

Article 4 Direction

Removal of permitted development rights for the change of use from Class C3 (Dwelling Houses) to C4 (Houses in Multiple Occupation)

Background Document

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DRAFT

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1. Introduction

- 1.1. An Article 4 Direction is a legal process which allows local authorities to remove specified permitted development rights across a defined area.
- 1.2. This paper provides the background and evidence base for the introduction of an Article 4 Direction to remove the permitted development right for the change of use from dwelling houses (Use Class C3) to Houses in Multiple Occupation (HMOs) for up to six residents (Use Class C4).
- 1.3. The Article 4 Direction would be made under the provisions of the Town and Country Planning (General Permitted Development) Order 2015 (as amended) and would apply to the whole borough of Oldham.
- 1.4. The Article 4 Direction will enable the council to have greater control over the number, distribution and management of HMOs.
- 1.5. The following sections set out the policy context, background and local evidence to justify the introduction of the Article 4 Direction in Oldham.

2. Policy Context

- 2.1. The government defines a HMO as a property rented out by at least 3 people who are not from 1 'household' (for example a family) but share facilities like the bathroom and kitchen¹.
- 2.2. Under current planning legislation², HMOs are divided into two Use Classes, which are often referred to as 'Small' and 'Large' HMOs:
 - Small HMOs are houses or flats occupied by between 3 and 6 unrelated individuals who share basic amenities such as a kitchen or a bathroom. These are classified as a 'C4' use within the Use Classes Order; and
 - Large HMOs comprise houses or flats occupied by more than 6 unrelated individuals who share basic amenities such as a kitchen or bathroom. These are classified as Sui Generis (a use that does not fall in any use class).
- 2.3. Currently, the Town and Country Planning (General Permitted Development) England Order 2015 (as amended) (GDPO)³ allows the change of use of a dwelling house (Use Class C3) to a small HMO (Use Class C4), without the need for planning permission under permitted development rights.
- 2.4. The change of use from any use other than C3 to a small HMO or the new-build development a small HMO, does require planning permission. Similarly, a small HMO can be converted to a C3 dwelling at any time under permitted development rights.

¹ <https://www.gov.uk/find-licences/house-in-multiple-occupation-licence>

² The Town and Country Planning (Use Classes) Order 1987 (as amended):
<https://www.legislation.gov.uk/uksi/1987/764/contents?view=plain>

³ GDPO Class L of Schedule 2:
<https://www.legislation.gov.uk/uksi/2015/596/schedule/2/part/3/crossheading/class-l-small-hmos-to-dwellinghouses-and-vice-versa>

- 2.5. The conversion (or new-build) of any property to create a Sui Generis “large” HMO requires planning permission in all cases.
- 2.6. There are also some HMOs that are covered under the ‘C3 dwelling houses’ use, such as those where there are up to six people living together as a single household and receiving care, and some groups of people (up to six) living together as a single household (e.g., a small religious community or homeowners living with a lodger).

Article 4 Directions

- 2.7. The Council can adopt an Article 4 Direction to remove the permitted development rights that enable a C3 dwelling to be converted to a C4 “small” HMO. This would require such conversions to apply for planning permission for the change of use.
- 2.8. Requiring the submission of a planning application for such proposals will not necessarily reduce the number of small HMOs being created. It does however allow for the proper consideration of the effects of a proposed HMO on an area's amenity and local community, before issuing any planning permission. In doing so the Council is able to influence the quality of the HMO through the planning process. This is especially important for 3 and 4 person HMOs as they do not require a HMO Licence, and so the quality of such HMOs cannot be monitored properly currently.
- 2.9. Article 4 Directions can be introduced on a temporary or permanent basis by local authorities. There are two types of Article 4 Directions:
- Non-immediate Article 4 Direction: This type requires a minimum 21-day period of public consultation before it can be introduced. It must then be confirmed after the consultation period ends and within 12 months of the original decision to introduce the direction, and the Secretary of State must be notified once it is confirmed.
 - Immediate Article 4 Direction: This can take effect as soon as it is issued, removing permitted development rights immediately before consultation. However, it must be confirmed by the local authority within six months, and the Secretary of State must also be informed.
- 2.10. The National Planning Policy Framework (NPPF) sets out that Article 4 Directions should be applied in a measured and targeted way and should be limited to situations where the direction is necessary to protect the amenity or local wellbeing of the area and should cover the smallest area possible⁴.
- 2.11. Both the type of restriction and the extent that the Article 4 will apply to, must be justified. The Secretary of State for Housing, Communities and Local Government can intervene to stop Article 4 Directions taking effect should they deem it appropriate.
- 2.12. The evidence section of this document sets out the local justification for the introduction of a borough-wide Article 4 Direction in relation HMOs across Oldham.

⁴ National Planning Policy Framework Paragraph 54:
https://assets.publishing.service.gov.uk/media/67aafe8f3b41f783cca46251/NPPF_December_2024.pdf

Local Context

- 2.13. Oldham's Local Plan (the Joint Core Strategy and Development Management Development Plan Document, 2011)⁵ sets out policy relating to housing and amenity which can be used in determining applications for HMOs.
- 2.14. Policy 3 'Address of Choice' supports the delivery of housing in suitable locations, including change of use and conversion. Policy 9 'Local Environment' sets out policy for improving and protecting local environmental quality and amenity and promoting community safety. This policy is heavily used in determining applications for HMOs. Policy 11 'Housing' sets out that HMOs shall not be permitted unless it can be demonstrated that the proposal does not adversely affect:
- The local character of the area;
 - The residential and workplace amenity of current, future and neighbouring occupants; and
 - Traffic levels and the safety of road users.
- 2.15. There are also other local plan policies and policies with the Places for Everyone Joint Development Plan (PJE) that can be used to determine HMO applications.
- 2.16. Oldham also has several Supplementary Planning Documents (SPD)⁶ which can be useful for HMO applications, including the Oldham Town Centre Conservation Area Appraisal and Management Plan (CAAMP) SPD and the Vibrant Centres SPD.
- 2.17. Oldham does not currently have a specific HMO planning policy or a HMO SPD. However, the Draft Local Plan (published in December 2023)⁷ contained a specific policy on HMOs (see policy H10). The policy set out several requirements for HMO development, including a requirement which sought to prevent an over-concentration of HMOs within a particular area.
- 2.18. There are also licensing requirements for HMOs. Part 2 of the Housing Act (2004)⁸ sets out that a property must be licensed if it meets these conditions:
- 5 or more people live there, where there are two or more groups of people that are not living as a family, i.e. mother and son rent one room, female rents another room and two males rent another room, and they are not a family.
 - They share facilities such as bathrooms and kitchens.
- 2.19. Advice for landlords of HMOs is also set out on the council's website. The advice sets out that all HMOs need to be managed properly whether it is a licenced or non-

⁵ Oldham's Local Plan (Joint Core Strategy) (2011):

https://www.oldham.gov.uk/info/201229/current_local_planning_policy/978/joint_core_strategy_and_development_management_policies_development_plan_documents_dpds

⁶ Oldham's Supplementary Planning Documents (SPDs): [Supplementary Planning Documents | Oldham Council](#)

⁷ Oldham's Draft Local Plan (2023): https://www.oldham.gov.uk/info/201233/local_plan_review/3095/draft_local_plan

⁸ Housing Act 2004 – Part 2: <https://www.legislation.gov.uk/ukpga/2004/34/part/2>

licensed HMO. It is up to the manager of the property to make sure this is done. A well-managed HMO should be clean and tidy, safe and suitable for living in.

2.20. Management Regulations ensure that:

- Provisions like washing and cooking facilities are adequate;
- There are adequate arrangements for the collection and proper disposal of rubbish;
- Water, gas and electricity are properly supplied and discharged; and
- Any repairs are carried out.

2.21. The law also says that the people who live in an HMO must make sure they don't cause damage, store and dispose of waste properly and cooperate with the manager of the property.

2.22. To guide development quality and proper management of HMOs the council has a HMO standards document which is available on request⁹.

2.23. Further information on HMO licensing requirements for HMOs is available online¹⁰.

2.24. Currently, Oldham also has five selective licensing areas in operation – within these areas any private-rented properties must be licensed. This includes HMOs, but also other privately rented properties. The aim of selective licensing areas is to improve the management of private rented properties through licence conditions to ensure they have a positive impact on the area.

2.25. The selective licensing areas are located mainly within inner Oldham – a map is available online¹¹. The selective licensing areas would continue to operate independently of an Article 4 direction.

3. Background

3.1. Over the last few years council members have highlighted their concern with the number of HMOs that are currently being introduced across the borough.

3.2. It is recognised that HMOs provide a much-needed source of housing for various groups in need within the borough, including young people, students, key workers and single person households. However, poorly managed and maintained HMOs, especially where clusters of HMOs arise in one place, can have a detrimental impact on local character and amenity.

3.3. Recently, other local authorities within Greater Manchester have introduced borough-wide Article 4 Directions (or have extended existing area-specific Directions to apply borough-wide). Wigan Council are implementing a borough-wide Article 4 Direction (extending two area-specific directions). Salford City Council is also extending the coverage of its current Article 4 Direction to cover a much broader area. Both these authorities have stated that they have experienced a displacement effect with their

⁹ Further information available at:

https://www.oldham.gov.uk/info/201198/information_for_landlords/258/houses_in_multiple_occupation_hmo

¹⁰ Further information can be found at:

https://www.oldham.gov.uk/info/201198/help_for_landlords/258/houses_in_multiple_occupation

¹¹ Oldham Selective Licensing Areas: [Selective Licensing of private landlords | Selective Licensing of private landlords | Oldham Council](#)

previous area-specific Article 4 Directions, whereby restricting HMO development in the specific areas has led to an increase in HMO development in other areas. As a result, these authorities are seeking borough-wide or much broader coverage Article 4 Directions as a result.

- 3.4. Bolton Council has also recently introduced a borough-wide Article 4 Direction. Manchester Council and Trafford Council also have existing Article 4 Directions applying to HMO development.
- 3.5. Other authorities in Greater Manchester are using Article 4 Directions to have greater control on the location and quality of HMOs. This includes the introduction of borough-wide Article 4 Directions to address concerns of displacement, that area-specific Article 4 Directions might cause. Therefore, given the concerns around the proliferation of HMOs in various parts of Oldham and that these are spread across many parts of the borough, it is considered that a borough-wide Article 4 Direction is appropriate for Oldham. This will ensure a consistent approach is applied to HMO development in the borough.

4. Local Evidence

The number of HMOs in Oldham

- 4.1. At the 2021 Census the number of HMOs in Oldham was estimated to be 88¹². At the time this represented 0.09% of the borough's total housing stock (estimated at 97,761 dwellings).
- 4.2. Nationally, at the 2021 Census, HMOs represented 0.07% of England's total housing stock. As such, at the time Oldham had a slightly higher number of HMOs than the national average.
- 4.3. 'In-house' monitoring of the number of HMOs in Oldham has been undertaken since 2020 to understand trends and impact on the borough's communities.
- 4.4. Over the years, data collection methods have been tested and refined to enable the collection of more accurate data. However, given existing permitted development rights, which allow the change of use of dwelling houses (C3 use) to small HMOs (C4 use), monitoring the number of HMOs can be difficult.
- 4.5. The data presented below has been gathered from a variety of sources, using several internal monitoring systems. Given the volume of data and data handling practices there may be some level of inaccuracy. As such the data should be considered as approximate and the best available.
- 4.6. Oldham Council has used data from licensing, planning and building control, council tax, temporary accommodation records and the Local Land and Property Gazetteer (LLPG) records to estimate the number of HMOs within the borough.
- 4.7. For the latest update of HMO data – July 2025 - a two-step verification process has been introduced to ensure that HMOs can be verified by at least two sources. This is to improve the accuracy of data. Further confirmation and checks on the data have

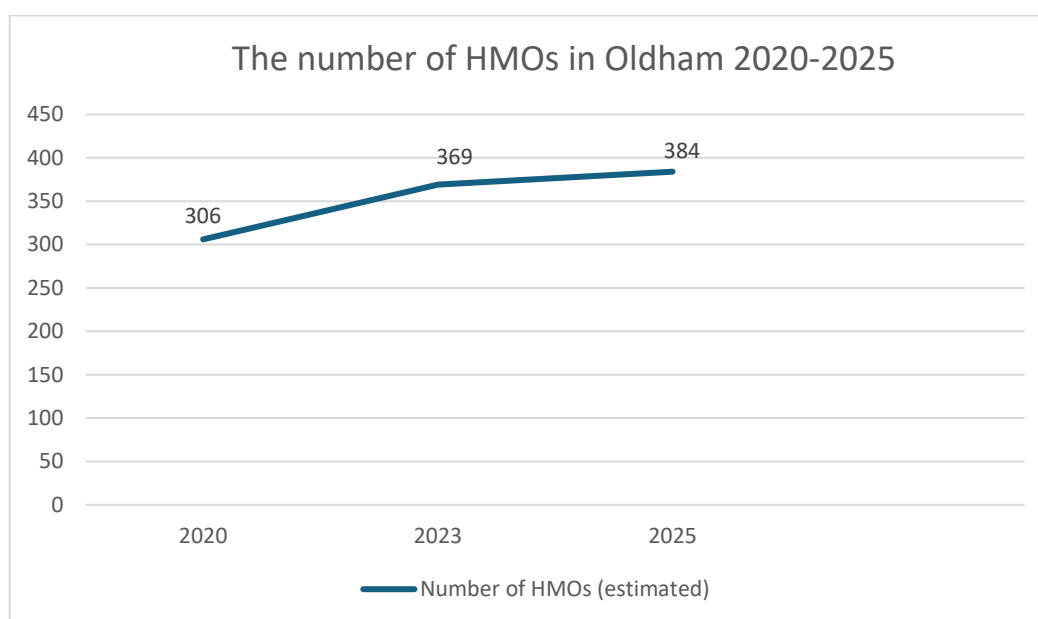
¹² ONS Census 2021 – Number of dwellings that are houses in multiple occupation (HMO):
<https://www.ons.gov.uk/datasets/RM192/editions/2021/versions/2#summary>.

been carried out where necessary, including a desktop assessment (checking mapping systems, local property listings etc.). The number of HMOs which have planning permission and have not yet started and the number of HMOs which are under construction have also been recorded separately.

- 4.8. As of July 2025, the total number of HMOs estimated to be in use/ existing in the borough is approximately 384 (81 of which have secured a HMO Licence or been issued a draft licence ready for the final licence to be issued, and 43 licensing applications are in the process of being considered).
- 4.9. The total number of HMOs (as of July 2025) represents 0.38% of the total dwelling stock (98,912 dwellings, as of October 2024¹³). This is significantly higher than the national percentage of dwelling stock estimate of 0.07% (2021 Census).
- 4.10. Looking over a longer period, data on the number of HMOs in the borough was collected in December 2020 to inform the Local Plan Review – Issues and Options stage. The data identified that there were around 306 HMOs in the borough, which represented 0.31% of the borough's total housing stock at the time (97,079 dwellings as of October 2020).
- 4.11. Between December 2020 and October 2023, there was a 20% increase in the number of HMOs in the borough. In October 2023 the number of HMOs was estimated to be around 369, which represented 0.37% of the total housing stock at the time (98,567 dwellings).
- 4.12. As of the most recent available data, in July 2025 there was estimated to be 384 HMOs in Oldham. This represents a 4% increase from 2023 and a 25% increase from 2020.
- 4.13. The figure below highlights the increase in the number of HMOs across the five-year period. The figure shows that whilst the increase is not sharp, there has been a consistent increase over this period.

¹³ Source – Oldham Council, Council Tax data (October 2024).

Figure 1: Number of HMOs in Oldham 2020-2025



- 4.14. The significant difference in the 2021 Census data on the number of HMOs in the borough (88) and the number recorded in 2025 by the council (384) (and 306 in 2020, 369 in 2023) also highlights the difficulty in accurately identifying the number of HMOs in the borough. Census data on the number of HMOs in Oldham is clearly not an accurate source for the borough, as the internally gathered and verified data indicates that the number is much higher - highlighting the importance of internal monitoring.
- 4.15. Despite the evidence set out above, the actual number of HMOs in the borough may still differ somewhat from that identified. The Council is not currently notified of all conversions of C3 dwellings to small HMOs (as this is currently permitted development). Whilst it would be hoped those small HMOs would be picked up through Council Tax records (and many are), this is not always the case, depending on what information has been provided by the occupiers on Council Tax returns. Also, HMOs can change back to single family dwellings without notifying the Council. The figure set out above (384 at July 2025) is however based on the best available evidence.

HMO development

- 4.16. Of the 384 existing HMOs in the borough (July 2025), 74 have been granted planning permission. A further 19 applications for a HMO have been granted planning permission and are yet to be implemented, or they are under construction, and so the HMO is not yet occupied or in use.
- 4.17. There are approximately 75 HMOs (of the total 384 existing HMOs) which are for 6 people or above. We mainly know this because, as set out above, HMO development for 6 people and above is not permitted development and planning

permission is required. Also, sometimes, the information is provided in an application to building control¹⁴.

- 4.18. As such, it can be assumed that the majority of existing HMOs in the borough are smaller HMOs, for less than 6 people, and therefore those which do not currently require planning permission.
- 4.19. Over 48% (185 properties) of the total 384 HMOs have been changed from a single household dwelling to a HMO. This has resulted in an additional 47 bedrooms where a change of use from single household dwelling to HMO has occurred and bedroom numbers are known.
- 4.20. Whilst this does not always equate to a loss of a residential unit, (as per planning guidance some smaller HMOs can still exist under use class C3 – the same use class as a single household dwelling), it could mean the loss of a family home into smaller, single occupation uses.
- 4.21. The Local Housing Needs Assessment (LHNA) (2024)¹⁵ has identified a need for family housing, including larger family housing of 4+ bedrooms across the borough. The loss of family housing to HMOs can impact the dwelling stock available for families, and the ability of the housing stock to meet local housing needs.
- 4.22. Where smaller homes are converted into HMOs (especially small HMOs which do not currently require planning permission), the units of individual accommodation that are created could be smaller and not meet the minimum space standards. This could lead to overcrowded and substandard living conditions.
- 4.23. Other HMOs are typically created through the change of use from shops, restaurants or commercial properties. The breakdown below notes the other changes of use (not C3) which have occurred for existing HMOs in the borough, where this is known:
- Class E (Commercial, retail, business and services, food and drink) – 31 properties;
 - F2 (Local community uses) – 2 properties;
 - Sui Generis (unique uses) – 5 properties¹⁶;
 - C1 (Hotels, boarding houses, guest houses) – 1 property;
 - C2 (Residential accommodation and care) – 1 property; and
 - B8 (Storage and Distribution) – 1 property.

¹⁴ Detailed data is not always required to be supplied for building control applications depending on the application/ approval type.

¹⁵ Oldham Local Housing Needs Assessment (LHNA) (2024), available at:

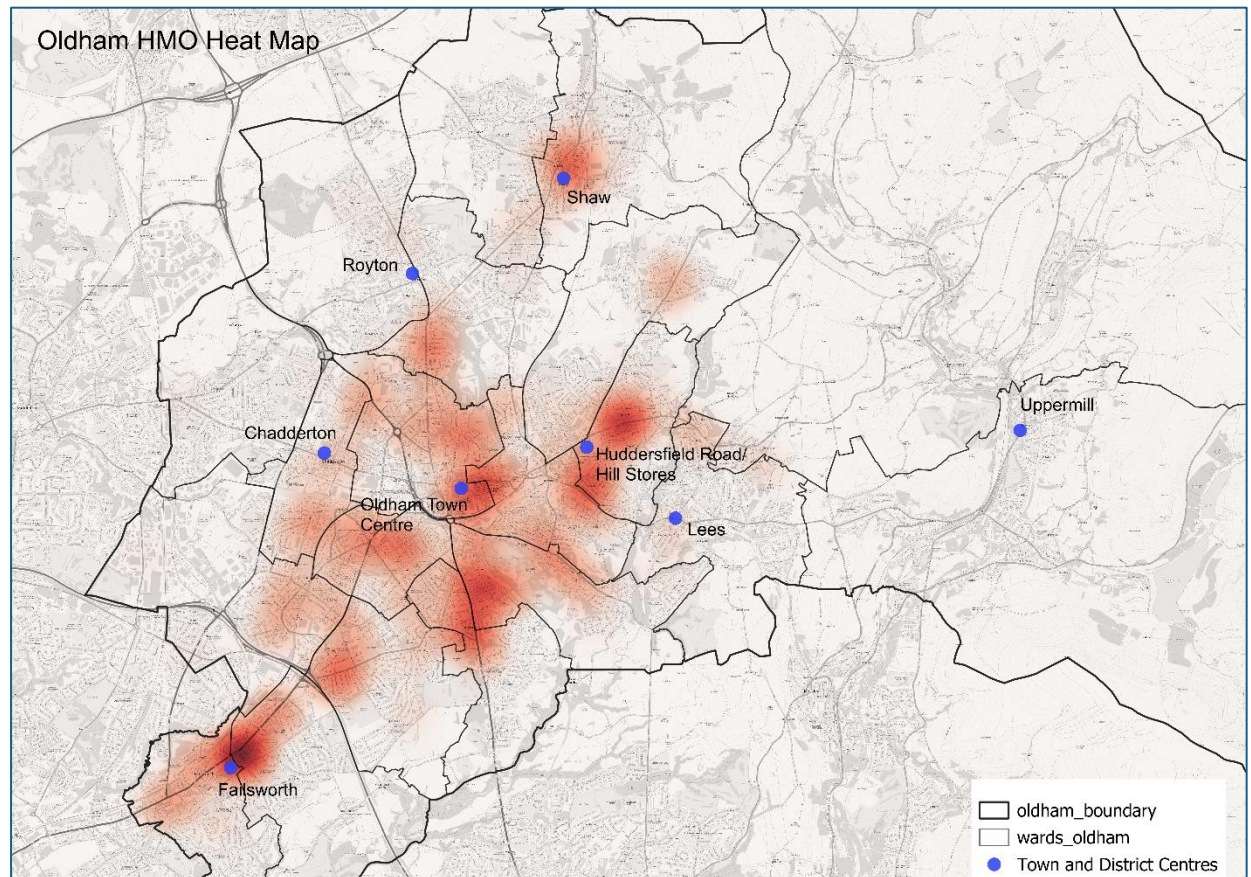
https://www.oldham.gov.uk/downloads/file/5590/housing_strategy_needs_assessment

¹⁶ Sui Generis use class includes large HMOs i.e. those for more than 6 unrelated individuals and also many other uses which do not fall within other defined use classes, for example betting shops, launderettes, and nightclubs. The number shown here only includes the properties which have changed from Sui Generis uses which are not HMOs.

Distribution of HMOs

4.24. The heat map at figure 2 illustrates the spatial distribution of the recorded HMOs in the borough.

Figure 2: Heat map showing spatial distribution of HMOs in Oldham



4.25. As shown in Figure 2, HMOs are spread across many areas of the borough. There are particular clusters located within and around inner Oldham, along key transport routes i.e. the A62, which connects Oldham to Failsworth and Manchester, and within and around several district centres.

4.26. There are clusters of HMOs within and around Failsworth district centre, Huddersfield Road district centre, Oldham Town Centre, Shaw district centre and within Greenacres/ Clarksfield and Hathershaw (along Ashton Road). There are also HMOs located near Royal Oldham Hospital (within Coldhurst and Royton South) - and within areas of Central and South Chadderton, Hollinwood and Werneth. Conversely there are very few HMOs located within Saddleworth wards, and within the more rural fringes of the borough.

4.27. The majority of the borough's existing HMOs are located in accessible locations. Just under half (191) of the borough's recorded HMOs are located within 800m of a Metrolink station and 2 are located within 800m of a train station (Mills Hill and Moston). The vast majority are in walking distance of a bus stop. Typically, HMOs can be a lower cost form of accommodation, and as such appeal to those with lower incomes where levels of car ownership are also likely to be lower. As such, it is

important to ensure HMOs are located sustainably with access to public transport within a suitable walking distance.

Demographics

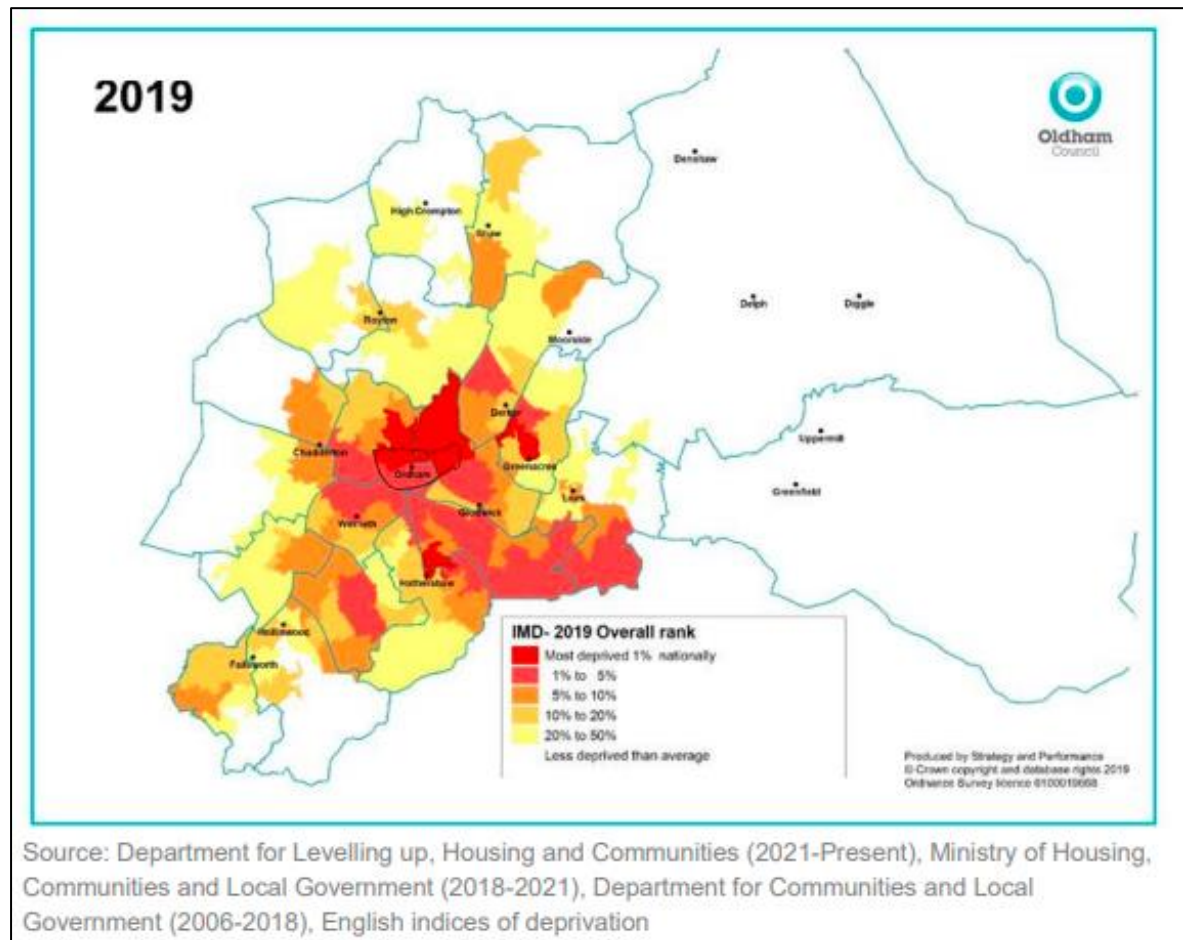
- 4.28. According to the latest official population projections¹⁷, Oldham's population is continuing to increase. The projections show that the borough's total population is estimated to increase by around 14,000 people from around 248,000 in 2025 to 263,000 in 2047.
- 4.29. Compared to the England average, Oldham has a younger population and higher than average levels of children. Although in recent years there have been falling birth rates - a trend that is expected to continue.
- 4.30. Levels of deprivation in the borough are generally ranked among the highest in the country. According to the Indices of Multiple Deprivation (IMD)¹⁸, some areas of Oldham rank within the bottom 10% of local authorities in England. Oldham's levels of deprivation have maintained a steady downward trend since 2004¹⁹. In the 2010 IMD Oldham ranked 32 out of 326 local authorities. In the 2019 IMD Oldham ranked 16 of 317 local authorities.
- 4.31. Figure 3 below shows areas of high deprivation within Oldham. Oldham currently has four areas within the borough which are among the top 1% of the nation's most deprived areas. The majority are centred in and around the town centre, particularly within the wards of St Mary's, Coldhurst and Alexandra. Only the wards of Crompton, Saddleworth North and Saddleworth South do not contain any areas that fall within the nation's top 20% most deprived.

¹⁷ 2022 based Population Projections released by the Office for National Statistics (ONS) on 24 June 2025.

¹⁸ The Indices of Multiple Deprivation provide statistics on relative deprivation which are reported at a small area level (Lower Super Output Areas – LSOAs) across all local authorities in England. It looks at a combined measure of income, employment, health, education, crime, barriers to housing and services and the living environment. It also considers income deprivation affecting children and older people.

¹⁹ Source: Oldham in Profile 2024, Oldham Council.

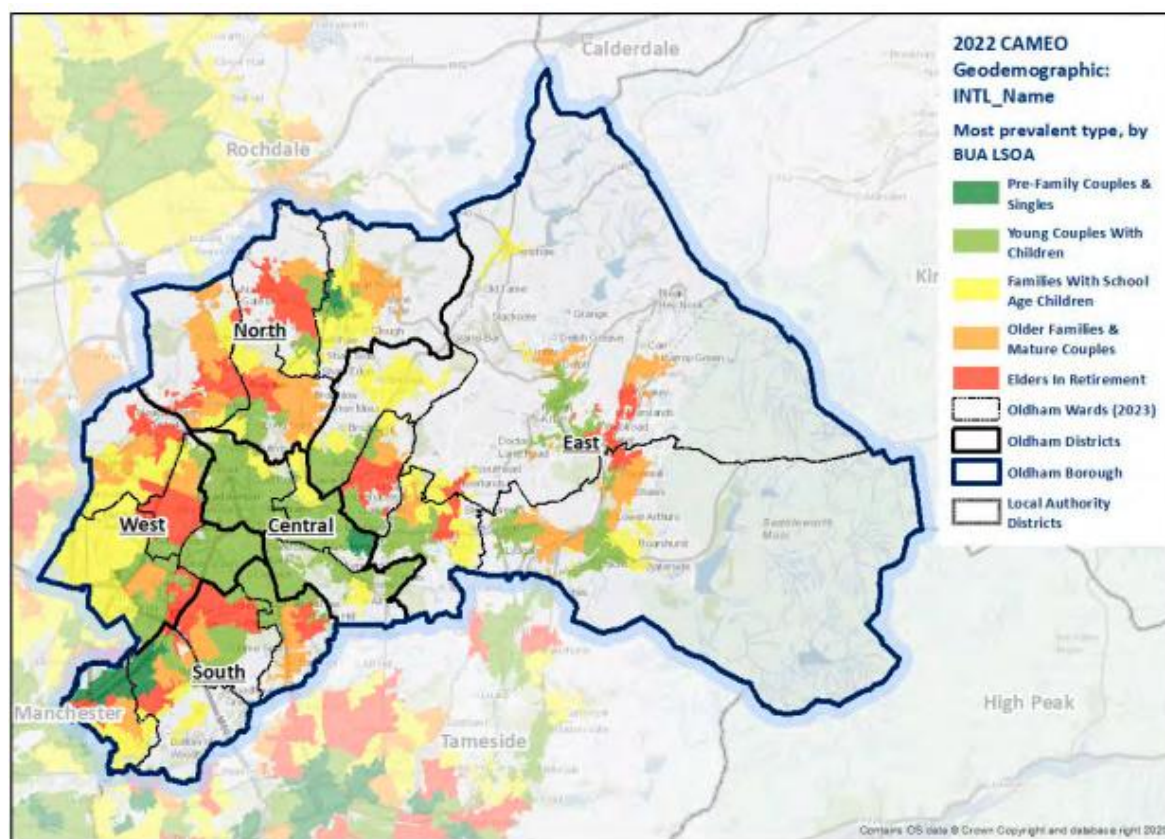
Figure 3: Areas of Deprivation in Oldham²⁰



- 4.32. Since 2010 Oldham's deprivation score has improved in measures of deprivation affecting older people, employment and health, however it has worsened in all other measures, including barriers to housing.
- 4.33. HMOs can be a key source of housing for younger and single person households. Figure 4 below, identifies the household types most prevalent in each LSOA. As is shown, the most prevalent household type within central and inner Oldham is young couples with children. Around Failsworth district centre singles and pre-family couples are the most prevalent. Around the fringes of the borough and in Saddleworth the most prevalent household types are families with school age children and mature couples/ families. Pockets of elders in retirement, as the most prevalent household type, are found in most areas of the borough.

²⁰ Source: Extracted from Oldham in Profile 2024, Oldham Council.

Figure 4: Household characteristics: Household Type by LSOA²¹



Source: CAMEO UK

Housing Stock

- 4.34. As set out above, there are estimated to be around 98,912 dwellings²² and 93,152 households²³. More than one household can live within one dwelling – for example in the case of HMOs you may have several households living within one dwelling unit.
- 4.35. The majority of Oldham's dwelling stock is houses (77.5%) of which terraced houses represent 44.7%. Oldham has the highest proportion of terraced housing stock in Greater Manchester and a large portion is within inner Oldham²⁴.
- 4.36. Oldham's housing stock tends to be smaller than the Greater Manchester, North-West and National averages, with fewer dwellings of 4 bedrooms or more²⁵. Across the borough, 52.2% of dwellings are 1 or 2 bedrooms.
- 4.37. There are issues of overcrowding in some areas of Oldham. The 2021 Census identified that 7.5% of households in Oldham are overcrowded compared to 4.4% nationally.

²¹ Extracted from LHNA (2024) – Map 2.3 'Household characteristics: household type by LSOA', 2022 CAMEO. Map shows the most prevalent household type for each LSOA.

²² Source: Oldham Council – Council Tax data (October 2024)

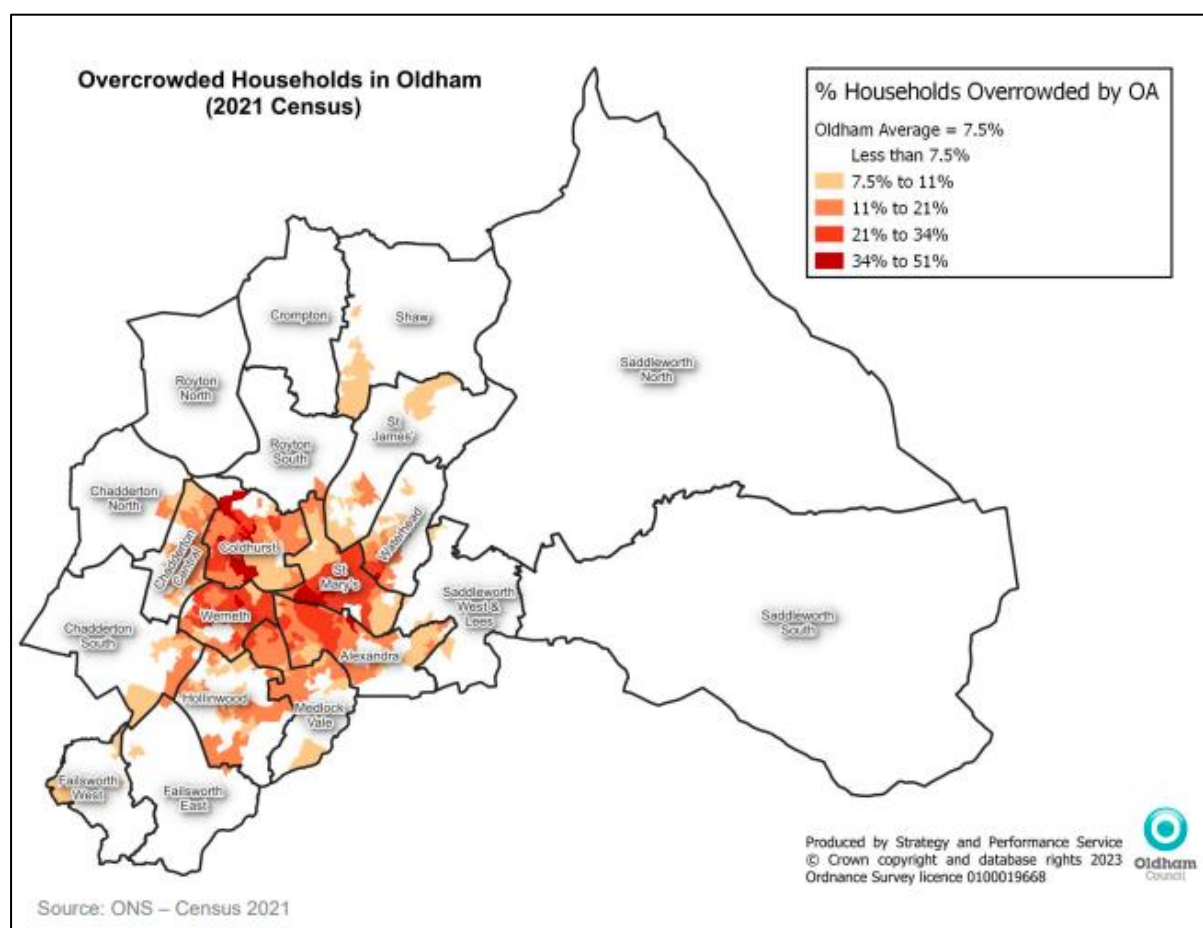
²³ Source: Oldham LHNA (2024).

²⁴ See Map 2.1 in Oldham (LHNA 2024).

²⁵ See Table 2.3 in Oldham LHNA (2024).

4.38. Overcrowding is most prevalent in areas with a high proportion of terraced housing stock. Figure 5 shows the distribution of households classed as overcrowded. The map shows that the distribution of overcrowded households is uneven, but there are large concentrations of overcrowded homes located within inner Oldham - around the outskirts of the town centre, particularly in the wards of Coldhurst, St Mary's and Werneth.

Figure 5: Overcrowded Households in Oldham (2021 Census)²⁶



4.39. The LHNA (2024) has assessed housing conditions and repair problems with data gathered from a household survey. The LHNA found that households expressing the highest levels of dissatisfaction by characteristics were households:

- living in Central Oldham (22.4%);
- private renting (19.1%);
- living in affordable housing (22.7%);
- living in flats (18.7%), maisonettes (17.6%), and terraced housing (12.8%);
- living in pre-1919 dwellings (13.5%);
- that had an income of less than £200 each week (19.8%); and

²⁶ Source: Extracted from Oldham in Profile (2024), Oldham Council - ONS 2021 Census.

- that had a young person residing ²⁷ aged 15-24 (20.9%).
- 4.40. Households containing someone with an illness/disability were more likely to be dissatisfied (13.8%) compared with 10.4% overall.
- 4.41. 55.8% of households living in affordable housing, 52.6% of private renters, and 39.7% of owner-occupiers stated there were repair problems with their property.
- 4.42. The main repair problem reported among owner-occupier households was with the roof (34.6%) and dampness/mould growth (32.0%). Across the private rented sector a concerning 51.8% of respondents mentioned dampness/mould growth, and across the affordable housing sector, dampness/mould growth was mentioned by 40.7% and windows by 36.8% of respondents.
- 4.43. As set out in this section, there are issues with the borough's dwelling stock and disparities across areas in the borough. Terraced houses make up a large proportion of Oldham's housing stock, particularly within inner Oldham. There are areas of Oldham, again particularly within inner Oldham, which are experiencing overcrowding. Also, there are housing repair problems reported across all tenures, particularly those living in private rented and affordable housing.
- 4.44. In this context, it is important that HMOs are appropriately managed and monitored to ensure housing quality and avoid overcrowding.
- 4.45. The size of HMO accommodation should be sufficient and should not perpetuate issues of overcrowding. The council's HMO Standards apply to the development of HMOs in the borough²⁸ - the HMO Standards provide detail on amenity and design, including appropriate room sizes (and shared spaces/ facilities). PfE policy JP-H3 also sets out that all new dwellings should comply with the Nationally Described Space Standards (NDSS)²⁹. Where practicable the NDSS should apply to conversions and changes of use, such as to a HMO.
- 4.46. It's also important that HMOs do not lead to the loss of a larger family home, which are needed in Oldham (see paragraph 4.49 below).

Housing Tenure and Affordability

- 4.47. In terms of tenure, the LHNA (2024) identified that the majority of Oldham's households are owner-occupiers (60.4%). 21.6% live in affordable housing tenures and 18.0% rent housing privately.
- 4.48. Many HMOs are rented privately. The private rented sector has become an important tenure in both meeting people's housing needs and providing flexible housing options for those moving for employment or to respond to changing circumstances and provides a housing option for those on low incomes.

²⁷ This is defined as age of Household Reference Person (HRP).

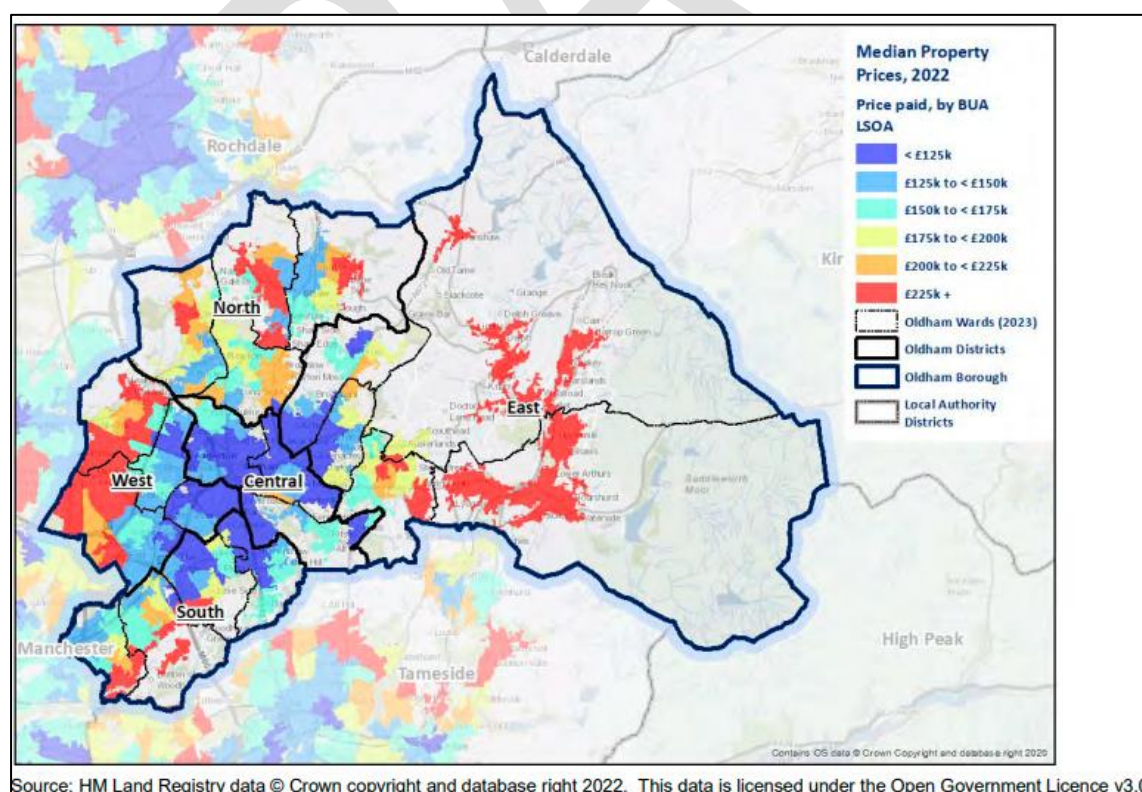
²⁸ The HMO Standards are available on request, for further information see:

<https://www.oldham.gov.uk/info/201198/information-for-landlords/258/houses-in-multiple-occupation-hmo>

²⁹ Nationally Described Space Standard: <https://www.gov.uk/government/publications/technical-housing-standards-nationally-described-space-standard>

- 4.49. Across Oldham, the proportion of households privately renting increased considerably from 8.7% in 2001 to 18% in 2021 (ONS Census data). The districts of Central and South Oldham have higher than borough average levels of privately rented housing.
- 4.50. Between 2001 and 2021, there has been growth in the rental market for both 'active choice' renters and 'frustrated would-be' homeowners. Tenure reform and less accessible social rented housing are also likely to be an increasing factor to the growth in the private rented sector and the sector clearly now plays a vital role in meeting housing need and affordable need, as well as providing an alternative to homeownership.
- 4.51. Local authorities have an important enabling and regulatory role in ensuring that the private rented sector helps to meet housing need and encouraging good quality management.
- 4.52. In terms of house prices, the LHNA (2024) notes that house prices in Oldham are consistently lower than the North-West and England averages. However, the growth in house prices in Oldham over the past 22 years (318.6%) has been higher than that experienced across the North-West (+248.7%) and England as a whole (+217.1%)³⁰. In 2000 the median house price in Oldham was £43,000, in 2022 the median house price in Oldham was £180,000.

Figure 6: Median House Prices in Oldham³¹

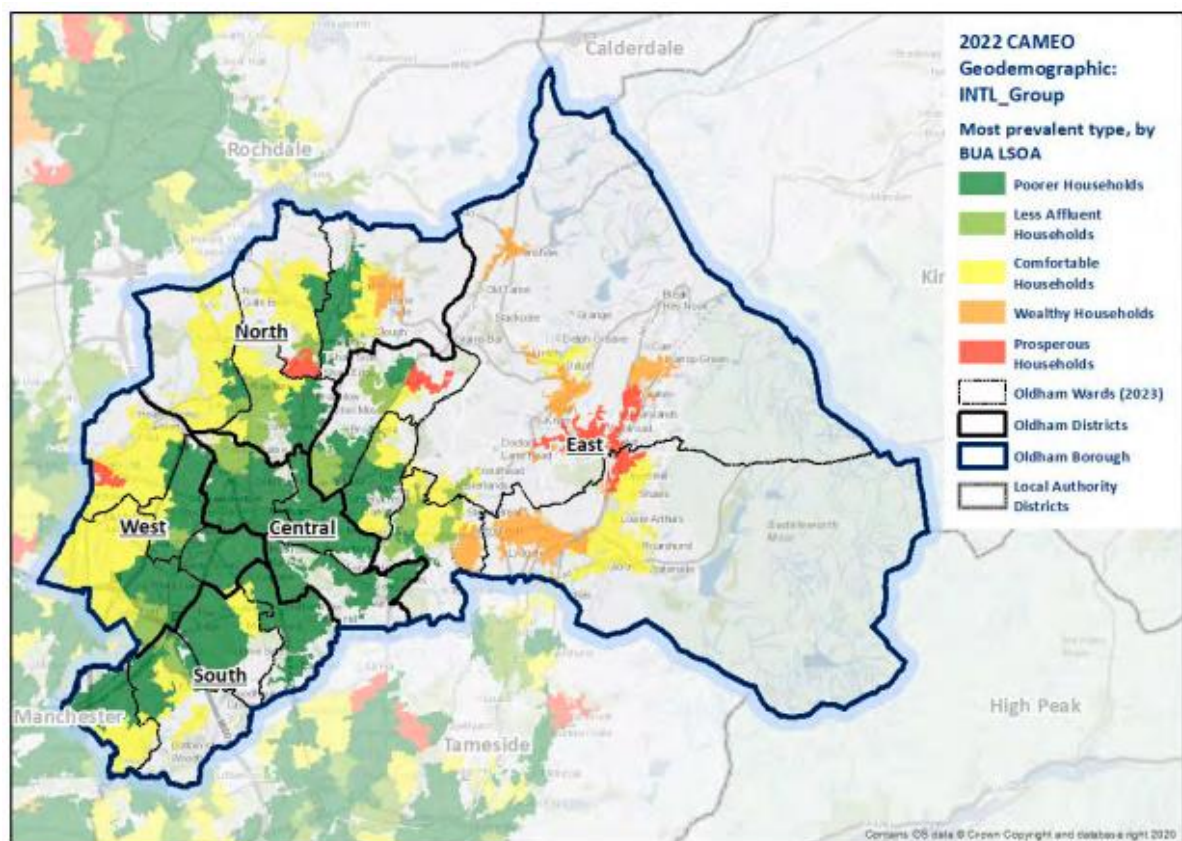


³⁰ Across the period of 2000-2022.

³¹ Median house prices by built up areas (BUA) within the LSOAs of Oldham borough. Extracted from Map 3.2 Oldham LHNA (2024).

- 4.53. As shown in figure 6 the areas with lower average property prices in Oldham are generally those within inner Oldham, mainly Central and South districts. The East and West districts tend to have higher house prices.
- 4.54. Rental prices of properties in Oldham have also increased – between 2010 and 2022 lower quartile rents have increased by 39.8% and median rents have increased by 53.4%.
- 4.55. Compared to other Greater Manchester areas, Oldham is relatively affordable. Oldham is the third most affordable local authority area compared with other areas of Greater Manchester and neighbouring districts to Oldham - the affordability ratio for Oldham is 5.69, compared to the Greater Manchester average of 6.74.
- 4.56. Despite this, the LHNA (2024) has found that there is a shortfall of affordable housing across the borough, which equates to a need for approximately 669 additional affordable homes each year over the next 10 years. Whilst PPG is clear that only a portion of this need will be met through the planning system, the LHNA reinforces the significance of affordable housing need in Oldham. Also, when this need is compared to the findings of the previous LHNA (2019), which identified a need for approximately 204 additional affordable homes each year, it is evident that the need for affordable housing is increasing.
- 4.57. Further demonstrating the need for affordable housing, the number of households in Temporary Accommodation in the borough is significantly higher than five years ago. Similarly, the number of households on the Social Housing Register is much higher than previous recent years.
- 4.58. There are disparities in the affordability of housing in parts of the borough, with some areas distinctly lacking adequate affordable housing provision to meet local needs.
- 4.59. Related to affordable housing need, income is also an issue in areas of Oldham. Oldham has traditionally had low wage levels in terms of both residents and workplace earning potential (as measured by median weekly wage levels). This is likely due to the industry mix within Oldham, and the relative skill levels of the local workforce.
- 4.60. Figure 7 below shows the levels of income within the borough. As shown, there is a distinct distribution of lower income households within inner Oldham – particularly within Central, West, and South districts. Higher income households are predominantly located within the fringes of the borough and within Saddleworth districts.

Figure 7: Household characteristics: Income Type by LSOA³²



Source: CAMEO UK

- 4.61. Looking at private renting, a rent is considered affordable if it costs no more than 25% of household income. Notable affordability pressures for private rented housing are identified in the South district, where the proportion of lower quartile income needed for lower quartile rents was generally above 55%. Private renting was also generally unaffordable for those in key worker occupations and those on minimum or living wage, with most having to spend more than 25% of income on rent. Single earners on minimum/living wage spend in excess of 40% of their income on lower quartile rents.
- 4.62. There are also identified deficiencies for smaller affordable accommodation in the form of 2 and 3 bed houses. However, this is indicative of a lack of choice in the market and respondents' expectations, as Oldham's local housing register indicates a need for larger family housing in certain areas of the borough also.
- 4.63. There are issues with attracting and retaining young professionals and families. In some parts of the borough there are not suitable affordable homes for people to live in the area in which they grew up, leading to an out-migration of these households to neighbouring boroughs. There is also a lack of smaller single person affordable housing and affordable housing for older people and disabled people. Suitable affordable housing is also needed for key workers.

³² Extracted from LHNA (2024) – Map 2.4 'Household characteristics: income type by LSOA', 2022 CAMEO. Map shows the most prevalent income type for each LSOA.

4.64. HMOs can provide an important source of affordable housing, especially for those on lower incomes and in need of affordable housing. The evidence set out above has shown a distinct need for affordable housing in this sector – and across all sectors. As affordability worsens, the level of people in need of affordable housing increases. This could lead to increasing numbers of households turning to HMOs as a housing option, and increased levels of HMOs as a result. As such it is important that this housing is appropriately located and of high-quality.

Comparing evidence

- 4.65. As is set out in figure 8 below some links can be identified between the spatial distribution of HMOs in the borough and levels of deprivation, overcrowding and income, as well as household types and house prices.
- 4.66. As shown in figure 2, the distribution of HMOs in the borough is spread across many areas, and higher proportions are present within and around inner Oldham and along the A62, especially within the Failsworth area.
- 4.67. Areas of high deprivation and overcrowding follow a similar pattern and are especially prevalent within and around inner Oldham. As such, it is important to ensure that HMOs are appropriately located and designed, with appropriate room sizes, and considering amenity, so as to not perpetuate issues of deprivation and overcrowding, especially within areas which are already experiencing these issues.
- 4.68. Perhaps more pronounced are the similarities in the distribution of HMOs and lower income households. Given that HMOs can be an important source of housing, particularly for lower income households, it is therefore expected that HMOs would operate within lower income areas (this is also where house prices tend to be lower (see figure 6)).
- 4.69. There are also similarities in the distribution of HMOs and the spread of single person and pre-family couple's household types, particularly within Failsworth. HMOs can be an important source of housing for younger and single person households. However, over concentrations within defined areas can be detrimental to local character and amenity. It is also important to ensure a mix of house types in areas, to promote housing choice and community cohesion. As such, HMOs should be appropriately located, considering the proliferation of uses within a defined area.

Figure 8: Data maps for comparison (combining figure 2, 3, 4, 5, 6 and 7)

Figure 2: Heat map showing spatial distribution of HMOs in Oldham

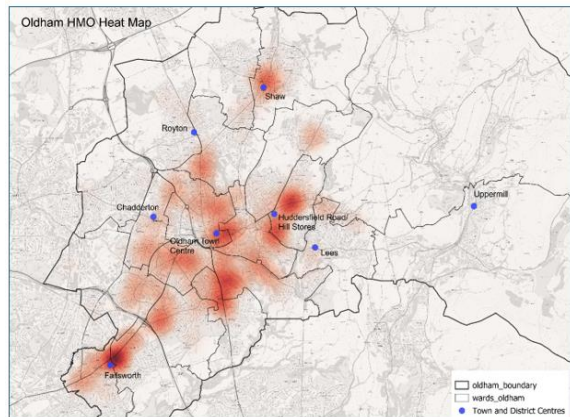
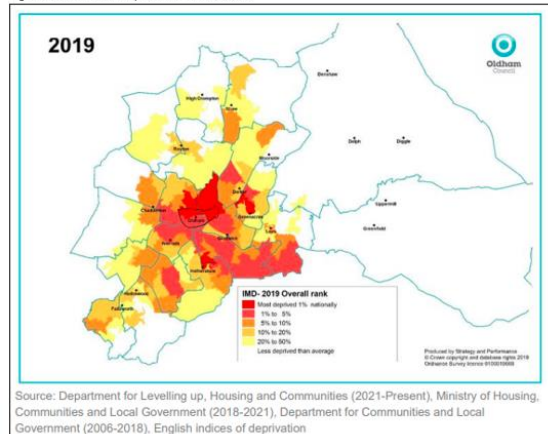
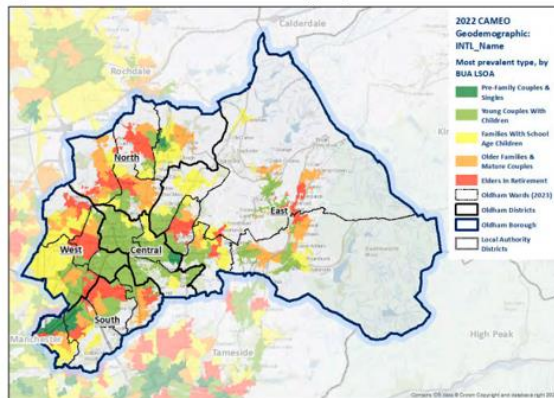


Figure 3: Areas of Deprivation in Oldham²⁰



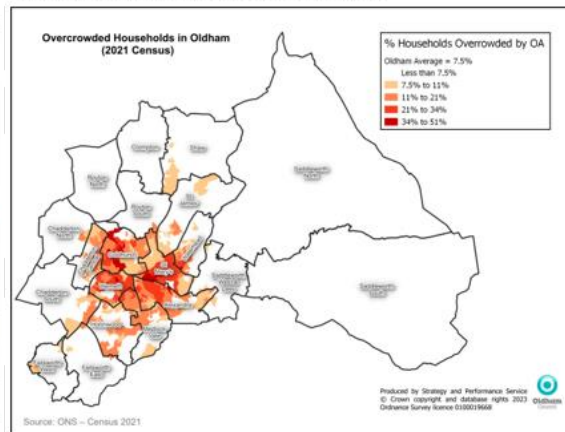
Source: Department for Levelling up, Housing and Communities (2021-Present), Ministry of Housing, Communities and Local Government (2018-2021), Department for Communities and Local Government (2006-2018), English indices of deprivation

Figure 4: Household characteristics: Household Type by LSOA²¹



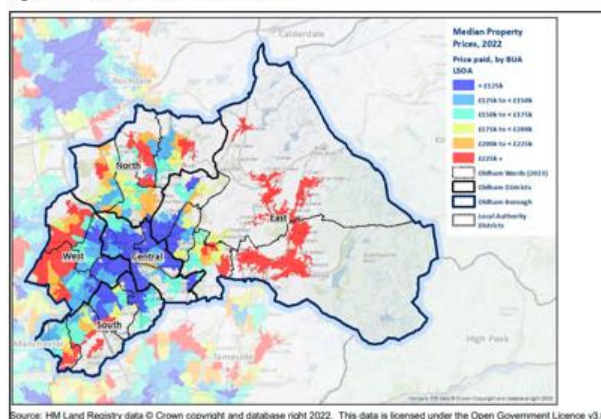
Source: CAMEO UK

Figure 5: Overcrowded Households in Oldham (2021 Census)²²



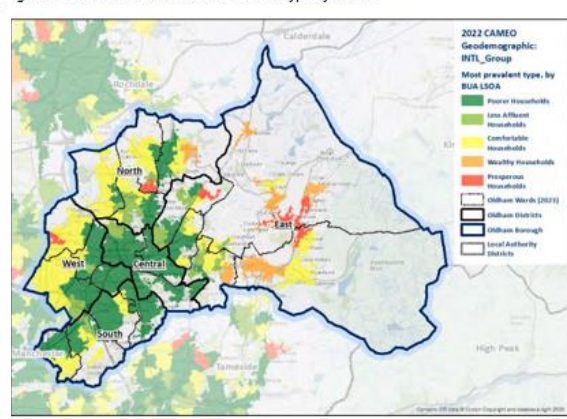
Source: ONS - Census 2021

Figure 6: Median House Prices in Oldham³¹



Source: HM Land Registry data © Crown copyright and database right 2022. This data is licensed under the Open Government Licence v3.0

Figure 7: Household characteristics: Income Type by LSOA³²



Source: CAMEO UK

Impact on local communities

4.70. Where applications come through the planning system for HMO development, they often receive negative representations from local residents and councillors. Of the existing HMOs in the borough which have planning permission, there are several issues raised as part of the application consultation, including:

- Inadequate car parking provision/ impact on existing provision;
- Increased traffic;
- Limited access/ impact on highway safety;
- Proliferation and concentration within a defined area;
- Loss of a family home;
- Amenity – including noise, disturbance, waste disposal/ storage, pests loss of privacy;
- Size of accommodation – inadequate facilities, outdoor space, overcrowding;
- Fire safety;
- Management of accommodation/ shared facilities;
- Impact on character of an area;
- Impact on a conservation area;
- Unsustainable development;
- Social concerns/ community cohesion issues;
- Anti-social behaviour and, crime;
- Impact on viability of neighbouring uses;
- Impact on value of existing homes;
- Strain on local services/ facilities; and
- Inappropriate location owing to neighbouring uses.

4.71. Complaints which have come through environmental health relating to HMOs often cite the following concerns³³:

- The HMO is unregistered/ unlicensed;
- The HMO does not have planning permission or approval for associated building works;
- There are not adequate bins provided for the number of occupiers;
- The state and condition of the property; and

³³ An analysis of complaints which mention HMOs over a 12-month period (2022-2023) has been undertaken. Future monitoring will continue in this area to monitor the impact of HMOs on local communities.

- Fire safety regulation.

4.72. A recent motion³⁴ to Oldham Council regarding HMOs also cites several concerns, including that HMOs provide ‘substandard and unsafe accommodation’. The motion goes on to state that the introduction of an Article 4 Direction will ensure transparency, giving communities the opportunity to have a say and raise their concerns, in line with the Council’s values as a resident focused council.

4.73. In some cases, it can be difficult to ascertain the actual level of negative impact of HMOs on communities, particularly in terms of amenity and local character, compared to other types of housing. However, the proliferation of any use, particularly those which introduce increased numbers of occupiers such as HMOs, should be carefully monitored and considered.

4.74. Furthermore, as it can be difficult to monitor the number of smaller HMOs, which do not currently come through planning or licensing systems, the true impact of HMOs on local communities may be hidden, particularly as there is no forum (like a planning application consultation) to express concern or raise issues.

5. Summary of Evidence

5.1. This paper has set out the background and evidence base for the introduction of an Article 4 Direction to remove the permitted development right for the change of use from dwelling houses (Use Class C3) to HMOs for up to six residents (Use Class C4).

5.2. As set out in the section above, there are approximately 384 HMOs identified in Oldham, as of July 2025. This represents 0.38% of the borough’s total dwelling stock and is considerably higher than the national average of 0.07%. The actual number of operating HMOs may well be higher, as the number of smaller HMOs, i.e. those for 3 and 4 people, are difficult to accurately monitor.

5.3. There has been a consistent increase in the number of HMOs in the borough over a five-year period with 306 HMOs identified in 2020 and 269 identified in 2023.

5.4. Analysis of the spatial distribution of HMOs (figure 2) shows that HMOs are spread across many areas of the borough. There are clusters located within and around inner Oldham, along key transport routes i.e. the A62 and Ashton Road, and within and around several district centres.

5.5. Oldham has several demographic and housing issues. Parts of Oldham, particularly within and around inner Oldham, have high levels of deprivation and lower levels of income. There are also issues of overcrowding within some areas of the borough. This is compounded by Oldham’s housing stock which is generally smaller than other boroughs (both within Greater Manchester and nationally) and is largely made up of terraced houses. There are also issues of disrepair and poor conditions within the borough’s housing stock.

³⁴ Oldham Council Motion (16 July 2025) – item 10, available to view at: [Oldham Council](#)

- 5.6. There has been an increase in the private-rented sector (HMOs are often privately rented), which evidence highlights is both due to private renting being an active choice for renters, but also a necessity for would-be homeowners who struggle to enter the property ownership market. Notably, private renting is becoming increasingly unaffordable for some households in the borough, including key workers and those on lower incomes.
- 5.7. Oldham has lower than average house prices, yet the need for affordable housing is increasing in the borough. There are particular disparities in the affordability of housing in parts of the borough to meet local housing needs. There is a need for affordable family housing, as well as affordable housing for single people and key workers.
- 5.8. There are several concerns raised by local communities and council members on the proliferation, location, quality and management of HMOs in the borough, and the impact they may be having on local character, communities and amenity.
- 5.9. Whilst HMOs are spread across many areas, there is evidence that clusters of HMOs are present in the borough, and many of the areas with high numbers of HMOs, also correlate with areas experiencing issues such as deprivation and overcrowding. The proliferation of any use, particularly those which introduce increased numbers of occupiers such as HMOs, should be carefully monitored and considered.
- 5.10. Given the evidence set out in this paper, is it considered that a borough-wide Article 4 Direction can be justified. The Article 4 Direction will require conversions of dwellings to small HMOs (C4 use) to first apply for planning permission for the change of use. Requiring the submission of a planning application for such proposals will not necessarily reduce the number of small HMOs being created, but it does allow for the proper consideration of the effects of a proposed HMO on an area's amenity and local community, before issuing any planning permission, and in doing so we are able to influence the quality of the HMO through the planning process.
- 5.11. It is considered that this increased control will help to reduce the housing issues being experienced within the borough yet will still ensuring that HMOs which are of a high quality and appropriate for users, are available to those who need them. Recognising that HMOs are a key source of housing for those on lower incomes, single family households, younger people and students and key workers.