



Introduction

Portsmouth & District Private Landlords Association (PDPLA) represents many of the city's private rented sector (PRS) providers, managing older housing stock and providing accommodation for lower-income households, students, and vulnerable residents. PDPLA members see daily the consequences of ageing stock, affordability pressures, and policy choices that shape the supply and quality of homes in Portsmouth.

The regulation 19 representations PDPLA submitted (*ref 49807*) cover: condition and suitability of Portsmouth's older housing stock, affordability in the PRS, continued need for HMOs, reliability of HMO evidence, assumptions about Purpose Built Student Accommodation (PBSA), Build to Rent (BtR) and Co-living accommodation, and the effect of restrictive HMO policy on investment needed to keep dilapidating older building stock in use and up-to-date. These points are relevant to **Matter 8** in the Inspector's Matters, Issues and Questions, specifically:

- **PLP18: Housing Mix (Questions 5 and 6);**
- **PLP19: Housing for Specific Groups (Questions 7 and 8);**
- **PLP20: Houses in Multiple Occupation (Questions 9 and 10).**

This statement does not introduce new evidence. We simply set out below a number of points consistent with our representations; firstly, to make clear what we perceive to be the most problematic short-comings; and secondly to demonstrate our positions are both well-founded and consistent with the other evidence before the Inspector.

On PLP18 Housing Mix:

Q 5) Have the viability implications of the policy been adequately assessed?

PDPLA representations highlight a lack of consideration for affordability of PBSA, BtR, and Co-living homes. Directly related and equally relevant is financial viability of such projects for developers.

We perceive the viability implications have not been adequately assessed as necessary to justify the extent to which each form of development can be relied upon to fulfil what is expected of it in the Plan.

As covered in KB03 at 6.77, there has been significant development of private PBSAs in recent years; investments made in an era of ultra-low interest rates that ended in 2022. Most recently, we see that Unite Group, the UK's largest PBSA provider, announced a stark warning over soaring building costs and future developments; indicating new PBSA developments outside London now require weekly rents of over £300 to achieve

acceptable returns, compared with their current average rent ~£190 /week. This informs PDPLA's view that:

(i) further new-build private PBSA developments in Portsmouth that are financially viable are far less likely in the short-medium term; and:

(ii) any financially viable PBSA development will not be affordable for, and so does not address housing needs of, most students.

Sharp increases in building costs impacting viability of PBSA developments for Unite affect the entire BtR sector currently.

As noted in other evidence before the Inspector, BtR has been successful particularly in London and Manchester; cities with a significant proportion of high-earning international migrants, and it is widely understood that factor has been key to the success. However, other evidence before the Inspector shows a different international migrant profile for Portsmouth.

It is PDPLA's assessment that total reliance in the Plan on BtR to meet all the increased PRS demand in the absence of a meaningful viability assessment presents a substantial risk of failing to meet PRS demand, and worsening affordability for private renters.

Q 6) Is the policy otherwise positively prepared, justified, effective and consistent with national policy?

Some aspects of PLP18 are not justified and will not be effective. We point to our representations and other evidence before the Inspector.

Maintaining existing stock:

Insofar as the policy forms part of a wider strategy, it fails to adequately address the economics and other challenges of maintaining, adapting, and renewing existing housing stock as explained in PDPLA's representations. This poses a risk that substantial numbers of existing homes may fall out of use or become under-occupied, diminishing the net benefit of new development.

We reiterate: As buildings age they become increasingly difficult and costly to maintain and improve to contemporary standards. Investment in major refurbishment generally depends upon achieving a viable form.

The policy should be sufficiently flexible to recognise that efficient reuse and adaptation of existing buildings can meet identified needs even where it does not reproduce the preferred dwelling mix, or meet outdoor amenity standards. Failure to incorporate such flexibility and economic realities increases the risk of failing to reach the desired total numbers of homes.

PDPLA would wish to see clearer supporting text confirming that preferred mix and outdoor amenity aims should not prevent the viable adaptation and improvement of existing

buildings where a proposal meets an identified housing need and makes effective use of existing stock.

Outdoor amenity with conversions:

Commonly renovation of larger Victorian houses is not viable for single family use whilst conversion to flats or an HMO is. The outdoor amenity requirement creates a bias towards HMOs irrespective of 1/2-bed flat need. PDPLA believe outdoor amenity should be considered on a case by case basis for conversions.

Development mix of market homes:

The target for 35% of market homes to be '3-bed' in new developments does not seem justified as other evidence before the Inspector suggests 3-bed homes are currently in the least short supply with vast numbers under-occupied.

HEDNA (HO01) at 3.31 shows 41% of households occupy 3-bed homes, whilst paragraphs 0.43 and 7.52 state only 28% of households have dependent children. At 0.45, a particular need for 2-bed homes is identified. PDPLA likewise observe a far greater shortage of 2-bed (and 1-bed) homes than of 3-bed in the market sector.

HO01 at Table 7.8 shows 80% of all owner-occupied homes being under occupied, with more than half of those (circa 21,000) being 3-bed. As covered in our representations, we observe that the majority of these are older two-storey terraced houses, often with steep stairs and a WC on only one floor. That is, homes which are both under-occupied and not well suited to older persons.

For affordable rented homes element of new developments aimed at older persons, PLP18 rationally provides to the following approximate mix: *1-bedroom dwellings: 55%; 2, 3, and 4+ bedroom dwellings: 45%*. We regard it as an omission that there is not a similar provision to support older residents down-sizing to more suitable homes in the market sector.

The council response to ID04 question 18 at Table 18.1 and paragraphs 18.6 – 18.8 shows the average New build House price (Jan 2026) is £417,072 vs. £245,439 for existing homes. This illustrates that freeing up existing 3-bed houses will be far more affordable (whether owner-occupied or privately rented) for families in the market sector than new-build 3-bed units.

As covered in our representations, the older generation has equity in their homes implying "down-sizers" are best able to afford higher costs of new-build market homes. Older persons are also those most in need of M4 accessibility and adaptability standards.

Overall, PDPLA regard the lack of flexibility, lack of consistency with the data, and lack of an in-depth assessment for the mix in market developments deeply concerning; and likely to lead to multiple groups not being adequately provided for.

On PLP19 Housing for Specific Groups:

Q 7) Does the policy provide an appropriate strategy for addressing the needs of housing specific groups and is this supported by the evidence? In particular, is it sufficiently clear where different forms of housing will be supported and how development proposals will be assessed?

The Plan recognises that single-person households aged under 65 comprise 20% of households and that HMOs accommodate students, young professionals, people on low incomes and people receiving benefits. It nevertheless anticipates that PBSAs, Co-living, studios and one-bedroom properties may reduce HMO demand. That assumption does not sufficiently address affordability, or the different subsets of market participants served by these forms of housing.

New purpose-built accommodation offering additional facilities may suit some occupiers, but it is not necessarily financially accessible to those who choose an HMO because a self-contained or purpose-built product is unaffordable. BtR, Co-living and HMOs should therefore be treated as complementary but distinct forms of provision, not as interchangeable substitutes.

The assessment framework is also incomplete. PLP19 requires an 'identified need' but does not explain how need for different forms of private sector housing is to be measured or how affordability will inform that assessment. It supports Co-living through a management-plan requirement but does not explain the relationship between temporary or non-permanent occupation described in paragraph 6.85 and the long-term housing needs of single people as identified elsewhere in the Plan.

Q 8) Is the policy otherwise positively prepared, justified, effective and consistent with national policy?

No, to be effective, the supporting text should acknowledge expressly that BtR, Co-living and HMOs serve different affordability and needs. The strategy should not rely upon higher-cost purpose-built forms of housing to offset or replace the continuing need for HMO rooms serving the lowest income single person households unless that outcome is supported by clear evidence on rents, affordability and the needs of the groups concerned.

On PLP20 Houses in Multiple Occupation:

Q 9) Are the proposed criteria for development proposals for houses in multiple occupation justified and supported by the evidence?

No. Firstly, the policy simply assumes all housing falling within all the Housing Act 2004 definitions for HMOs are generally harmful to mixed and balanced communities without meaningful evidence or analysis. The only supporting document is the 2019 SPD (SPD08). The "evidence of harms" within SPD08 is covered in its Appendix 5 covering a single data set which is presented in a highly misleading way (*expanded under Q10 further below*). It is noteworthy that more rounded and robust evidence has not been presented.

Secondly, inclusion of (Housing Act 2004) Section 257 buildings in the 10% in 50m radius rule (set out at 2.21 of SPD08) lacks rationale. These are buildings converted to self-

contained flats prior to building regulations where less than two-thirds of units are owner-occupied. They are HMOs for licensing purposes only due an elevated fire safety risk. They have nothing in common with C4 or 'sui generis' HMOs, and do not differ from other blocks of flats in any respect relevant to the policy objectives.

Thirdly, PLP20 applies the same 10% threshold to a new HMO created from a C3 dwelling and to an increase in the occupancy of an existing lawful HMO. However, a C3-to-HMO conversion removes a C3 dwelling, whereas the intensification of an established HMO does not. This distinction is important to the Plan's stated objective of preventing further loss of family dwellings.

Where demand for affordable shared accommodation continues, preventing a suitable existing HMO from accommodating an additional resident will simply displace that demand not eliminate it. It creates pressure for conversion of more C3 properties; and, where single people respond to a shortage of HMO rooms by pairing up to rent a 2-bed, it will impact on the availability and affordability of 2-bed homes for lone-parent and other small families.

Part 2 states that, above the 10% threshold, intensification will be permitted only in 'exceptional circumstances'. Paragraph 6.109 repeats that position without identifying what may qualify. The policy therefore gives no practical indication of how an applicant should demonstrate an exception or how a decision-maker should assess one.

It is unclear whether relevant circumstances could include an established lawful HMO with no substantiated history of harm; a proposal for only a marginal increase over a lawful C4 fallback; a property particularly suitable for shared occupation; the provision of materially improved amenity, management or energy performance; substantial investment needed to renew older stock; or evidence that additional rooms within an existing HMO would reduce pressure for the conversion of another C3 dwelling.

The problem is especially acute because: (i) the policy is inequitably restrictive on some and not all owners of long-standing HMOs (those located where the threshold was exceeded when the policy was first implemented); and (ii) no explanation is provided of the circumstances in which an exception is genuinely available. If 'exceptional circumstances' is intended to provide meaningful flexibility, the policy or supporting text must define its scope. If it is intended to operate as a near-absolute prohibition, that should be stated and justified by evidence.

PDPLA does not suggest that intensification should be automatic. The scale of the increase, existing lawful use, realistic fallback position, amenity, space, refuse and cycle storage, parking implications and management history remain relevant. However, a policy intended to protect family housing should distinguish between losing a family dwelling and making more efficient use of a property already dedicated to HMO occupation.

We suggest a suitable replacement for Part 2 might read:

“In areas where concentrations of HMOs exceed the 10% threshold, proposals to intensify an existing lawful HMO will be considered on their individual merits. Permission will be granted where the proposal would not cause unacceptable harm to the amenity or character of the area and where the benefits and material circumstances justify the additional occupation. Relevant considerations include the existing lawful use and realistic fallback position, the scale of the proposed increase, the property’s operational history and suitability, amenity and management arrangements, identified need for shared accommodation, improvements to the condition or energy performance of the property, and whether the proposal would make efficient use of an existing HMO without the loss of a further C3 dwelling.”

Q 10) Is the policy otherwise positively prepared, justified, effective and consistent with national policy?

It is not justified by any meaningful evidence. As made clear at 6.106 of KD03, policy PLP20 is founded principally on a 2019 HMO SPD (SPD08), a document with demonstrably inaccurate and misleading content. The only “evidence” in SPD08 that HMOs present issues is covered by Appendix 5 ‘Evidence of harm’. That focusses on one data set, complaints to the council by neighbours. This is statistically flawed and significantly overstates the difference v. non-HMO properties.

A5.1 of SPD08 estimates 4,300 HMOs then (that number has reduced drastically since). At A5.4 the number of complaints about HMOs is not divided by 4,300 but 1,202 the number of licenced HMOs to produce a misleading “9%”. Correcting that error would give “2.5%” not “9%”. That data is also misleading in the inference that the calculated result represents the percentage of HMOs about which complaints have been received, when it does not. Clearly, one problematic HMO can receive multiple complaints either from multiple neighbours, or the same neighbour multiple times. Multiple complaints about a small number of genuinely problematic HMOs provides good reason for the council to take steps to deal with those specific premises or occupants. It is not evidence that a significant proportion of HMOs, HMO occupants, or HMOs in general, give rise to large numbers of complaints or are harmful to neighbourhoods.

If the data were corrected, the level of complaints would perhaps be proportionate to the average number of occupants in HMO v. non-HMO dwellings, as might be reasonably expected. The exception is perhaps the level of complaints about bins and waste. So, consideration of refuse storage and waste management arrangements at HMOs seems justified by evidence, but not other aspects of PCC’s policies on HMOs.

The University have submitted that there has been a significant drop in the availability of rooms for students. PDPLA’s analysis of PCC’s HMO database is that circa 800 3-bed and 4-bed HMOs close to the University have been lost. There has been growth of larger HMOs (typically 7-bed) in PO2 but not at a room-replacement rate. PDPLA estimate a net loss of circa 2,000 HMO rooms since 2017. The Plan expectation that there will be just ~37 new HMOs per annum will mean it will take circa 8 years just to restore the stock of HMO rooms

back to 2017 levels. It does not address expected increase in demand driven by University expansion and migration from overseas.

PLP20 acknowledges HMOs contribute to the housing mix but it is framed principally as a restriction. It does not offer a sufficiently clear mechanism for balancing the continuing need for affordable shared accommodation against evidenced, site-specific harm.

Regarding the application of the 10% rule where expansion of an existing HMO is proposed, the policy is not effective as 'exceptional circumstances' is undefined. The different effects of a new HMO and the intensification of an existing HMO are not properly distinguished, nor is the fundamental difference of section 257 buildings. Thus, the policy can be expected to operate contrary to its own objective where additional occupancy within suitable existing HMOs is refused; increasing pressure to convert further C3 properties or increasing demand for 2-bed homes.

Conclusion

PDPLA would readily support policy that improves the balance of PRS supply and demand, relieving affordability pressures for low-income private renters, one addressing evidenced harm and designed to maintain mixed and balanced communities.

However, the evidence that HMOs in general, not just a few specific ones, are harmful is entirely lacking; and in any event the Plan must also recognise the continuing role of HMOs in meeting the needs of students, younger people and lower-income households unable to afford self-contained or new-build accommodation.

For the reasons raised in PDPLA's representations and explained in this statement, the answers to PLP18 Questions 5 and 6, PLP19 Questions 7 and 8, and PLP20 Questions 9 and 10 are all negative.

The principal soundness concern PDPLA have is with PLP20:

Meaningful, trustworthy evidence is lacking. The inclusion of section 257 buildings in the 10% rule is illogical. It fails to distinguish effects and measures between the loss of a C3 dwelling and intensification of an existing HMO. Its exceptional-circumstances test lacks definition.

The underlying issue is SPD08 (of 2019) being seriously flawed in multiple ways. It is not fit for purpose either in providing justification for policy PLP20 or as guidance for its application.

For these reasons, PLP20 is not justified, not effective and not consistent with national policy on evidence-based decision making.

