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*Houses in Multiple
Occupation (HMO)*

**Oxford Local Plan
2040**

**BACKGROUND
PAPER 4**

1. Introduction

1.1 This paper sets out the context for Oxford's circumstances around Houses in Multiple Occupation (HMO) and contains evidence and explanation that has helped to inform and shape policy H8 in Chapter 2: A Healthy Inclusive City to Live In.

1.2 Oxford's communities are varied, with differing needs for housing provision. Therefore, the Local Plan needs to support the delivery of housing to meet the needs of various groups. With a large student population and affordability issues, shared accommodation including HMO are an important source of housing for many people providing flexibility and affordability that other forms of housing and the market are not able to deliver, so their provision needs to be planned. HMO are however a common concern of many residents in Oxford and are frequently associated with issues that affect the local neighbourhood, reducing community cohesion. It is therefore important that any potential negative impacts on the amenity of the surrounding area are managed. 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.

1.3 Due to this tension surrounding HMO, 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).

1.4 Sections of the paper are set out to identify the relevant legislative framework including local regulations and policy context in Oxford; the existing local housing situation; feedback from the OLP2040 Regulation 18 consultation; the likely trends without a new local plan and the preferred option for the OLP2040 planning policy on HMO.

2. Policy Framework

Legislative Framework

2.1 HMO developments are governed under two different aspects – the Housing Act governs the licensing (and Oxford also has Additional Licensing) and planning legislation which governs changes of use (and Oxford also has an Article 4).

2.2 For planning purposes, HMO are categorised differently under the *Town and Country Planning (Use Classes) Order 1997*¹ to standard residential dwellings (C3), as either a small or large HMO. A 'small HMO' is the use of a dwelling house by no more than six unrelated occupants who share basic amenities (e.g., a kitchen and bathroom). It falls under Use Class

¹ <https://www.legislation.gov.uk/ukxi/1987/764/contents>

C4, and the legislation permits a change of use from a C3-dwellinghouse unless permitted development rights have been revoked². However, 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 Direction³. 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*)⁴ 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). As such, no change of use to either category of HMO is permitted within Oxford City Council boundaries without acquiring planning permission in advance.

2.3 A 'large HMO' consists of a dwelling house occupied by more than six non-related occupants sharing accommodation that is not separated into self-contained units, and where some domestic facilities (such as bathroom, kitchen or living space) are shared. 'Large HMO' fall into the Sui Generis use-class and require planning permission to be established via a property's change of use.

2.4 HMO are also required to obtain a licence to operate. The licensing powers and standards are set out in the *Housing Act 2004*⁵ and *The Licensing and Management of Houses in Multiple Occupation and Other Houses (Miscellaneous Provisions) (England) Regulations 2006*⁶, 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 licence and derived from the *Housing Act 2004* have been brought into the development management process through existing Oxford City Council planning policies by inclusion of an obligation to meet certain considerations like space standards to receive planning permission for the required change of use. Further discussion of this can be found in the section entitled *Existing local policy context*.

Local Regulations

2.5 As referenced above, an Article 4 Direction was brought into force in February 2012 that means planning permission is required in Oxford for change of use of a C3 dwelling house to a C4 'small' HMO with 3-6 occupiers. This is important because family dwellings were frequently being converted into shared rented properties and this was skewing the mix of dwellings sizes and constraining the supply of family-sized dwellings in Oxford. High

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

³ <https://www.legislation.gov.uk/uksi/2015/596/schedule/3/made>

⁴ <https://www.legislation.gov.uk/uksi/1995/418/made>

⁵ <https://www.legislation.gov.uk/ukpga/2004/34/contents>

⁶ <https://www.legislation.gov.uk/uksi/2006/373/contents/made>

concentrations of HMO can also impact the character of an area, so the additional planning controls help to manage the impacts of their growth. The Article 4 Direction seeks to manage where new HMO can be permitted to maintain a balance of housing types across the city as part of mixed and balanced communities. It does not limit conversion of an HMO back into single family use.

2.6 All larger HMO with five or more occupants require a licence under the Housing Act 2004, known as mandatory licensing. The Housing Act 2004 also allows local authorities to introduce additional licencing to cover smaller HMO which fall outside of the national mandatory licensing scheme. In March 2021, Oxford City Council introduced a new designation requiring HMO in Oxford with 3 or 4 tenants to have an additional licence from 10 June 2021. This is important because HMO not only provide a significant amount of accommodation in Oxford but also form an important and valuable part of the private housing market. In the past however the condition and practices associated with private rented housing across the city was causing concerns and the additional licencing was introduced to improve conditions. The licences cover matters such as health and safety (smoke alarms etc) as well as minimum room sizes and waste disposal.

Other local policies and guidance

2.7 The *Oxford Local Plan 2036 (OLP2036)*⁷ is the current development plan for the city that sets out agreed planning policies for the city against which decisions are made.

Policy H6 in the OLP2036 seeks to manage how and where new HMO are allowed by setting criteria to control how they are provided and managed and by restricting HMO numbers where there is already a high concentration of existing HMO.

2.8 The policy approach is to set a maximum threshold for HMO properties within a specified length of street frontage. This threshold applies equally in all parts of Oxford but will have a greater material impact where there are already high concentrations of HMO. The City Council considers that more than 20% of buildings in HMO use within a 100 metres length of street from the application site's principal elevation will result in over-concentration. A threshold of 20% on a 100m length of street allows for the potential of one in five properties being an 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).

2.9 Policy H6 also refers to space standards set out in Policy H15 and to the *Amenities and Facilities for Houses in Multiple Occupation Good Practice Guidance*⁸, published by

⁷ https://www.oxford.gov.uk/info/20067/planning_policy/1311/oxford_local_plan_2016-2036

Oxford City Council in 2019. This guidance outlines the minimum standards that are expected in HMO and is utilised by planning officers when determining planning applications for a change of use to either category of HMO, to assess the appropriateness of a property for use as an HMO.

2.10 Policy H8 in OLP2036 seeks to manage how and where student accommodation is permitted whilst Policy H9 in the OLP2036 links the delivery of new university academic facilities to the delivery of university provided accommodation.

2.11 There is also guidance for developers and decision makers about HMO in several current Technical Advice Notes (TAN): *Housing TAN*⁹ and *Waste Storage TAN*¹⁰, both published in January 2021 and the *Car and Bicycle Parking TAN*¹¹ published in March 2022. Although not specifically referring to HMO, the *Housing TAN* provides guidance on the detailed application of several housing policies including student accommodation and the mix of dwellings which help set the context for Oxford City Council's aspirations for mixed and balanced communities. The *Waste Storage TAN* provides guidance on the adequate provision of refuse storage within HMO whilst the *Car and Cycle Parking TAN* provides guidance on standards expected for car and cycle parking.

3. Current situation

3.1 HMO provide a significant amount of accommodation in Oxford, forming an important and valuable contribution to the Housing market. For many people, they offer the only available and affordable solution as renting individually or buying a property in Oxford is often too expensive (see Background Paper on Affordable Housing).

3.2 According to Council Tax records from July 2023, there are 63,498 domestic properties in Oxford. It is estimated that approximately 5% of these have been assessed as 'small units'. Although most HMO are likely to have a single band assessment there are instances when an HMO could have been assessed as multiple bands for example if the HMO has been purpose built or a house has been significantly adapted to provide multiple letting units. It is therefore not possible to ascertain the proportion of domestic properties that are in use as an HMO. Oxford City Council does however maintain a record of licenced HMO in the city, and this provides an up-to-date view of the number of HMO properties registered. The Regulations only permit publication of licences that are in force and prohibit publication of licences pending or expired licences. As the data is real-time, the register can change on a daily basis. Licences are however not published until they are issued and are

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

⁹ https://www.oxford.gov.uk/downloads/file/7500/tan_1_housing

¹⁰ https://www.oxford.gov.uk/downloads/file/7502/tan_3_waste_storage

¹¹ https://www.oxford.gov.uk/downloads/file/7901/tan_12_car_and_bicycle_parking

removed once expired. As of end of October 2023 there were 2,964 HMO active licences on the register.

3.3 In some areas of the city the concentration of HMO has resulted in changes to the character of the local area and has led to local parking problems and large numbers of transient households. The policy approach therefore sets criteria to manage how and where new HMO are allowed and to restrict HMO numbers where there is already a high concentration of existing HMO. Purpose-built HMO can help to reduce some of the potential management issues or neighbour conflicts, because issues like car and cycle parking and bin storage would be fully addressed at the planning application stage and properly integrated into the design. Being designed for the purpose, they will also meet space standards and current building regulations. Purpose-built HMO in appropriate locations could also help to provide staff accommodation for key employers that have identified recruitment and retention problems resulting from affordability issues.

3.4 HMO are also often occupied by students who live outside of university-provided accommodation. The *Oxford Student Needs Assessment*¹² published August 2023, cites 2021 census data on the number of students living in Oxford and the overall student population. The report indicates a total of 32,888 full-time students in Oxford, an increase of 10% when compared with the 2011 census. The report acknowledges however that this may be an under-representation of the number of students living in Oxford and the overall student population as the timing of the 2021 census was during the Covid-19 pandemic lockdown restrictions when many students may not have returned to their term-time address. The report also indicates that the census does not disaggregate between Higher Education and Further Education but does provide data on housing circumstances. This data shows that the majority (54%) of students in Oxford live in university linked communal establishments followed by 24% of students living in student only households which are likely to primarily be HMO.

3.5 The *Oxford Student Needs Assessment* includes details of the locations of licenced HMO by wards in the city. These are generally spread across the City's residential areas with the data indicating that the top five wards with the most HMO licences are all located across a central belt of the city to the south of the city centre (St Clements, St Marys, Donnington, Churchill and Hinksey Park). The wards with the lowest HMO licences are identified as Holywell, Northfield Brook, Blackbird Leys, Wolvercote and Barton and Sandhills.

3.6 Information relating to the number of planning applications for new HMO that are determined and approved, broken down by ward, can be found in the Authority Monitoring Report (AMR). The most recent dataset covering the period 2016 – 2020 is shown in Table 18 of the *2019/2020 AMR*¹³. The data indicates that the five wards with the greatest number of determined HMO applications are Churchill, Lye Valley, Cowley, St Mary's and St Clements. The ward boundaries changed in 2021 and the following table shows the data

¹² https://www.oxford.gov.uk/downloads/file/8593/oxford_student_needs_assessment

¹³ https://www.oxford.gov.uk/downloads/download/420/annual_monitoring_report

from 2020/21 onwards by the new ward boundaries. As can be seen in the table, the five wards with the greatest number of HMO applications determined are Cowley, Temple Cowley, Marston, Lye Valley and Donnington. This information corroborates the findings of the *Oxford Student Needs Assessment*.

Ward	HMO applications determined 2020/2021	HMO applications determined 2021/2022	HMO applications determined 2022/2023
Barton & Sandhills	0	3	0
Blackbird Leys	1	0	4
Carfax & Jericho	2	0	0
Churchill	3	0	0
Cowley	11	9	11
Cotteslowe & Sunnymead	N/A	1	1
Donnington	8	5	5
Headington	5	3	6
Headington Hill & Northway	8	3	5
Hinksey Park	2	4	0
Holywell	1	0	0
Littlemore	4	2	6
Lye Valley	8	7	4
Marston	7	8	4
Northfield Brook	1	2	0
Osney & St Thomas	2	2	3
Quarry & Risinghurst	4	0	3
Rose Hill & Iffley	1	2	3
St Clement's	7	1	5
St Mary's	2	4	3
Summertown	2	0	0
Temple Cowley	8	8	11
Walton Manor	1	0	2
Wolvercote	2	0	1
Ward data for these areas differs as a result of changes to the ward boundaries introduced in May 2021			

4. Feedback from consultation

4.1 At the Issues stage of consultation (2021) the comments were about housing more broadly, reflecting the stage that the plan preparation had reached at that time. It did not discuss more detailed issues such as HMO.

4.2 The Autumn 2022 Preferred Options Regulation 18 (Part 1) consultation explored these views in more detail, and the comments relating to HMO covered a range of issues including: returning HMO back to family dwellings to help supply issues; ensuring HMO are regulated; encouraging more HMO as an affordable option for people and recognising they are an important and necessary part of housing provision in Oxford; the role of HMO and student accommodation, and whilst HMO help meet need, purpose built student accommodation can help release HMO back for wider population needs; the benefits of purpose-built HMO compared to subdivisions/conversions; community impacts of HMO especially clusters of them, and impacts on parking and bins/bikes storage; and some people wishing to see tighter restrictions and more limits on numbers of HMO but this was also countered by those saying they had no problem with HMO and that they play an important role in Oxford.

4.3 The 2023 Preferred Options Regulation 18 (Part 2) consultation focussed on the HENA and the housing need calculations, so comments in that consultation were not directly relevant to HMO.

4. Likely trends without a new local plan

5.1 Without a new local plan, the HMO licencing regimes would still apply to existing or new HMO, which would help to ensure the quality of accommodation for all those living in HMO in Oxford. However, the licencing does not control the location or distribution of new HMO – either purpose built or conversions. National policy/ legislation only covers the principle of change of use from C3 dwellings to (small) HMO, with no detail about mitigating potential impacts, and in any event that is superseded by the Article 4 in Oxford which requires planning permission for such proposals. Large HMO would also require change of use planning permission.

5.2 Without an up-to-date local plan there would be no policy framework to guide necessary supporting infrastructure and amenity considerations such as appropriate parking, cycle parking and bin storage. Importantly there would also be no mechanism to guide the location and distribution of HMO across the city. With the cost-of-living increases and ongoing affordability issues for housing in Oxford, there may be even greater pressures for increased numbers of HMO. Unrestricted, this could put pressure on the supply of family-sized homes, potentially leading to their loss, and could also lead to clustering of HMO. If these are then housing predominately one group of residents, i.e. young people or students this can affect the mix and balance of the community, and in some cases lead to a perception of loss of community cohesion and neighbourhood character.

5. Conclusions

6.1 The evidence summarised above demonstrates there is a clear case for continuing our existing threshold-based approach of development management for HMO of all sizes in Oxford.

6.2 To make it clearer how the street length is calculated, additional wording relating specifically to 'principal elevation' has been incorporated into the text of the emerging policy H8 for the Oxford Local Plan 2040. In addition to this, further clarification is provided in the definition of how street length is measured with the inclusion of additional wording relating to 'mid points, principal elevations and buildings'. These additions are supported by additional graphic illustrations in the appendices that show three different example scenarios of how the policy is applied.

6.3 The final proposed text of Policy H8 is presented in the box below:

Planning permission for conversions to or new HMO, will only be granted where:

- a) **the proportion of buildings that are used in full or part as a licenced/ pending licenced HMO, within 100 metres of street length either side of the application site's principal elevation, does not exceed 20%; and**
- b) **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 measured as:

- i) **100m either side of the mid-point of the principal elevation of the proposed development, including principal elevations that wrap around corners or that are broken by a road or footpath; and**
- ii) **100m either side directly opposite the mid-point of the principal elevation of the proposed development, including principal elevations that wrap around corners or that are broken by a road or footpath; and**
- iii) **all buildings opposite the principal elevations described above.**

Appendix 2.2 illustrates how this will be applied.

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

In addition, for new purpose-built HMO, the tenure will be secured through the inclusion of a planning condition or planning obligation, to ensure that Policy H9 is not circumvented (location of student accommodation).