

Local Plan Examination

Houses in Multi Occupation - demand and concentrations in Croydon

Comments by Sean Creighton

1. The response LBC-PR-063 of the Council is welcome in relation to the overall analysis of registered HMOs.
2. It notes that the number of such HMOs increased by 42% between 2001 and 2011, and states 'which is a symptom of under-provision of housing in the same period'.
3. The conclusion, however, does not follow on from the increase.
4. It is more likely that what the increase did was to make more HMOs available attracting people who want or can only afford that kind of housing into the Borough helping the population growth. If the additional HMOs had not been provided then those living in them will have had to have found similar units elsewhere in London, or moved out of London.
5. The Council emphasises 'the importance of good quality HMO accommodation for younger people'. However it is unlikely that registered HMOs are attractive to those of that age group who wish to share housing with friends. They are more likely to prefer to rent a whole house that is not divided into a way that enables it to be registered as an HMO.

Analysis

6. It is unfortunate that the Council has not supplied the Inspector with analysis of those properties registered under the Registered Landlord Licence scheme in relation to those that the scheme's team knows are houses in multiple occupation (hmos) but not HMOs. 4 Stanford Rd is an example of an hmo which was refused HMO registration and is having another attempt to be registered.
7. It is the growth in hmos rather than HMOs which are causing the problems that have been outlined to the Inspector.
8. LBC-PR-063 is also limited in its analysis in that it does not provide more detailed data analysis, showing:
 - (1) the number per ward per annum
 - (2) the number in (1) that required Council intervention to improve conditions.
9. Without the figures in (1) it is not possible to work out how important a housing sub-sector HMOs are as part of the private rented sector. I attach a tenure analysis of the 2011 Census which shows the ward breakdown (as well as bedroom sizes). This was provided to me through a FOI request in 2013.
10. The response also overlooks to report previous analysis by the Council e.g.

'As at April 2006 the Council estimated that there were 3,457 HMOs in the borough, of which 897 were on the Council's register. (Section G. The Housing Strategy Statistical Appendix (HSSA) 2006. Croydon's Housing Strategy 2006/10. The Evidence Base. p. 49) However the text of the report stated that there were '1,900 houses in multiple occupation (HMOs) - this includes bedsit or hostel type buildings but not converted houses.' 'Over half of HMOs are in a group of four wards in the north of the borough.'
11. Following raising the issue at the 18 June 2013 Scrutiny Sub-committee I submitted a Freedom of Information request seeking information on the areas of the Borough where there are high concentrations of poor private landlord properties. The reply (dated 1 August 2013) states: 'The council does not record this information.' I have not submitted a fresh FOI to check whether this situation has changed.
12. In its consultation document for the introduction of its private landlord licence scheme the Council stated that it is:

'aware that an increasing number of less ethical landlords have identified high returns from the sector and are operating in the market, not with the intention of providing a sustainable letting business but with the

aim of maximising financial return without due regard for the health, safety and wellbeing of residents and neighbours.

These landlords are prepared to wilfully provide substandard accommodation to tenants who tend to be the most vulnerable and carry out illegal practices including harassment and intimidation.’

‘Although the council recognises that many landlords operate professionally, there is a genuine concern about a number of landlords who rent properties which fail to meet the required standards of tenancy and property management. This results in complaints from tenants and neighbours on a variety of issues from housing conditions, health concerns and ASB.’

‘The council is however becoming increasingly concerned about the rising numbers of homes at the ‘low end’ of the market with poor management and property standards. Evidence shows there are an increasing number of landlords who are prepared to rent properties with very low standards and who resolutely refuse to engage with the council and who do not respond to enforcement action.

Increasing numbers of properties are found to have poor standards in terms of safety, security, repairs and energy efficiency. The Council is also dealing with illegal conversions, improper adaptations and properties never intended for residential use being let.’

As ‘one of the most diverse London Boroughs, has a considerable number of tenants who are vulnerable for a variety of reasons including; language barriers, unfamiliarity of UK standards, mental health issues or lack of personal confidence who are not able to defend their interests in the sector.’

13. It is likely that many of these poorly run properties are hmos (as opposed to HMOs).

14. Therefore despite its serious concern in 2014 about the state of the private rented sector the omission of the issue of hmos and HMOs from the Local Plan is unfortunate. It is another example of how it is not seriously addressing the issues of social inequality through the Plan, and weakening its soundness, effectiveness and delivery.

15. Although it is now nearly nine years old the Cambridge Centre for Housing and Planning Research *Private rents and rental rates of return, 1996/97 to 2006/07* (August 2008) showed that for house non-owners in Croydon on average:

- households earning less than £20,000 p.a. could only afford social housing
- those earning up to £30,000 p.a. can only afford social or intermediate affordable housing (collectively termed affordable housing)
- those earning upward of £30,000 p.a. should be able to afford local market housing whether for owner occupation or for rent. ‘ (p. 75)

16. The Centre’s report *Housing Costs, Affordability and Rent Setting A report to Affinity Sutton* (2014) provides statistics on affordability in Croydon.
(<http://www.cchpr.landecon.cam.ac.uk/Projects/Start-Year/2013/Housing-Costs-Affordability-Rent-Setting/OutputTemplate>)

17. Under the Localism Act local authorities are supposed to prepare a Tenants’ Strategy. In 2012 the Centre produced for Richmond Council the report *Analysis of the private rented sector in Richmond upon Thames and surrounding areas*’.

18. Croydon’s Tenancy Strategy published in November 2012 (attached) does not indicate that it undertook a detailed analysis of the private rented sector as the Centre did for Richmond. It does make clear that it expects housing providers to help meet its long-term housing aims:

‘3.3. Long-term housing aims

The tenancy strategy will also contribute to achieving the long-term housing aims set out in the housing strategy 2011-15 which are to:

- provide a choice of housing for people at all stages of life, and meet housing need by providing good quality, decent, affordable housing to those who need it, for as long as they need it

- ensure that social housing is used to benefit society, and encourage independence and positive behaviour rather than entrench dependency and despondency
- ensure that we contribute to giving children and young people a good start in life
- create and maintaining strong, active, thriving communities; and to reducing concentrations of social, economic and environmental deprivation
- make the best use of our existing housing and to reduce carbon dioxide emissions through effective management, maintenance, improvements and adaptations
- enable older and vulnerable people to achieve and maintain independence for as long as possible
- contribute towards improving the health and well-being of Croydon's residents and enabling them to achieve their potential, rather than holding them back
- play our part in reducing crime and anti-social behaviour, developing the economy and increasing labour market mobility, and reducing social exclusion'

19. Many of the above link in with several of the Strategic Policies other than the provision of housing. The Local Plan does not appear to include much of this as important considerations for future land use proposals for private rented housing, and how they can be met so that housing growth takes place in a way that contributes to the achievement of other Strategy and Detailed Policies.

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