

Revised Houses in Multiple Occupation Supplementary Planning Document (HMO SPD) – report of initial workshop discussions (June 2015)

Further to resolutions by Overview and Scrutiny Management Committee and Cabinet, Officers are reviewing the HMO Supplementary Planning Guidance.

The first stage was to gather an evidence base and then formulate and consider options for the revision.

A series of workshops have been held with stakeholders. These workshops were held as follows:

- Residents' Associations - 31st March 2015
- Landlords and Letting Agents' Representatives – 31st March 2015
- Joint Meeting of RAs and Landlords/Agents – 16th June 2015

Representatives of both the Planning and Development and Environmental Health (HMO Wardens) functions were present at all of the workshops. The notes of the above meetings are attached as Appendices 1 and 2.

The comments received will inform the revised HMO SPD and planning policy for HMOs. It is recognised that revisions to the SPD alone will not meet the concerns and objectives of the various stakeholders. It is therefore proposed that the following additional multi-agency measures be also included as part of a wider revised strategy:

- Continued close working between Planning and Enforcement and HMO Licensing to improve intelligence and data sharing.
- A presumption in favour of pursuing prosecution where breaches of planning and/or licensing requirements has occurred and where expedient, with the council seeking to publicise convictions where appropriate.
- Discussions be held with both Universities in respect of the establishment of behavioural contracts with their students
- Continued ongoing liaison with the Universities and the General Hospital in respect of their future accommodation strategies

KEY POINTS RAISED IN HMO SPD STAKEHOLDERS' WORKSHOPS

Workshop 1 – Residents' Associations – Monday 30th March 2015

- Licensing should not be granted in advance of planning permission. Also, the Magistrates don't seem to understand the difference between the two regulatory regimes
- Space standards are necessary – there is a conflict between HMO Licensing and ideal planning space standards
- Was public consultation ever undertaken on HMP space standards – and do they need revising and then including within the Local Plan?
- The Policy should be 10% City-wide – this still gives headroom for some provision
- Residents are most concerned about the issue of the concentration of HMOs within an area
- Landlords claim there is “no demand” east of the Itchen – this is not true
- Why are landlords so keen on student HMOs? – Residents think that this is because of the short-term nature of such lets
- We need a clear statement of the rules of “switchability” between C3 and C4 uses
- A 40m radius is too low – it should be 100m
- Most students possess cars – yet no evidence put forward for this
- How do we prevent undue concentration of HMOs?
- We need to know how many HMOs we actually do have – this should be the logical starting point for any HMO Policy revision
- It should be based on the number of people, not the number of HMOs – how do we obtain the necessary evidence?
- We need a clear criteria-based policy PLUS account to be taken of amenity impact and population criteria
- If there is more than 10% of properties (or people) in HMO use within a Ward, no further HMOs should be permitted in that Ward
- Can we control Change of Use of student halls of residence to flats, hostels or other uses?

- Why should Halls of Residence be excluded from HMO calculations?
- Transport links across the City should be improved to make access to universities and places of work easier, thus making all areas of the City equally attractive for HMO use
- HMOs do result in the loss of family housing

Workshop 2 – Landlords and Letting Agents – Tuesday 31st March 2015

- Consider that the council has a *de facto* embargo against further HMOs in the City
- There are real difficulties in identifying HMOs, given the large number that seem to be unlicensed and/or without planning permission
- There is a problem in differentiating between licensing and planning regimes
- When seeking to buy a property, it can be difficult to determine the property's planning history
- There is a problem with flipping back to C3 use. There is a need to see the history of letting contracts, especially with reference to the qualifying date
- The rental market is continuing to expand and rents are increasing, and therefore so are capital values. There is an increasing problem of affordability, both for tenants and for landlords seeking to expand their stock
- There are clear reasons why young professionals prefer HMO living. It makes economic sense to share Council Tax and utility bills. There is also a cultural issue of living amongst similar other people, especially amongst younger people
- There is a real supply-side problem. There have been very few additions to the HMO stock recently. Proportion of supply is reducing in relation to demand. Rents are increasing as demand rises
- HMOs provide an important contribution to longer-term owner-occupancy as people can save for deposits whilst they are living in HMOs. This advantage is being eroded now that rents are rising. There are long-term implications for younger people being able to get onto the housing ladder in the City as a result
- Increasing prices are leading to mortgage difficulties for landlords. Often have to pay commercial mortgage interest rates as lenders don't really understand the market. These costs have to be passed on, leading again to higher rents and affordability problems
- The City Council shouldn't be restricting student HMOs close to the Universities

- The HMO market needs to be allowed to grow to meet housing need. Not just a “student issue.” Concern, for example, over availability for staff at Hospital being able to find accommodations and also young professionals. Will have long-term implications for the employment market in Southampton
- SCC should make a clear example of small number of rogue landlords – they should be prosecuted and there should be attendant publicity “*pour encourager les autres*”
- Legitimate C4 properties are selling for “well above their true value” as a result of the licensing regime and planning restrictions

**NOTES OF JOINT RESIDENTS' ASSOCIATIONS/LETTING AGENTS AND
LANDLORDS WORKSHOP**

16 June 2015

**Workshop 3 – Joint Residents Association and Landlords/Agents – Tuesday
16th June 2015**

Many of the points raised reiterated those that were discussed at the earlier workshops. Notwithstanding this, debate focussed around the following main issues:

The weak position that the City Council is in due to the difficulty and practical problems associated with assembling and maintaining a detailed evidence base re HMOs

The need to focus upon the small number of 'rogue' landlords who create a disproportionate amount of the problem, and the need to 'name and shame' them in the event of a successful prosecution

Car ownership levels for students – some students do have cars – medical and nursing students were cited as examples of student groups who were more likely to need a car for their studies

Government should be lobbied to create a statutory duty of care that could be placed upon all landlords

What exactly are the anti-social behaviours created by HMO residents? Can a multi-agency approach be taken? Could behavioural contracts be encouraged between Universities and their students?

There is a pressing need to maintain the vitality of the City. This can only be achieved if the resident population has a wide and inclusive character.

There are problems in practically measuring the level of demand for HMOs, both overall and in terms of individual areas/Wards. The problem of measuring demand is exacerbated by the perceived number of unauthorised HMOs across the City, as these are effectively "hidden" indicators of supply and demand.

What levels of demand are there from HMOs east of the Itchen?

The problem of 'ghettoisation.'