

# Talk to us about making renting better



Tell us your views on our proposals to extend licensing in Lewisham



## The private rented sector today

Lewisham residents are more reliant on the private rented sector than ever before. Housing is rapidly changing in Lewisham, and demand is increasing across all types of housing. More families and single people are relying on the private rented sector to provide a long-term home. We see this across London, where the growth in private renting continues.

Despite the increasing costs of private renting in Lewisham and beyond, the sector is expected to grow even further. This is due in part to:

- the relative unaffordability of home ownership
- the large numbers of households on the social housing waiting list (almost 10,000 households as of January 2019)
- a decreasing number of social housing available – since 2010 there has been a steady decrease from almost 2,000 social lets to just over 1,000 in 2018.

## Problems in the private rented sector

There are a number of concerns more common in private rented homes compared to other sectors (owner-occupied and socially rented):

- Privately rented homes are more likely to be older.
- The private rented sector includes a high proportion of converted flats, many not converted to required standards.
- The private rented sector has highest proportion of non-decent homes compared to other sectors.
- Health and safety hazards are more common in the private rented sector than any other; many of these are serious and pose significant health risks.
- The private rented sector has the lowest proportion of homes with central heating.<sup>1</sup>

We know that 'bad housing conditions – including homelessness, temporary accommodation, overcrowding, insecurity, and housing in poor physical condition – constitute a risk to health'.<sup>2</sup>

We need to take action to respond to these issues and increase our ability to tackle poor housing conditions and protect vulnerable renters.

<sup>1</sup> Shelter, "Happier and healthier: improving conditions in the private rented sector", September 2017

<sup>2</sup> The Marmot Review, "Fair Society, Healthy Lives", 2010

### Social lets by year



## Private rented homes in Lewisham

There are approximately 32,000 privately rented properties in Lewisham – this is about 26% of all homes. Approximately 6,000 of these are homes in multiple occupation (HMOs). HMOs are homes with shared bathroom or kitchen facilities where there are at

least three people from more than one household.

Most of Lewisham's wards have a high proportion of private rented properties. Extensive research into private rented properties has revealed:



Around 20% of Lewisham's privately rented homes are estimated to be houses in multiple occupation.



Antisocial behaviour incidents are higher in wards with more privately rented homes.



36% of privately rented homes and 46% of HMOs have experienced multiple incidents of environmental antisocial behaviour in close proximity to the property. This is compared to 29% of social rented homes and 28% of owner occupied homes.



Levels of deprivation tend to be higher in areas with more privately rented homes.



The six wards with the highest level of privately rented homes also have the highest levels of crime across the borough.



In a survey of Lewisham's housing stock condition, results showed category 1 hazards in 18.4% of privately rented homes and category 2 hazards in 38% of privately rented homes. These hazards include issues such as excess cold, risks of falls, fire risks, hygiene risks, mould/damp, electrical hazards and risk of structural collapse.



The proportion of complaints to the Council's private sector housing agency regarding property disrepair and safety breaches for confirmed HMOs is more than three times that of all privately rented homes.

## Licensing in the private rented sector

Licensing schemes give local authorities greater control over the private rented sector, enabling us to check more properties and hold landlords accountable for the quality of their homes and their treatment of tenants.

It also helps us to work together with landlords and ensure fair treatment of those who already take their responsibilities seriously by providing well-managed rented homes.

### Existing licensing in Lewisham

There are two licensing schemes already operating in Lewisham relating to HMOs:

#### Mandatory licensing

Since 2006, it has been a legal requirement in England to obtain a licence for HMOs that are three storeys or above with shared bathroom or kitchen facilities, where there are at least five people living in two or more households.

In October 2018 this was extended to remove the three storey criteria.

#### Additional licensing

In 2014, research showed that the poorest standards, conditions, hazards and services in the private rented sector were found in properties above commercial properties.

In February 2017, we introduced an additional licensing scheme. This applies to HMOs above commercial premises where there are at least three people living in two or more households.

Following extensive data analysis, we believe there is substantial evidence to support:

- an extension of existing additional licensing to include all HMOs, not just those above commercial premises
- a selective licensing scheme to include all privately rented properties.

## How we're improving private rented housing

We have been at the forefront of work to tackle rogue landlords and poor living conditions in the private rented sector. Our private sector housing agency is on hand to deal with reports and complaints about poor conditions and bad landlord management, bringing about considerable improvement across the private rented sector.

We run regular street surveys, targeting particular streets based on information collated through complaints and other work. These surveys have helped us to uncover unlicensed HMOs and to identify overcrowded and unsafe properties.

We have a number of officers dedicated to tackling rogue landlords. They investigate reports of criminal activity and liaise with our legal team to ensure swift and appropriate action is taken against illegal evictions. These officers tackle around 15 cases of illegal eviction and 15 cases of tenant harassment every month.

### Why this isn't enough

Current licensing schemes only cover a small section of the borough's privately rented homes. Problems in privately rented properties in the rest of the borough rely on tenants notifying us of the issues, but unfortunately not all tenants are aware of their rights or are willing to contact us.

Licensing gives us significantly more ability to identify and address problems in privately rented properties. It will help us to improve standards for the increasing number of residents relying on the private rented sector to provide a secure, safe and stable home.

## Our proposals

We are consulting on the introduction of two schemes:

### Scheme 1: Licensing houses in multiple occupation

Currently, we operate an additional licensing scheme relating to HMOs above commercial premises. We are proposing to extend additional licensing to cover all HMOs across the borough. This scheme can be

implemented following a consultation and does not need to be approved by the Secretary of State for Housing, Communities and Local Government.

## **Scheme 2: Selective licensing scheme**

We are proposing that a selective licensing scheme is implemented across the borough. This would mean that all privately rented properties would be licensable. Following a consultation, this scheme would need to be approved by the Secretary of State for Housing, Communities and Local Government.

### **What these proposals will mean**

Depending on the results of the consultation and other evidence, we anticipate implementing the licensing of all HMOs (scheme 1) before receiving Secretary of State approval for the proposed selective licensing scheme (scheme 2).

If approval is granted by the Secretary of State for scheme 2, the two schemes would work in tandem to make sure all privately rented properties are subject to controls in order to improve standards. The use of two schemes will make sure that conditions and fees are appropriate for the type of home.

Landlords of licensable properties will be required to get a licence from the Council before renting the property. By getting a licence, the landlord is agreeing to comply with at least the following conditions:

- The proposed licence holder is a fit and proper person and is the most appropriate person to hold the licence.
- The proposed manager of the property (if different from the licence holder) is a fit and proper person.
- The proposed management arrangements are otherwise satisfactory.
- The production of a gas safety certificate (if there is a gas supply to the house).
- Keeping any electrical appliances and furniture in a safe condition.

- The installation of smoke alarms in proper working order.
- A requirement that the licence holder supplies the occupiers of the house with a written statement of the terms of occupancy.
- A requirement that the licence holder gets references from persons wishing to occupy the house.
- Such other conditions as may be imposed by regulations, e.g. the provision of energy performance certificates.
- Restrictions or prohibition on the use or occupation of particular parts of the house.
- A requirement for the landlord to take reasonable steps to prevent antisocial behaviour by occupiers or visitors.

### **How this will help**

#### **Benefits for you if you are a landlord:**

- A fairer environment for you, ensuring that the same standards of accommodation and management are delivered across all private rented homes
- Reducing of the gap between poor and good landlords, raising professional standards and improving public opinion
- Support you during and after the scheme, offering services and partnerships that meet your needs

#### **Benefits for you if you are a private tenant:**

- Improved standards of property, security and decency
- Increased safety in your own home through elimination of rogue landlords, and protection from illegal evictions
- Better information on your rights and expected standards in your home
- Better protection of vulnerable tenants

### Benefits for the community:

- Improvements in partnerships between us and other agencies, such as the police and fire brigade
- More effective tackling of issues, such as antisocial behaviour, crime and poor / dangerous housing conditions
- Improvements in environmental aspects, such as waste disposal and maintenance of outdoor areas

### How it will work

Landlords of licensable properties will be required to make an online application on our website for a licence. Landlords will be required to pay a fee to cover the administration of the application. If the licence is approved, the landlord will pay the remainder of the licensing fee to cover the five-year licence duration.

Proposed fees for a five-year scheme are detailed below; these proposals are a guide only. The scheme will wholly cover the costs of administering and enforcing the scheme and will not make a profit.

### Proposed fees for HMO licensing scheme (scheme 1)

HMO fees will remain at the current level of £500 per lettable unit up to a maximum of £5,000 for a large property. This is an average of £2,000 per licence.

### Proposed fees for selective licensing scheme (scheme 2)

Band	Percentage of properties in Lewisham	Proposed fee (over five years)
A	6.10%	£575
B	27.43%	£600
C	35.25%	£625
D	21.48%	£650
E	6.13%	£675
F	2.34%	£700
G	1.11%	£725
H	0.15%	£750

Proposed fees are based on the council tax banding for a property.

Early licence applications will benefit from a reduced fee. We also expect to offer reduced fees to landlords accredited by a recognised landlord association.

### Find out more

More details on the proposals are available in our [evidence base report](#).

### How to have your say

To complete the consultation, visit [www.lewisham.gov.uk/renting](http://www.lewisham.gov.uk/renting).

To request a paper consultation, email [betterrenting@lewisham.gov.uk](mailto:betterrenting@lewisham.gov.uk).

### Contact details

[betterrenting@lewisham.gov.uk](mailto:betterrenting@lewisham.gov.uk)  
020 8314 7120

### What's next

After the consultation closes on 21 August 2019, we will produce a report of the consultation results. This report, alongside other evidence on the impact of the proposed schemes, will be considered by the Mayor and Cabinet in October 2019, as part of the decision-making process.

If the decision is made to apply to the Secretary of State for permission to implement selective licensing proposals, the consultation report will form part of our application to support the secretary's decision-making process.

We will publish any decisions taken, alongside any relevant documentation, on our website.