

Appendix 1: Planning policies for Houses of Multiple Occupation (HMOs) Draft Options Paper

Purpose of this paper

1. Some local authorities have introduced planning policies for Homes in Multiple Occupation (HMOs) in an attempt to restrict their increase in areas in which their concentration is regarded as having become too great. Norwich City Council does not currently have such planning policies.
2. This paper considers firstly the evidence relating to the growth of HMOs in Norwich and secondly which planning policy measures could be taken to address the issues around HMOs. It also takes account of how any planning policy measures could be combined with licensing measures.

Background

3. A 'House in Multiple Occupation' (HMO) is a house or flat which is shared between 3 or more unrelated occupants living as 2 or more households who share basic amenities such as kitchen or bathroom facilities. There are two different types of HMO:
 - a 'small HMO' of between 3 and 6 occupants (classified in planning terms as a 'C4 HMO'), and;
 - a 'large HMO' that generally has 7 or more unrelated occupants (termed a 'Sui Generis HMO').
4. Ordinary houses are classified as C3. Purpose-built student accommodation, both self-catering accommodation and halls of residence, is classed as C2 (residential institutions).
5. Joint Core Strategy (JCS) policy 2 provides the strategic design policy which requires local distinctiveness, an important issue in some areas of the city with large number of HMOs, to be respected. JCS policy 4 requires proposals for housing to contribute to the mix of housing necessary to provide balanced communities and meet need, as set out in the most up-to-date study of housing need.
6. An updated study of housing need, the Central Norfolk Strategic Housing Market Assessment 2014 (SHMA), is being produced. It is expected that this will be published before the end of the year.

7. Development management (DM) policies provide the detailed policies to enable strategic aims to be implemented. Norwich has an emerging planning policy for large HMOs which mainly focuses on amenity issues (DM13). However, there is no policy specifically relating to small HMOs. Other policies cover amenity issues in C3 and C4 homes (policies DM2 and DM12). The JCS and DM policies are in appendix 1.
8. At present, there is no policy in Norwich which specifically attempts to restrict an increase in the total number of either smaller or larger HMOs in any locations in the city. Planning permission is not required nationally to convert from C3 to C4 or visa-versa. Such a requirement can be set locally, at some expense, through the introduction of an "Article 4 Direction". Appendix 2 provides further information on the issues surrounding the introduction of Article 4 Directions.
9. Norwich is currently considering implementing additional licensing for smaller HMOs to complement the nationally required licensing of larger HMOs required under housing law. This is separate to planning, and primarily aims to ensure a good domestic living standard for all HMO occupants, though it will also cover the management of properties and improved education for tenants on their rights and responsibilities. It can't be used to prevent concentrations on HMOs in particular areas or types of housing.
10. Norwich is also considering a voluntary accreditation scheme which may enable a higher management standard to be set. Depending on the success of the scheme, compulsory additional licensing of HMOs may be introduced in the future, though there is no guarantee of this.
11. Due to the rapid turnaround of HMO properties and the fact that the owners of a number of HMOs may seek to evade any form of licensing, it will be difficult to gain fully comprehensive up-to-date data on the location of all HMOs for use in policy implementation. Any policy approach for HMOs could use predictive data using an approach similar to that for map 1 on the location of HMOs in Norwich in 2014, or, if compulsory licensing of all HMOs were introduced, such evidence could be gathered over a period of time. Further investigation of the most appropriate approach, taking account of the experience of other cities with HMO policies such as Oxford, can be undertaken in the future.

HMOs in Norwich

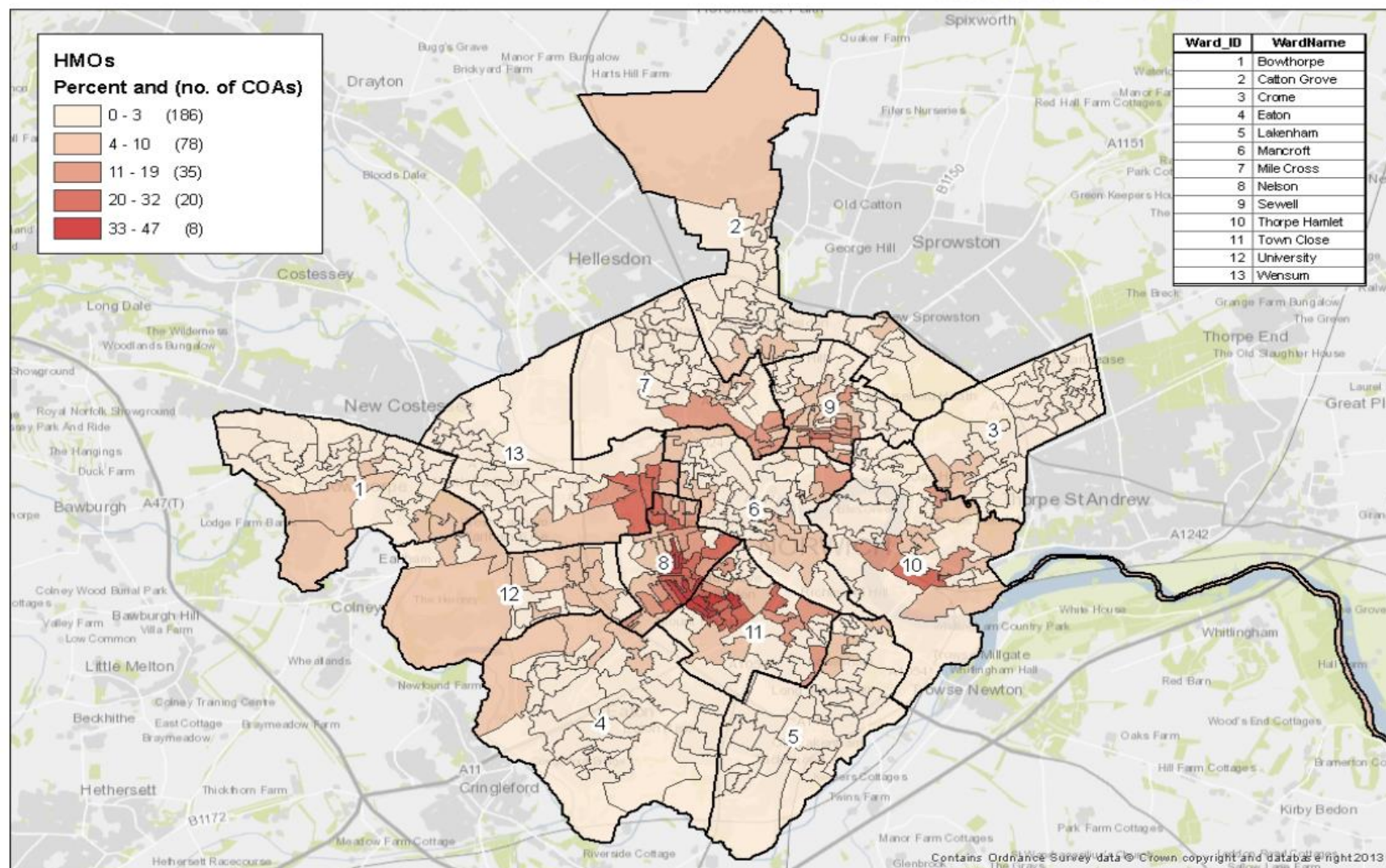
12. Norwich, like most cities, particularly those in which education forms an important part of the local economy, has a large number of HMOs. These play an important role in meeting people's housing needs by providing shared accommodation that is affordable. HMOs generally provide accommodation for a range of people such as young professionals, students and temporary workers, amongst other. Without HMOs, many people would not be able to afford to live in Norwich.
13. However, the growth in HMOs in some areas has led some people to believe that their communities are becoming unbalanced, because the number of short-term tenants with less established community ties has grown too large. There are also concerns that growth in HMOs restricts the amount of housing available to enable people to get on the housing ladder and that the increase in student HMOs can lead to those parts of the city with the highest concentration of students becoming "ghost neighbourhoods" outside term time.
14. Some residents, particularly in the College Road area of the Nelson ward, have recently expressed concerns about the growth in the number of HMOs in their area and have requested that planning controls be introduced to prevent further growth.

Evidence

15. In order to assess the nature of the HMO issue in Norwich, and to provide advice on potential options for addressing these issues, an analysis of census data on HMOs in 2001 and 2011 within the city has been done, alongside comparative analysis for other tightly bounded urban authorities with significant student populations, Cambridge, Oxford and Nottingham.
16. Census data for Norwich shows that:
 - The Private Rented Sector (PRS) overall, which HMOs form a part of, grew by 53.5% between 2001 and 2011 (a higher percentage increase than in neighbouring districts, the eastern region and England). This was mainly through the conversion of housing formerly in other tenures rather than through new build;
 - Between 2001 and 2011, the number of households which were living in HMOs increased from around 3,000 to 4,300, with the percentage increasing from 5.4 to 7.1%;
 - The main concentration of HMOs in 2011 was in the central south west and west of the city, in Nelson, University, Town Close and Wensum wards (see map 1);

- There was an increase in the dispersal of households living in HMOs around the city over the decade 2001 to 2011, with a doubling of the percentage of households which were in HMOs in both the University and Bowthorpe wards (see figure 1);
- In 2011, 2.4 % of the households in Norwich were in HMOs in which all occupants were students and 4.8 % were classified as “other” HMOs, often shared housing for young professionals, (see figure 2) and;
- Between 2001 and 2011 the percentage and number of households which are in student only HMOs increased rapidly in comparison with “other” HMOs, particularly in the Bowthorpe and University wards, but to a lesser extent in Nelson and Town Close wards. The percentage of households which are in student only HMOs in Norwich doubled (from 1.2% to 2.4%) and the number of households in student only HMOs more than doubled (from 675 to 1,423). Over the same time period the number and the percentage of households in “other” HMOs slightly increased, from 2,291 to 2,888 and from 4.2% to 4.8%. This implies that a number of HMOs formerly classified as “other” HMOs became student only HMOs (also see figure 2), and that the student market was a key driver in the growth of HMO numbers.

17. Background census data to inform the statements above is set out in appendix 3.



Map 1: Concentration of dwellings used as HMOs 2014 (Note: data in this table is based on specific research undertaken for Norwich City Council by the Building Research Establishment (BRE) using data from the census 2011, Experian, the English Housing Survey and other sources. It is based

on census output areas (COAs) but is not directly comparable with census data in figures 1 to 3. Census data measures the number of households in HMOs, while the BRE data measures the number of dwellings used as HMOs. In addition, the BRE data is predictive of the location of HMOs, but is not a definitive database of the location of individual HMOs.

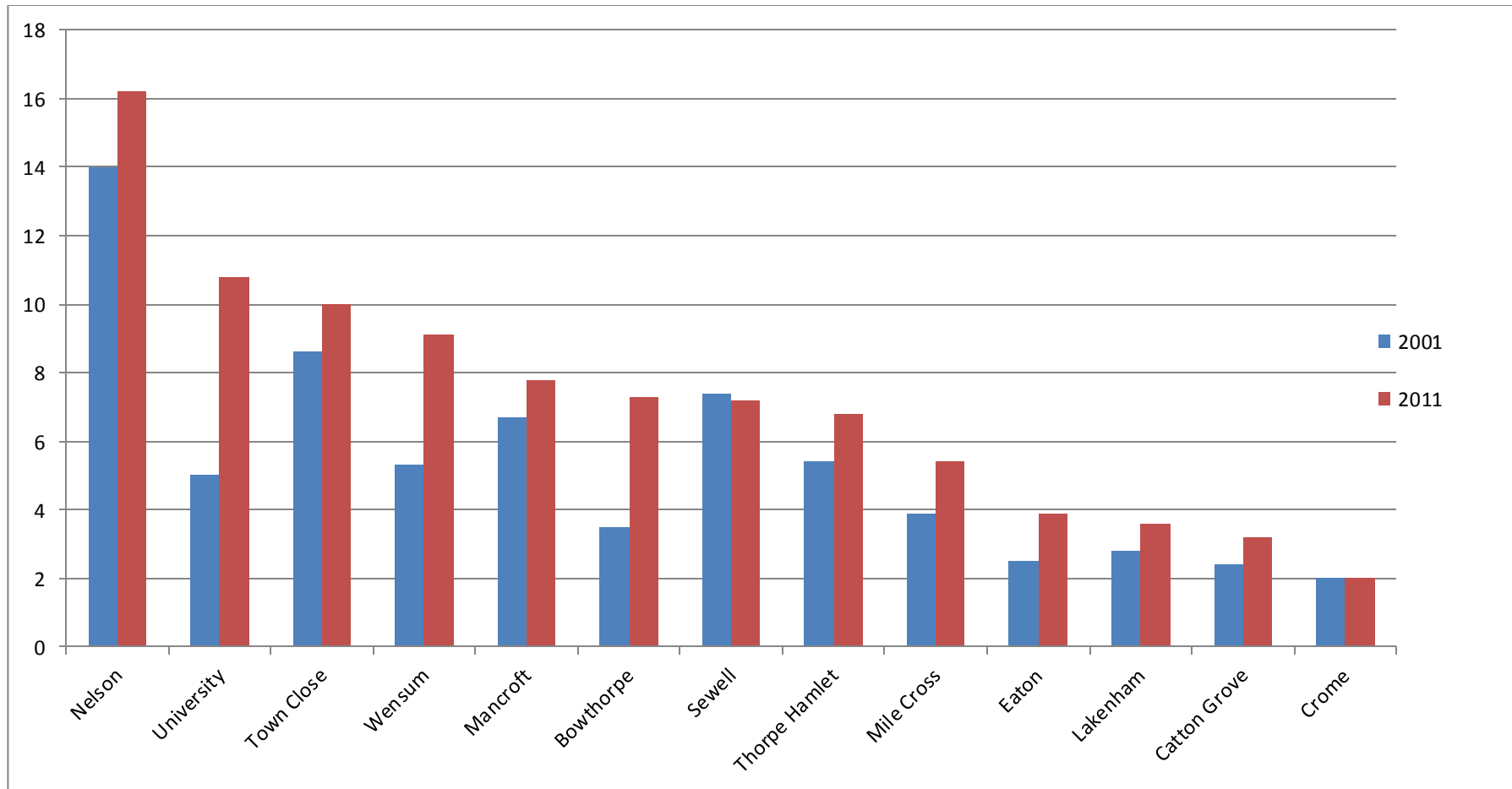


Figure 1: Percentage of households in HMOs by ward, 2001 and 2011

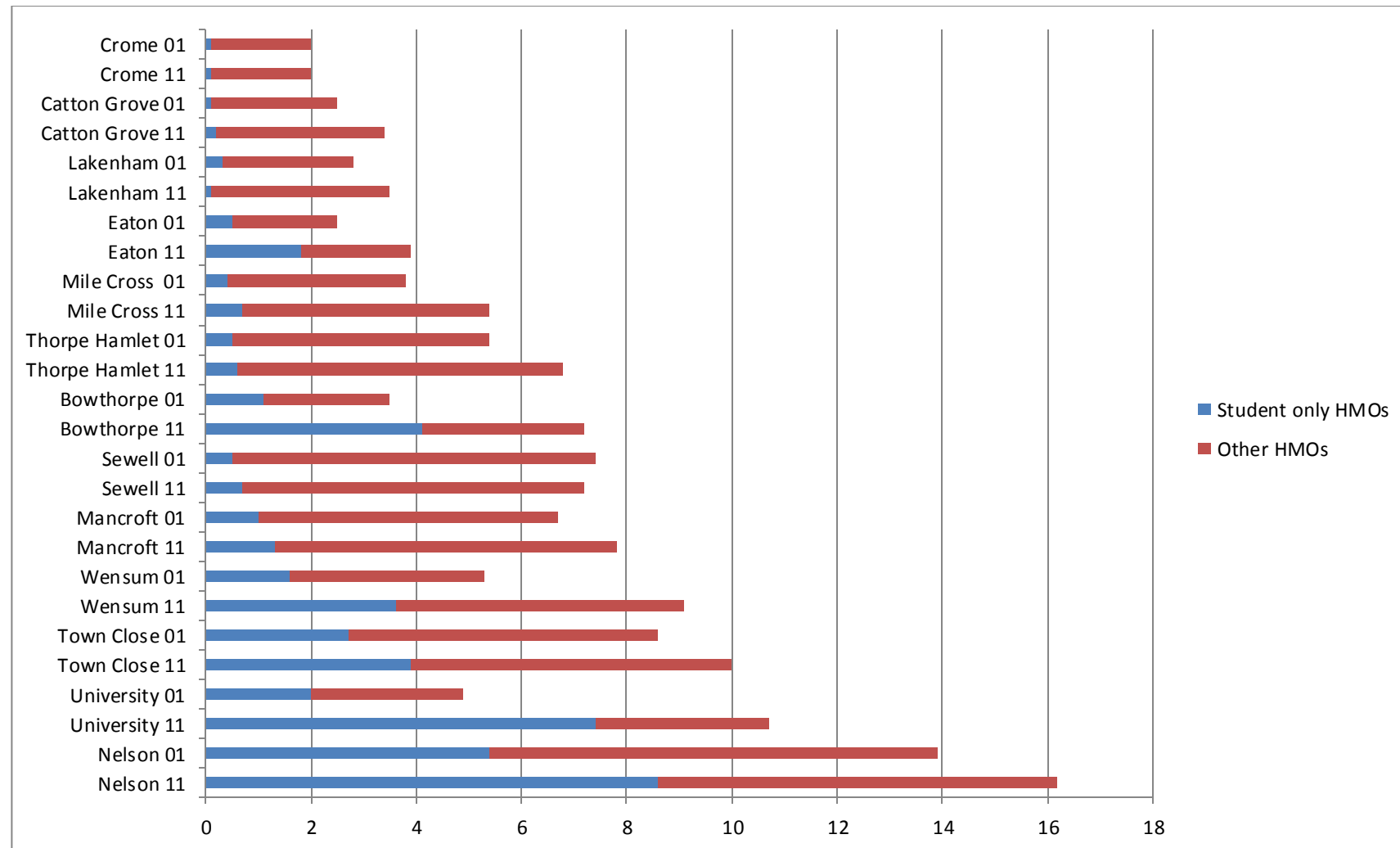


Figure 2: Percentage of households in “Student only” and “Other” HMOs by ward, 2001 and 2011

18. There are currently approximately 16,500 students at Higher Education Institutes (HEIs) in Norwich, with approximately 14,500 at the University of East Anglia (UEA) and 2,000 at Norwich University of the Arts (NUA).
19. There is purpose-built accommodation for 3,774 students (3,609 for UEA and 165 for NUA students), providing mainly for first year and international students. The great majority of the UEA accommodation is on the campus and at the neighbouring University Village, with a small amount of accommodation in the city centre. NUA accommodation is in three locations in Wensum and University wards.
20. Given the limited amount of purpose-built accommodation in comparison with student numbers, many students are obliged to meet their housing need in HMOs in the private rented sector.
21. Between 2001 and 2011 the overall numbers of students rose very slightly at UEA, from 13,274 to 13,514, with the 2014 figure at 14,602. While the increase in overall numbers was modest, the rapid increase in the number of student HMOs shown in census data is most likely to be the consequence the increase in the numbers of full time students from 9,266 to 12,143 and the decline in the number of part time students (from 4,008 to 1,371), who are more likely to live away from Norwich.
22. UEA's student union runs "Homerun", a register of rented properties for students. It is one of a number of agencies offering students accommodation in HMOs. The Homerun register of properties shows a small increase between 2006 and 2014, from 358 to 430.
23. No census data for 2001 and 2011 is available on households in HMOs on a house by house or road basis – the closest proxy available is the census super output area. College Road lies in census super output areas 009B, 009D and 009E (see maps in appendix 2). The data shows a small overall increase in the percentage of households in HMOs in this area between 2001 and 2011, with the number households in student only HMOs nearly doubling. Once again, this suggests that other HMOs became student HMOs and that some new HMOs were created (see figure 3 below).

	009B		009D		009E		TOTAL	
	No.	%	No.	%	No.	%	No.	%
2001								
Student only HMOs	32	5.2	26	4	66	9.9	124	6.4
Other HMOs	48	7.8	42	6.4	87	13.1	177	9.2
TOTAL	80	13	68	10.4	153	23	301	15.6
2011								
Student only HMOs	51	7.9	59	9.1	106	15.9	216	11
Other HMOs	47	7.3	35	5.4	60	9	142	7.2
TOTAL	98	15.2	94	14.6	166	24.9	358	18.3

Figure 3 Number of percentage of households in HMOs in census output areas Norwich 009B, D and E, 2001 and 2011 (NB - numbers do not sum due to rounding)

Comparator cities

24. The comparator cities chosen are, like Norwich, tightly bounded urban authorities with significant student populations. National comparator figures are also provided. However, since this last figure covers the whole country including rural and smaller urban areas, comparisons are less relevant.

25. Census data for 2001 and 2011 shows (see figure 4):

- The overall percentage of households which are in HMOs is lower in Norwich than the comparator cities, though the proportion of households which are in HMOs increased more rapidly in Norwich than in the comparator cities and nationally between 2001 and 2011;
- The percentage of households which are in HMOs occupied by students only grew more rapidly between 2001 and 2011 in Norwich than in the other local authority comparators and nationally.

	Norwich	Nottingham	Cambridge	Oxford	England
2001					
Student only HMOs	1.2	2.8	1.7	3.3	0.4
Other HMOs	4.2	4	6.5	7	2.6
TOTAL	5.4	6.8	8.3	10.3	3
2011					
Student only HMOs	2.4	3.8	2.3	3.3	0.5
Other HMOs	4.8	4.6	7.2	6.9	3.0
TOTAL	7.1	8.3	9.4	10.2	3.6

Figure 4 - Norwich and comparators, percentage of all households which are in HMOs, 2001 and 2011 (NB - numbers do not sum due to rounding)

Future demand for HMOs in Norwich

26. Change in the number of HMOs in Norwich in the foreseeable future will be dependent on a number of factors:

- Market factors relating to access to and the cost of mortgages, particularly for younger people and other housing market changes such as pension reforms announced in the 2014 Budget, allowing people aged over 55 to withdraw their entire pension fund, which may lead to increased investment in buy-to-let properties;
- Right to buy purchasing of council houses a subsequent letting of the properties;
- Recent and any further changes in housing benefit rules;
- New housing construction rates;
- The growth in student numbers and the amount of dedicated student accommodation which is provided to serve any growth and
- The Norwich City Council housing and planning policy approach.

27. The rate of home ownership among people in their 20s has halved in the last 20 years.¹

28. Whilst government has launched a number of schemes designed to increase access to the house buying market, it is too early to assess what degree of success these are likely to have. Some commentators have suggested that such schemes need to be accompanied by rapid house building as demand side initiatives to enable people to enter the housing market risk inflating house prices further, ultimately with negative results for aspiring home owners.

29. National research done by the Joseph Rowntree Federation² in 2012 predicts that in 2020:

¹ Tom Clarke, the Guardian 13th May 2014, based on ONS data

² Housing Options and Solutions for Young people in 2020 - David Clapham, Peter Mackie, Scott Orford, Kelly Buckley and Ian Thomas with Iain Atherton and Ursula McNulty, JRF Foundation
http://www.jrf.org.uk/sites/files/jrf/young-people-housing-options-full_0.pdf

- Around 1.5 million more young people aged 18–30 unable to access home ownership and unable to secure accommodation in the social rented sector will be pushed towards living in the Private Rented Sector (PRS), often in lower-end accommodation as a result of their relatively low incomes. This is partly due to recent changes in legislation relating to housing benefit. This view is also backed by research from the Intermediary Mortgage Lenders Association and DCLG which predicts that nationally, the PRS share of the housing market will rise from 13.5% in 2007 to 25.5% in 2025 and to 35.2% in 2032, with accompanying decreases in the share of the social rented and, most particularly, the owner-occupied sector (from 68% in 2007 to 49.2% in 2032)³. Given the changes to the benefit rules and the market changes outlined above, it is likely that the increase in the PRS share of tenure overall will include a rise in demand for HMOs from those without access to owner occupation or social housing to meet housing need;
- More young people will stay at home for longer;
- There will be a reduction in the number of students living in the PRS. Demographic evidence in the 2014 Savills spotlight on student housing⁴ backs this view. It shows that there will be a decline in the number of UK students until 2020 due to lower birth rates in the late 1990s. In addition, with high fees it is likely that more students will go to university locally and live with their parents.

30. The effect of such national demographic trends on demand for HMOs in Norwich will be also dependent on the growth plans (including those for international students) of the universities and how much other additional purpose-built student accommodation is provided to support these.

31. The UEA Development Framework Strategy⁵ was produced in 2010 to inform Local Plan making. It suggests a moderate growth in student numbers of 1,000-2,000 from 2008 to 2030, with all first year undergraduates and foreign students offered accommodation on campus, leading to accommodation on site for a further 300-600 students being required.

³ Intermediary Mortgage Lenders Association and DCLG <http://www.imla.org.uk/perch/resources/imla-reshaping-housing-tenure-in-the-uk-the-role-of-buy-to-let-may-2014.pdf>

⁴ http://www.savills.co.uk/research_articles/141285/176499-0

⁵ <http://www.norwich.gov.uk/Planning/JointSAandDMLibrary/UEA%20Development%20Framework%20Strategy.pdf>

32. More recent plans appear to have superseded this strategy to a certain extent and could provide significantly more additional purpose-built accommodation than the 300-600 student places envisaged in the strategy.
33. A hall providing accommodation for 232 students is currently nearing completion within the UEA campus adjacent to other recent accommodation development. Informal discussions with UEA suggest that further more significant developments of student accommodation are also being planned which will be consistent with the Local Plan following the adoption of the site allocations plan due later this year.
34. The reserve site allocation in the Local Plan for a further extension to the campus adjacent to the Prospect Hill within the campus could also provide additional accommodation.
35. Modest growth of approximately 300 students is predicted at NUA by 2016/17. Data for longer term growth is not currently available.
36. Development of purpose-built accommodation to provide 238 bed spaces for NUA students is taking place at All Saints Green adjacent to Norwich Bus Station.

Commercial development of dedicated student accommodation

37. In recent years nationally, there has been a growth in the privately operated purpose-built student housing sector. Such development has been limited in Norwich to the purpose-built student accommodation which has recently been completed on Prince of Wales Road (37 places).
 38. The trend nationally has been partly focussed on the higher growth overseas student market and may also be due an increase in final year undergraduates returning to halls to focus on their exams. Savills predict this will continue, consequently freeing up some housing currently used as student HMOs to the wider HMO market or for family housing and that "In many of the largest student markets, the amount of housing that could be released is equal to 2-3 years of recent housing delivery". By freeing up homes
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currently used as HMOs, such purpose-built student accommodation can therefore reduce problems in the wider housing market. It seems likely that the market for this form of student accommodation will rise in Norwich.

39. It is important that such accommodation does not create new problems. The most appropriate locations for such accommodation are those with accessibility to services in local, district and the city centre and with good access to public transport and cycling links to the educational establishments.
40. Thus while the demand for student only HMOs may decline as more purpose-built accommodation is provided and numbers increase at a relatively slow rate, it seems highly likely that many additional people, mainly younger people, as identified in the research quoted above, will enter the HMO market. The effect over the next decade is likely to be increasing demand in Norwich for HMOs to meet the needs of those with the fewest housing options.
41. The construction of high quality, new build products such as studio flats and bedsits in different tenures such as market or intermediate rent could slow the HMO conversion rate within the existing stock.
42. A potential policy response to promote such development is set out in figure 5, option 4 below.

Policy Options

43. Figure 5 below provides a summary of the policy options considered available to Norwich City Council to address HMO issues through its role as the local planning authority, and/or through housing policy, along with relevant considerations and implications.
44. Since all options except option 4 would all require an Article 4 Direction with a 1 year notice (see appendix 2 for the justification for this approach) and the development of new planning policy, while option 4 would require the collection of further evidence for licensing, the likely timescale for each of the options is approximately 18 months to 2 years.
45. All the interventions in options 1 to 3 are likely to have an impact on the housing market in Norwich, as, for example, some investors would be less likely to buy homes if they are prevented from renting them out. The reduction in flexibility resulting from policy interventions may even have the unintended consequence in some cases of encouraging landlords to retain properties as HMOs when they might otherwise have rented them as C3 homes for periods. The greater the intervention, such as options 1 and 2, the more the effect on the market is likely to be.

Option no.	Policy intent	Mechanism/ Work	Considerations and Implications
1	Blanket restriction on additional HMOs in the city as a whole	<ul style="list-style-type: none"> City wide Article4 Direction to bring C3-C4 conversion under planning control City wide single issue Local Plan policy review to place blanket ban on additional HMOs 	<ul style="list-style-type: none"> Approach not taken anywhere else Significantly reduced housing choice for those with fewest housing options Very difficult to justify policy approach given housing need Significant resource implication from Article 4 Direction and Local Plan review Some ongoing resource implications to implement policies

2a	Restrict additional HMOs in areas of over-concentration through percentage threshold e.g. maximum 20% HMOs in any street potentially combined with	<ul style="list-style-type: none"> City wide Article 4 Direction to bring C3 to C4 conversion under planning control Develop new policy framework through city wide single issue Local Plan Requires city wide compulsory licensing regime to enable data to be collected on the location of all HMOs 	<ul style="list-style-type: none"> Dependent on the threshold set and the size of the areas in which over-concentration is limited, likely to lead to significant dispersal of HMOs across the remainder of the city Potential difficulty in defining and justifying thresholds for areas of over-concentration Significant resource implication from Article 4 Direction, Local Plan review and licensing Considerable ongoing resource implications to implement policies Significant financial implications as no fee can be charged for Article 4 related planning applications
2b	Drive up standards and management of new HMOs and ensure HMOs are only created in appropriate types of housing (Note: option 2b could be pursued without 2a)	<ul style="list-style-type: none"> City wide Article 4 Direction Policy review to ensure C4 HMOs are only created in suitable types of housing 	
3	Limit the concentration of HMOs through a blanket ban on additional HMOs in one particular area, with no threshold	<ul style="list-style-type: none"> Targeted Article 4 Direction for defined area Neighbourhood Plan or Area Action Plan for area of over-concentration Possibly also implement licensing regime in the defined area 	<ul style="list-style-type: none"> Difficulty in defining and justifying single area of over-concentration Dependent on the size of the defined area, likely to lead to some dispersal of HMOs across the remainder of the city Some resource implications from focussed Article 4 Direction and new plan Some ongoing resource implications to implement policies and possibly for licensing
4	Promote development of accommodation types to slow HMO conversion rate through planning and assess licensing options	<ul style="list-style-type: none"> Use JCS policy 4 to promote development of property types to slow HMO conversion rate by encouraging development of new flats and bedsits in different tenures Continue to support provision of additional purpose-built student accommodation through implementation of Local Plan allocations at UEA and support of planning applications in other appropriate locations Implement city wide voluntary housing licensing regime and accreditation and then assess policy implications 	<ul style="list-style-type: none"> No current reduction in housing choice for those with fewest housing options No new plans required Workload justifiable Allows opportunity to assess further evidence base requirement and ongoing resource implications

Figure 5 Policy Options for HMOs

46. Appendix 5 provides further background and details on the implications of the different options.

Appendix 1: Relevant sections of Local Plan policies

JCS Policy 2: Promoting good design

All development will be designed to the highest possible standards, creating a strong sense of place.

In particular, development proposals will respect local distinctiveness including as appropriate:

.....

- The historic environment, taking account of conservation area appraisals
- Townscape, including the city

JCS Policy 4: Housing delivery

.....

Housing mix

Proposals for housing will be required to contribute to the mix of housing required to provide balanced communities and meet the housing needs of the area, as set out in the most up-to-date study of housing need and/or Housing Market Assessment.

.....

DM13: Flats, bedsits and larger houses in multiple occupation (HMOs)

Proposals for the construction or conversion of existing buildings to flats, bedsits and larger houses in multiple occupation will be permitted where they:

(a) achieve a high standard of amenity and living conditions for existing and future residents and would not result in an unacceptable

impact on the living and working conditions of neighbouring residential and non-residential occupiers, in accordance with the criteria as set out in policy DM2 of this plan;

b) satisfy criteria (a), (b) and (c) for residential development as set out in policy DM12 of this plan; and

c) demonstrate that a satisfactory standard of servicing, parking and amenity space for all residents can be achieved within any limitations imposed by the size and configuration of the site, including making provision for appropriately located bin storage, cycle storage and drying areas in accordance with policy DM31 of this plan and the standards set out in Appendix 3.

Landscaping schemes should be designed to be low maintenance and attractive and opportunities should be taken, where reasonably practicable, to reduce the level of car parking on and around the site.

DM12: Principles for all residential development

a) Proposals for development should not compromise the delivery of wider regeneration proposals and should be consistent with the overall spatial planning objectives for sustainable development set out in the JCS and policy DM1 of this plan;

b) Proposals should have no detrimental impacts upon the character and amenity of the surrounding area (including open space and designated and locally identified natural environmental and heritage assets) which cannot be resolved by the imposition of conditions;

c) Proposals should contribute to achieving a diverse mix of uses within the locality, taking account of individual site proposals in the Site Allocations Plan, other relevant development plan documents and neighbourhood plans and having regard to the overall housing delivery targets set out in the JCS. A mix of uses including housing will be encouraged and accepted on individual development sites where this is achievable and practicable;

Policy DM2 – Amenity

Existing occupiers

Development will be permitted where it would not result in an unacceptable impact on the amenity of the area or the living or working conditions or operations of neighbouring occupants. Particular regard will be given to:

a) the prevention of overlooking and the loss of privacy;

- b) the prevention of overshadowing and loss of light and outlook; and
- c) the prevention of disturbance from noise, odour, vibration, air or artificial light pollution.

Future occupiers

Development will only be permitted where

- a) it provides for a high standard of amenity, satisfactory living and working conditions, adequate protection from noise and pollution and adequate levels of light and outlook for future occupiers; and
- b) such a standard can be achieved and maintained without preventing or unreasonably restricting the continued operation of established authorised uses and activities on adjacent sites.

To ensure that residential dwellings are designed to meet the demands of everyday life, adequate internal space must be provided and would normally be expected to exceed the City Council's indicative minimum guidelines for internal space standards.

External amenity space within residential developments

Provision must be made for external private or communal amenity space which is appropriate for and integral to the residential development and forms a key part of the overall design of the site. Communal amenity areas shall be landscaped to a high standard in accordance with policy DM3. Provision of bin and cycle storage as required by policy DM31 should not be detrimental to the provision of suitable external private or communal amenity space.

Conversions to residential use not making provision for external amenity space will only be acceptable where such provision is not feasible and:

- a) it is enabling development to secure the future of a heritage asset;
- b) it involves the re-use of upper floors of commercial premises within a defined centre; or
- c) there are overriding benefits to the regeneration of a wider area.

Appendix 2: Article 4 Directions

Since conversion of housing to HMOs is permitted development (PD) nationally, any planning based approach to address HMO issues will require the introduction of an Article 4 Direction to require planning permission to be gained for such a change of use. This could apply to the whole city or only to those areas of the city in which there is perceived to currently be over concentration of HMOs.

Article 4 Directions must only be made in 'exceptional circumstances where evidence suggests that the exercise of permitted development rights would harm local amenity or the proper planning of the area'⁶ and the planning authority should clearly identify the potential harm that the direction is intended to address with particular regard to, amongst other things, 'whether the exercise of permitted development rights would undermine the visual amenity of the area or damage the historic environment'. A particularly strong justification should be made 'where the withdrawal of permitted development rights would relate to a wide area, e.g. those covering the entire area of a local planning authority...', and continued monitoring should be applied to ensure that the Direction remains valid.⁷

It should also be noted that Article 4 Directions cannot be applied retrospectively to development undertaken before the Direction comes into force, therefore the number of HMOs cannot be reduced on that which exist currently.

An Article 4 Direction can be introduced in two ways, either immediately, or with a 1 year notice period. The advantages and disadvantages of both approaches are shown in the table below:

⁶ For all Article 4 Directions the legal requirement is that the local planning authority is satisfied that it is expedient that development that would normally benefit from permitted development rights should not be carried out unless permission is granted for it on an application (see paragraph (1) of article 4 of the GPDO). Additionally, for directions with immediate effect, the legal requirement is that the local planning authority considers that the development to which the direction relates would be prejudicial to the proper planning of their area or constitute a threat to the amenity of their area (see paragraph (1)(a) of article 6 of the GPDO).

⁷ All quotes taken from the DCLG document 'Replacement Appendix D to Department of the Environment Circular 9/95: general development Consolidation Order 1995.'

	Advantages	Disadvantages
Article 4 direction - Immediate	Planning permission for conversion to HMO required with immediate effect	Approach not used anywhere else nationally
		No current policy framework to refuse permissions on other than amenity grounds i.e. cannot prevent increase in concentration through this mechanism
		Potential for aggrieved parties to claim costs (the local planning authority may be liable to pay compensation to those whose PD rights have been removed and where, 1) permission is refused for development which would have been otherwise permitted, or, 2) if permission is granted but with more restrictive conditions than the GPDO would normally allow)
		Significant ongoing revenue costs associated with processing planning applications (no fee can be taken for applications required as the result of an Article 4 Direction)
		Increased risk of appeal and consequent cost implications
Article 4 direction – with 1 year notice period	Less potential for aggrieved parties to claim costs	No current policy framework to refuse permissions on other than amenity grounds i.e. cannot prevent increase in concentration through this mechanism
	Provides opportunity to introduce policy mechanisms to address identified issues	Significant ongoing revenue costs associated with processing planning applications (no fee can be taken for applications required as the result of an Article 4 Direction)

As a result of these considerations, it is concluded that an immediate Article 4 Direction should not be introduced in Norwich to address HMO issues.

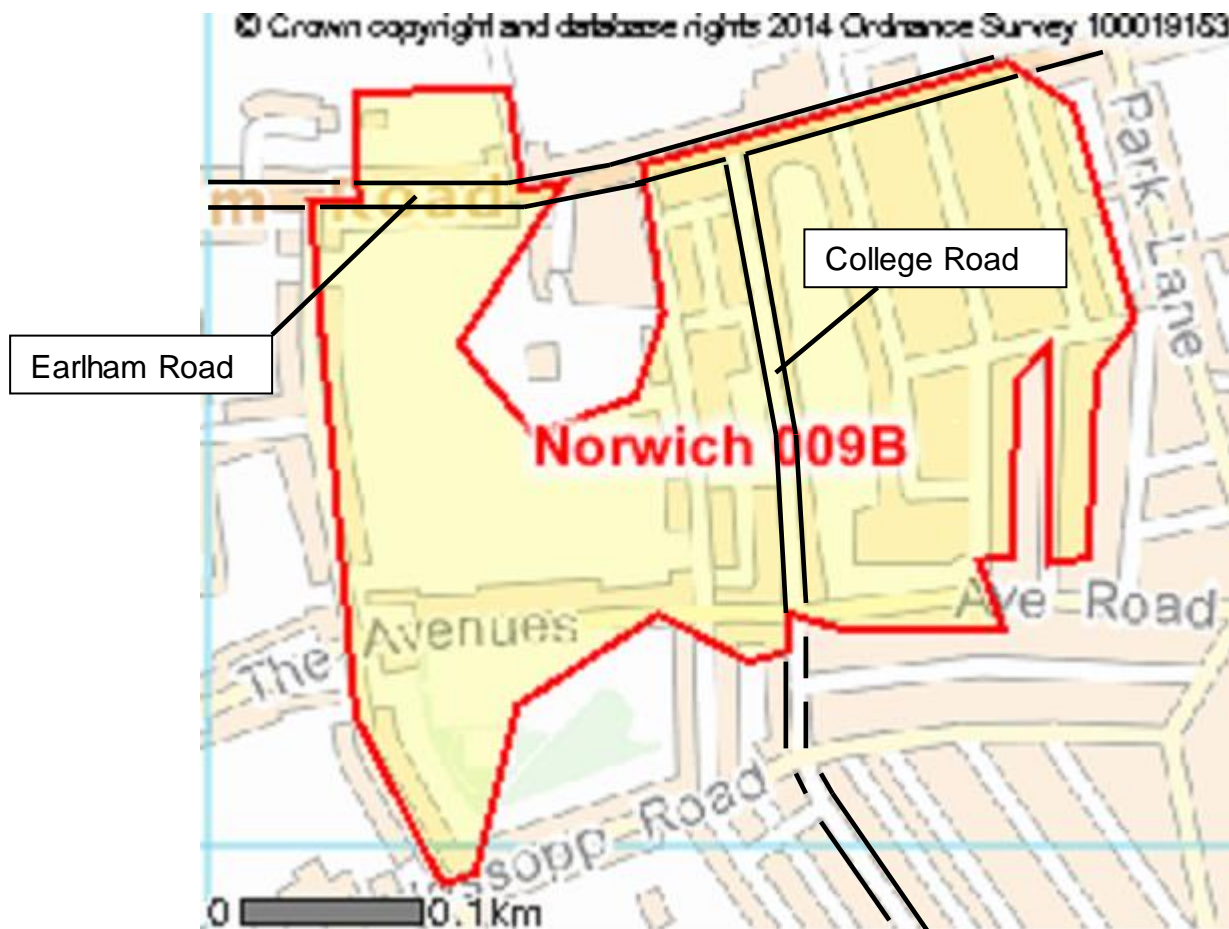
Appendix 3: Census data

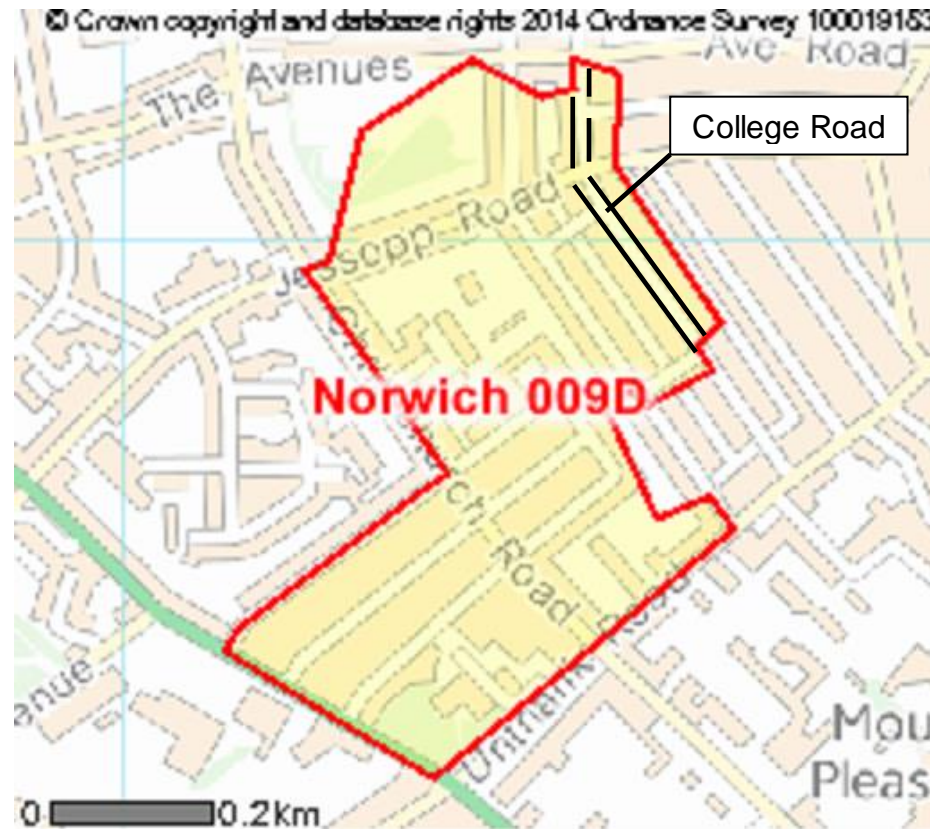
Number and percentage of all households which were in HMOs in 2001 and 2011 by ward (NB: numbers do not sum due to rounding)

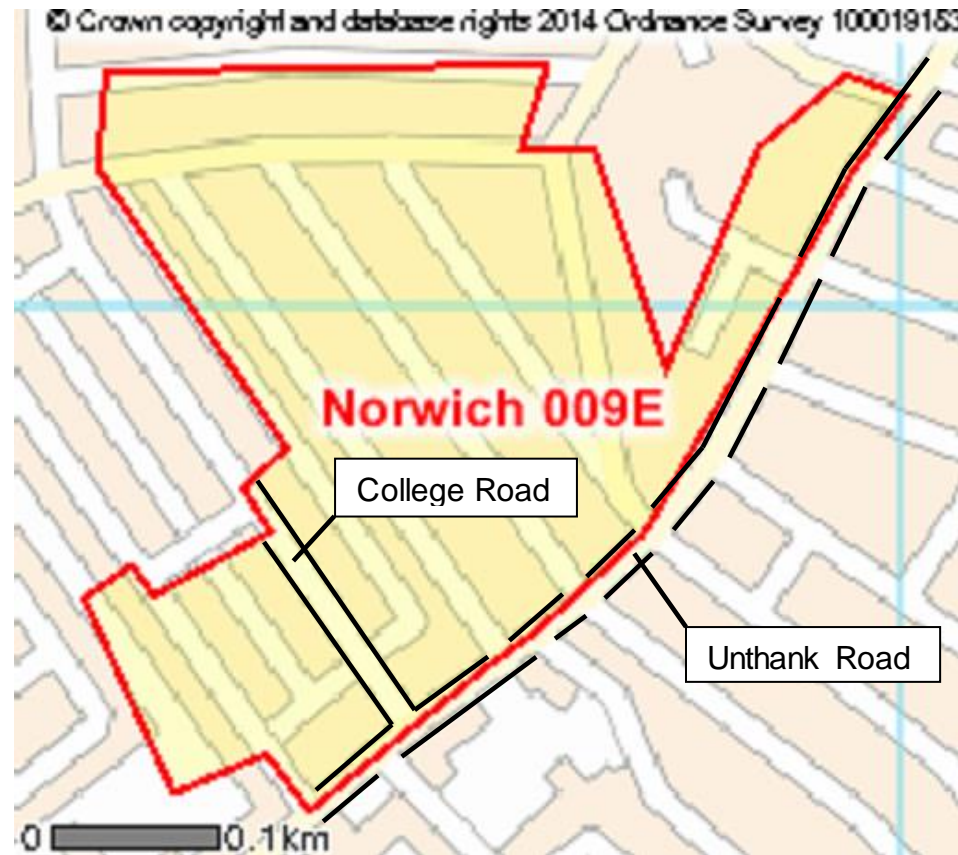
	Nelson		Bowthorpe		University		Town Close		Sewell		Wensum	
	No	%	No	%	No	%	No	%	No	%	No	%
2001												
Student only HMOs	221	5.4	43	1.1	55	2.0	129	2.7	23	0.5	68	1.6
Other HMOs	347	8.5	93	2.4	79	2.9	277	5.9	319	6.9	158	3.7
TOTAL	568	14	136	3.5	134	5.0	406	8.6	342	7.4	226	5.3
2011												
Student only HMOs	354	8.6	195	4.1	216	7.4	208	3.9	36	0.7	173	3.6
Other HMOs	310	7.6	148	3.1	97	3.3	329	6.1	317	6.5	261	5.5
TOTAL	664	16.2	343	7.3	313	10.8	537	10	353	7.2	434	9.1

	Lakenham		Thorpe Hamlet		Mancroft		Crome		Mile Cross		Eaton		Catton Grove	
	No	%	No	%	No	%	No	%	No	%	No	%	No	%
2001														
Student only HMOs	12	0.3	23	0.5	51	1	5	0.1	18	0.4	21	0.5	6	0.1
Other HMOs	108	2.5	221	4.9	285	5.7	81	1.9	147	3.4	77	2	99	2.4
TOTAL	120	2.8	244	5.4	336	6.7	86	2	165	3.9	98	2.5	105	2.5
2011														
Student only HMOs	6	0.1	39	0.6	76	1.3	6	0.1	35	0.7	70	1.8	9	0.2
Other HMOs	150	3.4	368	6.2	371	6.5	80	1.9	221	4.7	84	2.1	152	3.2
TOTAL	156	3.6	407	6.8	447	7.8	86	2	256	5.4	154	3.9	161	3.4

Appendix 4: Maps of College Road census output areas







Appendix 5: Considerations relating to options table

Licensing

- Discretionary licensing schemes are aimed at increasing the quality of existing stock in the private rented sector in terms of both physical conditions and management standards. Under the proposed accreditation scheme and licensing arrangements stricter management rules for all HMOs, for both landlords and tenants, are being considered.
- Options 2 and 4 provide the opportunity to closely link licensing with planning and to improve the evidence base overall if compulsory licensing of all HMOs is introduced. Whilst evidence is available on the precise location of large HMOs as they are required to be licensed and from the census on the overall increase in households in HMOs in the last decade, no evidence is available on the exact location of smaller HMOs. Any threshold or blanket restriction for particular areas of the city would need to be based on as robust an evidence base as possible of existing over-concentration. This evidence would need to be developed.

Planning Policy based approaches

- An increase in the supply of new housing and purpose-built student accommodation, as promoted in national policy in the NPPF and in the Local Plan, will play a significant role in reducing the pressure for additional HMOs. Norwich City Council will continue to work with general housing developers, the educational institutions and other providers of purpose-built student accommodation to increase supply.
- The introduction of either an over-concentration threshold or a blanket ban on further HMOs in parts of the city would be likely to lead the market to look for other geographical areas to convert housing to HMOs (including in South Norfolk and Broadland), leading to more dispersal of HMOs.