Bassetlaw HMO Study

Iceni Projects Limited on behalf of

Bassetlaw District Council

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1. Introduction

1.1 Bassetlaw District Council has commissioned Iceni Projects to provide a review of the need for Houses in Multiple Occupancy (HMOs) in the district. An HMO, in its simplest definition, is a dwelling which is occupied by multiple unrelated adults.

1.2 This work is intended to form the evidence base for a review of the existing Article 4 Direction in Worksop, and for any potential additional Article 4 Directions and HMO policy in Bassetlaw.

1.3 Article 4 Directions are a legal mechanism which freezes permitted development rights, such as the conversion of C3 dwellings to HMOs, and instead mandates a planning application to secure such changes.

1.4 The scope for this project includes:

- Review of the national and local HMO policy context,
- Review the market context, particularly changes that may affect landlords' decisions and HMO supply
- Assess the supply and price of HMO accommodation, including concentrations of HMOs
- Develop a stock profile of HMO tenants and consider potential roles of HMOs in accommodating those on benefits and households becoming homeless
- Engagement with local letting agents and relevant Council personnel

1.5 Following this introduction, the remainder of the report is structured as follows:

- Chapter 2: Policy context
- Chapter 3: HMOs in Bassetlaw
- Chapter 4: Property market context
- Chapter 5: Conclusions

2. Policy Context

Definitions and licensing

Definitions

2.1 A house in multiple occupation (HMO) is a property rented out by at least three people who are not from one household (for example, a family) but share facilities like the bathroom and kitchen. It is sometimes called a 'house share'.

2.2 The full definition of an HMO is given in the Housing Act 2004. This includes conditions such as the accommodation being occupied by more than one household as their only or main residence, with at least one person paying rent, and two or more households sharing basic amenities such as a bathroom, toilet, or cooking facilities.

2.3 The Act also identifies types of accommodation that are not classified as HMOs. These include:

- Social housing and other buildings controlled or managed by public bodies
- Buildings occupied by students and managed by educational institutions
- Owner-occupied properties with up to two lodgers
- Properties owned by religious communities.

2.4 A use class C4 HMO (sometimes referred to as a small HMO) is defined as a small, shared house or flat occupied by between three and six unrelated people who share basic amenities such as a toilet, personal washing facilities or cooking facilities.

2.5 Where there are more than six unrelated individuals sharing amenities, this is termed an HMO, but whose use class is Sui Generis.

Requirements for licensing and planning permission

2.6 A licence is required for large HMOs rented to 5 or more people who form more than one household, with some or all tenants sharing toilet, bathroom or kitchen facilities.

2.7 Small HMOs (i.e. of less than five people) do not require licences unless additional licensing provisions are put in place by the local authority (this is not currently the case in Bassetlaw).

2.8 HMOs of up to six people typically do not require planning permission for a change of use from a C3 dwelling unless there is an Article 4 Direction[1] which mandates it. Planning permission is always required for conversion to a sui generis HMO.

2.9 Since June 2020, Bassetlaw has had an Article 4 Direction applying to conversions of C3 housing to HMOs in Central Worksop. The area to which this direction applies is shown in the figure overleaf. This means that planning permission is required to convert C3 housing to a C4 HMO within this area.

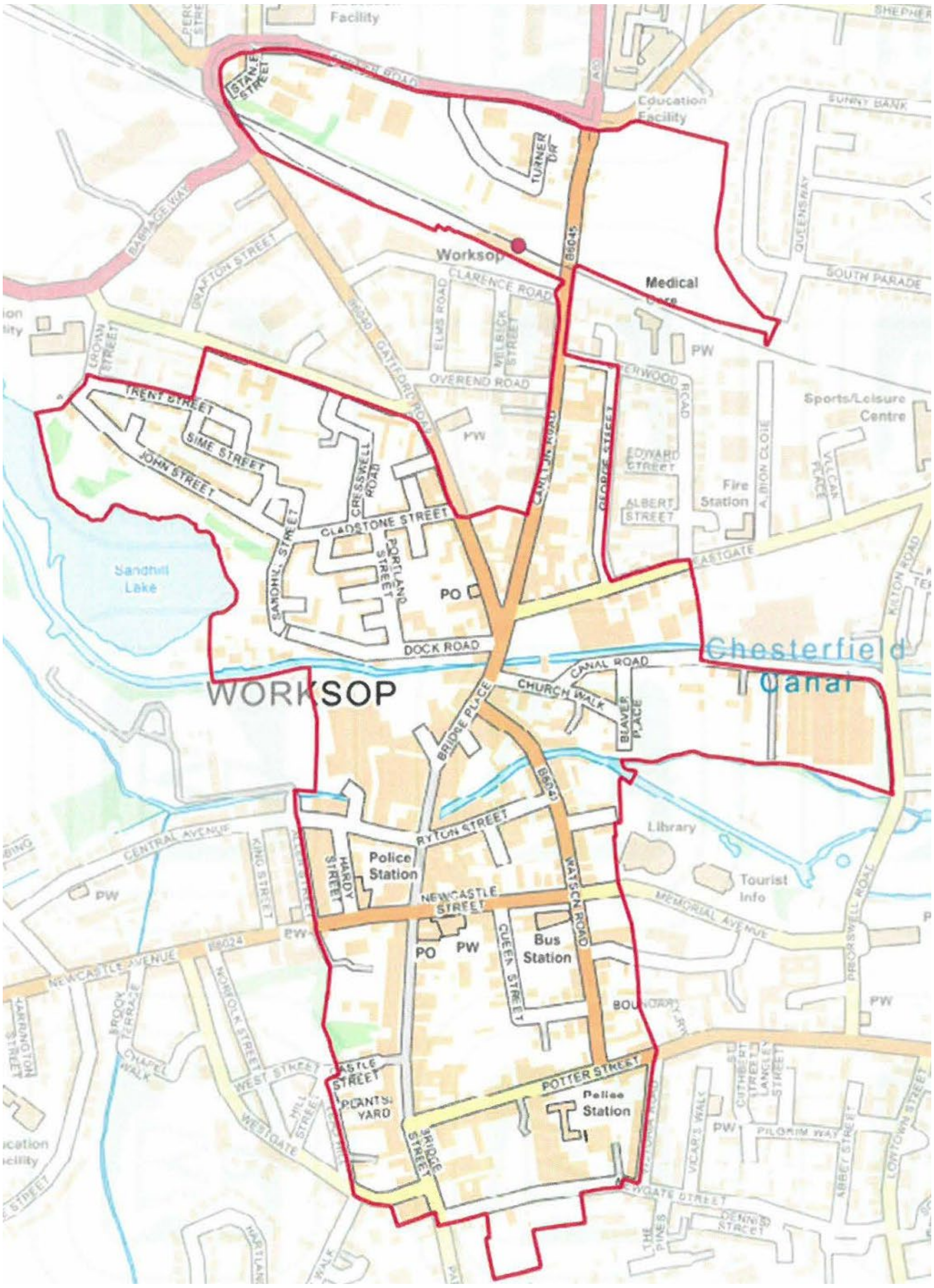
2.10 A guide to this Article 4 Direction is available on the Council's website[2]. It notes that the Direction's aims for the affected area are to protect the housing mix and the number of larger properties, and to protect the character of buildings and the local environment.

2.11 The Direction also sets out how the Council intends to consider HMO conversion applications within the affected area, namely by:

- Capping the percentage of HMOs within a 100m radius of any proposed development at 10% of the total housing stock; and
- Requiring applications not to result in a cluster of three adjacent HMOs, or a C3 dwelling house with HMOs on either side.

[1] An Article 4 Direction is a planning regulation that allows a local authority to remove certain "permitted development rights" in a specific area, meaning planning permission is required for works that would otherwise be exempt
[2] https://www.bassetlaw.gov.uk/planning-and-building-control/planning-policy/bassetlaw-local-plan-2020-2038/planning-policy-documents/worksop-central-area-a-guide-for-owners-and-occupiers/

Figure 2.1 Area covered by Central Worksop Article 4 Direction



Source: Bassetlaw Council *Confirmed Worksop Central Area Houses in Multiple Occupation Article 4(1) Direction*

Requirements for Article 4 Directions

2.12 Paragraph 54 of the December 2024 NPPF guides the use of Article 4 Directions, such as those requiring planning permission for the conversion of C3 dwellings to HMOs. It says that the use of such directions should:

- "Be limited to situations where an Article 4 Direction is necessary to protect local amenity or the well-being of the area" (Para. 54 (b));
- "Be based on robust evidence, and apply to the smallest geographical area possible (Para 54 (c))

2.13 There is thus an explicit requirement that any further restrictions to permitted development rights around HMO conversion in Bassetlaw be robustly evidenced, restricted in area as much as possible, and be required to protect local amenity or well-being.

Planning policy

2.14 Section 7.21 and Policy 31 of Bassetlaw's *Local Plan 2020-2038* relate to HMOs. It notes the valuable contribution that HMOs can make to the private rented housing stock through the provision of affordable accommodation and to the mix of housing types and tenures available, particularly for younger and single people and those on low incomes.

2.15 However, the Local Plan notes the need to balance these benefits with potential negative impacts on residential character, community cohesion and resident amenity.

2.16 Under Policy 31 of the Local Plan, proposals for HMOs are required to demonstrate that they:

- Meet a proven need for this type of accommodation that cannot reasonably be met within existing HMO accommodation;
- Would not create unreasonable noise and disturbance; and

- Provide appropriate parking and provision for refuse and recycling.

2.17 This Policy also encodes the requirements from the Council’s guide to the Central Worksop Article 4 Direction discussed above – namely the 10% threshold within 100m, and the requirement for applications not to sandwich C3 dwellings between HMOs or have three in a row.

2.18 As of September 2025, Bassetlaw also has a Draft SPD applying to HMOs. The provisions of the Draft SPD include:

- Requiring applicants to provide evidence to justify loss of family housing, including evidence that the property has been marketed as a dwelling for 6 months;
- The requirement that HMOs make up less than 10% of housing within 100m, although not restricted to the Worksop Central Article 4 Direction area;
- The requirement that HMOs not sandwich C3 dwellings; and
- A variety of standards relating to amenity and mitigation of impacts.

3. HMOs in Bassetlaw

Current HMO Provision

3.1 Iceni has analysed data on the current HMO supply from Bassetlaw Council. This data estimates the total number of HMOs, including those licensed and those identified through planning, building control, or Council tax.

3.2 As of November 2025, the Council's data identifies a total of 173 HMOs in the district. By contrast, the HMO register only lists 72 licensed HMOs.

3.3 According to data from the MHCLG[3], there are estimated to be 57,162 dwellings in Bassetlaw in 2024. On this basis, HMOs make up only around 0.3% of the total housing stock.

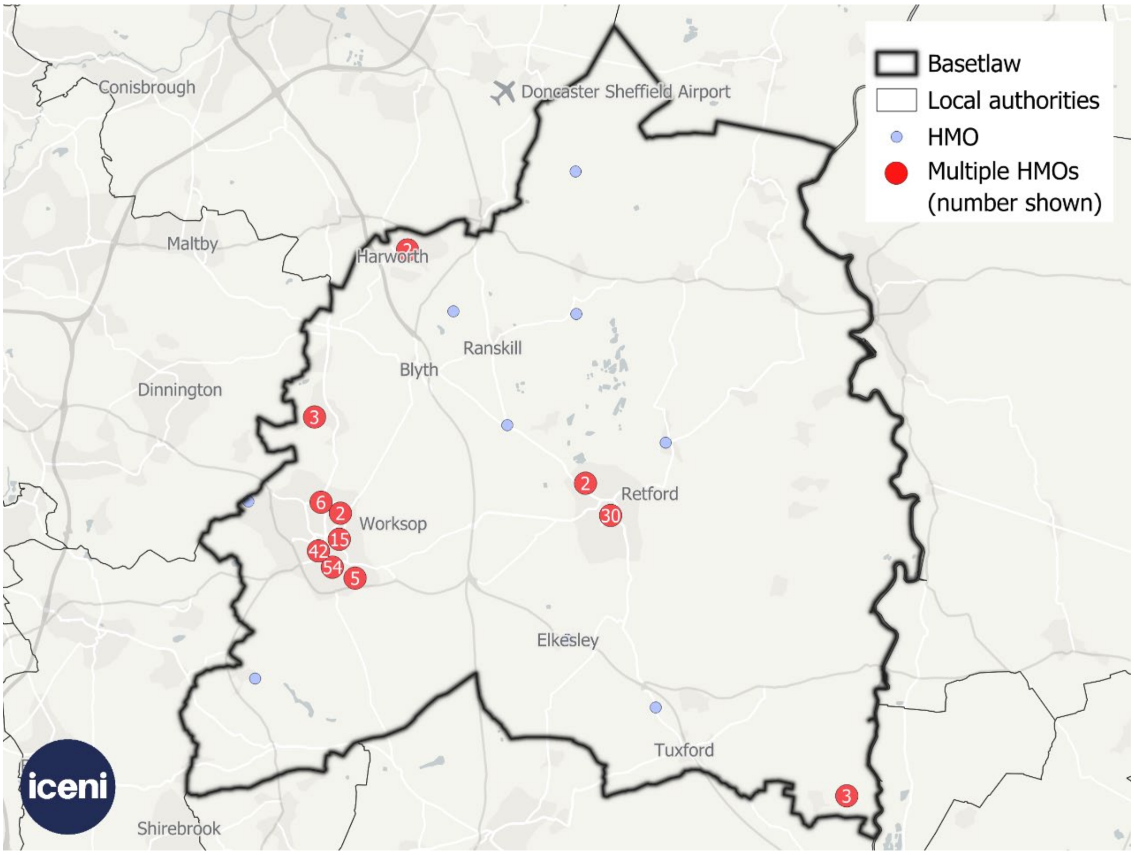
3.4 The overall location of HMOs across the district is shown in the figure below. This is followed by more localised maps of the district's largest towns (Retford and Worksop) showing the distribution of HMOs within each town.

3.5 By far the largest cluster of HMOs is in Worksop (127), followed by Retford (32). There are also a small number of HMOs (16 in total) located elsewhere in the district.

Figure 3.1aaa

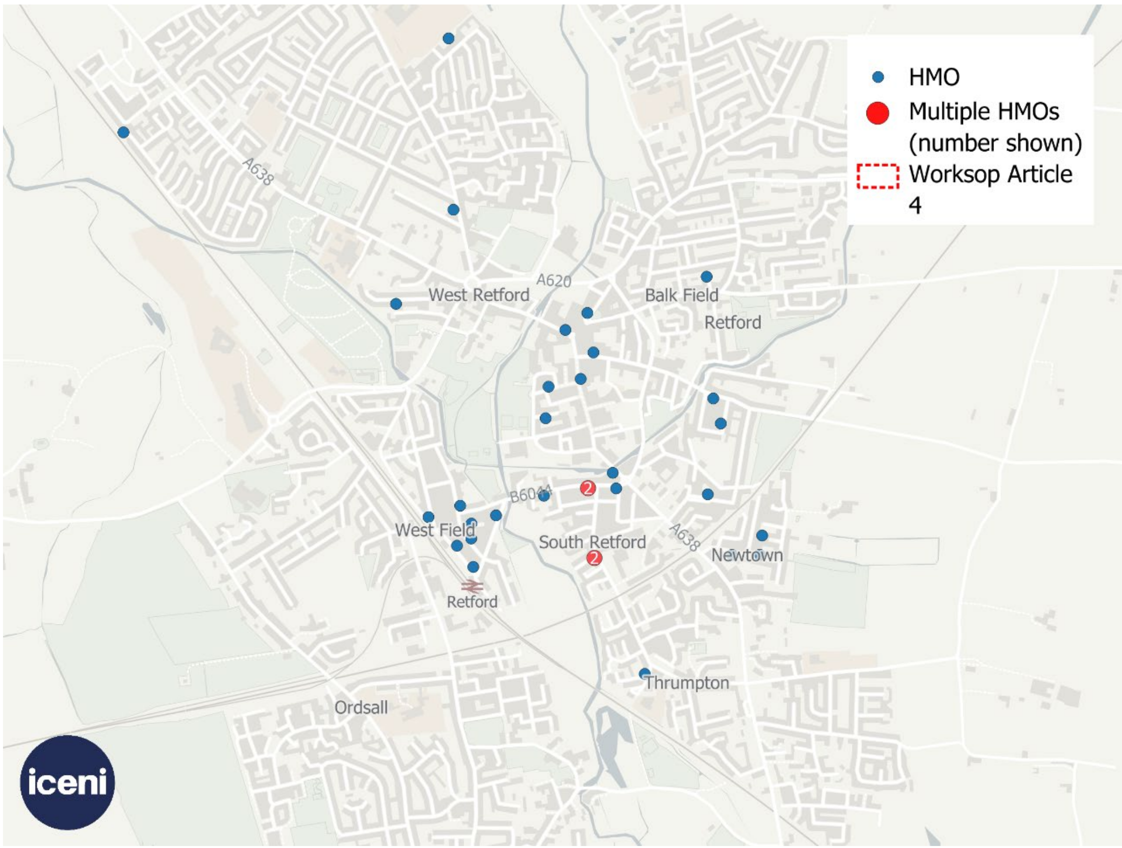
[3] Live Table 100

Figure 3.2: Distribution of HMOs in Bassetlaw



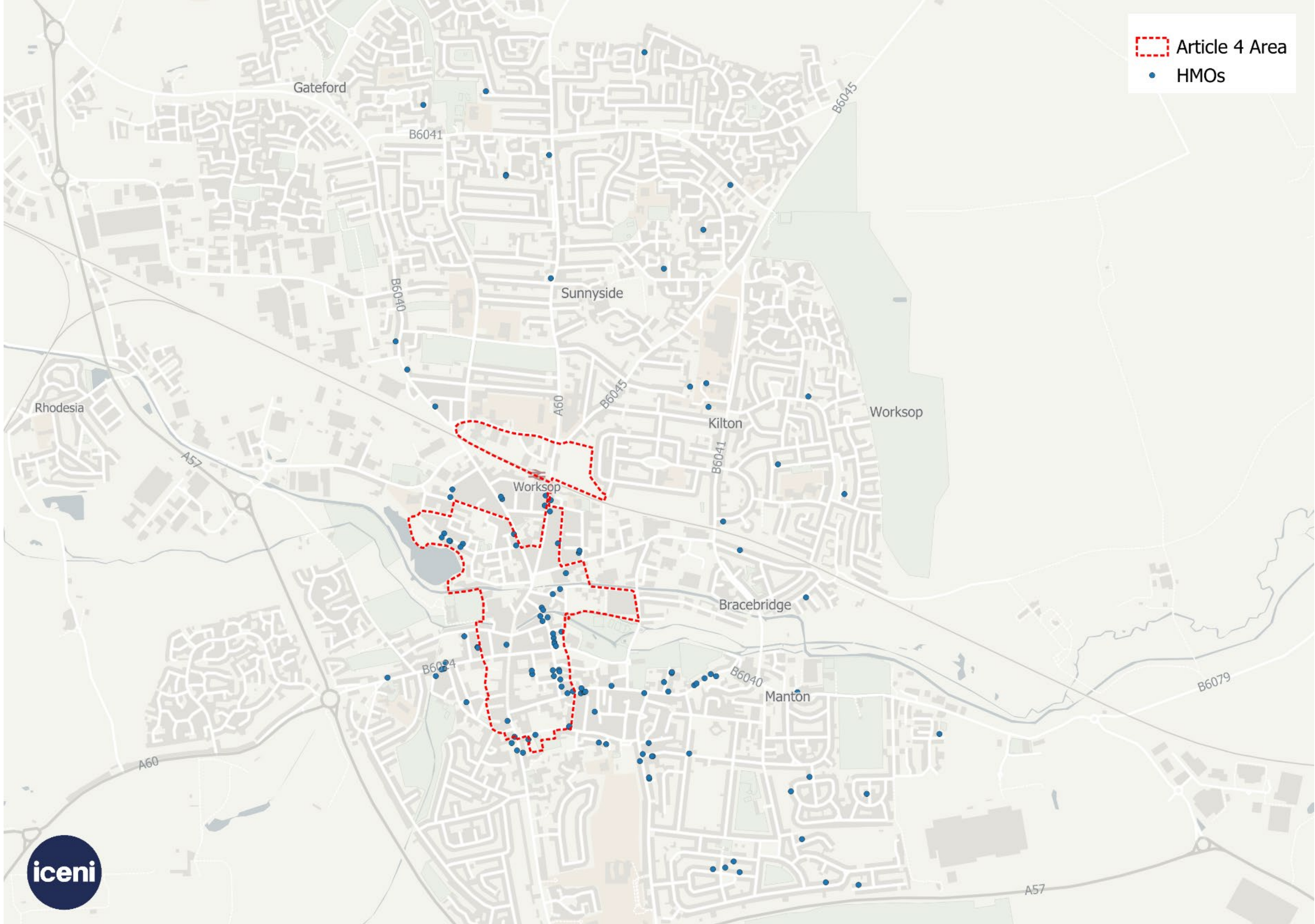
Source: Iceni analysis of Council data

Figure 3.3: Location of HMOs in Retford



Source: Iceni analysis of Council data

Figure 3.4 Location of HMOs in Worksop



Source: Iceni analysis of Council data

3.6 There are 32 HMOs located within Retford. These are most commonly located in terraced homes between the town centre and the train station, although there are a smaller number in the town centre itself and to its east and north-west.

3.7 Using 2021 Census data at the Output Area level, Iceni estimates there are around 11,700 dwellings in Retford in 2001. This means that HMOs make up no more than 0.3% of the town's housing stock.

3.8 There are 127 HMOs within Worksop, 73% of the district's total. These are predominantly located in and around the centre of Worksop, although the boundaries of this cluster do not correspond closely with the boundaries of the Worksop Article 4 Direction.

3.9 Instead, HMOs run along Cheapside and Newgate, heading east from the town centre, and along Newcastle Avenue, heading west. There is also a smaller grouping of HMOs around Manton, south of the town.

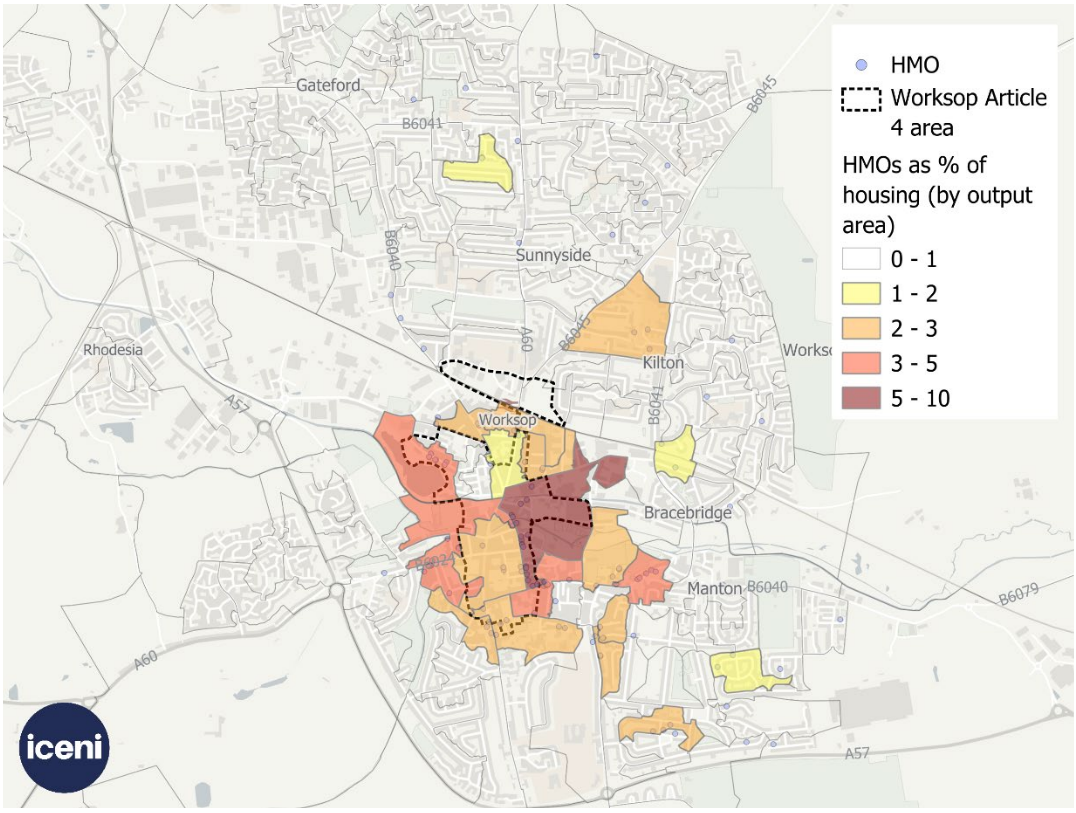
3.10 Using 2021 Census Output Area level data, Iceni estimate there to be around 19,400 dwellings in Worksop in 2001. This means that HMOs make up no more than 0.7% of the town's housing stock.

3.11 We have also calculated the proportion of the housing stock that HMOs make up at a smaller area level (i.e. by output area). The results of this analysis for Worksop and Retford are shown overleaf.

3.12 In the immediate surrounds of Worksop centre, HMOs generally make up between 2 – 5% of the housing stock, with two output areas having 5 – 10% of dwellings used as HMOs. This is principally as a result of the large number of HMOs on the eastern side of Watson Road.

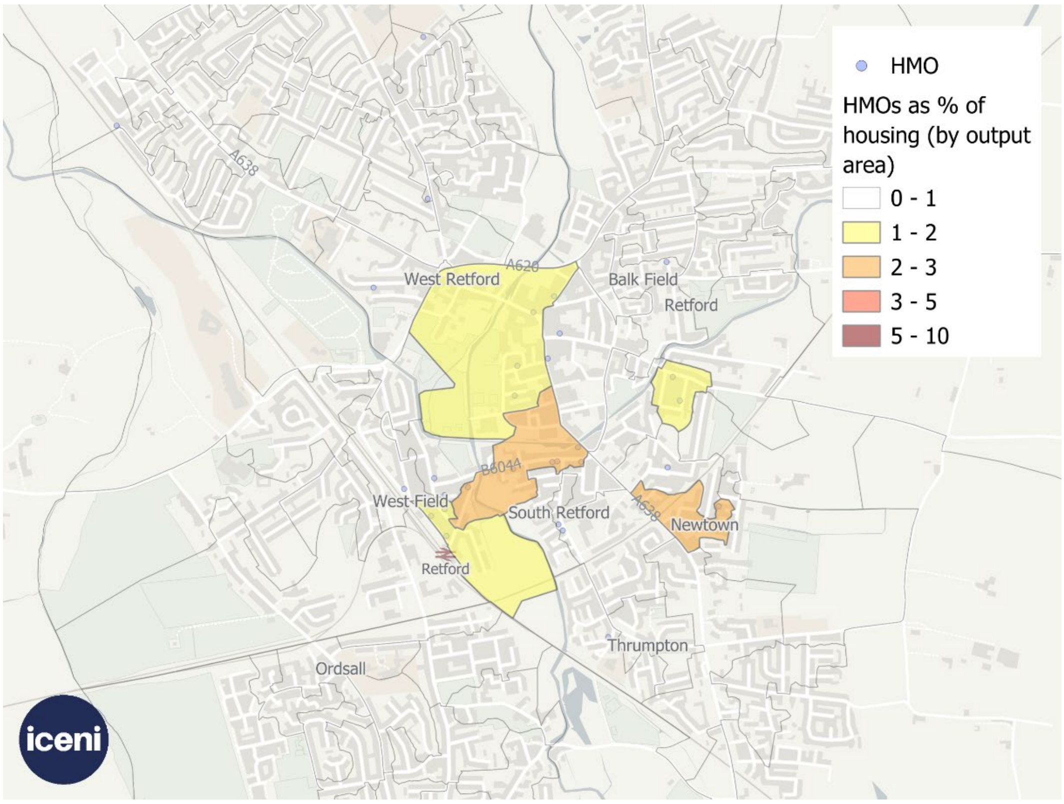
3.13 HMOs are confined to a small number of output areas in Retford, and there are no areas in which they make up more than 3% of the housing stock.

Figure 3.5 HMOs as % of housing in Worksop



Source: Iceni analysis of Council data

Figure 3.6 HMOs as % of housing in Retford



Source: Iceni analysis of Council data

3.14 This analysis demonstrates that even at the small area level, HMOs generally make up only a small part of the housing stock. However, there is a sufficient concentration in parts of the Worksop Centre to raise amenity and character concerns.

3.15 Iceni engaged with the enforcement and housing teams within Bassetlaw Council as part of the preparation of this study. No current planning enforcement cases resulting from HMOs were occurring at the time of engagement, and no significant impacts from HMOs were otherwise identified.

Housing profile

3.16 Given that higher concentrations of HMOs have overspilled the boundary of the Article 4 Direction in Worksop Central, it is worth considering the types of housing that have been most susceptible to conversion to HMOs in order to provide a more robust basis for any future boundary review.

3.17 Breaking down the HMOs in Worksop by housing type and size illustrates a clear bias towards semi-detached and terraced homes, particularly of three-storey townhouses, with relatively few detached homes or flats.

3.18 Furthermore, many of the detached HMOs are located within or around Worksop town centre, in areas where older terraced and semi-detached housing is predominant (consistent with the general distribution of HMOs across Worksop shown in the figures above).

Table 3.1 HMOs in Worksop by housing type and number of storeys

	One / Two storeys	Three storeys	Unknown	Total
Semi-detached	14 (11%)	12 (9%)	21 (17%)	47 (37%)
Terraced	4 (3%)	22 (17%)	30 (24%)	56 (44%)
Detached	5 (4%)	5 (4%)	6 (5%)	16 (13%)
Flat	3 (2%)	1 (1%)	3 (2%)	7 (6%)
Total	26 (20%)	40 (31%)	61 (48%)	127 (100%)

Source: Council HMO Data

3.19 Similarly, over half of all HMOs in Retford are in terraced homes, with a smaller number of semi-detached and detached homes and only 2 HMOs in flats.

Table 3.2 HMOs in Retford by housing type and number of storeys

	One / Two storeys	Three / Four storeys	Unknown	Total
Semi-detached	1 (3%)	2 (6%)	3 (9%)	6 (19%)
Terraced	5 (16%)	5 (16%)	9 (28%)	19 (59%)
Detached	0	0	2 (6%)	2 (6%)
Flat	4 (13%)	0	1 (3%)	5 (16%)
Total	10 (31%)	7 (22%)	15 (47%)	32 (100%)

Source: Council HMO Data

3.20 The figures on the following two pages illustrate the predominant housing type and median housing price across different parts of Worksop.

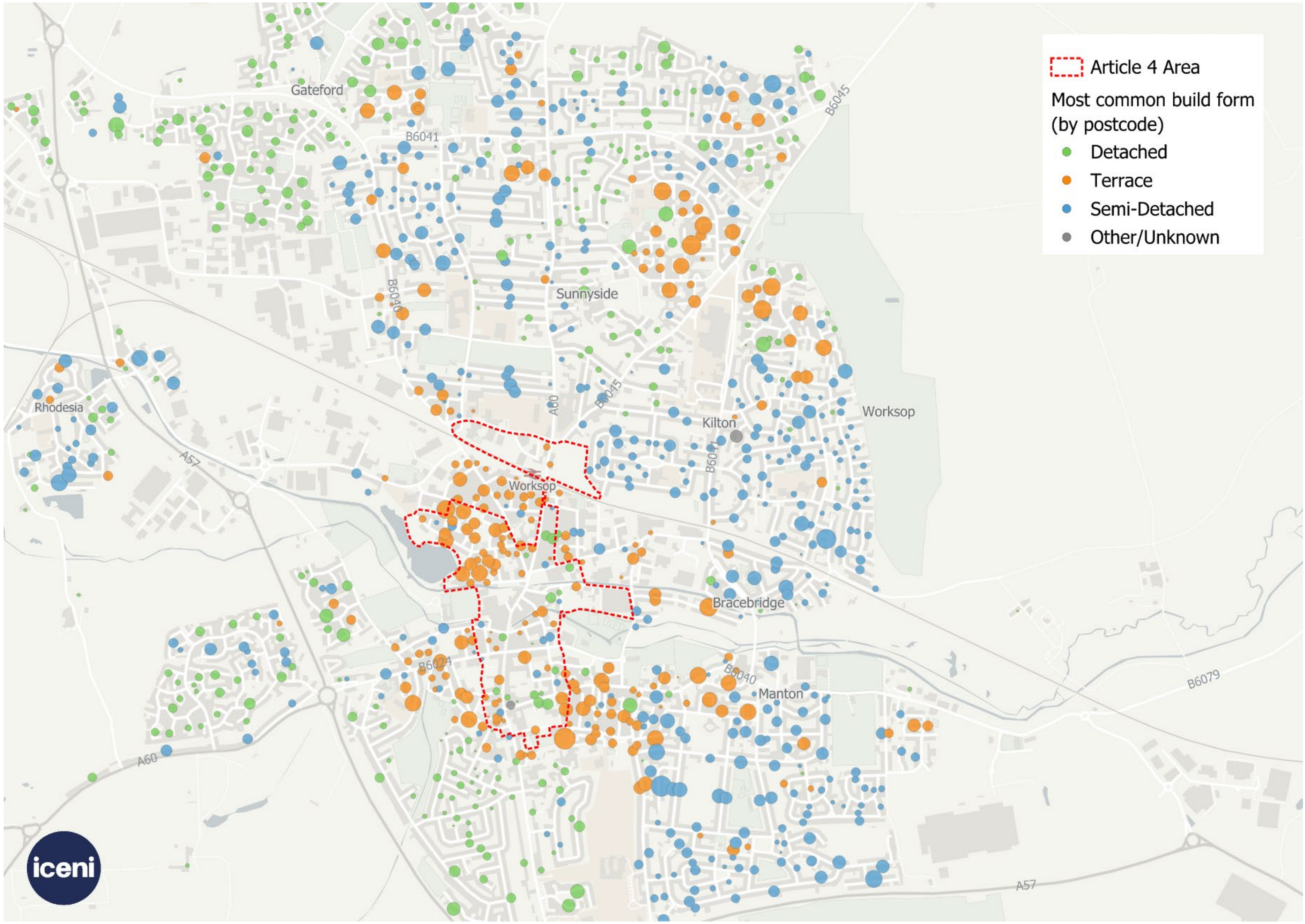
3.21 In and around the Worksop town centre, terraced housing is the predominant housing type. The area in which this is true extends beyond the boundaries of the Worksop Central Article 4 Direction, notably:

- To the west around Newcastle Avenue and Westgate;
- To the east around Potter Street, Cheapside and Newgate Street; and
- Immediately south of Worksop Station

3.22 House price data shows these areas to have among the lowest house prices in Worksop, with median prices of generally less than £100,000 and up to £130,000 at the fringes, where there are more semi-detached homes.

3.23 These relatively low prices are likely to make housing more viable for investors to acquire and convert to HMOs, and this appears to be the case based on the distribution of HMOs

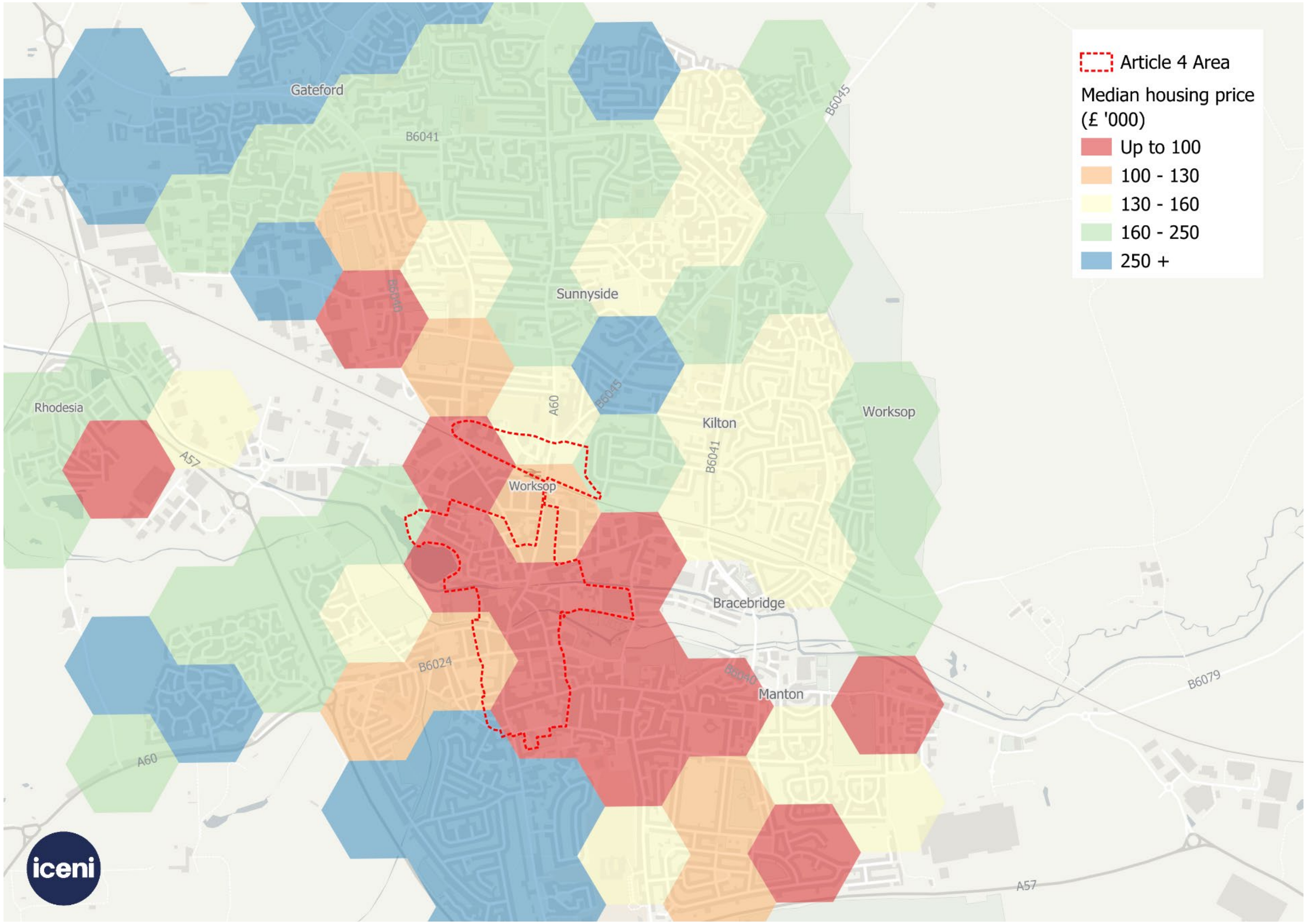
Figure 3.7 Distribution of housing built form across Worksop



Note: Points scaled to reflect the number of addresses with certificates lodged per postcode

Source: Iceni analysis of EPC Data

Figure 3.8 Median house price (2024) in different parts of Worksop



Source: Iceni analysis of HM Land Registry *Price Paid Data*

Tenant Profile

3.24 2021 Census data has been used to provide an approximate profile of local HMO tenants.

3.25 The 2021 Census includes an output identifying dwellings that are HMOs. However, this dataset is published only at the dwelling level, and cannot be cross-tabulated with individual characteristics to form a tenant profile.

3.26 Instead, this analysis uses the "*Other: Other household types"* household composition category cross-tabulated with private rented housing tenures. This identifies non-family households in the private rented sector without dependent children.

3.27 In many cases, people in these categories are likely to be living in HMOs. As a result, this is one of the best Census proxies available for HMO tenants.

3.28 However, this method does have some limitations. The "Other: Other household types" category is broad and may include households that do not meet the statutory HMO definition (e.g., two unrelated adults sharing).

3.29 Conversely, some HMOs may not be captured if respondents recorded them as family households. This analysis, therefore, provides an approximate rather than an exact representation of the local HMO tenant population.

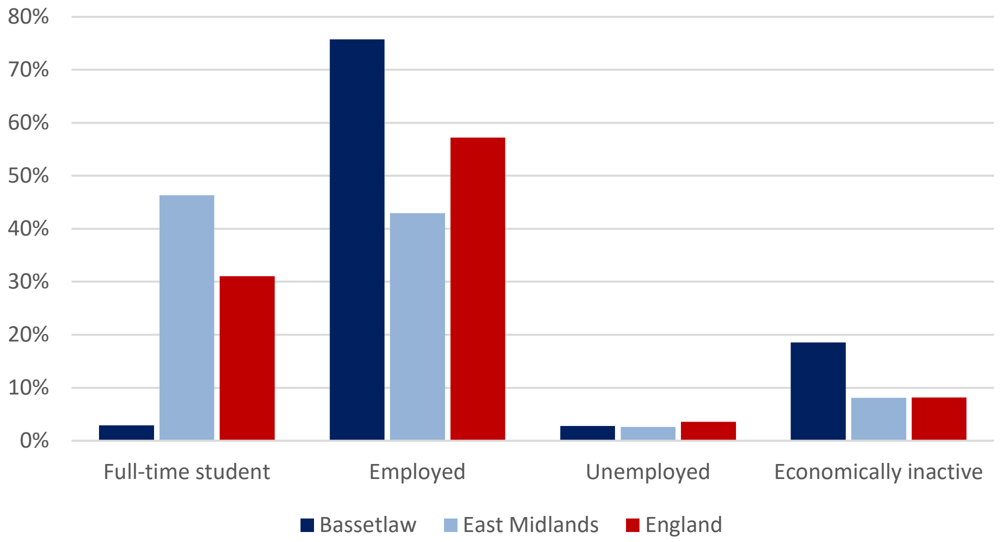
3.30 The 2021 Census recorded around 825 people with these living arrangements. By contrast, the Council's data shows a total of 728 bedrooms across 109 of the 175 HMOs. As a result, the Census analysis may somewhat underestimate the population living in HMOs.

3.31 Nationally, many HMOs are occupied by students or young professionals house-sharing. As a result, 31% of residents of likely HMOs are full-time students across England, and 46% in the East Midlands.

3.32 However, only 3% of likely HMO residents in Bassetlaw were full-time students, noting that there are no higher education institutions in the district.

3.33 By contrast, 76% of residents of likely HMOs in Bassetlaw were employed, substantially above the 57% across England. A notable number of people in Bassetlaw were also economically inactive (19%), again above national and regional benchmarks (8% in both cases).

Figure 3.9 Economic activity status of residents in likely HMO households

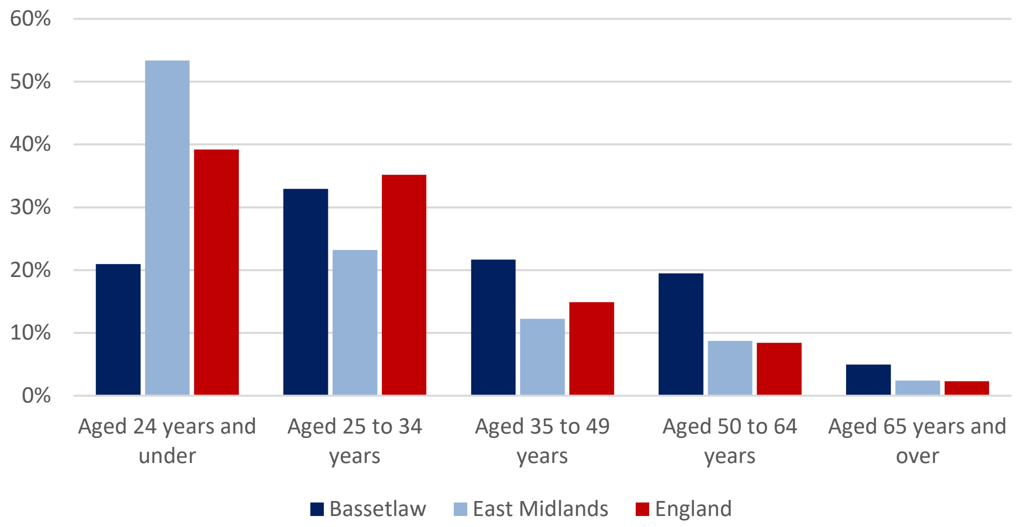


Source: Iceni analysis of 2021 ONS Census

3.34 The age profile of likely HMO tenants in Bassetlaw is older and more mixed than that seen regionally and nationally, reflecting the lack of students.

3.35 In 2021, 39% of residents in likely HMO households nationally were aged under 25, and 35% 25-34. In contrast, in Bassetlaw, only 21% were under 25, while 26% were aged 50 or older (vs 10% nationally).

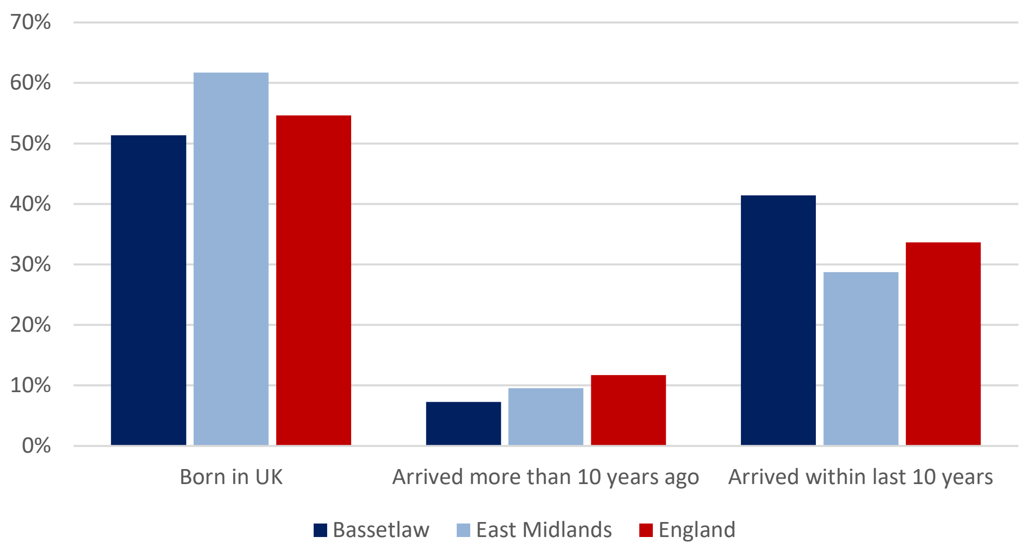
Figure 3.10 Age profile of residents in likely HMO households



Source: Iceni analysis of 2021 ONS Census

3.36 Many of those living in likely HMOs in Bassetlaw were recent migrants to the UK, having arrived within the last ten years (41%). However, the majority were not, having been either born in the UK (51%) or lived in the UK for more than 10 years (7%).

Figure 3.11 Year of arrival in the UK for residents of likely HMO households

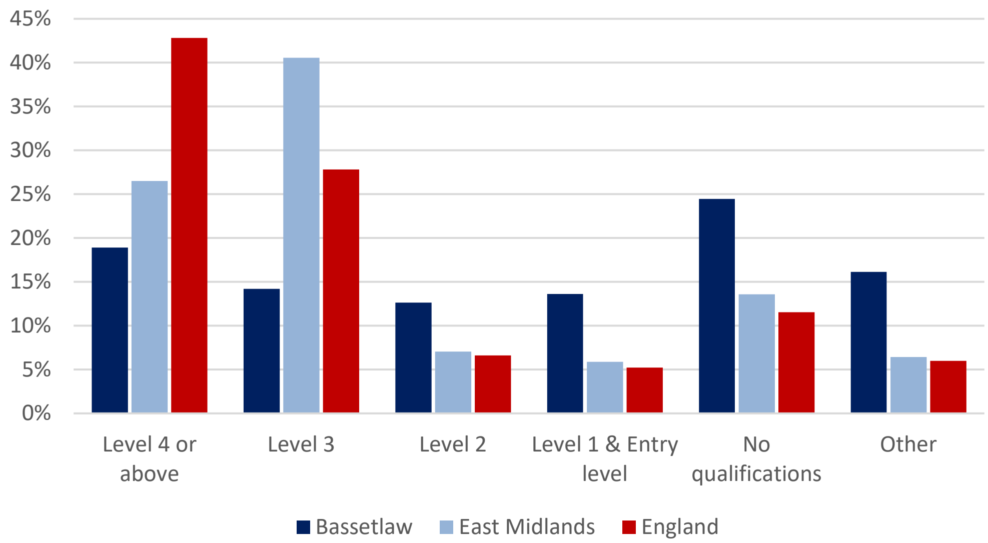


Source: Iceni analysis of 2021 ONS Census

3.37 The following figures provide the qualification and occupation profiles of likely HMO residents. In line with the standard national framework, qualifications are grouped into level 1 (basic lower secondary), level 2 (GCSE or equivalent), level 3 (A-level or equivalent), and level 4+ (higher education and professional qualifications).

3.38 Compared to regional and national benchmarks, residents of likely HMOs in Bassetlaw were relatively unskilled, with only 19% having level 4+ qualifications and 14% level 3, compared to 43% and 28% nationwide.

Figure 3.12 Qualification profile of residents in likely HMO households

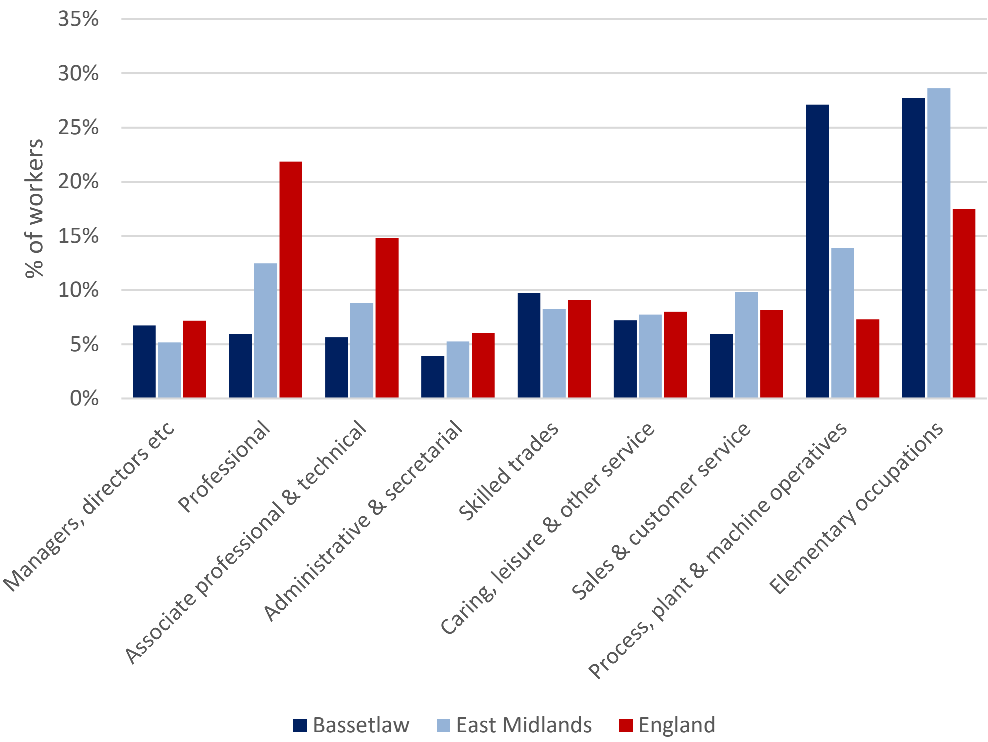


Source: Iceni analysis of 2021 ONS Census

3.39 Around 13% employed people living in likely HMO accommodation work in a higher professional, manager, director and senior official occupation; however, these categories are substantially under-represented compared to regional and national benchmarks (17% and 29% of employed people, respectively).

3.40 In contrast, a large number (53%) of likely HMO residents worked in lower-level, lower-skilled process, plant, and elementary occupations, or as machine operatives. This compares to 43% in the East Midlands and 25% nationally.

Figure 3.13 Occupation of residents in likely HMO households



Source: Iceni analysis of 2021 ONS Census

3.41 In both cases, these statistics will reflect, in part, the lack of students and recent graduates living in HMOs in Bassetlaw. However, given that a high proportion of Bassetlaw's HMO tenants are employed, these statistics show that HMOs are a source of accommodation for local low-skilled workers, who might otherwise be claiming affordable housing.

Summary

3.42 There are 173 HMOs in Bassetlaw (November 2025), of which 72 are licensed. HMOs account for only a very small share (0.3%) of the district's housing stock.

3.43 HMOs are concentrated in Worksop (127) and, to a lesser extent, Retford (32), with very few elsewhere.

3.44 In Worksop, HMOs cluster around the town centre and extend along nearby streets; concentrations in some output areas reach 5–10% of housing.

3.45 Retford’s HMOs are mainly located between the town centre and the train station, but make up only a small proportion of housing, even at the small area level.

3.46 HMOs mainly occupy terraced and semi-detached properties, particularly three-storey townhouses and areas with low house prices, likely where conversions are most viable.

3.47 This area extends beyond the current Worksop Article 4 Direction and is reflected in clusters of HMOs beyond the Article 4 boundary.

3.48 Bassetlaw’s HMO tenants come from diverse age ranges, are likely to be employed, and are much less likely to be students than regional/national patterns.

3.49 Many tenants work in lower-skilled or manual occupations, and a moderate proportion are recent migrants.

4. Property market context

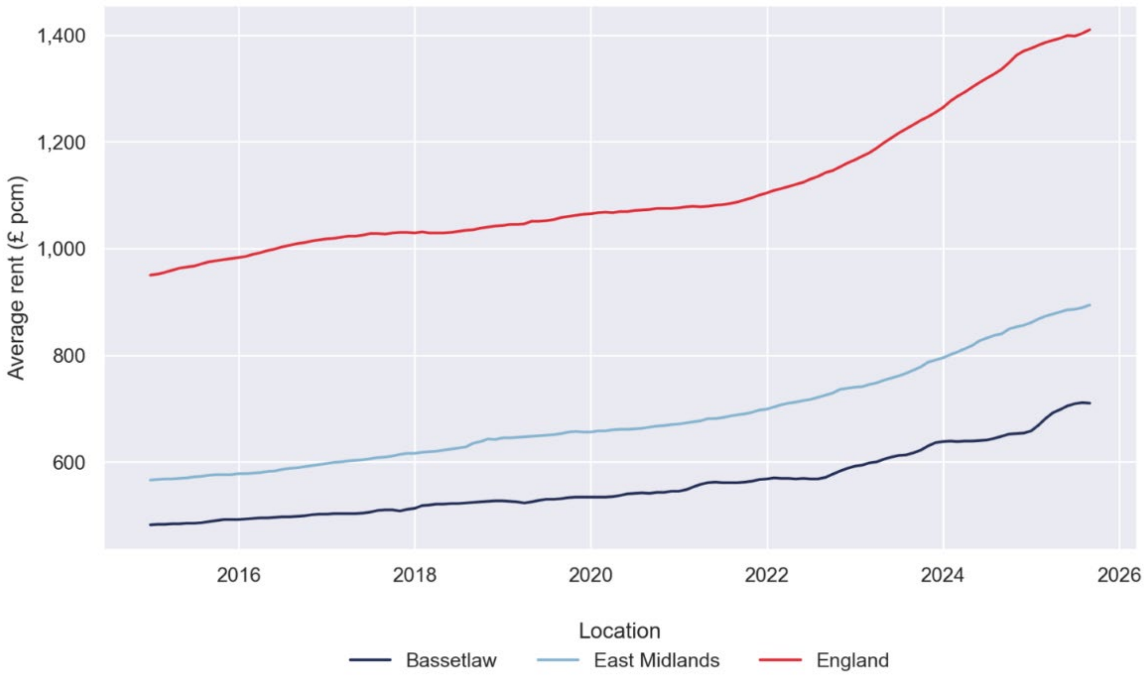
Private rental market

Rental prices

4.1 Private rental prices in Bassetlaw, and across most other parts of England, have risen dramatically in recent years. This has placed substantial pressure on the affordability of the private rental market.

4.2 As shown in the figure below, private rents rose relatively slowly through the late 2010s, before increasing sharply since around the middle of 2021 in England, or the middle of 2022 in Bassetlaw.

Figure 4.1 Average housing private rent



Source: ONS Private Index of Private Rents

4.3 The average private rent in Bassetlaw was £710 per calendar month (pcm) in September 2025 (the most recent data at the time of writing).

4.4 This is an increase of 25% or £142 on the average rent in January 2022 (£568 pcm), and a 47% increase or £228 on the average rent at the start of 2015 (£482 pcm).

4.5 As shown in the table below, the overall average private rent of £710 PCM is closer to typical rents for a three-bedroom home (£710) than a one-bed (£493), reflecting the relatively higher number of two and three-bedroom on the market compared to one-bed homes.

Table 4.1 Average private rents (£ PCM)

	One bed	Two beds	Three beds	Four + beds	Overall
Bassetlaw	£493	£642	£780	£1,113	£710

Source: ONS *Price Index of Private Rents*

4.6 Equivalent data for rooms within HMOs is not available. ONS data on median rents for rooms were produced but have since been discontinued.

4.7 The last data in this series covered the year ending September 2023. This is now around two years out of date, and given the recent rapid increase in rents, it is not likely to reflect current rental realities.

HMO Prices

4.8 Iceni has reviewed online real estate advertisements for rooms to rent (likely to be predominantly within HMOs) in November 2025. Nearly all listings were for rooms in Worksop. Typical advertised rents were:

- Between £365 - £520 pcm for non en-suite rooms, with prices of £400 pcm or lower typical for single rooms, and £400 - £450 typical for double rooms.
- Between £450 – £580 pcm for en-suite rooms, with rates of £450 - £500 pcm typical

4.9 By comparison, one-bedroom flats advertised to rent in Worksop averaged around £530 PCM, while one-bedroom flats in Retford averaged around £580 PCM.

4.10 There is therefore some savings to be made between renting a room and renting a 1-bedroom home. Furthermore the one-bedroom prices donot include bills, which are generally included in quoted HMO rents, further widening the price differential.

Trends in rental supply

4.11 The recent rapid rise in rents in Bassetlaw, and across the country, speaks to high levels of demand compared to supply.

4.12 There was a particular tightening in rental supply following COVID-19. Zoopla's UK Rental Market Report for 2023[4] noted that the number of homes available for rent was around one-third below the normal (five-year) average in early 2023, with demand per available property around 250% above the five-year average, and rental supply having grown by just 1% since 2016.

4.13 These trends were observed across all regions rather than confined to high-pressure metropolitan markets.

4.14 By contrast, Zoopla's most recent rental market report (September 2025)[5] noted softening rental demand and rising supply, with 24% fewer enquiries compared to a year earlier, and 19% higher stock available.

4.15 This has resulted in a slowing of the national rental inflation rate to just 2.4%, the lowest level since August 2020. Across the East Midlands, Rightmove's analysis shows a 14% drop in unique enquiries and a 16% rise in available listings year-on-year to August 2025[6].

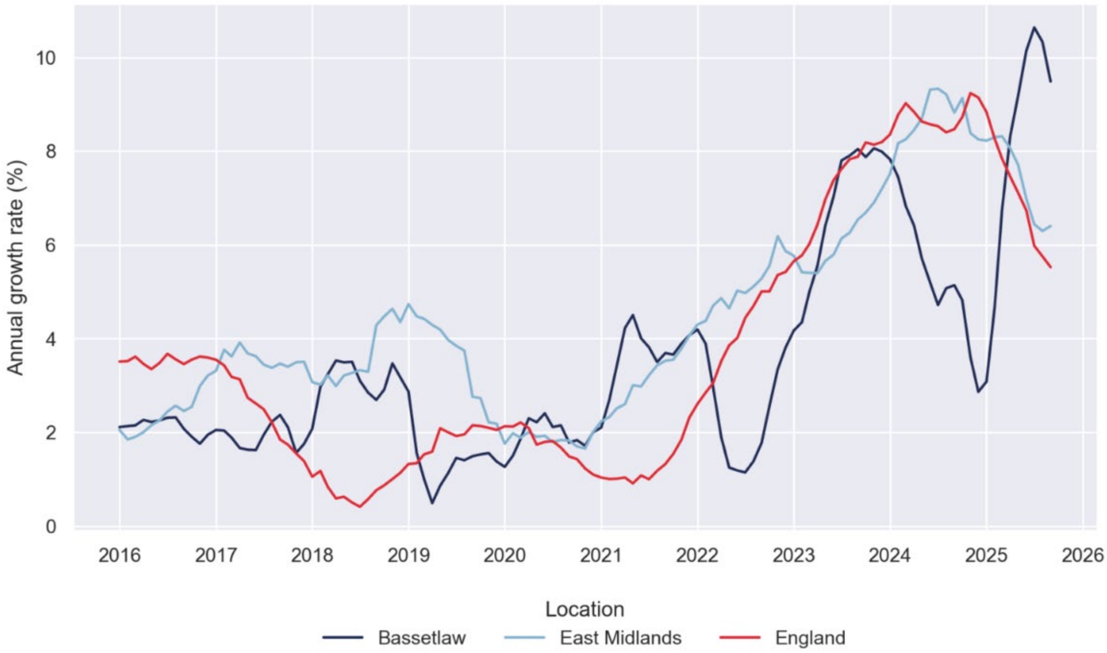
4.16 However, while the rate of rental growth has slowed, rents are continuing to rise and remain substantially higher than they were pre-

[4] Zoopla March 2023 *Rental market report: What's happening to rents?* (www.zoopla.co.uk/discover/property-news/rental-market-report-march-2023/)
[5] Zoopla *September 2025 Rental Market Report*
[6] Rightmove August 2025 *Lettings in Focus*

pandemic. This is likely to have placed significant pressure on the finances of households on lower incomes.

4.17 Bassetlaw's rental housing market is relatively small, leading to more volatility in rental data than seen in regional and national markets. Nonetheless, rental growth data shows local rental market dynamics to reflect trends seen more broadly. However, Bassetlaw has not seen the same slowdown in rental growth as elsewhere, although it may be tracking behind.

Figure 4.2 Rate of growth of private rents



Source: ONS *Private Index of Private Rents*

4.18 The Renters' Rights Act 2025 (to take effect in England from May 2026) will abolish no-fault evictions, impose greater tenancy security, restrict rent increases to once per year at market rate, and limit rent in advance to one month.

4.19 These reforms are intended to protect tenants, but stakeholder commentary (including that from the National Residential Landlords Association) warns that they may reduce the attractiveness of private letting, causing some landlords to exit the market and thereby reducing supply[7].

4.20 There has also been an evolving policy and regulatory environment regarding landlord tax reliefs, compliance obligations, property safety standards and higher maintenance costs. This is leading to increased costs and administrative burdens on private landlords, which may discourage new investment and lead more to leave the market altogether.

4.21 Changes in EPC requirements are particularly relevant for HMOs. The current minimum energy standard for privately rented homes is E. However, the Government launched a consultation on reforming the EPC regime in early 2025 and is proposing to raise the minimum standard to C by 2030.

4.22 HMOs are over-represented in older housing stock, particularly Victorian/Edwardian terraces, which often require more substantial upgrades to meet future energy-efficiency standards.

4.23 Although national EPC reform has been delayed, many HMO landlords anticipate additional retrofit costs in the coming years. This perceived regulatory risk increases uncertainty and may deter reinvestment or encourage disposal of properties in poor condition.

4.24 Changes to the legal and regulatory environment create risks to the future rental supply, with Rightmove reporting that one in three landlords are actively considering exiting the market[8]. This may lead to a further tightening of rental supply and, consequently, higher rental growth rates for HMOs and across the broader PRS.

[7] https://www.propertyreporter.co.uk/private-rented-sector-key-to-opportunity-says-nrla-ahead-of-budget.html?utm_source=chatgpt.com

[8] Rightmove August 2025 *Lettings in Focus*

Property agent engagement

4.25 Iceni engaged with real estate agents in Bassetlaw, with a particular focus on those involved in the letting and management of HMOs, in order to provide additional context around the local demand and supply of HMOs and their place within the broader property market.

4.26 Agents from Martin & Co Worksop, Expert Property Shop Ltd and EvoStar Property were engaged with.

Role of HMOs

4.27 Agents highlighted the role of HMOs in providing lower-cost accommodation for residents who cannot afford self-contained housing. Agents noted a significant price difference between HMOs and one-bedroom flats, with many living in HMOs unable to afford a flat.

4.28 Tenants of HMOs were described as coming from a diverse range of ages, from the early 20s to around 60, with most occupiers falling between 20 and 40.

4.29 Many tenants were noted to work in local factories and warehouses, with HMO demand partly reflecting the presence of industrial uses around Worksop.

4.30 HMOs were also described as particularly attractive to people on lower incomes, including the unemployed and those on benefits, as well as lower-income blue-collar workers.

Supply and demand

4.31 One agent noted a link between local HMO demand and changes in employment in the area. An influx of nurses to the area last year was noted to have contributed to HMO demand, but this has now abated, and overall demand has declined somewhat.

4.32 Despite this, there were not many people staying part-time in the area for work, with tenants instead living in HMOs full-time as a lower-cost housing option.

4.33 Mixed feedback was received from agents regarding overall levels of supply and demand for HMOs in Worksop. One agent noted that the market for HMOs is saturated, with not enough demand to justify further investment from new landlords. However, another agent noted high and ongoing demand from diverse occupiers.

4.34 Agents noted that HMOs remain geographically concentrated in and around the Worksop town centre, though some properties are also dispersed through surrounding residential areas. This partially reflects the demand profile.

4.35 However, the existing Article 4 Direction and associated planning policies were highlighted as having somewhat constrained supply in Worksop Central.

4.36 Agents said that one-bedroom flats remain in demand locally, although they also noted that the cost jump from an all-inclusive HMO room to a one-bed unit is a barrier for many residents. This highlights potential demand for smaller affordable homes and the role which HMOs have in meeting this demand.

<u>Landlord behaviour</u>

4.37 Mixed feedback from agents was received regarding landlord behaviour. Some landlords are reportedly exiting the market due to increased regulatory and financial pressures, while others are continuing to invest.

4.38 One agent commented that HMO landlords are not yet highly impacted by regulatory changes, but that this could change in the future, leading to a reduction in HMO supply.

Affordability

Housing benefits

4.39 The Local Housing Allowance sets the maximum amount of housing benefit (or its successor, the housing component of universal rent) that a benefits claimant can receive towards their rent payments. It is based on the size of property a household is deemed to need, and calibrated to the thirtieth percentile within a broad rental market area (BRMA).

4.40 Bassetlaw lies within the North Nottingham BRMA. As shown in the table below, this means benefits claimants can receive benefits to cover rents of up to:

- £338 PCM for single people under 35 with no dependants (i.e. category A - eligible for single bedroom with shared facilities otherwise)
- £444 PCM for single people aged 35+, childless couples, and younger single people exempt from the shared room rate (i.e. category B - eligible for a single bedroom with exclusive use of other facilities)
- Between £548 - £808 for households requiring higher numbers of bedrooms (i.e. categories C – E).

Table 4.2 North Nottingham BRMA Local Housing Allowance Rates applicable from April 2025 to March 2026

Category	A	B	C	D	E
Property size	1 bedroom and shared facilities	1 bedroom and exclusive use of other facilities	2 bedrooms	3 bedrooms	4 bedrooms
Local Housing Allowance (per week)	£78.00	£102.41	£126.58	£134.63	£186.41
Local Housing Allowance (PCM)	£338	£444	£548	£584	£808

Source: VOA *Local Housing Allowance 2025-2026 Tables*

4.41 People receiving Housing Benefit or the housing element of Universal Credit are generally eligible to apply for social housing. However, eligibility does not mean immediate access.

4.42 Social housing stock is limited, and allocations are made based on assessed need, local priorities and waiting time. Most single adults without dependants, including those receiving Housing Benefit, typically fall into lower priority bands, unless they have additional vulnerability, homelessness status or urgent medical needs. As a result, many low-income single people — particularly those only entitled to the Shared Accommodation Rate (LHA Category A) — face significant waits for a social tenancy. During this period, they rely on the private rented sector

4.43 At the time of writing, 10 one-bedroom units were advertised for rent on Rightmove in Worksop. The cheapest was advertised for £475 PCM, with most being £550 or more. The level of housing benefits available for a single person or childless couple would not be sufficient to cover the cost of any of these units. Instead, the only private rental housing available in Worksop to those in housing benefit categories A or B, without requiring them to pay the shortfall themselves, would be an HMO.

4.44 At the time of writing, eight one-bedroom units were advertised for rent in Retford on Rightmove, with the cheapest offered for £495 PCM, and all others £550 or above. As a result, affordability for those on benefits is even worse in Retford than in Worksop, and HMOs are again likely to be the only affordable private rental option for singles and couples on housing benefits.

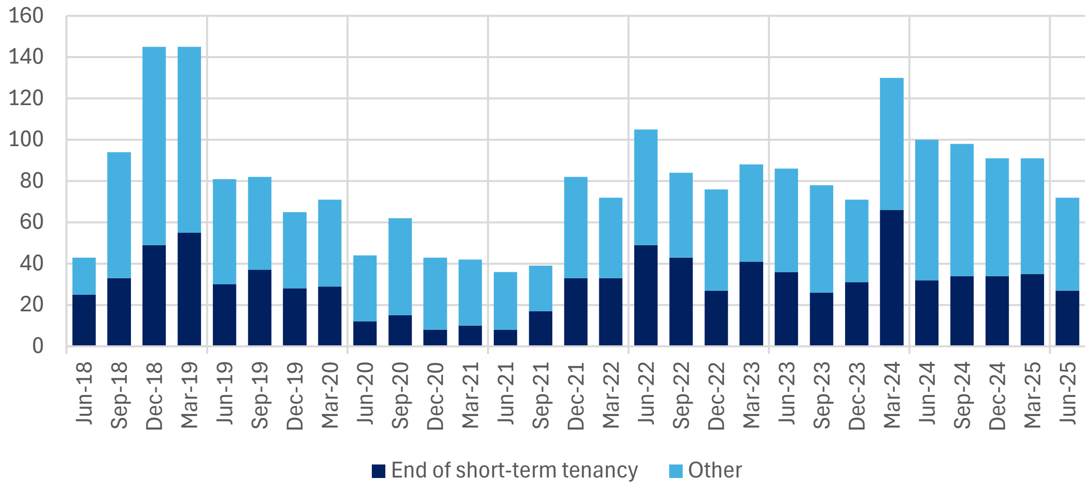
Homelessness

4.45 Data on homelessness presentations in Bassetlaw displays a degree of quarter-to-quarter variability, including a marked drop during the COVID-19 eviction moratorium, and then a return to “normal” levels once restrictions were lifted.

4.46 Since December 2021 (i.e. after the eviction moratorium), there have been an average of 88 presentations per quarter (prevention and relief duties combined).

4.47 This reflects continuing pressure on vulnerable households in Bassetlaw, including affordability pressures, reliance on insecure tenancies, and the difficulty lower-income single households face in accessing self-contained accommodation

Figure 4.3 Homelessness presentations by reasons - Bassetlaw



Source: MHCLG *Live Tables on Homelessness*

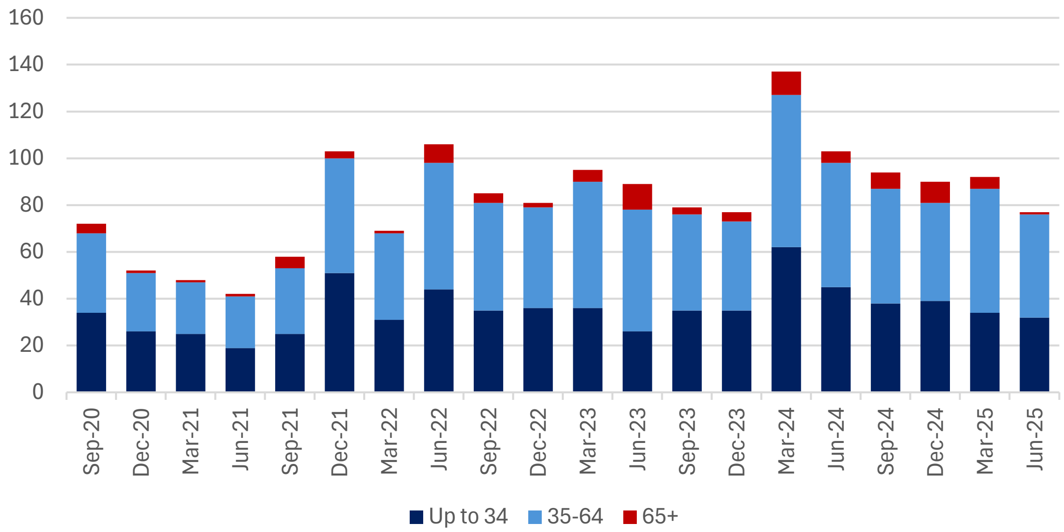
4.48 Since December 2021, 36 of the 88 average quarterly homelessness presentations (41%) have been a result of the end of a short-term tenancy (as shown in the Figure above). This illustrates particular supply and affordability pressures in the private rental sector.

4.49 HMOs can form part of the temporary accommodation pathway for households whose private tenancies have ended, helping to reduce reliance on Council-provided housing where suitable private rented options are available.

4.50 Homelessness data for Bassetlaw, shown in the figures below, indicates that a substantial proportion of presentations are from single-person households (42% from the December 2021 quarter onwards) and single adults (56% from the December 2021 quarter onwards).

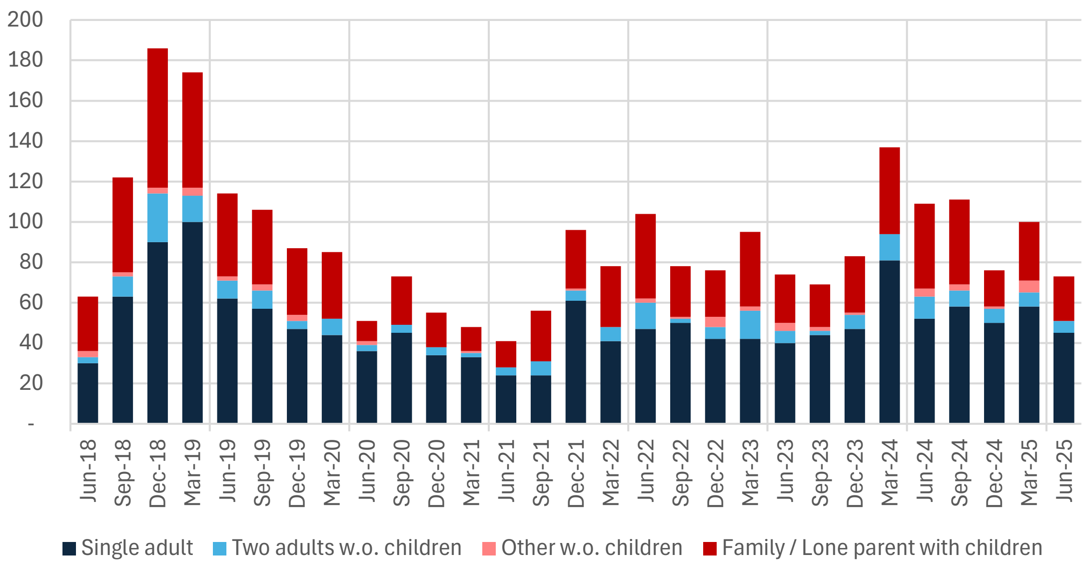
4.51 For these household types, shared accommodation is often the most realistic option in the private rented sector. As noted above, single-person households under 35 are eligible only for the one-room-with-shared-facilities category of housing benefits, although Central Government Statistics indicate that only 39 people in Bassetlaw receive the shared facilities housing benefit or universal credit housing element.

Figure 4.4 Homelessness presentations by age - Bassetlaw



Source: MHCLG *Live Tables on Homelessness*

Figure 4.5 Homelessness presentations by household type - Bassetlaw



Source: MHCLG *Live Tables on Homelessness*

Summary

4.52 Private rents in Bassetlaw have risen very sharply since 2022, increasing 25% and 47% since 2015, placing significant pressure on rental affordability.

4.53 Regulatory and tax changes, EPC reforms and the Renters' Rights Act are increasing financial pressure on landlords and may lead to some selling their properties, reducing future PRS and HMO supply.

4.54 Typical HMO rooms cost £400–£450 PCM (double non-en suite) and £450–£500 PCM (en-suite), including bills.

4.55 A typical one-bed flat is significantly more expensive than a typical HMO room (£530–£580 PCM, not including bills).

4.56 Rent for a one-bed flat exceeds the Local Housing Allowance for single adults, meaning HMOs are often the only affordable private rented option for low-income single people.

4.57 46% of homelessness presentations are triggered by the end of a short-term tenancy. A large share of these presentations are from single adults (56%) and single-person households (42%), for whom shared accommodation may be the only viable PRS option.

4.58 Property agents confirm HMOs provide lower-cost accommodation for people unable to afford self-contained housing, including blue-collar and lower-income workers, as well as those on benefits.

4.59 Views on HMO demand vary: some agents report high and steady demand, others see signs of saturation in parts of Worksop.

5. Conclusion

5.1 The evidence demonstrates that HMOs play a key role in Bassetlaw's housing market, providing one of the few genuinely affordable options for lower-income workers as well as residents reliant on benefits.

5.2 With one-bedroom rents now well above the levels supportable by Local Housing Allowance, HMOs are often the only accessible private rented tenure for single adults and low-income households unable to access social housing.

5.3 HMOs are also likely to have a role in providing housing options for those made homeless, particularly as a result of the end of a short-term tenancy.

5.4 It is difficult to quantify demand for HMO accommodation as it provides accommodation for disparate reasons. However, demand for shared accommodation may increase in the future, particularly if rents continue to outpace wage growth (for example, as landlords withdraw properties in response to regulatory changes), landlords continue to leave the market or if employment growth prompts low-income workers to move to the area.

5.5 Spatial analysis shows that the current Worksop Article 4 Direction boundary does not align closely with the areas in which HMOs are most concentrated.

5.6 The highest densities occur both within and around the designated area's boundaries. This may well be a consequence of success in the A4D displacing demand.

5.7 On this basis, the evidence supports a review of the existing Article 4 boundary to ensure that controls are targeted appropriately and reflect the actual clustering of HMO activity.

5.8 This study has identified the broad area most susceptible to conversions to HMOs to be those areas in which older terraced and semi-detached housing around Worksop Central, with lower property prices in this area.

5.9 Outside Worksop, HMO concentrations remain low overall, with HMOs making up only a small portion of total housing. It will be for the Council to determine if emerging groupings of HMOs in Retford justify seeking further Article 4 Directions (although HMOs make up only a small amount of housing stock at present). If not, HMO concentrations and impacts in Retford should continue to be monitored.

Recommendations

- Review the boundaries of the Worksop Article 4 Direction to cover the broader area susceptible to conversions for HMOs (likely to be focused on areas predominantly consisting of older and lower-valued terraced and semi-detached housing around the Town Centre).

- Continue to monitor HMO supply and demand and impacts on character and amenity elsewhere to determine if further Article 4 Directions are necessary

- However, in doing so the Council need to recognise the vital role of HMOs in providing an affordable housing option at the bottom of the housing market in any future changes to local planning policy including whether restricting this supply through further A4D.