

Houses in Multiple Occupation (HIMOs)

If a property is a HIMO, the owner is usually liable for the Council Tax. However, 'owner' has a special definition:

Definition of 'owner' in relation to a HIMO:

(a) the person who has a relevant material interest which is not subject to a relevant material interest inferior to it;

or, if there is no such person -

(b) the person who has a freehold interest in the whole or any part of the dwelling.

In part a) "relevant material interest" means a freehold or leasehold interest in the whole of the dwelling."

Definition of a HIMO in the Council Tax legislation:

A dwelling which:

- was originally constructed or subsequently adapted for occupation by persons who do not constitute a single household; or
- is inhabited by a person who, or two or more persons each of whom either, -
 - is a tenant of, or has a licence to occupy, part only of the dwelling; or
 - has a licence to occupy, but is not liable (whether alone or jointly with other persons) to pay rent or a licence fee in respect of, the dwelling as a whole.

What is considered when deciding whether a property is a HIMO?

When we're trying to work out whether a property is a HIMO, we consider:

1. how the building has been constructed or adapted, (for example, whether it's a collection of bedsits with a shared bathroom, whether there are locks on bedroom doors); and
2. whether the tenants are jointly or individually liable for the rent on the whole property.

As regards point 1, if locks are present on bedroom doors, we would class the property as a HIMO; however, if the tenants hold a tenancy for the whole dwelling for six months or more, then they themselves would be treated as being the 'owner' and would therefore be liable for the Council Tax (see above for the definition of 'owner' in relation to a HIMO).

The question of locks being classed as an adaptation has been challenged in Valuation Tribunals and the High Court. However, a case went to the Court of Appeal (Hayes v Humberside Valuation Tribunal and Kingston-upon-Hull City Council), and the judgement was that the presence of locks on doors is an adaptation to make a dwelling suitable for occupation by more than one household, therefore a property with locks on bedroom doors is regarded as a HIMO.

To decide on point 2, we look at the terms of the tenancy agreement or licence, and also at how the rent is actually paid - whether the tenants have individual rent books or whether there is any

other evidence that they are clearly only responsible for their own share of the rent, not for the rent for the whole dwelling.

Normally, if the tenants have separate tenancy agreements, this indicates they are not each responsible for the rent on the whole dwelling, so the property is a HIMO and the owner is liable.

In most cases, if the tenants have a joint tenancy, then they are each liable for the whole rent, so the property is not a HIMO and the tenants are liable.