



Glossary of Terms for a House in Multiple Occupation (HMO) Under Part 2 of the Housing Act 2004



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FORM 8 - Glossary

This document seeks to explain some of the words used in the application forms. It is important that you read the first part of the glossary (Important Words & Phrases) as this explains words that have a particular meaning in the HMO Licensing Application Forms.

The remainder of the glossary contains words that you might not be sure of and want some further explanation or clarification. Words which appear in this glossary as bold can be identified throughout the application forms as **bold** and in the **colour** appropriate to the form.

Please note that these words might have slightly different meanings elsewhere.

Important Words & Phrases

Agent means someone appointed by the landlord to carry out some or all of the duties on behalf of the landlord. This may be a professional property manager, associate or relation of the landlord. The agent may or may not be paid by the landlord.

Freeholder means the same as owner i.e. the person entitled to sell the property. Landlord means the person who has the legal right to let and terminate tenancies in the house. This may be by virtue of being the freeholder, being a leaseholder with rights to let, or as the result of some form of agreement with the freeholder. If no manager is appointed then the landlord will also be the manager.

Manager means a person, or company appointed by the landlord expressly for the purpose of managing the house. The manager may be an employee of the landlord. If no separate manager is appointed the landlord will also be the manager. The manager will act under the instructions of the landlord and will have powers and duties given to him by the landlord. The manager must have, at least, the following powers:

- a) to let to tenants and terminate tenancies in accordance with the law;
- b) to access all parts of the premises to the same extent as the landlord; and
- c) be authorised to approve expenditure of up to 25% of the yearly rental income of the property for necessary repairs etc. (note that the manager is not expected to authorise such expenditure but that he or she has the authority to do so if there is a reasonable need)

The manager must be able to travel to the property within a reasonable time unless there are arrangements in place to cover every eventuality which might otherwise demand his or her presence.

Owner means the person entitled to sell the property.

Other Words & Phrases

Authorise Expenditure means having the power to agree that money can be spent on items, work, materials etc. reasonably necessary for the proper management of the property without having to seek approval from a superior landlord, owner or any other person. That is not to say that approval from some other person should not be sought if it does not cause undue delay having regard to level of the expenditure and the urgency of the requirement.

Building Regulations Approval means a document issued by the Local Authority which, following the submission of plans and/or specifications indicates that any work to be done in the property which requires Building Regulation Approval has been assessed by the Local Authority and approval given to the works proceeding.

Building Regulations Completion Certificate means a certificate issued by the Local Authority which indicates that specified building work carried out in the building has been completed to a standard which complied with the Building Regulations in force at the time the work was done.

Certificate of Electrical Inspection means a certificate completed and signed by a competent person indicating the state of the electrical installations, electrical switchgear and accessories. Appliances provided by the landlord include any appliances left by previous tenants and not removed by the landlord.

Companies House Registration Number is a number given to companies and limited liability partnerships when they register at Companies House. It is normally an eight digit number such as 01234567 but the first digits may be replaced with letters for a number of reasons such as region of registration.

Competent Person means:

- 1) In respect of Gas Safety inspections, a person with the appropriate qualification. Note that simply being 'Gas Safe' registered is not sufficient qualification in itself as within the 'Gas Safe' registration process there are competencies to carry out and inspect various aspects of gas installation and equipment. Landlords should ensure that the inspection is carried out by a person qualified to inspect the types of equipment installed in the house.
- 2) In respect of Electrical Safety inspections, a person should be qualified to at least City and Guilds 2391-10 or 2392-10. Preferably, persons should be registered under Part P of the Building Regulations.

Fire Detection & Warning System means a system of smoke and/or heat detectors and sounders properly designed and installed to comply with one of the following British Standards:

BS 5839 Part 1 (panel system, call points and sounders)
BS 5839 Part 6 (interlinked mains detection)

Fire Risk Assessment means an analysis of the HMO to consider whether there are adequate means of escape and other fire precautions. The analysis should consider management of the fire precautions, not merely confirming their existence. Consideration is also required to ensure that the occupants are familiar with the fire precautions and evacuation procedures. Risk assessment is mandatory in certain HMOs with common parts such as in bedsits under the Regulatory Reform (Fire Safety) Order 2005.

Flats would normally be considered to be units of accommodation divided horizontally and containing a kitchen, bathroom and WC for exclusive use of the occupier. To be self-contained all facilities must be located behind the entrance door to the flat.

Furniture & Furnishings (Fire) (Safety) Regulations 1988 means the regulations of that title. The full regulations are obtainable from HMSO using the title and further reference: Statutory Instrument 1988 No.1324. They require that soft furnishings are fire resistant. Such items all have permanent labels attached indicating compliance.

Gas Supply means a supply of piped gas to the house be it from a utility company or from a local liquefied petroleum gas storage vessel.

HMO means House in Multiple Occupation. An HMO is a building or part of a building (such as a flat) that:

- > is occupied by more than 3 people in 2 households and sharing amenities, such as a bathroom, toilet or cooking facilities, or
- > is occupied by more than 3 people in 2 households and which is a converted building - but not entirely self-contained flats (whether or not some amenities are shared or lacking), or
- > is converted into self-contained flats, but does not meet as a minimum standard the requirements of the 1991 Building Regulation and at least one third of the flats are occupied under short tenancies.

The building also has to be occupied by more than two household:

- > as their only, or main residence,
- > as a refuge for people escaping domestic violence
- > by students during term time or
- > for other purposes prescribed by the government.

Habitable Room means a room intended to be used for living or sleeping purposes. Kitchens and bathrooms should be excluded.

Household means:

- a family - that is, i.e a blood tie:- such as mother/father sister/brother cousins,
- single people,
- couples, including same sex couples.

For example a house occupied by the following people would contain four households:

- Mr & Mrs Smith, their two children and Mrs Smith's mother,
- Robert Butler, a single person
- Erica Riley & Florence Pemberton, a same-sex couple
- John Denton & Julie Thompson, an unmarried couple

A house containing five single but unrelated people would contain five households. This would be the case irrespective of whether those people were under a single tenancy agreement.

In most circumstances, people who are resident because of adoption, fostering, caring or employed as domestic staff will not increase the number of households and can be treated like family members.

Let means to award a tenancy to a tenant under the terms of an agreement without further reference to a superior landlord.

Landlord's Gas Safety Certificate means a form completed and signed by a properly qualified and competent person indicating the condition of the gas installation and appliances. The report must cover the whole of the installation and all gas appliances including necessary venting requirements.

Modular means made up of separate parts which together form a whole. So for the application for an HMO Licence form you have to fill in up to six separate forms. The advantage of this is that if you are the landlord of more than one HMO, it is possible that some of the parts can be re-used thus saving you time and effort.

Mortgage means a loan given by a lender under an agreement which is secured on the property. That is to say that the lender would be entitled to take possession of the house and sell it if the repayments of the loan are not kept up.

Mortgage Lender means the person, company or institution to which loan repayments are made and would be entitled to take possession of the house if loan repayments are not kept up.

National Insurance Number is a number given to all UK citizens when they reach working age and is used to identify people for a number of purposes by the government. It takes the general form AB 12 34 56 C. that is, two letters, six digits and a further letter. It can be found in most documentation relating to benefits, pensions and national insurance.

Person or Persons in respect of the number of people occupying the HMO means persons of all ages including newly born children.

Storey's means the number of floors, including basement and attic floors, in the building. Basements and attics are counted as storeys if they are being used in connection with, and as an integral part of the HMO, whether or not they are converted or adapted for use as living accommodation.

Basements which are used for storage purposes or which contain gas, water or electric meters and/or stop taps will be counted as storeys for the purposes of licensing since the occupier, and others, will have reason to resort there from time to time. Attics which consist solely of a roof space accessed only by a ladder will not be counted.

Mezzanine floors will be counted as separate storey's if used solely or mainly as living accommodation or in connection with and as an integral part of the HMO. I.e. they will not be counted if used solely as a means of access between 2 adjoining floors.

Storey's used wholly for commercial purposes at or above ground level should also be counted. Buildings on sloping sites where there are differing levels at front and rear should be counted according to the greatest number of storeys, whether at the front or rear.

Storeys may be counted for the purpose of determining the type of fire precautions required.

Midland Landlord Accreditation Scheme The Council, in conjunction with the Midland Landlords Accreditation Scheme (MLAS) has a scheme for getting landlords/letting agents/housing associations accredited. Joining the scheme has many benefits including access to training and support from experienced HMO landlords. For more details visit HYPERLINK "<http://www.mlas.org.uk>" www.mlas.org.uk

Terminate tenancy means to follow the steps allowed by law to bring a tenancy to an end.

Type of Letting means the contractual arrangements for occupation. Bedsits would normally be let on separate agreements and tenants would have exclusive occupation of their particular room. There may still be a common sitting room. Shared houses and flats are normally let on a single agreement and tenants have joint and several liability for the entire property. Lodging Houses are those in which the owner also lives in the property with other non-related persons. Hostels/Bed & Breakfast HMOs are normally for persons who would otherwise be homeless and there would normally be a degree of supervision and catering provided. Student halls of residence are purpose built blocks of flats designed specifically for persons in full time education.