landlords and letting agents, and tackling the rogue landlords who give the sector a bad name.

Many of our demands – such as banning rogue landlords, making fire and carbon monoxide alarms a legal requirement, and taking action on revenge evictions – have been met by the government, and earlier this year we became the first council in England to introduce a voluntary ban on letting agents fees charged to tenants.

The Council currently operates the national mandatory HMO licensing scheme, which applies to all HMOs of three or more storeys, occupied by five or more unrelated persons who share amenities such as a kitchen, bathroom or toilet. We also respond to reports and complaints about poor conditions and bad management across the private rented sector, which has brought considerable improvements in housing conditions.

### Why hasn't this addressed to problem?

The mandatory HMO licensing scheme only covers HMOs that meet specific criteria. As a result the scheme doesn't cover 84% of HMOs in Hackney, and not a single one of the borough's non-HMO properties (which make up 87% of the total) are covered by any form of licensing scheme.

In addition, relying on complaints is no longer the most effective way to cope with a growing number of poor-quality privately rented homes, as this approach relies on the willingness and ability of tenants - who may be unaware of their rights or disinclined to report a problem for fear of eviction - to notify the Council of any issues.

# Introducing property licensing – our proposals

**With the Council's current enforcement procedures no longer the best way to address standards in the rapidly expanding private rented sector, we are committed to implementing a more proactive approach by introducing two new property licensing schemes in Hackney:**

1. A borough-wide additional licensing scheme for all HMOs\*. This would mean that all HMOs – not just the 16% covered under the current mandatory licensing scheme – would need to be licensed.

\*Houses in Multiple Occupation (HMOs) are:

- Houses, including flats, occupied by two or more households who share amenities such as kitchens, bathrooms or WCs,
- Buildings converted entirely into self-contained flats where the conversion did not meet, and still does not meet, 1991 Building Regulations standards and more than one-third of the flats are let on short-term tenancies.

The detailed definition is contained in section 254 of the Housing Act 2004.

2. A selective licensing scheme for all privately rented non-HMO homes in three wards – Brownswood, Cazenove and Stoke Newington. This would mean that all privately rented homes in the three wards most affected by poor conditions would need to be licensed.



## What will these proposals mean?

If the licensing schemes are introduced, all landlords of properties covered under the two schemes will be required to obtain a licence from the Council before letting the property. By obtaining a licence, the landlord is agreeing to comply with the following conditions:

### All property types:

- Gas and electrical installations to be fitted only by certified operatives
- All facilities and equipment within the property, including all electrical appliances supplied by the landlord, are safe and maintained
- Adequate fire safety precautions, including ensuring that all furnishings meet fire safety requirements
- Adequate provision of cooking facilities, bath/shower rooms, and toilets
- Good standards of cleanliness, repair, and general condition
- Repairs, maintenance and improvements to be carried out only by competent persons employed directly by the licensee or managing agent
- Pest control measures taken where necessary
- Proper tenancy agreements for tenants and a restriction on the ability to create new tenancies being limited only to the licensee or managing agent
- Tenancy deposits lodged with approved schemes and notified to tenants
- Rent collection may only be carried out by the licensee or managing agent
- Maximum permitted levels of occupation not exceeded
- Licence holder details notified to tenants and the Council
- Emergency contact details provided to tenants
- Provision and management of refuse/waste storage and disposal
- Adequate home security
- Yards, gardens, fences and outdoor space kept in good condition
- Measures to tackle anti-social behaviour relating to the property where necessary

- Certain information to be provided to the Council on demand
- The Council to be notified of changes in ownership, management, property layout, and provision of amenities
- Minimum six-monthly inspections of the property
- Requirement for landlords/agents to demonstrate competency in property management through membership of an approved accreditation scheme e.g. London Landlord Accreditation Scheme or similar
- Exclusion of landlords/agents from being a licence holder or manager where there is a history of criminal offences, unlawful discrimination, or contraventions of housing or landlord and tenant law

### Further conditions for selective licensing (Brownswood, Cazenove and Stoke Newington):

- Requirement on landlord/agent to obtain tenant references
- Requirement on landlord/agent to obtain Energy Performance Certificates

## How will this help?

### Benefits for private renters:

- Improvements in the condition and quality of privately rented homes covered through the two licensing schemes through licensing conditions, inspections and enforcement.
- Reduction in rogue landlords through increased enforcement, for example through better protection against unfair evictions.
- Better information for private renters on their rights and the standards they should expect.
- Greater protection of vulnerable renters, for example through ensuring adequate amenities, space standards and fire safety.

### Benefits for landlords and letting agents:

- A fairer operating environment for private landlords who already do the right thing through better enforcement of housing conditions and management standards across the board.
- Improved engagement between the Council and private landlords and letting/managing agents, and support for landlords to manage their properties properly.
- Promotion of landlord accreditation schemes, encouraging more professional landlords and a better reputation for private landlords in the borough.

### Benefits for everyone:

- Environmental improvements through enforcing correct waste disposal and maintenance of gardens and driveways.
- Identification of landlords not paying the correct Council Tax.
- More effective tackling of antisocial behavior and crime within the private rented sector.

## How will the licensing schemes work?

All landlords of properties covered under the two schemes will be required to make an online application for a licence on the Council's website and pay a one-off fee to the Council to cover the first five years of the licence. The schemes will be not-for-profit – fees will be set to cover the cost of setting up and managing the schemes only.

### ESTIMATED FEES TO LANDLORDS

Additional licensing scheme – for all HMOs	£900 – £1,150
Selective licensing scheme – for Brownswood, Cazenove and Stoke Newington wards	£450 – £500


These estimates are a guide only. Exact costs and fees will be published when the full extent of the schemes is known.

It is a criminal offence to let out a property in a designated licensing area without a licence or failure to comply with any condition of the licence. Offences could lead to prosecution and an unlimited fine or, as an alternative to prosecution, the issue of a fixed penalty notice. Fixed penalties would be determined by the severity of the offence up to a maximum of £30,000.

## How to have your say:

To have your say on these proposals and to find out more detailed information please visit [consultation.hackney.gov.uk](http://consultation.hackney.gov.uk)

Alternatively please complete the paper survey enclosed and return in the free post envelope provided.

 If you have any questions about the consultation or the proposals please contact us on:

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**Consultation closes on 03 December 2017**

