

**LONDON BOROUGH OF WALTHAM FOREST - ARTICLE FOUR  
DIRECTION RELATING TO DEVELOPMENT COMPRISING CHANGE OF  
USE FROM C3 (DWELLINGHOUSE) TO C4 (HOUSES IN MULTIPLE  
OCCUPATION - EVIDENCE BASE DOCUMENT**

## **1.0 Introduction**

1.1 This paper provides a summary of the research on Houses in Multiple Occupation (HMOs) in Waltham Forest in order to inform the Council's decision on to make a borough-wide Article Four Direction (A4D) to remove the current 'permitted development rights' that allow a single family dwelling (C3) to be used as a small HMO (C4) without planning permission

1.2 Under planning law different types of properties are identified as different Use Classes. These are defined in the Planning Use Class Order (2010). According to the Planning Use Class Order (2010), there are generally two different types of HMO. The first type of HMO is Use Class C4 - Houses in Multiple Occupation. These are generally 'smaller' HMOs and are defined as the use of "a single family dwelling by between three and six unrelated individuals, as their only or main residence, who share basic amenities such as a kitchen or bathroom". The second type of HMO is a 'larger' HMOs and is Use Class Sui Generis. These are properties where there are 6 or more occupants. Currently changes of use between single family dwelling houses (Planning Use Class C3) and 'small' HMO's (Planning Use Class C4) do not need planning permission as this is 'permitted development'. However, changes of use from single family dwelling houses (Planning Use Class C3) to a 'large' HMO's (Planning Use Class Sui Generis) do need planning permission.

1.3 However, the Government has given Councils the power, through the use of an Article 4 Direction, to remove these 'permitted development rights'.

1.4 It is important to be aware of the different definitions between planning and licensing legislation. Under the Housing Act 2004, a HMO means a building (or part of a building, such as a flat), that:

- Is occupied by more than one household and where more than one household shares, or lacks an amenity, such as a bathroom, toilet or cooking facilities;
- Is occupied by more than one household and which is a converted building, but not entirely into self contained flats (whether or not some amenities are shared or lacking);
- Is converted self contained flats, but does not meet as a minimum standard the requirements of the 1991 Building Regulations (known as s275 HMOs), and at least one third of flats are occupied under short tenancies.

1.5 In this paper the Council has uses a range of data sources to 'build up' an evidence base to establish a general understanding of the trends, spatial distribution and density of HMOs across the borough. The sources of information include data from Census (2001 and 2011), HMOs licensed under the Housing Act 2004, Council tax data, Environmental Health records and planning applications/planning enforcement data related to HMOs. This data

should be used with caution due to under reporting, differing property definitions and comparison of differing data sources. However, this data clearly demonstrates general trends and patterns of distributions related to HMOs in Waltham Forest.

## **2.0 Census 2001 and 2011 Data on Part Converted or Shared Houses**

2.1 In 2001, a total of 10,284 households in the borough were either converted or shared houses (including bedsites), which was approximately 11% of total households. In 2011, this increased to a total of 12,073 households, which is approximately 12.2 % of households in the borough. This data indicates that there has been a growth in the number and proportion of HMOs in the borough. Figure 1 below shows the numbers of converted or shared houses by ward. As it can be seen there is a concentration of such uses in southern and central parts of the borough, particularly in High Street, Forest, Leytonstone and Grove Green where over 20% of properties are either converted or shared.

<b>Figure 1: Dwellings, Household Spaces &amp; Accommodation Type</b>						
<b>ONS Crown Copyright Reserved (from Nomis on April 2013)</b>						
<b>Ward</b>	<b>2001 Census Data</b>			<b>2011 Census Data</b>		
	<b>Total Households</b>	<b>Number of part converted or shared houses</b>	<b>%</b>	<b>Total Households</b>	<b>Number of part converted or shared houses</b>	<b>%</b>
Cann Hall	4,639	482	10%	5,066	605	12%
Cathall	4,201	543	13%	4,607	600	13%
Chapel End	4,443	281	6%	5,161	431	8%
Chingford Green	4,175	213	5%	4,564	237	5%
Endlebury	4,163	119	3%	4,270	133	3%
Forest	3,979	755	19%	4,379	864	20%
Grove Green	4,818	1,258	26%	5,313	1,419	27%
Hale End and Highams Park	3,934	198	5%	4,284	264	6%
Hatch Lane	4,293	152	4%	4,586	166	4%
High Street	4,950	1,059	21%	5,594	1,163	21%
Higham Hill	4,481	187	4%	4,942	245	5%
Hoe Street	5,003	748	15%	5,491	959	17%
Larkswood	4,336	104	2%	4,538	141	3%
Lea Bridge	5,023	799	16%	5,614	948	17%
Leyton	4,866	595	12%	5,282	610	12%
Leytonstone	4,294	1,185	28%	4,939	1,388	28%
Markhouse	4,399	440	10%	4,968	549	11%
Valley	4,227	119	3%	4,342	141	3%
William Morris	4,592	649	14%	5,027	723	14%
Wood Street	5,021	398	8%	5,312	487	9%
<b>Waltham Forest</b>	<b>89,837</b>	<b>10,284</b>	<b>11%</b>	<b>98,279</b>	<b>12,073</b>	<b>12%</b>

### **3.0 Housing Conditions Survey**

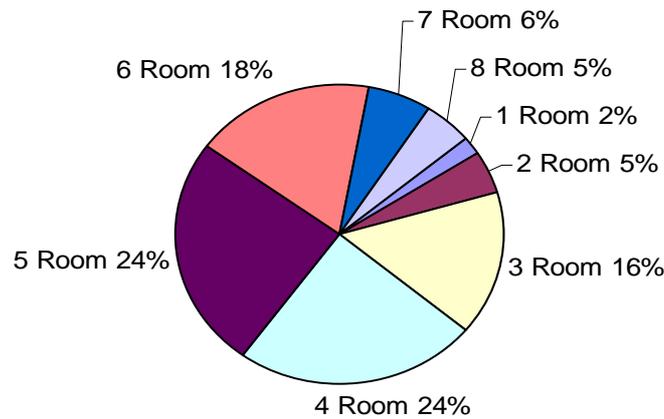
3.1 Figure 2 shows the mix of existing properties in Waltham Forest in terms of property type. There are an estimated 3,910 Houses in Multiple Occupation (HMOs) in Waltham Forest, which represents just over 5% of dwellings, far more than the 2.5% found nationally. There are an estimated 440 licensable HMOs in the borough; these are three or more storey HMOs with five or more residents and are considered high risk HMOs. There are estimated to be 5,430 (7.1%) converted flats which fall under Section 257 (S257) of the Housing Act 2004 and these can also be considered as HMOs (converted flats where the work does not meet specified standards (generally the Building Regulations 1991) and where less than two thirds are owner occupied). This means that approximately 12% of dwellings in Waltham Forest are either HMOs or flats within an HMO. This is approximately four times the rate found in England overall. This finding is consistent with that of the Census data.

**Figure 2: Building use profile Waltham Forest and England (Source: House Condition Survey 2011 and EHS 2009)**

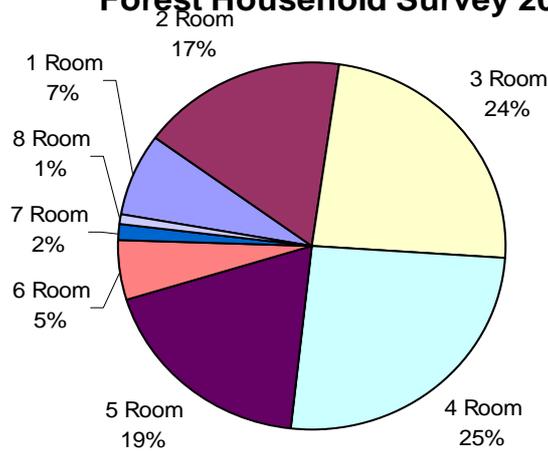
Dwelling Use	Dwellings	%	EHS 2009
House	49, 070	63.8%	85.4%
Purpose built flats	11,860	15.4%	8.6%
Converted flat	6,620	8.6%	3.0%
Converted flats (section 257)	5,430	7.1%	0.5%
HMO	3,470	4.5%	2.0%
Licensable HMOs	440	0.6%	0.5%
Total	76,900	100%	100%

3.2 Figure 3 and 4 show how property size (total number of rooms) has changed between 2001 and 2011. It is clear that the number of smaller properties, particularly those with only one or two rooms, has increased while the proportion of larger homes has decreased. For example in 2001 5% of properties consisted of two rooms, while 18% were properties which consisted of 6 rooms. In 2011, 17% of properties consisted of two rooms, while 5% of properties consisted of 6 rooms. This data clearly demonstrates that larger properties have been sub-divided into smaller units and HMOs significantly changing nature of Waltham Forest's housing stock from larger 'family sized' homes to smaller units.

**Figure 3: Number of Rooms (Source: Census 2001)**



**Figure 4: Number of Rooms 2011 (Source: Waltham Forest Household Survey 2011)**



#### **4.0 Age of Stock**

4.1 In terms of age, it has been estimated that around 13% of properties in the borough were built after 1980, with a further 14% estimating a build date of 1945-1979. 49% of the stock predates 1919, with an estimated 24.5% having a build date of 1919-1945. Therefore almost three quarters of the housing stock of Waltham Forest was built before 1945. As the English Condition Survey indicates, the pre 1945 dwellings are more likely to be larger than their more modern equivalents, but older dwellings are more prone to having physical defects. As older properties are larger in size this makes them more 'suitable' for conversion/subdivision. This means a high proportion of the borough's housing stock is primed for conversions/subdivision.

4.2 This trend is clearly demonstrated by figure 5 as converted properties are dominated by properties built before 1945 with around 83% of conversions/subdivisions in properties built before 1919. Therefore, it is clear that many older properties in Waltham Forest have been sub-divided to form smaller units.

**Figure 5: Property Age by Property Type (Source: Waltham Forest Household Survey 2011)**

<b>Dwelling Type</b>	<b>Before 1919</b>	<b>1919-1945</b>	<b>1945-1964</b>	<b>1965-1979</b>	<b>1980-1999</b>	<b>2000 or later</b>
Whole house/bungalow	19,921	13,385	2,737	2,464	4,544	1,239
<b>Converted property</b>	<b>6,183</b>	<b>605</b>	<b>211</b>	<b>32</b>	<b>283</b>	<b>140</b>
Purpose-built flat	3,103	766	1,939	1,009	1,206	140
<b>Total</b>	<b>29,609</b>	<b>14,756</b>	<b>4,887</b>	<b>3,505</b>	<b>6,033</b>	<b>1,519</b>

## **5.0 Tenure**

5.1 One of the most important findings of the Waltham Forest Private Sector Housing Stock Condition Survey is the change in housing tenure which has occurred in the borough. Figure 6 shows that the privately rented sector makes up 32% of all residential dwellings. This has increased from just under 18% at the time of the 2001 Census, representing a growth of around 6.5% per annum since 2001. The growth in the private rented sector is consistent with evidence from the English Housing Survey which has found a very strong growth in the private rented sector in London as a whole each year since 2001.

**Figure 6: Tenure proportions (Source: 2011 House Condition Survey)**

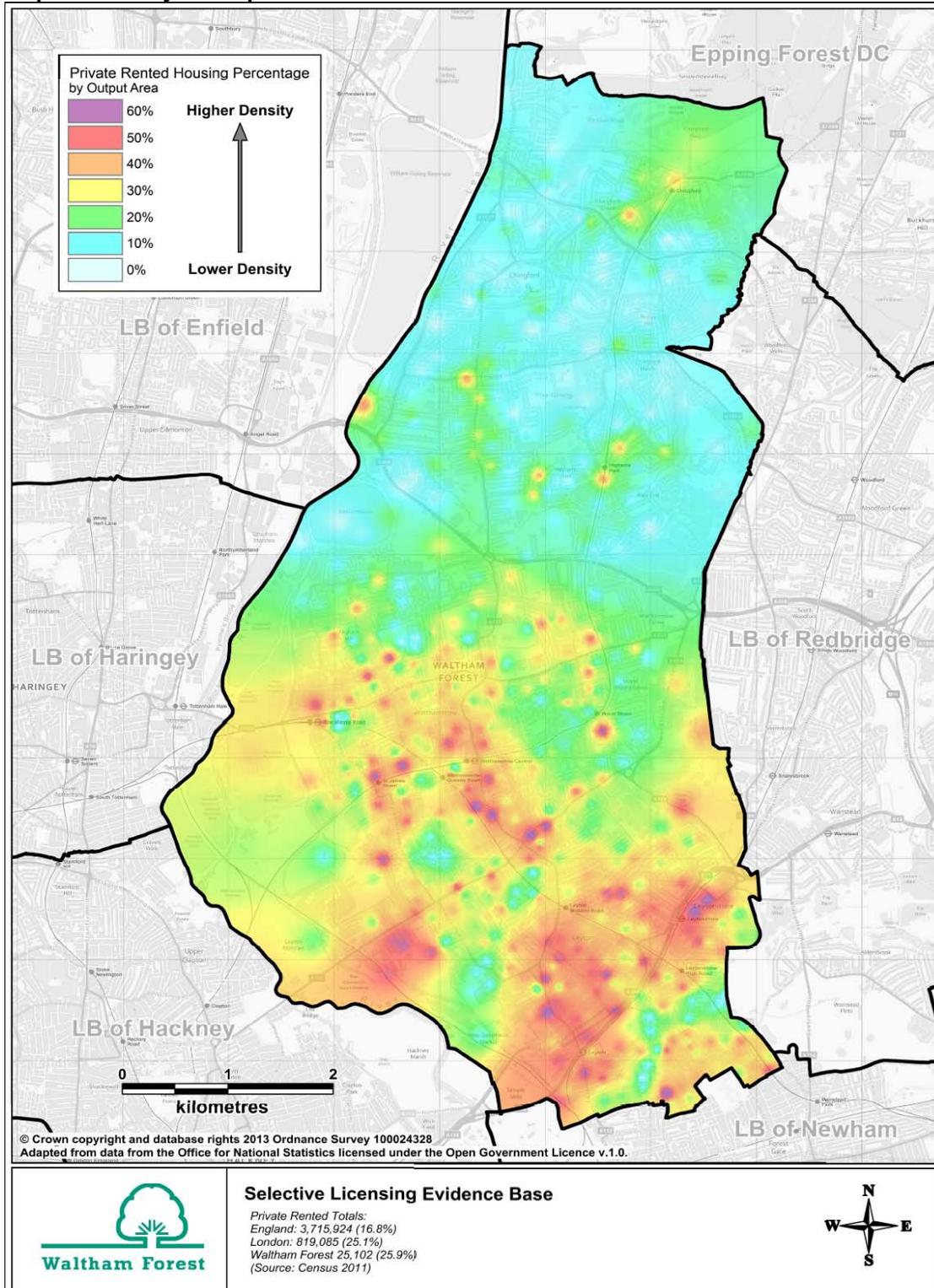
<b>Tenure</b>	<b>Dwellings</b>	<b>Per cent</b>
Owner occupied	45,090	46%
<b>Privately Rented</b>	<b>31,810</b>	<b>32%</b>
Private Sector Stock	76,900	78%
Housing Association (RSL)	10,860	11%
Local Authority	10,420	11%
Social Housing	21,280	22%
<b>All Tenures</b>	<b>98,180</b>	<b>100%</b>

5.2 Maps 1 and 2 below show the distribution and concentration/density of properties in the private rented sector. Map 1 clearly demonstrates that there is a density of private rented housing in the south and central parts of the borough. As map two demonstrates that in parts of Walthamstow, Leyton and Leytonstone there are areas where up to 60% of properties are in the private rented sector.

5.3 Further analysis of the 2011 Census demonstrates the number and distribution of the Private Rented Sector in the borough. Of the 97,000

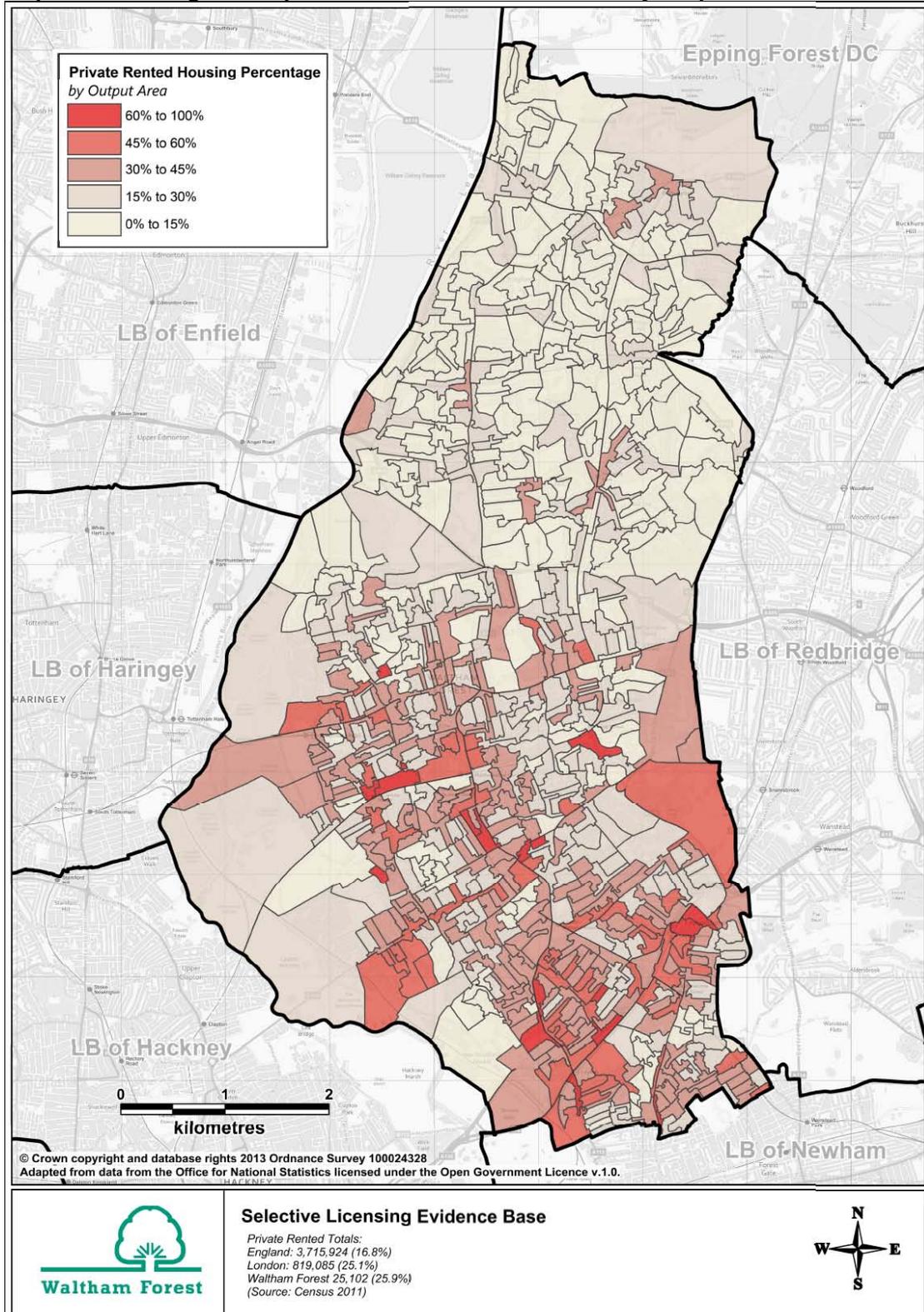
properties in the borough approximately 25,000 are in the private rented sector, which is approximately 26%. The national average is 16.8%. As map 1 demonstrates, the majority of these properties are located in the central and southern parts of the borough.

**Map 1 – Density of Properties in the Private Rented Sector in Waltham Forest**



5.4 Map 2 shows the percentage of properties in Output Areas in the borough which are privately rented. As the map demonstrates there are a number of Output Areas, where over 60% of the properties in these areas are privately rented. These areas are generally located in the central and southern parts of the borough.

**Map 2 – Percentage of Properties in Private Rented Sector by Output Area**



5.5 The growth in the private rented sector is a response to affordability pressures in East London and also a general lack of dwellings which has seen households occupy smaller dwelling spaces.

5.6 Figure 6 shows the tenure of properties by dwelling type. As it can be seen, the vast majority of converted properties (including HMOs) are in the private rented sector.

**Figure 6: Tenure by Property Type (Source: Waltham Forest Household Survey 2011)**

<b>Dwelling Type</b>	<b>Owned with a mortgage</b>	<b>Owned outright</b>	<b>Social rent</b>	<b>Private rent</b>
Whole house/bungalow	19,237	18,378	9,466	13,724
<b>Converted property</b>	<b>1,777</b>	<b>508</b>	<b>2,558</b>	<b>12,122</b>
Purpose-built flat	2,707	1,438	9035	5,280
<b>Total</b>	<b>23,975</b>	<b>20,324</b>	<b>21,129</b>	<b>31,647</b>

## **6.0 Household Types**

6.1 Figure 7, gives the distribution of different household types, within the borough's housing stock, and compares this to England as a whole.

**Figure 7: Household type distribution (Source: House Condition Survey 2011 and EHS 2009)**

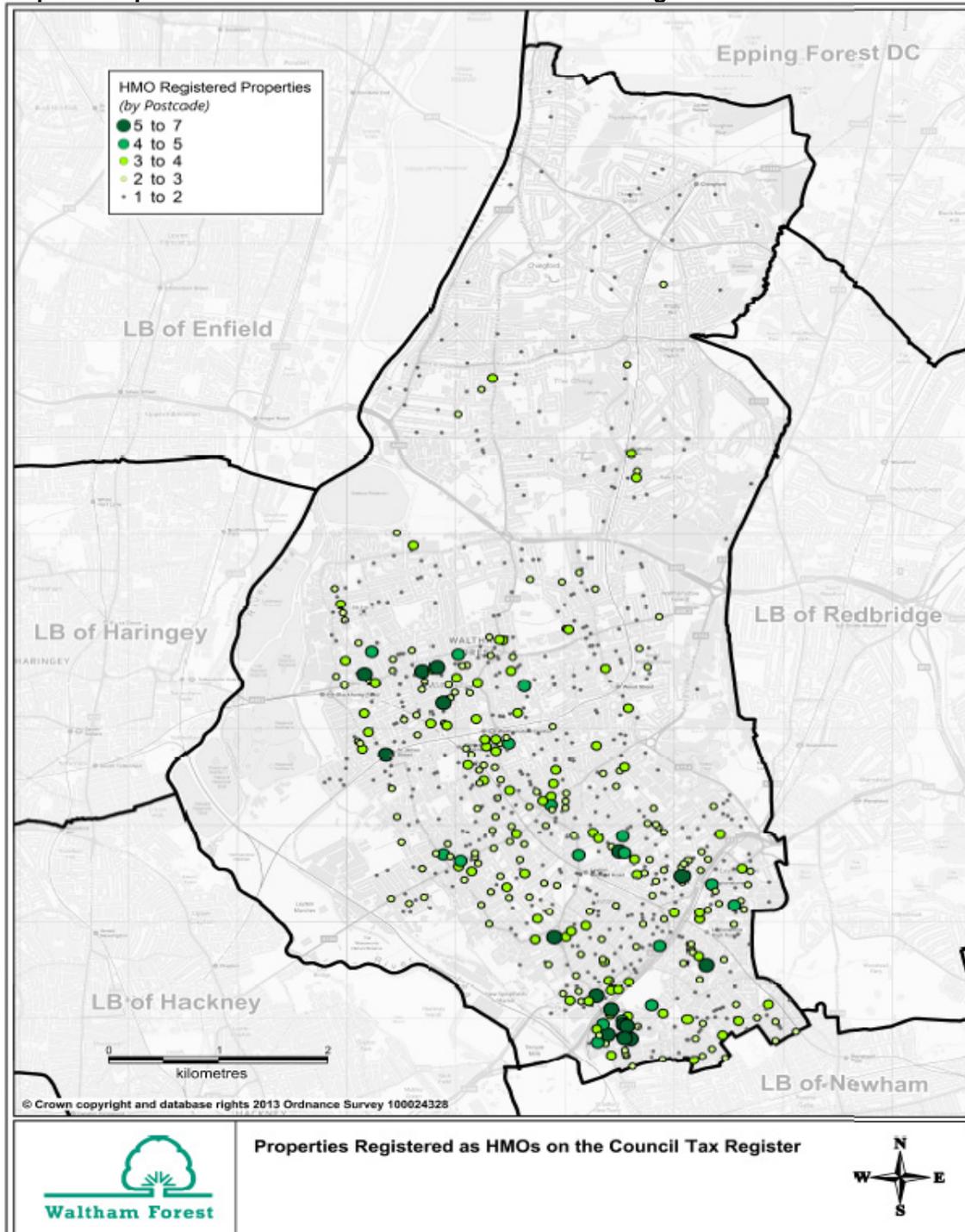
<b>Household type</b>	<b>Waltham Forest HCS 2011</b>		<b>England 2009</b>
Couple no Dependent Child	20,820	27.4%	39.2%
Couple with Dependent Child	21,230	28.0%	22.9%
Lone parent with dependent child	4,640	6.1%	4.7%
One person household	16,560	21.8%	25.7%
Other multi-person household	12,680	16.7%	7.5%
<b>Total Household Type</b>	<b>75,930</b>	<b>100.0%</b>	<b>100%</b>

6.2 Multi-person households largely describes unrelated groups of adults whom are living together, such as in HMOs. As it can be seen from figure 3, it has been estimated that 16.7% of household are considered to be 'multi-person' which is over double the number in England. The above average proportion of private renting, and the high level of HMOs, is the cause of a well above average proportion of multi-person (adult) households.

## 7.0 Council Tax Data

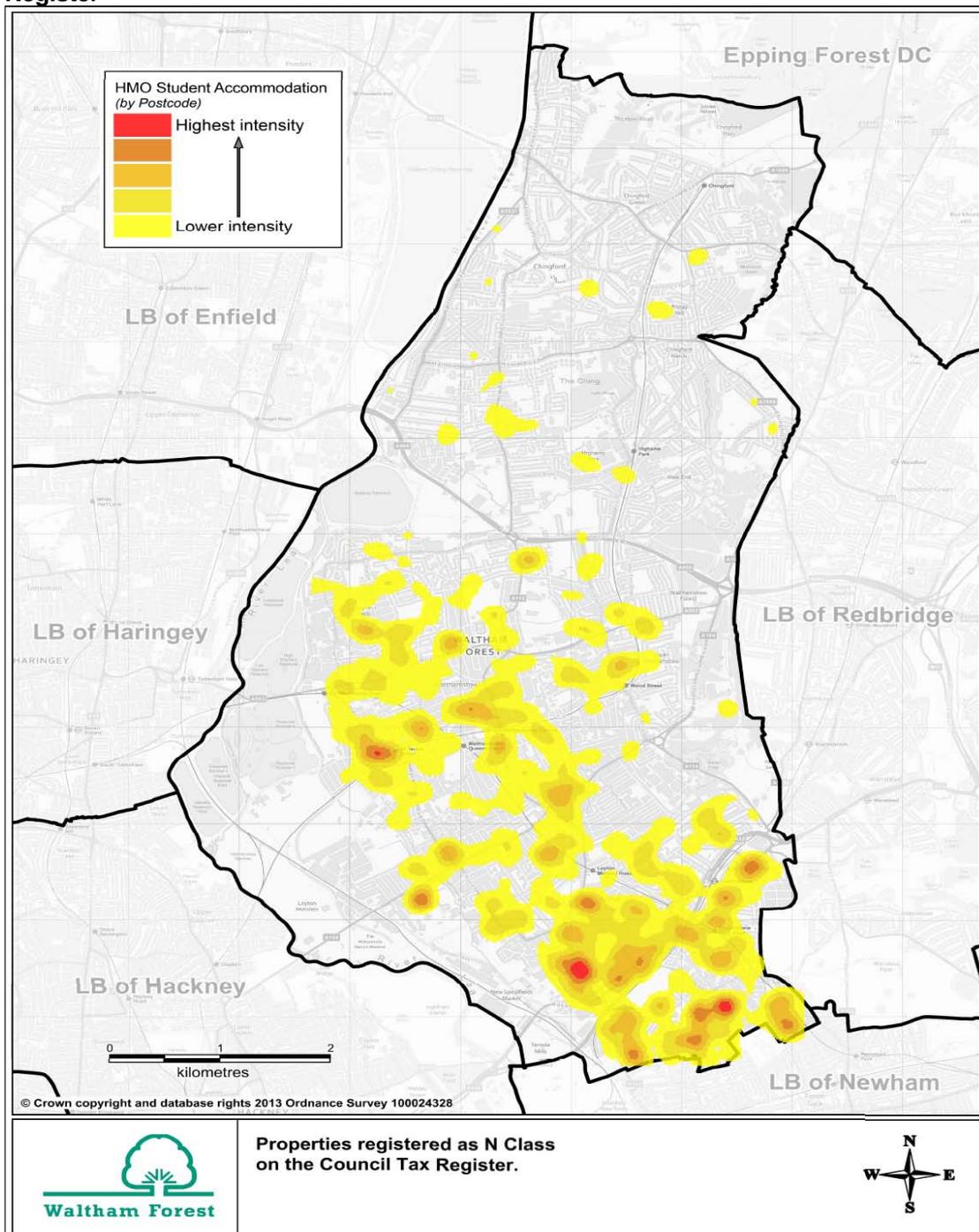
7.1 According to Council tax register data, the number of properties in the borough which are considered to be HMOs (for Council Tax purposes) is 1,176. As map 3 demonstrates, these are located throughout the borough, with the highest concentrations in central and southern parts of the borough. (It should be noted that the definition of HMO for Council Tax Purposes is different from that used in relation to that used in planning and the Housing Act 2004).

**Map 3 – Properties defined as HMOs on the Council Tax Register**



7.2 In addition, the map 4 shows the number of properties which are N exempt on the Council Tax Register. N exemptions means that the property is exempt from paying Council tax as all the occupants of that property are considered to be in full time education e.g. student housing (a fuller definition can be found on the Council's website). A group of occupants which are all in full time education are usually 'unrelated'. The number of properties in the borough which are N exempt are 1,006. The number of properties in Council Tax bands D – H (e.g. larger sized properties) is 111. As map 4 demonstrates, these are mainly located in the south of the borough.

**Map 4 – Density of Properties N Except on the Council Tax Register**



## **8.0 Mandatory and Additional Licensing of HMOs under the Housing Act 2004**

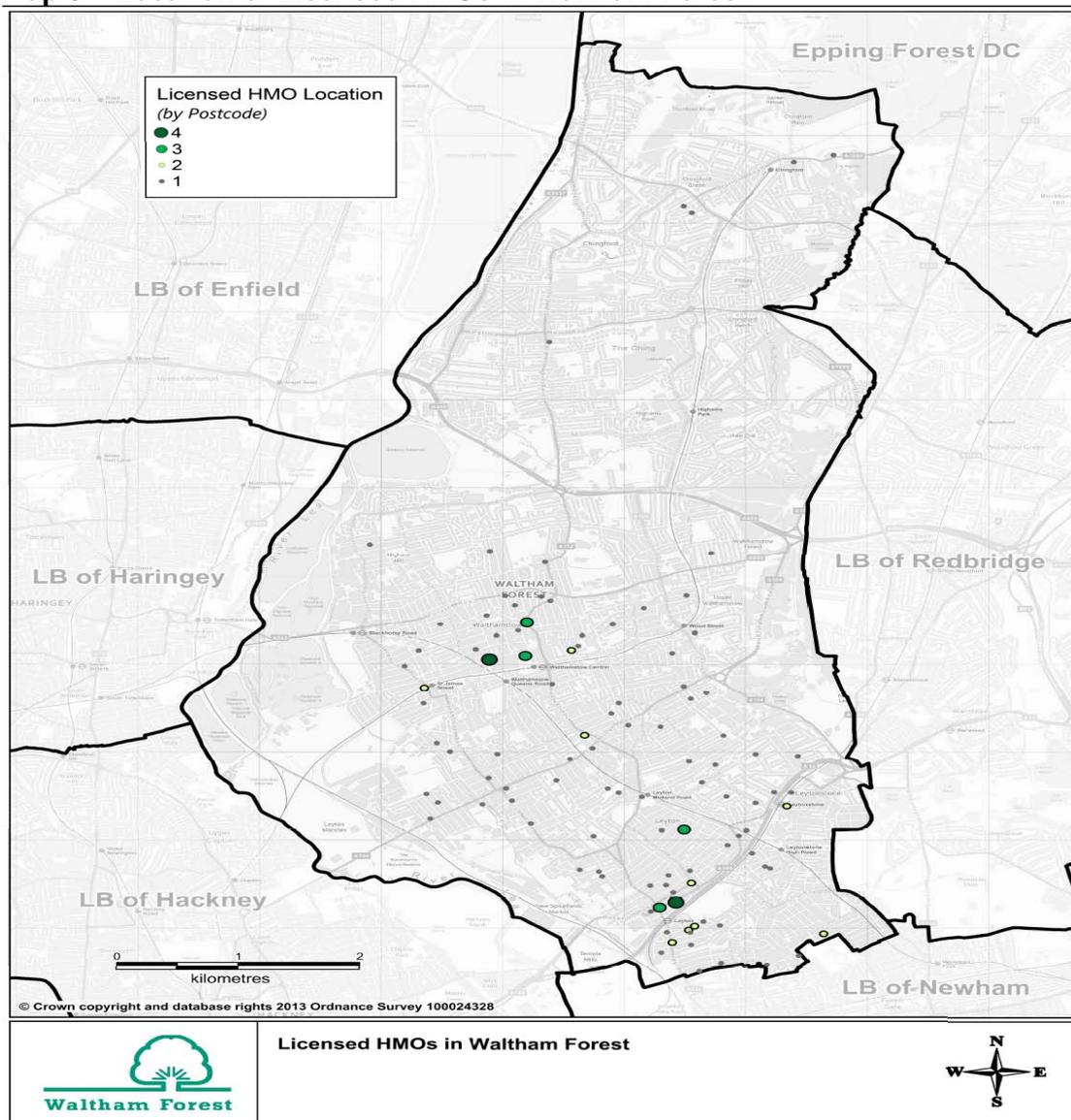
8.1 The Housing Act 2004 requires landlords of certain types of houses of multiple occupation (HMOs) to be licensed by the Local Authority.

8.2 As part of the Housing Act 2004 legislation, mandatory licensing has been introduced for all houses in multiple occupation that are:

- Of three storeys or more (even if the lower storeys are used for industrial/commercial use i.e. a shop);
- With five or more tenants (including children) belonging to two or more households;
- It is not fully converted into self-contained units of accommodation.

8.3 Waltham Forest has 130 licensed HMOs. As Map 5 demonstrates this are largely located in the south of the borough.

**Map 5 – Location of Licenced HMOs in Waltham Forest**

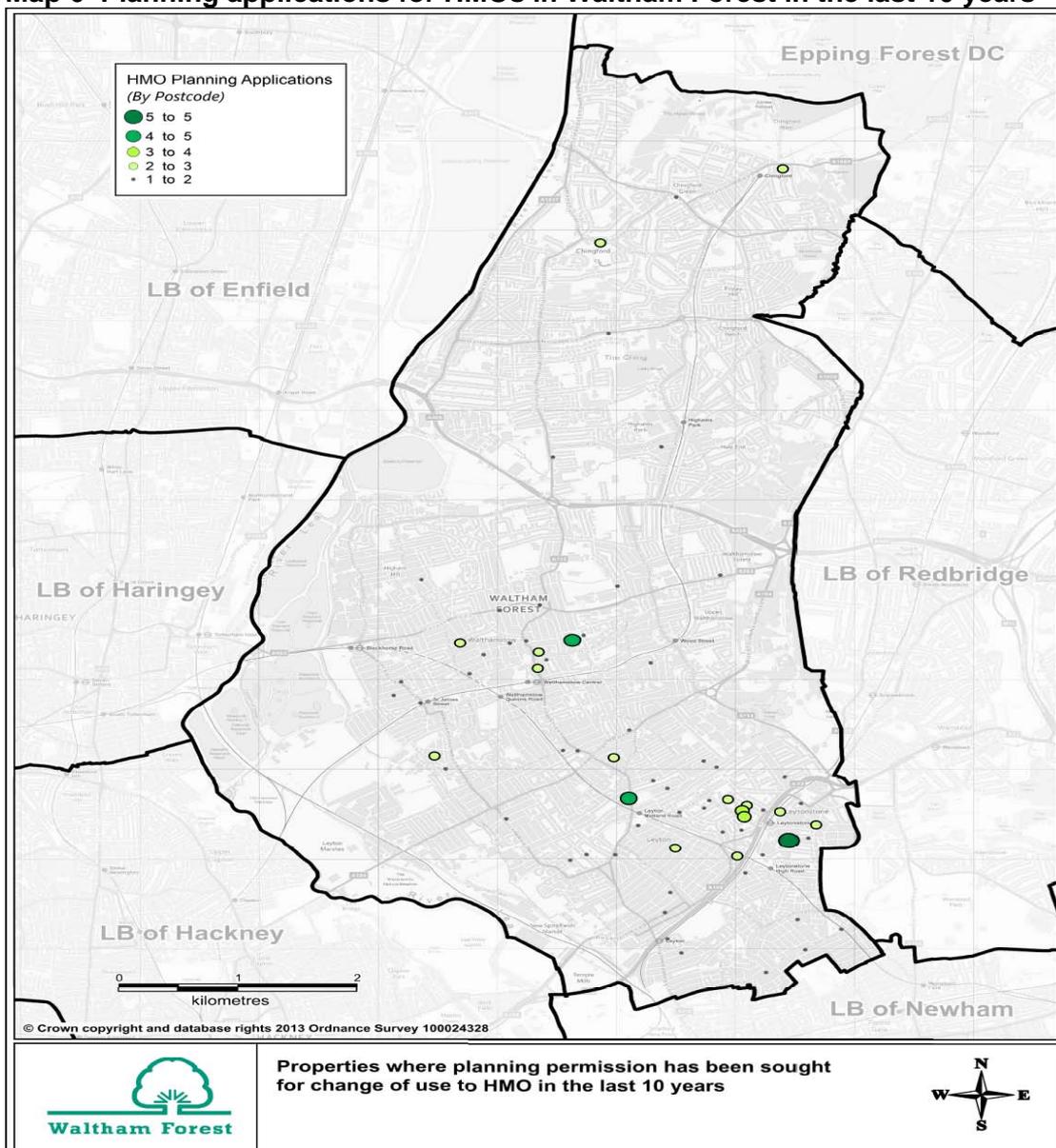


8.4 The Council are now considering bringing in additional and selective licensing. Additional licensing will allow the Council to license two storey HMOs, whilst selective licensing will allow the Council to license all private rented properties. CLG require us to prove with very strong evidence that in the areas we want to additional or selective licensing.

### 9.0 Planning Applications

9.1 In the last 10 years the Council has received 98 applications for purpose built HMOs. As map 6 demonstrates, these applications have been concentrated in the south of the borough, with 60% of applications concentrated in Lea Bridge, Leytonstone and High Street Wards. It should be noted that since April 2010, Use Class C4 HMOs are 'permitted development' meaning the number of applications would have significantly reduced in the last three years.

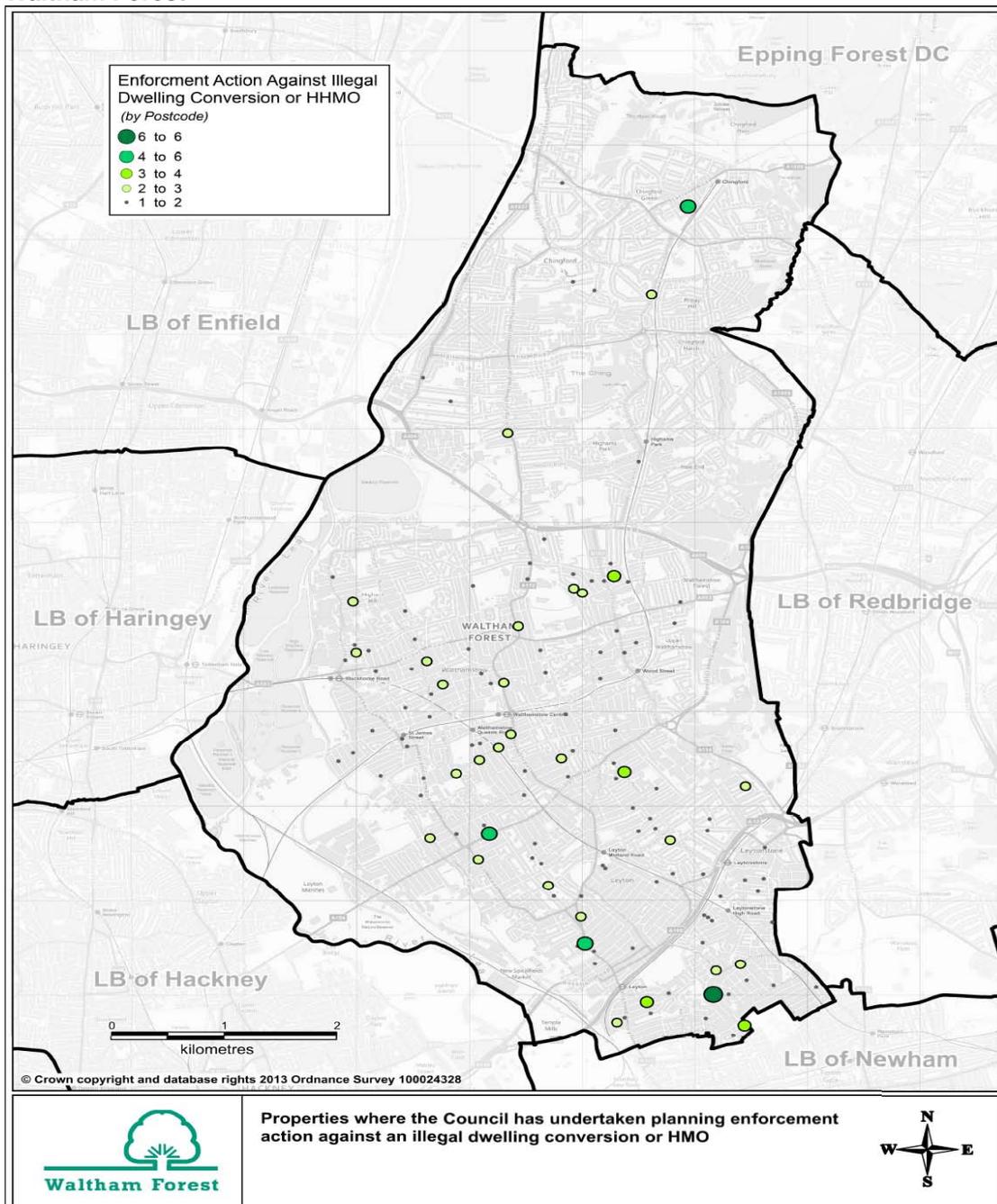
**Map 6–Planning applications for HMOs in Waltham Forest in the last 10 years**



## 10.0 Enforcement Action

10.1 The Council has taken served 177 enforcement notices against unauthorised dwelling conversions and HMOs in the last 10 years. It should be noted that the changes to 'permitted development rights' (note paragraph 9.1) of C4 HMOs raise particular challenges. Proving occupancy of more than six unrelated persons and demonstrating a material change of use is especially difficult, particularly with the absence of any actual physical changes to a property. As Map 7 demonstrates, this enforcement action has largely been concentrated in the south of the borough, with 90% of enforcement action be undertaken in Walthamstow, Leyton and Leytonstone.

**Map 7 – The density of Planning Enforcement Action Against HMOs/Conversions in Waltham Forest**



## **11.0 Impacts of HMOs**

11.1 The Government published a report, Evidence Gathering – Housing in Multiple Occupation and possible planning response which sets out how to respond to the challenges of high concentrations of HMOs in 2010. The report identifies the following impacts that occur as a result of high concentrations of HMOs, the issues highlighted include:

- Anti-social behaviour, noise and nuisance
- Imbalanced and unsustainable communities
- Negative impacts on the physical environment and streetscape
- Pressures upon parking provision
- Increased crime
- Growth in private sector at the expenses of owner-occupation
- Pressure upon local community facilities, and
- Restructuring of retail, commercial services and recreational facilities to suit the lifestyles of the predominant population.

## **12.0 Environmental Health Data**

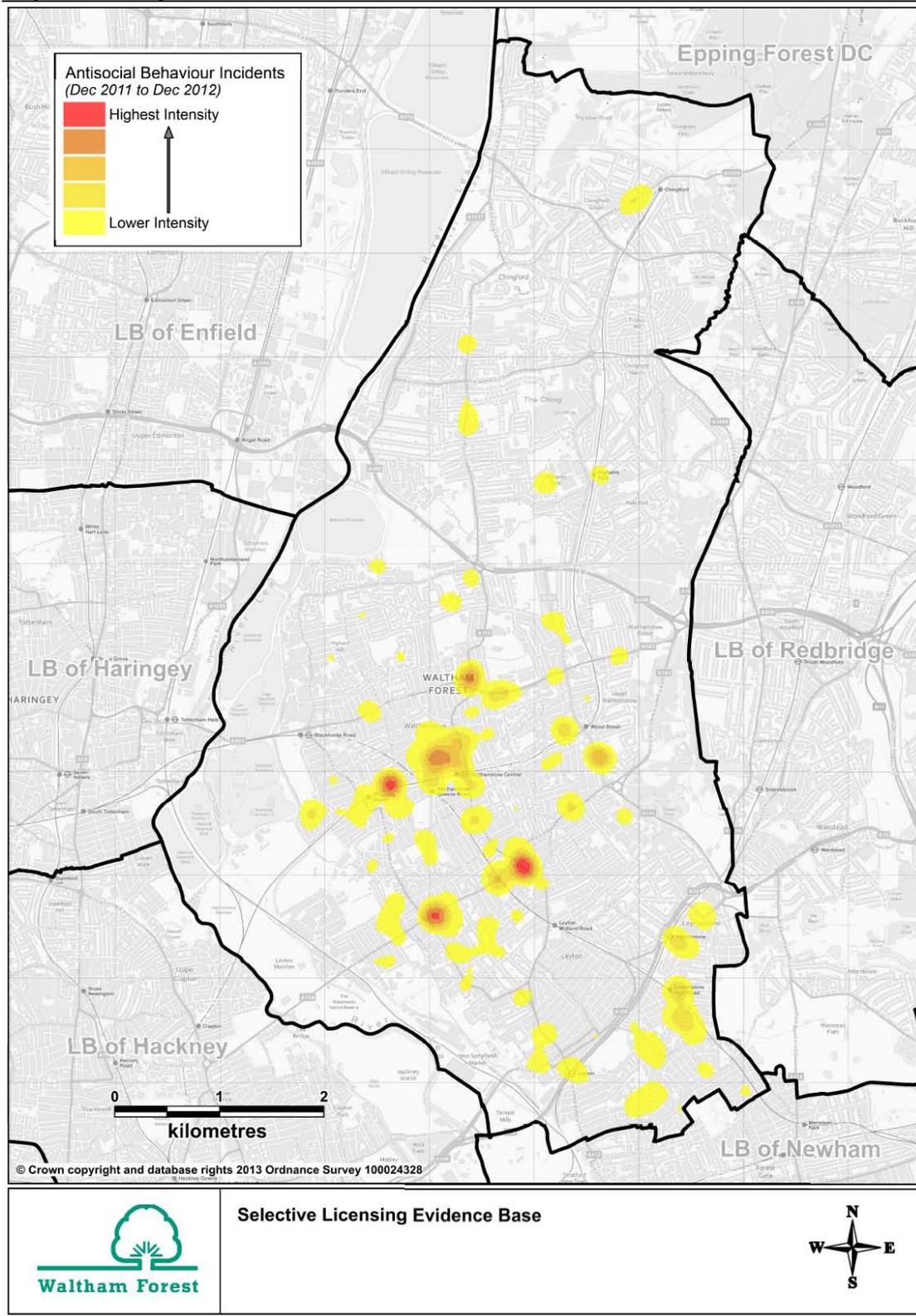
12.1 In relation to HMO the Council received 2, 173 Antisocial Behaviour Incidents complaints/enquiries in the last five years. As table 8 demonstrates these complaints cover a wide range of 'issues'. The Environmental Health Team estimate that this is a underrepresentation of the actual number of complaints related to HMOs with several being coded as a different category of complaint.

**Figure 8 – HMO related Antisocial Behaviour Incidents**

<b>Complaint</b>	<b>Number</b>
Management Issues	22
Disrepair	379
Fire reports	89
Fire means of escape	27
Overcrowding	210
Lacks facilities	20
Harassment	9
Illegal eviction	12
Noise	286
Other request	1119
<b>Total</b>	<b>2173</b>

12.2 Between December 2011 and 2012 the Council received approximately 13,900 Antisocial Behaviour Incidents. As Map 8 demonstrates, the majority of these incidents occurred in the central and southern parts of the borough. When compared with the data for the location (maps 1,2,3,4,5,6, and 7) of the Council's housing stock, high levels of complaints have occurred where the private rented sector and smaller units/HMO are most concentrated.

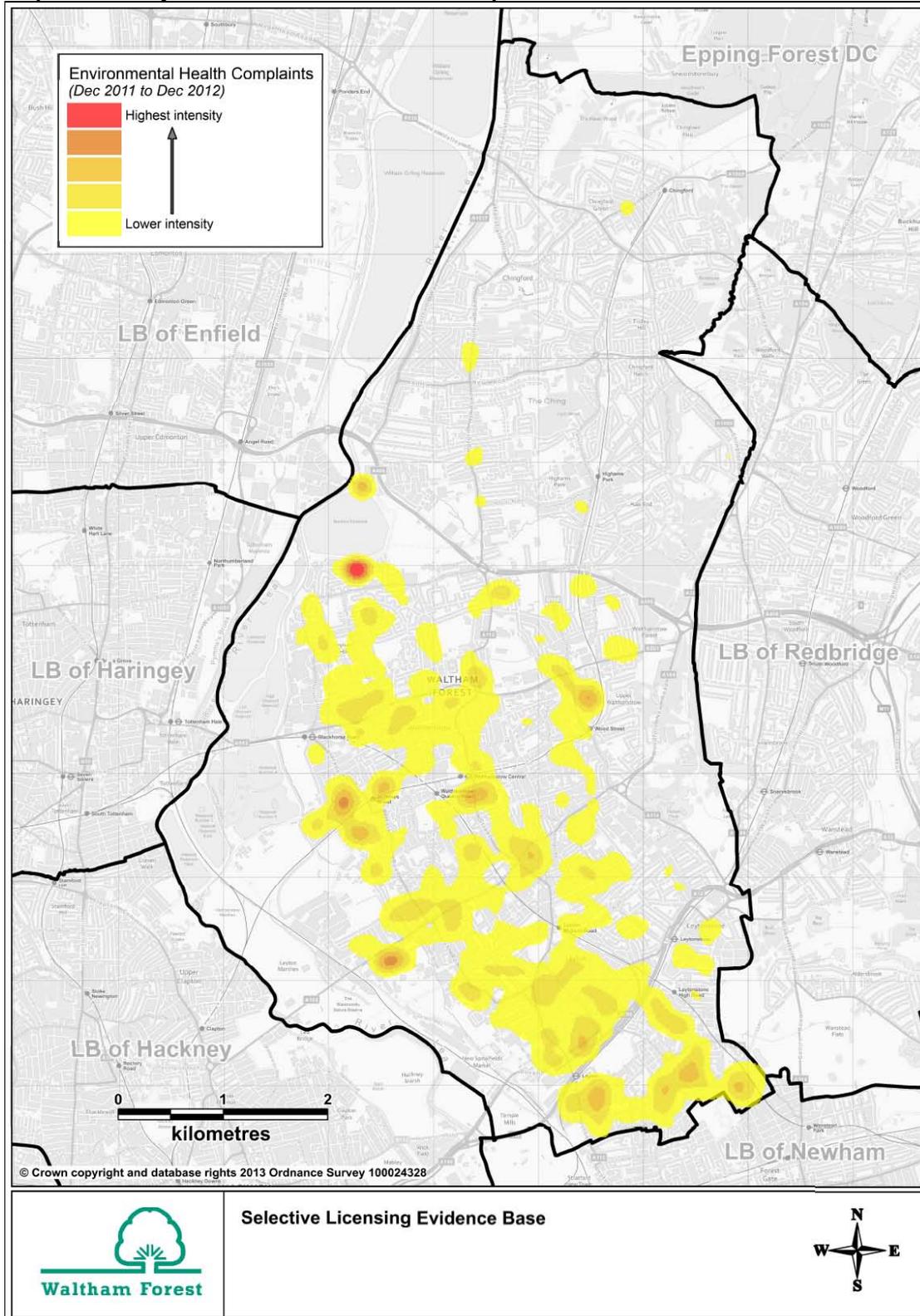
**Map 8 – Density of ABIs in Waltham Forest**



12.3 During the same period the Council received approximately 18,600 Environmental Health Complaints. As Map 9 demonstrates, the majority of these incidents occurred in the central and southern parts of the borough. When compared with the data for the location (maps 1,2,3,4,5,6, and 7) of the

Council's housing stock, high levels of complaints have occurred where the private rented sector and smaller units/HMO are most concentrated.

**Map 9 – Density of Environmental Health Complaints in Waltham Forest**



### **13.0 Need for Family Housing**

13.1 The Council's SHMA (2012) calculated that overcrowding using the number of rooms in a dwelling designed to be bedrooms shows 11% of dwellings are overcrowded, with this figure being 17.6% in the private rented sector. However, the dwelling stock of Waltham Forest appears to be being used very intensively, with rooms other than those designed as bedrooms being used for sleeping, particularly in the private rented sector.

13.2 Across Waltham Forest, it is estimated that around 28% of households are unsuitably housed. Unsuitable housing covers a range of categories such as overcrowding, stock condition, support needs and affordability.

13.3 Waltham Forest has a growing and increasingly diverse population which has a range of housing needs and which requires a variety of sizes and tenures of homes. It is important that the Council seeks to provide housing which meets the current and future needs of the borough's local residents. As figure 9 demonstrates, Waltham Forest Strategic Housing Market Assessment (SHMNA)(2012) identify the need for larger family-sized accommodation, particularly in the affordable rented sector. Additionally, the SHMNA (2012) estimates that 11% of dwellings are overcrowded, with this figure being 17.6% in the private rented sector, based upon dwelling size the dwelling was originally intended for. The dwelling stock of Waltham Forest appears to be being used very intensively, with rooms other than those designed as bedrooms being used for sleeping, particularly in the private rented sector. Further HMOs will only further exacerbate this problem.

**Figure 9: Size mix of the Housing Requirement 2010-2031 (SHMA 2012)**

<b>Tenure and Size</b>	<b>Market Housing</b>	<b>Intermediate Housing</b>	<b>Social Rented Housing</b>
<b>1 bedroom</b>	600	1,700	2,300
<b>2 bedrooms</b>	850	2,350	2,050
<b>3 bedrooms</b>	1,200	1,500	2,650
<b>4+ bedrooms</b>	250	150	300
<b>Sub-Total</b>	<b>2,900</b>	<b>5,700</b>	<b>7,300</b>

13.4 In addition, evidence from the Waltham Forest Strategic Housing Market Assessment (2012) indicates that larger family-sized housing is becoming increasingly unaffordable. The continued depletion of larger family-sized housing through dwelling conversions and HMOs is likely to restrict the Council's aim of providing affordable of family-sized housing further.

### **14.0 Need for a Mix of Housing Types and Balanced Communities**

14.1 The Council aims to create a mixed and balanced community. In order to achieve this the Council seeks to provide a range of homes in terms of size and tenure in new development and protect the existing housing stock. A key objective of Waltham Forest's Sustainable Community Strategy (2008) and Core Strategy (2012) was a specific commitment to prevent the loss of larger

family-sized homes into smaller-sized homes in order to maintain a distinct housing offer in the borough.

14.2 As discussed previously, one of the most important findings of the Private Sector Housing Stock Condition Survey (2012) is the change in housing tenure which has occurred in the borough. The privately rented sector accounts for 32% of all residential dwellings. This has increased from just under 18% at the time of the 2001 Census, representing a growth of around 6.5% per annum since 2001. The growth in the private rented sector is consistent with evidence from the English Housing Survey which has found a very strong growth in the private rented sector in London as a whole each year since 2001. The massive increase in the private rented sector is also associated with an increase in flat conversions with these now representing 17% of the private sector stock, compared to just 4% in England. HMOs in the borough's housing stock make up just over 5%, far more than the 2.5% found nationally. This growth in the private rented sector and increase in the number of 'smaller' units is largely at the expense of larger 'family' sized properties in the borough. This trend poses serious issues for maintaining a mixed housing offer in many neighbourhoods across the borough and ensuring the adequate provision of larger family homes which are in need in the borough.

14.3 Further loss of larger properties to conversions and HMOs will further exacerbate this need for family homes and further undermine the Council's ambition to build mixed and balanced communities through the provision of a range of dwelling types and sizes.

## **15.0 Transient Population**

15.1 Another consequence of growth in the private rented sector is a transient population. As the Private Sector Housing Stock Condition Survey (2011) demonstrates, the proportion of non-Council households who have been resident for a year or less is nearly 20%, with this being 35% for those in the private rented sector. Areas with an over concentration of conversions and or HMOs suffer from 'population churn' which creates severe pressures on already disadvantaged communities. It also means that it is difficult to calculate how many people are living in these areas each year and to assess the support or services they might need. Consequently, it is harder to secure the right level of resources we need to provide these services.

15.2 The continued growth in HMOs and the private rented sector will further impede the Council's ambition to build stable mixed and balanced communities.

## **16.0 Need to Improve Standards**

16.1 The proportions of non-decent private sector dwellings by tenure, which follows that found nationally; the rate in the private rented sector (35.8%) being higher than that found in the owner occupied sector (31.9%). Waltham Forest follows the trend typical found with the highest rates of non-decency for the oldest dwelling stock and the lowest rate in the most modern, post 1990

dwellings. According to the House Condition Survey 2011, stated that the highest rates of non-decency were found in converted flats (55.3%) All these dwelling types are associated with the oldest age of dwelling stock and for converted flats, also with the privately rented sector.

16.2 Vulnerable residents make up 22% of private sector households in Waltham Forest, equating to 16,930 households. Of these households 7,100 are living in non-decent homes, which is 41.9% of all vulnerable households.

16.3 Rate of category one hazards by dwelling type for the private sector housing stock of Waltham Forest. The highest rate of category one hazards was found in converted flats, the same type as for non-decent dwellings.

16.4 One measure of how severe the risk to health is in a given dwelling is the proportion of dwellings with multiple category one hazards. Of the 13,670 private sector dwellings in Waltham Forest with a category one hazard, 10,920 have only one category one hazard, representing 80% of all dwellings with a category one hazard. This leaves 2,750 (20%) dwellings with a category one hazard actually having multiple category one hazards.

16.5 Fire hazards are strongly associated with privately rented dwellings, particularly converted flats and HMOs, especially where these are in dwellings of three or more storeys. The high level of entry by intruders hazards relates to the higher property crime rates experienced in London Boroughs than nationally, which lead to a greater need for security. Private rented dwellings tend to have poorer security on the whole, and the large number of such dwellings in the Borough contributes to this problem. Only 47% of HMOs have mains wired smoke detectors, although over 95% have some form of smoke detector (battery smoke detectors are not considered adequate for this type of accommodation). Fire doors, fire blankets and fire extinguishers are all present at even lower rates than mains wired smoke detectors.

16.6 By requiring changes of use from C3 to C4 to require planning permission, the Council can apply standards to new HMOs to ensure they provide quality accommodation.

## **17.0 Share Accommodation Rate and Benefits Cap**

17.1 Currently, any single person aged 24 years or younger is entitled to only the Shared Accommodation Rate (SAR) LHA allowance, rather than allowance for a self-contained dwelling. In October 2010 it was announced that this would be extended to any single person aged 34 years or younger. Under new Local Housing Allowance rules, under 35s will receive only the Shared Accommodation Rate allowance which will enable the single person only to occupy a share of a dwelling, rather than receiving an allowance for a self-contained dwelling.

17.2 The SAR allowance will enable the single person only to receive a share of a dwelling. Therefore, a major impact of this change is likely to be a rise in the demand for shared accommodation within HMOs. More single persons will

be forced to share accommodation for longer and this is likely to see more of the existing housing stock turned over to HMOs.

17.3 Further changes to the Welfare System are due to be implemented in 2013, and could lead to an increase in the demand for smaller private rented accommodation, including HMOs.

17.4 The Benefit Cap planned by the Government will limit the total amount that workless households will be able to receive in benefits to £350 a week for a single person and £500 for all others. It is part of the Welfare Reform Bill which will see the implementation of a single payment known as the Universal Credit (UC).

17.5 A new 'bedroom tax' will cut the amount of housing benefit that people can get if they are deemed to have a spare bedroom in their council or housing association home. From April 2013 all claimants who are deemed to have at least one spare bedroom will have their housing benefit cut by 14% and those who have two or more spare bedrooms will have their benefit cut by 25%.

17.6 These changes could result in households being unable to pay their rent and potentially lead to an increase in downsizing to smaller accommodation. This could result in increased demand for smaller private rented accommodation, including HMOs.

## **18.0 Conclusions**

18.1 There has been a significant growth the private rented sector and the number of HMOs in the borough. This growth has largely been concentrated in south and central parts of the borough.

18.2 There is clear evidence to demonstrate that there has been a growth in the number of smaller properties in the borough at the expense larger properties.

18.3 A high proportion of the borough's housing stock is pre 1945 meaning it is generally larger in size which makes them more 'suitable' for conversion/subdivision into smaller units/HMOs.

18.4 The vast majority of converted properties (including HMOs) are in the private rented sector.

18.5 The quality of some private rented sector / HMO accommodation is low and provides a poor standard of accommodation for occupiers. The highest rates of non-decency were found in converted flats (55.3%).

18.6 It has been estimated that 16.7% of household are considered to be 'multi-person' which is over double the number in England.

18.7 High levels of complaints and antisocial behaviour incidents have occurred where the private rented sector and smaller units/HMO are most concentrated. High levels of Environmental Health Complaints have occurred where the private rented sector and smaller units/HMO are most concentrated. The clustering of private rented accommodation/HMOs are having an adverse impact on the amenity and wellbeing of surrounding occupiers.

18.8 The Waltham Forest Strategic Housing Market Assessment (SHMNA) (2012) and Core Strategy (2012) identify the need for larger family-sized accommodation, particularly in the affordable rented sector. The continued depletion of larger family-sized housing through dwelling conversions and HMOs is likely to restrict the Council's aim of providing affordable of family-sized housing further.

18.9 Further loss of larger properties to conversions and HMOs will further exacerbate this need for family homes and further undermine the Council's ambition to build mixed and balanced communities through the provision of a range of dwelling types and sizes.

18.10 Given the changes to the Share Accommodation Rate and Benefits Cap the number of HMOs is expected to grow.