

Analysis of London property licensing schemes 2019

Key research findings

- There are over 310,000 private rented properties that require licensing under mandatory HMO, additional and selective licensing schemes implemented under the Housing Act 2004.
- In addition to mandatory HMO licensing, there are currently 36 additional and selective licensing schemes operating in London, creating a complex regulatory landscape.
- There are 130,784 licensable but unlicensed properties in London, indicating many landlords are either unaware of the need for a licence or are seeking to evade the licensing scheme.
- London Boroughs are struggling to process over 24,000 licence applications - a huge administrative burden that can lead to long delays in processing licence applications [about 40% of boroughs rely on paper applications].
- Almost 60% of London Boroughs had reviewed their estimate for the number of properties that fall within mandatory HMO licensing since the licensing criteria changed on 1 October 2018. The current estimate for London is approximately 46,000. Council's individual estimates varied widely (excluding City of London who have just 10) – from 100 in Sutton to 6,000 in Waltham Forest. Three councils had no estimate (Enfield, Hounslow & Tower Hamlets).
- Licence applications have been submitted for only 25% of the 138,500 private rented properties that require licensing under mandatory HMO or additional licensing schemes - a non-compliance rate of 75%.
- The picture for selective licensing is markedly different. Licence applications have been submitted for 85% of the 173,000 private rented properties that require licensing under selective licensing schemes - a non-compliance rate of 15%.
- Highlighted borough results:

Ealing

When additional licensing was introduced in January 2017, the council expected to license 15,000 HMOs; 883 applications had been approved or were being processed, representing a compliance rate of just 6% (their selective licensing scheme is performing in line with expectations).

Lewisham:

When additional licensing was introduced in February 2017, the council expected to license 1,800 HMOs. The estimate was later reduced to 1,500; 131 applications had been approved or were being processed, representing a compliance rate of just 9%. The council have recently consulted on plans to widen licensing to all 32,000 private rented homes in the borough.

Greenwich:

When additional licensing was introduced in October 2017, the council expected to license 7,500 HMOs; 831 applications had been approved or were being processed, representing a compliance rate of just 11%.

Redbridge:

When additional licensing was introduced in April 2017, the council expected to license 6,000 to 10,000 HMOs. The estimate was later reduced to 4,000; 485 applications had been approved or were being processed, representing a compliance rate of just 12% (their selective licensing scheme has attracted about half of the applications expected).

Barnet:

When additional licensing was introduced in July 2016, the council expected to license 3,800 HMOs; 519 applications had been approved or were being processed, representing a compliance rate of just 14%.

Brent:

When additional licensing was introduced in January 2015, the council expected to license about 12,100 HMOs; 2,430 applications had been approved or were being processed, representing a compliance rate of just 20% by the final year of the scheme (their selective licensing scheme is performing in line with expectations).

With HMO licence applications falling so far below expectations, fee income is significantly reduced leaving many councils struggling to effectively resource enforcement of their licensing schemes.

Research methodology

Safeagent commissioned [London Property Licensing](#) to carry out research on mandatory HMO, additional and selective licensing schemes implemented by the 32 London Boroughs plus the City of London.

Freedom of Information requests were submitted to all 33 London local authorities seeking information about their property licensing activity as of 1 May 2019.

Safeagent

www.safeagents.co.uk

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Safeagent Property Licensing Survey Results

Mandatory HMO licensing

Q1. What is your most recent estimate for the number of HMOs in your borough that require a mandatory HMO licence under Part 2 Housing Act 2004?

Q2. Is the estimate in Q1 based on the mandatory HMO licensing criteria that applied pre or post 1 October 2018?

Q3. How many mandatory HMO licences in your borough were approved, but not expired or revoked, as of 1 May 2019?

Q4. How many mandatory HMO licence applications in your borough had been received, but not yet approved or refused, as of 1 May 2019?

Results:

LOCAL AUTHORITY NAME	Q1	Q2	Q3	Q4
Barking & Dagenham	400	Post 1 October 2018	62	14
Barnet	635	Pre 1 October 2018	477	36
Bexley	525	Pre 1 October 2018	71	23
Brent	4831	Post 1 October 2018	1114	14
Bromley	198	Post 1 October 2018	121	39
Camden	400	Pre 1 October 2018	341	39
City of London	10	Post 1 October 2018	6	4
Croydon	2000	Post 1 October 2018	719	11
Ealing	5000	Pre 1 October 2018	967	250
Enfield	233	No estimate	213	20
Greenwich	2250	Pre October 2018	279	103
Hackney	991	Post 1 October 2018	120	180
Hammersmith & Fulham	717	Pre 1 October 2018	178 ¹	14
Haringey	3500	Post 1 October 2018	753	119
Harrow ²	1100	Pre 1 October 2018	481	34
Havering	786	Post 1 October 2018	106	6
Hillingdon	2500	Post 1 October 2018	413	103
Hounslow	658	No estimate	474	184
Islington	566	Post 1 October 2018	344	82
Kensington & Chelsea	200 ³	Pre 1 October 2018	123	11
Kingston Upon Thames	500	Post 1 October 2018	438	0
Lambeth	4000	Post 1 October 2018	425	33
Lewisham	1250	Post 1 October 2018	419	130
Merton	2000	Post 1 October 2018	174	108
Newham	850	Pre 1 October 2018	646	2
Redbridge	1000 ⁴	Pre 1 October 2018	197	172
Richmond Upon Thames	86	Post 1 October 2018	82	4
Southwark	1000 ⁵	Pre 1 October 2018	281	169
Sutton	100	Post 1 October 2018	47	7
Tower Hamlets	361	No estimate	305	56
Waltham Forest	6000	Post 1 October 2018	216	195
Wandsworth	850	Post 1 October 2018	550	107
Westminster	425	Post 1 October 2018	306	16
TOTALS	45922		11448	2285

Additional licensing

Questions 5 to 8 are only relevant if the council operates an additional licensing scheme under Part 2 of the Housing Act 2004.

Q5. What is your most recent estimate for the number of HMOs that require an additional licence under the council's designated additional licensing scheme?

Q6. Since the additional licensing scheme was introduced, has the council's estimate for the number of licensable properties: (a) increased; (b) decreased; or (c) remained the same?

Q7. How many additional licences in your borough were approved, but not expired or revoked, as of 1 May 2019?

Q8. How many additional licence applications in your borough had been received, but not yet approved or refused, as of 1 May 2019?

Results:

LOCAL AUTHORITY NAME	Q5	Q6	Q7	Q8
Barking & Dagenham	150	Decreased due to many becoming MHMO	366 ⁶	32
Barnet	3836	Remained the same	501	18
Brent	12153	Remained the same	2296	134
Camden	7600	Increased	2620	763
Ealing	15000	Remained the same	778	105
Greenwich	7500	Increased	589	242
Hackney	3324	Remained the same	89	1592
Hammersmith & Fulham	5859	Remained the same	725 ⁷	117
Haringey	6500	Decreased due to many becoming MHMO	1190	710
Havering	416	Increased	139	3
Hounslow	618	Licensing scheme ended 31 May 2019	618	0
Islington	542	Remained the same	243	23
Kingston Upon Thames	100	Decreased due to many becoming MHMO	173 ⁸	0
Lewisham	1500	Remained the same	102	29
Newham	5450	Remained the same	2609	1
Redbridge	4000 ⁹	Remained the same	205	280
Southwark	9000 ¹⁰	Remained the same	1797	109
Tower Hamlets	9000	Remained the same	20	1546
TOTALS	92548		15060	5704

Selective licensing

Questions 9 to 12 are only relevant if the council operates a selective licensing scheme or schemes under Part 3 of the Housing Act 2004

Q9. What is your most recent estimate for the number of private rented properties that require a selective licence under the council's designated selective licensing scheme(s)?

Q10. Since the selective licensing scheme(s) were introduced, has the council's estimate for the number of licensable properties: (a) increased; (b) decreased; or (c) remained the same?

Q11. How many selective licences in your borough were approved, but not expired or revoked, as of 1 May 2019?

Q12. How many selective licence applications in your borough had been received, but not yet approved or refused, as of 1 May 2019?

Results:

LOCAL AUTHORITY NAME	Q9	Q10	Q11	Q12
Barking & Dagenham	18500	Increased	12435	989
Bexley	2451	Remained the same	301	939
Brent	8274	Increased	8140	134
Croydon	38500	Increased	34351	450
Ealing	6830	Increased	5746	1084
Hackney	4149	Remained the same	0	1502
Hammersmith & Fulham	1644	Remained the same	615 ¹¹	144
Harrow	1533	Increased	1412	121
Newham	34600	Remained the same	32086	8
Redbridge	19000	Remained the same	3179	9385
Southwark	5000	Remained the same	790	278
Tower Hamlets	6000	Remained the same	5192	389
Waltham Forest	26886	Increased	26204	682
TOTALS	173367		130451	16105

Footnotes

¹ Data obtained from the public register on LBHF's website

² Harrow Council was unable to split the data, so this covers both the mandatory HMO and additional licensing schemes

³ RBKC estimate was 'over 200'

⁴ Redbridge Council have estimated 5,000 HMOs which we have notionally split 20% mandatory HMO & 80% additional licensing

⁵ Southwark Council previously estimated 10,000 HMOs which we have notionally split 10% mandatory HMO and 90% additional licensing

⁶ Following changes in mandatory HMO licensing scheme criteria, some of these properties will be licensable under that scheme when due for renewal, which is why the estimate is lower

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