

I own several “Buy to Let” properties in York, which I rent out to either young professionals or students. I understand that the Council rules are changing and that I may shortly be required to licence my properties. Please can you confirm how I will be affected?

If the properties which you own are rented out to Three or more tenants comprising of Two or different households (ie non-related parties) then under the Housing Act 2004 (as amended), unless exempt, each property will be classed as a House of Multiple Occupation (commonly known as an “HMO”). This is a property where the tenants share facilities, such as kitchens, bathrooms, and potentially communal spaces.

Following the 2004 Act, Councils were formally required to impose schemes within their respective Wards to licence Houses of Multiple Occupation and ensure that each licenced property meets a minimum set of standards; to protect the tenants. These standards include fire safety precautions, a minimum floor space for sleeping accommodation and adequate facilities to dispose of household waste. The Licensing scheme also includes a “fit and proper” person test to ensure that the landlord is deemed a fit and proper person to operate an HMO and that where required they have had adequate training.

Within the Wards of the City of York Council, it has historically only been necessary to obtain a formal HMO Licence if your property was occupied by Five or more tenants, of Two or more households. However as of 1st April 2023, City of York Council have regulated that the licensing scheme will be extended and “Additional Licensing” could be required if your properties are within the following 8 Wards: Clifton, Fishergate, Fulford & Heslington, Guildhall, Heworth, Hull Road, Micklegate and Osbaldwick & Derwent.

All HMOs within these 8 Wards which house Three or more tenants of Two or more households will now be subject to the Additional Licensing Scheme, and Licences must be obtained from City of York Council by 1st April 2023 and applications to obtain the Licence can be made from 1st February 2023.

One of my “Buy to Let” properties will now need to be formally Licensed by the Council. Will this affect my mortgage?

Under the terms of any residential mortgage, you will be required under the mortgage standard conditions to comply with regulations imposed by the Local Authority which affect your rental property. You will therefore already be required to comply with the new regulations and obtain a licence under the standard terms of your mortgage. The mortgage company will also be entitled to ask you to provide a copy of the licence, once obtained. If you fail to do so, it will be breach of your mortgage conditions.

In the future, when you re-mortgage this property it will also be a requirement of any lender that this paperwork is in place, and you will need to provide this as part of your mortgage application.