



Greater Cambridge Houses in Multiple Occupation (HMO) Study

Final Report

Iceni Projects Limited on behalf of
Greater Cambridge Shared
Planning
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1. Executive Summary

- 1.1 The report provides a review of the need for, and concentration of, Houses in Multiple Occupation (HMOs) in Greater Cambridge and advises on potential policy options, including Local Plan policy and the potential for the introduction of Article 4 directions.
- 1.2 This report does not focus on the impacts of short-term lets and Airbnb.
- 1.3 It also considers how the supply of HMOs in Greater Cambridge has changed over time and whether this is having any impact on the supply of other forms of housing.
- 1.4 Greater Cambridge consists of the local planning authorities of Cambridge City Council and South Cambridgeshire District Council.

Concentration of HMOs

- 1.5 Overall, this report finds that HMOs form a relatively small share of the housing stock across Greater Cambridge (around 1.4% including unlicensed properties). However, HMOs are highly concentrated in specific parts of Cambridge City. Outside Cambridge City, HMO concentrations remain comparatively low, with limited presence across South Cambridgeshire.
- 1.6 Overconcentration of HMOs refers to situations where the proportion of HMOs is sufficiently high to affect the character, amenity and mix of household types and tenures within a neighbourhood.
- 1.7 In practice, a threshold of around 10% of properties being HMOs is commonly used in planning policy and appeal decisions to indicate a high level or potential overconcentration of HMOs.
- 1.8 However, this threshold is not a fixed or universally applicable benchmark, and the effects of HMO concentrations may vary depending on other issues, including the underlying housing stock.

1.9 On issues of concentration within Cambridge:

- The areas of Romsey and Petersfield wards around the Mill Road Corridor commonly exceed the 10% threshold considered for potential HMO overconcentration.
- There are other smaller areas in which HMOs make up over 10% of homes, but HMOs would be well below 10% of homes when assessed at larger spatial scales, such as neighbourhood or ward level.
- HMOs are highly concentrated along major road corridors, such as Mill Road, as well as elsewhere, with blocks of housing where more than one in four homes is an HMO. This could be considered a high level of overconcentration at a very localised level. In many cases (with the notable exception of the Mill Road area), HMO concentration is much lower on side streets.

1.10 These patterns are strongly linked to the prevalence of older terraced housing and proximity to employment centres and universities, which may inform the spatial scope of any potential Article 4 Direction.

1.11 In areas with a high proportion of terraced housing, concentration of HMOs has the potential to give rise to cumulative impacts on residential amenity, such as parking, noise and litter. However, there appears to be no correlation with crime.

1.12 Particularly acute impacts are possible on terraced homes (and less frequently flats) sandwiched between two HMOs with which they share party walls and where front and back driveway/garden areas adjoin.

1.13 Our analysis does not point to any significant correlation between crime and HMOs, although there does appear to be some correlation with amenity impact, particularly rubbish complaints.

Role of HMOs in the housing market

1.14 Icení's research indicates that HMOs play several important roles in Greater Cambridge's housing market, particularly in Cambridge City:

- Providing one of the few comparatively affordable private rented options in an otherwise high-cost rental environment. HMOs serve a

large number of young professionals and low-income workers, playing a critical economic role in a dynamic, growing economy.

- HMOs represent the most viable market-based housing option for those unable to access social housing. With average one-bedroom rents substantially exceeding Local Housing Allowance (LHA) rates, self-contained private rented accommodation is largely inaccessible to many single adults and low-income households.
- HMOs form an important component of the homelessness prevention and relief pathway. A significant proportion of homelessness presentations relate to the end of private tenancies, and engagement indicates that HMOs are essential to accommodation sourcing and homelessness prevention services.

1.15 Private rents in Greater Cambridge have risen sharply since 2021 and remain substantially above pre-pandemic levels, with Cambridge rents significantly exceeding regional and national averages. This places them out of reach of many households.

1.16 The conversion of family homes to HMOs in Cambridge City has the potential to exacerbate a shortfall in family housing supply. However, the net loss of family-sized homes has been relatively modest in recent years.

Future need and demand for HMOs

1.17 Iceni has engaged with local letting agents as part of this study. They suggest that demand for HMOs remains strong but is broadly being met by supply, with many rooms currently available and rents stabilising. Demand is expected to remain robust in the future due to rising rents in the private rental sector, limited supply of affordable self-contained homes, and continued growth among younger age groups, who are most likely to require shared accommodation.

1.18 In the absence of substantial growth in affordable self-contained provision, demand for HMOs is likely to remain strong. Significant reductions in HMO supply could constrain economic growth by restricting access to lower-cost housing for young professionals and key workers.

- 1.19 The need for HMOs and their importance to the local housing market thus needs to be balanced in planning policy for Cambridge City, with the impacts of HMO overconcentration.

Spatial scope of policies

- 1.20 In considering whether to introduce an Article 4 direction, it will be important to ensure that any spatial controls are aligned with the actual geography of HMO concentration and housing susceptibility and are proportionate to the identified scale of clustering. Consideration should also be given to the potential displacement effects of tightly drawn boundaries.
- 1.21 Similar considerations will also need to be applied to Local Plan policies about HMOs. However, controls on HMO concentration in planning policy are not subject to the same strict directions as Article 4 directions (i.e. that they apply to the smallest geographical area possible).
- 1.22 It will also be necessary to consider the potential effects of Local Plan policies and an Article 4 direction on HMOs provided by the University of Cambridge and Anglia Ruskin University (in both cases as student accommodation), and on key worker accommodation for medical personnel.

Recommendations

- Given the high number of HMOs in Cambridge City and their concentration in some areas, the City Council should consider a Local Plan policy that manages HMO overconcentration, including:
 - Minimising potential impacts from sandwiching of homes between HMOs, particularly given that large numbers of terrace homes with party walls have been converted to HMOs.
 - Minimising cumulative impacts of overconcentration on residential amenity and character. Given that these impacts are most relevant at a very local scale in terraced housing areas, a threshold for overconcentration within a block, small radius, or output area could be considered (noting that baseline housing data is readily available for output areas).

- Ensuring that appropriate design, servicing and layout arrangements are made to mitigate the impacts of more intensive occupation.
- In any policy response, recognise the essential role that HMOs perform within Greater Cambridge's constrained and high-value housing market, in housing both young professionals and those without other housing options.
- Define any Article 4 Direction boundary to align with areas of highest HMO concentration and greatest susceptibility to further conversion, particularly terraced housing areas around the Mill Road corridor. Consideration could also be given to the city's northern suburbs, where there are areas with high concentrations of HMOs.
- Considering potential displacement effects, any Article 4 direction should, at a minimum, cover existing streets with high HMO concentrations and surrounding areas in which terraced housing is predominant, with the potential to also include surrounding semi-detached housing.
- There does not appear to be a sufficient concentration of HMOs to require an Article 4 direction in South Cambridgeshire, in the western part of Cambridge, or in outlying suburbs in Cambridge (i.e. particularly Trumpington and Cherry Hinton).
- Continue to monitor HMO distribution, rental affordability trends and homelessness presentations to assess emerging pressures and potential displacement effects.

2. Introduction

- 2.1 Icen Projects Ltd has produced this report on behalf of the Greater Cambridge Shared Planning Service, which operates across the City of Cambridge and South Cambridgeshire.
- 2.2 The report provides a review of the need for, and concentration of, Houses in Multiple Occupation (HMOs) in Greater Cambridge and advises on potential policy options. An HMO, in its simplest definition, is a dwelling which is occupied by multiple unrelated adults.
- 2.3 This work is intended to form the evidence base for both the Greater Cambridge Local Plan and a potential Article 4 direction in Greater Cambridge, including whether one is required and the potential spatial extent if so.
- 2.4 Article 4 directions are a legal mechanism which removes permitted development rights, such as the conversion of C3 dwellings to small HMOs, and instead mandates a planning application to secure such changes.
- 2.5 The scope for this project includes:
- A review of the national and local HMO policy context,
 - Review of the market context, particularly changes that may affect landlords' decisions and HMO supply,
 - An assessment of the supply and price of HMO accommodation, including concentrations of HMOs,
 - A profile of the HMO stock and tenants and a consideration of the potential role of HMOs in accommodating those on benefits and households at risk of becoming homeless,
 - The supply of HMOs over time and whether this has had an impact on the supply of other forms of housing, and
 - Engagement with local letting agents and relevant Council personnel on HMOs.

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

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

3. Policy Context

Definitions and licensing

Definitions

- 3.1 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'.
- 3.2 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.
- 3.3 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 (e.g. a convent).
- 3.4 Purpose-built co-living accommodation is also generally treated separately to HMOs, although it is not nominated in the Act (unlike the types of housing noted above). Co-living accommodation consists of self-contained, although generally small, private units supported by shared communal facilities.

- 3.5 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.
- 3.6 Where there are more than six unrelated individuals sharing amenities, this is termed an HMO (sometimes referred to as a large HMO), but whose use class is Sui Generis.

Requirements for licensing and planning permission

- 3.7 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.
- 3.8 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 Greater Cambridge).
- 3.9 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 which mandates it. Planning permission is always required for conversion to a sui generis HMO.
- 3.10 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.
- 3.11 Cambridge and South Cambridgeshire do not currently have any Article 4 Directions applying to HMOs.

Requirements for Article 4 Directions

- 3.12 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 C4 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)).

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

3.14 An appropriate scale for Article 4 directions would be determined by the Council(s), having regard to the full range of evidence. This is discussed further later in this report.

Planning policy

3.15 Policy 48 of the Cambridge Local Plan 2018 applies to HMOs. It specifies that sui generis HMOs (i.e. large HMOs requiring planning permission) will be supported where the proposal:

- does not create an over-concentration of such a use in the local area, or cause harm to residential amenity or the surrounding area;
- the building or site (including any outbuildings) is suitable for use as housing in multiple occupation, with provision made, for example, for appropriate refuse and recycling storage, cycle and car parking and drying areas; and
- will be accessible to sustainable modes of transport, shops and other local services.

3.16 This policy also notes the need for appropriate management arrangements to monitor and minimise antisocial behaviour and adverse impacts on residents.

- 3.17 South Cambridgeshire's adopted local plan does not contain policies specifically related to HMOs.
- 3.18 The Draft Greater Cambridge Local Plan has recently been exhibited for Regulation 18 consultation. This plan would apply to both South Cambridgeshire and Cambridge City and includes a policy (Policy H/MO) on HMOs.
- 3.19 Within the Draft Local Plan, the policy largely carries forward the adopted HMO policy. Still, it adds requirements for an HMO proposal not to result in an existing C3 residential property being sandwiched between two HMOs or result in three or more adjacent properties as HMOs. It would apply to any HMO that requires planning permission, including sui generis (large HMOs) and C4 (i.e., smaller) HMOs, only where an Article 4 direction is in place.
- 3.20 This policy would also require all new HMOs requiring planning permission to meet the internal space standards required for licensing, alongside the nationally described space standards (set out in Policy H/SS).

4. HMOs in Greater Cambridge

Current HMO Provision

- 4.1 Iceni has analysed data on the current HMO supply in Greater Cambridge, using data held by Cambridge City Council and South Cambridgeshire District Council.

HMO Licences

- 4.2 This data estimates the total number of HMOs, including those licenced across both Cambridge and South Cambridgeshire, and unlicensed HMOs in Cambridge only.
- 4.3 As of February 2026, there are 840 licenced HMOs in Cambridge and 100 in South Cambridgeshire. The council data shows that licenced HMOs in Cambridge can accommodate up to 5,319 people. Detailed data is not available for South Cambridgeshire.
- 4.4 Cambridge City Council data compiled by the Environmental Health team estimates there to be a further 887 HMOs which are not licenced in Cambridge (noting that licences are not required in Cambridge for small HMOs). Analogous data is again not available for South Cambridgeshire.
- 4.5 According to data from the MHCLG (Live Table 100), there are estimated to be 58,112 dwellings in Cambridge in 2024 and 73,500 in South Cambridgeshire, giving a total of 131,612 across Greater Cambridge. On this basis, licenced HMOs account for only around 0.7% of the total housing stock, rising to 1.4% when unlicensed HMOs are included.
- 4.6 By authority, licenced HMOs make up 1.4% of dwelling stock in Cambridge and 0.1% of stock in South Cambridgeshire, increasing to 3.0% of stock in Cambridge when unlicensed HMOs are included.

Council tax data

- 4.7 Iceni has separately considered information provided on HMO stock from Council tax records within Cambridge City and South Cambridgeshire.
- 4.8 Using council tax records, 2,065 properties within Cambridge City would be classed as HMOs out of 61,720 total domestic properties (i.e. 3.3% of total domestic stock).
- 4.9 In South Cambridgeshire, council tax records show 155 properties classed as HMOs out of 40,033 total domestic properties (i.e. 0.4% of total domestic stock).
- 4.10 For Cambridge City, this estimate is slightly above the combined count of licenced and estimated unlicensed HMOs from licensing and Environmental Health (1,618 in total).
- 4.11 Some differences between the datasets are to be expected, as the licensing and environmental health data capture only HMOs that are known to the Council, whereas the council tax-based estimate has different criteria and may identify additional properties that are not recorded within regulatory datasets.

Census data

- 4.12 The 2021 Census provides an estimate of how many dwellings were small HMOs or large HMOs, noting that HMO numbers may have been suppressed at the time of the 2021 Census due to COVID-19 when patterns of occupancy were atypical (for example, with students and potentially some young professionals temporarily returning to family homes during lockdowns). Census estimates show 748 large HMOs and 1,539 small HMOs in Cambridge City, and 29 large HMOs and 165 small HMOs in South Cambridgeshire.
- 4.13 The Census estimates of large HMO numbers are below the current number of licenced HMOs (noting only large HMOs currently require a

licence) in each authority. The estimates for small HMOs are above Council estimates for Cambridge City, though there may be differences in definitions.

- 4.14 The Census definition of a large HMO is broadly aligned with the mandatory licensing threshold, as it relates to dwellings occupied by five or more unrelated tenants forming more than one household and sharing facilities.
- 4.15 However, some difference in estimated HMO numbers would be expected, given that the census is a point-in-time estimate based on occupancy and household responses.
- 4.16 The ONS did not conduct an estimate of HMO numbers from the 2011 census, and so 2021 results cannot be compared with past results to gauge how HMO stock is changing over time.

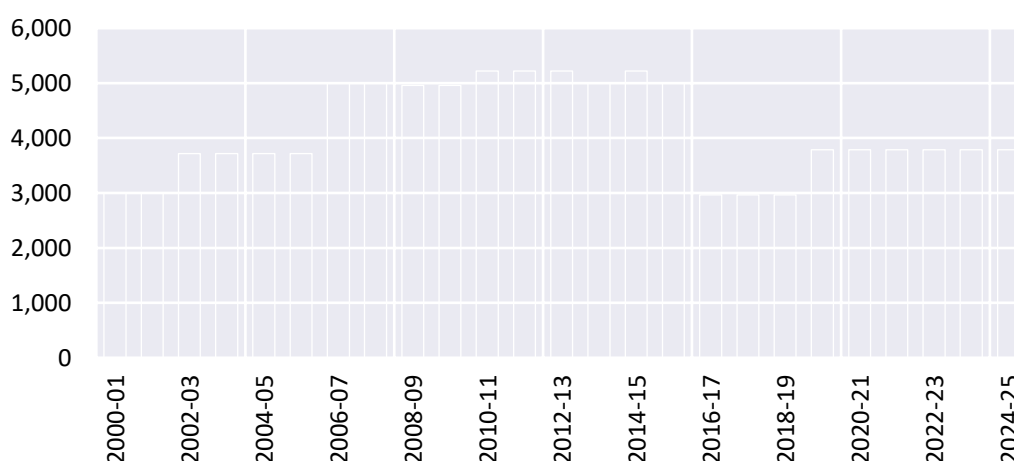
Local Authority Housing Statistics

- 4.17 The Local Authority Housing Statistics (LAHS) is an annual data return collected by the UK Government from local authorities in England. With LAHS, councils estimate the number of HMOs each year, although there is no single, prescribed methodology for deriving these estimates.
- 4.18 Authorities may base their returns on a combination of licensing records, local surveys, council tax data and professional judgement, and the definition applied can vary (e.g. all HMOs vs only licensable HMOs).
- 4.19 As a result, the HMO figures in LAHS are typically estimates rather than measured totals, and change over time often reflect shifts in data sources, definitions or estimation approaches rather than necessarily changes in the underlying stock.
- 4.20 The most recent LAHS (2024-25) records an estimated 3,787 HMOs in Cambridge City (6.5% of the housing stock of 58,112) and 95 HMOs in South Cambridgeshire (0.13% of the housing stock of 73,500). For

Cambridge City, this is substantially higher than the counts from other data sources.

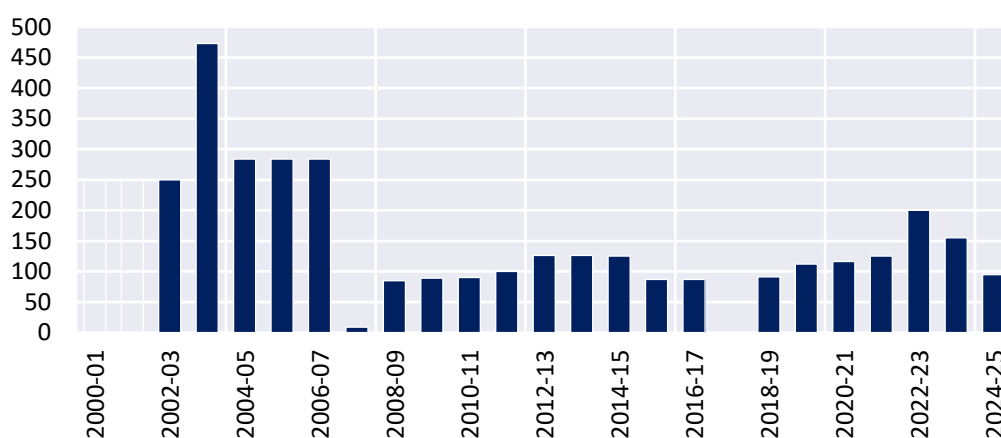
- 4.21 The LAHS timeseries for estimated HMOs in Cambridge and South Cambridgeshire are shown in Figure 4.1 and Figure 4.2 below. There are large jumps in some years, followed by periods of relatively stable values. These are highly likely to reflect changes in estimation methodology over time.
- 4.22 As a result, the LAHS HMO estimates cannot provide a robust time series of HMO stock over time. While the data does not indicate an upward trend over time, this should be treated with caution given the limitations of the dataset.

Figure 4.1 Estimated number of HMOs in Cambridge City (LAHS)



Source: MHCLG Local Authority Housing Statistics Open Data

Figure 4.2 Estimated number of HMOs in South Cambridgeshire (LAHS)



Source: MHCLG Local Authority Housing Statistics Open Data

- 4.23 The LAHS figures are also notably higher than those derived from other sources. They are likely to represent an upper estimate of HMO stock. It is considered that the lower HMO numbers from other data sources provide a more reasonable basis for decision-making, given they are more consistent and grounded in data on licensing, Council tax, and the Census.

Discussion

- 4.24 There are some differences between data sources regarding the number of HMOs in Cambridge and South Cambridgeshire, and limited data is available on unlicensed HMO provision in South Cambridgeshire.
- 4.25 Nonetheless, it appears that there are between 1,600 and 2,300 HMOs in total in Cambridge City (this is the approximate range provided by the different data sources), and that they make up between 3.0% and 3.3% of the housing stock.
- 4.26 Combining current licensed HMO numbers in South Cambridgeshire with Census estimates of unlicensed HMOs would suggest that there are around 165 HMOs in total. Compared against the MHCLG total

dwelling stock estimate, HMOs would therefore make up only 0.2% of housing stock.

Spatial distribution of HMOs

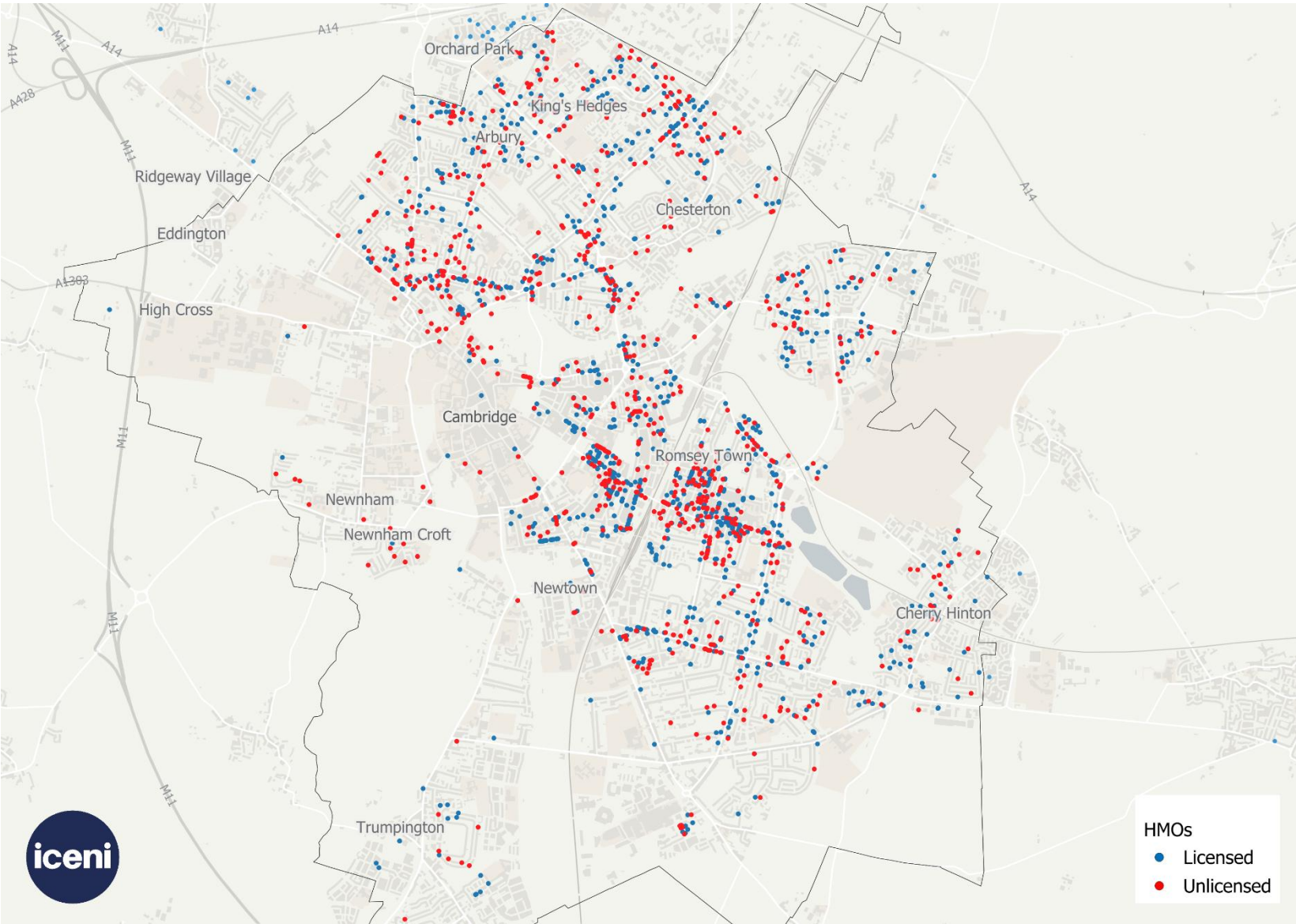
- 4.27 Figure 4.3 below illustrates the distribution of HMOs across Greater Cambridge. Figure 4.4 then zooms in on Cambridge as the area with the highest concentration of HMOs.
- 4.28 This mapping is based on postcode-level data, which is available for both licensed and unlicensed HMOs in Cambridge, but only for licensed HMOs in South Cambridgeshire.
- 4.29 Consistent with the overall numbers of HMOs in each authority, there are considerably more HMOs, and so a greater concentration of them, in Cambridge than in South Cambridgeshire.
- 4.30 HMOs are spread through most of the urban area of Cambridge, predominantly east of the line bisecting the City formed by Hills Road through Central Cambridge to Huntingdon Road (noting that there is a much smaller amount of housing stock overall west of this line).
- 4.31 By far the greatest concentration of HMOs appears to be in the area around Mill Road on both sides of the Railway Line in the Petersfield and Romsey wards.
- 4.32 HMOs in these areas are clustered along Mill Road, but there are also many on side streets. This area is close to Central Cambridge, with Anglia Ruskin University lying between it and the city centre.
- 4.33 HMOs are also highly concentrated on other main road corridors, including Cherry Hinton Road, Perne Road, Coldhams Lane, Elizabeth Way, Chesterton Road, Victoria Road and Milton Road.
- 4.34 HMOs extend into each of Cambridge's northern and eastern suburbs, including Cherry Hinton, Barnwell, Kings Hedges and Arbury. There are

substantially fewer (although some) in the Red Cross, Trumpington, Newnham and Eddington areas.

- 4.35 In South Cambridgeshire, the licensed HMO data mapped in Figure 4.3 below shows the greatest concentration of HMOs to be around the borders of Cambridge City.
- 4.36 The Orchard Park area contains the most licensed HMOs, with 49. There are also nine licensed HMOs in Girton and six in Milton. There are a small number of licenced HMOs spread across other villages of South Cambridgeshire which do not directly adjoin Cambridge City.
- 4.37 Data from Council Tax records additionally shows that Orchard Park parish contains the most HMOs, with 56 in total. There are also 44 HMOs in the Waterbeach parish and 12 HMOs in the Cambourne parish. A variety of other parishes contain between one and five HMOs each.



Figure 4.4 Location of HMOs in Cambridge



Source: Icen analysis of Cambridge City Council and South Cambridgeshire District Council data

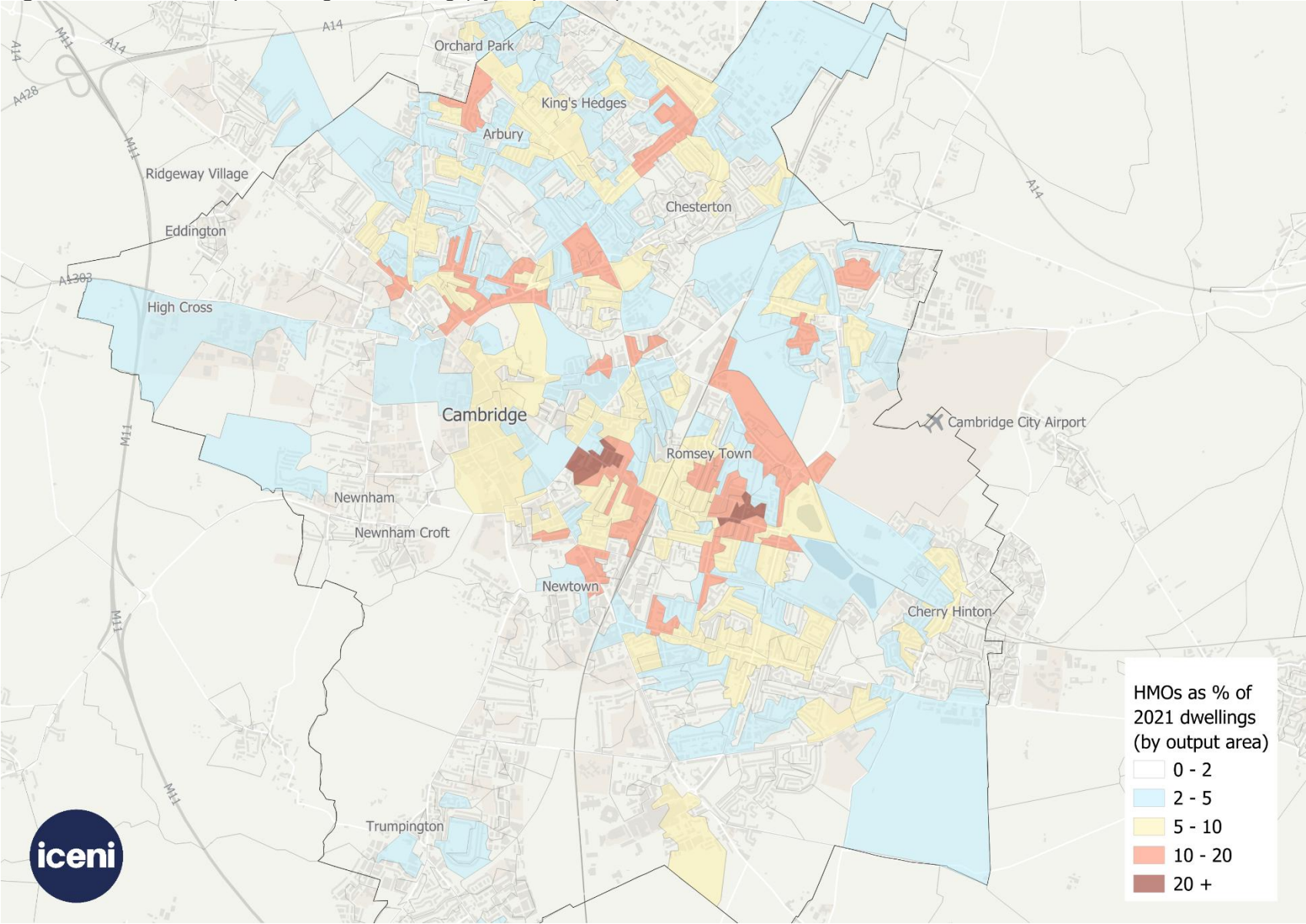
HMO Concentration

- 4.38 To consider issues of overconcentration of HMOs, IcenI have analysed the proportion of housing stock that HMOs make up at a small area level (i.e. by output area) across Greater Cambridge.
- 4.39 Output areas are the smallest geographical areas used by the ONS for gathering and reporting census statistics. They typically contain between 40 and 250 households with a resident population of between 100 and 625 people.
- 4.40 Overconcentration of HMOs refers to situations where the proportion of HMOs is sufficiently high to affect the character, amenity and mix of household types and tenures within a neighbourhood.
- 4.41 In practice, a threshold of around 10% of properties being HMOs is commonly used in planning policy and appeal decisions as indicating a high or overconcentration of HMOs.
- 4.42 However, this threshold is not a fixed or universally applicable benchmark, and the effects of HMO concentrations may vary depending on issues including the underlying housing stock.
- 4.43 In areas dominated by traditional houses (e.g. terraced streets), concentrations of HMOs may be more perceptible and have greater implications for neighbourhood character and amenity.
- 4.44 By contrast, in flatted developments or higher-density schemes, a higher proportion of units in shared occupation may not give rise to the same impacts and may be less discernible in practice.
- 4.45 The results of the analysis of HMO concentration in Cambridge City are shown in Figure 4.5 below. A broader figure showing results for South Cambridgeshire has not been produced, except for Orchard Park parish

(5.0%), HMOs accounted for less than 2% of housing across all parishes in the district.

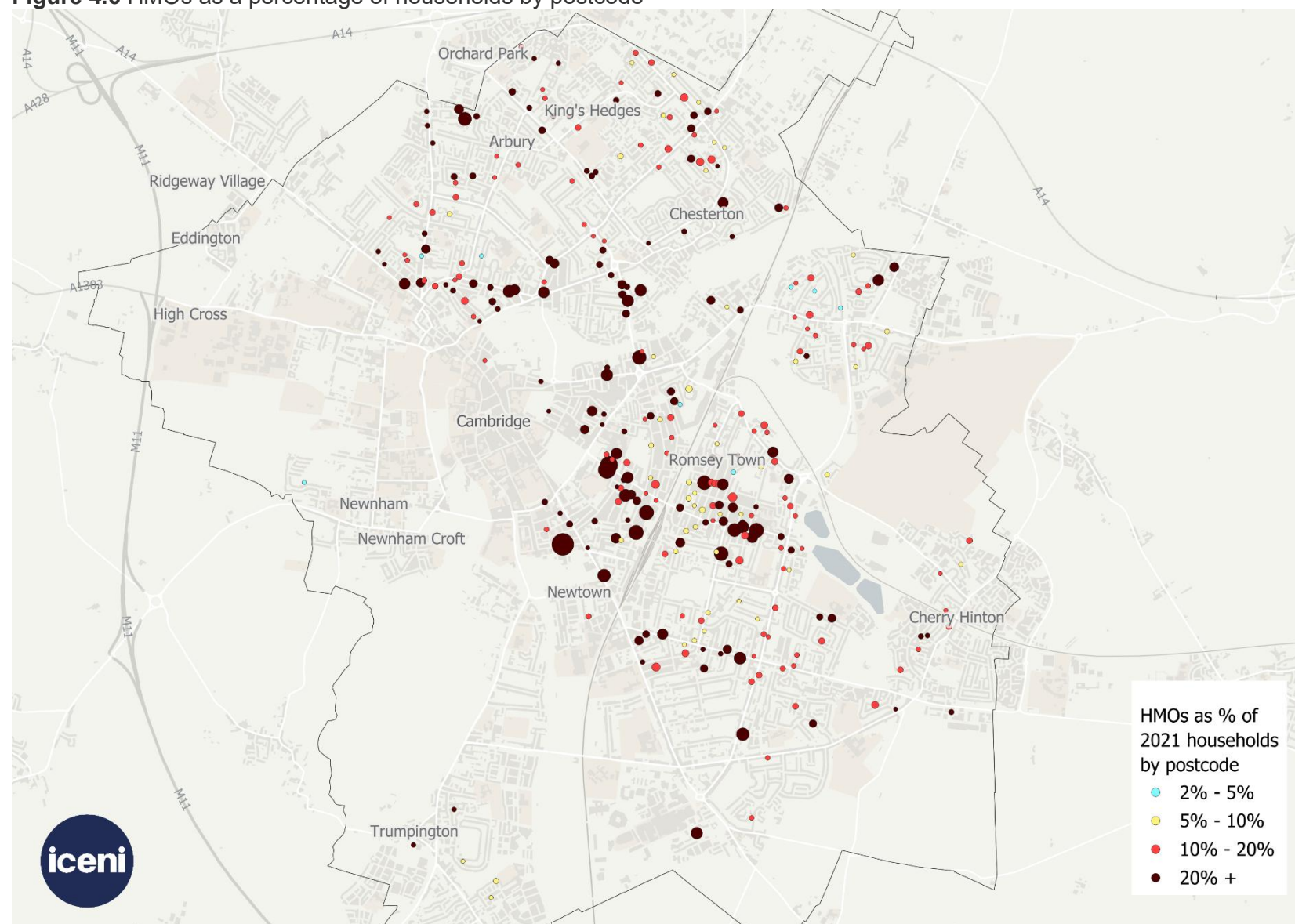
- 4.46 This analysis demonstrates that, as noted above, the concentration of HMOs is greatest in the Petersfield and Romsey wards, particularly along the Mill Road corridor, with smaller clusters in West Chesterton (along Chesterton Road and Victoria Road), Kings Hedges (along Milton Road) and Arbury.
- 4.47 There are multiple output areas in which HMOs make up over 10% of all housing, which is the typical rule-of-thumb cutoff for areas of high HMO concentration. There are also some areas where HMOs account for over 20% of the stock. High concentrations are particularly notable along and around Mill Road and Coldhams Lane.
- 4.48 Mindful of the clustering of HMOs along major road corridors that is visible in the mapping above, Iceni have also analysed the proportion of housing that HMOs make up by postcode. The results of this analysis are shown in Figure 4.6 below.
- 4.49 As postcode-level housing stock estimates are not available, a proxy in the form of household counts from the 2021 census has been used (this should correspond relatively closely to housing stock in most areas, with a small difference as some homes were vacant).
- 4.50 In areas of predominantly terraced or semi-detached housing, each postcode typically corresponds to a block of housing along a road, or in some cases, adjacent blocks.
- 4.51 As such, in most areas, this analysis shows the proportion of housing along each block or street that HMOs make up. In flatted housing or higher-density housing, the results are less meaningful, as there is typically one postcode per building.

Figure 4.5 HMOs as a percentage of housing (by output area)



Source: Iceni analysis of Council data, ONS Census 2021

Figure 4.6 HMOs as a percentage of households by postcode



Source: Icen analysis of Council data, ONS Census 2021

Note: Postcodes with 3 or fewer HMOs are not shown.

- 4.52 While it does not speak to HMO prevalence more broadly, the postcode-level analysis does show the degree of concentration along particular road corridors.
- 4.53 There are multiple postcodes where HMOs make up 20% or more of homes, and many others where they make up 10% or more.
- 4.54 These blocks are found particularly along Mill Road, Cherry Hinton Road, Elizabeth Way, Victoria Road, Milton Road, Perne Road, Hills Road and Coldhams Lane. A more complete list is provided in Appendix A1.
- 4.55 When considered across larger areas with a higher level of aggregation (e.g. lower super output areas, wards, etc.), these concentrations along major corridors and in selected postcodes would become less significant, and HMOs would make up a smaller proportion of homes.
- 4.56 Overall, the analysis of HMOs as a proportion of housing stock reveals that:
- On issues of concentration within a broader area or neighbourhood, the areas of Romsey and Petersfield wards around the Mill Road Corridor commonly exceed the 10% threshold considered for HMO overconcentration.
 - There are other smaller areas in which HMOs make up over 10% of homes, but HMOs would be well below 10% of homes when assessed at larger spatial scales, such as neighbourhood or ward level.
 - HMOs are highly concentrated along major road corridors, such as Mill Road, as well as elsewhere, with blocks of housing where more than one in four homes is an HMO. This could be considered a high level of overconcentration at a very localised level. In many cases (with the notable exception of the Mill Road area), HMO concentration is much lower on side streets (i.e., roads that are not major and have predominantly residential uses).

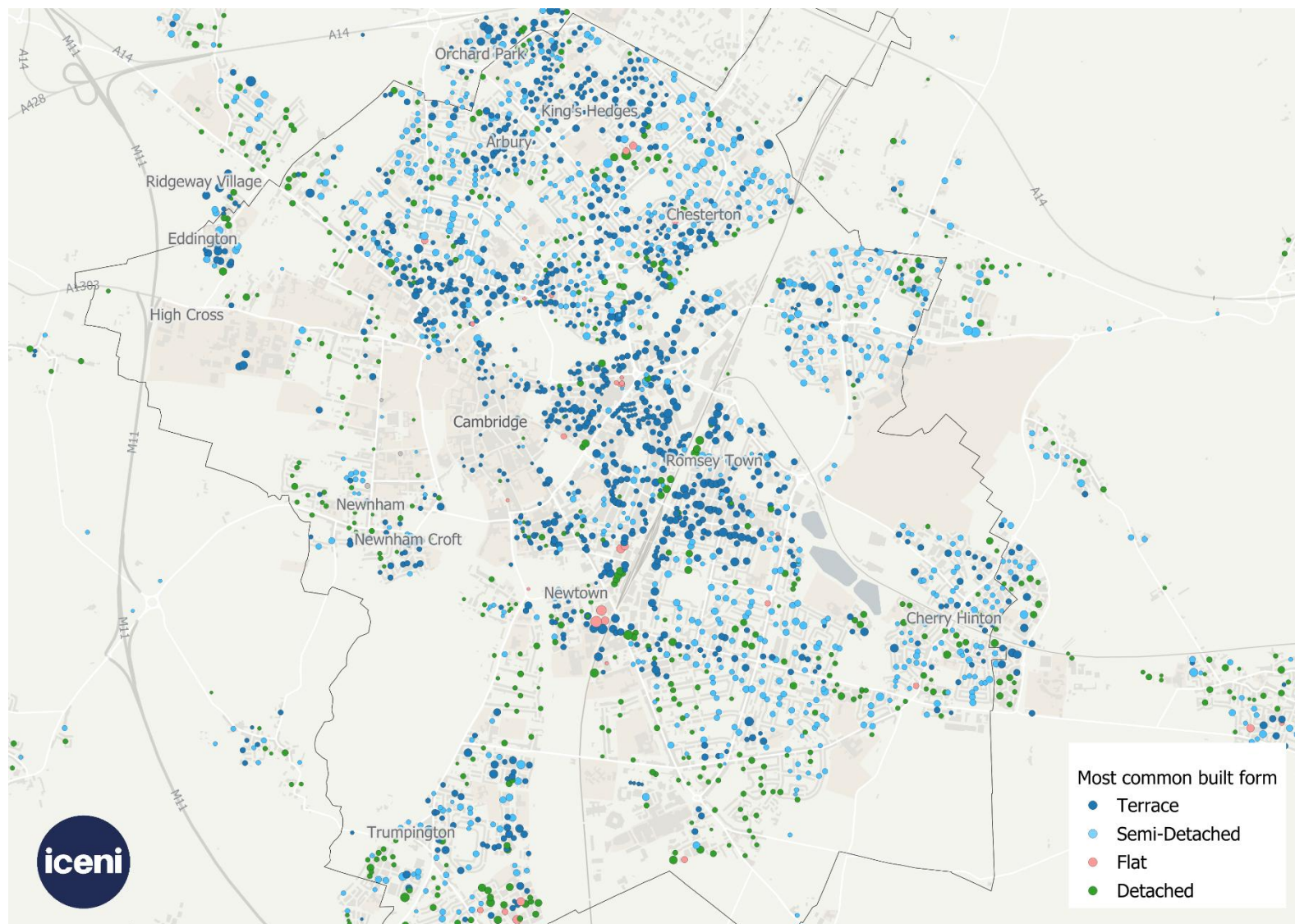
Housing profile

- 4.57 In the context of potential overconcentration of HMOs in parts of Cambridge, Iceni has considered the profile of housing used as HMOs in different parts of Cambridge to inform planning policy and the boundaries of any potential Article 4 direction.
- 4.58 Cambridge City Council's HMO register does not provide a detailed profile of HMOs by housing type. Data on the number of rooms is available for licenced HMOs in Cambridge; however, because only HMOs housing five or more people in two or more households require a licence, this data only covers larger HMOs.
- 4.59 The data shows that the vast majority of licenced HMOs in Cambridge have five or six rooms of sleeping accommodation (76% of licenced HMOs), and either zero (17%) or one (68%) of living accommodation.
- 4.60 Figure 4.7 to Figure 4.9 below illustrates the predominant housing type and median house price across different parts of Cambridge. The overall median house price is shown first, although this will partly reflect the housing stock composition in each area.
- 4.61 This is followed by the median price for terraced housing, which provides a more like-for-like comparison by being restricted to a single housing type.
- 4.62 The sizes of the hexagons on the housing price maps illustrate the number of sales in each area, with no hexagon shown where there were none (or very few) sales over the period considered.
- 4.63 In the areas immediately surrounding Central Cambridge, terraced housing is the predominant housing type. This extends across most of the Petersfield and Romsey wards, where HMOs are highly prevalent.

- 4.64 Terraced homes are also dominant along several major road corridors, for example, Cherry Hinton Road and Victoria Road. There are also large numbers of HMOs along these corridors.
- 4.65 Further from the centre, as the area becomes more suburban, semi-detached homes become more common. This is particularly the case north and south of Cherry Hinton Road (an area with fewer HMOs), as well as in Cherry Hinton and Barnwell.
- 4.66 House price mapping does not reveal clear spatial differentiations to explain why areas have higher or lower concentrations of HMOs. In more detail, it is noted that:
- The western part of Cambridge (for example, around Newnham), in which there are few HMOs, has relatively high prices. Given that the predominant housing type in these areas is semi-detached and detached homes, this likely makes them too expensive to convert to HMOs on a widespread basis.
 - There is no notably lower pattern of house prices around Mill Road that would partly explain its high concentration of HMOs, although prices around Coldhams Lane do appear to be slightly lower.
 - House prices (both for all dwellings as well as terraces only) are lower further from Central Cambridge to the north, east and south-east in Cherry Hinton, Barnwell and Kings Hedges. These areas contain some HMOs despite a housing profile more weighted towards semi-detached homes.
- 4.67 Overall, this analysis suggests that HMO concentration is partly driven by housing stock type, with terraced homes generally cheaper than semi-detached homes and so more viable for conversion to HMOs.
- 4.68 Along with a likely small depression in values along busier roads, this explains the high number of HMOs along major roads like Cherry Hinton Road and Perne Road, while there are relatively few in adjoining side streets, which predominantly contain larger and more expensive semi-detached homes.

- 4.69 The predominance of terraced homes east of Central Cambridge in the Mill Road corridor, as well as along Victoria Road, is also likely to contribute to the high number of HMOs in these areas. Impacts on values and property turnover from a major road location are again likely to be another contributing factor.
- 4.70 Locations close to Central Cambridge and to Anglia Ruskin University (as opposed to suburbs like Cherry Hinton, Trumpington and Barnwell) are likely to be more in demand for those seeking HMO accommodation, as evidenced by higher HMO rental prices (discussed in the next chapter). This is also likely to contribute to HMO concentration.

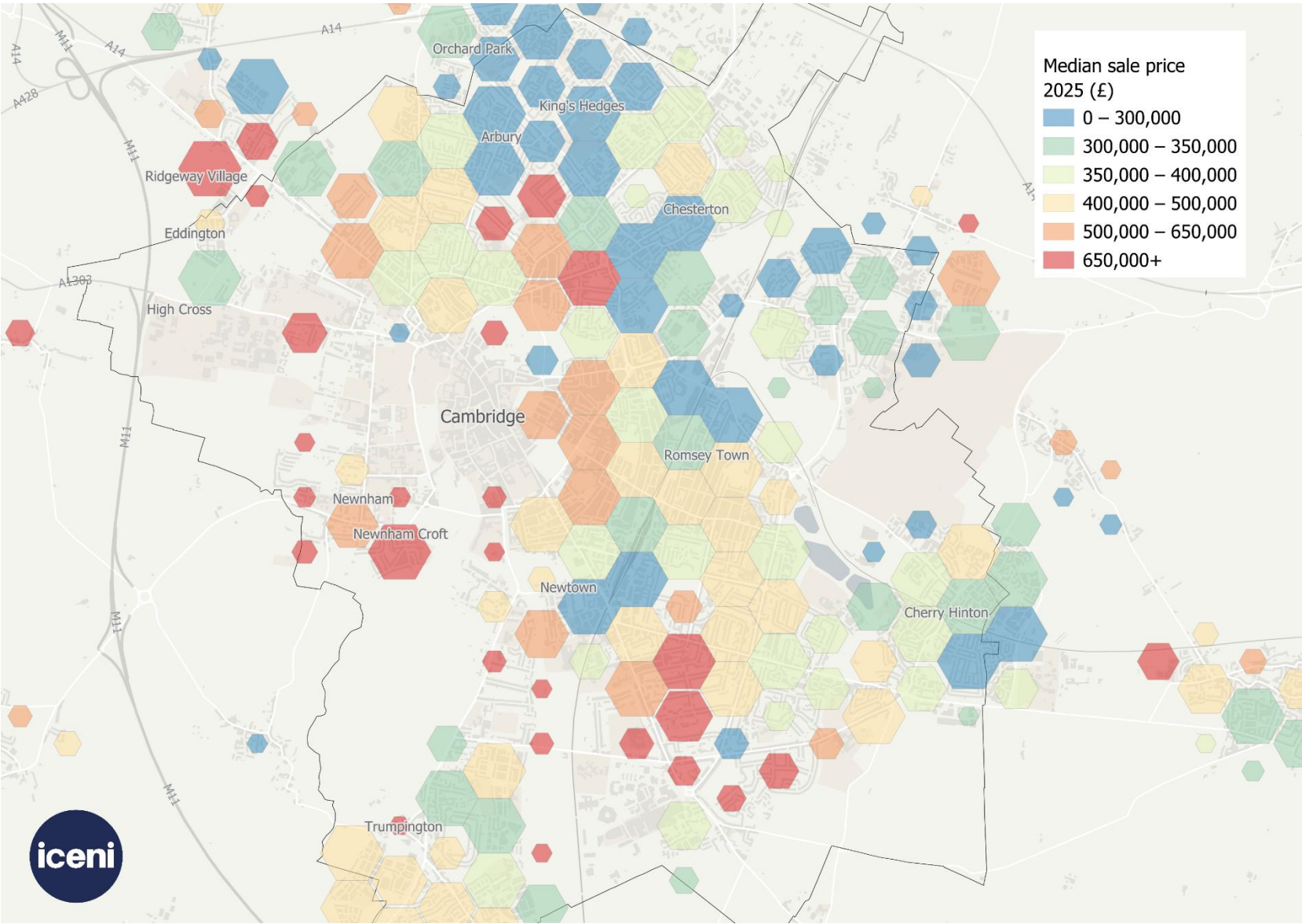
Figure 4.7 Distribution of housing built form across Cambridge



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

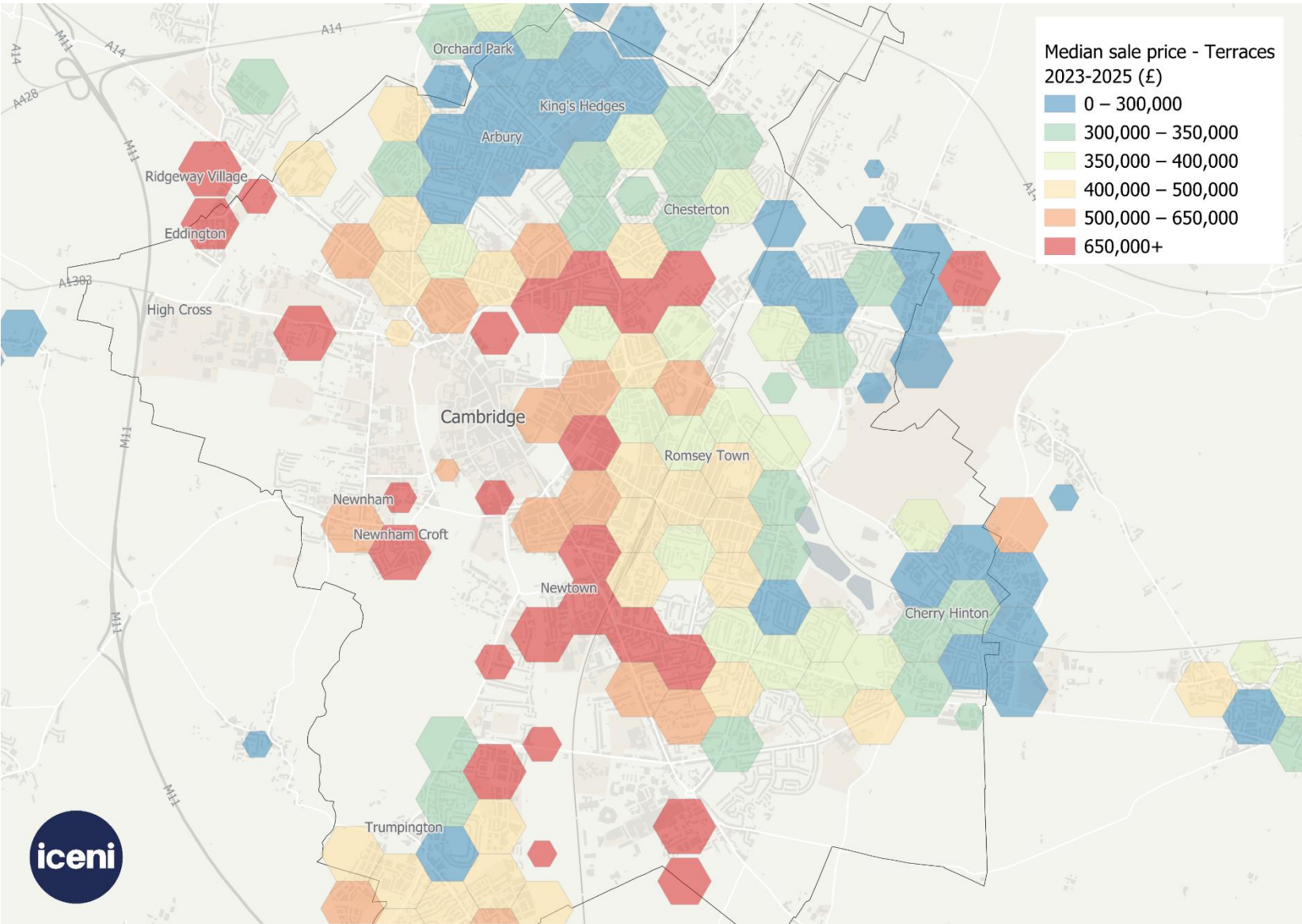
Source: Icen analysis of EPC Data

Figure 4.8 Median house price (2025) in different parts of Cambridge



Source: IcenI analysis of HM Land Registry Price Paid Data

Figure 4.9 Median terraced housing price (2025) in different parts of Cambridge



Source: Icení analysis of HM Land Registry Price Paid Data

- 4.71 Following on from this analysis, if the council seeks to apply an Article 4 direction, areas with predominantly terraced housing closer to Central Cambridge and along major road corridors appear to be those at greatest risk of HMO conversion. There are also large numbers of HMOs on side streets adjoining Mill Road, where there is a high concentration of terraced housing.
- 4.72 Larger semi-detached homes south of Mill Road and north and south of Cherry Hinton Road appear to be at lower risk.
- 4.73 However, any lower risk may depend on there being no restrictions on HMO conversions on the main road corridors. The creation of an Article 4 direction along only main road corridors could displace HMO conversion activity into adjoining streets, particularly if they also contain relatively cheaper terraced homes.
- 4.74 In addition to informing the potential geography of an Article 4 Direction, this analysis also has implications for Local Plan policy.
- 4.75 In areas with a high proportion of terraced housing, overconcentration of HMO conversion has the potential to give rise to cumulative impacts on residential amenity, including through noise, waste storage, cycle parking and on-street parking pressures.
- 4.76 Particularly acute impacts are possible on terraced homes sandwiched between two HMOs with which they share party walls and where front and back driveway/gardens adjoin.
- 4.77 This suggests a need for planning policies which manage impacts on neighbours (for example, through sandwiching of C3 homes with HMOs), limit broader amenity and character impacts resulting from over-concentration, and ensure suitable design, layout and servicing arrangements in HMO conversions.

Engagement

- 4.78 Icení has engaged with stakeholders at the University of Cambridge, Anglia Ruskin University and within Cambridge City and South Cambridgeshire District Councils as part of this project. The results of this engagement are reported here and also within the next chapter.

University of Cambridge and its colleges

- 4.79 Icení engaged with the bursars of three Cambridge colleges (Trinity Hall, Jesus College and Christ's College), including the chair of the bursars planning committee, regarding college use of HMOs.
- 4.80 Two of the colleges represented make extensive use of HMOs to house postgraduate students, and it was indicated that this practice is also relatively common at other colleges.
- 4.81 Over time, there is an aspiration to house a greater proportion of postgraduates in college-provided accommodation, with colleges seeking to increase HMO usage to do this. Almost all undergraduates stay in college-provided halls.
- 4.82 The aspiration to increase HMO provision responds to concerns with the affordability, quality and availability of accommodation for students in Cambridge.
- 4.83 Accommodation is particularly difficult to access for international students and those needing short-term or flexible leases, for example, those requiring only a single term or an extension to allow them to finish a doctorate.
- 4.84 The provision of private purpose built student accommodation (PBSA) to accommodate postgraduates was considered highly unlikely without direct college involvement, given market and land constraints.
- 4.85 The colleges seek to provide HMOs as an extension of their college, with HMOs clustered on streets adjoining or near the colleges. In many

cases, a series of houses on the same street, or even backing onto the main college, are acquired, with some streets effectively becoming part of the college, and all homes (or nearly all) becoming college-owned HMOs.

- 4.86 The HMOs are managed and maintained in common with college facilities. This clustering and management enables effective pastoral support and welfare provision for students (including mental health and tutorial support), as well as efficient property management (maintenance, housekeeping and security). Clustering is also beneficial for building a student community.
- 4.87 The bursars noted that this clustering model mitigates some of the concerns associated with HMOs, such as management standards and amenity impacts on adjoining properties, as colleges maintain properties to a high standard and hold them long-term.
- 4.88 Applying an Article 4 direction would have the potential impact of increasing the number of planning applications colleges need to lodge to expand their HMO provision.
- 4.89 Planning policies preventing HMO concentration (a common policy approach, and which exists and continues to be proposed in Cambridge) could have unintended consequences for college-managed accommodation by forcing dispersal away from colleges and undermining welfare/support functions and their ability to maintain and manage their HMO stock.
- 4.90 It was noted that an Article 4 direction or further restrictions in Local Plan policy could be workable if policy tests distinguish college-managed HMOs from the wider HMO market, and apply an approach that recognises local context, potentially with supplementary planning guidance to address nuance.

- 4.91 Alternatively, it may be possible to craft an Article 4 direction spatially to exclude areas around and adjoining colleges and college properties in Central Cambridge.

Anglia Ruskin University

- 4.92 Icení engaged with representatives of the Anglia Ruskin University (ARU) estates team to understand the University's use of HMOs and the role of HMOs in housing students.
- 4.93 ARU operates a different accommodation model from the University of Cambridge. While the University of Cambridge has a collegiate model in which almost all undergraduates live in colleges, ARU has a more traditional university model with students living in a mix of university owned and private housing. First-year students typically live in university-provided accommodation, with most moving out for the second and later years.
- 4.94 According to data from the Higher Education Statistics Agency (HESA), of ARU's 27,570 students (across all campuses):
- 750 live in provided, maintained properties (aka Halls of Residence),
 - 1,320 live in private PBSA,
 - 9,650 live in their own residence (which may include some HMOs),
 - 5,590 live in other rented accommodation (likely to be mostly HMOs), and
 - 9,260 live with their parents/guardians or in another type of housing.
- 4.95 As such, PBSA and other university-provided accommodation make up a relatively small proportion of the total student body, while many live in HMOs and other rented accommodation.
- 4.96 ARU provides an accommodation search website to assist students in finding HMOs and other private rental accommodation. This provides

ARU with some leverage over landlords to ensure appropriate housing quality and management.

- 4.97 As of April 2026, ARU's data showed several hundred HMO rooms being marketed to students on ARU's online accommodation platform. However, not all of these will be exclusively occupied by ARU students, as rooms may also be advertised on other platforms such as Rightmove or Spareroom.
- 4.98 There are three on-campus university-owned halls of residence at ARU (i.e., Peter Taylor House, Swinhoe Hall, and Anastasia House), providing 447 student beds in total. The University also provides accommodation through nomination and lease agreements with four further private halls (CB1, The Railyard, YMCA and Sedley Court), totalling 890 beds.
- 4.99 In addition to this accommodation, ARU owns and manages several HMO properties within Cambridge. This includes a cluster of homes on Collier Road and adjacent to the main campus, providing 101 student rooms. These HMOs are managed relatively intensively, including through on-call support and active intervention where issues arise.
- 4.100 Given their clustering, proximity to ARU and management, these HMOs could be considered to operate analogously to university halls or University of Cambridge college-provided HMOs. As such, they could be considered to merit different consideration in planning policy from general HMO stock., .
- 4.101 ARU also accommodates students in HMOs throughout the broader area in properties which are leased from private landlords. As of April 2026, 38 student rooms are provided in this way.
- 4.102 In their distribution and potential impacts, these properties are more similar to general market HMOs that students might occupy, and so do not appear to warrant similar exclusions from an Article 4 Direction or from policy tests around HMO clustering and concentration.

- 4.103 ARU staff indicated that their reliance on leasing private HMOs for student accommodation has decreased recently due to competition from private PBSA. As a result, the university intends to reduce the number of leased HMOs it has.
- 4.104 Looking forward, ARU staff anticipate some growth in student numbers, although there are risks to this growth from demographic trends, changes in higher education participation and international student flows.
- 4.105 Given the expected continued presence of PBSA in Cambridge, staff did not consider there to be a likely increase in need for university-provided HMO accommodation in the near future.

Cambridge City Council Environmental Health and Enforcement

- 4.106 IcenI engaged with staff in the environmental health and enforcement team at Cambridge City Council.
- 4.107 As noted in the previous chapter, Cambridge City and South Cambridgeshire District Councils only operate the nationally mandated HMO licensing scheme.
- 4.108 Cambridge City Council carried out a study ([link](#)) in 2021 to explore a licensing scheme covering HMOs with three or four occupants but decided not to introduce one.
- 4.109 HMO properties are dispersed widely across the city and mixed in among diverse tenures, sometimes on the same streets as both social renters, private rented and owner occupiers. The Romsey and Petersfield wards host a high number of student tenants.
- 4.110 Both the University of Cambridge and Anglia Ruskin University provide student accommodation, with the latter having expanded its provision of halls of residence. However, in both cases, there has been no discernible drop-off in demand for HMOs.

- 4.111 There is also significant demand from staff at Addenbrooke's Hospital, often in lower-paid roles (e.g. healthcare assistants, porters, and cleaners), who tend to occupy the more affordable end of the private rented sector (PRS).
- 4.112 Some doctors and nurses are housed on-site in dedicated hospital accommodation, including a small number of shared blocks with communal kitchens which typically cater to newly qualified staff alongside students.
- 4.113 Separately, Iceni has consulted with the NHS around housing in different parts of the country, and they have invariably highlighted the need for more affordable housing for them to retain and attract staff. This is particularly noticeable in less affordable areas such as Cambridge.
- 4.114 In recent years, there has been an increase in landlords revoking their HMO licences, potentially due to forthcoming reforms in the private rented sector. However, many of these properties are subsequently relicensed after a sale, while some revert to family homes.
- 4.115 Thanks to consistently high demand for housing, rooms in HMOs are quickly reoccupied, which in turn drives very high rents. There is no typical tenant profile, as many landlords switch from students to young professionals year to year.
- 4.116 Some properties are used to house asylum seekers or refugees, but these tend to be self-contained units rather than shared accommodation.
- 4.117 Difficulties have arisen with short-term lets advertised as Airbnbs: some landlords claim an HMO is actually an Airbnb to evade licensing. In contrast, others present short-term lets as HMOs to avoid stricter safety regulations.
- 4.118 A 2025 Hotel Need Study commissioned by Cambridge City Council and South Cambridgeshire District Council (Greater Cambridge Future

Hotel Need Study July 2025, ([link](#)) showed there to be around 1,050 Airbnbs in Greater Cambridge. While these appear to be concentrated in the same locations as HMOs (i.e. south-east and north of Central Cambridge), spatial data is not shown in enough detail to more rigorously consider the degree of spatial correlation.

- 4.119 Complex sub-letting arrangements are becoming more common, wherein a tenant rents from the original landlord and then sub-lets to multiple occupants, making it challenging to determine liability and enforce standards. These situations involve property managers as intermediaries as well as individuals.
- 4.120 Resident groups, particularly in Queen Edith's Ward, have raised concerns about the proliferation of HMOs, citing perceived increases in anti-social behaviour, drug misuse, and a transient community, all of which impact safety. However, research by the City Council and the Police has not established any direct correlation between HMOs and such issues.

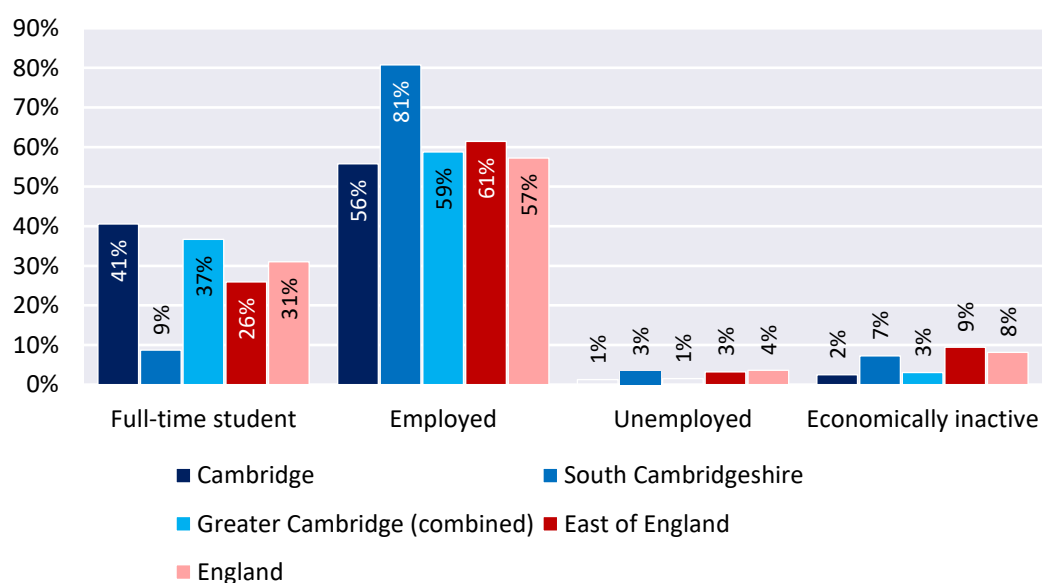
Tenant Profile

- 4.121 Census data from 2021 has been used to provide an approximate profile of local HMO tenants.
- 4.122 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.
- 4.123 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.

- 4.124 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.
- 4.125 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 a residence).
- 4.126 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.
- 4.127 The 2021 Census recorded around 17,333 people with these living arrangements across Greater Cambridge, comprising 15,216 in Cambridge and 2,117 in South Cambridgeshire.
- 4.128 By contrast, Cambridge City Council’s data shows that around half of all HMOs are licenced, with licenced HMOs in Cambridge able to accommodate up to 5,319 people.
- 4.129 These figures are not directly comparable due to differences in methodology and what is and is not included. Still, the comparison suggests that the Council’s figures may somewhat underestimate the population living in HMOs (though they apply only to licenced HMOs).
- 4.130 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 26% in the East of England.
- 4.131 This percentage is very low for South Cambridgeshire, where only 9% of likely HMO residents are students, but relatively high for Cambridge, where students make up 41% of likely HMO residents (see Figure 4.10 below).

- 4.132 This high percentage reflects the strong role of the universities in Cambridge's housing market. However, it is notable that students still make up less than half of all HMO residents.
- 4.133 Likely HMO residents in Cambridge were also much less likely to be unemployed than those in England or the East of England more broadly (1.2% vs 3.6% and 3.2%, respectively), and much less likely to be economically inactive (2.5% vs 8.2% and 9.4%, respectively).
- 4.134 South Cambridgeshire likely HMO residents are closer to the regional and national averages (3.3% unemployed and 7.3% economically inactive).
- 4.135 Most of the likely HMO residents across Cambridge and South Cambridgeshire are in employment, this is also true regionally and nationally. However, a particularly high proportion of South Cambridgeshire's likely HMO residents are employed (81%), owing to the low proportion who are students.

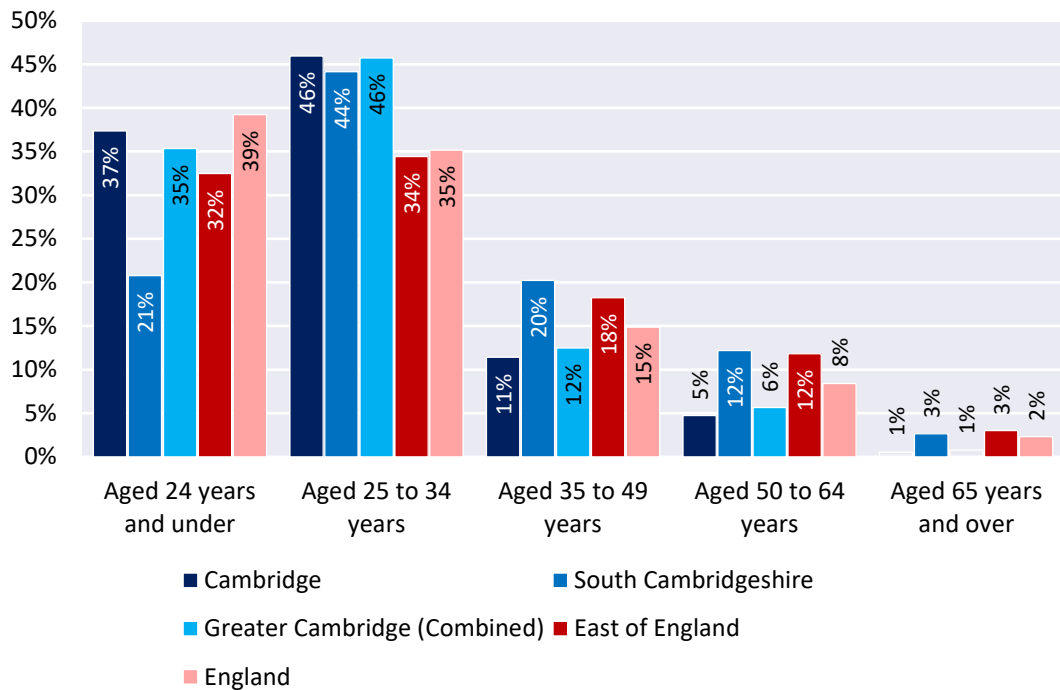
Figure 4.10 Economic activity status of residents in likely HMO households



Source: Iceni analysis of 2021 ONS Census

- 4.136 In both Cambridge and South Cambridgeshire, those aged between 25 and 34 are the most common age group in likely HMO residents (see Figure 4.11 below).
- 4.137 These groups make up a much higher proportion of likely HMO residents than in England or the East of England (46% in Cambridge and 44% in South Cambridgeshire vs 34% in the East of England and 35% in England).
- 4.138 Cambridge also has a high proportion of likely residents aged 24 years and younger, although just below the national average (37% vs 32% in the East of England and 39% in England).
- 4.139 This reflects the high proportion of students living in likely HMOs in Cambridge. In contrast, those aged 24 or younger account for a relatively small proportion of likely HMO residents in South Cambridgeshire (21%). It is noted that almost all University of Cambridge undergraduates live in university-provided accommodation, which may help explain why those aged up to 24 do not make up an even larger share of Cambridge's likely HMO residents.
- 4.140 In South Cambridgeshire, there is a lower, although still substantial, proportion of likely HMO residents between the ages of 35 and 49 (21%), and 12% are between the ages of 50 and 64 (vs 11% and 5% respectively for Cambridge).
- 4.141 While older people aged 65 years and over make up 2.6% of likely residents in South Cambridgeshire and 0.5% in Cambridge, this amounts to 81 people in Cambridge and 56 in South Cambridgeshire, making nearly 150 older people living in HMOs across Greater Cambridge.

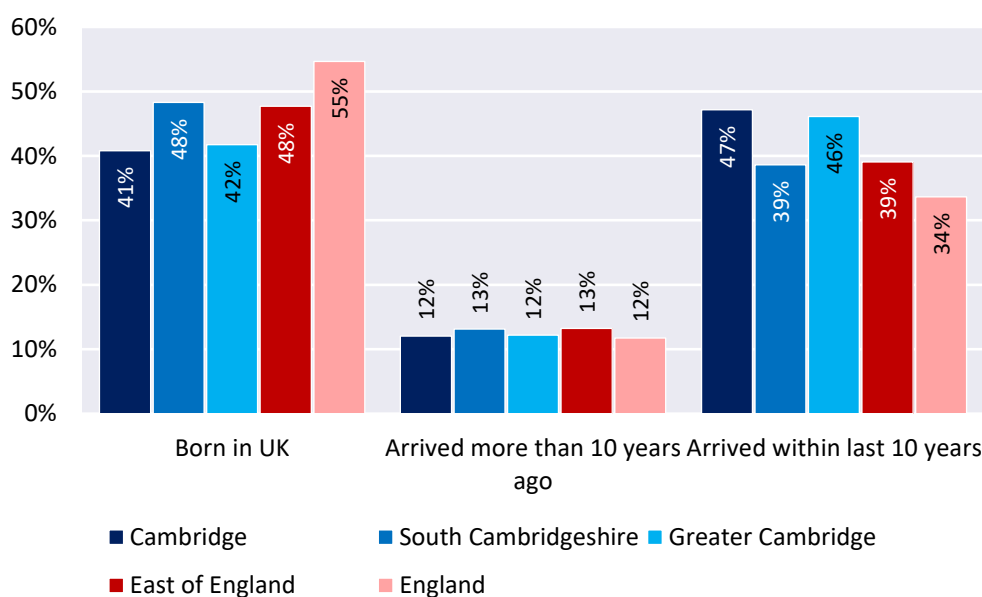
Figure 4.11 Age profile of residents in likely HMO households



Source: IcenI analysis of 2021 ONS Census

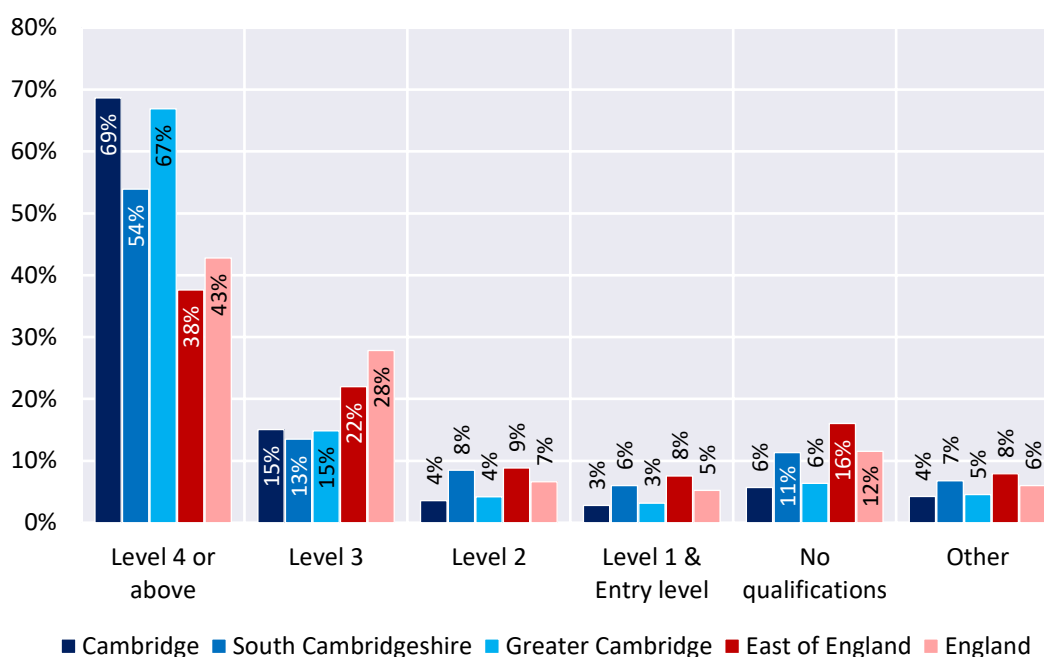
- 4.142 HMOs also have a role in providing accommodation for recent migrants. As shown in Figure 4.12 below, people who arrived in the UK from overseas within the last 10 years account for 47% of likely HMO residents in Cambridge and 39% in South Cambridgeshire, both above the England-wide average of 34%.
- 4.143 It is likely that some of the recent arrivals living in HMOs in Cambridge are international students. However, some are not, given that 47% of likely HMO residents arrived within the last 10 years, while only 41% are students.

Figure 4.12 Year of arrival in the UK for residents of likely HMO households



Source: IcenI analysis of 2021 ONS Census

- 4.144 Figure 4.13 and Figure 4.14 below 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).
- 4.145 Compared to regional and national benchmarks, residents of likely HMOs in Cambridge were highly skilled, with 69% having level 4 or higher qualifications.
- 4.146 The percentage is lower for South Cambridgeshire at 54%, although this is still very high compared to the regional (38%) and national (43%) levels.
- 4.147 Corresponding to this, there are relatively low proportions of likely HMO residents in Cambridge with lower levels of qualification. Only 12% of people had no qualifications or level 2 or below qualifications, compared to 26% in South Cambridgeshire, 32% in the East of England, and 23% in England.

Figure 4.13 Qualification profile of residents in likely HMO households

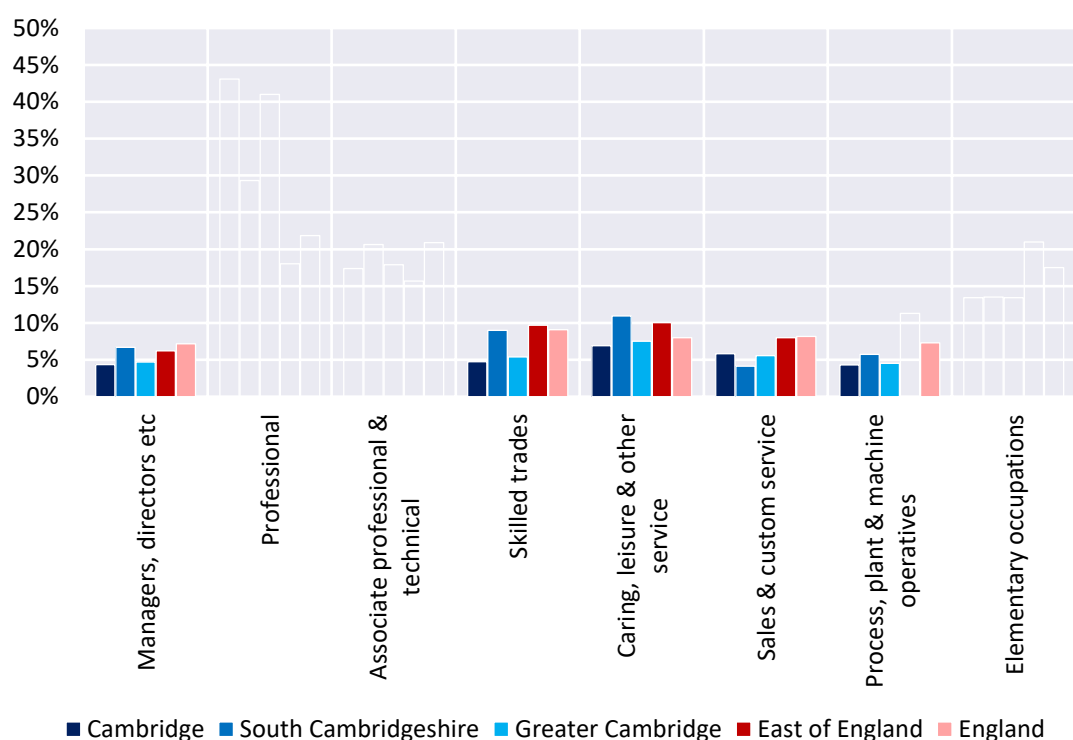
Source: Icen analysis of 2021 ONS Census

- 4.148 A very high proportion of employed likely HMO residents in Cambridge work in professional occupations (43%), with a somewhat lower level in South Cambridgeshire (29%), although still above the regional (18%) and national (22%) benchmarks.
- 4.149 Adding this to managers, directors and senior professional occupations, and associate and technical occupations, nearly two-thirds (65%) of employed likely HMO residents in Cambridge are in skilled or professional roles.
- 4.150 Again, the percentage is slightly lower in South Cambridgeshire at 57%, although still above half and substantially higher than the East of England (40%) and England as a whole (50%).
- 4.151 From this, it is clear that HMOs in Greater Cambridge also have a role in providing affordable housing to accommodate skilled workers.
- 4.152 Elementary occupations are the third most common group for likely HMO residents (13% in both Cambridge and South Cambridgeshire).

However, this is below the proportions seen in the East of England (21%) and England (17%).

- 4.153 This is followed by caring, leisure and other service occupations (7% in Cambridge and 11% in South Cambridgeshire vs 10% in East of England and 8% in England). This also demonstrates that HMOs have a role in accommodating lower-paid workers.

Figure 4.14 Occupation of residents in likely HMO households



Source: Iceni analysis of 2021 ONS Census

- 4.154 Drawing the evidence together, HMOs in Greater Cambridge are predominantly occupied by younger adults, particularly those aged 25–34, alongside a substantial proportion of students.
- 4.155 While students account for 41% of likely HMO residents in Cambridge, most residents are in employment, and levels of unemployment and economic inactivity are notably low.

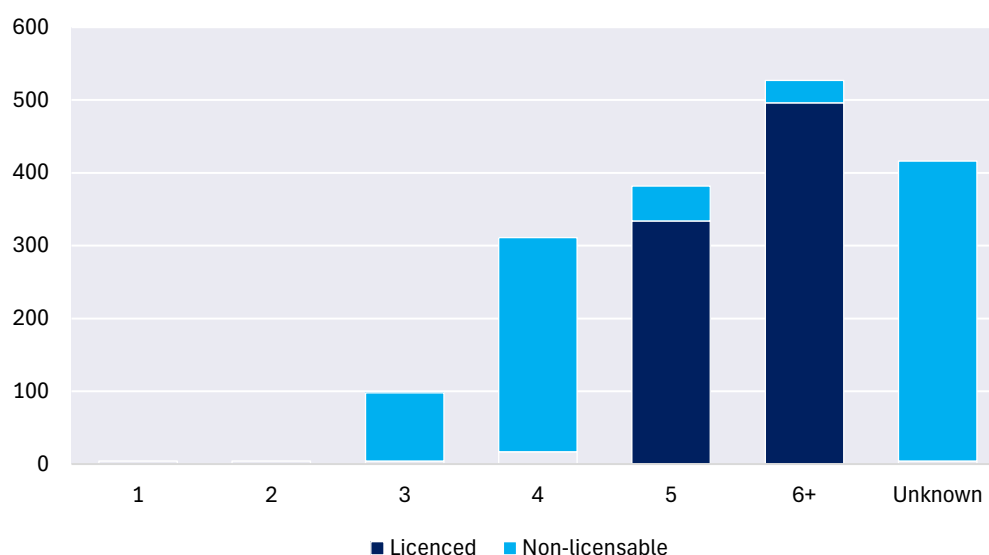
- 4.156 In South Cambridgeshire, the proportion of students is substantially lower (around 9%), with a correspondingly higher proportion of residents in full-time employment.
- 4.157 Given that likely HMO residents are generally highly qualified and working in professional or skilled roles, this paints a picture of young professionals as the main group occupying HMOs, particularly in Cambridge City (and to a lesser extent in South Cambridgeshire).
- 4.158 HMOs therefore perform an important economic function in enabling access to housing for a highly skilled workforce central to Cambridge's knowledge-intensive economy, particularly in the context of significant local housing affordability pressures. This will, in part, be a retention of the universities' graduates.
- 4.159 At the same time, HMOs also accommodate some recent migrants—many of whom have arrived within the last decade—and a proportion of lower-skilled workers in elementary and service occupations.
- 4.160 This demonstrates three roles that HMOs fulfil: housing young professionals in high-value sectors, students, and workers in essential lower-paid roles within the local economy.

Size of HMOs

- 4.161 There are several data sources on the size of homes being used as HMOs in Greater Cambridge, although each is either incomplete or provides an estimate only.
- 4.162 Council data provides counts of bedrooms for most licenced HMOs and estimated unlicensed HMOs in Cambridge City (shown in Figure 4.15 below), although similar data is not available for South Cambridgeshire.

- 4.163 According to Council data, the most common size for HMOs in Cambridge City is 6 or more bedrooms, making up 40% of HMOs for which the size is known.
- 4.164 This is followed by five bedrooms (29%) and then four bedrooms (23%), with a few smaller homes. However, the number of bedrooms is unknown for many unlicensed HMOs, and many would likely have relatively few bedrooms (for example, 3-4), which is why they do not require an HMO licence.

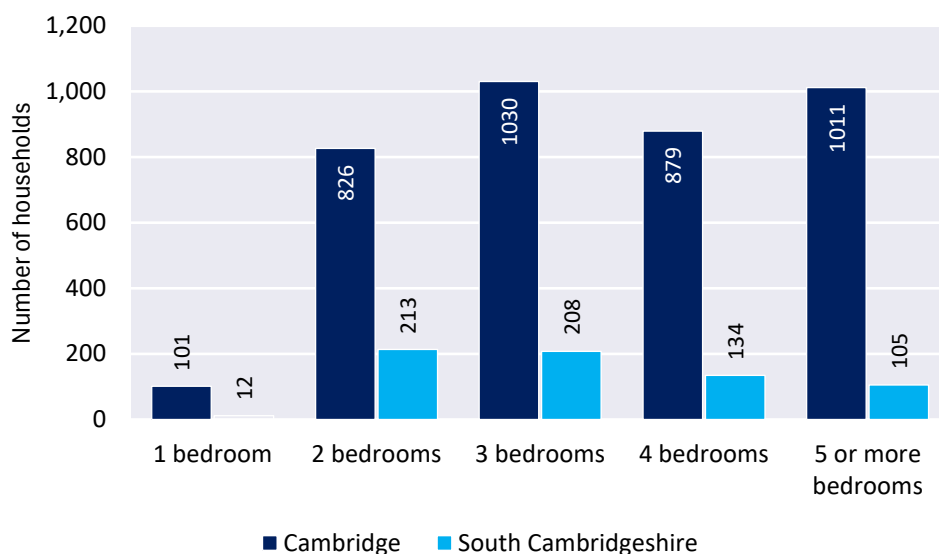
Figure 4.15 HMOs in Cambridge City by number of bedrooms



Source: IcenI analysis of Council data

- 4.165 Census data can also be used to identify the size of accommodation used by likely HMO households (using the same cross-tabulation as described in the previous section), as shown in Figure 4.16 below.

Figure 4.16 HMOs in Greater Cambridge by number of bedrooms



Source: IcenI analysis of ONS Census 2021

- 4.166 This data shows a mix of dwelling sizes from two to five or more bedrooms being used as HMOs across both Cambridge and South Cambridgeshire.
- 4.167 Nonetheless, larger homes are the most common, with homes of four or more bedrooms accommodating 47% of likely HMO households across Greater Cambridge, and those with three or more bedrooms accommodating 75%.

Supply of HMOs and impacts on other forms of housing

- 4.168 Some indication of the effect of HMO conversion on the broader housing stock by size is given by Council data on housing completions. Changes in housing stock through conversions to or from HMOs are shown for the period 2012 – 2025 in Tables 4.1 to 4.3 below.

Table 4.1 Change in housing stock through conversion to an HMO
(2012-2025) – Greater Cambridge

Dwelling type	One bed	Two beds	Three beds	Four + beds	Unknown beds	Overall
C3 homes	-12	-2	-13	-49	-25	-101
HMOs	0	0	0	104	6	110

Source: Iceni analysis of Council data

Table 4.2 Change in housing stock through conversion from an HMO
(2012-2025) – Greater Cambridge

Dwelling type	One bed	Two beds	Three beds	Four + beds	Unknown beds	Overall
C3 homes	48	8	2	5	0	63
HMOs	0	0	0	-19	-3	-22

Source: Iceni analysis of Council data

Table 4.3 Overall change in housing stock through conversion to or from an HMO (2012-2025)

Dwelling type	One bed	Two beds	Three beds	Four + beds	Unknown beds	Overall
C3 homes	36	6	-11	-44	-25	-38
HMOs	0	0	0	85	3	88

Source: Iceni analysis of Council data

- 4.169 Over this period, conversion to HMOs led to the loss of 101 C3 homes. However, some HMOs were also converted back into C3 homes, increasing the total by 63 homes and resulting in a net loss of 38 homes over this 13-year period (just 2.9 per annum).
- 4.170 Most homes converted to HMOs had four or more bedrooms, while most HMO to C3 conversions led to the creation of multiple one or two-bedroom flats per HMO.
- 4.171 As a result, the net effect of HMO conversions by dwelling size was to reduce the number of larger family-sized homes (a loss of at least 55 over the period) and to increase the number of smaller homes.

- 4.172 While the overall numbers of homes gained or lost are relatively small, Council completions data only show the effects of conversions to and from large HMOs, which require planning permission. It does not capture the effects of small HMOs on housing stock.
- 4.173 To understand the impact of these shifts on broader housing needs, Icení has considered the most recent evidence on market housing need in Greater Cambridge. This is provided in the Housing Needs of Specific Groups (HNSG) Report 2025, with the housing mix results shown in Table 4.4 below.
- 4.174 Based on demographic modelling, the HNSG Report 2025 recommends that 55% of new homes in Cambridge City and 65% in South Cambridgeshire be family-sized homes with three or more bedrooms, of which 20% in Cambridge City and 25% in South Cambridgeshire have four or more bedrooms.
- 4.175 As such, while family-sized housing makes up a greater proportion of need in South Cambridgeshire, there is a need for these homes in both authorities.

Table 4.4 Recommended market housing mix

Category	One bed	Two beds	Three beds	Four + beds
Cambridge	10%	35%	35%	20%
South Cambridgeshire	5%	30%	40%	25%

Source: Icen Projects, Greater Cambridge HNSG Report (2025)

- 4.176 For additional context, Table 4.5 below provides the breakdown of new homes recently completed in Greater Cambridge by size.
- 4.177 As Cambridge City is a constrained and largely developed area, there are few opportunities for lower-density housing development focusing on family-sized homes.
- 4.178 As a result, homes with three or more bedrooms made up only 19% of all new homes over the five years of data shown. This is substantially below the 55% need indicated by the most recent evidence.
- 4.179 There has been a more even mix of homes delivered in South Cambridgeshire, which does not have the same land constraints. Here, homes with three or more bedrooms accounted for 57% of new homes, somewhat below but much closer to the 65% need indicated by the evidence.

Table 4.5 Housing completions by size 2020-2024

Category	One bed	Two beds	Three beds	Four + beds
Cambridge	42%	38%	13%	6%
South Cambridgeshire	11%	32%	29%	28%

Source: Icen analysis of Council data

- 4.180 Comparing housing need to recent completions illustrates a disconnect between family housing need and development opportunities in Cambridge City. While there is a substantial need for additional family

housing, there are few opportunities to deliver it, resulting in a shortfall in the delivery of larger homes.

4.181 As most HMOs have three or more bedrooms (regardless of the data source considered), conversion of C3 homes to HMOs will exacerbate this shortfall, even if the number of homes converted to large HMOs is relatively small.

4.182 The same problems do not appear to be present in South Cambridgeshire, given its greater potential for lower-density housing development, which provides substantial amounts of family-sized housing.

Understanding the impact of HMOs

4.183 We have also analysed the locational profile of HMOs in the City to understand whether there are impacts on crime and social amenity. This is because HMOs are often cited, whether justified or not, as the cause of issues with noise, anti-social behaviour, parking, litter, etc.

4.184 The first analysis examines whether there is a correlation between Crime and HMOs in the City and then examines incidences of noise and rubbish complaints.

4.185 However, it should be stressed that correlation is not causation. For example, noise levels and rubbish/recycling issues can be higher due to a higher number of people in the accommodation and poorer infrastructure to meet the needs of that population.

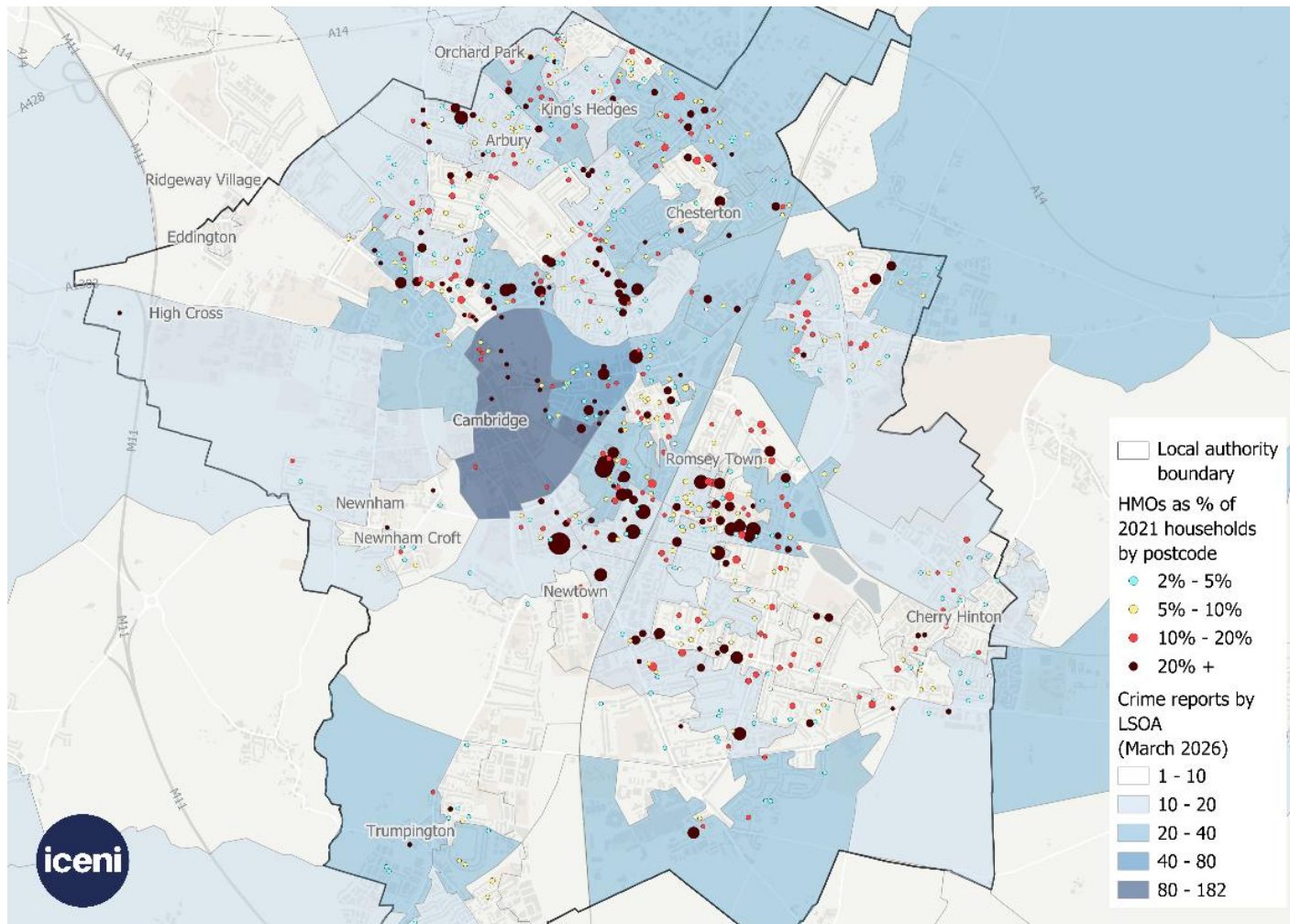
4.186 As illustrated in Figure 4.17 below, and as expected, the highest rates of crime are recorded in Central Cambridge, where there are very few HMOs.

4.187 However, even outside of the City Centre, there does not appear to be any correlation between overall crime rates and HMOs. While some

areas with a high concentration of HMOs, such as Petersfield, record above-average crime levels, other areas, such as Romsey Town, have lower levels.

- 4.188 Similarly, areas with above-average levels of recorded crime for the City, such as Trumpington and around Red Cross, have very few HMOs.

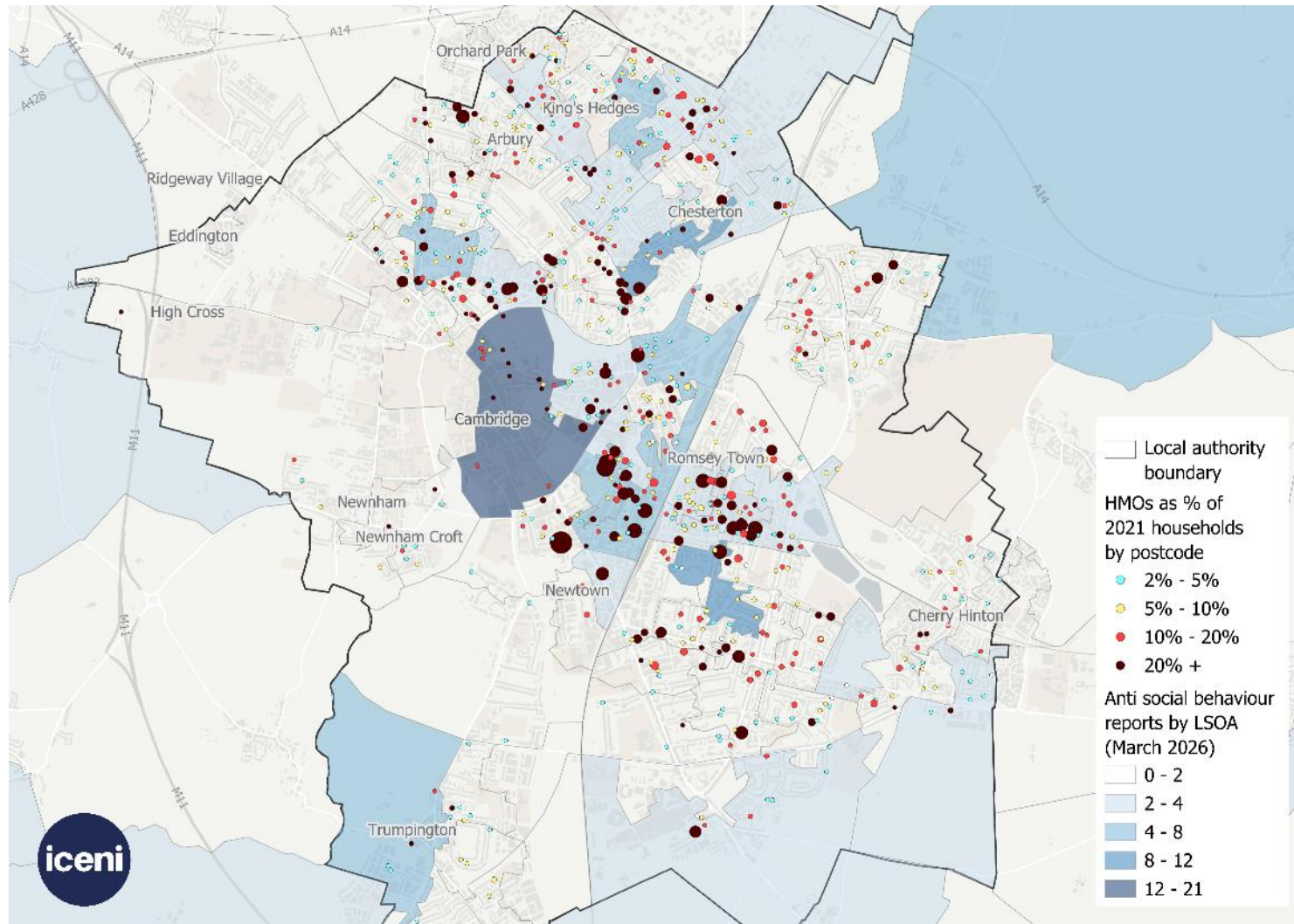
Figure 4.17 - Reported Crime Rates and HMOs (2026)



Source: Icen analysis of Cambridgeshire Constabulary and Council data

- 4.189 Looking specifically at Anti-Social Behaviour (ASB), which is illustrated in Figure 4.18 below, this shows a similar pattern to overall crime with concentrations in the City Centre as would be expected.
- 4.190 Again, there does not appear to be a strong correlation between those areas with a high concentration of HMOs and high numbers of recorded incidences of ASB.
- 4.191 In some cases, again in Petersfield, there are higher rates of ASB and HMOs. In other areas of high HMO concentrations, such as along Cherry Hinton Road, there are few or no instances of ASB.

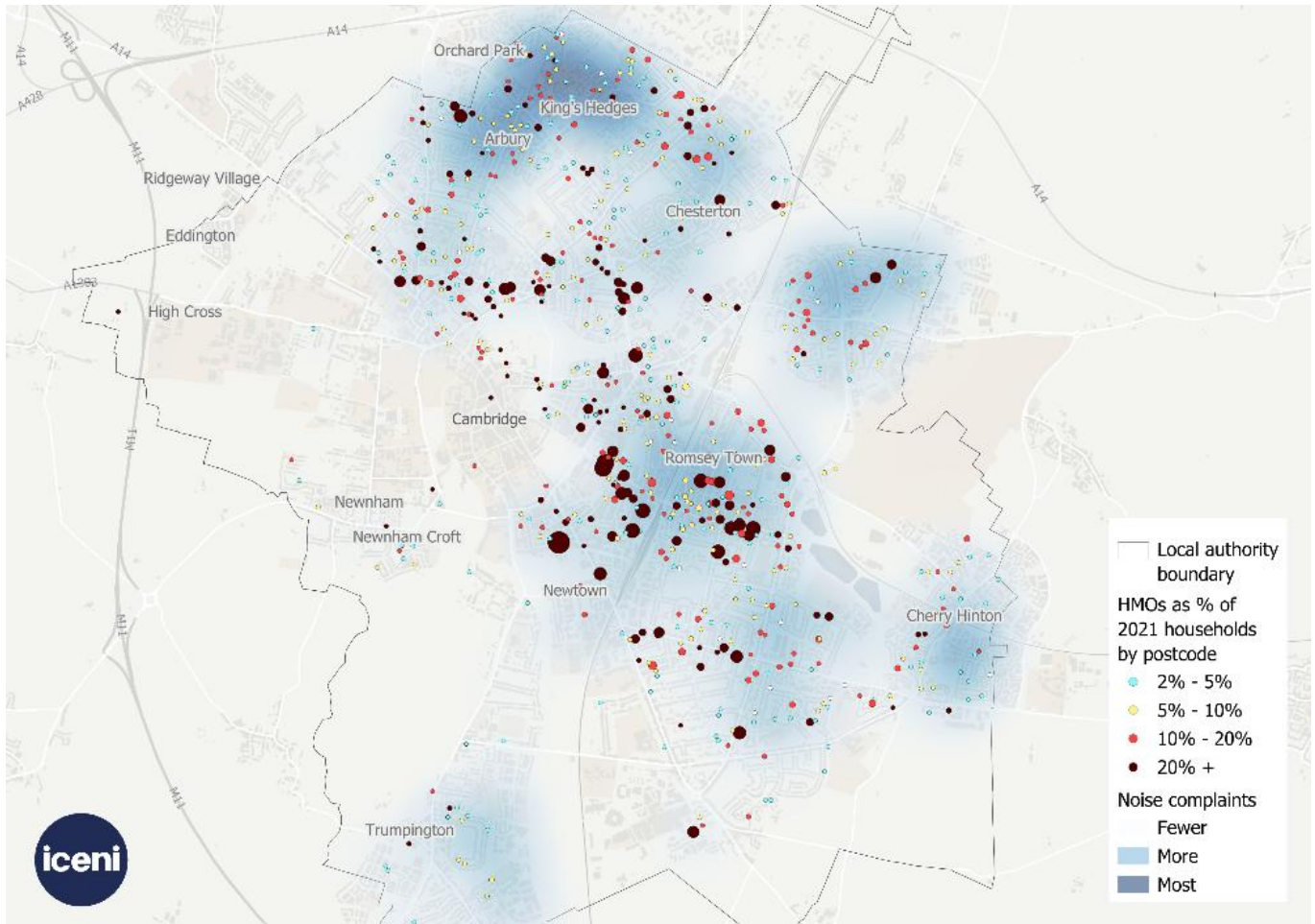
Figure 4.18 – Anti-Social Behaviour and HMOs (2026)



Source: Icen analysis of Cambridgeshire Constabulary and Council data

- 4.192 We have also analysed data from the City Council's Environmental Health Team regarding noise and rubbish complaints. As illustrated in Figures 4.16 and 4.17 below, there appears to be some correlation between these issues and HMO concentrations, although, again, it has to be stressed that correlation does not imply causation.
- 4.193 The map in Figure 4.19 below illustrates noise complaints in the City, to which we have overlaid HMO locational data. This shows some overlap between the two criteria.
- 4.194 While those areas with the highest number of noise complaints, around Arbury and Kings Hedges, have some HMOs, they are less concentrated in terms of HMOs than in other parts of the City with fewer complaints, e.g. along Victoria Road or Elizabeth Way.

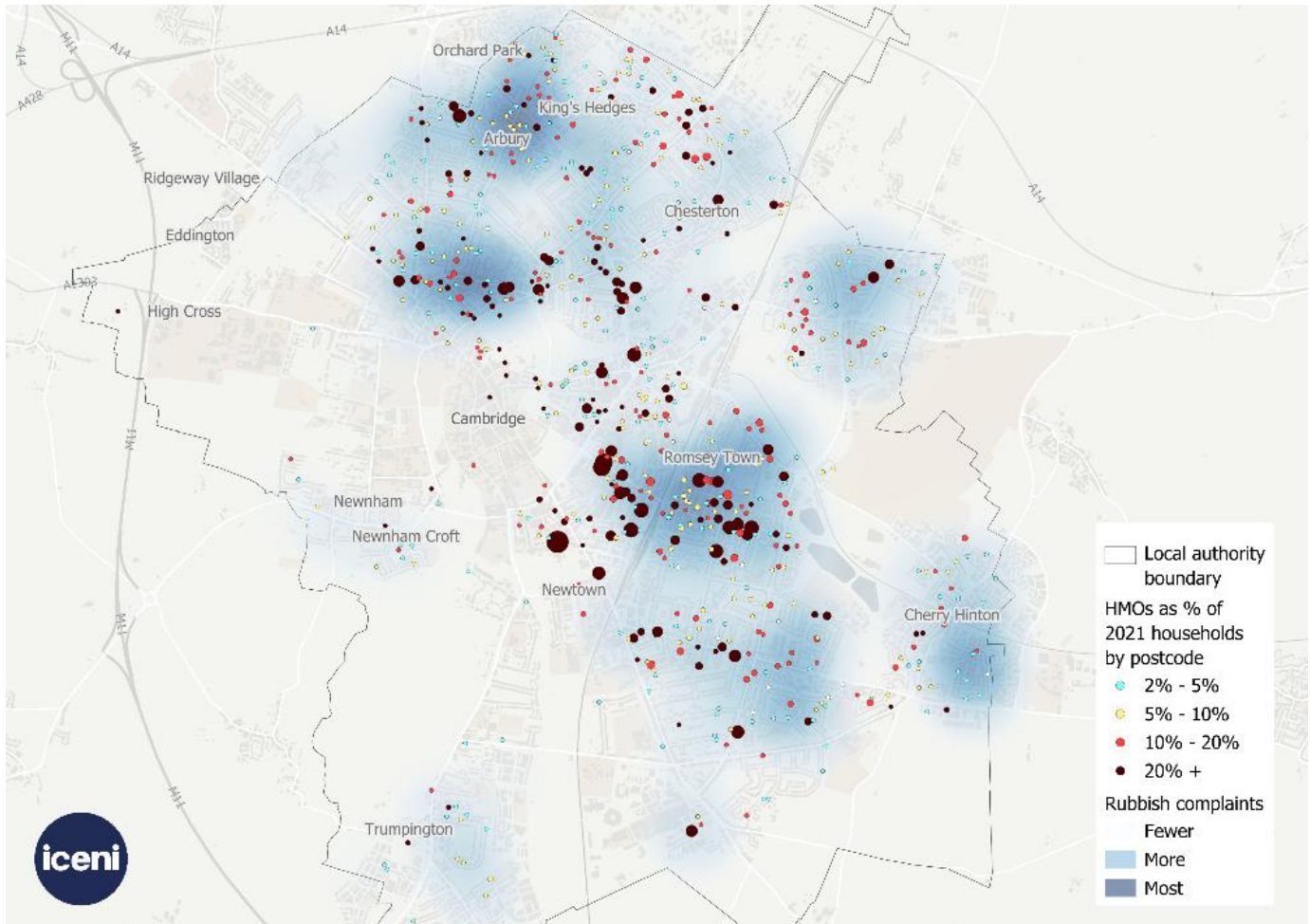
Figure 4.19 – Noise Complaints and HMOs (2021 - 2026)



Source: Icen analysis of City Council Environmental Health data

- 4.195 There appears to be some correlation between HMOs and the incidence of rubbish complaints, as illustrated in Figure 4.20 below. These are highest along Victoria Road and in Romsey Town, both of which have high numbers of HMOs. Similarly, in those areas with low numbers of complaints about rubbish, there appear to be very few HMOs.
- 4.196 Overall, this locational analysis does not point to any significant correlation between crime and HMOs, although there does appear to be some correlation with amenity impact, particularly rubbish complaints.

Figure 4.20 – Rubbish Complaints and HMOs (2021 - 2026)



Source: Icen analysis of City Council Environmental Health data

- 4.197 While no specific correlation is strongly identified, the planning process can help reduce risks through requiring management plans from Landlords and better application of relevant planning conditions and/or requirements once policy is put in place.

Summary

- 4.198 There are approximately 940 licenced HMOs across Greater Cambridge, with a substantially higher concentration in Cambridge City than in South Cambridgeshire.

- 4.199 HMOs account for a modest share of the overall housing stock, even when unlicensed small HMOs in Cambridge are included, but are highly concentrated in specific localised areas.
- 4.200 The highest levels of concentration occur in Romsey and Petersfield wards, particularly along the Mill Road corridor, with additional clustering along major road corridors such as Cherry Hinton Road, Victoria Road and Milton Road.
- 4.201 At a very localised (postcode/block) level, some streets contain more than 25% HMOs, although concentrations reduce significantly when assessed at a wider neighbourhood or ward scale. Detailed analysis of street level concentration is not possible, but a list of streets with apparent high HMO concentration is provided in Appendix A1.
- 4.202 HMO distribution is closely associated with housing stock type, particularly areas dominated by terraced housing and properties located along main road corridors.
- 4.203 The conversion of terraced homes is relevant to any potential Article 4 Direction boundary and also to minimising impacts on C3 homes through party walls (for example, by minimising sandwiching between two HMOs).
- 4.204 Census analysis indicates that HMOs are primarily occupied by younger adults (especially aged 25–34), students, and working professionals. A high proportion of HMO residents are economically active and highly qualified, reflecting Cambridge’s knowledge-based economy.
- 4.205 This pattern is evident across both Cambridge and South Cambridgeshire. However, South Cambridgeshire has a much lower proportion of students among likely HMO residents and a slightly broader occupational and qualification profile, with a greater representation of non-professional roles.
- 4.206 HMOs also provide accommodation for recent migrants and lower-paid workers in essential occupations.

- 4.207 Engagement with University of Cambridge colleges highlighted that college-managed HMOs function as extensions of campus accommodation, are clustered close to college sites to support welfare and management functions, and could be adversely affected by overly rigid concentration thresholds in planning policy or a broadly applied Article 4 Direction.
- 4.208 Engagement with ARU highlighted that its student accommodation includes university-managed HMOs. Some are owned and managed by ARU and are close to campus and function similarly to managed student accommodation. These may warrant different treatment from general market HMOs in planning policy or any Article 4 Direction. ARU also leases HMO accommodation from the private market, although the University is reducing this provision over time.
- 4.209 Evidence on conversions indicates that HMOs have had a modest net impact on housing numbers, with a net reduction in larger (4+ bedroom) homes and a net increase in smaller (1-2 bedroom) homes.
- 4.210 Cambridge City has seen a shortfall in the delivery of family-sized housing (i.e. 3+ bedroom homes) relative to need. HMOs have the potential to exacerbate this shortfall, even if the net impact has been relatively small (a net reduction of 55 3+ bedroom homes over 13 years).
- 4.211 The locational analysis does not point to any significant correlation between crime and HMOs, although there does appear to be some correlation with amenity impact, particularly rubbish complaints although this can be mitigated through policy.

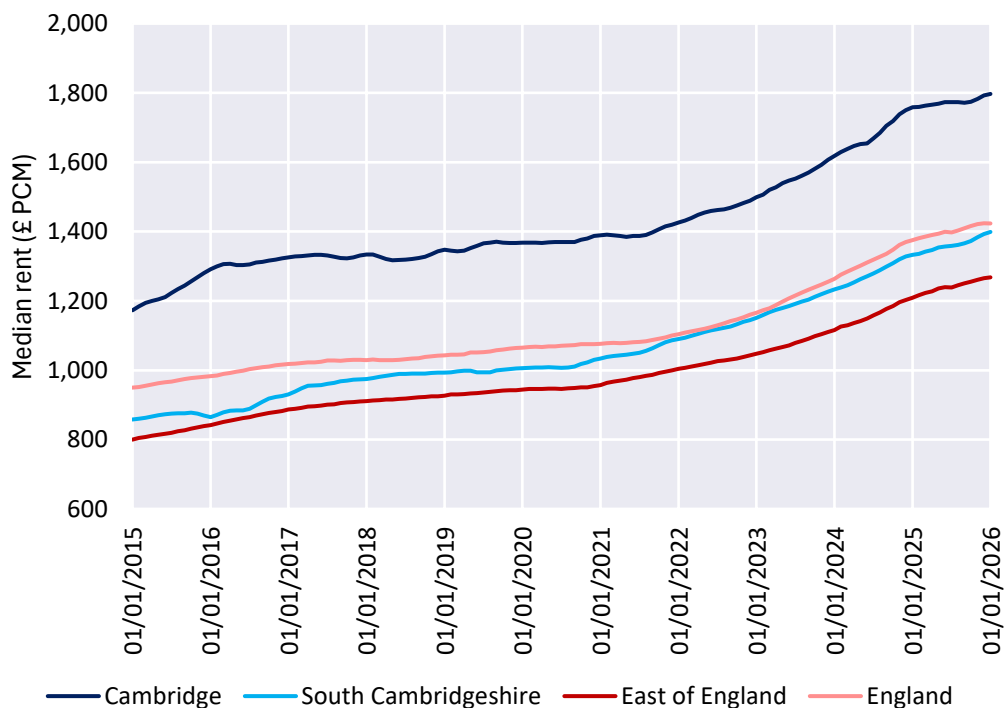
5. Property market context

Private rental market

Rental prices

- 5.1 Private rental prices in Greater Cambridge 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.
- 5.2 As shown in Figure 5.1 below, private rents rose relatively slowly through the late 2010s, before increasing sharply since around the middle of 2021.

Figure 5.1 Average housing private rent



Source: ONS Private Index of Private Rents

- 5.3 The average private rent in Cambridge was £1,797 per calendar month (PCM) in the year to January 2026.

- 5.4 This is an increase of 28% or £390 on the average rent five years earlier in January 2021 (£1,407 PCM), and an increase of 53% or £624 on the average rent at the start of 2015 (£1,173 PCM).
- 5.5 Rents are lower on average in South Cambridgeshire, but it has seen even greater proportional increases. The average private rent was £1,399 PCM in January 2026, an increase of 39% or £393 over five years (from £1,006 in January 2021) and of 63% or £541 since the start of 2015 (from £858).
- 5.6 As shown in Table 5.1 below, the overall average private rents of £1,797 PCM in Cambridge and £1,399 PCM in South Cambridgeshire are between the average rents for a two-bed and a three-bed home, and are closest to the value for three-bed homes. This reflects the relative composition of privately rented stock.
- 5.7 It is notable that average rents in Cambridge are substantially above the East of England and England-wide averages overall, as well as for every property size.
- 5.8 South Cambridgeshire's rents are somewhat lower and broadly similar to the England averages, although above the averages for the East of England.

Table 5.1 Average private rents (£ PCM)

Location	One bed	Two beds	Three beds	Four + beds	Overall
Cambridge	£1,249	£1,604	£1,895	£2,659	£1,797
South Cambridgeshire	£1,002	£1,271	£1,518	£2,144	£1,399
East of England	£880	£1,126	£1,367	£1,950	£1,268
England	£1,164	£1,300	£1,450	£2,115	£1,423

Source: ONS Price Index of Private Rents

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

- 5.10 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 rise in rents, it is unlikely to reflect current rental realities.

HMO prices

- 5.11 Icení has reviewed online real estate advertisements for rooms to rent (likely to be predominantly within HMOs but may also include some people seeking lodgers) in February 2026.
- 5.12 Rooms are listed across different parts of Cambridge and, to a lesser extent, South Cambridgeshire. For example, on [spareroom.co.uk](https://www.spareroom.co.uk), the most rooms were listed in the CB1 postal district (the eastern part of Cambridge - 292 ads), followed by CB4 (the northern part of Cambridge - 204 ads).
- 5.13 Across the CB1 – CB5 postcode districts, which broadly correspond to the borders of the City of Cambridge, there were a total of 631 advertised rooms.
- 5.14 Across the CB22 – CB25 and SG8 (but excluding Royston) postal districts, which broadly correspond to South Cambridgeshire, there were 139 ads, with the highest numbers for Cambourne (20), Cottenham (12) and Sawston (12).
- 5.15 Typical advertised rents PCM were around:
- £700 - £1,000 for a room in Central Cambridge, with prices of £900 more typical for ensuite rooms.
 - £600 - £800 for a room in the suburbs of Cambridge, with lower prices on the outskirts and prices in some cases above £800 for ensuite rooms, and some smaller rooms available for £500 - £600.
 - £600 - £850 for rooms in South Cambridgeshire, with around £700 the most typical price, but again some larger rooms (typically ensuites) for £900 or more.
- 5.16 As shown in the previous section, averages for one-bedroom properties by comparison are £1,249 in Cambridge and £1,002 in South

Cambridgeshire, with very limited stocks of one-bedroom properties available for rent.

- 5.17 There are therefore substantial savings to be made between renting a room and renting a 1-bedroom home. Furthermore, the one-bedroom prices do not include bills, which are often included in quoted HMO rents, further widening the price differential.

Student accommodation prices

- 5.18 Icení has researched a range of student accommodation prices in Cambridge as reported on university and college websites.
- 5.19 Housing costs across the year vary substantially depending on the university or college in question, the ownership of the accommodation, the standard of room and the length of lease offered.
- 5.20 Undergraduate rooms in Cambridge colleges are generally advertised to be between £1,500 and £2,500 per university term. With three terms in the academic year, the total cost of accommodation for a student would therefore be between £4,500 and £7,500 over the year.
- 5.21 By comparison, HMOs in Cambridge over a full 52-week year would cost between £7,200 and £12,000 (£600 - £1,000 PCM), or between £5,500 and £9,200 over a 40-week lease if this shorter lease term were available.
- 5.22 Rooms provided by the University of Cambridge colleges are thus more affordable than renting an HMO for a year. However, the three-term (29-week) lease period for a college room is substantially shorter than a full year, meaning students would need accommodation elsewhere outside term time.
- 5.23 Postgraduate students require accommodation throughout the year, and so postgraduate student accommodation is offered over a longer term and is more expensive.

- 5.24 College-style rooms are advertised at prices equivalent to around £600 - £950 PCM, and so are comparable with HMO prices. Several Cambridge colleges also offer self-contained flats for postgraduates at rents similar to those available in the broader rental market (i.e. more expensive than HMO rooms).
- 5.25 As noted in the previous chapter, the University of Cambridge colleges report that student accommodation is only available for some postgraduates, meaning that others need to live in the broader housing market (including in HMOs).
- 5.26 Student accommodation at Anglia Ruskin University (ARU) is generally offered on a 40-week lease period. Based on costs provided by ARU, annual costs would be around £5,000 - £6,000 for the cheapest rooms (£125 - £150 / week), and around £7,000 - £9,000 for an en-suite room (£175 - £225 / week).
- 5.27 ARU-provided accommodation is thus comparable to the cost of an HMO room, depending on the HMO lease term. However, it is noted that (as discussed in the previous chapter) ARU provides only a small number of student beds, meaning many students need to live in HMOs or the broader private market.
- 5.28 Based on information provided by online student accommodation aggregator websites (E.g. mystudenthalls.com, amberstudent.com) there are only a limited number of private purpose-built student accommodation (PBSA) facilities in Cambridge.
- 5.29 Rooms in these facilities typically cost at least £215 per week, with higher prices for larger or higher specification rooms. Given that typical HMO rents of £600- £1,000 PCM are equivalent to £140- £240 per week, HMOs are more affordable than private PBSA in Cambridge.

Trends in rental supply

- 5.30 The recent rapid rise in rents in Cambridge and across the country speaks to high levels of demand compared to supply.

- 5.31 There was a particular tightening in rental supply following COVID-19. Zoopla's UK Rental Market Report for 2023 ([link](#)) noted that the number of homes available for rent was around one-third below the normal (five-year) average in early 2023.
- 5.32 In addition, it noted that demand per available property is around 250% above the five-year average, but rental supply has grown by just 1% since 2016. These trends were observed across all regions rather than being confined to high-pressure metropolitan markets.
- 5.33 By contrast, and also more recently, Zoopla's most recent rental market report (the Zoopla December 2025 Rental Market Report) noted softening rental demand and rising supply.
- 5.34 Rental demand is reported to be at its lowest level in 6 years, driven in part by a substantial decline in net migration, as well as by improved mortgage affordability for first-time buyers.
- 5.35 Rental supply is reported to be up 15% on the previous year. This has contributed to a slowing in the national rental inflation rate to just 2.2%, the lowest level in four years.
- 5.36 A specific report on Cambridge's rental market from Bidwells (Bidwells Cambridge Residential Rental Market Q3 2025) reports continued growth in rental demand in Cambridge, driven by strong employment.
- 5.37 At the same time, they note some new build-to-rent stock coming online, but equally some buy-to-let landlords selling homes due in part to the Renters Rights Act 2025.
- 5.38 Rents for mainstream flats are reported to have risen by 3.5% over a year, and those for mainstream houses by 4.0%, compared to 2.3% for prime flats and a reduction of 2.6% for prime houses.
- 5.39 Online reporting from other Cambridge agents also shows strong demand, with, for example, Cambridge Property Lettings reporting 4.46

property viewings per let, indicating relatively strong demand and quick turnover ([link](#)).

- 5.40 While the rate of rental growth has slowed, rents are continuing to rise and remain substantially higher than they were pre-pandemic. This is likely to have placed significant pressure on the finances of lower-income households.
- 5.41 The Renters' Rights Act 2025 (which came into force in England in May 2026) abolishes no-fault evictions, imposes greater tenancy security, restricts rent increases to once per year at market rate, and limits rent in advance to one month.
- 5.42 These reforms are intended to protect tenants. Still, stakeholder commentary (including that from the National Residential Landlords Association) warns that they may reduce the attractiveness of private lettings, causing some landlords to exit the market and thereby reducing supply ([link](#)).
- 5.43 There has also been an evolving policy and regulatory environment regarding landlord tax reliefs, compliance obligations, property safety standards and higher maintenance costs.
- 5.44 This is leading to increased costs and administrative burdens on private landlords, which may discourage new investment and lead more landlords to leave the market altogether.
- 5.45 Changes in Energy Performance Certificate (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.
- 5.46 HMOs are often over-represented in older housing stock, particularly Victorian/Edwardian terraces, which often require more substantial upgrades to meet future energy-efficiency standards.

- 5.47 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.
- 5.48 Changes to the legal and regulatory environment create risks to the future rental supply, with Rightmove reporting (August 2025 Lettings in Focus) that one in three landlords are actively considering exiting the market.
- 5.49 This may lead to a further tightening of rental supply and, consequently, higher rental growth rates for HMOs and across the broader private rented sector.

Property agent engagement

- 5.50 Iceni engaged with letting agents operating in Cambridge (February 2026), with a particular focus on those involved in the letting and management of HMOs.
- 5.51 This engagement aimed to provide additional context on the local demand and supply of HMOs and their role within the broader housing market.
- 5.52 Agents from Alexander Green, Sagoos Lettings and Belvoir Lettings were consulted as part of this process.

Role of HMOs

- 5.53 Agents consistently highlighted the role of HMOs in providing accommodation for a wide range of residents who are seeking relatively flexible and affordable housing within Cambridge.
- 5.54 HMOs were described as particularly attractive to younger residents, including students as well as graduates and young professionals in their

20s and 30s who are beginning their careers and seeking independent living arrangements.

- 5.55 Several agents also highlighted the role of HMOs in accommodating international workers who have recently moved to the UK for employment and have not yet accumulated the resources to access self-contained accommodation.
- 5.56 HMOs provide opportunities for such groups to establish social networks and communities due to the presence of others from a similar background in the same HMO and nearby.
- 5.57 In addition to professionals, agents noted that HMOs can also accommodate residents from lower-income backgrounds, including some individuals supported through Universal Credit, where local authorities are assisting households into shared accommodation due to the limited availability of social housing.

Supply and demand

- 5.58 Overall, agents felt that there continued to be a high level of demand for HMOs in Cambridge, but that this demand was broadly being met by existing HMO supply.
- 5.59 Feedback from agents suggested that there is a larger number of rooms available for rent, leading to relatively strong levels of choice for tenants. One agent noted that, given the high level of available supply, rents have not risen recently.
- 5.60 While demand for shared accommodation remains present, agents indicated that the market has softened compared with earlier periods, with advertisements sometimes remaining active for longer.
- 5.61 This was noted to be linked to wider market conditions and cost-of-living pressures, with more people remaining in existing living arrangements for longer.

Geographical distribution

- 5.62 Agents reported that HMOs are widely distributed across Cambridge but are particularly prevalent in areas close to employment centres, Anglia Ruskin University and other key amenities.
- 5.63 In many cases, tenants were reported to search for accommodation by postal district (e.g. CB1, CB2, CB4).
- 5.64 The Mill Road area was identified as the area with the most HMOs due to its proximity to Anglia Ruskin University and its vibrant local environment, which is attractive to both students and young professionals.
- 5.65 Agents also noted concentrations of HMOs in areas such as Arbury and Kings Hedges.

Tenant profile

- 5.66 Agents indicated that HMO tenants in Cambridge comprise a wide mixture of students, young professionals and other residents depending on the location of the property.
- 5.67 Some properties and areas are more strongly associated with student occupation, while others primarily attract professional sharers.
- 5.68 Agents also highlighted that while young single people are most common, HMO tenants can include a broader range of occupiers. This includes some older residents or couples seeking lower-cost accommodation or with specific personal circumstances.
- 5.69 Agents noted that many tenants are employed in Cambridge's major employment centres, including the universities, hospitals and science and research facilities. HMO locations were therefore often linked to proximity to these employment hubs and associated social infrastructure.

5.70 While University of Cambridge students are often housed in halls of residence, many students from Anglia Ruskin University were reported to be housed in student-specific HMOs.

5.71 However, HMOs further away from universities were noted to accommodate mostly professionals rather than students.

Landlord behaviour

5.72 Feedback from agents indicated a mixed picture regarding landlord behaviour within the Cambridge HMO market.

5.73 It was noted that some landlords, in particular older landlords, are leaving the market due to increasing regulatory requirements and administrative burdens.

5.74 At the same time, new and younger landlords are also entering the market and exploring HMO investment opportunities, meaning that there is no net reduction in HMO numbers.

5.75 Experienced and professional landlords continue to operate in the sector and are investing in maintaining or upgrading their properties to meet tenant expectations and regulatory requirements.

5.76 Overall, the quality and standard of HMO accommodation were noted to have increased in recent years, with landlords investing more in refurbishment and higher-quality interiors. This reflects increased expectations among tenants, many of whom are willing to pay higher rents for well-maintained, modernised shared accommodation.

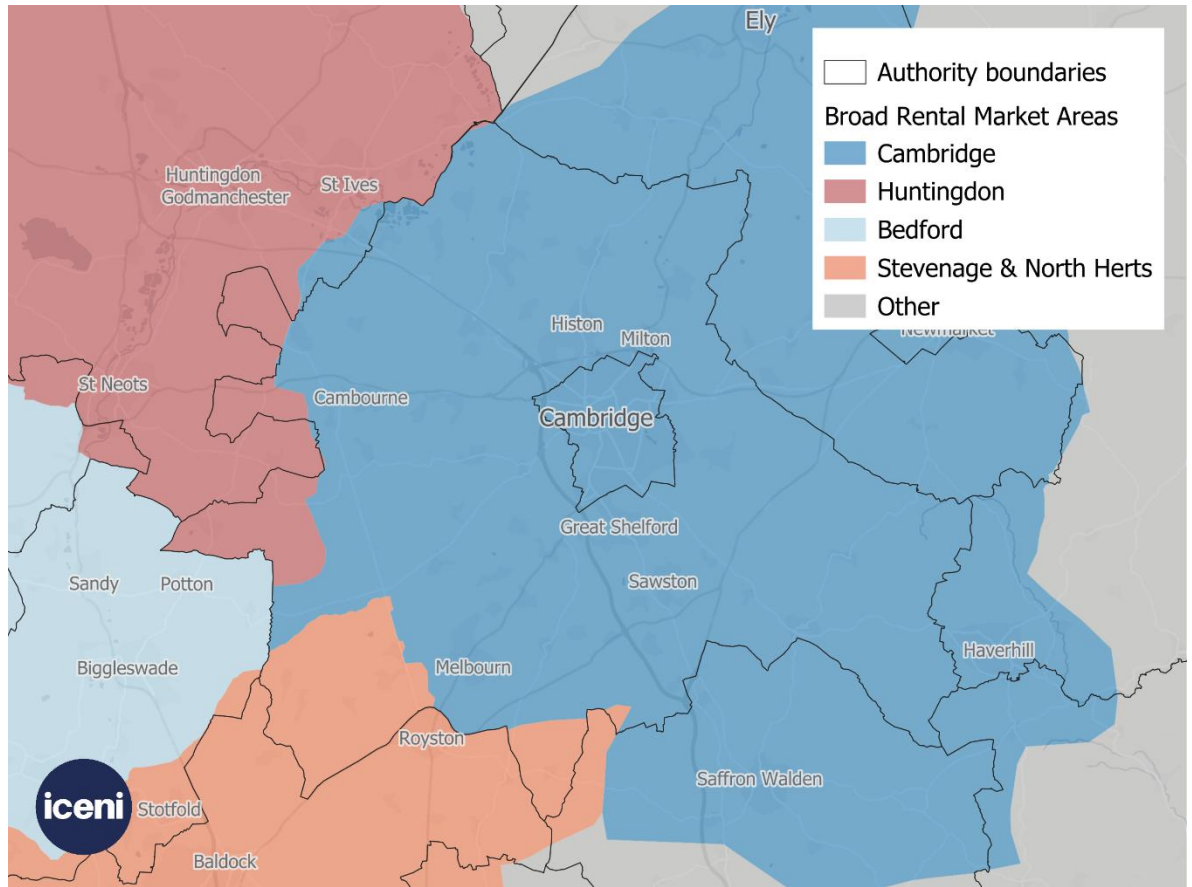
5.77 Agents also highlighted that property configuration can influence landlord decisions. For example, some landlords prefer smaller four-bedroom HMOs to larger five-bedroom properties to avoid additional licensing requirements and management obligations.

Affordability and Homelessness

Housing benefits

- 5.78 The Local Housing Allowance (LHA) sets the maximum amount of housing benefit (or its successor, the housing element of Universal Credit) that a benefits claimant can receive towards their rent payments.
- 5.79 The LHA 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).
- 5.80 All of Cambridge City and most of South Cambridgeshire sit within the Cambridge BRMA, as shown in Figure 5.2 below. Small parts of the western portion of South Cambridgeshire, including the village of Gamlingay, fall within the Huntingdon BRMA.
- 5.81 Small parts of the south-western portion of South Cambridgeshire, including the villages of Great Chishill, Bassingbourn, Litlington and Guilden Morden, fall within the Stevenage & North Hertfordshire BRMA.

Figure 5.2 Broad rental market areas



Source: ONS Private Index of Private Rents

5.82 As shown in Table 5.2 below, this means benefits claimants can receive in Cambridge and most of South Cambridgeshire, rents of up to:

- £525 PCM for single people under 35 with no dependants (i.e. category A - eligible for a single bedroom with shared facilities otherwise)
- £898 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 £947 and £1,446 for households requiring higher numbers of bedrooms (i.e. categories C– E).

5.83 The other BRMAs provide lower levels of benefits, with only £435 - £459 for single people under 35 without dependents, and £648 - £773 for older single people and childless couples.

Table 5.2 Local Housing Allowance Rates applicable from April 2025 to March 2026

LHA Category & Property size	A 1 bedroom and shared facilities	B 1 bedroom and exclusive use of other facilities	C 2 bedrooms	D 3 bedrooms	E 4 bedrooms
Cambridge LHA (per week)	£121.13	£207.12	£218.63	£258.90	£333.70
Cambridge LHA (PCM)	£525	£898	£947	£1,122	£1,446
Huntingdon LHA (per week)	£105.86	£149.59	£182.96	£218.63	£287.67
Huntingdon LHA (PCM)	£459	£648	£793	£947	£1,247
Stevenage & North Herts LHA (per week)	£100.38	£178.36	£224.38	£287.67	£368.22
Stevenage & North Herts LHA (PCM)	£435	£773	£972	£1,247	£1,596

Note: PCM figures are rounded equivalents of weekly rates.

Source: VOA Local Housing Allowance 2025-2026 Tables

- 5.84 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.
- 5.85 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.
- 5.86 As a result, many low-income single people — particularly those only entitled to the Shared Accommodation Rate (LHA Category A) — face significant waits for an affordable housing tenancy. During this period, they rely on the private rented sector.

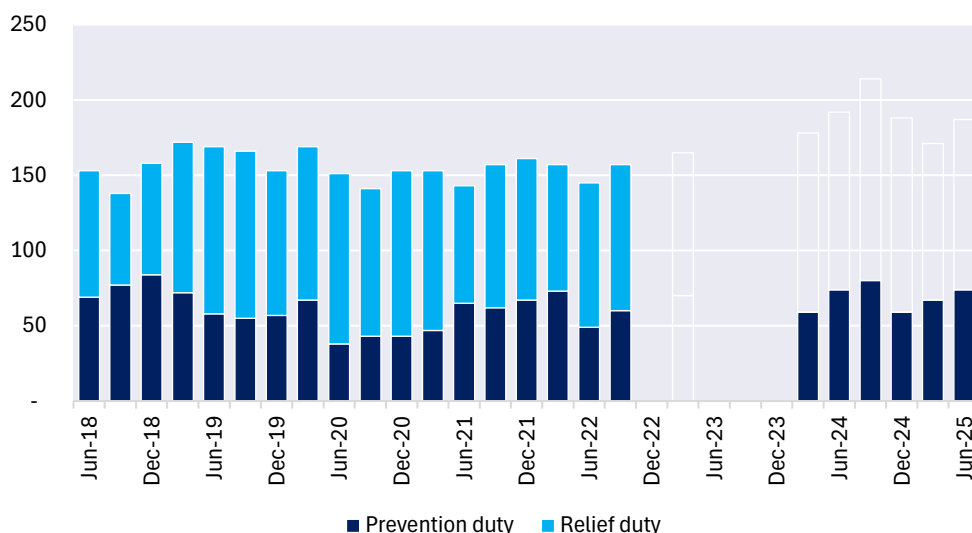
- 5.87 In February 2026, 259 one-bedroom units were advertised for rent in Cambridge on Rightmove. Of these properties, there was only one studio and no one-bedroom apartments affordable at or under the Cambridge LHA (the studio being offered at £850 PCM).
- 5.88 In addition, there were only four studios and two one-bedroom flats without restrictions on occupancy (i.e. to students, key workers or similar) for £1,000 PCM or under.
- 5.89 Across South Cambridgeshire, the only self-contained unit advertised for rent at or under £898 was a one-bedroom unit in Bar Hill. There were very few units available for between £900 and £1,000 PCM.
- 5.90 As a result, there is extremely limited availability of accommodation in Greater Cambridge outside of HMOs, which is affordable to those in housing benefit categories A or B without requiring them to pay a substantial shortfall themselves.

Homelessness

- 5.91 Data on homelessness presentations in Cambridge and South Cambridgeshire display a degree of quarter-to-quarter variability, and there are several quarters of data missing or unavailable for Cambridge during 2022 and 2023.
- 5.92 Presentations appear to have been somewhat lower in South Cambridgeshire during 2020 and part of 2021, during which time the COVID-19 eviction moratorium was in place.
- 5.93 Since December 2021 (i.e. after the eviction moratorium ended), there have been an average of 174 presentations per quarter (prevention and relief duties combined) in Cambridge and 131 in South Cambridgeshire. There appears to be an upward trend in presentations in both cases, with, for example:
- 188 quarterly presentations on average in Cambridge from March 2024 onwards, in comparison to a relatively consistent position of around 150 per quarter up to the end of 2022.

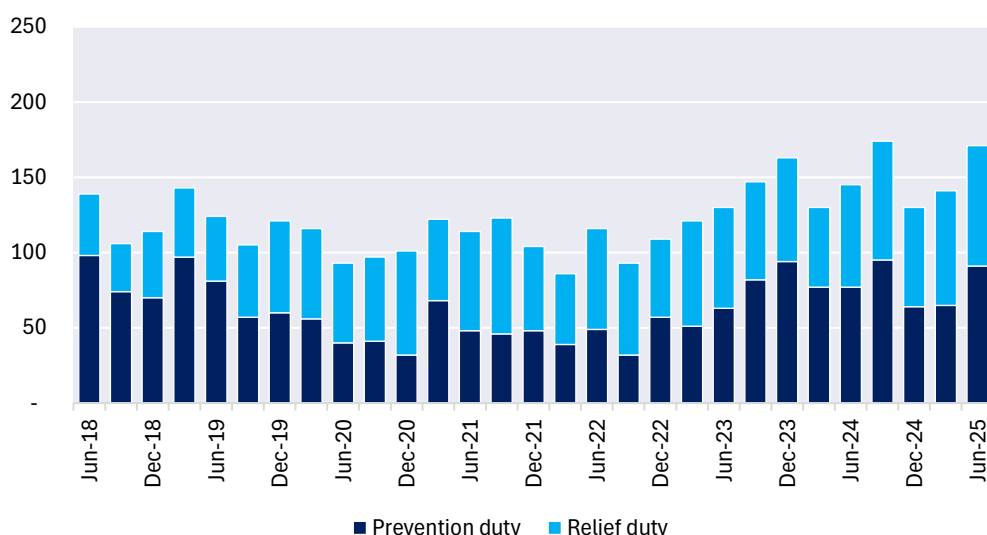
- 150 quarterly presentations on average in South Cambridgeshire from September 2024 onwards, in comparison to 122 on average from June 2018 to December 2019 (i.e. before the eviction moratorium).

Figure 5.3 Homelessness presentations by reason - Cambridge



Source: MHCLG Live Tables on Homelessness

Figure 5.4 Homelessness presentations by reasons – South Cambridgeshire



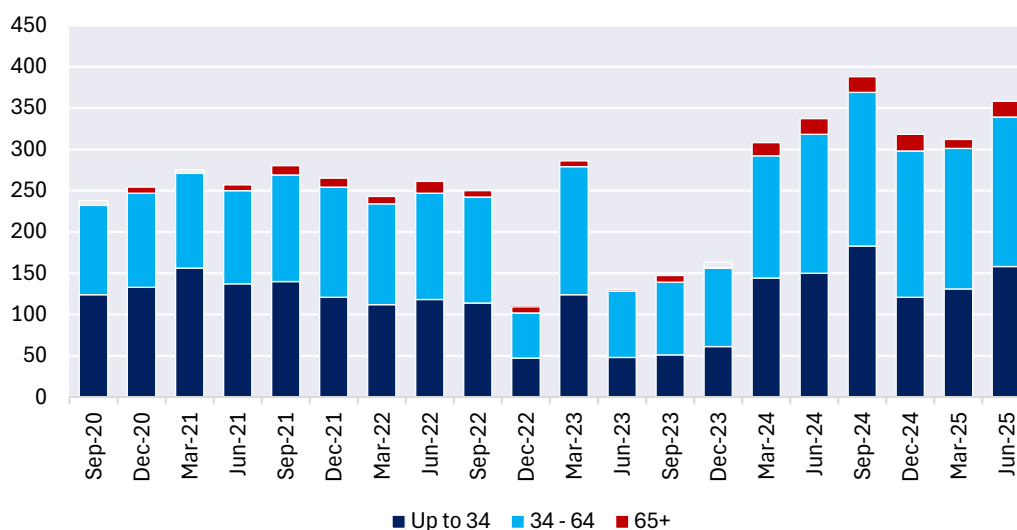
Source: MHCLG Live Tables on Homelessness

5.94 These trends reflect continuing and potentially increasing pressure on vulnerable households in both authorities, including affordability

pressures, reliance on insecure tenancies, and the difficulty lower-income single households face in accessing self-contained accommodation.

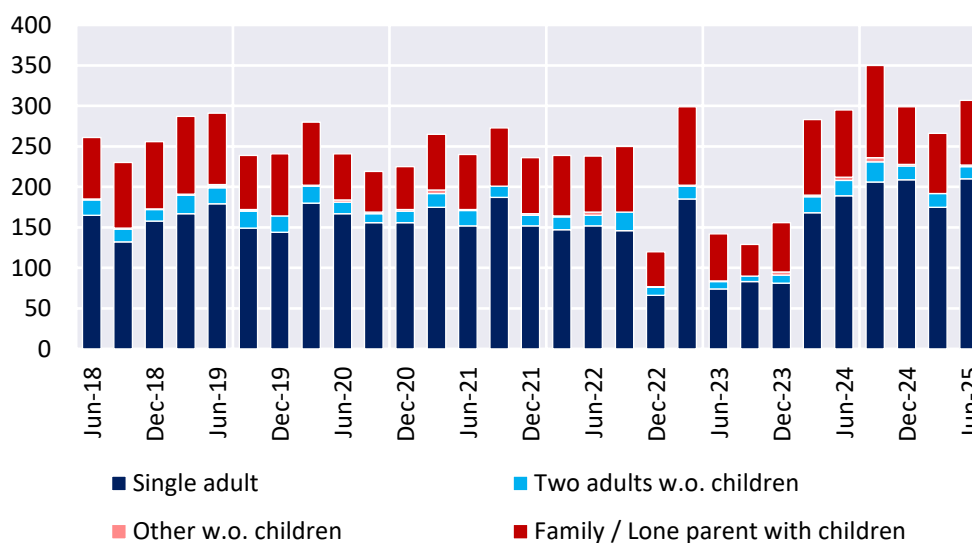
- 5.95 Since December 2021, 55 of the 238 average quarterly homelessness presentations across Greater Cambridge (23%) have been a result of the end of a short-term tenancy. This illustrates supply and affordability pressures in the private rental sector.
- 5.96 HMOs can form part of the temporary accommodation pathway for households whose private tenancies have ended, helping to reduce reliance on Council-provided housing where suitable private rented options are available.
- 5.97 Homelessness data for Greater Cambridge, shown in Figure 5.5 and Figure 5.6 below, indicates that a substantial proportion of presentations are from single adults (62% from the December 2021 quarter onwards). A high proportion were aged 34 or younger (43%). For these household types, shared accommodation is often the most realistic option in the private rented sector.
- 5.98 As noted above, single-person households under 35 are eligible only for the one-room-with-shared-facilities category of housing benefits. However, Central Government Statistics indicate that only 42 people in Cambridge and 25 in South Cambridgeshire receive the shared facilities housing benefit or universal credit housing element.

Figure 5.5 Homelessness presentations by age – Greater Cambridge



Source: MHCLG Live Tables on Homelessness

Figure 5.6 Homelessness presentations by household type - Greater Cambridge



Source: MHCLG Live Tables on Homelessness

5.99 Central Government Statistics also show 2,156 people in Cambridge and 1,367 in South Cambridgeshire receiving the one-bedroom housing benefit or universal credit housing element.

5.100 As noted above, many of these people will be unable to afford a one-bedroom flat and may need to live in an HMO.

Council engagement

- 5.101 As part of the study, Icení engaged with Cambridge City Council Housing Services and with officers from Shire Homes Lettings, a not-for-profit service owned and funded by South Cambridgeshire District Council that provides private lets, including to vulnerable and homeless people.

Cambridge Housing Services and Accommodation Sourcing

- 5.102 Officers in Cambridge City emphasised that HMOs are a critical component of the homelessness response. HMOs are more readily available than self-contained or family accommodation and are therefore central to managing single homelessness pressures.
- 5.103 The Accommodation Finder Service places a significant number of single applicants into shared housing, particularly those who are not in priority need and for whom access to social housing is limited
- 5.104 Demand for one-bedroom accommodation is high, but market rents (c. £1,300 PCM) substantially exceed the Local Housing Allowance (c. £900 PCM), rendering most self-contained options unaffordable for households reliant on benefits. As a result, shared accommodation is often the only viable option.
- 5.105 Those seeking one-bed accommodation are the largest part of the housing register and among those presenting as homeless. Cambridge City Council operates a move-on scheme that supports individuals transitioning from supported housing to the private rented sector or social housing, though social housing allocations remain limited.
- 5.106 This increases reliance on the private rented sector and HMOs for both the move-on scheme and accommodation sourcing for those presenting as homeless or at risk of homelessness.

- 5.107 Placements include a wide range of applicants, including care leavers, prison leavers, individuals with mental health needs, and families (although they are not housed in HMOs). There is also a trend of an increasing number of employed people who remain unable to meet market rents.
- 5.108 There has been an increase in applicants with mental health issues and complex needs, some of whom are not suitable for private renting but still require housing solutions, increasing pressure on available resources.
- 5.109 Cambridge's tenancy sustainment team work to support tenants and landlords to minimise neighbourhood impacts. It was noted that there have been very few complaints from neighbours about HMO tenants, with only one notable incident among 85 placements in the current financial year, suggesting effective management and support.

Shire Homes Lettings

- 5.110 In South Cambridgeshire, the council-owned Shire Homes Lettings company operates a smaller HMO portfolio (six properties; 25 rooms) targeted at vulnerable single people referred via the Housing Advice service.
- 5.111 These properties function as short- to medium-term “stepping stone” accommodation, with active tenancy management and support. Demand is consistently high, with limited periods of vacancy, reflecting the scarcity of affordable single-person housing across the district.
- 5.112 Rents charged by Shire Homes Lettings are capped at affordable rates (including at the local housing allowance for those on benefits). The scheme guarantees deposits and does not require references from tenants, providing a bridge to rented accommodation for those unable to access it through traditional means.

- 5.113 The HMOs managed by Shire Homes Lettings are in mixed ownership, including council-owned, housing company-owned, and privately owned units.
- 5.114 While Shire Homes Lettings is building relationships with landlords to house vulnerable people and those on benefits in HMOs, some landlords are reluctant to do so.
- 5.115 There was reported to be a significant increase in demand for HMO rooms, with rapid turnaround times and a growing number of single individuals on the homeless register.
- 5.116 In response, Shire Homes Lettings is continually seeking to expand its self-contained and HMO provision but faces challenges in finding suitable properties in appropriate locations.

Affordability pressures

- 5.117 Officers in both authorities identified affordability pressures as a primary structural issue driving increasing demand for HMOs and homeless presentations.
- 5.118 These pressures include the widening gap between LHA rates and private market rents, which in part respond to increasing landlord costs.
- 5.119 Overall, officers stressed that HMOs play an essential role in preventing and relieving homelessness, particularly for single adults, and cautioned that additional planning restrictions could reduce access to lower-cost accommodation options.

Affordable Housing Need

- 5.120 The Greater Cambridge Housing Needs of Specific Groups (HNSG) study (2025) estimated an annual affordable housing need of 928 households in Cambridge and 708 in South Cambridgeshire.

- 5.121 This included needs from both households unable to rent or buy market housing and those able to rent but not buy. The unable-to-rent-or-buy group can be seen as the core affordable-housing need, with the inclusion of the rent-only group in the study testing the potential ‘need’ for affordable home-ownership products.
- 5.122 Overall, the core affordable needs group (i.e. those who can neither rent nor buy) made up about two-thirds of the total in both Cambridge and South Cambridgeshire. Table 5.3 below shows data taken from the study.

Table 5.3 Estimated need for affordable housing (per annum) – split between different affordability groups

Category	Cambridge	South Cambridgeshire
Unable to buy OR rent	614	469
Able to rent but NOT buy	314	238
TOTAL	928	708
% unable to buy or rent	66%	66%

Source: HNSG study (2025) Table 7.17

- 5.123 Table 5.4 provides a more detailed breakdown of the calculation of the net affordable housing need in the HNSG study 2025. On an annual basis, the main group is newly forming households - households forming for the first time.
- 5.124 In the HNSG study 2025 (consistent with guidance), it was generally taken that these would be households forming up to the age of 45 – the method is set out in the HNSG study 2025.

Table 5.4 Estimated need for affordable housing (per annum)

Calculation step	Cambridge	South Cambridgeshire
A: Current need	87	43
B: Newly forming households	964	880
C: Existing households falling into need	176	166
D: Total Gross Need (D = A + B + C)	1,227	1,089
E: Relet/resale supply	299	381
F: Net Need (F = D – E)	928	708

Source: HNSG study (2025) Table 7.16

- 5.125 Table 5.5 below (again taken from the HNSG study 2025) shows the overall number of newly forming households each year and the proportion likely to need affordable housing.
- 5.126 Overall, some 63% of new households were estimated to be unable to buy a home, and 43% were unable to either buy or rent affordably and therefore would likely need some form of more affordable rented accommodation than is available in the self-contained private rental market.
- 5.127 HMOs may accommodate some of these households more affordably than other rental options, which are out of their reach.

Table 5.5 Estimated need for affordable housing from newly forming households (per annum)

Location	Number of new households	% unable to afford	Annual newly forming households are unable to afford	Unable to rent OR buy (per annum)	Able to rent but NOT buy (per annum)
Cambridge	1,418	68.0%	964	666	298
South Cambridgeshire	1,512	58.2%	880	592	288
Greater Cambridge	2,929	63.0%	1,844	1,258	586

Source: HNSG study (2025) Table 7.11

- 5.128 For this study, it is of interest to understand what proportion of the newly forming households are projected to be aged under 35 at the time of formation, as it is these households who age profiling indicates are most likely to live in HMOs, and who, if claiming Housing Benefit/Universal Credit, would only be eligible for the shared facilities rate.
- 5.129 It is not straightforward to consider what proportion of people in the above results will be aged under 35, as figures will change over time, and modelling for the HNSG study 2025 considered a broad time period (i.e. a plan period).
- 5.130 For example, if someone forms at age 33, then in five years they will be aged 37. Iceni have therefore analysed the number of households in a few core bands and how these are projected to change over the five years 2024-29 (the first 5-year period of the projections).
- 5.131 As shown in Table 5.6 below for Cambridge, this shows an increase of around 1,850 households aged under 45, of which the vast majority are aged under 35 (1,530 households – 83% of the total).

- 5.132 In South Cambridgeshire, the numbers are much lower, and in this case, only 62% of additional households are aged under 35. This difference is likely to be due to the younger age structure in Cambridge.

Table 5.6 Change in households by age band – 2024 to 2029

Age group	Cambridge 2024	Cambridge 2029	Cambridge Change	S. Cambs 2024	S. Cambs 2029	S. Cambs Change
16-19	135	174	39	240	263	23
20-24	2,758	3,247	489	824	1,002	178
25-29	5,227	5,795	568	2,728	2,839	111
30-34	6,223	6,658	435	4,931	5,144	213
35-39	5,651	6,069	417	5,996	6,208	212
40-44	5,241	5,142	-100	6,710	6,821	111
Total	25,236	27,084	1,848	21,429	22,276	848
Under 35	14,344	15,874	1,530	8,723	9,248	525

Source: Iceni analysis of demographic projections

- 5.133 The analysis here has not considered how affordability might vary between different age groups. However, we would note that data from the Annual Survey of Hours and Earnings (ASHE) does show lower incomes in younger age groups (as illustrated in Table 5.7 below, which shows full-time median income by age for 2025).
- 5.134 It would be expected, based on the analysis in the HNSG study 2025, that many households (not just those under 35), when forming, will find it difficult to access accommodation that is affordable to them.
- 5.135 However, for younger age groups, seeking shared accommodation with lower rents is likely to make housing more affordable.

Table 5.7 Median gross full-time income by age (2025) - England

Age group	Median full time income
18 – 21	23,596
22 – 29	32,347
30 – 39	40,668
40 – 49	44,244

Source: ONS ASHE

- 5.136 Affordable housing results from the HNSG study 2025, and the age profile of households suggests that in any given year, there will be a significant number of households whose members are aged under 35, who form for the first time, and who cannot access affordable self-contained housing.
- 5.137 In the absence of other affordable options, many of these people may need to live in shared accommodation (i.e. mostly HMOs).
- 5.138 Exact numbers are difficult to firmly predict, in part due to the cohort effect of households moving out of the under-35 age band. However, as households grow over time (including younger age groups), demand is likely to increase.
- 5.139 Based on the evidence, it seems as if Cambridge is likely to see a stronger need/demand than South Cambridgeshire. However, both areas are likely to see increased needs for lower-priced housing for younger people moving forward.

Summary

- 5.140 Private rents in Greater Cambridge have risen sharply since 2021 and remain substantially above pre-pandemic levels, with Cambridge rents significantly exceeding regional and national averages.

- 5.141 Rental market conditions remain tight despite some recent slowing in rental inflation, and regulatory changes and cost pressures may constrain future supply.
- 5.142 Agent feedback suggests that demand for HMOs remains strong but is broadly being met by supply, with many rooms currently available and rents stabilising.
- 5.143 There is no net reduction in the number of landlords providing HMOs, although some landlords are leaving the market and others are entering it.
- 5.144 HMOs play an important role in Cambridge's housing market, providing flexible and relatively affordable accommodation for a wide range of residents, particularly students, young professionals and international workers, with demand linked to major employment centres such as universities, hospitals and science parks.
- 5.145 While there are some HMOs in South Cambridgeshire, they play less of a role in the overall market.
- 5.146 Average one-bedroom rents (£1,249 PCM in Cambridge) are materially above the Local Housing Allowance (LHA) rate (£898 PCM), creating a substantial affordability gap for low-income households.
- 5.147 By contrast, advertised room rents in HMOs (typically £600–£1,000 PCM depending on location and specification) are materially lower than one-bedroom self-contained rents, with bills often included, making them the most accessible private rented option for many single households.
- 5.148 Homelessness presentations have increased since the end of the COVID-19 eviction moratorium, with a notable proportion linked to the end of private tenancies. Single adults and younger households form the majority of homelessness presentations.

- 5.149 Council engagement confirms that HMOs are central to preventing and relieving homelessness, particularly for single adults who cannot access social housing or afford self-contained private rental accommodation.
- 5.150 Affordable housing need projections indicate a continued high level of newly forming households unable to afford market housing, particularly among younger age groups who are most likely to require shared accommodation.
- 5.151 Overall, the evidence indicates that HMOs perform an important, affordable and low-cost housing supply function within Greater Cambridge, particularly for younger and lower-income households in a high-cost rental market.

6. Conclusion

- 6.1 The evidence demonstrates that HMOs play several significant roles in Greater Cambridge's housing market, particularly in Cambridge:
- Providing one of the few comparatively affordable private rented options in an otherwise high-cost rental environment. HMOs serve a large number of young professionals as well as low-income workers, playing a critical economic function in a dynamic, growing economy.
 - HMOs represent the most viable market-based housing option for those unable to access social housing. With average one-bedroom rents substantially exceeding Local Housing Allowance (LHA) rates, self-contained private rented accommodation is largely inaccessible to many single adults and low-income households.
 - Forming an important component of the homelessness prevention and relief pathway. A significant proportion of homelessness presentations relate to the end of private tenancies, and engagement indicates that HMOs are essential to accommodation sourcing and homelessness prevention services.
- 6.2 Demographic and housing needs evidence indicates continued growth in newly forming households, particularly among younger age groups who are most likely to require shared accommodation.
- 6.3 In the absence of substantial growth in affordable self-contained provision, demand for HMOs is likely to remain strong. Significant reductions in HMO supply could constrain economic growth by restricting access to more affordable housing for young professionals and key workers.
- 6.4 The conversion of family homes to HMOs in Cambridge City has the potential to exacerbate a shortfall in family housing supply. However, the net loss of family-sized homes has been relatively modest in recent years.

HMO Concentration

- 6.5 Spatial analysis shows that while HMOs make up a modest proportion of the overall housing stock across Greater Cambridge, they are highly concentrated in specific areas of Cambridge City, most notably in Romsey and Petersfield wards around the Mill Road corridor, and along several other major road corridors.
- 6.6 At a very localised (postcode/block) level, concentrations in parts of Cambridge exceed commonly referenced thresholds for overconcentration, although concentrations reduce significantly when assessed at wider neighbourhood or ward scale.
- 6.7 Romsey and Petersfield wards could more broadly be considered to have very high levels of HMO provision, potentially amounting to overconcentration.
- 6.8 HMO concentration is closely associated with housing stock characteristics, particularly areas dominated by older terraced housing and properties located along main road corridors. These areas appear more susceptible to conversion due to stock type, price profile and locational demand.
- 6.9 In areas with a high proportion of terraced housing, overconcentration of HMOs has the potential to give rise to cumulative impacts on residential amenity.
- 6.10 Particularly acute impacts are possible on terraced homes sandwiched between two HMOs with which they share party walls and where front and back driveway/gardens adjoin.
- 6.11 The locational analysis herein does not point to any significant correlation between crime and HMOs, although there does appear to be some correlation with amenity impact, particularly rubbish complaints, although this can be mitigated through policy

- 6.12 Outside Cambridge City, HMO concentrations remain comparatively low, with limited presence across South Cambridgeshire.

Policy considerations

- 6.13 In considering whether to introduce an Article 4 direction, it will be important to ensure that any spatial controls are aligned with the actual geography of HMO concentration and housing susceptibility and are proportionate to the identified scale of clustering.
- 6.14 Consideration should also be given to the potential displacement effects of tightly drawn boundaries.
- 6.15 It will also be necessary to consider the potential effects of an Article 4 direction and broader changes to planning policy on the University of Cambridge colleges' housing postgraduates in HMOs, Anglia Ruskin University's approach to provision of student accommodation, and on key worker accommodation for medical personnel.
- 6.16 Similar considerations will also need to be applied to planning policy changes. However, planning policy is not subject to the same strict directions as Article 4 directions (i.e. that they apply to the smallest geographical area possible).
- 6.17 Local Plan policy could control HMO concentration through a sandwiching and/or adjacency policy. A sandwiching policy prohibits proposed HMOs that result in general housing (C3) being sandwiched between two HMOs. An adjacency policy prohibits proposed HMOs that result in two HMOs adjacent to one another or sharing a boundary.
- 6.18 To make such controls easier for proponents and Council officers to use, the Councils could map areas which are considered overconcentrated, or use standard statistical geographies such as output areas for which baseline housing data is readily available.

Recommendations

- Given the high number of HMOs in Cambridge City and their concentration in some areas, the City Council should consider a Local Plan policy that manages HMO overconcentration, including:
 - Minimising potential impacts from sandwiching of homes between HMOs or adjacent HMOs, particularly given that large numbers of terrace homes with party walls have been converted to HMOs.
 - Ensuring that appropriate design, servicing and layout arrangements are made to mitigate the impacts of more intensive occupation
- In any policy response, the Councils should recognise the essential role that HMOs perform within Greater Cambridge's constrained and high-value housing market, in housing both young professionals and those without other housing options.
- Define any Article 4 Direction boundary to align with areas of highest HMO concentration and greatest susceptibility to further conversion, particularly terraced housing areas around the Mill Road corridor. Consideration could also be given to the city's northern suburbs, where there are areas with high concentrations of HMOs.
- Considering potential displacement effects, any Article 4 direction should, at a minimum, cover existing streets with high HMO concentrations and surrounding areas in which terraced housing is predominant, with the potential to also include surrounding semi-detached housing.
- There does not appear to be a sufficient concentration of HMOs to require an Article 4 direction in South Cambridgeshire, in the western part of Cambridge, or in outlying suburbs in Cambridge (i.e. particularly Trumpington and Cherry Hinton).
- Continue to monitor HMO distribution, rental affordability trends and homelessness presentations to assess emerging pressures and potential displacement effects.

A1. Streets with high HMO concentrations

A1.1 The following streets contained or intersected at least three postcodes containing 3 or more HMOs each, and in which HMOs made up at least 10% of addresses, indicating potentially high HMO concentration:

- Mill Road
- Station Road
- Cherry Hinton Road
- Mowbray Road
- Perne Road
- Thoday Street
- Hemingford Road
- Coldham's Lane
- Devonshire Road
- Mawson Road
- Elizabeth Way
- Victoria Road
- Histon Road
- Milton Road
- Arbury Road
- Kings Hedges Road