

London Borough of
Tower Hamlets

Date
25th September
2019

Article 4 Direction Consultation Proposal

Thank you for the opportunity to respond to the above consultation.

While we appreciate the points raised in the consultation document, the RLA is opposed to the scheme and has many general objections to a borough-wide Article 4 Direction overall.

The need for HMOs

Particular sections of the community need HMO accommodation in small HMOs and only the Private Rented Sector can provide this. As Class C4 is directed solely at the Private Rented Sector imposing an Article 4 Direction to restrict/ban small HMOs will have a direct impact on supply. If supply is reduced, then this will impact will fall heaviest on the most vulnerable in society.

These restrictions do nothing to reverse any pre-existing issues in the area. Local authorities already have a number of powers they can use to directly tackle anti-social behaviour or inadequate waste storage under legislation like the HMO Management Regulations. Rather than preventing the creation of new HMOs, the local authority should use these powers to address any issues.

It is the RLA's view that restrictive planning policies coupled with Article 4 directions can harm the overall the economy and housing supply in the local area if an evidence-based approach is not used. Proposals such as those for Article 4 directions are often measured by residents in a local community calling for such measures without an accompanying evidence-based approach to assess the validity of these claims. We believe that Tower Hamlets Council should conduct a thorough investigation to establish the genuine need for Article 4 direction before they introduce it.

Rent Increases

Article 4 Direction will reduce the supply of small HMOs in areas where there is a demand and a need for them. As always with the law of supply and demand, this will lead to increases in rents in those areas. Pushing up rent will harm the most vulnerable members of society primarily.

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What properties are used as HMOs

Existing HMOs come in all shapes and sizes. Often, they are older larger properties which are now too big and have been sub-divided. The traditional bedsit, however, has been in decline. Often concerns centre on shared houses lived in by groups of younger people. Properties within the C4 Use Class include small properties which are very different from the larger properties. Compare a purpose-built flat shared by three friends on one hand and larger converted Victorian properties on the other.

The Use Classes are based on the concept of the family but in many respects particularly with this kind of accommodation, the concept of family communities is out of date. In any case, families have moved away from these properties, as they no longer meet their needs.

Instead, private landlords have invested substantially in these properties and have sustained the areas rather than allowing them to remain empty. Without these landlords many potential homes in the area will become derelict, lowering the value of the area and restricting the local authorities funding from council tax.

Other factors to consider

There can be a confusion also when it comes to what properties are classed as HMOs and what legislation they come under. Multi-Occupancy properties created by registered providers aren't classified as HMO's in the 2004HA, so are exempt from licencing and planning.

In Tower Hamlets and in the immediate surrounding area, there are a significant number of 'problem' HMOs which can be mistaken for private landlords but are in fact Registered Providers - or leased by Registered Providers. Some of these Register Providers are based out of the area and are not providing the high standard of support expected.

The alternative

If there are difficulties in areas populated by HMOs, local authorities already have other extensive other powers to deal with. For example, anti-social behaviour and waste management.

Tower Hamlets Council should work with private landlords where they can to deal with these concerns or use their existing powers to issue civil penalties where they cannot. This will have a genuine and immediate impact on existing property conditions rather than addressing theoretical problems.

Conclusions

The RLA reiterates its objection to the proposed scheme.

We believe that in the first instance, before contemplating removing development rights, the local authority should look for a more evidence-based solution. The council should establish where the problem lies through effective local data, street by street property inspections can be carried out. HMO Management Regulations and HHSRS powers can be used to affect improvements if voluntary co-operation does not have the desired outcome.



The RLA feels it is important to highlight that given Tower Hamlets Council is seeking to withdraw development rights across the whole borough, it is extremely disappointing that they have chosen to meet the minimal publication requirements and notice period. It is not acceptable to try and sneak through changes that will limit the availability of the most affordable private rented housing at a time of growing demand. The council should have ensured that the consultation was publicised more effectively to ensure that landlords and tenants had ample opportunity to respond to the proposed plans.

Kind regards,

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