London Borough of Havering

# Private Rented Sector: Housing Stock Condition and Stressors Report

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## Executive Summary

It has been a number of years since the London Borough of Havering reviewed the housing stock in the borough and assessed housing stressors related to key types of property tenures, particularly in the private rented sector.

The detailed housing stock information provided in this report will facilitate the development and delivery of Havering's housing strategy and enable a targeted approach to tackling poor housing, particularly in the private rented sector.

The main aim of this review was to investigate and provide accurate estimates of:

- Current levels of private rental sector (PRS) properties and tenure change since 2001
- Information on the number of Houses in Multiple Occupation (HMOs) as a subset of the PRS
- Levels of serious hazards that might amount to a Category 1 hazard (HHSRS)
- Other housing related stressors, including antisocial behaviour (ASB), council tax arrears, tenants' complaints of disrepair etc
- Assist the council to make policy decisions, including the introduction of property licensing schemes under Part 2 and Part 3 of Housing Act 2004

Metastreet has developed a stock-modelling approach based on metadata and machine learning to provide insights about the prevalence and distribution of a range of housing factors. This approach has been used by a number of councils to understand their housing stock and relationships with key social, environmental and economic stressors.

The housing models are developed using unique property reference numbers (UPRN) as keys, which provide detailed analysis at the property level.

Data records used to form the foundation of this report include:

- Council tax
- Housing benefit
- Electoral register
- Private housing complaints and interventions records

- Planning complaints and interventions records
- ASB complaints and interventions records
- Experian Mosaic records

**Key Findings**

- There are a total of 105,798 residential properties in Havering, 29% (30,125) of which are PRS, 54% are owner occupied and 17% socially rented.

- 7480 PRS properties have category 1 HHSRS hazards. This represents 25% of the PRS stock, i.e. 1 in 4 rental properties have serious hazards.

- The highest concentration of PRS properties are located in Romford Town and Brooklands wards

- The data modelling predicts that Havering has 1310 HMOs

- HMOs as a subset of the PRS in Havering, have high rates of ASB and category 1 (HHSRS) hazards

- The highest concentration of HMOs can be found in the Romford Town and Brooklands wards.

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# 1. Introduction

## 1.1 Project Objectives

Metastreet was commissioned by the London Borough of Havering to review its housing stock with a focus on the following key areas:

- Residential property tenure changes since 2001
- Housing age profile
- Distribution of the private rented sector (PRS)
- Condition of housing stock in the PRS
- Tenure and housing related stressors, including Anti-Social Behaviour (ASB)

The report provides the council with the evidence base for developing housing policy and service interventions. The report also satisfies the council's responsibility to review its housing stock as set out under Part 1, Section 3 of the Housing Act 2004.

The first section of the report has collated a wide range of publicly held data to understand population, households and property economics, including 2011 Census, ONS, valuation office and public health data, and council held data.

The second section details the findings of the stock and tenure modelling, and the methodology used. Havering's data warehouse and the use of predictive analytics have been used to pinpoint tenure type and identify property conditions within the boroughs PRS housing stock. An advanced property level data warehouse house has been used to identify property tenure to facilitate the stock and tenure analysis. A large sample of properties with poor housing conditions has been used to predict housing conditions across the stock.

For the purposes of this review, it was decided that a ward-level summary is the fairest and most appropriate basis to assess housing conditions across Havering, built up from property level data.

Four separate predictive tenure models have been developed as part of this project which are unique to Havering, they include:

- Private rented sector (PRS)
- Houses in Multiple occupation (HMO)
- Owner occupiers
- PRS Housing hazards (Category 1)

The third section provides a housing policy overview and uses this to provide further analysis of the tenure modelling information to determine if characteristics exist in the Borough to support any specific action.

The appendices at the end of the report contain a summary of the various PRS enforcement interventions available to the council plus some case studies provided by the team as examples of recent interventions.

# 2. About Havering

## 2.1 Introduction

The London Borough of Havering (LBH) is the third largest geographical borough in London and contains eighteen electoral wards. It is mainly characterised by suburban development, with almost half of the area dedicated to open green space, particularly to the east of the borough.

There are 105,798 properties in Havering, according to council records (November 2018). The Borough has a high proportion of residential properties built between the First and Second World Wars. New house building since the 1960 has generally been lower than the national average up to 2014.

In the published census data in 2011 the PRS was reported to be 10% of the total stock. The PRS profile has increased substantially since 2011 and is now estimated to be 29% in Havering. This increase is also seen across London.

The principal town of Romford is densely populated and is an area of major metropolitan retail and night time entertainment. The southern part of Havering is within the London Riverside section of the Thames Gateway redevelopment area and will be an area of increasing development and population change.

Havering is a relatively affluent local authority but there are pockets of deprivation to the north (Gooshays and Heaton wards) and south (South Hornchurch) of the borough.

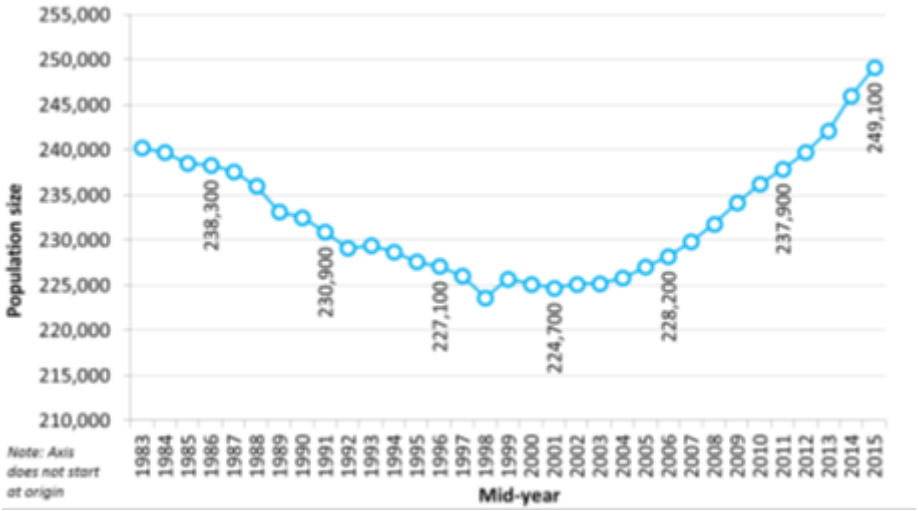
## 2.2. Population Profile

Havering has experienced a rapid population growth as a result of migration in the last 15 years.

Following a net population loss of 6.3% from 1983 (240,200) to 2002 (225,100), the population of Havering has increased year on year from 2002, with a 10.7% increase from 2002 to 2015 (Fig. 1)[1].

[1] *This is Havering 2017. A Demographic and socio-economic Profile. Some Key Facts and figures. V 2.4 (Marc, 2017)* London Borough of Havering Public Health Service http://www.haveringdata.net/wp-content/uploads/2017/04/This-is-Havering_Havering-Demographic-Profile_Main-Document-v2.4.pdf

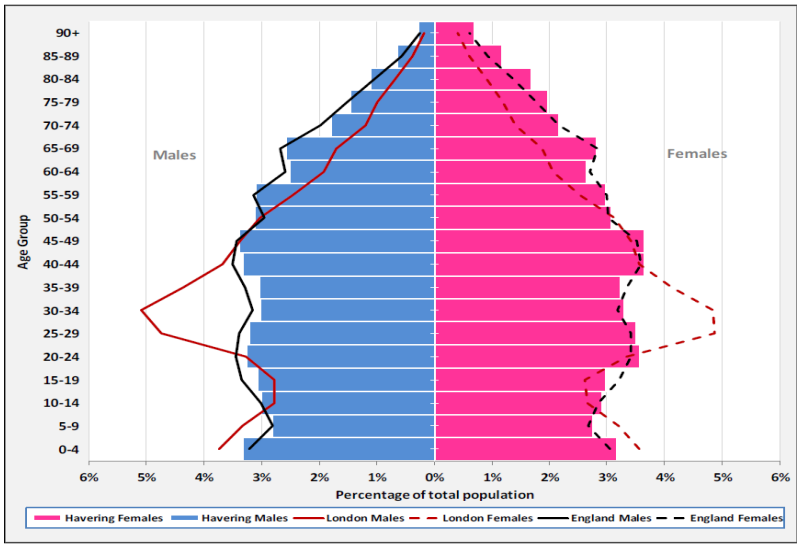
**Figure 1:** Change in population, London Borough of Havering 1993-2015




Source: *mid-year population estimates,* ONS cited in *'This is Havering*, LBH (2017)*'*

The estimated population of the London Borough of Havering is 252,783. It has the oldest population in London with a median age of approximately 40 years old. However, from 2011 to 2016, Havering experienced the largest net inflow of children across all London boroughs. 4,580 children settled in the borough from another part of the United Kingdom during this six-year period.

**Figure 2 -** Population pyramid 2016, source: - ONS, Public Health Intelligence




*Source: - ONS, Public Health Intelligence*

Most existing data related to households is from the 2011 census. In Havering households are mainly composed of pensioners and married couples with dependent children. In 2011, there were 7,224 one-adult households with children under 16 in Havering. This is an increase from 2001 when there were 4,005 lone parent households. There has also been an increase in the number of one-adult households with no children. 32% (13,449) of the population aged 65 years and above are living in one-person households. Almost half (48%) of all one person households in Havering are occupied by persons aged 65 years and over, which is the highest proportion in London

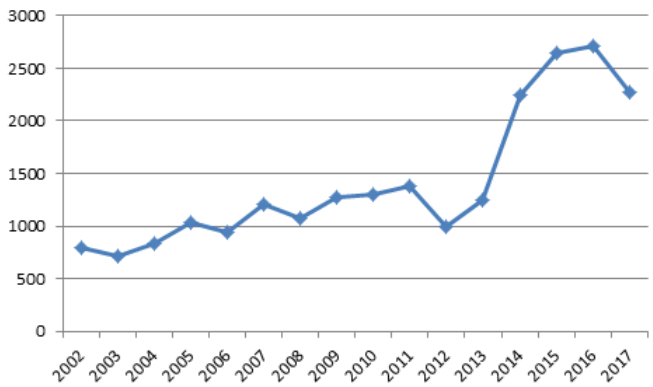
It is projected that the largest increases in population will occur in children (0-17 years) and older people age groups (65 years and above) up to 2033.

The life expectancy at birth for people living in Havering is 80.2 years for males and 83.9 years for females. About 18% of working age people living in Havering disclosed that they have a disability or long-term illness.

Havering is one of the most ethnically homogenous areas in London, with 83% of its residents recorded as White British, higher than both the London and England averages. About 90% of the borough's population were born in the United Kingdom.

National Insurance number registration to adult overseas nationals entering the UK have more than doubled in Havering since 2012 even though there was a slight downturn last year as shown below in Figure 3 (DWP 2018)[2].

**Figure 3** National Insurance number registration to adult overseas nationals entering the UK 2002-2017




*Source: NI number allocations. DWP. November 2018*

[2] National Insurance number allocations to adult overseas nationals entering the UK. Statistics on National Insurance number allocations. 29 November 2018. Department of Work and Pensions https://www.gov.uk/government/collections/national-insurance-number-allocations-to-adult-overseas-nationals-entering-the-uk

## 2.3 Economic profile

The average gross income per household in Havering (£44,430, as measured in 2012/13) is low in comparison to the London average (£51,770) and slightly higher than the England average (£39,557).

In 2017 the average gross salary for full time male was £35,869 and female £28,686 (source: ONS ASHE Table 7). 77% of households in Havering have at least one car and compared to other local authorities in London, Havering has the second highest proportion of households (32.8%) with 2 or more cars.

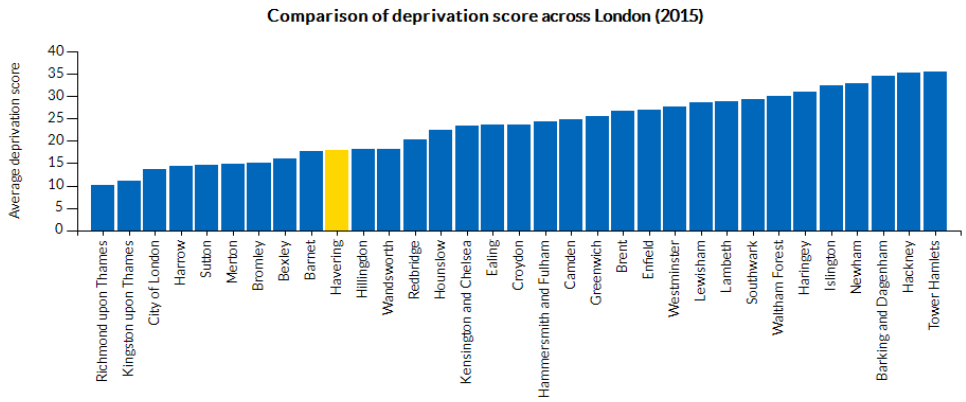
The majority of children in Havering are not poor, but around 8,800 live in income-deprived households. Gooshays and Heaton wards have the highest proportion of children living in poverty.

About 79.8% of working age residents in Havering were in employment between October 2016 – September 2017. Overall employment rate in Havering is higher than London (73.7%) and England (74.5%). The proportion of working age residents in Havering claiming out-of-work benefits (6.6%) is significantly lower than England (8.4%).

The recent data from the ONS shows that the average property in the area sold for £373,241; significantly higher than the UK average of £232,797. The average homeowner in Havering will have seen their property increase in value by around £147,000 in the last five years.

Deprivation in Havering compared to other London Boroughs is shown in the chart below. Havering is relatively less deprived than its neighbouring Boroughs.

**Figure 4:** Comparison of Deprivation Scores across London

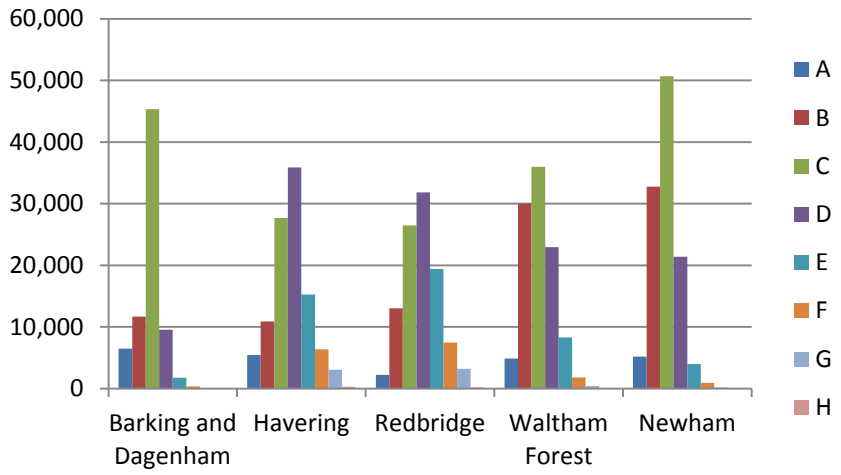



Source: DCLG, 2015

## 2.4 Council tax and household size

The Council tax band profile provides useful indicators for property value and type and is helpful for comparing housing stock. Council tax is banded A-H, (A being lowest value and H being highest value). Council tax bands were determined on the value of properties as of the 1st April 1991; the lower rated properties are generally more likely to be flats.

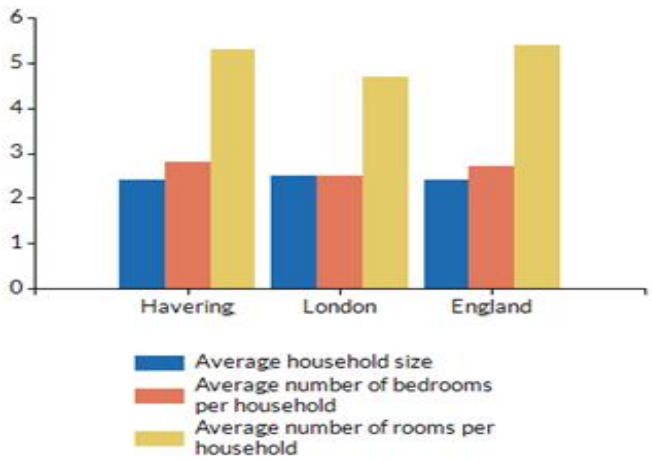
**Figure 5:** Council Tax Bands in Havering and neighbouring boroughs




Compared to Barking and Dagenham, Newham, and Waltham Forest, there are far fewer lower rated properties available in Havering, and the stock profile is very similar to that of Redbridge.

This profile is also reflected in the above London average number of bedrooms per household shown in the following charts and tables show the household size and number of rooms in housing in Havering, as recorded in the 2011 Census.

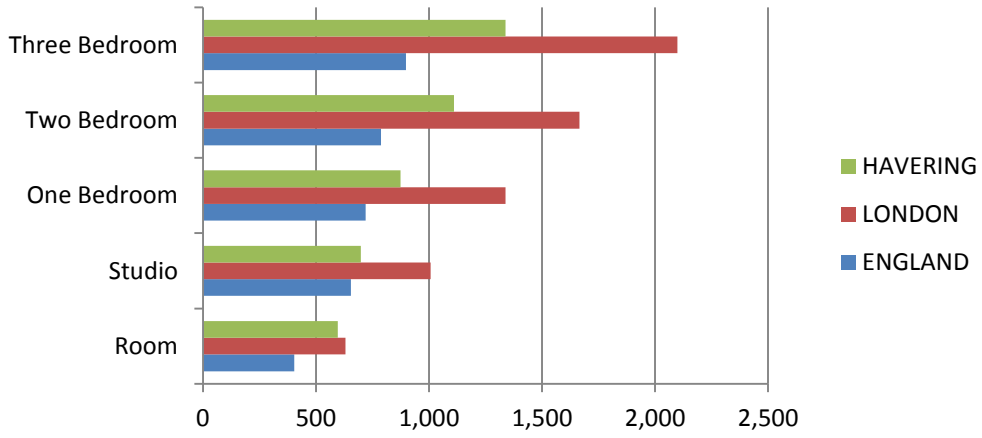
**Figure 6:** Household size and rooms Havering, London and England




*Source: ONS 2011*

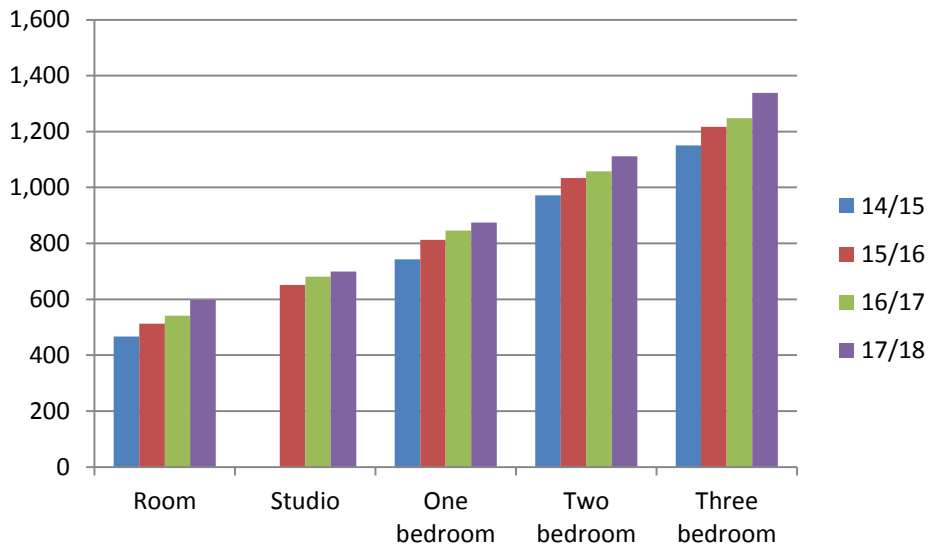
## 2.5 Rent levels

Average rents in Havering are below the London average across all types of accommodation but significantly more than the average in England. At the cheaper end of the market rents per room are almost on par with the London average.




*Source: Valuation office agency 2018*

**Figure 7** Average rents (£) in Havering 2018 (Source: Valuation office agency)




*Source: Valuation office agency 2018*

## 2.6 Homelessness

The rate of homeless households in temporary accommodation (7.2 per 1,000 households) is lower than London (15.1 per 1,000) but higher than England (3.4 per 1,000) (Source Havering JSNA 2017).

The rate of statutory homelessness (eligible people not in priority need) in Havering (0.5 per 1,000 households), in 2016/17, is lower than both London (1.1 per 1,000) and England (0.9 per 1,000) (Source Havering JSNA 2017).

## 2.7 Empty homes

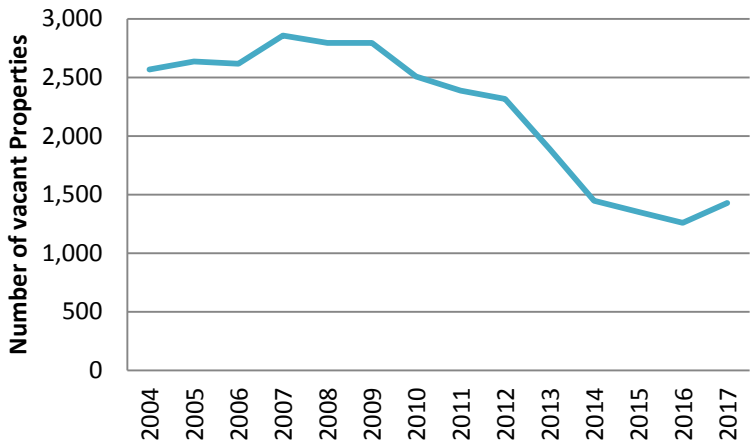
The need to bring empty private sector dwellings back into use when there are considerable shortages in housing, especially in greater London should be a consideration for most councils and part of a local housing strategy.

There will always be some stock that is empty for a short period of time i.e. for refurbishment, sales, probate etc. The only dwellings that tend to come to the attention of councils are those that are centres for nuisance, anti-social behaviour etc and are long-term empty properties.

The data provided in this report does not identify empty properties individually as this is outside the scope of this report, however a similar modelling methodology could be used in the future to assist with this.

The graph below shows the number of vacant properties from 2004 to 2017, the most recent figure available is in 2017 there were 1,427 vacant properties. The total in London in 2017 was 62,366.

**Chart 1:** Number of vacant properties in Havering 2004- 2017




*Source: MHCLG Table 615 Vacant dwellings by Local Authority district*

# 3. Results of housing stock and stressor modelling

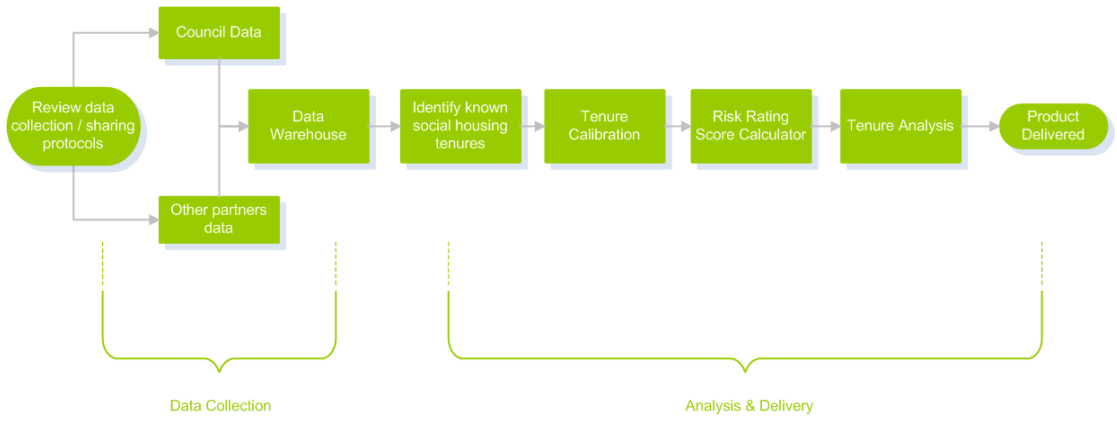
## 3.1 Methodology

Metastreet has developed Tenure Intelligence (Ti) which uses council held data and publicly available data to identify tenure and analyse property stressors, including property conditions and ASB.

Data trends at the property level are analysed by mathematical algorithms to help predict the tenure of individual properties using factors such as occupant transience and housing benefit data.

Metastreet has worked with the council to create a residential property data warehouse. This has included linking millions of cells of data to 105,798 unique property references (UPRN). This data includes council and externally held data.

Advanced mathematics is used to make predictions for each for tenure and property condition. Results are analysed to produce a summary of housing stock and predictions of Category 1 hazards (HHSRS). To achieve the maximum accuracy, algorithms are built for each council, incorporating individual borough data and using known outcomes to train predictive models.




Once the data warehouse was created, tenure modelling is used to determine tenure using the methodology outlined below.

Based on information for each address, risk factors were created that are predictive of an outcome. Different combinations of risk factors were systematically analysed for their predictive power in terms of either of these outcomes. Risk factors that duplicated other risk factors but were weaker in their predictive effect were systematically eliminated. Risk factors that were not statistically significant were also excluded through the same processes of elimination.

For each UPRN a risk score was calculated using logistic regression techniques. The selected risk factors have a better or worse than evens chance of being predictive

Four separate predictive models have been developed as part of this project which is unique to the council:

- Private rented sector (PRS)
- Houses in Multiple occupation (HMO)
- Owner occupiers
- PRS Housing hazards

It is important to note that this approach cannot be 100% accurate as all statistical models include some error.

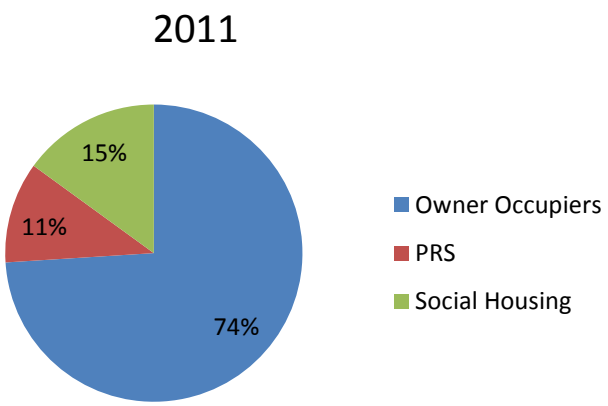
## 3.2 Results - Private Rented Sector

### 3.2.1 Population and distribution

The private rented sector (PRS) in Havering has grown significantly since 2001 and rapidly since 2011. Population growth, lower London median rents and new transport infrastructure are key drivers.

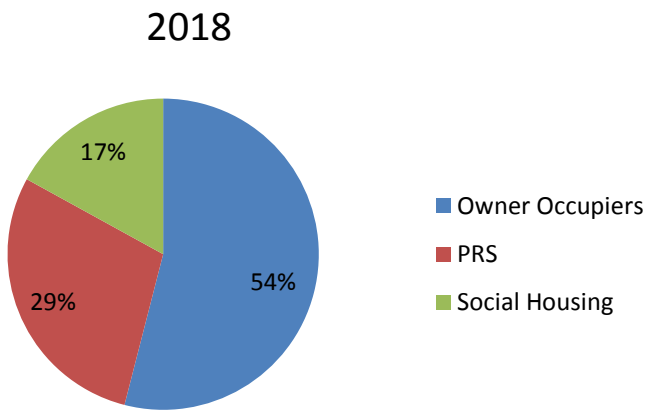
Based on tenure modelling (November 2018), Havering's PRS is now estimated to be 30,125 properties (29% of housing stock). This compares to 5,049 households in 2001 (ONS census data) and 10,500 households in 2011. This represents a six-fold increase over the last 17 years with approximately 25,000 properties transferring from owner occupation and social renting to PRS.

**Chart 2:** Tenure profile 2011



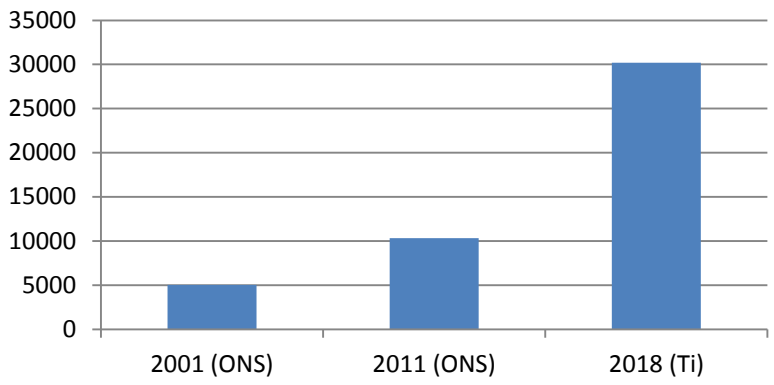
*Source: ONS data*

**Chart 3:** Modelled tenure profile 2018




*Source: Metastreet Ti model*

**Chart 4:** Numbers of PRS in Havering since 2001 – 2018



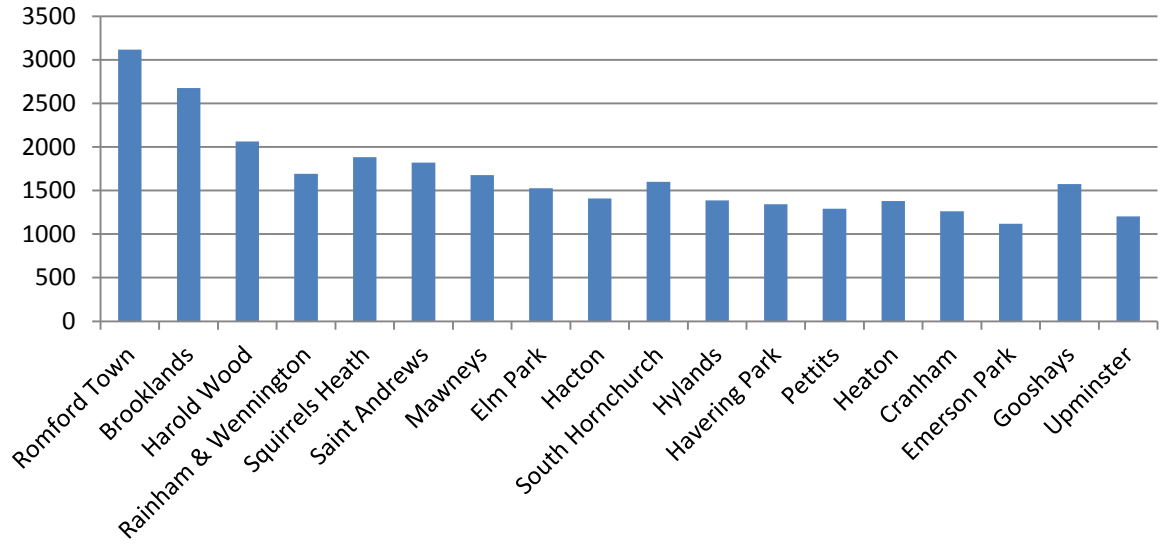

*Source: ONS and Metastreet*

This increase is part of a nationwide and regional trend, the PRS in the UK has grown from 9.4% of housing stock in 2000 [3], and now accounts for approximately a fifth of all households in England – with a significantly higher proportion in the PRS in many urban area[4]s. It is now the second largest housing tenure in England, with a growing number of households renting from a population of around 1.5 million private landlords[5] . In East London; Newham has more than 52k PRS dwellings 5 (47% of housing stock) 5 and Redbridge, Barking and Dagenham, Waltham Forest all have large and growing PRS populations.

[3] The profile of UK private landlords Scanlon K & Woodhead C CML research. LSE London. December 2017 www.cml.org.uk
[4] Department for Communities and Local Government (DCLG) (2016) English housing survey 2014 to 2015: headline report.
[5] Landlord Licensing. Interim report-overview of the incidence and cost of HMO & discretionary schemes in England. February 2015. www.landlords.org.uk

The PRS in Havering is distributed across all 18 wards. Romford Town and Brooklands have the highest numbers of PRS.

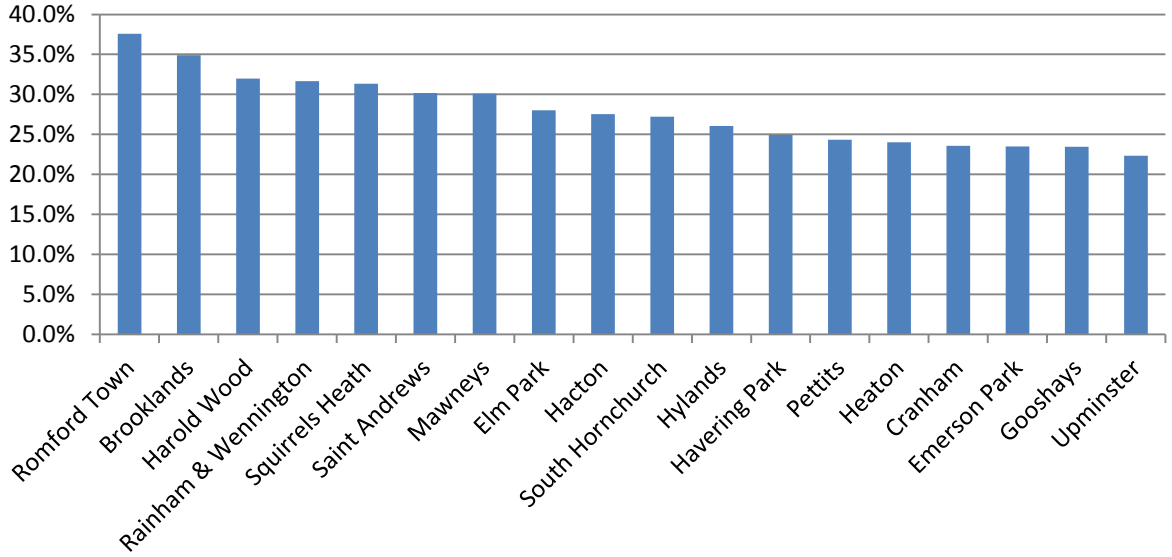
**Figure 9** Number of PRS dwellings by each Havering ward




*Source Ti 2018*

The percentage of PRS properties in each ward ranges between 37.6% (Romford Town) and 22.3% (Upminster).

**Figure 10:** Percentage of PRS dwellings by each ward




Source: Ti 2018

The table below (table 1: percentage and number of PRS properties) shows the total predicted PRS in each ward and the % of the PRS against total housing stock. The wards on the western side of the borough generally have higher rates of PRS, with the exception of Harold Wood.

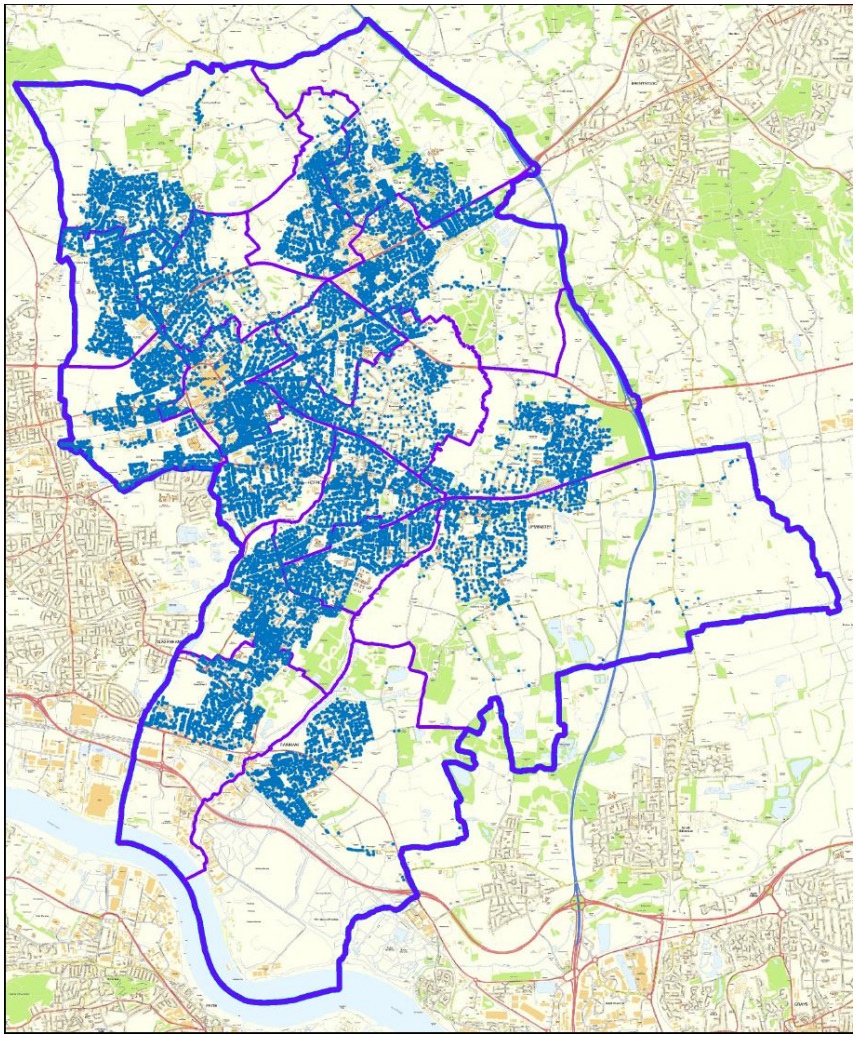
**Table 1 –** Percentage and number of PRS properties by ward

| Ward | % of ward dwellings PRS | No. PRS dwellings per ward |
|---|---|---|
| Romford Town | 37.6% | 3117 |
| Brooklands | 34.9% | 2674 |
| Harold Wood | 32.0% | 2061 |
| Squirrels Heath | 31.3% | 1884 |
| Saint Andrews | 30.2% | 1821 |
| Rainham & Wennington | 31.6% | 1692 |
| Mawneys | 30.1% | 1676 |
| South Hornchurch | 27.2% | 1599 |
| Gooshays | 23.4% | 1575 |
| Elm Park | 28.0% | 1525 |
| Hacton | 27.5% | 1410 |
| Hylands | 26.0% | 1386 |
| Heaton | 24.0% | 1380 |
| Havering Park | 24.9% | 1342 |
| Pettits | 24.3% | 1291 |
| Cranham | 23.6% | 1261 |
| Upminster | 22.3% | 1204 |
| Emerson Park | 23.5% | 1120 |
| **Total** | **28.4%** | **30018** |

*Source: Ti 2018*

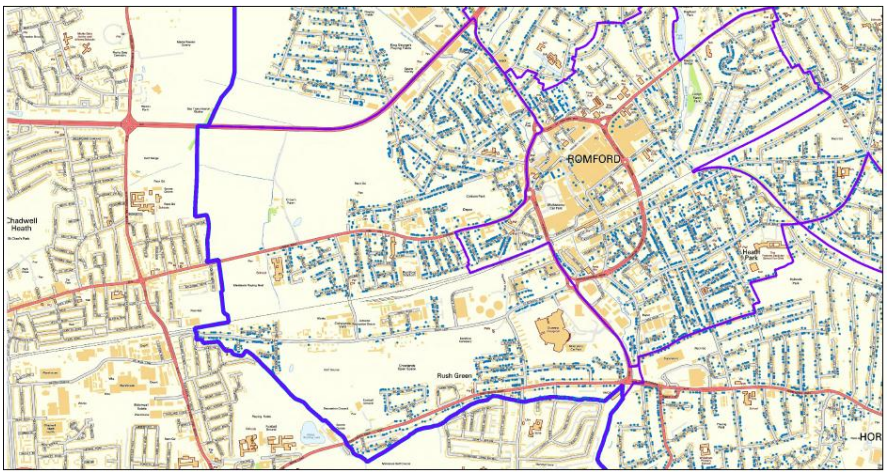
The map below plots the PRS across Havering and shows that it is widely distributed across the Borough.

**Map 1**: Distribution of PRS properties in Havering



*Source: Ti 2018*

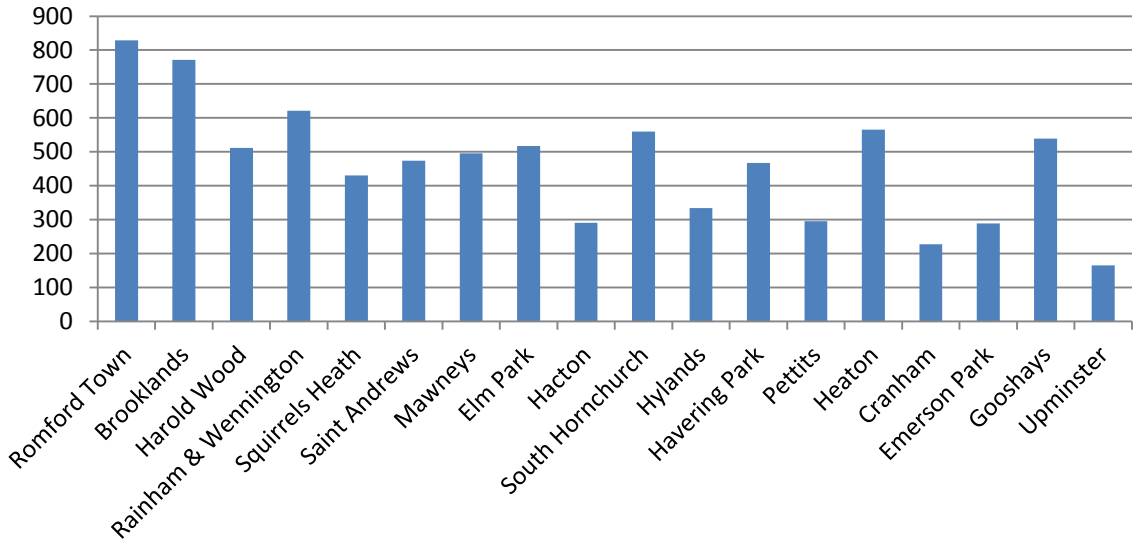
**Map 2** PRS properties in Romford Town and Brooklands wards




*Source: Ti 2018*

The figure below shows the number of housing benefit claims being paid to PRS properties by ward, illustrating the amount of public finance being paid to private landlords

**Figure 11** Housing benefit paid to PRS properties

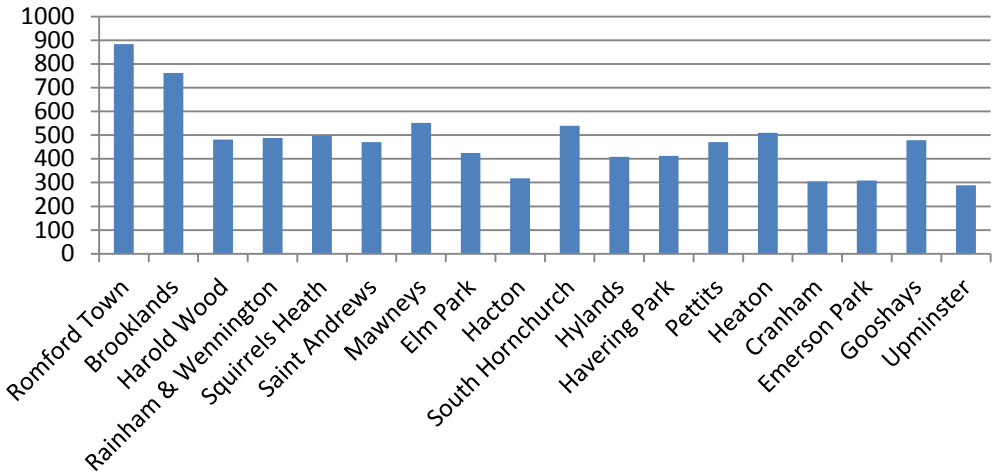



*Source: Ti 2018*

### 3.2.2 Anti-social behaviour (ASB)

The evidence shows that there are high levels of ASB in Romford Town and Brooklands in the PRS population. It also shows there are significant levels of ASB in all other wards in Havering. These are reported ASB incidents such as noise nuisance, rubbish accumulations etc.

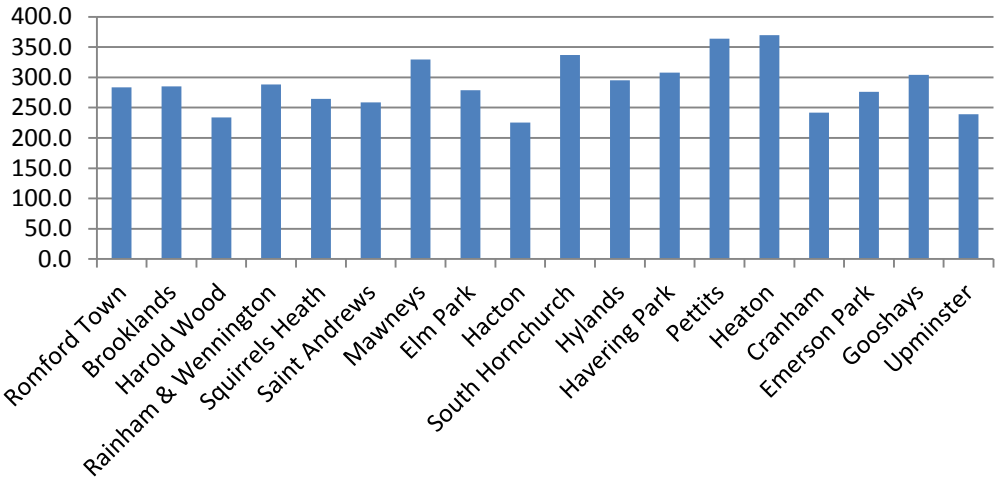
**Figure 12** Number of ASB incidents linked to PRS 2013-18




*Source: Ti 2018*

ASB in the PRS expressed as incidents per 1000 dwellings and shows a relatively even distribution across all wards. Using this measure, Heaton and Pettits have the greatest number of recorded ASB incidents proportional to the size of the PRS in each ward.

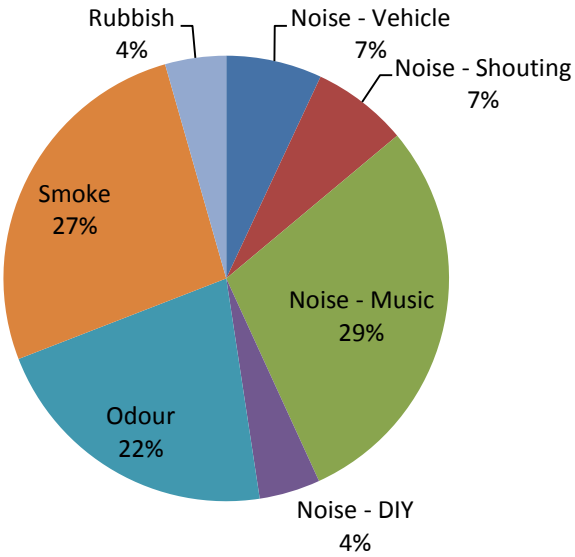
**Figure 13** Incidents of ASB linked to PRS per 1000 properties 2013-18




*Source: Ti 2018*

Recorded ASB can be divided into a number of types. Each ASB incident has an impact on the environment and neighbourhood.

**Chart 5-** Types of ASB in PRS since 2013




*Source: Ti 2018*

### 3.2.3 Housing conditions (Category 1 hazards)

Housing conditions are affected by the level of maintenance and quality of repair, the age of the property and type of construction. Category 1 hazards have a physiological or psychological impact on the occupant and may result in medical treatment. The negative impact of poor housing on health is well understood. It is widely accepted that every person and family should have a safe and decent place to live.

A council's property age profile can have an impact on housing conditions.

**Table 2** Age profile of Housing stock (all tenures)

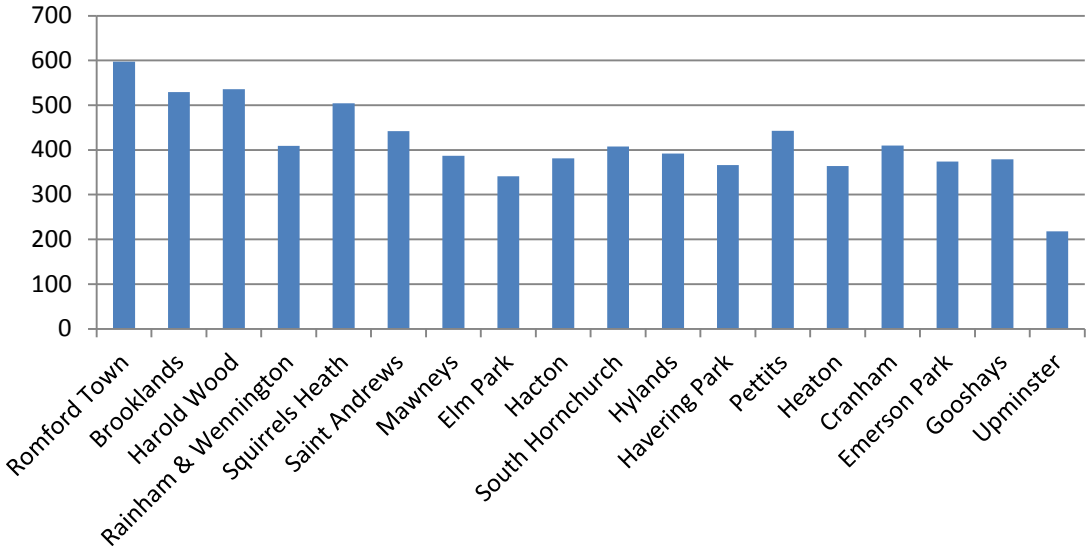
| Property Age Profile | Havering (%) | England (%) |
|---|---|---|
| **Pre 1900** | 1.7% | 16.2% |
| **1900-1918** | 3.5% | 5.5% |
| **1919-1929** | 3.9% | 5.3% |
| **1930-1939** | 34.1% | 11.1% |
| **1945-1954** | 15.8% | 7.0% |
| **1955-1964** | 14.3% | 10.8% |
| **1965-1972** | 7.9% | 10.4% |

| | | |
|---|---|---|
| **1973-1982** | 5.4% | 9.7% |
| **1983-1992** | 3.7% | 7.5% |
| **1993-1999** | 2.0% | 5.5% |
| **2000-2009** | 5.3% | 7.7% |
| **2010-2014** | 2.1% | 2.3% |

Havering has a high proportion of residential properties built between the First and Second World Wars. New house building since the 1960s has generally been lower than the national average up to 2014.

In 2016, 15% (750,000) of private rented dwellings in England had at least one Category 1 hazard; this was a higher proportion than owner occupied (13%) and social rented homes (6%) (Source: - MHCLG Private rented sector 2016-17 English Housing survey).

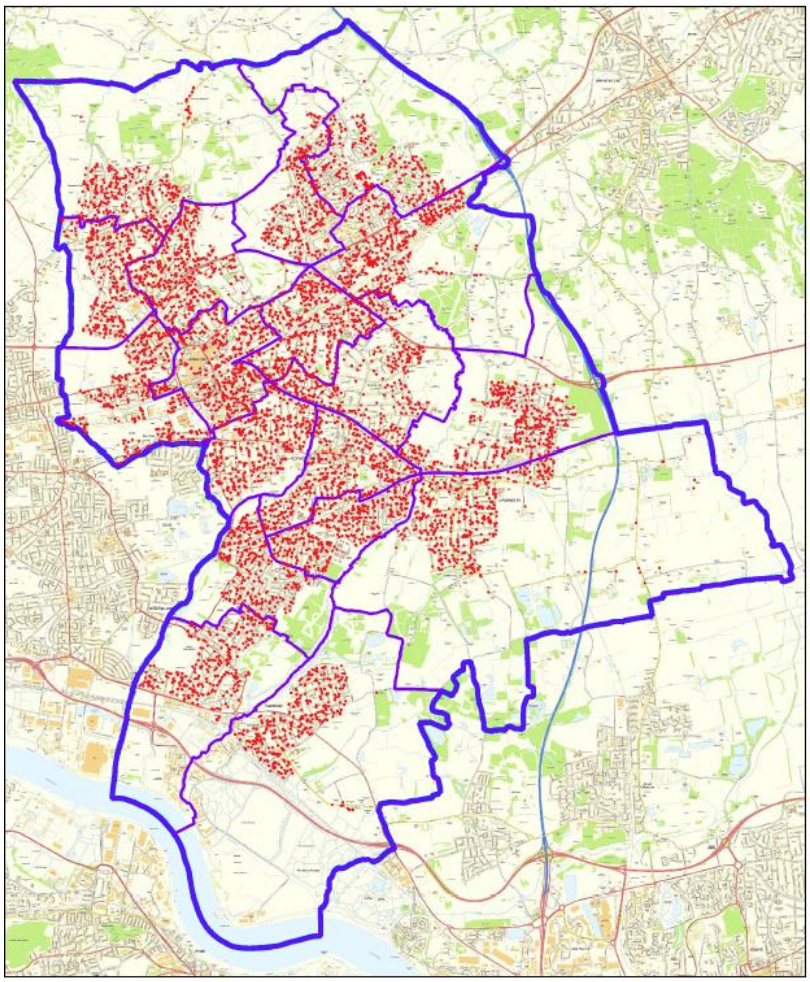
**Figure 14 –** Estimated number of Category 1 hazards by ward




*Source: Ti 2018*

Using analytic modelling there are 7,480 rental properties in Havering predicted to have a category 1 hazard. Romford Town ward is predicted to have the largest number of properties followed closely by Brooklands and Harold Wood. All other wards also show consistently high levels of category 1 hazards.

**Map 3**: Distribution of PRS properties with category 1 hazards across Havering



*Source: Ti 2018*

These properties are widespread across the Borough, however there are fewer issues in Upminster. The flowing map shows more detail of the category 1 hazards in Romford Town and Brooklands.

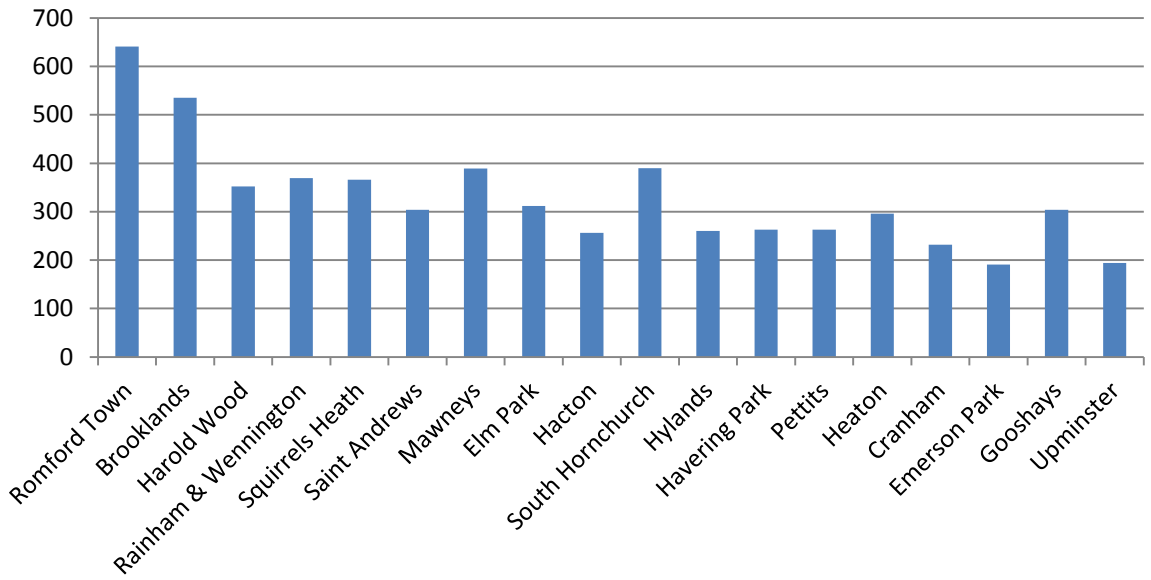
**Map 4:** showing properties in Romford Town and Brooklands with category 1 hazards

*Source: Ti 2018*

## 3.3 Council environmental interventions

Part of the housing conditions picture is to report on council intervention in the private rented sector. These are often as a result of a complaint being made by a tenant about their accommodation and a result of other nuisances. Romford Town and Brooklands have required more resources than other wards in Havering.

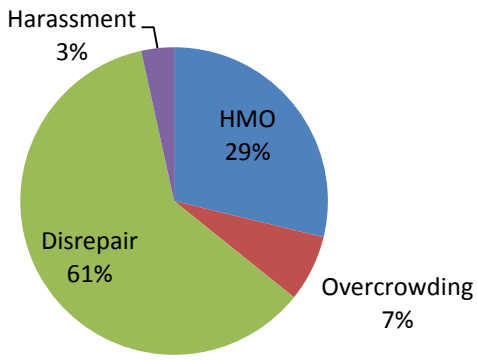
**Fig 15:** The number of councils PRS interventions by ward 2013-18




*Source: Ti 2018*

The council receives a range of complaint from tenants regarding PRS properties, the majority relating to disrepair in rental properties and HMOs.

**Chart 6** Types of complaints to the council about PRS properties




*Source: Ti 2018*

## 3.4 Results - Houses in Multiple Occupation

Houses in Multiple Occupation (HMO) are a sub-set of properties within the PRS and represent the cheapest rental accommodation- rent by room with the sharing of amenities. The Housing Act 2004 defines HMOs as a "*dwelling of 3 or more persons not forming a single household*". This definition has been used for the purposes of this report.

### 3.4.1. Population and distribution

HMOs are the cheapest form of housing available and have traditionally been occupied by single adults. Pressure on affordable housing and higher rates of homelessness has driven up demand for this type of dwelling. Greater demand has resulted in growth in this sector across London over the last decade.

**Table 3 -** Numbers of HMOs per ward

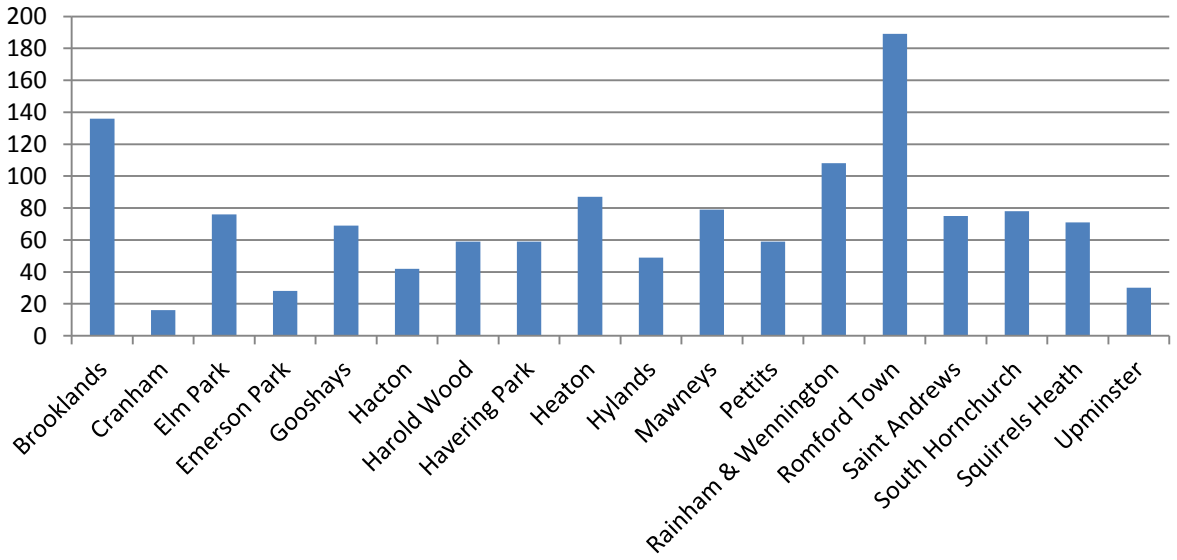
| Ward | Number HMOs |
|---|---|
| Brooklands | 136 |
| Cranham | 16 |
| Elm Park | 76 |
| Emerson Park | 28 |
| Gooshays | 69 |
| Hacton | 42 |
| Harold Wood | 59 |
| Havering Park | 59 |
| Heaton | 87 |
| Hylands | 49 |
| Mawneys | 79 |
| Pettits | 59 |
| Rainham & Wennington | 108 |
| Romford Town | 189 |
| Saint Andrews | 75 |
| South Hornchurch | 78 |
| Squirrels Heath | 71 |
| Upminster | 30 |

*Source: Ti 2018*

The number of predicted HMOs was 800 at the time of introducing the additional licensing scheme for the twelve wards in October 2017. It is now estimated to be 1070 for these twelve wards and 1310 for all wards. Note, this will include HMOs that are not licensable, including temporary accommodation etc. The modelling is supported by enforcement work on the ground as it is being used to identify unlicensed HMO properties with a high degree of accuracy.

Romford Town has the highest number of HMOs, followed closely by Brooklands.

**Figure 16:** Number of HMOs in each ward

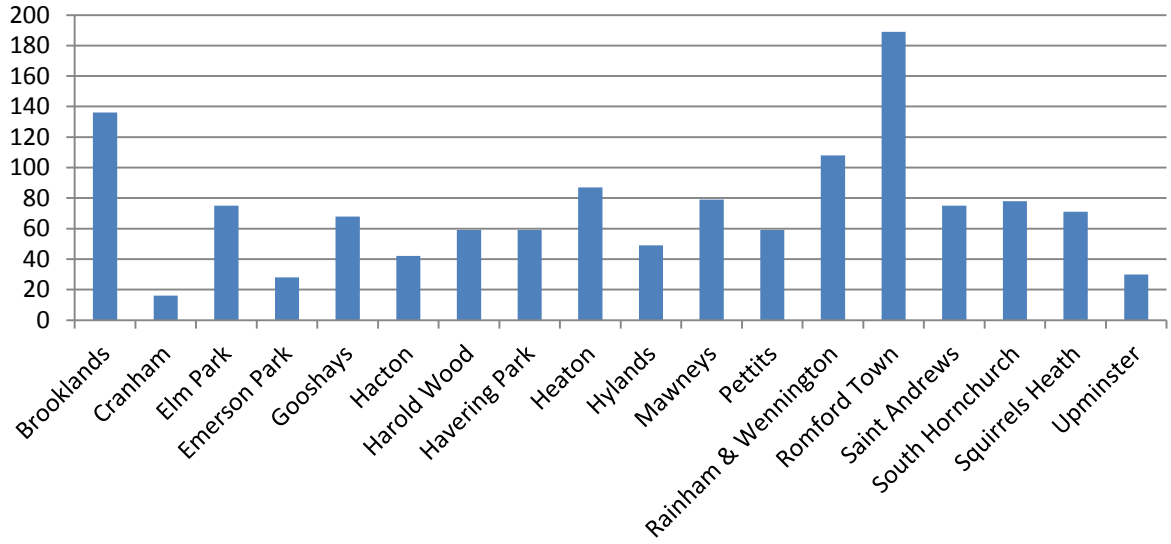



*Source: Ti 2018*

### 3.4.2. HMO & Anti-Social Behaviour

The number of ASB incidents shown above relate to ASB associated with residential premises only, commercial and ASB incidents on the street are excluded from these figures. The number of ASB incidents correlates with the highest levels of HMOs. Romford and Brooklands wards having the highest number of incidents. Across all wards the number of incidents is significant and is almost a 1 to 1 ratio.

**Figure 17:** Number of ASB incidents linked to HMOs by ward



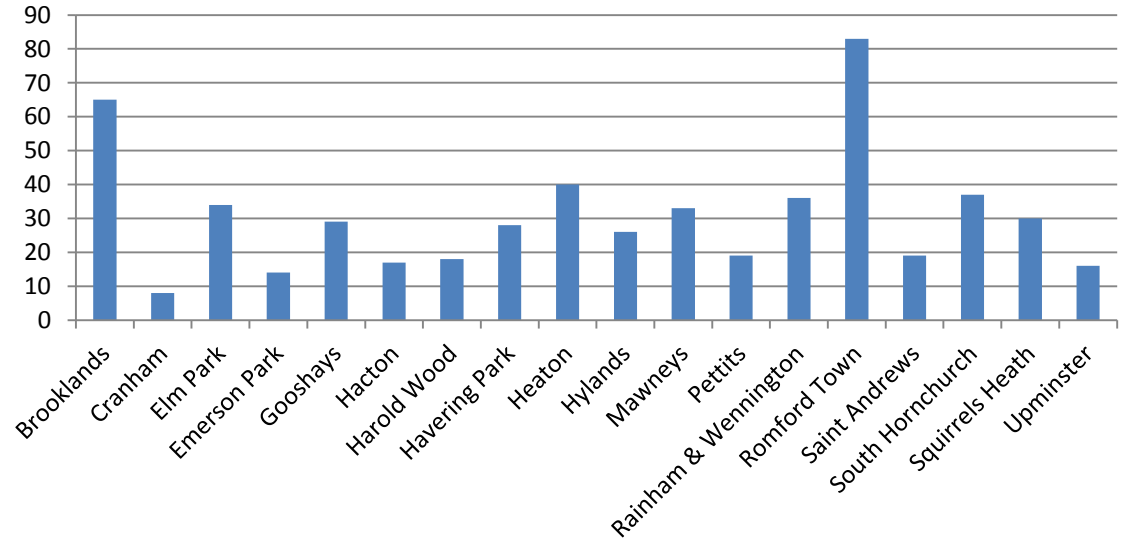

*Source: Ti 2018*

### 3.4.3. HMO & Housing conditions

HMOs have the some of the poorest housing conditions of any tenure. Analysis shows that 553 of 1312 (42%) HMOs in Havering are predicted to have serious hazards (Category 1 HHSRS).

Numbers of Category 1 hazards are highest in Romford Town and Brooklands. All wards have HMOs with Category 1 hazards.

**Figure 18** Predicted number of serious hazards in HMO by ward

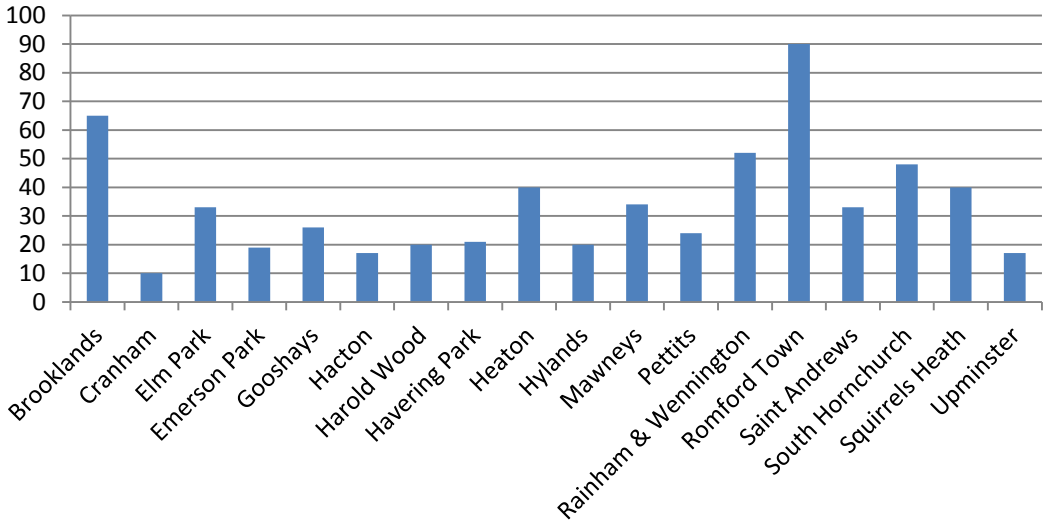



*Source: Ti 2018*

### 3.4.4. HMO economic stressors

Operational based practice has shown that HMOs (where the landlord is legally responsible for the council tax) have high rates of council tax arrears; The highest number of cases where the arrears total over £1000 are highest in the two wards with the highest number of HMOs- Romford Town and Brooklands.

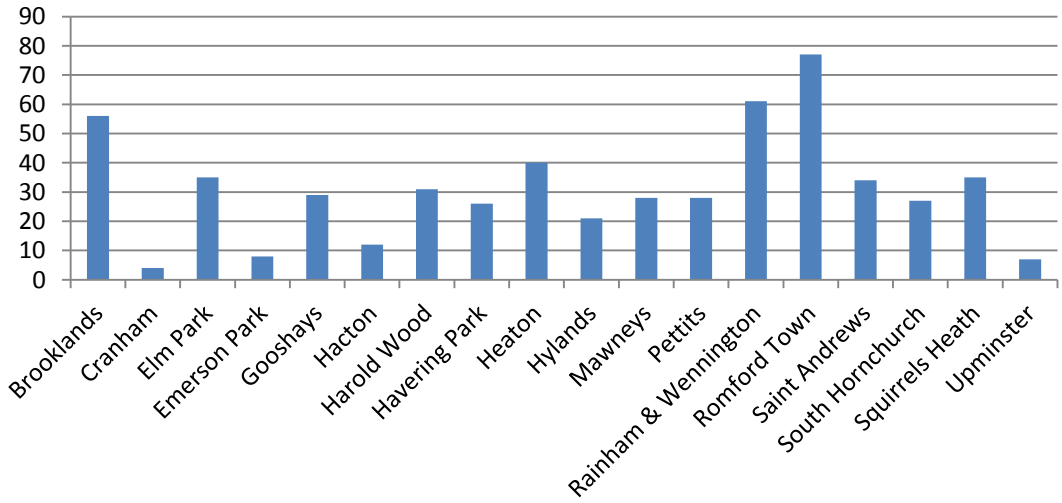
**Figure 19:** Council tax arrears in HMOs of more than £1000




*Source: Ti 2018*

The figure below shows the number of housing benefit claims being paid to tenants in HMO by ward. This illustrates the large numbers of economically vulnerable tenants and the amount of public finance being paid to private landlords.

**Figure 20:** Housing benefit claims in HMOs




*Source: Ti 2018*

# 4. Policy Context

## 4.1 PRS Strategy across East London

Rapid PRS growth has been seen across east London over the last 15 years. The policy response has generally been greater regulation of the market through property licensing to mitigate some of the concerns that accompany large and growing PRS populations. Havering currently has the lowest level of PRS licensing of any outer east London borough. Table 1 provides an overview of the PRS and property licensing across east London.

| London Borough | No. PRS | % PRS | % PRS covered by licensing | Notes |
|---|---|---|---|---|
| Newham | 52,000 | 47% | 97% | Borough wide additional and selective licensing introduced in 2013, excluding Olympic Park. |
| **Havering** | **30,215** | **29%** | **3%** | Additional licensing introduced in 2018 in 12 of 18 wards |
| Barking and Dagenham | 21,000 | 28% | 100% | Borough wide licensing introduced in 2014, currently under renewal. PRS figures probably below actuals |
| Waltham Forest | 38,000 | 39% | 100% | Borough wide licensing introduced in 2015, currently under renewal |
| Redbridge | 46,000 | 45% | 80% | Borough wide additional and 80% Selective introduced in 2016 |

*Additional licensing - relates to small HMOs only (3&4 person) **Selective licensing - related to all private single-family dwellings

**Table 4:** size of the PRS and proportion covered by licensing schemes in several East London boroughs

## 4.2 Reviewing Housing conditions

A local housing authority must keep the housing conditions in their area under review with a view to identifying any action that may need to be taken by them under the Housing Act 2004, Part 1, specifically:

- dwellings that are below standard (currently category 1 hazards HHSRS)
- licensing of HMOs,
- selective licensing of other houses
- management orders
- demolition orders and slum clearance
- renewal areas and
- to provide assistance (either directly or indirectly) to any person for the purpose of improving living conditions in the local authority area e.g. adaptations to the home for disabled persons

This report contains a review of housing conditions in the area to satisfy this requirement, the section below outlines the current interventions and policy in the LB Havering.

## 4.3 Current PRS interventions by London Borough of Havering

### 4.3.1 Article 4

The council introduced an Article 4 direction to protect family homes from conversion to HMO. Although this is a useful policy in protecting family homes, there is evidence that many properties have been converted to HMO before the new rules took effect in 2016.

### 4.3.2 Additional Licensing Scheme

The Council introduced Additional Licensing in twelve wards in October2017. Enforcement of the scheme started in March 2018. The scheme mandates that all small HMOs (3 or more person and 2 or more households) must licence with the council. The scheme offers the council new powers to tackle overcrowding, poor property management and ASB. Compliance with the scheme launch has been low, with less than 10% of landlords licensing on time.

To ensure the scheme is a success and that all landlords comply, Havering is taking a proactive enforcement stance to identify non-compliant landlords and agents. To help promote good landlords, every effort is made to enable landlords to comply with the scheme by sending out

warning letters. For those landlords that choose not to licence, Private Housing Enforcers work closely with partners internally and externally including, planning, Police and Immigration Enforcement targeting problematic and dangerous rental properties.

Since March 2018 the service has overseen 19 early morning multi-agency operations and issued 108 financial penalties in respect to poor housing conditions and failure to licence, with a value of £304,250. In addition, 16 notices related to property standards (see monthly update below) have been served. Property history is used to identify non-compliant properties, including residents' complaints, overcrowding, council tax arrears and ASB reports amongst other factors. This approach has worked well so far and the evidence on the ground shows a clear correlation between poor housing conditions and unlicensed properties.

In addition to licensing enforcement, the service receives more than 400 complaints from private tenants each year, with peak demand during colder months. This demand is managed on a risk basis and often requires the use of statutory notices to address serious hazards, such as damp and mould and no heating.

### 4.3.3 Tackling Disrepair

Part I of the Act contains powers for regulating the private rented sector which includes; improvement notices for disrepair, prohibition notices, management orders etc.

The housing health and safety rating system (HHSRS) is a risk-based evaluation tool to help local authorities identify and protect against potential risks and hazards to health and safety from any deficiencies identified in dwellings. Where category 1 hazards are present local authorities have a general duty to act. They must take one of the following actions; serve an improvement notice, make a prohibition order, serve a hazard awareness notice, take emergency remedial action, make a demolition order or declare a clearance area.

Reviewing notices and interventions under Part 1, the Council has historically preferred an informal approach to enforcement. However, since March 2018 a more formal enforcement approach has been adopted aided by additional powers from licensing.

### 4.3.4 Housing and Planning Act 2016

Provides councils with additional powers to tackle criminal/rogue landlords in the private rented sector. The Act also covers other housing policy areas such as social housing rents to earnings, changes in social housing tenancies etc.

For the purposes of this report the additional powers are of most importance; local authorities now have an alternative to prosecution as this Act provides for a council to impose a civil penalty with a maximum fine of £30,000. The local authority can also retain the money recovered, which can then be reinvested into housing enforcement.

Havering have drawn down these powers and have been using them appropriately since March 2018.
Other powers include;

- Creating a national database of rogue landlords/letting agents, which will be maintained by local authorities
- Allowing tenants or local authorities to apply for a rent repayment order where a landlord has committed certain offences (for example continuing to operate while subject to a banning order or ignoring an improvement notice). If successful, the tenant (or the authority if the tenant was receiving universal credit) may be repaid up to a maximum of 12 months' rent

No banning orders or rent repayment orders have been applied for to date as circumstances/cases currently do not exist.

## 4.4 Interventions currently not in use

### 4.4.1 Management orders

At the time of writing no management orders were in place in Havering, as currently there are no cases that warrant this action.

### 4.4.2 Demolition orders and slum clearance

Although 25% of the rental stock have category 1 hazards, this does not mean that Demolition orders or slum clearance are appropriate. Taking into account the cost of remediation and value of

the properties in the borough it is unlikely that this will be an appropriate course of action for the foreseeable future. However, this is always assessed on a case by case basis and could be used if the correct circumstances are present.

### 4.4.3 Renewal areas

There are currently no renewal areas in Havering.

### 4.4.4 Selective Property licensing

Havering currently licence large HMOs which fall into the Mandatory scheme and from March 2018 smaller HMOs if they are present in 12 wards. There is therefore an option, if the evidential criteria are met, to introduce more licensing i.e. to extend the additional licensing scheme to the other 6 wards and introduce some selective licensing (to licence properties that are rented to single households).

Large-scale selective licensing schemes are an important tool for local authorities seeking to tackle criminal landlords and improve standards in the private rented sector, as well as helping to address wider issues such as anti-social behaviour. This approach has been widely adopted in east London. Newham, Tower Hamlets, Hackney, Waltham Forest and Barking and Dagenham all have large selective licensing schemes and use the extended powers to exclude rogue landlords operating in each borough.

Mandatory licensing of Households in Multiple Occupation (HMOs) was extended in October 2018, however it is not sufficient to address the scale of problems in many areas as it excludes smaller HMOs and is challenging to enforce without the additional powers and resources that discretionary licensing provides.

Licensing powers sit under Parts 2 and 3 of the Housing Act 2004, to regulate and license HMOs and also rentals let to single households if the local council has chosen to use them. There is mandatory licensing and discretionary licensing:-

a) *Mandatory licensing* – HMOs with 5 or more people, forming more than 2 households. In 2018, the UK government published new guidance for landlords to extend mandatory licensing and further protect tenants from poor living conditions. As of 1st October 2018, any landlord who lets a property

to five or more people (or 2 separate households), irrespective of the number of storeys the property has must be licensed by their local housing authority.

b) *Discretionary licensing* – licensing schemes which can be introduced by Councils at a local level if certain criteria can be met.

i) Additional licensing – regulate smaller HMOs i.e those with 3 or 4 persons forming more than 1 household

ii) Selective licensing – Rentals let to single households

There are exemptions which include Local Authority stock and some non-profit registered provider properties.

Licensing provides a useful regulatory framework to improve housing standard through licensing conditions as well as being able to focus enforcement on unlicensed properties where evidence-based practice shows most of the housing crimes are committed.

Benefits of licensing include:

- **Greater enforcement capability, including powers of entry**: This increased capacity can be clearly seen in London, where the four London councils with borough-wide selective licensing account for 73.7% of all prosecutions across the capital's 33 boroughs.
- **Resources**: In a context of significant cuts to council budgets, licensing provides ring-fenced income for local authorities to fund regulation and enforcement over a sustained period.
- **Data and intelligence**: Enabling councils to better understand the scale of the private rented sector and target their interventions.
- **Improved housing conditions and tackling Anti-Social Behaviour (ASB):** Licensing conditions, backed by enforcement, can lead to improvements in standards and safety as well as helping local authorities to tackle crime and ASB.
- **Joint working:** Licensing provides the intelligence and legal framework that enables enhanced partnership working with other agencies.
- **Engagement with landlords:** Licensing enables councils to engage with landlords and helps to inform and professionalise the market (Core Cities Licensing Report, Moffatt/Watson 2018 [6])

[6] https://metastreet.co.uk/files/Core_Cities_UK_Metastreet_licensing_report_Oct_2018.pdf

However, licensing itself is not a 'catch all' solution. Criticisms raised in relation to schemes that are overly bureaucratic, insufficiently targeted, and poorly enforced, are valid where the approach has not been well designed and implemented. To maintain effectiveness and legitimacy, large-scale licensing schemes should be backed by robust, targeted enforcement, and be part of a wider strategy to improve the PRS and/or tackle ASB (Core Cities Licensing Report, Moffatt/Watson 2018).

### 4.4.5 Energy Act 2011

The Energy Act 2011 requires that from 2016 reasonable requests by tenants for energy efficiency improvements will not be able to be refused.

In theory from 2018 it has been unlawful for landlords to rent out properties that do not reach a minimum standard of energy efficiency (set at Energy Performance Certificate rating E). However, the exemptions are generous making this legislation less effective in improving energy efficiency of domestic homes.

# 5 Conclusions and recommendations

The evidence provided in this report shows a substantial rise in privately rented properties in Havering. This tenure group is always shown as living in properties with the highest proportion of disrepair.

It is estimated that over 7000 properties have category 1 hazards.

ASB in privately rented properties as a whole is high and higher in the sub set HMO group. It can be seen that some wards have a particular high incident of ASB which warrants further action.

The council is fully utilising its existing powers under Part I of the Housing Act 2004 and is also using the new powers afforded it in the Housing and Planning Act 2016 appropriately.

This report has outlined some further intervention options available to the council to improve Housing conditions. These are mainly to;

- Extend the number of properties covered by discretionary licensing
- Focus resources on areas with the worst conditions
- Continue multi agency enforcement

The remit of this report does not extend to more strategic housing interventions in respect to house building, affordable housing or regeneration activities.

## Appendix 1 – Ward summaries

| Ward | Summary | |
|---|---|---|
| Romford Town | Total residential stock | 8292 |
| | % PRS | 37.6% |
| | No. PRS | 3117 |
| | No. PRS dwellings claiming housing benefit | 829 |
| | No. ASB incidents since 2013 | 883 |
| | No. Category 1 hazards | 597 |
| | No. HMOs **(note, included licensable HMOs)** | 189 |
| Brooklands | Total residential Stock | 7663 |
| | % PRS | 34.9% |
| | No. PRS | 2674 |
| | No. PRS dwellings claiming housing benefit | 771 |
| | No. ASB incidents since 2013 | 762 |
| | No. Category 1 hazards (predicted) | 529 |
| | No. HMOs | 136 |
| Harold Wood | Total residential Stock | 6444 |
| | % PRS | 32.0% |
| | No. PRS | 2061 |
| | No. PRS dwellings claiming housing benefit | 511 |
| | No. ASB incidents since 2013 | 482 |
| | No. Category 1 hazards | 536 |
| | No. HMOs | 59 |
| Squirrels Heath | Total residential Stock | 6013 |
| | % PRS | 31.3 |
| | No. PRS | 1884 |
| | No. PRS dwellings claiming housing benefit | 430 |
| | No. ASB incidents since 2013 | 498 |
| | No. Category 1 hazards | 504 |

| | | |
|---|---|---|
| | No. HMOs | 71 |
| Rainham & Wennington | Total residential Stock | 5347 |
| | % PRS | 31.6% |
| | No. PRS | 1692 |
| | No. PRS dwellings claiming housing benefit | 621 |
| | No. ASB incidents since 2013 | 488 |
| | No. Category 1 hazards | 409 |
| | No. HMOs | 108 |
| Mawneys | Total residential Stock | 5572 |
| | % PRS | 30.1% |
| | No. PRS | 1676 |
| | No. PRS dwellings claiming housing benefit | 495 |
| | No. ASB incidents since 2013 | 552 |
| | No. Category 1 hazards | 387 |
| | No. HMOs | 79 |
| Saint Andrews | Total residential Stock | 6032 |
| | % PRS | 30.2% |
| | No. PRS | 1821 |
| | No. PRS dwellings claiming housing benefit | 474 |
| | No. ASB incidents since 2013 | 471 |
| | No. Category 1 hazards | 442 |
| | No. HMOs | 75 |
| Hacton | Total residential Stock | 5121 |
| | % PRS | 27.5% |
| | No. PRS | 1410 |
| | No. PRS dwellings claiming housing benefit | 290 |
| | No. ASB incidents since 2013 | 318 |
| | No. Category 1 hazards | 381 |
| | No. HMOs | 42 |
| Elm Park | Total residential Stock | 5446 |
| | % PRS | 28.0% |
| | No. PRS | 1525 |
| | No. PRS dwellings claiming housing benefit | 517 |

| | | |
|---|---|---|
| | No. ASB incidents since 2013 | 425 |
| | No. Category 1 hazards | 341 |
| | No. HMOs | 76 |
| South Hornchurch | Total residential Stock | 5879 |
| | % PRS | 27.2% |
| | No. PRS | 1599 |
| | No. PRS dwellings claiming housing benefit | 560 |
| | No. ASB incidents since 2013 | 539 |
| | No. Category 1 hazards | 408 |
| | No. HMOs | 78 |
| Hylands | Total residential Stock | 5323 |
| | % PRS | 26.0% |
| | No. PRS | 1386 |
| | No. PRS dwellings claiming housing benefit | 334 |
| | No. ASB incidents since 2013 | 409 |
| | No. Category 1 hazards | 392 |
| | No. HMOs | 49 |
| Pettits | Total residential Stock | 5307 |
| | % PRS | 24.3% |
| | No. PRS | 1291 |
| | No. PRS dwellings claiming housing benefit | 295 |
| | No. ASB incidents since 2013 | 470 |
| | No. Category 1 hazards | 443 |
| | No. HMOs | 59 |
| Havering Park | Total residential Stock | 5385 |
| | % PRS | 24.9% |
| | No. PRS | 1342 |
| | No. PRS dwellings claiming housing benefit | 467 |
| | No. ASB incidents since 2013 | 413 |
| | No. Category 1 hazards | 366 |
| | No. HMOs | 59 |
| Cranham | Total residential Stock | 5353 |
| | % PRS | 23.6% |

| | | |
|---|---|---|
| | No. PRS | 1261 |
| | No. PRS dwellings claiming housing benefit | 227 |
| | No. ASB incidents since 2013 | 305 |
| | No. Category 1 hazards | 410 |
| | No. HMOs | 16 |
| Emerson Park | Total residential Stock | 4767 |
| | % PRS | 23.5% |
| | No. PRS | 1120 |
| | No. PRS dwellings claiming housing benefit | 289 |
| | No. ASB incidents since 2013 | 309 |
| | No. Category 1 hazards | 374 |
| | No. HMOs | 28 |
| Heaton | Total residential Stock | 5747 |
| | % PRS | 24.0% |
| | No. PRS | 1380 |
| | No. PRS dwellings claiming housing benefit | 565 |
| | No. ASB incidents since 2013 | 510 |
| | No. Category 1 hazards | 364 |
| | No. HMOs | 87 |
| Upminster | Total residential Stock | 5390 |
| | % PRS | 22.3% |
| | No. PRS | 1204 |
| | No. PRS dwellings claiming housing benefit | 165 |
| | No. ASB incidents since 2013 | 288 |
| | No. Category 1 hazards | 218 |
| | No. HMOs | 30 |
| Gooshays | Total residential Stock | 6717 |
| | % PRS | 23.4% |
| | No. PRS | 1575 |
| | No. PRS dwellings claiming housing benefit | 539 |
| | No. ASB incidents since 2013 | 479 |
| | No. Category 1 hazards | 379 |
| | No. HMOs | 69 |

**Ward PRS summary**

| Ward | Total Stock | % PRS | Total PRS |
|---|---|---|---|
| Romford Town | 8292 | 35.9% | 2978 |
| Brooklands | 7663 | 33.0% | 2528 |
| Harold Wood | 6444 | 30.6% | 1973 |
| Squirrels Heath | 6013 | 30.2% | 1817 |
| Rainham & Wennington | 5347 | 29.8% | 1591 |
| Mawneys | 5572 | 29.1% | 1623 |
| Saint Andrews | 6032 | 28.9% | 1742 |
| Hacton | 5121 | 26.9% | 1378 |
| Elm Park | 5446 | 26.7% | 1455 |
| South Hornchurch | 5879 | 25.2% | 1484 |
| Hylands | 5323 | 25.2% | 1340 |
| Pettits | 5307 | 23.7% | 1259 |
| Havering Park | 5385 | 23.3% | 1253 |
| Cranham | 5353 | 22.9% | 1227 |
| Emerson Park | 4767 | 22.5% | 1073 |
| Heaton | 5747 | 22.2% | 1276 |
| Upminster | 5390 | 22.0% | 1187 |
| Gooshays | 6717 | 22.0% | 1477 |

## Appendix 2- A summary of PRS enforcement options

| Action | Circumstances |
|---|---|
| 1. No action | • Complaints or allegations of housing legislation breaches or statutory nuisances are of minor or low risk to health and the landlord has not been informed by the complainant, or allegations are unsubstantiated and unwitnessed.<br>• Formal action is inappropriate in the circumstances. |
| 2. Advisory notices and | • Where conditions are evidenced to justify action and investigation |

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| letters | and it is appropriate to give opportunity to landlords and tenants to make representations, provide information or effect change to meet compliance.<br>• No health impacts are present which poses a risk to health or nuisance. |
| 3. Formal notices or orders | • The defect/conditions presents a risk to health and/or a nuisance.<br>• There are previous failures of statutory requirements.<br>• Previous advisory notices/letters ignored or action was not taken in a timely manner or to the correct standard.<br>• There is a lack of confidence in the individual or management i.e. the willingness to respond to an informal approach<br>• The Council is legally required to serve a statutory notice. |
| 4 Financial Penalties<br>(of up to £30,000.) | • Non-compliance with an improvement or overcrowding notice.<br>• Failure to obtain a property licence<br>• Significant and/or repeated breaches of HMO management regulations.<br>• Breaches of the conditions of the property licence.<br>• Amount of penalty decided by financial penalty Matrix Used as alternative to a prosecution. |
| 4. Works in Default – Emergency Remedial Action & Emergency Prohibition Order | • There is an imminent risk to health and safety to the occupant and/or public<br>• Awaiting the service of a notice or a prosecution would not adequately protect the public interest.<br>• However, this does not rule out subsequent action being taken in conjunction with a prosecution, financial penalty, RRO or other legal action. |

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| 5. Works in Default – non-compliance with a notice | • We may choose to carry out works required by a notice if they have not been completed within the permitted time or are not likely to be completed within the permitted time.<br>• This may be taken in conjunction or followed with a prosecution or financial penalty and/or RRO. |
| 6. Reducing the term (length) of an additional HMO Licence. | • When assessing a Property Licence application, where appropriate and in conjunction with the Council's Fit and Proper and Cause for Concern policies, we may reduce the term of the licence.<br>• A Licence holder may continue to stay on a 1 year licence if they still are a 'Cause for Concern'. E.g. not fulfilling the training requirement, poor management etc; |
| 7. Adding new property licence conditions | • When assessing a Property Licence application, where appropriate and in conjunction with the Council's Fit and Proper and Cause for Concern policies, we may add further conditions to remedy poor landlord behaviour or standards e.g. not fulfilling the training requirement, poor management etc.; |
| 8. Formal (Simple) Caution | • This will be offered as an alternative to a financial penalty or a prosecution for very low level offending where it is appropriate to do so in line with the Home Office Guidance on Simple Cautions and The Code of Crown Prosecutors. |
| 9. Refusal to grant a property licence and<br><br>Revocation of property licenses and approvals | • Where the Licence application is not made in accordance with the Council's application requirements; or<br>• Where the Licence application is not accompanied by the appropriate fee; or<br>• Where the proposed manager/licence holder is not a 'fit and proper' person; or<br>• Where the proposed manager/licence holder is not the most appropriate person to hold a licence; or<br>• Where the proposed manager/licence holder is not the person or an |

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| | agent of a person who has control of the property; or<br>• Where the proposed management arrangements are not satisfactory; or<br>• Where the property is not reasonably suitable of occupation in regards the number of persons or households.<br>• Where the Council consider that the licence holder or any other person has committed a serious breach or repeated breaches of a condition of the licence.<br>• Or a combination of the above. |
| 10. Prosecution | • This will be considered for the more serious cases which satisfy the legal tests under the 'Code for Crown Prosecutors' in that it passes the i) evidential stage and ii) public interest stage. At the charging stage, there must be 'a realistic prospect of conviction'.<br>• Once the case is issued in Court, if the case is contested, the Authority must prove the case 'beyond reasonable doubt'.<br>• See section 3.18 for more detail. |
| 11. Rent Repayment Orders (RRO) | • RRO will be considered after every successful prosecution for failure to comply with an Improvement Notice (section 30); Prohibition Order, including Emergency Prohibition Orders (section 32); Offences in relation to licensing of HMOs (section 72) and in relation to licensing of houses under Part 3 of the Act (section 95).<br>• Where a landlord fails to licence a licensable property and they received a significant amount of Housing Benefit, a RRO application may be made to the First Tier Tribunal. |
| 12. Banning Order | • The Council may decide to seek a Banning Order following the breach of 'banning order offences' by landlords and agents. A banning order last for a minimum of 12 months and prevent landlords or agents from letting their own properties or being involved in the lettings and property management industry across |

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| | England. |
| 13..Proceeds of Crime Act | • Where landlords or others have benefited from the proceeds of a criminal activity we will work with Trading Standards colleagues and other internal departments as necessary to consider applications or legal proceedings under the Proceeds of Crime Act 2002 or other associated legislation. . |

# Appendix 3 - Enforcement Case Studies

Case Study 1 – HMO Fire

In April this year, the London Fire Brigade (LFB) notified Havering's Private Sector Housing Team of a fire in a 3 storey House in Multiple Occupation (HMO) in Harold Hill. The fire started as a result of an unattended pan in a shared kitchen. An investigation carried out by Havering Council in partnership with the LFB confirmed that **the fire alarm system was defective and did not sound** and in fact had not been in working order for some time.

A life threating situation was only averted by a quick thinking tenant who discovered the fire. The tenant alerted other occupants residing on the top floor and assisted the evacuation of the property.

*Key fact: Tenants in HMOs face much higher fire risks than occupant of other tenure types.*

One of the key conditions on a **HMO licence** is that effective **fire detection is maintained in proper working** for just this type of scenario**.** For this serious breach, **a Financial Penalty Notice (FPN) of £5,000** was issued to the licence holder**.** The licence holder accepted liability and agreed to pay the full penalty amount claimed. Private Sector Housing are reviewing the status of the licence.

Fire damage in shared kitchen

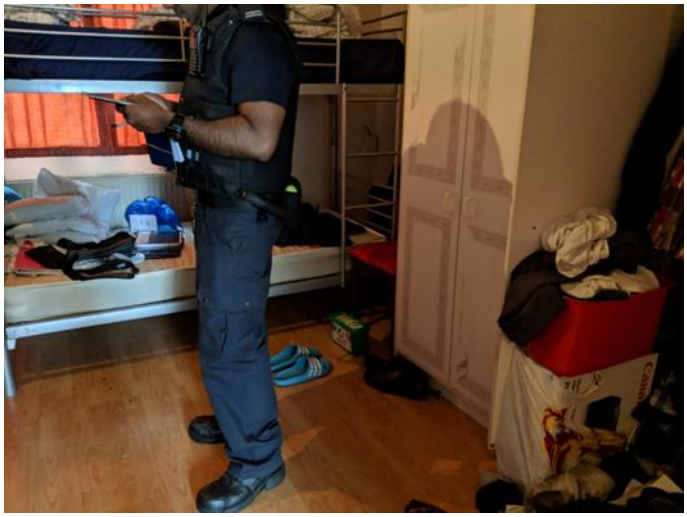
Case Study 2 –Overcrowding and disrepair

An unannounced inspection by officers from Private Sector Housing in July 2018 found 8 Turkish national males living in unhygienic shared housing conditions.

The unlicensed HMO above shops in the centre of Gidea Park was found to be overcrowded, filthy and had no working fire detection. Every room in the property had been converted into a bedroom, a number of which had bunkbeds.

The property became a target for action because a HMO license had not been received and the data and intelligence suggest it could be a HMO.

Police, Immigration Enforcement and Housing Officers visited the property.



Case Study 3 – Poor living conditions

A multi-agency enforcement operation organised by Havering PRS Officers on 5th October 2018 found an overcrowded unlicensed HMO being occupied by a number of non-related residents, some of whom worked in the Indian Restaurant on the ground floor of the premises.

The living accommodation was found to be in poor condition with inadequate fire safety. Two of the persons found sleeping on the premises were removed from the property by immigration officers.

Financial Penalty Notices are to be served on the property owner for failing to licence a HMO and for Management Regulation breaches.

A referral has also been made to the Food Safety team as there was concern over the hygiene of the food business, given the general run-down condition of the premises overall. The fire authorities have also been informed about fire safety concerns as this premises is part commercial.

27/09/2018 09:38

27/09/2018 09:42

FOUR ZONE FIRE PANEL
To Silence: Enter access code then press silence
To Reset: Enter access code press silence then press reset
To Evacuate: Enter access code then press evacuate
To Mute Buzzer: Enter access code then press mute buzzer
POWER
FIRE
GENERAL FAULT
POWER FAULT
SYSTEM FAULT
DISABLE
SOUNDER FAULT
TEST
FIRE
ZONE
1 2 3
1 2 3
SILENCE
RESET
EVACUATE
ENABLE
27/09/2018 09:45

27/09/2018 09:41