

A Landlord's Guide to HMO Licencing in Southwark

Let's help you stay within the law



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Do I need an HMO licence?

If you have three or more unrelated tenants in one property, you'll need an House of Multiple Occupation (HMO) licence. If your tenants are related to each other, you won't need one.

Southwark Council have introduced a licence associated with mapped areas called a Selective Licence (more about this on the next page). These areas are generally near high streets in popular places and apply even if only one tenant is in place.

- Previously up to five unrelated tenants could co-habit without a landlord having an HMO licence
- Local councils decide what licences to implement
- The government has clear information on its [website](#)

Different types of licences

There are three types of licences. Some apply across the whole country while others are only upheld by certain councils. Here's a breakdown of the three different licences **you need to know about**.

- A **Mandatory Licence** applies to larger HMOs where five or more unrelated people live in a building of three or more storeys high. If the building is two storeys and has six people living in it, you don't need this licence. A Mandatory Licence applies to these types of properties across the UK.
- You'll need an **Additional Licence** if you have three or more unrelated tenants in a rental property in Southwark. This type of licence isn't UK wide. For example, it's been introduced by Southwark but not Lewisham.
- **Selective licencing** is where the council map an area in the borough, usually one that's heavily populated and near shops and transport. You must get a Selective Licence if your property falls into one of these areas, regardless of how many tenants live there. Even just one. This licence does not apply across the country. Southwark Council have **mapped areas** online where selective licencing is necessary [here](#).

You will never need two licences for one property.

For example, if you have three or more students living in a selective zone, the Additional Licence you have will supercede the Selective Licence.

Costs of licensing in Southwark

Mandatory and Additional licencing costs:

- £255 per bedroom, up to 10 bedrooms
- £153 per bedroom in excess of 10 bedrooms.

Mandatory licences typically last for 5 years. Additional licences are typically valid up to 31 December 2020 (when the scheme ends).

Selective licencing costs:

- £255 per bedroom, up to 10 bedrooms
- £510 per flat or house (meaning all properties).

Selective licences are typically valid up to 31 December 2020 when the scheme ends.

What happens if I don't get a licence?

You risk being prosecuted by the council, getting a criminal record, losing a **lot of money, the right to evict tenants** and could find **obtaining a future licence very hard**.

Here's what you could lose. You could:

- be fined an **unlimited amount**
- ordered to pay **court costs** and a **victim surcharge**
- issued with a civic penalty of up to **£30,000** without any warning
- have to repay up to **12 months rental income** via a Rent Repayment Order
- become unable to issue a Notice of Seeking Possession under the Section 21 Housing Act 1988 to evict tenants

Lastly, any landlord successfully prosecuted will likely fail a 'fit and proper person' assessment which will make it very difficult to get a future licence.

How we can help you

We can tell you exactly what you need to know in order to stay on the right side of the law, for no charge at all.

Other things we can help with are:

- help you navigate documents and paperwork
- we can set up gas and electricity certification every year for you
- we can arrange any associated jobs to be carried out, e.g. fitting smoke alarms

We can also help you find tenants, collect rent on your behalf or even fully manage your property.

If you'd like **30% off any of these services**, call us on **020 8206 3063** or [email us here](#) and quote **30HMO**.