

Introduction

The National HMO Network



What is the National HMO Network?



Mo Watts Chair



Why do we do conferences?



Welcome to LFB & Housekeeping

- Breaks (Food and Drinks to be served in the room next door)
- Toilets locations
- Photography (Some Flash photography throughout)
- Fire Exits
- Ideas for Future Conferences (secretary@nationalhmonetwork.com)
- CPD Certificates (please make sure you've signed in as will be emailed after!)
- Thank you to our hosts London Fire Brigade

Information about the Network



CPD Certificates

Please be attentive during each session and stay to the end

Emailed to you after the conference.



Steering Group

Want to become part of the National HMO Network steering group?

Interested in anyone from local authorities.

Details at the end of the presentation.

Professional development including CPD



Future Conferences

In person or virtual conferences

Networking Coffee and Lunch breaks included

Range of HMO topics covered





Our speakers



David d'Orton-Gibson Training for Professionals



James Kent NRLA



Kingsley Hughes Designscape Architecture



Andy Green C-Tec



Robin Stewart Anthony Gold Solicitors



Agenda

	10:00	Welcome and Housekeeping – Mo Watts	14:10	Super HMO's – Kingsley Hughes – Designscape Architecture
	10:15	London Fire Brigade welcome		
	10:30	Latest proposals on EPCs - David D'Orton Gibson	14:30	AFTERNOON COFFEE BREAK
	11:00	MORNING COFFEE BREAK	14:50	Speaker – Andy Green – C-Tec – Raising the grade for fire alarms in HMO
	11:20	How Landlords are needed to assist with the housing crisis - NRLA Chief Innovation Officer, James Kent	15:20	Legal Roundup – Robin Stewart, Partner - Anthony Gold Solicitors
	12:00	Networking Session Topics of Discussion		CLOSING REMARKS – Mo Watts (Chair, National HMO Network)
	12:35	LUNCH		,
	13:30	Treasurer Updates – Richard Price, National HMO	16:10	35th Anniversary Party Networking
	·)•)°	Network	17:30	Event Close

Open Panel Discussion

13:40



David d'Orton-Gibson

Managing Director, Training for professionals



David has worked for over thirty-five years in the letting industry and has first hand experience of most roles involved in lettings. For the last 30 years he has run Training for Professionals working full time running training and consultancy for landlords and agents throughout England and Wales. He teaches public courses as well as running In House courses for local authorities, letting agents, landlord associations, housing associations, colleges and other bodies.

Widely respected for his technical knowledge and teaching style, David combines an authoritative understanding of the legal framework with practical suggestions on working with people. He takes what can be legally complex and seeks to share that in an easy to understand style for the everyday person on the street.

Training for Professionals is the largest provider of lettings training across England and Wales. The helpline supports over 4,000 users, answering tens of thousands of calls a year.



The latest government proposals on EPCs & MEES

David d'Orton Gibson



EPCs and MEES

Presented by David d'Orton-Gibson



Current EPC Problems

- Cost based not carbon focused
- Electricity 4x costly than gas
 - Electricity penalised
 - Despite c.50% lower carbon emissions
 - Gas rated more favourably
- Cost only focus misleading



Energy rating

Valid until:

21 October 2034

Certificate number:

2334-8820-0409-0409

Property type

Detached bungalow

Total floor area

134 square metres

Rules on letting this property

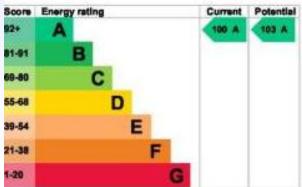
Properties can be let if they have an energy rating from A to E.

fou can read guidance for landlords on the regulations and exemptions (https://www.gov.uk/guidance/domesticvivate-rented-property-minimum-energy-efficiency-standard-landlord-guidance).

Energy rating and score

This property's energy rating is A. It has the otential to be A.

See how to improve this property's energy efficiency.



The graph shows this property's current and potential energy rating.

Properties get a rating from A (best) to G (worst and a score. The better the rating and score, the lower your energy bills are likely to be.

For properties in England and Wales:

the average energy rating is D the average energy score is 60

Consultation

- First of 2 consultations
 - 'Reforms to the energy performance of buildings'
- Government proposals to consider:
 - More holistic view energy performance
 - Cost
 - Building fabric
 - Heating system efficiency
 - Carbon emissions
 - Smart technologies



Cost

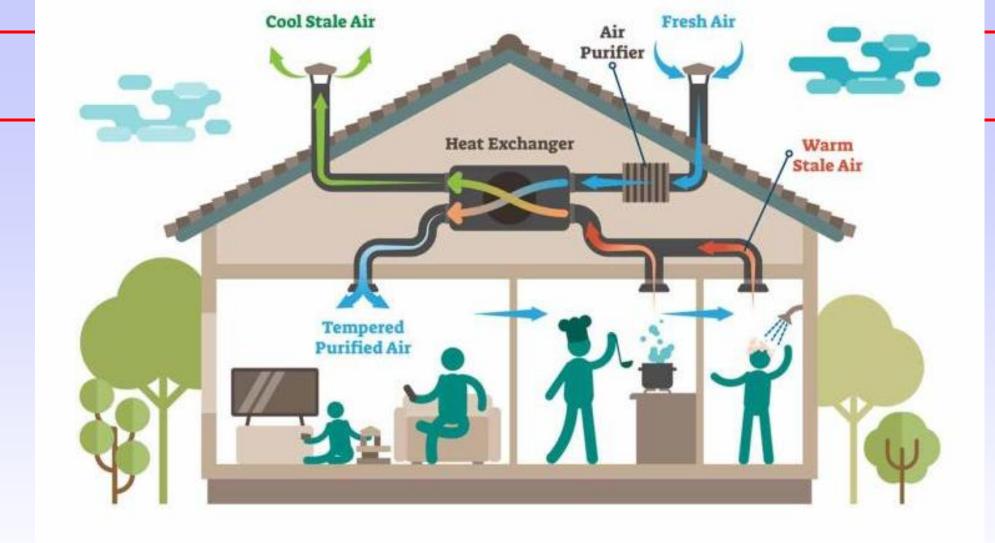
- Gas cap currently 6.99p per kWh
- Electricity 27.03p per kWh
- 25% of electricity is "duties"
- This causes electricity to have worse EPC rating



Building Fabric

- Primarily insulation and draft proofing
- Improvement benefits:
 - Loose less heat
 - Reduce energy requirement
 - Lower bills and carbon emissions
 - Boost to EPC rating
- Massive link to damp and mould

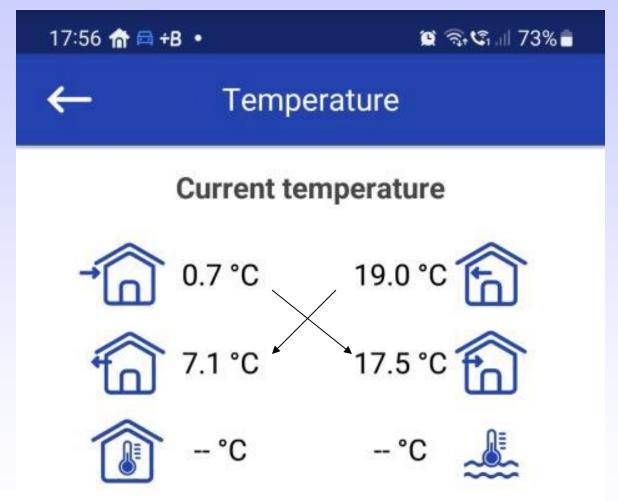








Heat Recovery



Heat Recovery

- Power consumption
- 2024 Ave price 11p
- Daily cost 6.5p / day





Heating System Efficiency

- Gas 95% very good, often 85%
 - 90% efficient
- Direct electric heating
 - Broadly 100% efficient
- Heat pumps
 - Should be at least 350%



Carbon Emissions

- Gas 100% carbon emissions
 - Difficult to capture
 - 1.1111 kWh for 1 kWh heat
- Electricity
 - 51% came from renewables
 - .51 kWh for 1 kWh heat direct heating
 - 1457 kWh for 1 kWh heat pump



Smart Readiness

- Peak demand 4pm 7pm
 - Doubling of demand
- Capacity to use electricity off-peak
 - E.g. Car charge midnight to 5.00am automatically
 - Fridge cools 2-4 pm then turns off for 3 hours or allows warmer temp



Heating Systems

- Gas boilers higher carbon emissions
 - Would achieve lower EPC rating
- Electric resistive heating
 - Fans, wall heaters, portable heaters
 - Better on carbon, but not on cost
- Heat pumps even higher
 - 3.5 x energy output per kWh electricity
 - Grants available currently



Other EPC Changes

- Proposals include:
 - Shorter EPC lifespan
 - Currently 10 years
 - Valid EPC required throughout tenancy
 - Not just when marketing
 - Clarify heritage buildings
 - House in multiple occupation
 - Bedsit / part only of a building
 - Requirement for an EPC



HMO's and EPC

- No need for EPC on part rental
 - Regardless of who pays the bill
 - Changing in consultation
- MEES
 - Confusing!
 - MEES applies where EPC is legally required
 - Watch a purchase within the last 10 years
 - Then MEES applies



MEES

- 2nd Consultation
 - Update to 2020 consultation
- Proposal continued
 - Raise minimum EPC band to 'C'
 - Or valid exemption registered
 - Date changed
 - Some date in 2028 new tenancies
 - Some date in 2030 existing tenancies



Impacts

- Improvement cost cap per property:
 - Proposed £15,000 incl. VAT
 - Limited affordability exemption considered
 - Concerns of property loss to PRS
- Consultation says property value increase 5% D to C
- £500,000 property, £25,000 uplift
- More for E to C?



Penalties

- Proposal to raise to £30k
 - To be reviewed every 5 years



The way forward

- Prepare for stricter EPC requirements
- Invest in basic relevant improvements
 - Spreads costs, benefits the property
 - Insulation, draft proofing
 - Low energy lighting, heating controls
 - Larger radiators?
 - Wait and see for larger investments
 - EPCs to provide meaningful data



Copyright
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James Kent Chief Innovation Officer, NRLA

James Kent is the founding Director of Safe2 and is currently serving as the Chief Innovation Officer for the National Residential Landlord Association. James brings with him his expertise and a deep understanding of property dynamics. James possesses a skill set that enables him to offer practical insights at the intersection of both trades and property. He is passionately dedicated to revolutionising the rental sector, emphasising a keen interest in its modernisation. Leveraging his innovative perspective cultivated in his role at the NRLA, James eagerly finds solutions to propel the rental sector into a future characterised by enhanced efficiency, cutting-edge products, and a seamless experience for all participants in the industry



How Landlords are needed to assist with the housing crisis

James Kent - NRLA



How landlords are needed to assist with the housing crisis

James Kent – NRLA Chief Innovation Officer



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The housing crisis – a national challenge



8.4m people

Are living in overcrowded, unstable or unaffordable housing.



52%

Rough sleeping increased by 52% between 2010 and 2020.



£1.7bn





11m people

The PRS provides homes for 11m people in England.



The vital role of the PRS



PRS contributions to the economy

Small and medium landlords contribute £45 billion in Gross Value Added. The PRS supports 390,000 jobs across the wider economy.





PRS supports the labour market

77.5% of PRS
households are in fullor part-time work
compared with 52% of
owner occupier and
43.5% in the social
sector.



PRS is a springboard for homeownership

The PRS serves as a springboard for homeownership, with 76% of tenants reporting a desire to buy a home and 45% saying they want to do so within the next year.



PRS provides an important social role

The PRS has expanded since 2000, providing homes to those who need or want to live in it. These include students, mobile professionals, those who are unable to access other housing tenures.

Legislative changes – what landlords need to prepare for

The Renters' Rights Bill:

- Represents the most significant change to the private rented sector in nearly forty years.
- Key changes include the end of fixed-term tenancies, the removal of Section 21, and restrictions on asking for rent in advance, landlords should start preparing to ensure a smooth transition.
- While we accept that reform is needed, we are calling for proportionate and practical changes to ensure the Bill remains balanced.

Minimum Energy Efficiency Standards (MEES):

- The Government is proposing to raise MEES requirements:
 - New tenancies must meet the new standard by 2028.
 - Existing tenancies must comply by 2030.
- The new standard won't be confirmed until 2026.
- With the removal of assured shorthold tenancies in England tenants will be able to end their tenancy at any time. This makes it harder for landlords to plan works.



What's needed to support a vibrant and thriving PRS

A thriving PRS is essential, not just to the millions of people that look to it for a home, but for the economic stability of the country as a whole. With this in mind, we are asking for:

- Rental reform that works for all
- A long-term stable housing strategy and
- Provision of the homes that people need, where they need them

The RRB and MEES reforms represent some of the most significant changes to the PRS in decades. Without the right support, there is a serious risk that some landlords will exit the market. It is crucial to allow sufficient time for landlords to adjust and prepare for the changes ahead.

The PRS has a vital role to play in supporting the Government's growth ambitions. This can only be achieved if the regulations strike the right balance, by offering fair protections for tenants while also encouraging landlords to invest in and grow the sector.



Networking Session Topics of Discussion:

- EPC Changes
- HMO Standards
- Licensing advantages / disadvantages of introducing / extending schemes
- The Housing Court reform
- LA / Government proposals to deal with the predicted increases of homelessness



Treasurers Update Richard Price - National HMO Network

- Directors approved accounts for the year ended 31 August 2024
- Nominations & voting for members of the Network's Steering Group
- Invitations for Steering Group Members

Panel Discussion

- Chair of the session: Mo Watts
- James Kent NRLA
- Robin Stewart Anthony Gold Solicitors
- David D'Orton Gibson TFP
- Kingsley Hughes Designscape Consultancy Architect





Kingsley Hughes

Deignscapes Architecture



Kingsley is the head of Designscape Consultancy and has over thirty-five years of experience working on development schemes predominantly in the UK, as well as Australia and Hong Kong.

He has worked in planning and development from every angle. The vast majority of this work is for property developers in the private sector. He also was, for 11 years, the design adviser to Greenwich Council planning department, and was for 7 years a part-time university lecturer, within the university's Planning Department.

Designscape has carried out 650 projects since it was founded 20 years ago, and prides itself on design quality and adding value for clients. The company undertakes a wide range of work, with typical projects being apartment blocks of 6 to 30 units, and housing estates of similar scope, and also specialises in the PRS Co-Living Micro-apartments model.

Super HMO's

Kingsley Hughes



Kingsley Hughes

A story...

A story through PRS over the past few years

Each person's story is just that: their story ... so be cynical if anyone pretends otherwise

This is my story...

Hope you find it interesting.

What Am I?

Architect

Quite a few Years of Experience(!)

UK and Overseas

Very close to Planning Profession

Have done quite a few PRS Co-Living Schemes

What Am I NOT?

Developer

Operator

Letting Agent

QS

Builder

What are they?

Micro-flats/Rooms which are acceptable BECAUSE of communal facilities

Similar to a Student Hall of Residence

Similar to Aged Living



What are they?

Basically...

a large high-quality HMO



The What Who Where & Why



What Are Micro-Flats?

A "flat" that is smaller (much smaller) than a normal flat.

The smallest allowable flat under national space standards is a studio which has to be a minimum of 37sq.m.

Most of the micro-flats schemes we create are half that size at around 18 to 20sq.m.

The ones we do are in medium-sized blocks for economies of scale, typically being around 15 to 30 units.

What Are Micro-Flats?

"Surely this can't be the answer to the Housing Crisis?"

What Are Micro-Flats?

No, but it can be an important part of the answer.

They don't sound very big: do they offer a decent quality of life?

They offer a very high quality of life. It is important to be mindful of what you are actually comparing them to. The country has an appalling shortage of housing.

The alternatives for most occupants are;

- i) living at home with mum and dad
- ii) living in a house share with people you know
- iii) living in an HMO, usually with strangers

They don't sound very big: do they offer a decent quality of life? contd...

In contrast, micro-flat schemes provide a much better offering. As an important indicator, it is significant to bear in mind that most normal HMO rooms are 7.5sq.m. for a single and 10.5sq.m. for a double (varies from local authority to local authority). The micro-flat rooms we do are singles and as noted are typically 18sqm to 20sqm. So, when looked at objectively, it is seen they are 2 to 3 times as big as they need to be.

They don't sound very big: do they offer a decent quality of life? contd...

The key is the provision of generous high quality shared spaces and facilities.

These typically include communal kitchen & dining, TV/Cinema room, snooker/pool room, and laundrette, as well as break-out spaces provided with sofas and coffee tables such as for chatting with fellow residents or reading a book.

They don't sound very big: do they offer a decent quality of life? contd...

Also, it is important to bear in mind the qualitative aspects such as insulation, general comfort, and quality of building fabric and facilities.

Many HMO house conversions are of lower quality, and while minimum maintenance and enforcement standards do exist, such properties do not compare to the quality provided in our schemes.

Who do they Appeal to?

The typical demographic is 20-somethings, who are often presented with the unattractive alternatives. A modern microflats scheme is a far more attractive option.

At the other end of the demographic, there is a market for the over-55s and some developers and operators are providing for that market.

Who do they Appeal to? contd...

In summary, they are suitable for people who want urban living, with a high-quality convenient hassle-free lifestyle.

One characteristic found by our clients is that they initially anticipated occupants to stay for short term as 6 months to a year, but they typically stay 2.5 years as they enjoy living in such schemes so much.

Where is the most suitable location for them?

They are most suited to city centre or town centre sites. That is sites which are very close to employment opportunities, shops, bars, restaurants, and public transport (especially underground stations and railway stations).

Because of this, and the demographic, there is little or no need for car parking, as occupants do not need to own a car. They have ample transport opportunities and can also order a taxi or uber if and when they wish.

As a developer/investor Why would I do Micro-Flats?

One of the key reasons is that they are incredibly lucrative. Each unit typically rents for the same sum as a flat of twice the size. There also is massive (insatiable) demand.

If you advertise 20 rooms you will typically get 200 serious credible enquiries, people queuing around the block, people asking to be put on a waiting list, and people asking if you have any similar blocks nearby.

As a developer/investor Why would I do Micro-Flats? contd...

Do bear in mind these are operated as rental blocks: they are not suitable for individual conveyancing, and are turn-key lump-sum units same as HMOs. The flat fee paid by the tenant includes everything such as council tax, maintenance, and broadband. Also bear in mind high quality tenants expect a high quality offer: with an almost-immediate speed of response to any issues.

Commercial valuation: "Selling the Spreadsheet".

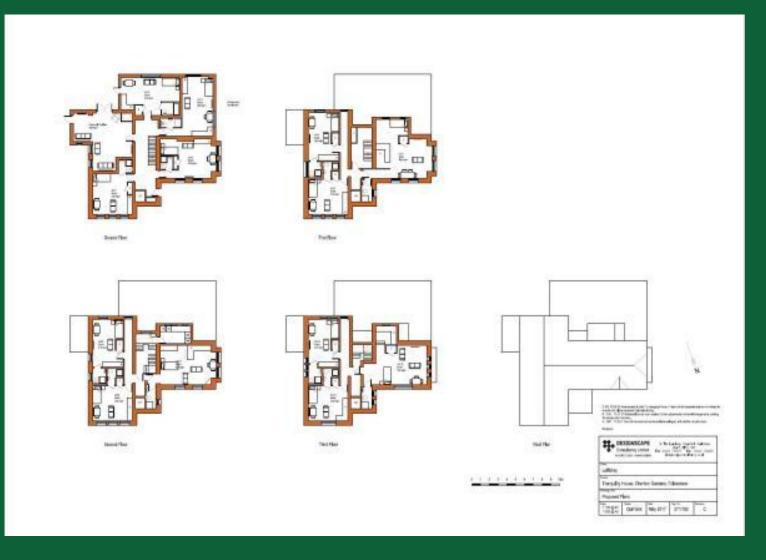
As a developer/investor Why would I do Micro-Flats? contd...

Another key reason to do micro-flats is the nature of the site itself. e.g. if you have a city centre or town centre site, micro-flats likely will be far more appropriate & lucrative than a typical flats scheme. Normal apartments would be larger (and require a mixed offer of 1, 2, and 3-beds), may require parking (which is appallingly land-hungry), and such a location may not be suitable for families (traffic risk/noise/air quality). In contrast, a suburban/edge of town location may not be suitable.









Tranquility Court (13no.)





Westree (13no. + office space)





Swanscombe, Ebbsfleet (13no.)





Swanscombe, Ebbsfleet

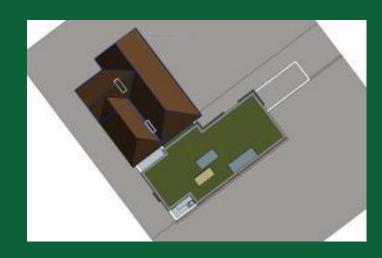




Swanscombe, Ebbsfleet



Romney Place (20no.)







Romney Place







Romney Place



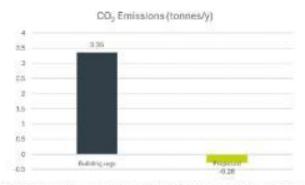




King Street (20no.)



draph is Building segulations and proposed development comparison of the annul energy requirements



Graph 2: Building regulations and proposed development comparison of the annul GG2 emissions



King Street

PRS Co-Living Micro-Apartments

Some Key Takeaways



PRS Co-Living Micro-Apartments

Key Takeaways...

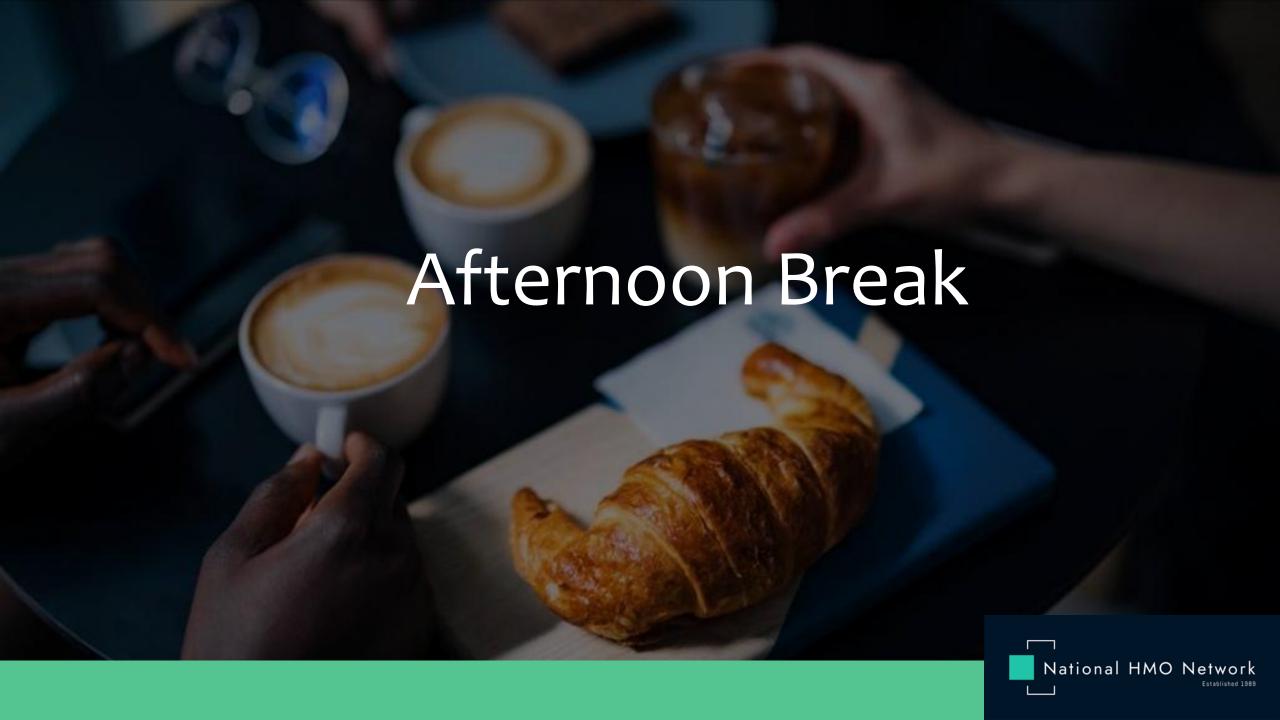
- You may (will) need to Educate the Planners
- This is NOT C3 Residential: it is Sui Generis HMO
- Commit to Quality
- Commit to the Common Areas: it's in your interests

PRS Co-Living Micro-Apartments

Key Takeaways... contd.

- Branding is very important: Abode, Ethos, Vitality etc
- Maintenance and Speed of Response are essential
- Great Broadband is Essential
- Being Zero Carbon/Near Zero Carbon is important and is in your interests





Andy Green

NORTHERN UK BUSINESS DEVELOPMENT MANAGER, C-TEC



Andy has been working in the fire industry for 30 years. He began his career building and repairing fire panels and static inverters at JSB/Cooper before becoming Apollo's Northern Sales Manager. He spent eight years specialising in fire detection before joining C-TEC in 2012 as a Fire Account Manager and was promoted to UK Business Development Manager in 2021.

In his spare time, he volunteers at Cheshire FRS and runs a cadet unit for 12–18-year-olds.

Raising the grade for fire alarms in HMOs

Andy Green





ANDY TURNER UK BUSINESS DEVELOPMENT MANAGER C-TEC

Andy has been working in the fire industry for 30 years. He began his career building and repairing fire panels and static inverters then technical sales engineer at JSB/Cooper before becoming Apollo's Northern Sales Manager. He spent nine years specialising in fire detection before joining C-TEC in 2012 as a Fire Account Manager and was promoted to UK Business Development Manager in 2021. In his spare time, he volunteers at Cheshire FRS and runs a cadet unit.





Around 80% of all UK fire deaths and injuries occur in dwellings

HMO occupants are
6 times more likely to
die in a fire than people
living in a single family
dwelling





Fire Statistics (England 2024)

598,504 Incidents attended – up 1% on 2023

133,072 Fires attended – down 7.4% on 2023

254,041 False/unwanted alarms attended – up 2.9% on 2023

BS 5839-1 defines a false alarm as a fire signal resulting from a cause(s) other than a fire, and further sub-divides these into four categories:

- 1) Unwanted alarms
- 2) Equipment false alarms (fault or contamination)
- 3) Malicious or Hoax false alarms
- 4) False alarms with good intent (smell smoke from a bonfire)

Unfortunately, an increased risk of fire means an increased risk of false alarms



The most common causes of "unwanted alarms" are usually a result of tenant's activities...

- Toasting smoke
- Cooking fumes
- Steam from bathrooms/kitchens
- Aerosol/hair spray
- Candles
- Tobacco smoke
- Build-up of dust

Impact of Unwanted Alarms

- Diverting essential services from real fire & rescues
- Unnecessary risk to crew & public
- Unnecessary risk of personal injury during evacuation
- Complacency "oh its just another false alarm"
- Disruption to arson reduction, community safety & fire safety education
- Impact on the environment of unnecessary appliance movements
- Cost of attendance to taxpayers



Failure to reduce false alarms can lead to unnecessary building evacuations, irate tenants, system vandalism and true alarm signals being ignored

Limitation of false alarms (BS 5839-6:2019+A1 2020)

12.1 False alarms are common in fire detection and fire alarm systems installed in domestic premises ... there is abundant anecdotal evidence of deaths and serious injuries from fires in dwellings in which smoke alarms have been disabled by householders because of frequent false alarms. Thus, false alarms are not simply a nuisance; they are seriously detrimental to fire safety.

12.2b In HMOs ... a short time delay (typically no more than 2 min) may be incorporated between operation of a smoke detector in one dwelling unit and a fire alarm signal in other dwelling units. During this delay period, a fire alarm signal should be given in the dwelling unit in which the smoke detector is located, but if the system is reset before expiry of the delay period, no alarm signal need be given in other dwelling units.

FIRE ALARMS SYSTEMS IN HMOs

Residential fire alarm systems are classified into different grades and categories (see BS 5839-6 Table 1)

Overview of Grades

BS 5839-6 Section 9.1.1, Grade of system says:

"System grade relates to the engineering aspects of the fire detection and fire alarm system. Higher grades of system tend to provide a greater level of control and monitoring of the system, or greater reliability and availability to perform correctly in the event of fire"

"These grades are defined in such a way that a requirement for one grade of system can be satisfied by the installation of a higher grade of system; for example, if the fire risk justified the installation of a Grade D system, it would be acceptable to install a Grade A or Grade C system"

Grade A

Commercial fire alarm comprising:-Separate detectors & sounders Mains powered & battery backup Separate central control



Grade C

Separate detectors & sounders Mains powered & battery backup Central control



Grade D1/D2

Mains powered & battery backup





Overview of Coverage







LD3

Alarms in all circulation spaces that form part of escape routes

3

LD2

Alarms in all circulation spaces that form part of escape routes and rooms or areas that present a high fire risk 2

LD1

Alarms in all circulation spaces that form part of escape routes and all areas where a fire might start, but not bathrooms, shower rooms or toilets

1 or 2 Storey HMOs max. 200m² per floor

Minimum Grade D1 (Mains, rechargeable battery)
Coverage LD2 (Escape routes and kitchens)



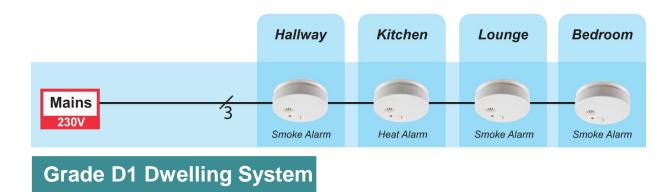
All other HMOs...

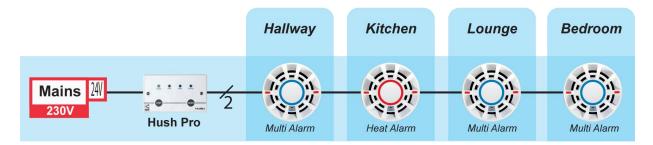
Communal area: Grade A; Coverage LD2 (Escape routes and kitchens)

Bedsits: Minimum Grade D1

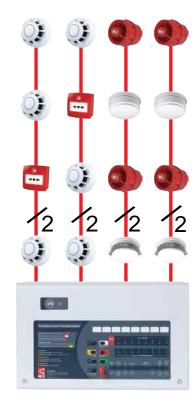
Notes D, J, M, N, O apply, Note M leads to BS 5839-6 (clause 12.2b)

Grades D1, C & A





Grade C Dwelling System

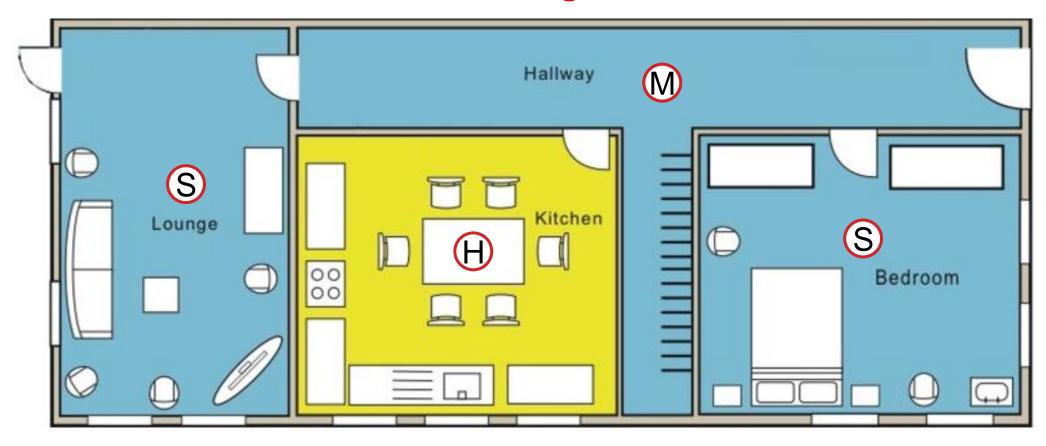


Grade A Dwelling System

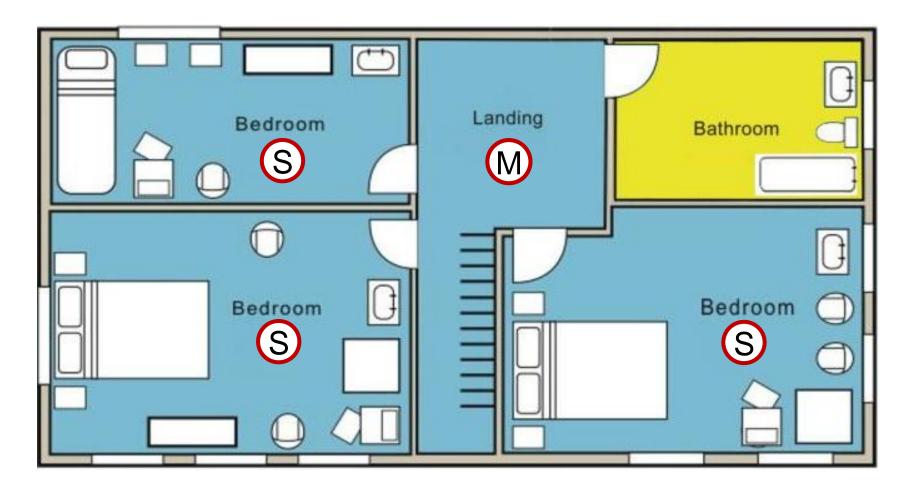
BS 5839-6:2019+A1 2020 (12.2 Recommendations)

- All fire detection & alarm systems complying with this part of BS 5839 should have accessible means of silencing fire alarm signals, suitable for use by the occupiers of the premises.
- Grade A systems should be provided with silencing facilities that comply with the recommendations of BS 5839-1:2017
 - A facility should be provided to enable silencing of alarm signals Alarm signals should not silence automatically (i.e. after a predetermined time period)
- Grade D systems should be provided with means of silencing unwanted alarms
 - BS 5839-6 also says it would be advantageous if the facility to silence alarms can be operated by occupants when standing at floor level to reduce the likelihood of alarms being disabled
 - A delay of up to two minutes may be incorporated between the operation of a detector in one dwelling unit and a fire alarm signal in other dwelling units

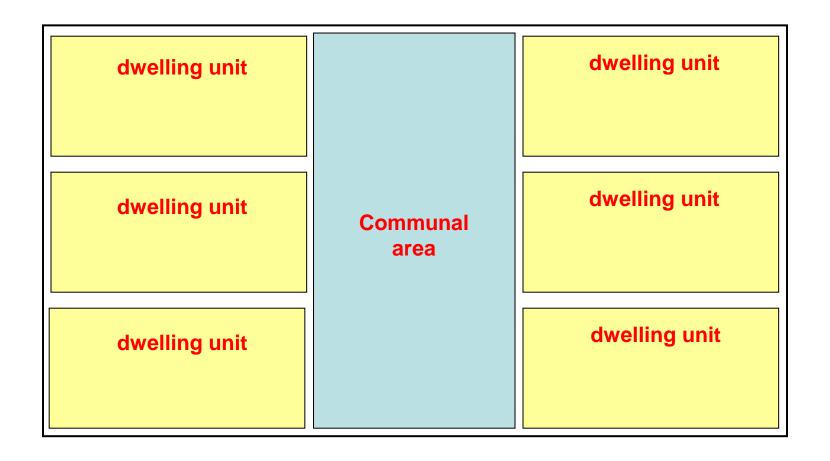
Sources of unwanted alarms in HMOs – ground floor



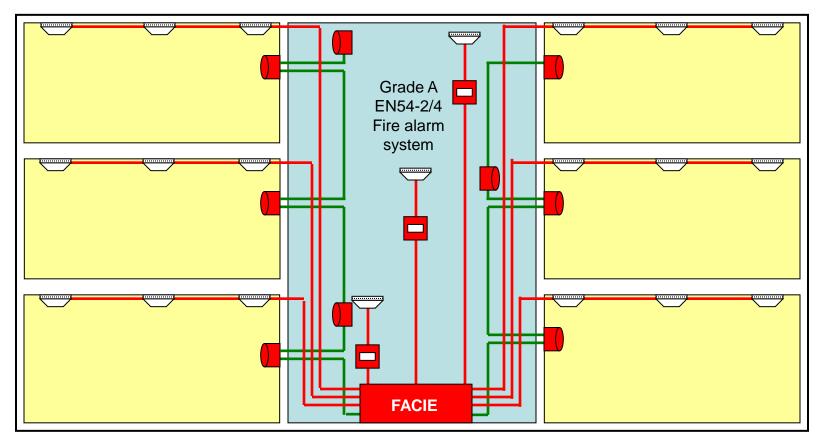
Sources of unwanted alarms in HMOs – first floor



There are two aspects to fire detection and alarm systems in HMOs - dwelling units and communal areas

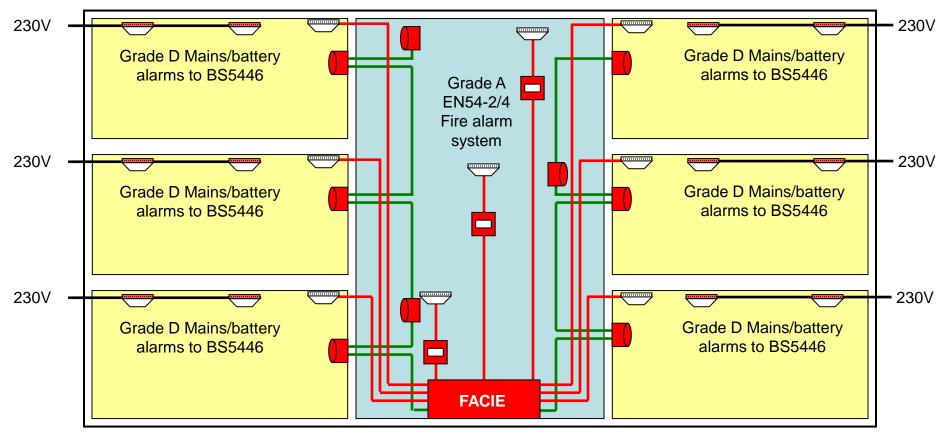


A typical "Grade A" system solution



Fully compliant but a false alarm in one dwelling will sound in all dwellings & requires access to all dwellings for service

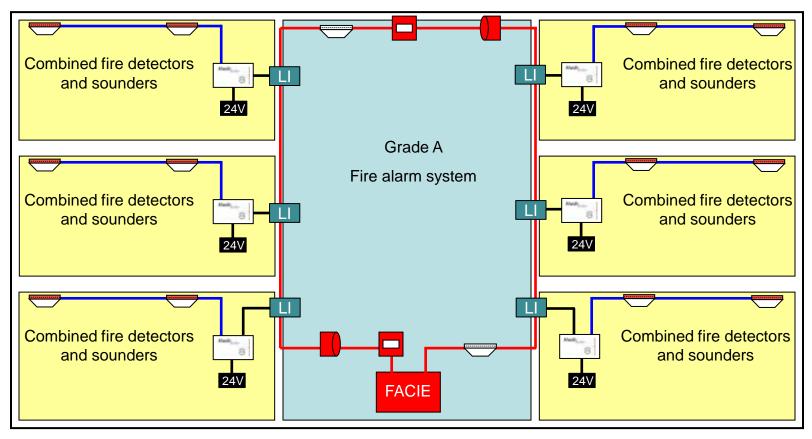
A typical "Grade A" EN54-2/4 communal (mixed) system



Fully compliant but requires access to all dwellings for service



Typical Grade C solution used for Dwellings



Fully compliant but does not require access to dwellings

SUMMARY OF THE GRADE C SOLUTION

- Low-level controller accessible whilst standing at floor level and optional visual alarm devices facilitate full compliance with the Equality Act
- Better level of protection Grade C (monitored wiring) over the typical Grade D (unmonitored) option means residents and buildings are better protected. Table 2 of BS9991:2015 (fire safety in the design/use/management of residential buildings) recommends building protection
- Reduced false alarms = less vandalism and fewer complaints from angry residents
- No engineer access to dwellings required (monthly occupant test is sufficient)
- Low lifetime ownership costs (the 10 year device removal stipulation of some lower grade systems does not apply)

- Environmentally friendly uses less plastic, less power and only one 72 hour standby battery per dwelling (Only the Controller requires a battery, which can last over 10 years)
- IP rated sounders available for properties with balconies as recommended in BS 9991
- EN54-compliant detection devices highly resistant to false alarms.
- Enhanced property protection reduces the risk of the building and the need to re-house tenants following a fire
- ENVISION ENABLED Fully compatible with C-TEC's Cloud-based ENVISION software on systems with an XFP or ZFP CAST Landlord panel allows the Building Safety Manager to demonstrate due diligence via a verifiable audit trail.

PURPOSE-BUILT FLATS & APARTMENTS

Even in buildings with structural fire barriers that do not require a communal fire alarm, Grade C Hush Buttons can still be used because:-

- Residents will have more control over their fire alarm systems than mainspowered smoke alarms
- The integrity and status of each flat's fire alarm system can be checked at the communal/landlord panel
- Status information can be monitored remotely by the landlord

Thank you for your attention

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Robin is a senior associate at Anthony Gold. He specialises in property litigation, especially landlord and tenant disputes, and the regulatory law relating to rented property.

Robin's practice involves acting for landlords, tenants, property professionals, homeowners and businesses. Robin often acts in tribunal appeals, including appeals against improvement notices and prohibition orders, rent repayment order cases, and financial penalties under housing and consumer rights legislation.

Robin also advises on consumer law and trading standards and advises property professionals with updating their terms of business and tenancy agreements.

Legal Update

ROBIN STEWART
ANTHONY GOLD SOLICITORS







Legal Update 2025

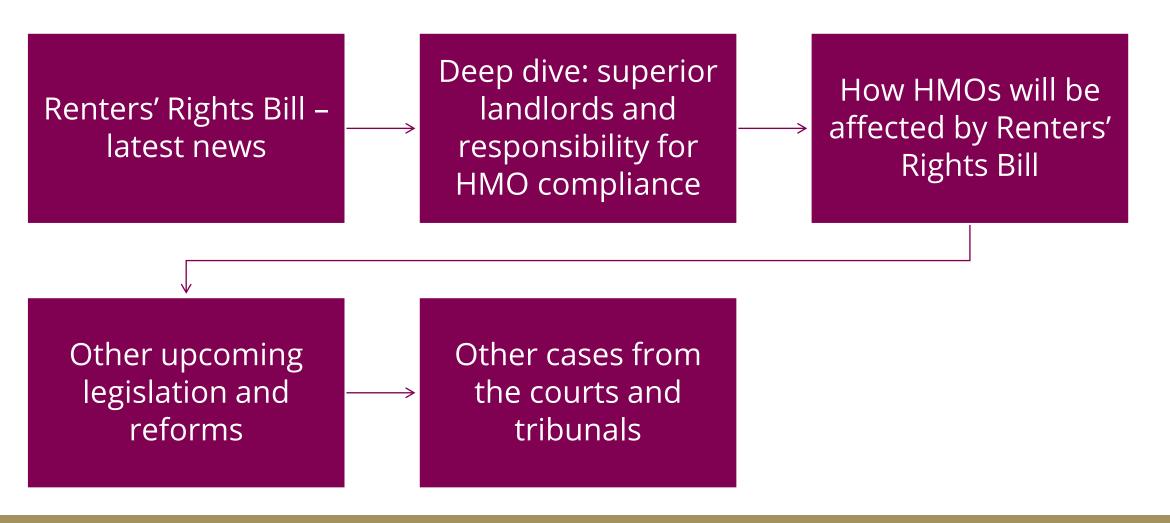
National HMO Network AGM & Spring Conference 2025

Robin Stewart



What I am going to talk about

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10 April 2025





Legal landscape for HMOs

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Looming Renters' Rights Bill overshadowing everything



Government's has wider reform agenda for rented property



Planning reform



Tax



HMO Licensing

Renters' Rights Bill latest news



- What is happening in Parliament?
 - Amendments in House of Lords
 - Committee stage in HoL next
 - HoC will accept government sponsored amendments from HoL
- When will the last section 21 notice be served?
- When will other changes take effect?



10 April 2025

Renters' Rights Bill – Headlines



Abolition of section 21 notices

Changes to grounds for possession

PRS Ombudsman

PRS Database

Prohibition of rental discrimination

Rental Bidding

Pets

Decent Homes and Awaab's Law

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RROs, investigatory powers and enforcement



Superior landlord Liability for HMO Compliance

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RROs against superior landlords

R (CRH) v Swindon Magistrates Court

Amendments to s72 Housing Act 2004

RROs against superior landlords



- Statutory reversal of *Rakusen v Jepson*
- Rent repayment orders will be joint between landlords and superior landlords
- Directors of corporate landlords can face RROs



R (CRH) v Swindon Magistrates Court



- Claim for judicial review challenging interpretation of HMO Management Regulations in prosecution
- Defendant asserted it was not a person managing because not in receipt of rent from the occupiers of HMOs
- Regulations impose duties on the manager
- High Court: CRH not a person managing, but duties in management regulations also imposed on person having control



Person Managing



- (3) In this Act "person managing" means, in relation to premises, the person who, being an owner or lessee of the premises—
 - (a) receives (whether directly or through an agent or trustee) rents or other payments from—
 - (i) in the case of a house in multiple occupation, persons who are in occupation as tenants or licensees of parts of the premises; and
 - (ii) in the case of a house to which Part 3 applies (see section 79(2)), persons who are in occupation as tenants or licensees of parts of the premises, or of the whole of the premises; or
 - would so receive those rents or other payments but for having entered into an arrangement (whether in pursuance of a court order or otherwise) with another person who is not an owner or lessee of the premises by virtue of which that other person receives the rents or other payments;

and includes, where those rents or other payments are received through another person as agent or trustee, that other person.

10 April 2025



Person Having Control



(1) In this Act "person having control", in relation to premises, means (unless the context otherwise requires) the person who receives the rack-rent of the premises (whether on his own account or as agent or trustee of another person), or who would so receive it if the premises were let at a rack-rent.



R (CRH) v Swindon Magistrates Court



- Person Having Control also has a duty to ensure compliance with HMO Management Regulations
- Will 'superior landlord' in a rent-to-rent arrangement be a person having control?
 - Issue noted but not decided by Upper Tribunal in Kumar v Kolev.
- Superior landlord in rent-to-rent can be fined/prosecuted for breach of **HMO** management regulations



Who is liable for unlicensed HMO?



72 Offences in relation to licensing of HMOs

(1) A person commits an offence if he is a person having control of or managing an HMO which is required to be licensed under this Part (see section 61(1)) but is not so licensed.



New scope of unlicensed HMO offence



- If an HMO is required to be licensed under this Part (see section 61(1)) "(1) but is not so licensed, an offence is committed by –
 - any person within subsection (1A), and
 - any person who as landlord under a tenancy or licensor under a licence to occupy has an estate or interest in, or a right in relation to, the HMO that is superior (whether directly or indirectly) to the estate, interest or right of any person within subsection (1A).
- The following are within this subsection— (1A)
 - any person having control of or managing the HMO, and
 - any person who is the landlord or licensor in relation to a (b) person occupying the HMO under a tenancy or licence."



New scope of unlicensed HMO offence: defences

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- In proceedings against a person for an offence under subsection (1)(b) (4B)it is a defence for them to prove that they
 - did not know, and had a reasonable excuse for not knowing, that the building or part of the building concerned was an HMO,
 - took all reasonably practicable steps to ensure that the HMO (b) was licensed under this Part, or
 - had some other reasonable excuse for failing to ensure that the HMO was so licensed.
- For the purposes of subsection (4B), a term in the tenancy agreement (4C)or licence to occupy relating to the occupation of the building or part of the building that is an HMO does not on its own constitute a defence under any of paragraphs (a) to (c) of that subsection."



New s72(1)(b) offence



- New offence will be committed by a superior landlord who:
 - Knows the property is an HMO but does not realise a licence is required, or
 - Did not know the property was an HMO and does not have a reasonable excuse for not knowing this.
- Examples to consider:
 - Landlord lets to a company which sublets to more people than permitted by lease, creating unlicensed HMO
 - Freeholder grants consent for HMO use and takes no steps to ensure compliance with licensing



Your thoughts please



- Should every party involved with a property have shared and equality responsibility for compliance with licensing and safety standards?
- To what extent should a landlord be entitled to avoid liability by relying on:
 - A managing agent they have appointed?
 - A *mesne tenant* who sublets to the occupiers?
- How far does a freeholder giving consent to let need to go to 'police' HMO licensing in their building in order to have a reasonable excuse?



Renters' Rights Bill – student tenancies

AnthonyGold

Exemption for universities

Exemption for PBSAs

Ground 4A

Renters' Rights Bill – student tenancies

AnthonyGold

"Ground 4A

The following conditions are met—

- the dwelling-house is in an HMO or is an HMO,
- the tenant meets the student test when the tenancy is entered into,
- the landlord or, in the case of joint landlords, at least one of them, gives the tenant, before the tenancy is entered into, a written statement of the landlord's wish to be able to recover possession on the basis that
 - the tenant meets the student test when the tenancy is entered into, and
 - the landlord intends, on the next occasion on which the dwelling-house is let, to let it to a tenant who meets the student test when that new tenancy is entered into,
- the period
 - beginning with the day on which the tenancy was entered into, and
 - ending with the day on which the tenant was entitled to possession of the dwelling-house,

is six months or less.

- the relevant date falls within the period beginning with 1 June and ending with 30 September in any year, and
- the landlord seeking possession intends, on the next occasion on which the dwelling-house is let, to let it to a tenant who meets the student test when that new tenancy is entered into.



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For the purposes of the conditions in paragraphs (b), (c) and (f), a tenant meets the student test when a tenancy is entered into if –

- the tenant is a full-time student at that time, or
- at that time, the landlord reasonably believes that the tenant would become a full-time student during the tenancy.

But, in a case where two or more persons are or would be the tenant, the tenant does not meet the student test unless all of those persons meet that test.

In this ground, "full-time student" means a person receiving education provided by means of a full-time course –

- of any description mentioned in Schedule 6 to the Education Reform Act 1988 provided by an institution in England or Wales:
- of any description mentioned in section 38(2) of the Further and Higher Education (Scotland) Act 1992 provided by an institution in Scotland;
- of any description mentioned in Schedule 1 to the Further Education (Northern Ireland) Order 1997 (S.I. 1997/1772 (N.I. 15)) provided by an institution in Northern Ireland."

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Characteristics of new-style assured tenancies

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PERIODIC



SUBSTANTIAL SECURITY OF TENURE



AMENDED GROUNDS FOR POSSESSION



RESTRICTIONS ON RENT IN ADVANCE



RENT INCREASES



CHANGES TO TENANTS' NTQS



DEPOSIT PROTECTION



PETS

New and amended Mandatory Grounds



- Ground 1A: Sale of dwelling house Notice: 4 months
- "The landlord wishes to sell the property. Cannot be used for the first 12 months of a new tenancy."
- Ground 1B: Sale of dwelling house under rent-to-buy Notice: 4 months
- "The landlord is a private registered provider of social housing and the tenancy is under a rent-to-buy agreement"
- Ground 2ZA: Possession when superior lease ends: Notice: 4 months
- "The landlord's lease is under a superior tenancy that is ending. Can only be used by private registered providers of social housing, agricultural landlords, a person who held the dwelling for the purposes of making it supported accommodation or a company majority owned by a local authority."
- Ground 4A: Properties rented to students for occupation by new students Notice 4 months
- "A property is let to full-time students and is required for a new group of students in line with the academic year"

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New and amended mandatory grounds



- **Ground 5A-H Relating to Employment**
- **Ground 6A: Compliance with Enforcement Action. Notice: 4 months**

"The landlord is subject to enforcement action and needs to regain possession to become compliant"

Ground 8: Rent Arrears. Notice: 4 weeks

"The tenant has at least 3 months' (or 13 weeks' if rent is paid weekly or fortnightly) rent arrears both at the time notice is served and at the time of the possession hearing."

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Ground 10 and 11: Any Rent arrears/persistent rent arrears Notice: 4 weeks

"The tenant is in any amount of arrears"

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"The tenant has persistently delayed paying their rent"

Ground 8



- Increased notice period from 2 − 4 weeks
- Higher Arrears required to make out ground 3 months arrears
- "When calculating how much rent is unpaid for the purpose of this ground, if the tenant is entitled to receive an amount for housing as part of an award of universal credit under Part 1 of the Welfare Reform Act 2012, any amount that was unpaid only because the tenant had not yet received the payment of that award is to be ignored."



New offence: Knowingly or recklessly misusing a possession ground [s16J(1)]

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Offences **16**I

- A relevant person is guilty of an offence if, in relation to an assured tenancy
 - the person relies on a ground in Schedule 2, knowing that the landlord would not be able to obtain an order for possession on that ground, or being reckless as to whether the landlord would be able to do so, and
 - the tenant surrenders the tenancy within the period of four months beginning with the date the ground was relied on, without an order for possession of the dwelling-house being made.



RRO changes



- Additional offences will allow tenants to apply for RRO
- Superior landlords and directors
- Double the maximum amount
- Technical amendments will make claims larger and less likely to suffer limitation problems.



What is not changing



- Lettings under a 'licence to occupy':
 - No exclusive possession
 - Permission to Occupy
 - Short Term/Flexible
 - Examples: lodgers, holiday lets etc
- Non-Statutory Common Law Tenancies Tenancies that are not governed by the Housing Act 1988:
 - Tenancies which do not fall within any of the statutory security of tenure regimes
 - The rights and obligations are dependent on the terms agreed between the parties



Rent increases after RRB



- Must use section 13 notices
- No more rent increase clauses
- If challenged rent increase to take after determination by tribunal

Other RRB changes

AnthonyGold

- PRS Database
- PRS Ombudsman
- Decent Homes Standard
- Awaab's Law
- Rental Bidding



Written Statement of Terms



- The landlord under a tenancy to which this section applies must give the tenant a written statement of—
- (a) such terms of the tenancy as are specified in regulations made 5 by the Secretary of State, whether in the form of an agreement in writing between the landlord and tenant or a record of terms otherwise agreed, and
- (b) any other information in writing about any of the following which is required to be given by regulations made by the Secretary of State—
- (i) the tenancy; (ii) the dwelling-house let on the tenancy; (iii) the tenant; (iv) the landlord; (v) the rights of the landlord or the tenant in relation to the tenancy or the dwelling-house let on it.

10 April 2025



What does this mean for bedsit HMOs?



Harder to deal with minor antisocial behaviour?



Other legislative changes: past, present and future



- Leasehold and Freehold Reform Act 2024
- Amendments and implantation of Building Safety Act 2022
- EPC changes and the future of MEES
- HHSRS reform when brought into force?







How have HMO council tax changes affected you?



Conveyancer perspective

AnthonyGold

- SDLT
- Material Information

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Case Law Update



- Service of tenancy documents
- GSCs and section 21 notices
- HMO status of housing co-operatives
- Reasonable excuse with unauthorised subletting
- SDLT for uninhabitable property



Validity of section 21 notices - GSCs



- Robert Jones t/a DAP Properties & Ors v Oliver Wood [County Court at Brentford, 20 February 2025]
 - Landlords could not provide a copy of the initial GSC but relied on their evidence as to their usual practice and procedures plus an invoice for the gas safety inspection at the relevant time
 - Court found that the initial GSC had been given to the tenant.
 - "Intermediate GSCs' missing, and this was raided by the tenant as an issue.
 - Court proceeded on the basis that that regulation 36(6) requires provision of the GSC in existence when the tenant moved in and one prior to the s.21 notice.
- Intermediate GSCs treated differently in *Blagg v Gharbi* & *Gharbi* (Manchester County Court, 11 May 2023)



Nottingham City Council v Housing 35 Plus Ltd [2024] UKUT 349 (LC)



- Co-operative society issued 2x financial penalties for £15,000 for managing or being in control of unlicensed HMOs.
- FTT ruled landlord exempt from licensing because exempt from HMO status as a co-operative society.
- On appeal by the Local Authority held that property was not exempt because the co-operative did not meet a condition for exemption at paragraph 2B(2)(b) of Schedule 14 to the Housing Act 2004:
 - "... that all management decisions of the society are made by the members (or a specified quorum of members) at a general meeting which all members are entitled to, and invited to, attend"
 - Day to day management decisions in fact made by a committee rather than the general meeting.



Kumar v Kolev & Ors (2024) UKUT 255 (LC)



- Upper Tribunal overturned a rent repayment order made on creative grounds against superior landlord
 - This is made academic by Renters' Rights Bill amendments to RRO regime
- Landlord found also to have a reasonable excuse:
 - "he had let the whole property to an apparently reputable tenant on the recommendation of an agent whose judgment he trusted"
 - "provision in the tenancy agreement that the property was not to be made available to more than four occupiers (and so would not be an HMO required to be licensed)"
 - "the apparently reputable tenant had breached that provision without Mr Kumar's knowledge"
 - "finally, that for part of the period during which the offence was said to have been committed, 20 September 2019 to 1 April 2020, he had been abroad and, at the end of the period, was unable to return due to Covid restrictions."
 - "There was no basis for the FTT's suggestion that Mr Kumar was obliged to "supervise" the letting of the House to the respondents."



Mudan and another v HMRC [2024] UKUT 307 (TCC)



- Mr and Mrs Mudan bought property and paid SDLT on basis that it was residential property.
- Later asked for partial repayment on grounds that property was unsuitable for use as dwelling (until repair works done).
- HMRC refused so they appealed to FTT which dismisses appeal: building was still a dwelling even though not suitable for immediate occupation.
- UT: fundamental characteristic of building is of dwelling; disrepair just one factor in assessing suitability; readiness for occupation is not the correct test to apply.

10 April 2025



Martyna Switaj v Adrian McClenaghan (2024) EWCA Civ 1457



- Tenant Fees Act came into force on 1 June 2019.
- Case related to fees taken in 2018 check out and inventory fees.
- Statutory periodic tenancy arose in April 2019. Then renewals in 2020 and 2021 these did not refer to any banned fees.
- Section 21 notice served tenant argued not valid as banned fees taken by landlord.
- Court ruled in favour of landlord:
 - "...long before the TFA came into force Ms Switaj was required to pay and did pay a sum of money intended for use as a check-out fee. She has never been required to pay that sum again.
 - "Because the TFA is not retrospective, the payments that Mr McClenaghan required were not prohibited payments; and any requirement made before the Act came into force is not caught..."



D'Aubigny v Khan & Anor (2025) EWCA Civ 11

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- Section 21 notice possession claim.
- Q on appeal: were the GSC, EPC and How to Rent Guide deemed served under either i) Section 7 Interpretation Act 1978, ii) the tenancy agreement, or iii) some other mechanism?
- Service clause in tenancy agreement:
 - 13.2 Any notice sent to the Tenant under or in connection with this agreement shall be deemed to have been properly served if:
 - 13.2.1 sent by first class post to the Property; or
 - 13.2.2 left at the Property; or
 - 13.1.3 sent to the Tenant's fax number or email address stated in the Parties clause.

10 April 2025



HMO landlords: getting ready for Renters' Rights Bill

AnthonyGold

Will your tenancies be within scope?

Be wary of loopholes you read about online!

Serve any section 21 notices before too late

Or, wait for new grounds for possession to be available?

What does this mean for your relationship with managing agents?

Can you do this without a managing agent?

10 April 2025

Don't panic!

Plan ahead – but no need for new tenancy agreements yet.



Any questions?

AnthonyGold

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