

# House in Multiple Occupation

## Making the most of your investment



**H**ave you heard the term HMO and thought it's not for you?

Did you know that there is a growing need for this type of accommodation?

With a little thought and preparation you could turn your investment into a profitable business.

This leaflet aims to help point you in the right direction and consider letting your property as an HMO.

### What is an HMO?



Quite simply **HMO** stands for "**House in Multiple Occupation**".

A home is a house in multiple occupation (HMO) if at least 3 tenants live there, forming more than 1 household, AND any facilities such as a toilet, bathroom or kitchen are shared between tenants.

If the number of tenants increases to 5 then a licence will be needed from your local authority.

### How much can I earn?

You could be looking at income of around £75\* per person per week.

This will of course depend on the size of the property and the available facilities. But worth doing the sums before deciding on how to let your property.

\* figure based on an internet search of bedsits for rent in Devon



## Aren't they a lot of hassle?

Many conscientious landlords will naturally manage their properties well as they know that looking after them makes financial sense.

It is true that deciding to run an HMO will require a bit more work at the start, while you get the accommodation ready and up to the appropriate standards.

Having good management and maintenance in place is key to ensure you have the tools to overcome any issues that may arise.

Some landlords are happy to take on this role themselves, others will nominate someone else, or an agent to carry out this role.



## Where do I start?

There will be lots to think about — here are some pointers to get you started...

- ◆ Consider if you will be looking to purchase a property or convert one of your existing lets into an HMO.
- ◆ How many rooms can be safely used for accommodation?
- ◆ More than 5 tenants will need extra facilities—can these be provided in the available space?
- ◆ Visit our website to find out if the property will need a license:



[www.middevon.gov.uk/residents/housing/private-sector-housing/private-landlords/houses-in-multiple-occupation/](http://www.middevon.gov.uk/residents/housing/private-sector-housing/private-landlords/houses-in-multiple-occupation/)

- ◆ The web advice will also let you know if you need to do any extra works to get the property ready.
- ◆ Some large HMOs may also need planning permission.
- ◆ Also, have a think about any mortgage restrictions or extra insurance needs.

*Please note that this is just a guide to get you started and not an exhaustive list.*

### Come along to MDDC's popular landlord event held each autumn:

- Meet the experts
- Network with like-minded people
- Support local businesses
- Pick up tips from free talks
- Learn about the development and management of rental properties
- Browse a selection of tailored stands
- Get professional advice from industry-related businesses

**Visit our website for details of the next event.**





## Where can I find more information?

You may already belong to a landlord association. If you do they should be able to provide you with some advice.

There are also businesses that specialise in HMO investment and advice.

Other websites providing advice and guidance are:

- ◆ [www.gov.uk/renting-out-a-property/houses-in-multiple-occupation-hmo](http://www.gov.uk/renting-out-a-property/houses-in-multiple-occupation-hmo)
- ◆ [www.gov.uk/government/publications/how-to-let](http://www.gov.uk/government/publications/how-to-let)
- ◆ [www.cieh.org/media/1244/guidance-on-fire-safety-provisions-for-certain-types-of-existing-housing.pdf](http://www.cieh.org/media/1244/guidance-on-fire-safety-provisions-for-certain-types-of-existing-housing.pdf)
- ◆ [www.gov.uk/government/publications/housing-health-and-safety-rating-system-guidance-for-landlords-and-property-related-professionals](http://www.gov.uk/government/publications/housing-health-and-safety-rating-system-guidance-for-landlords-and-property-related-professionals)
- ◆ [https://england.shelter.org.uk/housing\\_advice/repairs/damp\\_and\\_mould\\_in\\_rented\\_homes](https://england.shelter.org.uk/housing_advice/repairs/damp_and_mould_in_rented_homes)
- ◆ **Building Control** [www.nmdbuildingcontrol.co.uk/](http://www.nmdbuildingcontrol.co.uk/)
- ◆ **Planning** [www.middevon.gov.uk/residents/planning/](http://www.middevon.gov.uk/residents/planning/)

Notes

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