

# **National HMO Lobby**

## **Response to the Consultation on HOUSES IN MULTIPLE OCCUPATION: CHANGES TO PLANNING LEGISLATION**



**1 July 2010**

## Response to the Consultation on HOUSES IN MULTIPLE OCCUPATION (HMOs): CHANGES TO PLANNING LEGISLATION

### Executive Summary

The National HMO Lobby

● **questions** whether the government's proposals will actually "take account of ... differing circumstances and allow for local solutions rather than continue with the present 'one size fits all' approach" (Minister for Housing, *Written Ministerial Statement*, 17 June 2010);

● **proposes** an alternative opt-out 'traffic-light' strategy, enabling a range of local options, offering genuine 'local solutions to local problems', by means of Local Development Orders, as recommended in the Budget "as part of the shift to a more locally driven planning regime" (HM Treasury, *Budget 2010*, para 1.89).

If the government resolves not to accept its proposal, the Lobby

● **recommends** (1) that the relevant legislation be amended to remove from local authorities all liability to claims for compensation arising from Article 4 Directions on HMOs; and

(2) that the relevant legislation be amended to restore fees for planning applications arising from Article 4 Directions on HMOs.

### Consultation Questions

- **Do you consider that the proposals will allow local areas to take action without imposing unnecessary burdens on unaffected areas? If not, why not?**

**01** No, the National HMO Lobby does not consider that the new proposals will allow local areas to take action without imposing unnecessary burdens on unaffected areas. The Lobby does not consider that the proposals will actually work. Nor does it consider that the present rules impose "unnecessary burdens."

**02** First of all, the additional burden on local planning authorities (LPAs) seems to be exaggerated.

(1) There is no financial burden on LPAs. The fees for planning applications are intended to cover the costs. All planning applications for HMO change of use therefore should be cost-neutral.

(2) A figure of 8,500 additional planning applications per year is cited - but no grounds are given for this estimate. The Lobby is sceptical that it would be so high, especially in changing market conditions.

(3) The present planning legislation seems to be seen as a burden by some of the thirty-two London Boroughs, who wish to encourage HMOs. But outside the capital, many authorities are concerned to be able to manage them. This is true of all the eight Core Cities and most of the other fifty university towns outside London. In addition, there are dozens of coastal authorities, as well as other places like Peterborough with migrant worker HMOs. Together, these comprise half of England's larger local authorities, the Metropolitan districts and unitary authorities, not to mention numerous district councils.

**03** Nor is there a significant burden on landlords.

(1) A professional landlord (by definition) should have no difficulty in coping with a planning application, and with its costs. After all, the fee is no more than one month's rent for one room. Only non-professional or un-professional landlords should be "deterred from entering the market."

(2) Much of the consternation raised by landlords has come from the mistaken belief that retrospective planning permission would be required for HMOs.

(3) In addition to the fees, landlords do also face ‘administrative burdens’, but these are likely to be ‘front-loaded’ to their first application. And in any case, applications for planning permission are the norm in all other forms of housing development, and a cost factored into business plans.

**04** Nor is there a significant danger to supply.

(1) It is important to remember that *HMOs are not new additions to the housing stock*. New HMOs are almost always *conversions* from previous family homes - one more HMO is one less family home. In many cases, HMOs actually exacerbate the housing shortage - for instance, this happens in university towns, where first homes for families are turned into second homes for students (occupied for only two-thirds of the year). If anything, HMOs are a threat to what the Housing Minister has called ‘the age of aspiration.’

(2) In addition, not all HMOs are “a vital source of low cost housing.” Many of those let to young professionals or to students command high rents (outside London, on average £70pppw: information from Unipol Student Homes). HMOs can be symptomatic both of high-demand areas and of low-demand areas for housing.

**05** In the second place, the Lobby does not consider that “the proposals will allow local areas to take action.” Article 4 Directions are *impractical* for the purpose of managing concentrations of HMOs. First of all, as is acknowledged, “there will be costs associated with the use of Article 4 Directions.” (LPAs with concentrations of HMOs already suffer a disproportionate drain on their resources: see **19** below.)

(1) One of these costs is the simple preparation of the Direction, which will involve research, proposals, consultation, notification, and so on. All this will absorb hours of officers’ valuable time.

(2) More significantly, once the Direction is implemented, the local authority becomes liable for compensation claims from unsuccessful applicants. In these straitened times, few local councils will consider incurring such costs.

(3) Finally, once the Direction is in place, LPAs will process HMO applications at a cost - as no fee will be payable.

**06** Again, Article 4 Directions are impractical because they are such a protracted instrument.

(1) The preparation of the Direction will take months, if not years.

(2) Furthermore, if they wish to avoid compensation claims, then local authorities will have to give a further twelve months notice.

(3) But the HMO market moves rapidly. In the time it takes to prepare and implement a Direction, whole streets can fall to HMO domination. There will be unintended consequences: see **15** below.

**07** Nor is an Article 4 Direction a local *solution*.

(1) A Direction (by removing permitted development for change of use to class C4) may give a LPA the power of approval. But a Direction gives LPAs only the *possibility* of approving or refusing planning permission for HMOs. In itself, it provides no justification for a decision either way.

(2) However, not only do LPAs need powers provided nationally, but also policies implemented locally. In order to manage HMOs where they have become a problem, the LPA also needs local planning policies to justify a decision to refuse [see **11** below]. Without such policies, the LPA’s discretion is strictly limited. An Article 4 Direction is only the *beginning* of a local solution. It is simply another hurdle in the way of effective action by local authorities.

- **What do you think could be done, within the constraints of the current planning framework, instead?**

**08** There is an alternative approach, within the constraints of the current planning framework, which would actually work. It requires no amendments, either to the Use Classes Order (UCO) or to the General Permitted Development Order. It simply makes imaginative use of the powers already available, to the benefit of both those who wish to avoid regulation of HMOs, and those who find it essential. In

place of an 'opt in' to HMO regulation, it comprises a zonal 'traffic-light' system, with an 'opt out' from HMO regulation.

**09 Green Zones:** local authorities who wish to encourage HMOs (or "where HMO development is not a concern") would introduce a Local Development Order (LDO) (as provided by S40-41 of the Planning & Compulsory Purchase Act 2004; see also, CLG *Circular 01/2006, Guidance on Changes to the Development Control System*, paras 4-45), giving permitted development rights for change of use from C3 to C4 in (parts of) their area. This would be straightforward, since notification only to the Secretary of State is required, and the council would be under no liability for compensation claims. (In fact, LDOs were commended in the recent Budget Report, para 1.89, "as part of the shift to a more locally driven planning regime.")

**10 Amber Zones:** these constitute the default position. Local authorities who are un-committed on the development of HMOs would process applications for change of use from C3 to C4 on a case-by-case basis, under the present UCO. If they find that they have a need for low-cost shared housing, they can consider adopting a Green Zone, and introduce a LDO to (parts of) their area. On the other hand, if they discover from applications received that detrimental concentrations of HMOs are beginning to develop in a locality, they can consider adopting a Red Zone, and introduce local HMO policies into (parts of) their area.

**11 Red Zones:** local authorities who wish to discourage HMOs in (parts of) their area would introduce local HMO policies (for instance, Supplementary Planning Documents on restraint policies or threshold policies) which enable them to deploy their powers under the amended UCO systematically, in order to resist the development or deterioration of concentrations of HMOs [see **Annex A** for examples].

**12** The present rules make Amber and Red Zones possible. The opt-out Green Zone, available through LDOs, completes the range of options. Some councils in London might adopt a single Zone for their whole area (e.g. a Green Zone throughout Richmond on Thames), many elsewhere would adopt different Zones in different areas (e.g. Leeds, Newcastle, Nottingham). What this offers is *genuine* 'local solutions to local problems.'

- **Do you think there will be unintended consequences as a result of the proposed changes? If so what will they be and how do you think they could be mitigated?**

**13** One unintended consequence of the proposed changes will be the loss of any means of *monitoring* HMO development.

(1) At one level, this will permit the development of HMOs in inappropriate locations (the HMO Consultation last year noted in paragraph A51, "under this option ... all HMOs would have permitted development rights. This could incentivise the creation of larger HMOs in areas where there isn't a more general problem").

(2) Beyond the individual case, local authorities would lose the ability to monitor the development of concentrations of HMOs. Without the need for prior planning permission, the conversion of HMOs will become evident only after the fact. It will be the case that only once there is a problem will it be apparent that there is a need for a solution, an Article 4 Direction. But by this time, it will be too late - especially given the time-lag in the introduction of a Direction [see **06** above; see also, **15** below].

**Mitigation:** *a means of mitigating this consequence would be the introduction of additional HMO licensing, so that HMO locations and proportions could be monitored through the local licensing scheme.*

**14** Another unintended consequence of the proposed changes will be the *disincentivisation* of local HMO planning policies.

(1) Local communities have a hill to climb in persuading their LPAs to introduce local policies as it is (not unnaturally, LPAs take some convincing to undertake resource-intensive initiatives). Introducing another hurdle makes the task of local communities that much harder.

(2) In particular, some LPAs have committed themselves to introducing Supplementary Planning Documents on HMOs - on the condition of the amendment of the UCO effected in April. Such

provisions are made in the Core Strategies of Leeds and Manchester [see **Annex A**]. Removal of this amendment, as now proposed, will call into question these commitments.

**Mitigation:** *a means of mitigating the disincentivisation of LPAs would be to make Article 4 Directions fully streamlined. One obstacle has already been removed by Statutory Instrument 2010 654, the amended GPDO, which no longer requires Secretary of State approval of Directions. A second obstacle is the liability of LPAs to compensation: this too could be removed [see 20 below].*

**15** A third unintended consequence of the proposed changes will be the actual *incentivisation* of HMO development. If investors and developers are aware of impending constraints on HMOs in a local authority, first of all through the preparation of an Article 4 Direction, and subsequently, through the notice of the Direction given by the authority - then there will be an incentive for them to invest in HMOs while they are still able. And there will be nothing that the authority can do to resist this.

**Mitigation:** *this consequence could be mitigated by the removal of any liability by the LA for compensation. In any event, no socially responsible landlord should be considering developing HMOs in areas where there are already disproportionately high numbers. [See also 06 above.]*

**16** A final unintended consequence of the proposed changes will be the deep *demoralisation* of local communities. The government's concept of the 'Big Society' has many critics. But natural supporters of this notion (implicitly, if not explicitly) are the members of the National HMO Lobby. For a decade, they have been campaigning for just what the Big Society offers - local determination, the ability of local communities to direct their own affairs, to take responsibility for their own futures. They have struggled to convince Big Government of the need for local powers to enable them to do so. Last year, at last, they convinced the government to consult on the issue of HMOs and their impact on their communities - and this open, public consultation showed overwhelming support for their ambitions. 94% of respondents identified high concentrations of HMOs as a problem; 94% regarded non-legislative measures as inadequate; 93% regarded the current legislation as ineffective; and 92% supported the amendment of the UCO which came into force in April. After this very practical exercise of the Big Society, local communities are devastated to find that central government is overturning their achievement, and potentially abandoning them to the Big Market.

**Mitigation:** *the demoralisation of local communities could be mitigated by the government reviewing its proposed changes, and adopting the modestly amended strategy proposed in 09-13 above.*

- **Do you think there are any other changes which need to be made to make this approach work more effectively e.g. to HMO definition?**

**17** The Lobby recognises that it may be difficult. But there is one change which is really needed in order to make the new approach work more effectively - that is, to provide 'local solutions to local problems.' It really is necessary, not simply "to limit [LPAs'] liability further" to compensation claims, but to *remove* that liability altogether - to reduce the potential costs to LPAs, to speed up the implementation process, and to avoid un-necessarily incentivising investment in HMOs, as elucidated in **05**, **06** and **15**. The relevant legislation should be amended to remove from local authorities all liability to claims for compensation arising from Article 4 Directions on HMOs.

**18** There is another change which would make the new approach work more effectively, and that is to do with fees for planning applications. As noted in **02**, normally fees are intended to cover the costs of applications. But where applications are required as a result of an Article 4 Direction, then fees are not payable. This adds to the difficulties faced by LPAs wishing to manage HMOs. This penalty should be removed, and the relevant legislation should be amended to restore fees for planning applications arising from Article 4 Directions on HMOs.

- **Do you have any information on costs/benefits which would be relevant to impact assessment?**

**19** The Lobby is concerned about the costs to councils and communities of unregulated concentrations of HMOs. The Impact Assessment of the HMO Consultation of 2009 took no account of these costs. The Lobby has attempted to catalogue them.

(1) Some impacts are readily measured and costed, such as huge increases in waste disposal and environmental cleansing, street blight (flyposting, graffiti), crime rates, insurance premiums, property prices (in high-demand HMO areas) and so on.

(2) Some impacts can be measured, but not readily costed, such as property and environmental degradation, incidence of antisocial behaviour, market and employment distortion, car parking pressure, loss of services like schools and social institutions.

(3) Some impacts are hard even to measure, though their costs are very real - these include the disruption of the networks and morale which sustain the social capital (or community spirit) of a community. There are valuation techniques to cost these, such as avoidance values (what it would cost to avoid the impact) and restoration values (what it would cost to restore the situation). These approaches to costing are outlined in **Annex B**.

- **Do you think LPAs will choose to issue Article 4 directions with immediate effect or less than 12 months notice?**

**20** It is unlikely in the extreme that LPAs will choose to issue Article 4 Directions with immediate effect or less than twelve months notice, as long as this renders them liable to compensation claims, as noted in **05** above. Removal of liability to compensation, as proposed in **17** above, however, would enable them to do so.

- **How should we monitor the impact of these proposals and assess their success? What is the best review approach?**

**21** As noted in **13** above, establishing HMOs as permitted development as the default position for LPAs removes the possibility of monitoring numbers, locations and proportions of HMOs. This would seem to make it impossible to monitor the impact of the proposed changes. As noted above, an alternative would be to introduce additional HMO licensing.

- **Do you have any comments on the legislation as drafted?**

**22** The Lobby has no comments on the legislation as drafted - other than to note that if the 'traffic-light' strategy described in **08-12** above were adopted, the government would be able to achieve its objectives without the trouble of amending any legislation.

## Annex A: Local HMO Policies

National HMO Lobby *Briefing Bulletin* 2010

Town	Core Strategy	HMO Reference	HMO Policy
Birmingham*	Issues & Options consulting	No ref to HMOs	Selly Oak Local Plan
Bournemouth	Preferred Options consulting	Ref to HMOs in Winton	None current
Bristol*	Under Examination	No ref to HMOs	Policy pending
Charnwood	Submission in preparation	Student accomm policy	SPD Student Housing Provision
Chichester	Issues & Options completed	No ref to HMOs	None
Leeds*	Preferred Approach completed	Student accomm policy (H6); potential HMO policy	UDP H15
Liverpool*	Preferred Options completed	No ref to HMOs	None
Manchester*	Preferred Options completed	Student accomm policy (H6); potential HMO policy	None
Newcastle*	Submission in preparation	tba [see below]	SPD Shared Housing
Nottingham*	Option for Consultation completed	Housing mix policy 9	SPD Building Balanced Communities
Oxford	Under Examination	No ref to HMOs	Local Plan Policy HS.15
Sheffield*	Adopted	Mixed communities policy CS41	UDP H5
Southampton	Adopted	HMO Policy	Local Plan H4

\*Core City

## Briefing Bulletin

The Briefing surveys the eight Core Cities, and a few other towns.

**Core Strategy** The Local Development Framework (LDF) is the name given to the new system of Development Plans introduced by the Planning and Compulsory Purchase Act 2004. These comprise Development Plan Documents and Supplementary Planning Documents (SPDs). The former include especially a Core Strategy, which sets out the vision, spatial strategies and core policies of the local planning authority. Production of a Core Strategy comprises typically a consultation on *Issues & Options* (Birmingham and Chichester are at this stage), followed by a consultation on *Preferred Options* (Bournemouth, Leeds, Liverpool, Manchester, Nottingham), a consultation on a *Submission* (Charnwood, Newcastle), which is then subject to an *Examination* by a Planning Inspector (Bristol, Southampton), before final *adoption* (Sheffield).

**HMO Policy** Some Core Strategies make no reference to HMOs at all (Bristol, Chichester, Liverpool). Others have generic mixed housing policies (Nottingham, Sheffield) or policies on student accommodation (Charnwood, Leeds, Manchester). Others again propose HMO policies in the light of new legislation (Leeds, Manchester, Southampton). Meanwhile, some LPAs have relevant policies in place under existing Local Plans (Birmingham, Leeds, Sheffield, Southampton) or have adopted relevant SPDs (Charnwood, Newcastle, Nottingham).

**Birmingham City Council** is consulting on *Issues & Options* for the Core Strategy; Objective 7 is concerned with HE, and a Key Issue is 'Are there any areas where we should seek to restrict the development of further student accommodation?' The Council's *Selly Oak Local Plan* Policy 11.22 'Area of Restraint (Student Accommodation)' was adopted 2001

**Bournemouth Borough Council** is due to publish its Core Strategy *Preferred Options* for consultation in June 2010. The 'Profile of Winton & Moordown' promises "a local policy to restrict the further proliferation of student lets in roads where there are currently associated problems" (21.7). A 'Delivering Sustainable Communities and Site Allocations Development Plan Document' will include more detail expanding on the text in the Core Strategy (commencing in 2011).

**Bristol City Council's** Core Strategy is to undergo *Examination* in June 2010. It includes no reference to HMOs, but the draft Site Allocations and Development Management Development Plan Document does have a specific policy DM1 on HMOs (to control densities to ensure balanced and sustainable communities), it is being published for consultation in June. The Council has no currently existing HMO policy.

**Charnwood Borough Council** [including Loughborough] is preparing its Core Strategy *Submission*. The Further Consultation of 2008 proposed a student accommodation policy. The Council adopted a SPD on Student Housing Provision in 2005, which includes HMOs.

**Chichester District Council** has completed its consultation on *Strategic Growth Options*; this included no reference to HMOs. The Council has no existing HMO policy.

**Leeds City Council** has consulted on its *Preferred Approach*. This document included policy on student accommodation, and it promises a SPD which will make use of the changes to the Use Classes Order. LCC already has in place UDP Policy H15 on Housing Mix, concerned with student housing.



**Liverpool City Council** has consulted on its *Preferred Options*; these include no reference to HMOs. The Council has no existing HMO policy.

**Manchester City Council** has consulted on its *Proposed Option*; this includes Policy Approach H6 on student accommodation, which would be reviewed if HMO legislation is amended. The Council has no existing HMO policy.

**Newcastle City Council** is currently preparing a *One Core Strategy* in conjunction with Gateshead. Newcastle's original Core Strategy had proceeded as far as Examination, but was withdrawn in 2008; this included Policy CS7 on Shared & Student Housing. Meanwhile, a Shared Housing SPD was adopted in 2008.

**Nottingham City Council's** Core Strategy is being prepared in partnership with the surrounding Borough and District Councils in Greater Nottingham. The *Option for Consultation* of the Greater Nottingham Aligned Core Strategies has been completed. This included Policy 8 Housing Size, Mix & Choice, which includes reference to student housing. Meanwhile a SPD on Building Balanced Communities, on student housing, was reissued in 2007. And a new HMO Action Plan is under development.

**Oxford City Council's** Core Strategy is under *Examination* (delayed due to legal challenges). It includes Policy CS27 on student accommodation (purpose-built), but none on HMOs. However, the Council is likely to seek to discourage further proliferation of HMOs, pending the development and adoption of a new HMO policy as part of the Sites & Policies DPD. Meanwhile, the Local Plan's Policy HS15 restricts HMOs in the Registration Area in east Oxford and elsewhere where they are more than 25% of properties in the street.

**Sheffield City Council** *adopted* its Core Strategy in 2009. "Policy CS41 'Creating Mixed Communities' includes guidance which enables us to limit further development of HMOs and other forms of shared housing where there is evidence of a concentration of these uses. No further policies are planned, as [this] provides a sufficiently strong policy on which to deal with HMOs and shared housing." The Council had in place UDP Policy H5 on Shared Housing.

**Southampton City Council** *adopted* its Core Strategy in 2010. It includes Policy CS16 Housing Mix & Type, which refers to HMOs and student housing. The Council has in place Local Plan Policy H4 on HMOs.

## Annex B: Costing Studentification

Extract from National HMO Lobby *Accounting for Sustainability* January 2006, a commentary on Higher Education Partnership for Sustainability, *Accounting for Sustainability: Guidance for Higher Education Institutions* (Forum for the Future, 2003)

**4 Costing** Some of the impacts of a HEI are readily costed (such as local cleansing costs). Some impacts are measurable, but difficult to cost (such as burglary rates). And some of the effects are hard even to measure (such as the loss of community spirit).

**4.1** The *increase in problems* of a community (3.1.1 above) are mostly tangible, and therefore mostly readily measured. These impacts comprise the following.

- i. *waste* increase: problems of normal waste disposal, of recycling, of large waste, of street cleansing, of garden clearing, and so on; Refuse and Highways Departments could provide cleansing costs for most of these.
- ii. *degradation* increase: both neglect of houses and their gardens, and also loss of character through inappropriate development of buildings and hard-surfacing of gardens; a formula might be devised for the reparation of the former, but the latter is hard to measure, let alone cost.
- iii. *street blight* increase: the impact of letting boards and security grilles, of flyposting and graffiti; removal of the latter can be costed, but again, the impact of the former on the character of the area is hard to measure (as is taxi disturbance, another blight on the street).  
*Note on (i-iii):* the costs of tackling increased squalor include not only the investment of public resources, but also the voluntary (unpaid) efforts of both residents and students.
- iv. *antisocial behaviour* increase: endemic low-level ASB, like noise nuisance, minor vandalism and evacuation (rather than serious ASB); the effect is all too tangible, it can be monitored, but it is hard to cost.
- v. *crime* increase: primarily burglary, which is measured by crime statistics, and presumably could be costed, both in terms of police time and of property stolen.
- vi. *insurance* increase: the insurance industry could presumably provide data on increased premiums for houses, contents and vehicles in specified postcodes.
- vii. *retail* distortion: orientation towards a very specific market, manifest in the particular range of lines in shops, and the range of retail outlets (especially increased numbers of pubs, take-aways and letting agencies); the impact of the market is aggravated when rent rises force out other enterprises.
- viii. *market* fluctuation: enormous fluctuation between heavy demand during term, and minimal demand during vacation.
- ix. *employment* casualisation: local employment becoming increasingly seasonal (term) and part-time (evening).  
*Note on (vii-ix):* such local economies are effectively ‘resort economies’, with a number of peculiar characteristics: they are ‘hermetic’ (both patronised and serviced almost exclusively by the student population); they depend on a continuous externally supplied market; and their profits are largely exported (rather than locally circulated). This entails a significant cost to the *local* economy.
- x. *parking* increase: car use is measurable; in Leeds, one study has shown that car ownership in student households is two-and-a-half times the norm for the city. This raises health & safety issues (obstruction of pavements for pedestrians, and of access by cleansing and emergency vehicles), as well as communication problems (access by residents, and the passage of public transport).
- xi. *demand* increase: this includes not only the direct costs of disproportionate demands on public services like cleansing and policing, housing and planning, but also indirectly the drain of resources away from provision in other areas[and neither students nor landlords pay Council Tax or Business Tax].

**4.2** The *decline of the community* (3.1.2 above) is quite intangible, and not readily measured at all. As *Accounting for Sustainability* suggests (p30) such matters are perhaps “beyond value”. This impact comprises the following issues.

- xii. *numbers* decline: student demand gives rise to high property prices and low amenity (4.1), encouraging emigration and making immigration almost impossible, with the result that there are fewer elders (retaining past memories), fewer adults (present activists) and fewer children (the community's future).
- xiii. *networks* decline: most owners and occupiers are absentees (hence disengaged), the young and the old especially are isolated (losing their peers), and the neighbourhood loses its social capital or 'community spirit' (its social networks, social norms and social sanctions).
- xiv. *morale* declines: deep and rapid changes are felt acutely: the population imbalance itself is stressful (public oppression, private isolation), the declining amenity is alienating (fear of crime, revulsion from squalor, exclusion by the economy), and residents feel anger and despair at their disempowerment.
- xv. *schools* decline: the services which support the community (especially primary schools, also colleges, evening classes, churches, clubs for the young, etc) decline and even close.

**4.3** Most impacts in 4.1 can be measured, and many costed. A few cannot – and nor can any in 4.2. These may be “beyond value” (monetary, at least). However, there are valuation techniques available. The United Nations recommends *avoidance* and *restoration* values (*Accounting for Sustainability*, p30).

**4.3.1 Avoidance values** These are what it would cost (or does cost) to avoid a detrimental impact (for instance, avoiding carbon dioxide emissions). The principal cost that can be identified in avoiding negative impacts by HEIs is the *time* this soaks up. A principal element of this time is the hours dedicated by local community campaigners to organising campaigns, organising meetings, attending meetings, circulating information, writing objections, responding to consultations, and so on. (Leeds HMO Lobby is an example, but its efforts are duplicated up and down the country.) Some HEIs employ Community Liaison Officers (with salaries); whether they do or not, other staff are drawn into dialogue, negotiation and planning. (The University of Leeds has a Community Projects Officer, a Neighbourhood Helpline, a *Housing Strategy*, and is consulting on a *Community Strategy*.) Local authorities bear responsibility for resolving local problems: members and officers devote time to addressing these; in addition, many authorities have conducted studies of the impact of HEIs locally, and have established fora to develop local strategies. (Leeds City Council has established a Student Housing Project Group, devised a *Shared Housing Action Plan*, convened a Community & HE Forum, and so on.) Student volunteers spend time on the effects of the impact. (In Leeds, they have set up the LS6 Project.) At one level, much of this time is spent fire-fighting. But at a strategic level, it is invested in attempting to resolve – hence avoid – the deeper issues. (In addition to local actions, national initiatives also absorb effort, like the National HMO Lobby, the Unipol conference *Students, Housing & Community*, and UUK's *Students & Community* research [which reportedly cost £30,000].) This time could be calculated and costed.

**4.3.2 Restoration values** These consist of what it would cost to restore an unsustainable situation (for instance, restoring contaminated land). In the case of the negative impacts of HEIs (and especially the decline of communities), essentially these arise from demographic imbalance (the substitution of a stable, general local population by a transient, seasonal and very particular population). This comes about largely by the change of use of family homes into student HMOs. In a free market, this is impossible to avoid: groups of students are prepared to pay upwards of £50 per week for a room each; with this return in mind, landlords are able to far outbid family purchasers, when homes come onto the market. House prices are rapidly inflated. The incentive of these prices, and the disincentive of declining amenity, encourages further change of use. The restoration cost of the fundamental sustainability problems of HEIs would be the cost of re-purchasing houses, to restore them to family occupation. The National HMO Lobby estimates that the tipping-point for sustainability problems for a community comes when students exceed 20% of the population. Since the average occupancy of HMOs is twice that of the average single household, this is approximately equivalent to a tipping-point of 10% of HMOs in an area. (This is also the normal proportion of privately rented housing in a neighbourhood.) In principle therefore the restoration value of an unsustainable community is the cost of restoring the housing balance. [Leeds HMO Lobby puts the restoration value of Headingley at somewhere near a half £billion.]

# HMO Consultation 2010



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