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**Oxford City
Council Local
Plan 2036**

*Houses in Multiple
Occupation*

**BACKGROUND
PAPER**

INTRODUCTION

Houses in Multiple Occupation (HMO) are a common concern of many residents in Oxford. They are frequently associated with issues that affect the local neighbourhood. Poor management of the properties can result in anti-social behaviour and reduced community cohesion. Furthermore, the unrestricted conversion of family-size dwellings into HMO can change the social composition of an area, and reduce opportunities for families or others to buy or rent houses in Oxford.

However, with a large student population and increasing affordability issues, HMO also provide an important source of housing for residents of Oxford. HMO provide a flexibility and affordability that many students and young professionals require, and that other forms of housing and the market are not able to deliver.

Due to this tension surrounding HMOs, Oxford City Council implemented an Article IV Direction to ensure planning control over the creation of new C4-class HMO (discussed below and attached to this document as Appendix A). This paper sets out the context for HMO within planning, and gives evidence and explanation supporting the City Council's position and proposed policy on how to manage HMO in Oxford. Sections of the paper are set out to identify the relevant legislative framework; summarise national planning policy; discuss the existing local policy context in Oxford; outline the existing local housing context; articulate Oxford City Council's ambitions for mixed and balanced communities; review the performance of the existing policy; and propose the preferred option for the OLP2036 planning policy on HMO.

LEGISLATIVE FRAMEWORK

For planning purposes, the relevant legislation to consult is the *Town and Country Planning (Use Classes) Order 1987*¹ and the *Town and Country Planning (General Permitted Development) (England) Order 2015*². According to these, HMO fall into one of two categories of use-class. The first of which is known as a 'large HMO' and – in general terms – is considered to consist of more than six non-related people sharing accommodation that is not separated into self-contained units, and where some domestic facilities (such as bathroom, kitchen or living space) are shared. According to the *Town and Country Planning (Use Classes) Order 1987*, 'Large HMO' fall into the Sui Generis use-class and require planning permission in order to be established via a property's change of use.³

The second category of HMO are known as 'small HMO'. This category describes accommodation that houses between three and six unrelated occupants who share basic

¹ <http://www.legislation.gov.uk/uksi/1987/764/contents/made>

² <http://www.legislation.gov.uk/uksi/2015/596/contents/made>

³ <http://www.legislation.gov.uk/uksi/1987/764/contents/made>

amenities (e.g. kitchen and bathroom). Properties that contain the owner and up to two lodgers do not qualify as HMO. 'Small HMO' fall into the C4 use-class, for which a change of use from a C3-dwellinghouse is permitted unless permitted development rights have been revoked.⁴

The *Town and Country Planning (General Permitted Development) (England) Order 2015* grants local authorities the ability to restrict/revoke permitted development rights through the declaration of an Article IV Direction.⁵ Oxford City Council used that power (as equally granted through the preceding legislation of the *Town and Country Planning (General Permitted Development) (England) Order 1995*) to remove the permitted development right of a change of use from C3-dwellinghouse to C4-small HMO across the whole of Oxford on 24 February 2012 (the Article IV direction itself can be found attached to this document as Appendix A).⁶ As such, no change of use to either category of HMO is permitted within Oxford City Council boundaries without acquiring planning permission in advance.

HMO are also required to obtain a license to operate. The licensing powers and standards are set out in the *Housing Act 2004*⁷ and *The Licensing and Management of Houses in Multiple Occupation and Other Houses (Miscellaneous Provisions) (England) Regulations 2006*⁸, and the licensing scheme is run by Oxford City Council. The *Housing Act 2004* (and its resulting licensing scheme) is not a piece of planning legislation per se, and rather sits outside of the planning process as it operates. However, some of the obligations required for the license and derived from the *Housing Act 2004* have been brought into the development management process through existing Oxford City Council planning policies. Further discussion of this can be found in the section entitled *Review of existing policy performance*.

NATIONAL PLANNING POLICY

National Planning Policy Framework (NPPF) para 50⁹ states that in order to deliver a wide choice of high quality homes, widen opportunities for home ownership and create sustainable, inclusive and mixed communities; local planning authorities should “plan for a mix of housing based on current and future demographic trends, market trends and the needs of different groups in the community (such as, but not limited to, families with children, older people, people with disabilities, service families and people wishing to build

⁴ <http://www.legislation.gov.uk/ukxi/2015/596/schedule/2/part/3/crossheading/class-l-small-hmos-to-dwellinghouses-and-vice-versa/made>

⁵ <http://www.legislation.gov.uk/ukxi/2015/596/contents/made>

⁶ https://www.oxford.gov.uk/downloads/download/214/article_4_direction_-_houses_in_multiple_occupancy

⁷ <http://www.legislation.gov.uk/ukpga/2004/34/contents>

⁸ <http://www.legislation.gov.uk/ukxi/2006/373/contents/made>

⁹ <https://www.gov.uk/guidance/national-planning-policy-framework>

their own homes); and identify the size, type, tenure and range of housing that is required in particular locations, reflecting local demand”.

Similar ambition is reiterated in para 92 of section 8 of the National Planning Policy Framework¹⁰ wherein it is set out that planning policies should aim to achieve healthy, inclusive and safe places which “promote social interaction, including opportunities for meetings between people who might not otherwise come into contact with each other – for example through mixed-use developments”.

EXISTING LOCAL POLICY CONTEXT

Policy CS23 – Mix of housing (of the Core Strategy 2026)¹¹ states that planning permission will only be granted for residential development that delivers a balanced mix of housing to meet projected future household need. Type and tenure of dwellings should provide for a range of households, such as families with children, single people, older people and people with specialist housing needs.

Policy CS25 – Student accommodation (of the Core Strategy 2026)¹² sets a target relating to the number of students of Oxford Brookes University and the University of Oxford who live outside of university-provided student accommodation. The policy states that the number of full-time students ‘living out’ should not exceed 3,000 for either university, and that all future increases in academic or administrative floorspace must be matched by a corresponding increase in purpose built student accommodation. The supporting text states that sites suitable for the development of student accommodation will be considered in the Site Allocations DPD.

The City Council therefore expects all increases in student numbers at the two universities are matched at least by an equivalent increase in student accommodation on suitable sites. The delivery of purpose-built student accommodation in line with the Core Strategy would therefore support any policy adopted in the Housing DPD to discourage further HMO development, as more students are expected to reside in purpose-built accommodation instead of shared houses in future.

Policy HP7 – Houses in Multiple Occupation (of the Sites and Housing Plan 2011-2026)¹³ takes advantage of the new planning controls available via the Article IV Direction and states that planning permission will not be granted for purpose-built HMO, and will only be granted for the change of use of a C3-class dwelling into an HMO where the proportion of

¹⁰ <https://www.gov.uk/guidance/national-planning-policy-framework/8-promoting-healthy-communities>

¹¹ <https://www.oxford.gov.uk/corestrategy>

¹² <https://www.oxford.gov.uk/corestrategy>

¹³ <https://www.oxford.gov.uk/sitesandhousing>

buildings already in use as an HMO within 100 metres of street length of the application site does not exceed 20%.

Policy HP7 also refers to the 'Landlord's Guide for Amenities and Facilities for Houses in Multiple Occupation' published by Oxford City Council's HMO Licensing team.¹⁴ The guide outlines the minimum standards that are required to be met by HMO properties, and is utilised by Council planners when determining a planning application for a change of use to either category of HMO, in order to assess the appropriateness of the property for use as an HMO.

Furthermore, in 2008, Oxford City Council issued a Balance of Dwellings Supplementary Planning Document (SPD).¹⁵ The SPD identified the strengths and weaknesses of the mixes and balances of dwelling sizes across the city, and helps set the support and context for Oxford City Council's aspirations for a mixed and balanced community, as further expanded upon in section 6.

EXISTING LOCAL HOUSING CONTEXT

A review of the Oxford Profile 2017¹⁶ (a summary document sourcing statistics derived from the mid-2016 population estimates of the Office for National Statistics) and the Oxfordshire Strategic Housing Market Assessment¹⁷ (SHMA)(published in 2014) finds a number of demographic housing pressures present in Oxford.

Oxford ranks first out of the 55 largest cities in the United Kingdom for the highest number of students as a proportion of the adult population (24%¹⁸ - as compared to 4.5% of the national population according to enrolment figures from Universities UK¹⁹), and for the highest number of 18-29 year-olds as a proportion of residents (32%²⁰ - as compared to roughly 13% of the national population according to the mid-2017 population estimates from the Office for National Statistics²¹). Within the University of Oxford, most colleges provide accommodation for a student's first year but generally expect them to find a place to live for the remainder of their course. A similar situation exists at Oxford Brookes University. Overall, there are in excess of 38,000 students enrolled each year in Oxford with over 21,000 of these being undergraduates.

¹⁴

https://www.oxford.gov.uk/info/20113/houses_in_multiple_occupation/373/minimum_standards_for_houses_in_multiple_occupation

¹⁵ https://www.oxford.gov.uk/downloads/download/143/balance_of_dwellings_spd

¹⁶ https://www.oxford.gov.uk/downloads/download/905/oxford_profile_2017

¹⁷ https://www.oxford.gov.uk/downloads/download/495/strategic_housing_market_assessment

¹⁸ pp.6-7 of https://www.oxford.gov.uk/downloads/download/905/oxford_profile_2017

¹⁹ <https://www.universitiesuk.ac.uk/facts-and-stats/Pages/higher-education-data.aspx>

²⁰ pp.6-7 of https://www.oxford.gov.uk/downloads/download/905/oxford_profile_2017

²¹ <https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/populationestimates/datasets/populationestimatesforukenglandandwalesscotlandandnorthernireland>

The Oxford Profile 2017 further demonstrates that renting accommodation is well above average in Oxford. 51.5% of Oxford households live in rental accommodations²² (as compared to roughly 20% of all households nationally, according to the English Housing Survey of the private rented sector 2015-2016²³). Economic conditions and cost-of-living pressures in Oxford have led to an increase in the number seeking privately rented accommodation.

The SHMA²⁴ reports a diverse housing system in Oxford, serving a wide range of households. The vibrant private rented sector, much of it serving students, also serves workers in the city's buoyant economy. Buy-to-let has been a significant source of new private sector renting in the south-east region, and particularly in Oxford. The high level of private renting enables the market to offer the greater flexibility required to meet the high levels of turnover in the City. High levels of private renting are strongly associated with the student population. Students face difficulties accessing appropriate accommodation in a market that moves very quickly at key times of the year, with particular difficulties in securing reasonable accommodation at a reasonable price.

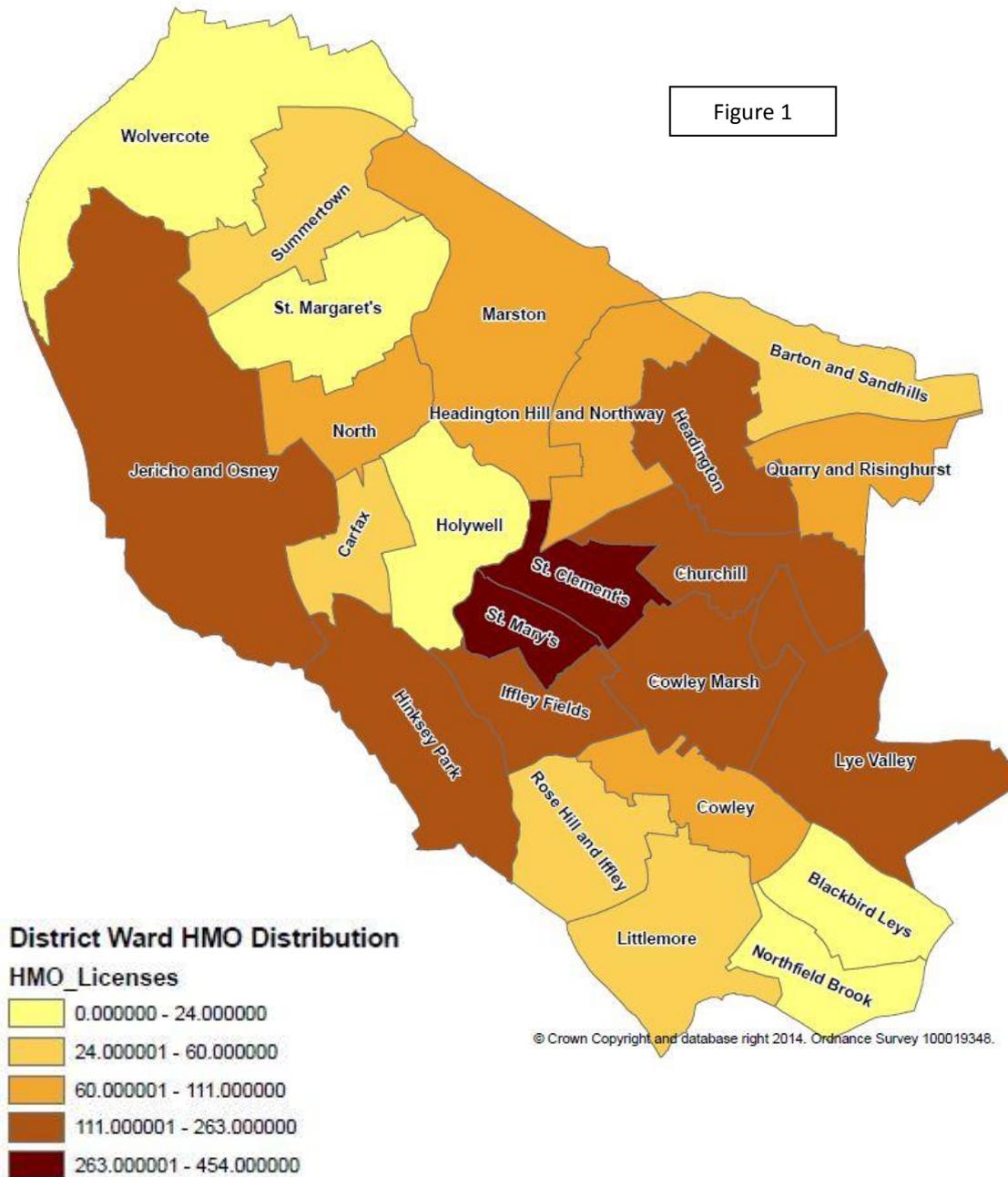
With such a large student population in the city, economic forces have driven an increase in buy-to-let properties, with implications for the general availability and price of accommodation. This is a strong contributing factor in the very high entry house level prices in Oxford. High prices at the bottom end of the housing market are likely to have an impact on the student market, as smaller dwellings and bottom end dwellings (such as larger properties able to be turned into HMO) make ideal rental properties and are therefore sought after by landlords and developers. Certain areas of the city are more desirable for the purchase and establishment of HMO for students and young adults. This results in focused areas where high numbers of HMO (housing predominantly one group of residents, i.e. young people/students) begin to change the makeup of the local community. The concentrations of registered HMO licenses (as of March 2018) throughout the city can be seen in Figure 1.

²² p.3 of https://www.oxford.gov.uk/downloads/download/905/oxford_profile_2017

²³ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/62768/6/Private_rented_sector_report_2015-16.pdf

²⁴ https://www.oxford.gov.uk/downloads/download/495/strategic_housing_market_assessment

Figure 1: Distribution of HMO licenses by ward



Source: Oxford City Council

MIXED AND BALANCED COMMUNITIES

Responding to the desires of the residents of Oxford, as well as to the guidance set out in para 50 of the NPPF (regarding mixed communities and mixes of housing that account for current and future demographic trends as well as responding to the needs of different groups in the area), Oxford City Council seeks to deliver well mixed and healthily balanced neighbourhoods and communities.

A Supplementary Planning Document issued by Oxford City Council in 2008 on Balance of Dwellings will have its general ambitions carried through into Oxford Local Plan 2036; and

this proposed policy on HMO is another tool for ensuring that all contributing factors are working towards delivering the ambition of mixed and balanced communities. The SHMA reiterates an aim of managing the mix of housing type and tenure throughout the city to best design it towards meeting the needs of Oxford's present and future population.

The south-east of the city has the least well-balanced ratios of various dwelling sizes.²⁵ This aligns with the concentrations of HMO as displayed in Figure 1. Where these high concentrations of HMO appear, more and more of the population becomes comprised of one or two groups of people – students and young adults. For example, according to Oxford Ward Profiles²⁶ published in June 2018 using data collected by the Oxford Consultants for Social Inclusion (OCSI); the two wards with the highest concentrations of HMO house populations of which over 45% (in St Clement's)²⁷ and roughly 50% (in St Mary's)²⁸ of residents are between the ages of 20 and 29. These levels of concentrations lead to homogenous communities in which a healthy, balanced mix that meets the needs of all community groups is not being delivered.

Furthermore, as the SHMA and other recent pieces of work demonstrate, the market is inclined to deliver small units most frequently in new developments. This tendency exacerbates the impact that the loss of larger, family-sized dwellings to HMO conversion is already creating. With no restrictions on the concentration of HMO, their establishment will continue to increase in focused areas to which (prospective) landlords are attracted. These increasing concentrations will further prevent the delivery of healthy, balanced, mixed communities that meet the needs of all groups (as outlined in para 50 of the NPPF) in existing popular locations, and threaten the balance of that mix in new areas as well. Future demographic projections expect an increased requirement for larger, family-sized dwelling delivery, and allowing the presence of such housing stock to be effectively eliminated from availability in large areas of the city would not be conducive to maintaining the healthy balance and mix that Oxford City Council seeks to achieve.

REVIEW OF EXISTING POLICY PERFORMANCE

As outlined previously, there is an existing policy (HP7 of the Sites and Housing Plan 2011-2026) which established the approach that we are intending to continue to pursue in the future. The policy is generally popular with residents and Council members, and is considered to have struck the right balance in embodying the ambitions set out above in section 6, through a reasonable mechanism of application that is not overly burdensome or disruptive. It has also been shown to be effective.

²⁵ p.5 of https://www.oxford.gov.uk/downloads/download/143/balance_of_dwellings_spd

²⁶ https://www.oxford.gov.uk/downloads/download/327/ward_profiles

²⁷ p.4 of <https://www.oxford.gov.uk/downloads/file/4693/localinsight-st-clements-ward-june2018>

²⁸ p.4 of <https://www.oxford.gov.uk/downloads/file/4692/localinsight-st-marys-ward-june2018>

Out of 313 applications received for planning permission for proposed changes of use to HMO since the beginning of 2016 to date of writing (June 2018), 20 applications have been refused using policy HP7. Evidence from planning officers also suggests that some property owners are deterred from submitting a planning application in the first place due to their awareness of the policy. This illustrates that the function of the policy is in demand and required, and is playing an important role in the management of many neighbourhoods which would otherwise now be moving further away from the healthy balance and mix that we seek to maintain. Overall, this demonstrates that the threshold has been well set at a reasonable level that is not having a stifling effect or proving to be overly burdensome.

PREFERRED OPTION

The evidence summarised above demonstrates there is a clear case for continuing our existing constraint-based approach of development management for HMO of all sizes in Oxford. Our preferred option is to continue with our existing policy.

Summary: Policy that sets a maximum threshold for HMO properties within a specified length of street frontage.

Justification: The preferred option responds to the various sources of evidence, has seen success in practice, and is well supported by residents and members of Oxford City Council.

The policy approach applies equally in all parts of Oxford, but will have a greater material impact where there are already high concentrations of HMO. A threshold-based approach will be followed which stipulates that a proportion in excess of 20% of properties being HMO in any given 100m stretch of street constitutes an over-concentration and no further changes of use to create new HMO will be permitted.

A threshold of 20% on a 100m length of street allows for the potential of one in five properties being a HMO. In streets (or parts of streets) with an existing high number of HMO (defined as more than 20% of the total), further HMO creation would then be capped. However, a threshold of 20% allows flexibility for some new HMO to be created in suitable locations. Where an over-concentration of HMO does not currently exist, it will still be acceptable for the use of dwellings to change from C3 to C4 or Sui Generis HMO (in principle, subject to other planning considerations). According to Council Tax records from 2016, there are 60,240 domestic properties in Oxford.²⁹ As of April 2018, there were 3,260 active HMO licenses across the city equating to 5.4% of all domestic properties.³⁰ There is therefore scope and flexibility retained for growth in the HMO market city-wide. Applied across Oxford, the 20% threshold is considered to balance the needs of the community with the need to maintain some flexibility in the property market.

²⁹ https://www.oxford.gov.uk/info/20126/housing/458/housing_in_oxford

³⁰ https://www.oxford.gov.uk/info/20113/houses_in_multiple_occupation/910/register_of_hmo_licences

According to the Urban Design Compendium, the ‘rule of thumb’ for a perimeter block width is 80-90 metres. In areas of Oxford dominated by terraced housing, a row of houses unbroken by cross-streets is typically a minimum of about 100 metres. This length of frontage can be reasonably considered to constitute a property’s more immediate neighbours, and is therefore the proposed distance threshold. This is proposed to be measured along the adjacent street frontage on either side of the subject property, crossing any bisecting roads, and also continuing around street corners. This measurement would also apply to the opposite street frontage, from a point directly opposite the application site.

Beyond the reasoning given previously, it is also considered that the evidence seen, and experience had, with the success of the existing policy approach provides good justification for the continuation of the same threshold and assessment criteria.

A short list of the advantages and disadvantages of this policy approach is presented in the box below:

Advantages	Disadvantages
<i>Robust prevention of any further HMO in certain areas brings benefits of balanced community and neighbourhood character</i>	<i>Would, in practice, restrict further HMO development in areas close to university campuses, which may add to cross-city travel</i>
<i>Sets a clear threshold that provides certainty to landlords and developers</i>	<i>May lead to further spread of HMO into more of Oxford’s suburbs</i>
<i>Threshold would in effect prevent significant further HMO creation in the most problematic areas (i.e. East Oxford, due to existing high concentration as demonstrated in Figure 1)</i>	<i>Street-frontage measurement approach does not capture properties that neighbour to the rear in its assessment (unlike a radial measurement from the centre point of the site)</i>
<i>Provides enough flexibility to allow new HMO in suitable locations</i>	
<i>Requires applicants to engage in the development management process, thus bringing about better consideration of amenity and design factors</i>	
<i>Maintains consistency & clarity in our management approach for developers, owners, and residents to better understand and engage with</i>	

A table outlining justification for tolerance of the identified disadvantages of this policy approach is below:

Disadvantages	Response
<p><i>Would, in practice, restrict further HMO development in areas close to university campuses, which may add to cross-city travel</i></p>	<p><i>Complaints are often received from residents alleging that neighbourhoods near university campuses have become over-populated with students. It is considered that spreading the concentration of the student population will contribute to achieving more mixed and balanced communities. Furthermore, the additional control of the development management system over the establishment on new HMO allows for the Council to more actively encourage sustainable travel patterns.</i></p>
<p><i>May lead to further spread of HMO into more of Oxford's suburbs</i></p>	<p><i>It is considered that spreading the concentration of the student population will contribute to achieving more mixed and balanced communities everywhere.</i></p>
<p><i>Street-frontage measurement approach does not capture properties that neighbour to the rear in its assessment (unlike a radial measurement from the centre point of the site)</i></p>	<p><i>The most common complaints regarding HMO relate frequently to bins and car parking. These potential impacts are most strongly felt in the way the area or neighbourhood is experienced as a pedestrian. Measuring along street-frontage is thus considered to be a more representative and accurate tool to assess how a neighbourhood/area is experienced by residents. This can be exemplified by the hypothetical potential for houses along a backing road which curves away or does not connect directly with the subject property's street, to be included in an assessment of impact when they are – due to their indirect connection along movement corridors –</i></p>

	<i>fairly remote from the subject site, and thus causing a distortion of the accuracy of the threshold assessment.</i>
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Policy H6 is presented in the box below:

Policy H6: Houses in Multiple Occupation (HMO)

Planning permission, where sought for the change of use of a dwelling in Use Class C3 to an HMO, will only be granted where:

- a) the proportion of buildings used in full or part as an HMO within 100 metres of street length either side of the application site does not exceed 20%; and
- b) the development complies with the space standards set out in Policy H15; and
- c) the development complies with the City Council's good practice guidance on HMO amenities and facilities, or any equivalent replacement document.

For the purposes of this policy, street length is defined as:

- the frontage either side of the proposed development, including frontage that wraps around corners or that is broken by a road or footpath; and
- the frontage either side of the point directly opposite the proposed development, including frontage that wraps around corners or that is broken by a road or footpath; and
- all buildings opposite the frontages described above.

Appendix 3.5 illustrates how this will be applied.

Applications for changes from C4 HMO to a Sui Generis HMO must be compliant with points b and c above.

Planning permission will be granted for new purpose-built Houses in Multiple Occupation, where they are in accordance with the above criteria.

APPENDIX A

**TOWN AND COUNTRY PLANNING (GENERAL PERMITTED DEVELOPMENT)
ORDER 1995 AS AMENDED**

DIRECTION MADE UNDER ARTICLE 4(1) TO WHICH ARTICLE 5 APPLIES

WHEREAS Oxford City Council being the appropriate local planning authority within the meaning of article 4(4) of the GPDO, are satisfied that it is expedient that development of the description(s) set out in the Schedule below should not be carried out on the land shown edged red on the attached plan, unless planning permission is granted on an application made under Part III of the Town and Country Planning Act 1990 as amended,

NOW THEREFORE the said Council in pursuance of the power conferred on them by article 4(1) of the Town and Country Planning (General Permitted Development) Order 1995 hereby direct that the permission granted by article 3 of the said Order shall not apply to development on the said land of the description(s) set out in the Schedule below:

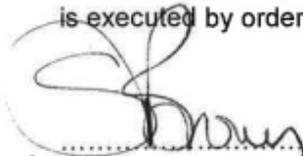
SCHEDULE

Development consisting of a change of the use of a building to a use falling within Class C4 (houses of multiple occupation) of the Schedule to the Town and Country Planning (Use Classes) Order 1987 (as amended) from a use falling within Class C3 (dwellinghouses) of that Schedule being development comprised within Class I(b) of Part 3 of Schedule 2 to the Town And Country Planning (General Permitted Development) Order 1995 (as amended) and not being development comprised within any other Class.

This Direction is made under article 4(1) of the said Order and will come into force on the 24th of February 2012.

Made under the Common Seal of Oxford City Council this 24th day of February 2011.

The Common Seal of the Oxford City Council was affixed to this Direction which is executed by order of the Council in the presence of:-


.....
B Nominated Officer

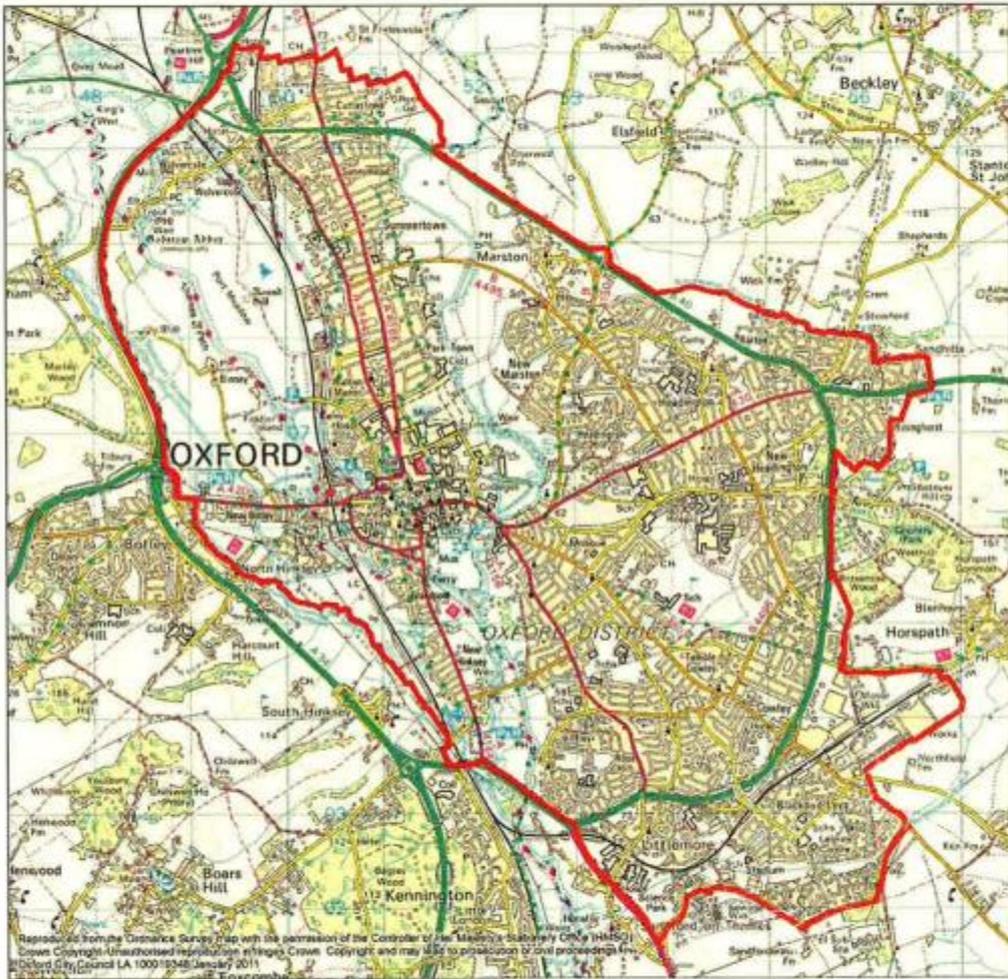
Confirmed under the Common Seal of Oxford City Council this 16th day of August 2011.

The Common Seal of the Oxford City Council was affixed to this Direction which is executed by order of the Council in the presence of:-

J.P.H.S
.....
Nominated Officer
J.P. KING

PLAN

The area delineated and shown edged red defines the extent of the attached Article 4 Direction relating to Houses of Multiple Occupation



The Common Seal of The Oxford City Council
was hereunto affixed by the order of the Council
in the presence of

**NOMINATED
OFFICER**

