

A guide to
**Section 257 Houses
in Multiple Occupation**

Additional Licensing of HMOs
in Portsmouth

The Management and Licensing
of Houses in Multiple Occupation
(2007)

The Shared Homes Company.



The Shared Homes Company.

Contents

- 1. What is a section 257 HMO?
- 2. How do I know if my property is a section 257 HMO?
- 3. Leasehold and Freehold definition
- 4. What is the problem with 257 HMOs?
- 5. What Regulations apply?
- 6. Penalties
- 7. Further Q&As



1

What is a section 257 HMO?

The number 257 just refers to the number of the section in the relevant legislation. So, a 257 House in Multiple Occupation (HMO) is not your average HMO, it is a building that has been **converted** into a block of **self-contained** flats AND

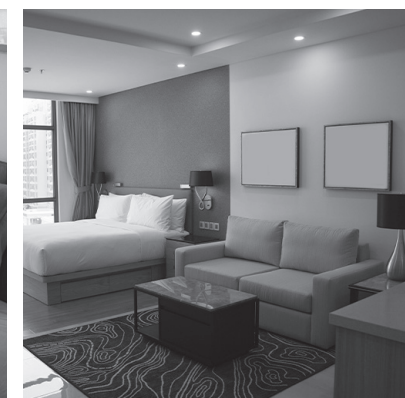
- > The standard of conversion does not comply with the Building Regulations 1991 (it was converted prior to 1st June 1992)
- > Less than two-thirds of the flats are owner-occupied

The full definition can be found under 257 of The Housing Act 2004.

2

How do I know if my property is a section 257 HMO?

- > Firstly, is the block a conversion? If the block was purposely built as flats, then it is not a section 257 HMO
- > Find out the date of the conversion. Check your paperwork, and if you cannot find anything contact your local Building Control team. If there is no record, or the conversion was completed prior to **1st June 1992** then it is a section 257 If;
- > Less than two-thirds of the flats are owner-occupied
- > If you are the freeholder of the building and are unsure of the occupancy of any of the leasehold flats then you need to find out as soon as possible





3

Leasehold and Freehold definition

What is freehold - 'Ownership of the Block subject to any Leases granted'. Usually, the person responsible for the building itself, obtaining building insurance, managing the communal areas, collecting ground rents etc.

The Freeholder sometimes appoints an agent to manage on their behalf.

What is leasehold - 'A property upon which there is a Lease granted'.

This is usually the owner of the individual flats who has a 'long lease' in place of more than 21 years (typically 90-120 years).

4

What is the 'problem' with 257 HMOs?

It has been argued that 257 HMOs within Portsmouth have inadequate safety measures and are generally poorly managed; this is sometimes because the freeholder (who is the person who owns the building and is responsible for the common areas) is absent.

This means that these properties can fall into a state of disrepair and may not have the correct fire safety measures installed. There can be other reasons too, such as poor management by the managing agency, or lack of knowledge of the regulations.

[View the regulations](#)



5

What regulations apply?

The Licensing and Management of HMO (Additional Provision) (England) Regulations 2007

These regulations place duty on a person managing a section 257 HMO in respect of

- › Providing information to occupiers (regulation 4);
- › Taking safety measures, including fire safety measures (regulation 5);
- › Maintaining the water supply and drainage (regulation 6)
- › Supplying and maintaining gas and electricity, including having it regularly inspected (regulation 7)
- › Maintaining common parts, fixtures, fittings and appliances (regulation 8)

- › Maintaining living accommodation (regulation 9); and
- › Providing waste disposal facilities (regulation 10)

The manager's duties do not extend to the parts of the HMO over which the manager cannot reasonably be expected to exercise control (regulation 3).

The regulations also place duties on occupiers of an HMO to ensure the manager can effectively carry out his duties listed above (regulation 11). These regulations are very similar to that of 'The Management of Houses in Multiple Occupation (England) Regulations 2006', which apply to the traditional House in Multiple Occupation.

[View the regulations](#)





6

Penalties for non-compliance

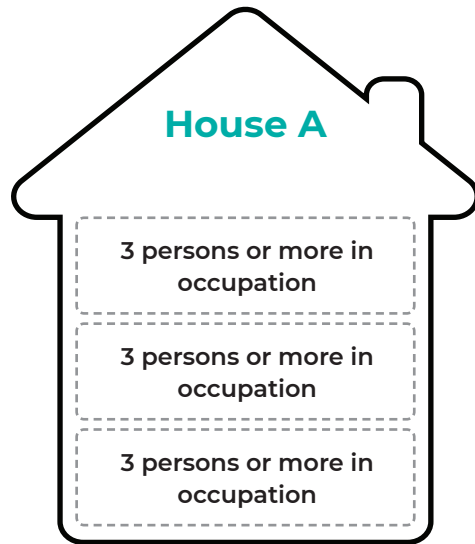
It is an offence if you fail to comply with the above regulations or fail to apply for an HMO Licence.

The penalties for failing to comply with the above regulations are very high. Up to £30,000. You will require a licence on ANY HMO and 257 Property in Portsmouth from 1st September 2023. Although Portsmouth are allowing a 3 month grace period.

Failure to apply for a Licence may also result in a fine of up to £30,000. Unless you can prove reasonable excuse for failing to apply. This excuse cannot be 'I did not know about the scheme'.

The Council may then also deem you as not a 'fit and proper person' to hold a licence due to the offence and refuse to grant you a licence. You would then need to find another person to hold the licence for you.

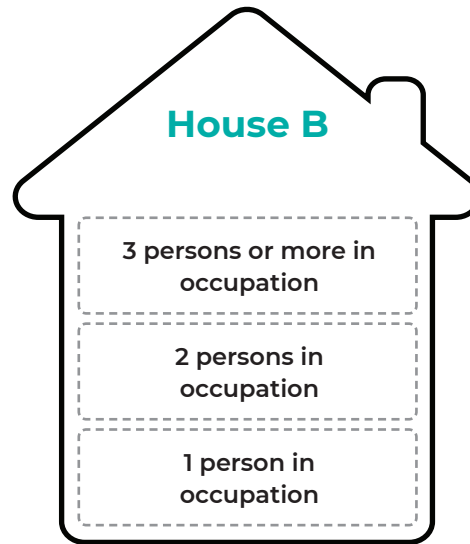
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House A

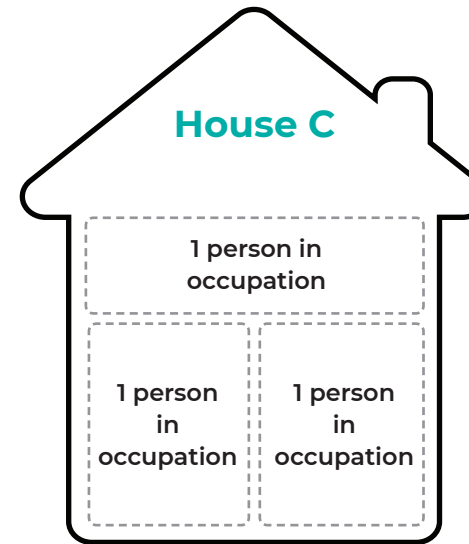
will require 3 HMO licence applications as each of the flats is itself in multiple occupation as a Section 254 HMO, (ie each has three or more persons in occupation forming two or more households).

The building as a whole is also a Section 257 HMO, If all 3 of these flats are rented, it is likely the building itself will also require a HMO Licence.



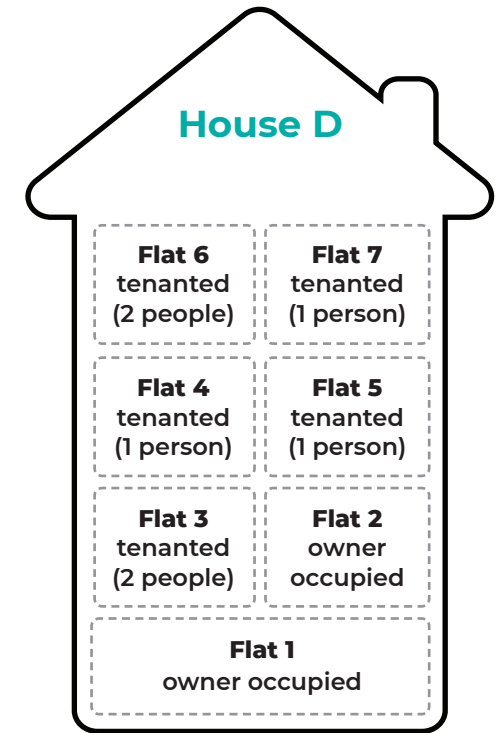
House B

Will require 2 HMO licence applications as one flat is in multiple occupation as section 254 HMO. The building as a whole is a Section 257 HMO and a licence will be required to cover the remainder of the building



House C

If all 3 of these flats are rent out, a HMO Licence will be required. However please remember the criteria mentioned on page 3 must also apply.



House D

This property will require a section 257 additional licence as more than two thirds of the flats are tenanted.

7

Q&A



Will the Council contact me to let me know if my building is classified as a 257?

NO, the onus is on you as the responsible person.

I use a Managing agent to manage the block for us. Will they let us know?

Although they should know, do not rely on them to inform you. The scheme has not been heavily advertised so they may be unaware of the scheme. The Council can serve a fine on both parties.

My block only has a small, shared lobby area and 2 flats, will they really licence just this small area?

YES, the Council will be examining the fire safety aspects of the building, and this will include any communal areas and flat entrance doors.

Do I need a Fire Risk Assessment?

YES, all blocks of flats require a Fire Risk Assessment. They should be completed by a competent person. It is likely you will need some form of mains wired fire alarm detection system. The guidance used in this instance is [Lacors Fire Safety Guidance](#).

Do I need an EPC on the communal areas?

This is an area currently being disputed with Portsmouth City Council. They have confirmed that they WILL require an EPC on the communal areas however we are unsure as to how an energy assessor will complete these on uninhabitable communal areas. Rumour has it they will accept a copy of one of the flats EPCs. If you are struggling with this, then we recommend you seek advice directly from the Council.


What do I need to do to ensure that I get a Licence?


The Council have a dedicated page on their website for this. [Additional Licensing - information for landlords](#).

I am a leaseholder of a flat in a property that I think might be a 257 HMO. I cannot reach the freeholder. What should I do?

Seek advice from the Council and also visit [The Leashold Advice Centre Website](#).

If you have any further questions, feel free to contact us to book in a telephone consultation.

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