

Intermediate housing

Part 1 Consultation Response Report

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**Greater London Authority
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Greater London Authority
City Hall
The Queen's Walk
More London
London SE1 2AA

enquiries 020 7983 4000
minicom 020 7983 4458

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1. Introduction and background

Purpose and structure of this report

1.1. In August 2020, the GLA launched a consultation¹ to gain views on how the Mayor and the GLA might help to build on the current role of intermediate housing in London, ensuring that this type of housing is well-placed to support recovery from the impacts of Covid-19 and meet the housing needs of those Londoners who are unlikely to access homes at social rent levels. The consultation was divided into the following chapters:

- affordability and delivery
- eligibility, prioritisation and allocation
- supporting London's key workers
- improving data on intermediate housing

1.2. This Part 1 Consultation Response Report focuses on consultation questions which relate directly to the Homes for Londoners: Affordable Homes Programme 2021-26. As a result of the Government requiring that the programme launches in Autumn 2020 it has not been possible to analyse and present the GLA response in relation to all the questions asked in the consultation. This work is ongoing and will be presented in a Consolidated Consultation Response Report, which will follow in due course. Appendix 1 outlines which consultation questions in the consultation are included in this Part 1 report.

The Mayor's powers and responsibilities in relation to intermediate housing

1.3. The national policy context sets the parameters for housing policy, but the Mayor has influence over intermediate housing policy in London via his planning and investment powers. There are three main ways in which the Mayor can influence intermediate housing delivery in London:

- London Housing Strategy: the Mayor has a statutory requirement to publish a housing strategy for London, and this includes his aims and policy objectives on intermediate housing²;

¹ Greater London Authority, [Consultation on Intermediate Housing](#), August 2020

² Greater London Authority, [London Housing Strategy](#), May 2018

- London Plan: this sets the strategic planning framework for London and allows the Mayor to influence the level and type of intermediate housing delivered through the planning system³; and
- Affordable Homes Programme (AHP): this allows the Mayor some flexibility to use funding secured from the Government to support and increase delivery of his preferred types of intermediate housing in London⁴

Equality Impact Assessment

- 1.4. An Equality Impact Assessment of the policy responses outlined in this report has been published alongside this Part 1 Consultation Response Report.

³ Greater London Authority, [London Plan \(Intend to Publish\)](#), December 2019

⁴ Greater London Authority, [Homes for Londoners: Affordable Homes Programme 2016-21 Funding Guidance](#), November 2016; Greater London Authority, [Homes for Londoners: Affordable Homes Programme 2016-21 Funding Guidance - Addendum with updated guidance and arrangements for 2021-22](#), June 2018

2. Consultation process

Introduction

- 2.1. The intermediate housing consultation opened on 4 August 2020 and closed on 11 October 2020 and asked twenty-three questions (some of which had multiple parts).
- 2.2. The consultation was accompanied by a Housing Research Note⁵ which sets out the evidence base on intermediate housing in London. All 'GLA analysis' referred to in this report is outlined in the Housing Research Note.

Publicising the consultation

- 2.3. The consultation was publicised in a number of ways. The consultation document was made available on a new page on the GLA website⁶. This page was viewed in total on 3,400 different occasions over the period of the consultation. The GLA issued a press release highlighting the consultation⁷. The Mayor posted details of the consultation on Twitter and the tweet received 83 likes and was retweeted 22 times. The Deputy Mayor for Housing and Residential Development also posted on Twitter and this tweet received 57 likes and was retweeted 15 times.
- 2.4. The GLA sent an email to stakeholders including London boroughs, housing associations and voluntary and community groups to inform them of the consultation and encourage them to respond. The email was delivered to 300 subscribers of which 38 per cent opened the email and clicked through to the consultation page. GLA Housing and Land officers also brought the consultation to the attention of internal teams within the GLA and partner organisations in the course of routine meetings and other interactions with them. These included meetings with local authorities, housing associations and other groups during which there were conversations about wider policy issues, in particular the Homes for Londoners: Affordable Homes Programme 2021-26. The consultation was also a topic of a survey and discussions hosted on Talk London.

⁵ Greater London Authority, [Housing Research Note: Intermediate housing: The evidence base](#), August 2020

⁶ Greater London Authority, [Intermediate Homes for London](#), 2020

⁷ Greater London Authority, [Mayor proposes priority housing for London's Covid heroes](#), August 2020

Responses to the consultation

Main consultation

- 2.5. The GLA received 69 responses to the consultation. Of these, 65 (94 per cent) came from organisations and 4 (six per cent) from individual members of the public. The following table shows the breakdown of those who responded to the consultation.

Respondent type	Number of respondents	Percentage of respondents
Councillor, Assembly Member or MP	1	1
Housing association	17	25
Housing developer	8	12
Local authority	21	30
Trade association or industry body	7	10
Voluntary /community sector (campaign/research/representation)	4	6
Voluntary /community sector (front line services)	1	1
Other organisation	6	9
Individual	4	6
Total	69	100

Talk London survey and discussions

- 2.6. Talk London is an online community designed to put Londoners at the centre of GLA strategies and plans, by involving them in sustained and meaningful consultations that generate insights, feedback and actions to improve London. Talk London hosted a survey and online discussion relating to the intermediate housing consultation between 4 August and 11 October 2020. There were 1,315 responses to the survey and 154 responses to the online discussions. A list of the questions

asked in the survey and the topics of the discussion forums and considered in this report are outlined at Appendix 2.

- 2.7. Because the survey was completed by self-selecting respondents, rather than conducted with a sample intended to be representative, the results have not been weighted. Therefore, they cannot be said to be representative of the views of London's population.

Presenting consultation responses

- 2.8. Chapters three to six cover the separate consultation chapters and associated questions and 'other' category responses. The chapters contain the following information:
- the number of respondents who responded to each of the consultation questions
 - for the chapters that cover closed consultation questions, the proportion of respondents who agreed, partly agreed, or disagreed with the proposal in the question
 - recurring themes in respondents' comments by question (and 'other' category where applicable)
 - responses to Talk London survey and discussion questions (where applicable)
- 2.9. The chapters also contain the GLA response to the feedback received on each of the consultation questions, with any proposed policy responses highlighted in bold. A number of these relate to aspects of the new Homes for Londoners: Affordable Homes Programme 2021-26 (referred to in subsequent chapters of this report to as 'the new AHP'), whereas others are highlighted as needing further work and consideration.

3. Affordability and delivery

Question 1 (a): Should the GLA introduce a cap on the open market value of new shared ownership homes?

Overview of responses

- 3.1. Forty-six respondents answered this question. Of these respondents, thirteen per cent agreed that the GLA should introduce a cap on the open market value (OMV) of shared ownership homes, forty-two percent partly agreed and forty-four percent disagreed. The analysis of responses by respondent type is set out in the table below.

Respondent type	Agree (number)	Partly agree (number)	Disagree (number)
Councillor, Assembly Member or MP	0	0	0
Housing association	1	5	9
Housing developer	0	0	3
Local authority	3	14	4
Trade association or industry body	1	0	3
Voluntary /community sector (campaign/research/representation)	1	0	0
Voluntary /community sector (front line services)	0	0	0
Other organisation	0	0	1
Individual	0	0	0
Total number	6	19	21
Percentage of total	13%	41%	46%

- 3.2. Respondents provided a range of comments in response to this question and the main themes are summarised below.

Recurring themes

Theme 1: A formal value cap would make new shared ownership homes more affordable to Londoners on a broader range of incomes

- 3.3. A number of respondents suggested that the introduction of a formal value cap would make homes more affordable to Londoners on a range of incomes. This would be particularly beneficial to those on lower incomes within the intermediate housing market, in particular in more expensive parts of London. This could ensure new homes better meet need. If a formal cap were to be introduced, some respondents highlighted that it is important that not all homes are priced at the top of the cap, but rather at a range of values below it.

Theme 2: The potential impacts of a value cap on viability, in particular on different sizes of homes in different areas, needs to be understood.

- 3.4. Respondents highlighting this theme were broadly supportive of the cap, but emphasised the need to understand how such an approach might impact on the viability of development, particularly if the cap was set too low. This understanding could be supported by modelling the impact of a formal cap at different values that take into account local variations in incomes. Respondents acknowledged that a different cap or approach might be needed for different areas of London, depending on property values, as well as for different sizes of home (with larger homes potentially being particularly negatively impacted by a cap if it is set at too low a level). Some respondents raised the need for higher levels of grant if the OMV of shared ownership properties is to be further constrained.

Theme 3: A formal value cap might negatively impact of the delivery of affordable housing

- 3.5. Respondents raised concerns that while there may be benefits in a formal value cap in terms of supporting improved affordability, such a cap may deter investment in new affordable housing and thus have a negative impact on overall delivery. While reduced delivery may be more directly focussed on shared ownership homes, respondents suggested that this would also have a knock-on impact on the delivery of social rented homes given the role of shared ownership in cross-subsidising these homes.

Theme 4: Mechanisms already exist to effectively limit the value of shared ownership homes

- 3.6. Some respondents questioned whether the introduction of a formal value cap is required, given that the existing income eligibility threshold for intermediate housing in London, as outlined in the London Plan, acts as a de facto cap on the OMV of shared ownership homes. This ensures that new supply of shared ownership is directly related to affordability and incomes.

Theme 5: A value cap might negatively impact Londoners who are looking to purchase larger shared ownership homes and those who are looking to purchase a home in more expensive parts of the capital.

- 3.7. A number of respondents raised concerns that the introduction of a formal value cap would reduce the choice of shared ownership homes that are available (in particular larger homes) as well as the locations of these homes (in particular those in more expensive parts of London). This could not only prevent some Londoners from becoming homeowners for the first time, but could also reduce the ability of current shared owners to move to a shared ownership home which better meets their needs.

Talk London responses

- 3.8. Sixty-seven percent of respondents agreed strongly or somewhat with the proposal, while eighteen per cent disagreed strongly or somewhat. Nine per cent neither agreed nor disagreed and five per cent didn't know.
- 3.9. Those who agreed with a price cap argued that it safeguards against potentially unrealistic definitions of affordable housing. It would enable more people the opportunity to buy a home and ensure that homes can genuinely be bought by those on middle incomes, including key workers – who may have to live in expensive areas due to their work.
- 3.10. Those who disagreed argued that introducing a cap interferes too much with market forces and that it will decrease the supply of shared ownership homes, meaning only a small number of people would benefit from these homes. It is also perceived as being 'unfair' to those who have already bought their home without a cap.

Question 1 (b): What, if any, impact would this have on housing market recovery post Covid-19?***Overview of responses***

- 3.11. Forty-four respondents answered this question. The main themes occurring in these comments are summarised below.

Recurring themes

Theme 1: A value cap could make shared ownership more affordable and thus better able to meet increased demand as a result of Covid-19

- 3.12. Some respondents suggested that the introduction of a formal value cap could reduce the price of some shared ownership homes, meaning that shared ownership would remain affordable to Londoners on a range of incomes, including key workers. This is in the context of some respondents' expected increase in demand for all types of affordable housing as a result of the coronavirus pandemic.

Theme 2: A value cap could reduce demand as housing providers are less able to respond to market demands and the pool of potential purchasers is made smaller

- 3.13. Some respondents argued that a value cap could reduce demand for shared ownership homes, as the cap would mean that homes that meet particular needs and preferences of Londoners (e.g. large homes and those in more expensive locations) would no longer be available. This could accelerate the departure of some families from inner London or from the capital altogether. Others acknowledged this would not have an impact in some less expensive parts of London as values are already relatively low.

Theme 3: No significant impact on market recovery – this will be driven by other factors

- 3.14. A number of respondents suggested that a cap would not have a significant impact on market recovery, in particular in lower value areas and boroughs where the local authority's preference is for intermediate rent rather than shared ownership. There are wider issues that are more likely to have a significant impact on market recovery, including the state of the construction industry, the impact of the stamp duty land tax (SDLT) holiday, the availability of grant to plug any viability gaps and the availability of mortgages.

Theme 4: A value cap could impact on the viability and delivery of new homes, in particular affordable homes

- 3.15. Some respondents warned that any reduction in shared ownership values may reduce the profitability of development sites and thus may make investment in housing delivery less attractive. This may make housing developers, including housing associations, less enthusiastic about taking on new development opportunities and the associated risks, especially at a time of wider uncertainty

caused by the new shared ownership model and the expected introduction of First Homes. This could lead to not only a negative impact on the delivery of shared ownership homes, but, even more importantly, the delivery of social rented homes. Overall, this could lead to a reduction in the proportion of affordable homes that can be delivered.

GLA response: Questions 1 (a) and 1 (b)

- 3.16. There has been increasing concern over recent years that shared ownership homes are becoming less affordable, in particular in the more expensive London boroughs. There would be clear affordability benefits of a more formal cap on the OMV of new shared ownership homes.
- 3.17. The Mayor wants to ensure that new shared ownership homes are delivered at prices which will ensure that they are affordable to Londoners who would most benefit. The Affordable Housing and Viability Supplementary Planning Guidance published in 2017 provides some guidance on values of shared ownership homes, stating that “generally shared ownership is not appropriate where unrestricted market values of a home exceed £600,000”⁸. However, analysis shows that in some more expensive areas of London, rising house prices mean that some shared ownership properties are exceeding this amount. In 2018/19, 16 per cent of new shared ownership homes had an OMV above £600,000⁹.
- 3.18. The GLA could impose a cap on a sub section of the affordable homes market through a requirement in the new Affordable Homes Programme. This would ensure that no shared ownership homes delivered through the programme exceeded this limit and so would be more likely to be affordable to a range of incomes below the £90,000 income cap.
- 3.19. However, as raised by a number of respondents, the imposition of a formal cap would have the potential to reduce the availability of shared ownership homes in more expensive areas of London, as well as the supply of larger homes (those with three bedrooms or more) that are particularly suitable for families. Furthermore, the new AHP will deliver the Government’s new shared ownership model. This will allow an initial share of 10 per cent, which may extend affordability to a wider pool of Londoners. Some respondents were concerned about the need for providers to adapt to this new model, alongside the introduction of First Homes and disruption caused by Covid-19.
- 3.20. Some respondents suggested that any cap should be set at different levels to reflect local requirements and/or different size of home. The GLA has a key strategic role

⁸ Greater London Authority, [Affordable Housing and Viability Supplementary Planning Guidance](#), 2017

⁹ Greater London Authority analysis of 2018/19 CORE data, August 2020

in setting the parameters for affordable housing delivery across London and as such does not think that locally-set caps are an appropriate tool, nor are differential value caps according to the size of home. This has the potential to be unnecessarily confusing and complex for housing providers and Londoners. It also fails to provide the London-wide certainty that is needed in the housing market and for residents, especially as a result of the disruption caused by Covid-19. Differential caps are at odds with the single income eligibility threshold for shared ownership of £90,000 across London (notwithstanding the ability of local authorities to set additional eligibility criteria for the first three months of marketing). As some respondents set out, the existing income eligibility criteria threshold of £90,000 and associated affordability tests should act as a de facto check on excessive values.

- 3.21. The GLA is clear that, as set out in planning guidance, shared ownership homes should not generally have an open market value above £600,000 and local authorities should ensure that shared ownership homes delivered in their borough are affordable to a range of incomes below £90,000. The GLA believes there is potential for planning guidance to be strengthened in this area. However, the GLA will not implement a formal value cap through the new AHP. This will help ensure that the delivery of larger shared ownership homes is not disincentivised, as well as allowing for some flexibility to reflect very specific local needs. In addition, exploring options for strengthening the planning guidance would ensure that it would apply to all new shared ownership homes rather than just those funded through the new AHP.
- 3.22. **The GLA will work over the coming months to identify any options for further strengthening the existing planning guidance in this area.**

Question 2 (a): Should the GLA require housing providers to report on service charge levels at regular intervals?

Overview of responses

- 3.23. Forty-two respondents answered this question. Of these respondents, fifty-five per cent agreed that the GLA should require housing providers to report on service charge levels at regular intervals, twenty-four percent partly agreed and twenty-one percent disagreed. The analysis of responses by respondent type is set out in the table below.

Respondent type	Agree (number)	Partly agree (number)	Disagree (number)
Councillor, Assembly Member or MP	1	0	0

Respondent type	Agree (number)	Partly agree (number)	Disagree (number)
Housing association	3	7	4
Housing developer	0	0	1
Local authority	15	3	3
Trade association or industry body	3	0	1
Voluntary /community sector (campaign/research/representation)	0	0	0
Voluntary /community sector (front line services)	0	0	0
Other organisation	1	0	0
Individual	0	0	0
Total number	23	10	9
Percentage of total	55%	24%	21%

3.24. Respondents provided a range of comments in response to this question and the main themes are summarised below.

Recurring themes

Theme 1: Greater transparency will assist the general public, potential purchasers and local authorities in understanding the full cost of shared ownership homes and these benefits should be expanded beyond shared ownership.

3.25. Respondents highlighted the benefits of increased transparency in relation to service charges, in particular supporting potential shared owners to understand the ongoing costs of shared ownership homes, as well as providing local authorities with information that would enable them to understand local housing affordability more comprehensively. There is also the potential to use such reporting requirements to benchmark service charges to support an assessment of what is reasonable to charge, as well as expanding data collection to look at sinking funds and increases in service charges over time. A number of respondents suggested

that this kind of transparency around service charges should be a requirement of receiving grant from the GLA for all intermediate homes, not just shared ownership.

Theme 2: Consideration needs to be given to the extent to which service charges data provided by housing providers is usefully comparable and the purpose of collecting this data needs to be clear

- 3.26. A number of respondents raised concerns about the validity of comparing service charges. For example, service charges differ significantly depending on the age, type and location of the building, as well as the type of services that are available to residents (including those which may be offered on an opt-in basis, for example enhanced cleaning services). When presenting and analysing this data, it would be necessary to avoid any false comparisons, as well as ensuring that the data is sufficiently anonymised to protect commercially or personally sensitive information. Clarity would be required on whether such reporting would be on estimated or actual service charges.
- 3.27. Finally, a number of respondents highlighted the need to ensure that the purpose of collecting such data is clear, for example whether it is intended to enable some kind of benchmarking of reasonable fees (by the GLA or others) or to provide potential shared owners with information to enable them to make a more informed choice as a consumer.

Theme 3: More useful information could be gleaned from requiring reporting on wider management charges and fees

- 3.28. Some respondents suggested that service charge levels don't provide the most useful comparative information for current and potential shared owners, not only for the reasons outlined at 3.26 but also because in some buildings service charges are set by a third party rather than by the housing provider directly. For this reason, management fees and administrative charges may be more useful in terms of understanding how costs for shared owners differ between providers.

Theme 4: Any requirement should be included within wider reporting requirements and/or timed to reduce the administrative burden on housing providers and the GLA

- 3.29. A number of respondents highlighted the potential resource burden that such a reporting requirement could place upon housing providers as well as the GLA. Respondents suggested that any reporting requirements should be designed to ensure that they correspond as closely as possible with existing annual cycles for reporting and accounting. Some respondents suggested that collection of data could (or in some cases should) be the role of the Regulator of Social Housing and as such could be collected through the annual regulatory returns.

Theme 5: Current arrangements provide adequate controls on service charges

- 3.30. Some respondents suggested that existing requirements – including the Shared Ownership Charter for Service Charges, the Right to Manage, the First-tier Tribunal and the Housing Ombudsman – already provide adequate tools to help shared owners understand and challenge service charges.

Question 2 (b): If so, should the GLA make this information available to the public?*Overview of responses*

- 3.31. Thirty-six respondents answered this question. Of these respondents, forty-seven per cent agreed that the GLA should make this information available to the public, thirty-three percent partly agreed and nineteen percent disagreed. The analysis of responses by respondent type is set out in the table below.

Respondent type	Agree (number)	Partly agree (number)	Disagree (number)
Councillor, Assembly Member or MP	1	0	0
Housing association	2	6	5
Housing developer	0	0	0
Local authority	12	5	1
Trade association or industry body	2	0	1
Voluntary /community sector (campaign/research/representation)	0	0	0
Voluntary /community sector (front line services)	0	0	0
Other organisation	0	1	0
Individual	0	0	0
Total number	17	12	7
Percentage of total	47%	33%	19%

3.32. Respondents provided a range of comments in response to this question and the main themes are summarised below.

Recurring themes

Theme 1: Publishing data on service charges will improve confidence in and understanding of shared ownership

3.33. A number of respondents highlighted that publishing data would improve understanding of service charges among existing and potential shared owners, as well as providing them with information to benchmark, and potentially challenge, such charges. A number of issues raised in relation to this theme are outlined at 3.25.

Theme 2: Any published data needs to be nuanced and contextualised to ensure comparisons are only made where appropriate and that it should be a requirement for all private as well as affordable housing

3.34. Respondents making comments related to this theme raised many of the issues that are outlined at 3.26 to 3.27. One potential negative impact of increased transparency raised was that any focus on reducing service charge levels could result in sinking funds not being adequately resourced. Respondents also highlighted the need to ensure that there is equivalent data available for service charges associated with private leasehold properties, to ensure that the affordable housing sector isn't singled out for increased scrutiny.

Theme 3: Publication of service charges data across different housing providers will not provide clarity for shared owners – the focus should instead be on supporting shared owners to understand their own service charges from the outset

3.35. Some respondents raised concerns that the publication of service charges data may create confusion among shared owners and the wider public and could encourage the inappropriate comparison of data. Instead, it may be more useful to help shared owners better understand the service charges associated with their property from the outset, including through improved information at the point of marketing and sale (although some respondents suggested that this information is already shared with potential shared owners at an early stage).

GLA response: Questions 2 (a) and 2 (b)

3.36. The responses to these questions show a high level of support for the principle of requiring housing providers to report regularly on service charges and for this

information to be made public. This information would contribute towards increased transparency around the costs of shared ownership, with a view to improving shared owners' experiences and potentially providing a further impetus for housing providers to keep service charges as low as possible.

- 3.37. However, respondents also highlight a number of potential challenges with this approach, including the need to ensure the data is collected in a consistent way in order to support comparison where appropriate, but also to ensure that all data is contextualised and that inappropriate comparisons are not made.
- 3.38. Existing tools to support transparency and fairness in service charges were highlighted by respondents, including the Shared Ownership Charter for Service Charges¹⁰ which was created in partnership with housing providers at the beginning of the current AHP. The GLA is aware that this Charter needs to be updated to reflect the new AHP and relevant new policy requirements, including the new model for shared ownership, and would like to explore options for extending it to the wider leasehold sector.
- 3.39. Given that the full details of the new model for shared ownership are yet to be finalised, and the tight timescale for the launch of the new AHP, the GLA believes that the best approach would be to work together with stakeholders on revising and updating the Charter, to include working with housing providers to undertake research on service charges in London, including how best to co-ordinate a wider data collection exercise on this issue in London and ensure that it can have a meaningful impact on the experience of shared owners.
- 3.40. **The GLA expects all investment partners in the new AHP to sign up to the principles of the existing Shared Ownership Charter for Service Charges and to commit to working with the GLA to develop a new and improved Charter, reflecting the new shared ownership model and potentially extending the Charter to the wider leasehold sector.**
- 3.41. **The GLA will work with investment partners to undertake research on service charges in London, including understanding the best categories to include in any data collection on service charges and how best to analyse, present and make use of this data. The new Charter could include commitments for partners to publish service charges data.**

Question 3: Should the GLA require affordable housing providers to publish a schedule of additional fees which may be charged to shared owners for specific services or transactions?

¹⁰ Greater London Authority, [Shared Ownership Charter for Service Charges](#), 2020

Overview of responses

3.42. Thirty-seven respondents answered this question. Of these respondents, eighty-one per cent agreed that the GLA should require affordable housing providers to publish a schedule of additional fees which may be charged to shared owners for specific services or transactions. Eleven percent partly agreed and eight percent disagreed. The analysis of responses by respondent type is set out in the table below.

Respondent type	Agree (number)	Partly agree (number)	Disagree (number)
Councillor, Assembly Member or MP	1	0	0
Housing association	8	3	1
Housing developer	1	0	0
Local authority	18	1	2
Trade association or industry body	2	0	0
Voluntary /community sector (campaign/research/representation)	0	0	0
Voluntary /community sector (front line services)	0	0	0
Other organisation	0	0	0
Individual	0	0	0
Total number	30	4	3
Percentage of total	81%	11%	8%

3.43. Respondents provided a range of comments in response to this question and the main themes are summarised below.

Recurring themes

Theme 1: Greater transparency over additional fees would benefit the public and prospective purchasers, by helping them to understand the costs of purchase, and assist local authorities monitoring the overall affordability of housing.

3.44. Similar to the responses outlined at 3.25, a number of respondents highlighted the positive impacts that greater transparency around additional fees and charges would have in terms of supporting potential purchasers to understand the full cost of shared ownership homes and to support local authorities and the GLA in understanding and monitoring the overall affordability of housing. This would also help to ensure consistency between providers, as well as potentially supporting the resolution of disputes in relation to the levels of fees and charges.

Theme 2: Any schedule of additional fees should be as comprehensive as possible and the GLA should provide guidance on its scope

3.45. A number of respondents highlighted the need for any reporting requirements to cover the full range of fees and charges that are in addition to service charges. This includes legal, mortgage and administrative costs of staircasing, resales, utilities and service charges, charges for replacing cladding, and anticipated increases over time. A number of respondents suggested that the GLA should provide guidance to housing providers on what should be included in such a schedule, and, potentially, guidance on what constitutes a reasonable charge for particular fees.

Theme 3: This reporting requirement is not required and unlikely to result in meaningful change

3.46. A number of respondents highlighted that many housing providers already work to ensure that their additional fees and charges are as reasonable as possible and so implementing this requirement is unlikely to improve things significantly. There were also some concerns raised about the extent to which these charges are easily comparable between providers, although a number of respondents suggested that such fees and charges have the potential to be much more easily benchmarked and meaningfully compared than service charges.

GLA response: Question 3

3.47. The responses to this question show a high level of support for the GLA to require housing providers to publish a schedule of additional fees for specific services or transactions. This would ensure that the additional costs associated with shared ownership are as transparent as possible and may support increased consistency between housing providers. Issues around best practice in how to set fees and the potential for benchmarking could be explored through the work to update the Shared Ownership Charter for Service Charges (see 3.38 to 3.39).

- 3.48. **The GLA will require all investment partners in the new AHP to publish details of additional fees and charges (other than service charges) for shared ownership homes on their websites. The new AHP Funding Guidance will outline the expectation that these charges should be reasonable and kept to a minimum.**

Question 4: What more could be done to improve the experience of those living in shared ownership?

Overview of responses

- 3.49. Forty-two respondents answered this question. The main themes occurring in these comments are summarised below.

Recurring themes

Theme 1: Greater consistency, transparency and clarity in guidance for potential shared owners is needed

- 3.50. Many respondents highlighted the need for greater consistency, transparency and clarity in guidance for potential shared owners. This guidance should include clearer information about rights and responsibilities (of purchasers and landlords), service charges and all expected costs, and details of how to staircase and move between shared ownership properties. This should be provided as early as possible in the marketing and sales process to ensure that potential shared owners are as clear as possible on the nature of shared ownership. This could be supported through an awareness-raising campaign (of which there are a number of existing examples), but it could also be achieved through increased standardisation of the information provided to potential purchasers.

Theme 2: Work needs to be done to address the costs of staircasing and to improve the resales process.

- 3.51. Respondents raised issues with the staircasing process (specifically the costs associated with this) and the resales process as key areas for improvement with the shared ownership model. Some respondents acknowledged that the new shared ownership model, which will allow shared owners to staircase in one per cent shares, could help to make this process more transparent and potentially more affordable. However, a number of respondents highlighted the importance of understanding the details of the new model and this information is expected to be provided in the Government's technical consultation on the new model.

Theme 3: Some aspects of the new shared ownership model may help improved the experience of shared owners

- 3.52. The new shared ownership model was viewed by some respondents as potentially providing some benefits to shared owners, both in relation to the ability to staircase in smaller increments but also transferring the liability for repairs and maintenance onto the housing provider for the first ten years. Some respondents expressed concern that this change in the liability of repairs and maintenance could have a negative impact on the viability of some housing development and the ability of housing providers to invest in new affordable homes, as well as some concerns around how this would affect charges for existing shared owners (who will not be subject to the new arrangements).

Theme 4: Need to ensure the lease extension process for shared owners is more effectively and actively managed

- 3.53. Some respondents raised lease extensions and the need for housing providers to proactively manage this process as another key issue for shared owners. One respondent suggested that housing providers should publish details about the length of time left on the lease of all their shared ownership properties, and another that the GLA should have a proactive role in supporting housing providers around the lease extension process and providing guidance on what is expected.

Theme 5: Provide support for shared owners being impacted by delays in the remediation of unsafe cladding and the challenges in relation to the provision of EWS1 forms.

- 3.54. A number of respondents highlighted the ongoing issues in relation to the remediation of unsafe cladding (or other external wall system) and the associated costs for shared owners and leaseholders more broadly, as well as the significant challenges in relation to the provision of EWS1 forms. These issues mean that many shared owners find themselves facing significant bills for cladding remediation, and/or are unable to sell their home due to the lack of an EWS1 form.

Talk London responses

- 3.55. Sixty-two percent of survey respondents highlighted the importance of more transparency and consistency around fees for shared owners (other than service charges), while fifty-eight percent agreed that this is also required in relation to service charges. Fifty-six percent of respondents highlighted the need for more information for shared owners who wish to move homes.
- 3.56. In the discussion, a number of respondents raised concerns around the affordability of shared ownership, in particular in relation to the liability of shared owners for 100 per cent of repairs. A number of respondents also highlighted the challenges of additional costs and complex processes faced in relation to lease extension and

resales, as well as the risk that shared owners can lose their homes if they fall into arrears with rent or service charges.

GLA response: Question 4

- 3.57. The responses to Question 4 show that there are a number of areas where improvements could be made to improve the experiences of shared owners, although not all of these issues are within the power of the GLA and the Mayor to address directly. The GLA recognises the importance of ensuring that shared owners have access to the full range of information about the nature of shared ownership (including rights and responsibilities of shared owners and landlords) as well as the full range of likely fees (including service charges, staircasing fees, permission fees and other charges). This should be provided as early as possible in the marketing and sales process.
- 3.58. The new shared ownership model does provide some opportunity to improve the experience of owners in relation to staircasing, if the process of staircasing in increments as small as one per cent does not carry prohibitive costs. The transfer of liability for repairs and maintenance onto housing providers may also reduce costs for new shared owners, however there are risks that this approach will have a negative impact on the ability of housing providers to deliver new homes and invest in existing ones. It is also not clear whether there may be unintended costs for existing shared owners and there may be downsides to creating a two-tier resales market. Understanding this detail will be critical to understanding the impact on shared owners and housing delivery in London alike. The GLA will also consider how the lease extension process could be better supported through the new model.
- 3.59. The GLA is acutely aware of the impact of the building safety crisis on shared owners. The Mayor has campaigned for greater Government funding to ensure the cost of replacing dangerous cladding does not fall to them. The current situation, where lenders will not provide a mortgage for a flat until the safety of the external walls is checked, is trapping leaseholders and shared owners. In September 2020 the Mayor wrote to the Secretary of State setting out five asks for Government intervention¹¹.
- 3.60. **The GLA will require all grant recipients in the new AHP to provide a key features document to potential purchasers at the start of the marketing and sales period for all new shared ownership homes. In addition to the information already required through a key information document, as outlined in the shared ownership model lease, this key features document should also include detailed information on the tenure of a property and the length of any lease, as well as the full range of potential costs, including any expected**

¹¹ https://www.london.gov.uk/sites/default/files/rt_hon_robert_jenrick_mp_21_09_20.pdf

service charges, permission fees and any other charges (including those relating to resales and lease extensions).

Question 5: What role should intermediate housing play in meeting housing need and supporting the housing market as part of the recovery from the impacts of Covid19?

Overview of responses

3.61. Fifty-seven respondents answered this question. The main themes occurring in these comments are summarised below.

Recurring themes

Theme 1: Intermediate housing plays a key role in providing housing for Londoners who struggle to afford housing costs in the private market but who are unlikely to be eligible for homes at social rent levels

3.62. A number of respondents highlighted the vital role intermediate housing plays in achieving a balance of tenures that cater for those who struggle to afford housing costs on the open market, but who are unlikely to benefit from homes at social rent levels. Respondents suggested that those that benefit from the provision of intermediate housing are younger Londoners and those working as key workers, as they are more likely, in respondents' experience, to benefit from the lower income and savings requirements to access intermediate housing.

Theme 2: Affordable housing, including intermediate housing, has a key role to play in supporting the housing market

3.63. Respondents highlighted the role of affordable housing, in particular associated grant funding, in providing counter-cyclical support to the housing market during downturns, including the post Covid-19 recovery. A number of respondents highlighted the specific role that intermediate housing plays in this, in particular shared ownership, in enabling housing providers to deliver homes that not only meet intermediate housing need, but also provide cross-subsidy for homes at social rent levels. Some respondents argued that flexibility in the range of intermediate products that can be delivered in London will further support development viability as they will be better able to meet the challenges of delivering homes in specific areas, while meeting housing need, both in terms of the provision of intermediate homes and the generation of cross-subsidy for homes at social rent levels.

Theme 3: Intermediate rented homes should be prioritised

- 3.64. Some respondents argued that intermediate rented homes, including London Living Rent (LLR), should be prioritised for delivery above affordable home ownership products. Respondents made the case that intermediate rented homes support lower-paid Londoners, including many of the key workers who have supported the city during the pandemic, but are unlikely to be able to benefit from homes at social rent levels. Respondents also highlighted that - given that rented products tend to be more resilient than the build-for-sale sector in the event of an economic downturn - intermediate rented homes are a more appropriate tenure to prioritise at the current time than shared ownership.

Theme 4: The focus of affordable housing delivery should be on social rented homes, not on intermediate housing

- 3.65. A number of respondents said that the focus of housing delivery in London should be on social rented homes rather than intermediate homes, because the overwhelming need is for homes at social rent levels. Some respondents also argued that grant-funded social rented homes could provide the most effective counter-cyclical support for the housing market, given that the demand for them is so significant and that their delivery is less reliant on the wider housing market.

Talk London responses

- 3.66. The majority of respondents didn't focus on intermediate housing specifically, but rather focussed on wider issues relating to the housing crisis in London. These issues included the need for rent controls, providing better conditions for private renters and increasing regulation around overseas investment and second home ownership.
- 3.67. A number of respondents highlighted concerns that the delivery of shared ownership homes might be at the expense of social rented homes, and that their preference for intermediate homes would be for London Living Rent rather than shared ownership, as these homes meet a more pressing need and enable tenants to save for a deposit.

GLA response: Question 5

- 3.68. Delivering homes at social rent levels remains at the heart of the Mayor's housing strategy, reflecting the overwhelming need for these homes in the capital. The 2017 Strategic Housing Market Assessment (SHMA)¹² shows a need for 66,000 new homes a year, including 43,000 affordable homes. Of these affordable homes, around 72 per cent should be for low cost rent and around 28 per cent intermediate

¹² Greater London Authority, [Strategic Housing Market Assessment](#), November 2017

homes. This is why the delivery of social rented homes is a central feature of the Homes for Londoners: Affordable Homes Programme 2021-26.

- 3.69. However, the Government has imposed conditions on funding meaning that forty-seven percent of the homes delivered through the new programme must be for affordable home ownership, including shared ownership. This reflects an ongoing and consistent focus on home ownership in national government housing policy and this focus is expected to remain for the foreseeable future.
- 3.70. The GLA does recognise that intermediate homes play an important role in supporting Londoners who are unlikely to be able to benefit from social rented homes, but who still struggle with housing costs. And as such they are an important part of the much-needed affordable housing mix in the city. The GLA is keen to promote options for intermediate housing that meet the needs of Londoners, while at the same time meeting the requirements set by the Government.
- 3.71. This is why the current AHP has London Living Rent (LLR) as one of its two preferred intermediate products, alongside shared ownership. LLR was introduced as an innovative new product designed to offer Londoners a below-market rent, based on a third of average local incomes, enabling them to save for a deposit to buy their own home. Following successful negotiation with the Government, the GLA will again be able to fund LLR in the new AHP, alongside shared ownership.
- 3.72. The Housing Delivery Taskforce¹³ highlighted the importance of investment in affordable housing delivery, including intermediate housing, in supporting housing market recovery in light of the Covid-19 pandemic. This investment would build confidence and strengthen supply chain resilience by supporting development which is less reliant on a very buoyant private market. The Mayor and the Taskforce has called on the Government to issue a £4.83bn recovery package. This recovery package should comprise a £1.33bn programme to facilitate changes of tenure in the remaining three years of the Affordable Homes Programme, and a £3.5bn buyer of last resort scheme to give confidence to the private market to start new schemes rather than downing tools, by knowing that homes could be purchased for the affordable market at cost price if a buyer cannot be found. The recovery package would ensure that nearly 44,000 homes would continue to be built over the next three years.

Question 6 (a): What role should intermediate rented homes play in London's affordable housing mix, as part of the recovery from the impacts of Covid-19?

Overview of responses

¹³ Greater London Authority, [London's Housing Delivery Recovery Plan](#), July 2020

3.73. Fifty-five respondents answered this question. The main themes occurring in these comments are summarised below.

Recurring themes

Theme 1: Provides a balance of tenures for 'middle income' Londoners and supports mixed communities

3.74. A number of respondents highlighted the key role that intermediate housing plays in achieving a balance of tenures for 'middle income' Londoners. Intermediate rent in particular can enable some Londoners to save towards a deposit to buy their own home in the future, whether on a shared ownership basis or on the open market. Some respondents highlighted that some Londoners in this group are likely to be key workers. It was also felt that the size of this group overall is likely to have increased as a result of the pandemic, as many Londoners have had to make use of their savings to cover a reduction in regular income. Respondents also highlighted the importance of intermediate housing in providing part of a mix of tenures, alongside social rent, to ensure that London's communities remain mixed and include Londoners from different backgrounds.

Theme 2: Intermediate rented homes should be prioritised

3.75. A number of respondents suggested that intermediate rented homes should be prioritised for delivery above affordable home ownership products (see also 3.65). This is because these homes meet need for those who find themselves unable to access homes at social rent levels and struggle to afford private rents, but are not able to buy their own home, including on a shared ownership basis. Respondents suggested that in some parts of London, shared ownership is out of reach for many and intermediate rent would much better suit their needs.

Question 6 (b): What more could the Mayor do to support delivery of London Living Rent homes?

Overview of responses

3.76. Fifty-eight respondents answered this question. The main themes occurring in these comments are summarised below.

Recurring themes

Theme 1: Increase grant rate provided through the Affordable Homes Programme for LLR homes

- 3.77. A number of respondents highlighted the need to provide a higher grant rate for the delivery of LLR to support delivery and viability. Respondents suggested that the fixed grant rate offered through the current AHP, which is the same for both LLR and shared ownership homes, was too low in many cases to support delivery at scale. Some respondents suggested that there should be variation in grant rates to reflect the size and location of homes.

Theme 2: More data on LLR (including number delivered, proportion of tenants achieving home ownership) would enable better assessment of delivery.

- 3.78. Some respondents suggested that the collection of more data on LLR would help the GLA and housing providers to better understand the role and impact of the product, as well as to provide clarity on how the success of the product will be assessed. This data could include the number and location of LLR homes delivered, who is living in LLR homes and how long tenants rent for before purchasing a home on a shared ownership basis.

Theme 3: Allow LLR homes to be rented in perpetuity

- 3.79. A number of respondents suggested that LLR homes should be offered as intermediate rented homes in perpetuity, rather than on a Rent-to-Buy basis. This would not only ensure that there is more clarity among consumers around the nature of the product, but for some developers the long-term income stream of a rental product may make the delivery of LLR homes more appealing. Respondents highlighted the need for any move to this approach to be supported by a commensurate increase in grant funding.

Theme 4: Provide clarity on how to manage the Rent-to-Buy element of LLR

- 3.80. A number of respondents highlighted the lack of clarity around what happens after the first ten-year rental period, after which LLR tenants are expected to move into home ownership on a shared ownership basis. Respondents queried what is expected of housing providers if the tenant is not able to move into home ownership after ten years, and suggested that the GLA could do more to support providers with guidance around how best to encourage saving amongst LLR tenants to enable them to move into home ownership. Some respondents requested additional flexibility in relation to the ten-year period, as in some cases it may take longer to support an LLR tenant into home ownership.

Theme 5: Review LLR rent levels

- 3.81. A number of respondents suggested that LLR rent levels should be reviewed and there were a range of suggestions in this area, including increasing rents to up to eighty per cent of market rates to support viability, through to reducing rents as in

some parts of London they are not affordable, including for key workers. One respondent raised the issue of LLR rents being below social rent in some parts of London.

GLA response: Questions 6 (a) and 6 (b)

- 3.82. The GLA sees intermediate rent as playing a key role in the capital's housing mix and in supporting the housing market as part of the recovery from the impacts of Covid-19. However, government restrictions mean that funding for intermediate homes must be used for affordable home ownership, and so intermediate rented products cannot be funded through the new AHP. These restrictions mean that LLR will continue to be delivered on a Rent-to-Buy basis through the new AHP, meaning that the GLA can use its funding to ensure that Londoners can benefit from rents based on a third of average local incomes, supporting them to save a deposit to buy a home (see also 3.71).
- 3.83. The GLA recognises the concerns expressed by respondents regarding the grant rates for LLR offered through the current AHP. The new AHP will not operate on a fixed grant rate basis and so will be able to better reflect the costs of the delivery of different affordable housing tenures, including LLR. However, the Mayor remains of the view that the amount of grant funding for affordable housing delivery in London needs to be significantly increased if the capital is to be able to make real progress towards meeting housing need. The levels of funding provided by the Government through the new AHP still fall far short of what is required.
- 3.84. The GLA understands the need for clarity for housing providers and Londoners in relation to the ten-year period after which providers are expected to support LLR tenants into home ownership. LLR is a Rent-to-Buy product when delivered with grant funding and it is important that providers can demonstrate how they are supporting tenants towards home ownership. The GLA recognises that housing providers need to manage these homes based on their tenants' needs as well as the requirements of their wider development programmes, and this may preclude a strict ten-year threshold.
- 3.85. The GLA believes that the approach to setting LLR rent levels strike a balance between financial viability for providers and affordability for occupants by ensuring that the rents remain linked to local incomes. The new AHP will operate on a competitive bidding rather than a fixed grant rate basis and so will be able to better reflect the costs of delivering of different affordable housing tenures, meaning that the viability of LLR schemes should be improved.
- 3.86. The GLA wants to ensure that LLR rents align with London Plan affordability thresholds that housing costs should be no more than 28 per cent of gross household income (equivalent to 40 per cent of net income with net assumed to be

70 per cent of gross income), with £60,000 the maximum household income for those accessing London Living Rent. This means that the LLR benchmarks for 2021/22 will be capped at £1,400 a month for all homes. For context, the average ward-level benchmark LLR rent for a two bedroom home is currently £1,029 a month.

- 3.87. As a number of respondents highlighted, intermediate rented and LLR homes have an important role to play in supporting Londoners who are unlikely to be able to access homes at social rent levels, but for whom home ownership is currently out of reach. The GLA wants to ensure that London Living Rent is accessible by those who will most benefit from it and so plans to extend eligibility to all those who live or work in London and who either have a formal tenancy (e.g. in the private rented sector) or who are living in an informal arrangement with family or friends as a result of struggling with housing costs. The existing income and affordability eligibility criteria, including the ability of local authorities to set additional eligibility criteria for the first three months of marketing, will still apply.
- 3.88. **The GLA expects investment partners to support LLR tenants into home ownership within ten years. Bids for funding through the new AHP will be assessed accordingly and the GLA will seek to maximise the number of LLR homes that can be delivered through the programme, but partners are invited to discuss any flexibility they may require in this regard when bidding for funding through the new AHP.**
- 3.89. **The London Living Rent benchmarks for 2021/22 will be capped at £1,400 a month.**
- 3.90. **The GLA will extend eligibility for LLR homes funded through the new AHP to all those who live or work in London and who either have a formal tenancy (e.g. in the private rented sector) or who are living in an informal arrangement with family or friends as a result of struggling with housing costs. This change will also apply to the Homes for Londoners: Affordable Homes Programme 2016-23 and this will be reflected in an update to the Capital Funding Guide.**
- 3.91. The suggestions in relation to improving data collection around LLR will be considered alongside wider questions around improving data collection on intermediate housing in the Consolidated Consultation Response Report.

Question 10 (a): Are there other examples of innovative models of affordable home ownership in London?

Overview of responses

3.92. Thirty-three respondents answered this question. The main themes occurring in these comments are summarised below.

Recurring themes

Theme 1: There are a number of innovative affordable home ownership models

3.93. Respondents highlighted the following innovative affordable home ownership models:

- Do-it-yourself (DIY) shared ownership
- Shared equity
- Discounted market sale (including examples where prices are linked to local incomes rather than market values)
- Rent to Buy products which include a gifted deposit (e.g. RentPlus, Dolphin Living/Westminster City Council Homeownership Accelerator Scheme, Horizon Scheme)

3.94. Respondents also highlighted the following alternative delivery methods to support the delivery of these and other affordable home ownership models:

- Self-build
- Community-led housing
- Community land trusts
- Institutional investment
- For-profit Registered Providers
- Smaller Registered Providers

Theme 2: There are already enough affordable home ownership models and they would benefit from being reviewed and rationalised

3.95. A few respondents suggested that there are already a number of affordable home ownership products available in London and that there is not a need for any more. Instead, energy should be focussed on reviewing and rationalising the existing suite of options, including evaluating the roll-out and impact of LLR.

Question 10 (b): What could the GLA do to support delivery of these homes?

Overview of responses

3.96. Twenty-four respondents answered this question. The main themes occurring in these comments are summarised below.

Recurring themes

Theme 1: The GLA should promote the delivery of these alternative models to institutional investors and the wider housing sector

3.97. Some respondents suggested that these alternative models should be promoted to investors and housing providers to ensure a wide range of affordable housing options are delivered across London, reflecting local circumstances and need.

Theme 2: The GLA should provide grant funding to support the piloting of new and innovative models.

3.98. Respondents suggested that the GLA's should make use of its funding powers to support piloting new and innovative models, and this should include both capital funding for build costs and revenue funding for capacity building to support this delivery. The GLA could also make use of its planning powers to promote these models.

Theme 3: The GLA should provide specialist support and guidance for the delivery of these kinds of homes

3.99. A number of respondents highlighted the Community-Led Housing London Hub¹⁴ as an example of best practice in the GLA providing additional support for innovative approaches to affordable housing delivery. There were some suggestions that this support could be further augmented by providing a guarantee of longer-term funding and potentially expanding it to cover other innovative models (e.g. self-build). One respondent suggested that the GLA should allow community-led housing to be delivered without the need to partner with a Registered Provider.

Theme 4: The GLA should encourage landowners, planning authorities and developers to allocate land to community-led housing, including considering investing in such models on its own land

3.100. Some respondents saw the GLA as having a key role in promoting the delivery of community-led housing amongst partners, as well as working to identify opportunities for delivering and investing in community-led housing on its own land.

Theme 5: The priority should be on existing intermediate products/intermediate rent.

3.101. Similar to the responses outlined at 3.95, several respondents suggested that there were already enough options for affordable home ownership products and there was no need for any more products, and that the number of different products could be confusing for housing providers and Londoners. Some suggested that the focus and priority should be on the delivery of rented products, including intermediate

¹⁴ <https://www.communityledhousing.london/>

rent, given the significant need for genuinely affordable rented homes, a need which respondents suggested may well increase as a result of the Covid-19 pandemic.

GLA response: Questions 10 (a) and 10 (b)

- 3.102. The GLA welcomes the range of innovative models of affordable home ownership in London and options for implementation provided in response to these questions.
- 3.103. The GLA wants to ensure that the affordable housing delivered in London meets the city's housing need. When it comes to affordable home ownership products, the GLA wants to ensure that a broad range of need can be met at the same time as providing certainty and clarity to housing providers and to residents. This means that the GLA will only fund shared ownership and London Living Rent as affordable home ownership products through the new AHP, although alternative affordable home ownership products may be funded through the current AHP (providing they meet the Mayor's standard affordability tests). However, in cases where bespoke products are required to meet very specific or localised needs, housing providers should consider whether these can be delivered in other ways, for example, through the planning system.
- 3.104. Respondents also highlighted a range of different partners who could contribute to the delivery of affordable home ownership homes in London and the GLA would welcome bids from a wide range of different providers for the delivery of shared ownership and London Living Rent homes through the new AHP.
- 3.105. A number of respondents highlighted community-led housing, including community land trusts, as a key route to delivering innovative affordable home ownership products in London, with some respondents highlighting the role that the delivery of discounted market sale (DMS) can play in these approaches. Funding is available through the £38 million London Community Housing Fund¹⁵ to support the delivery of community-led housing schemes in the capital. While the fund is focussed on delivering genuinely affordable homes at social rent levels, the GLA recognises that community groups are best placed to identify tenures best suited to local circumstances and so the fund can provide grant funding for new homes of alternative tenures, including DMS.
- 3.106. The GLA's response to the suggestion to support DIY shared ownership is covered in the response to Question 15 (b) below (para 4.39).

Other comments relating to affordability and delivery

¹⁵ <https://www.london.gov.uk/what-we-do/housing-and-land/increasing-housing-supply/community-led-housing>

Overview of responses

3.107. There were a number of overarching/additional comments made in relation to affordability and delivery. The main themes occurring in these comments are summarised below.

Recurring themes

Theme 1: Shared ownership is expensive and doesn't meet the most pressing housing need

3.108. A number of respondents raised concerns about the full costs of shared ownership (concluding mortgage payments, rent, service charges, staircasing and other fees) and suggested that that this means that in some (or many) cases it may not be sufficiently meeting housing need.

Theme 2: The priority for affordable housing delivery should be social rent

3.109. These responses highlighted the same issue outlined at 3.65 – the overwhelming need for affordable housing in London is for homes at social rent levels and so the GLA's focus should be on delivering these homes rather than intermediate homes, in particular those for affordable home ownership.

Theme 3: Some key challenges and risks for shared owners reflect wider issues reflect those faced by leaseholders more widely

3.110. A number of respondents highlighted particular challenges faced by shared owners that are similar to those faced by leaseholders more broadly, including the potential to forfeit their homes if they fall into rent arrears, as well as the potential for additional charges and the issues associated with the remediation of unsafe cladding (see also 3.54).

Theme 4: Build to Rent can contribute to intermediate housing delivery, particularly during an economic downturn

3.111. A number of respondents highlighted the role of Build to Rent in supporting the delivery of intermediate housing, in particular during any economic downturn. The sector has the potential to support delivery through the security of long-term investment, as well as by delivering homes which meet high standards of design, quality and management. It was not clear from respondents what role they see the GLA playing in supporting the Build to Rent sector beyond the current package of support on offer.

GLA response: Other comments relating to affordability and delivery

- 3.112. The GLA is clear that shared ownership should be targeted at those who are most in need of support through affordable home ownership and that is why eligibility criteria, including maximum household income, are in place for all intermediate housing, including shared ownership. Paragraphs 3.68 to 3.71 respond to the concerns around shared ownership not meeting need and the importance of focussing on the delivery of social rent rather than intermediate housing.
- 3.113. Housing providers carry out affordability checks on all shared owners to ensure that they can afford their new homes. The GLA expects housing providers to work with shared owners at an early stage if they are having difficulties paying rent or service charges in order to minimise any risk of their home being repossessed. Many of these issues are wider than the scope of this consultation. In addition, the GLA will explore options for how to further improve the experience of shared owners when responding to the Government's consultation on the new shared ownership model.
- 3.114. Many of the issues faced by shared owners are similar to those faced by leaseholders more widely. The Mayor has made clear his commitment to leasehold reform in Policy 6.3 of the London Housing Strategy.
- 3.115. The GLA is supportive of the Build to Rent sector given its role in supporting housing delivery, including of affordable homes, particular during a period of economic uncertainty, and its potential to provide high quality housing alongside best practice management standards. The GLA welcomes the sector's commitment to long-term investment in London, but is now looking to the sector to meet a wider range of needs as it matures, by providing homes at a range of price points including intermediate rented homes.

4. Eligibility, prioritisation and allocation

Question 11: Should the income eligibility criteria for intermediate housing in London be frozen at current levels?

Overview of responses

- 4.1. Fifty-one respondents answered this question. Of these respondents, forty-five per cent agreed that the income eligibility criteria for intermediate housing in London should be frozen at current levels. Twenty percent partly agreed and thirty-five percent disagreed. The analysis of responses by respondent type is set out in the table below.

Respondent type	Agree (number)	Partly agree (number)	Disagree (number)
Councillor, Assembly Member or MP	0	0	0
Housing association	8	3	4
Housing developer	1	0	5
Local authority	9	7	4
Trade association or industry body	4	0	2
Voluntary /community sector (campaign/research/representation)	0	0	0
Voluntary /community sector (front line services)	0	0	1
Other organisation	1	0	1
Individual	0	0	1
Total number	23	10	18
Percentage of total	45%	20%	35%

- 4.2. Respondents provided a range of comments in response to this question and the main themes are summarised below.

Recurring themes

Theme 1: Income eligibility criteria should be frozen at current levels in order to reflect affordability pressures in London

- 4.3. Some respondents supported freezing the current income eligibility criteria, given existing affordability pressures, the fact that the current thresholds are well in excess of average incomes and the resulting risk that affordable housing could become unaffordable to many Londoners if the threshold is increased and this led to values to rise. Some respondents noted the likely additional financial pressures resulting from any economic downturn as a result of the Covid-19 pandemic. One respondent highlighted the need for certainty around income eligibility criteria for housing developers and so supported the freeze.

Theme 2: Any changes in income eligibility criteria should be directly linked to independent economic measures.

- 4.4. Some respondents advocated that any increases (or decreases) in the criteria should be tied to inflation and/or to changes in average salaries and/or average housing costs in London. Some of these respondents noted that this approach would automatically account for the impacts of the Covid-19 pandemic on these indicators and thus ensure that eligibility for intermediate housing in London is responding to the economic context of the pandemic.

Theme 3: Freezing income eligibility criteria may result in lower demand for intermediate housing, as well as placing pressure on the viability of housing development

- 4.5. Some respondents expressed concern that freezing the eligibility criteria would reduce the number of Londoners potentially eligible for intermediate housing and place pressure on the viability of developing intermediate housing, potentially to the detriment of affordable housing delivery in London. This is in the context of the construction costs of housing continuing to rise, even if increases in wages and inflation are negligible.

Theme 4: Income eligibility criteria should be set locally

- 4.6. Some respondents suggested that eligibility criteria should be set locally, to reflect variations in incomes and housing costs and to enable some flexibility, particularly

in relation to larger households or those with dual incomes. Some argued that this would ensure intermediate housing better meets local need.

Theme 5: Freezing income eligibility criteria could have an adverse impact on key workers or those who need larger homes.

- 4.7. Some respondents expressed concern about the impact on specific groups of freezing income eligibility criteria at existing levels, notably keyworkers (in particular for households with more than one key worker salary) or those in need of family-sized homes. This is because the existing income eligibility criteria could mean that these groups have incomes that exclude them from accessing the intermediate homes that they need. Some respondents suggested differential criteria, flexibility or exemptions for these groups.

Talk London responses

- 4.8. Forty-eight percent of respondents to the survey agreed that the income eligibility criteria (specifically the £90,000 cap for shared ownership) should be frozen, while thirty-five percent thought it should change. Seventeen percent didn't know.
- 4.9. Those respondents who wanted the income threshold to remain frozen at £90,000 argued that this salary does not exclude keyworkers. It was also seen as providing a helping hand to middle-income workers: people who are earning over £90,000 are felt to have other home ownership options open to them, such as buying on the open market. Any higher than £90,000 would widen the pool of applicants and make competition for these homes too high.
- 4.10. Those who wanted the threshold to change were split between it being increased or decreased. Those who argued for it to decrease said that £90,000 is too high and represented an unrealistic salary for the majority, especially for those who are buying on their own. They argued that this threshold does not target those most in need. However, others argued that £90,000 is too low, given London's high house prices.

GLA response: Question 11

- 4.11. Data from 2019/20 shows that average house prices (£479,000) were over 12 times median earnings (£36,797)¹⁶. In this context, freezing the eligibility income thresholds would enable intermediate homes to continue to be targeted effectively while remaining available to households on a broad range of incomes. The GLA recognises that a higher cap could benefit particular groups, including some key workers and those in need of family-sized homes. However, the GLA believes that the existing caps reflect the right balance between the need to ensure that

¹⁶ Greater London Authority, [Housing in London 2020](#), October 2020 (Table 4)

affordable homes are genuinely affordable to a wide range of Londoners, as well as ensuring that they benefit those in housing need.

- 4.12. The suggestion that income eligibility thresholds should vary in relation to set economic indicators, as well as the potential for the thresholds to be set at a local level, would introduce a significant amount of uncertainty at a time when many housing providers are seeking clarity on key policy positions such as this. In addition, a cap which varied across London would contradict the Mayor's strategic role in housing delivery, although boroughs are already free to set income caps below the thresholds for the first three months of marketing if they wish.
- 4.13. **The GLA will continue to freeze income eligibility criteria for intermediate homes (£90,000 for shared ownership/other affordable home ownership and £60,000 for London Living Rent/other intermediate rent). This will continue to be kept under review via the London Plan Annual Monitoring Report.**

Question 12 (a): What evidence is there of households staircasing to a 100 per cent share of shared ownership homes within a year of purchase?

Overview of responses

- 4.14. Thirty-three respondents answered this question. The main themes occurring in these comments are summarised below.

Recurring themes

Theme 1: No significant evidence of rapid staircasing to 100 per cent

- 4.15. Some respondents indicated that they did not have or were not aware of reliable data on households staircasing to 100 per cent ownership within a year. Some respondents, primarily intermediate housing providers, reported that there was no evidence of staircasing to 100 per cent occurring in their stock, or that it was very rare. Some of these respondents cited data on average timeframes for staircasing.

Theme 2: Existing processes should prevent rapid staircasing from occurring

- 4.16. A number of respondents, primarily intermediate housing providers, noted the existence of initial affordability checks and/or processes to ensure buyers bought the maximum share they could afford. They noted that these would minimise scope for shared owners to staircase to full ownership within a year.

Question 12 (b): If so, what factors may be driving this?

Overview of responses

4.17. Nineteen respondents answered this question. The main theme occurring in these comments is summarised below.

Recurring themes

Theme 1: Change in circumstances of the shared owner

4.18. Respondents suggested that staircasing within a year was most likely to reflect changes in shared owners' circumstances, for example inheritance, an increase in income, or a partner moving in with them.

Question 12 (c): Should this be disincentivised and, if so, what measures should the GLA take to achieve this?

Overview of responses

4.19. Thirty respondents answered this question. The main themes occurring in these comments are summarised below.

Recurring themes

Theme 1: Measures should only be introduced if there is evidence of rapid staircasing being an issue

4.20. Some respondents commented that measures should only be introduced if there is evidence that this practice is widespread. Some of those respondents suggested that measures may create a disincentive to staircasing and place additional demands on providers. Some respondents expressed concern that measures for which there is no strong evidence might end up unfairly penalising shared owners who experience an unexpected change in their financial circumstances.

Theme 2: Introduce an 'early staircasing' fee

4.21. Some respondents supported the principle of a fee for early staircasing to full ownership.

Theme 3: Introduce a minimum period of ownership before being able to staircase to 100 per cent

- 4.22. Some respondents supported the principle of a time limit within which shared owners may not staircase to full ownership.

Theme 4: Existing processes already act as a disincentive

- 4.23. Some respondents highlighted the role that checks on income and savings prior to purchase can and do play in preventing those who have the resources to staircase to full ownership within a year from buying homes.

GLA response: Questions 12 (a), 12 (b) and 12 (c)

- 4.24. The responses to these questions demonstrate that the practice of rapid staircasing to 100 per cent within one year of purchase is not widespread. For this reason, the GLA is not proposing any policy intervention in this area at this time.

Question 15 (a): What are the challenges facing shared owners who wish to move to a more appropriate home?

Overview of responses

- 4.25. Thirty-eight respondents answered this question. The main themes occurring in these comments are summarised below.

Recurring themes

Theme 1: Affordability is a barrier to shared owners moving to a more appropriate home

- 4.26. Many respondents commented that housing costs in London are unaffordable and mortgage availability is limited. Some also commented that the high cost of shared ownership properties (including service charges) make it difficult for owners to accrue savings, and that the part-own/part-rent model does not generate sufficient equity. Other respondents highlighted that challenges with affordability were not unique to shared ownership and apply across housing tenures in London.

Theme 2: The lack of availability of larger shared ownership homes is a barrier to shared owners moving to a more appropriate home

- 4.27. Many respondents commented on a lack of availability of suitable shared ownership properties to provide the next step for existing shared owners, particularly larger homes (i.e. those with three or more bedrooms) to support those whose families are growing.

Theme 3: The involvement of the housing provider in the resales process can delay sales

4.28. Some respondents commented that housing providers' processes can delay moves - specifically the providers' right of first refusal / right to find a new buyer, and the need to meet the housing providers' eligibility criteria. A number of respondents also raised the issue of a lack of clarity and consistency around the processes for resales, meaning many shared owners do not understand the resales process until they embark on the process themselves.

Theme 4: There is a lack of demand for some second-hand shared ownership properties and this can be exacerbated by the limited mortgage options on offer for shared ownership homes

4.29. Some respondents commented on a lack of demand for second-hand shared ownership homes, linked to a lack of shared ownership mortgage products, which could make it hard to find a buyer for these homes.

Theme 5: Challenges in relation to the provision of EWS1 forms

4.30. The ongoing issues with accessing EWS1 forms is a further barrier to existing shared owners selling their existing homes to enable them to move into a new, more suitable home (see 3.54).

Question 15 (b): What more could be done to support shared owners who need to move to another shared ownership home?*Overview of responses*

4.31. Thirty-four respondents answered this question. The main themes occurring in these comments are summarised below.

*Recurring themes****Theme 1: More information and advice should be provided to shared owners in relation to the resales process***

4.32. Many respondents called for more information and advice for shared owners (e.g. relating to mortgage schemes, fees) and better marketing of shared ownership properties (some suggested that housing waiting lists should be used for this).

Theme 2: Housing providers should support existing shared owners by applying flexibility to their policies in relation to eligibility for resales

- 4.33. A few respondents felt that changes in housing providers' policy and practice could help, specifically by broadening eligibility criteria to make it easier to find a purchaser and encouraging or incentivising staircasing to ensure owners have more equity when they come to move.

Theme 3: Increase the availability of larger shared ownership homes

- 4.34. Some respondents called for an increase in supply of shared ownership properties (including through higher grant rates), particularly family-sized shared ownership homes.

Theme 4: Provide specific financial support to shared owners wanting to move home

- 4.35. Many respondents called for financial schemes or assistance for owners to move. Some called for the Mayor to do more to influence the mortgage market to widen the range of suitable mortgage products that are on offer. Some respondents supported grant-funded DIY shared ownership schemes, to help owners move onto a home which better meets their needs.

GLA response: Questions 15 (a) and 15 (b)

- 4.36. The GLA recognises the affordability issues faced by shared owners wanting to move to a more appropriate home, in particular a larger home. Affordability issues affect many housing tenures and that is why it is so important to build many more homes in London, in particular genuinely affordable homes of a range of sizes. The existing planning guidance in relation to the value of shared ownership homes aims to balance these potentially competing needs of affordability and the delivery of shared ownership homes of a range of sizes.
- 4.37. The resales process for shared ownership homes is governed by the model shared ownership lease, which requires that where a shared owner who has less than 100 per cent of the equity in their property is looking to sell their share, the property must first be offered to qualifying applicants nominated by the housing provider (those who, at a minimum, meet the London-wide eligibility criteria for shared ownership). If this process is not successful after the eight-week pre-emption period, the owner can then sell their property on the open market. The GLA believes that this approach is important as it ensures that affordable housing stock is prioritised for those most in need of it, at the same time as granting flexibility if it does not prove possible to identify a suitable purchaser. The Government has indicated that it wishes to reduce the pre-emption period to four weeks and while the GLA agrees that it is important for the pre-emption period to be reviewed to ensure that it works for both shared owners and housing providers, this must be balanced with the need to protect affordable housing stock.

- 4.38. **The GLA will consider any further changes to the resales process that are put forward by the Government in its technical consultation on the new shared ownership model, including how the process could be better explained to current and potential shared owners, taking into account the need to protect affordable housing stock.**
- 4.39. The GLA takes note of the proposals around supporting DIY shared ownership models which support existing shared owners to access grant to purchase market homes on a shared ownership basis. **While the GLA does not intend to establish a scheme separate to the new AHP, DIY shared ownership schemes will be eligible for funding through the new AHP (providing they meet the wider requirements of the programme).**

5. Supporting London's key workers

Question 18: What evidence is available on: a) the scale and quality of existing shared key worker accommodation in London; and b) the extent to which this accommodation meets housing need for key workers?

Overview of responses

5.1. Twenty-nine respondents answered this question. The main themes occurring in these comments are summarised below.

Recurring themes

Theme 1: There is limited information on the scale and quality of existing shared key worker accommodation across London

5.2. Many respondents reported a lack of information in this area, with many reporting having no or limited data on numbers and even less on quality. However, a number of respondents gave examples of specific shared key worker accommodation that they were aware of, most of which were provided on or associated with hospital sites.

Theme 2: Much of the accommodation that is known is of poor quality and key workers would prefer to live in self-contained homes.

5.3. Respondents reported that much of the shared key worker accommodation that they are aware of is outdated and of a relatively poor standard. Older accommodation generally has smaller rooms and lacks facilities like ensuite bathrooms. In one example given, while staff are broadly satisfied with this accommodation (in particular its affordability), it is not appropriate for people who wish to start a family and they would prefer to live in self-contained homes. A number of respondents gave examples of shared accommodation that has been converted into self-contained homes. One respondent highlighted the challenges with letting this type of accommodation during the Covid-19 pandemic due to difficulties with physical distancing and self-isolation in shared accommodation.

Theme 3: Shared accommodation can be useful to support recruitment of key workers from abroad

- 5.4. A number of respondents highlighted the role of such shared accommodation in meeting the needs of those who are new to London, in particular those key workers who come from abroad and for whom housing costs in the local area are likely to be prohibitive. However, as outlined at 5.3, most workers would prefer self-contained accommodation.

Theme 4: A lot of existing shared key worker accommodation is provided as part of an employment contract

- 5.5. A number of respondents highlighted that what shared key worker accommodation exists is generally provided as a condition of an employment contract. NHS staff accommodation mostly consists of single or double bedrooms with shared facilities or studios and is tied to employment with a hospital trust.

Question 19: Should the GLA explore options to support housing providers to convert shared key worker accommodation into self-contained intermediate homes, where there is demand for this?

Overview of responses

- 5.6. Thirty-eight respondents answered this question. Of these respondents, fifty per cent agreed that the GLA should explore options to support housing providers to convert shared key worker accommodation into self-contained intermediate homes, where there is demand. Forty-two percent partly agreed and eight percent disagreed. The analysis of responses by respondent type is set out in the table below.

Respondent type	Agree (number)	Partly agree (number)	Disagree (number)
Councillor, Assembly Member or MP	0	1	0
Housing association	7	4	1
Housing developer	0	0	1
Local authority	10	9	1
Trade association or industry body	0	1	0
Voluntary /community sector (campaign/research/representation)	0	0	0

Respondent type	Agree (number)	Partly agree (number)	Disagree (number)
Voluntary /community sector (front line services)	0	0	0
Other organisation	2	1	0
Individual	0	0	0
Total number	19	16	3
Percentage of total	50%	42%	8%

5.7. Respondents provided a range of comments in response to this question and the main themes are summarised below.

Recurring themes

Theme 1: The GLA should support these conversions when there is evidence of the need for this accommodation and where the new homes will represent an affordable and high quality option for key workers

5.8. A number of respondents highlighted their support for these conversions, where there is evidence of a poor standard of existing accommodation and demand for larger and/or higher quality units. However, some respondents stated the need to ensure that conversions only occur if new homes are of a good standard and remain affordable to key workers

Theme 2: Conversions should only be supported if they do not result in viability problems for existing accommodation

5.9. A few respondents raised the issue of the relatively high costs of conversions and that the conversion to self-contained accommodation would likely result in a reduced number of tenants per unit and thus potentially a reduced income for the landlord. Some respondents suggested that it may be better to invest in new build homes and to keep the existing shared accommodation as it is.

Theme 3: The GLA should provide funding and guidance in this area, supported by some further research

- 5.10. Respondents highlighted the role the GLA could play in providing capital funding for these conversions, but also suggested that the GLA should develop guidance and shared examples of best practice in this area. This would ensure that any conversions are undertaken only where this reflects identified need and that the outcome delivers significant improvements in affordable housing provision for London's key workers. A few respondents highlighted the importance of engaging with relevant services and employers to understand current and potential demand for existing shared accommodation and any future conversions.

GLA response: Questions 18 (a), 18 (b) and 19

- 5.11. The GLA notes the potential demand for financial support to convert shared key worker accommodation into self-contained intermediate homes. The evidence provided by respondents about the scale and quality of this accommodation is limited, although there seems to be broad agreement that the accommodation that does exist is not of the highest quality. There were mixed views about whether existing shared accommodation is meeting a need, suggesting that in many places there may be value in retaining existing provision, where in others the preference would be to convert this accommodation to self-contained, intermediate homes.
- 5.12. The requirements set by the Government in relation to the new AHP mean that funding can only be used for the delivery of new affordable housing, not for the re-provision of affordable homes. Given this, and that any such reconfiguration of shared accommodation to intermediate homes is likely to result in a reduction in the overall quantum of affordable housing, it is unlikely to be possible to fund such conversions through the new AHP, unless any of the intermediate homes can be shown to be net additional. **However, the GLA is open to discussing with partners options for funding the conversion of shared key worker accommodation to intermediate homes through the new AHP where it will result in net additional affordable homes and there is evidence of demand.**

6. Improving data on intermediate housing

Question 23 (a): What data is available, in addition to that outlined in this consultation and accompanying Housing Research Note, that could inform the GLA's assessment of the equalities impacts of the proposals set out in this consultation?

Overview of responses

- 6.1. Sixteen respondents responded to Question 23 (a). The main themes occurring in these comments are summarised below.

Recurring themes

Theme 1: Respondents may be able to provide additional data

- 6.2. A few respondents suggested that they had access to data that they would be willing to share with the GLA and could support the GLA's assessment of the equalities impacts of the proposals set out in this consultation.

GLA response: Question 23 (a)

- 6.3. The GLA has contacted these respondents to request further information on the data available, with a view to taking any relevant feedback into account when assessing the equalities impacts of any policy decisions resulting from this consultation.

Question 23 (b): Do you have any other comments or feedback on how the proposals set out in this consultation may impact on groups with protected characteristics?

Overview of responses

- 6.4. Fourteen respondents responded to Question 23 (b). The main themes occurring in these comments are summarised below.

Recurring themes

Theme 1: Intermediate housing is likely to be less affordable to people who share particular protected characteristics who are more likely to be on lower incomes

- 6.5. Some respondents raised the issue that, due to the costs associated with intermediate housing compared to social rented homes, access to these types of homes is likely to continue to be a challenge for several groups with lower average incomes such as Black, Asian and Minority Ethnic (BAME) households, single parents and people with disabilities.

Theme 2: Demand for intermediate housing should be balanced against the need for social rented homes, which are more likely to benefit people who share particular protected characteristics

- 6.6. Some respondents raised the need to balance the demand for (and ensuing supply of) intermediate housing should against the more acute need for social rented housing, which particularly affects several groups with lower average incomes such as BAME households.

Theme 3: Much more comprehensive data is needed to fully understand the impacts of intermediate housing on people who share particular protected characteristics

- 6.7. A number of respondents highlighted the need for more regular, comprehensive and detailed monitoring of the extent to which different groups are moving into intermediate housing. Some respondents suggested that the proposals outlined in the other questions in this chapter for improving data collection in relation to intermediate housing would be a key part of filling the current gaps and supporting a more evidence-based understanding.

GLA response: Question 23 (b)

- 6.8. The GLA will take these comments into account when assessing the equalities impacts of any policy decisions resulting from this consultation. The suggestions in relation to improving data collection will be considered alongside wider questions around improving data collection around intermediate housing in the Consolidated Consultation Response Report.

7. Next steps

- 7.1. This report summarises consultation feedback received on intermediate housing consultation in relation to the questions directly relevant to Homes for Londoners: Affordable Homes Programme 2021-26.
- 7.2. The report was designed to provide the Mayor with the information he needed before making a decision on the introduction of policy interventions in relation to intermediate housing in the Homes for Londoners: Affordable Homes Programme 2021-26. It was submitted to the Mayor with a recommendation that he approve the proposed policy interventions as set out in chapters three to six of this report. At the same time, he received an EqIA outlining the anticipated equalities impacts of the proposed policy interventions.
- 7.3. The funding guidance for this programme will include these proposed policy interventions and will be published in late November 2020. The new AHP will start in April 2021.
- 7.4. The work to analyse and develop recommendations in response to the feedback received on the other questions in the consultation is ongoing. This will be the subject of a Consolidated Consultation Response Report, which will follow in due course.

8. Appendices

Appendix 1: Intermediate housing consultation questions

Questions shaded in green are included in the Part 1 Consultation Response Report, while all questions will be included in the Consolidated Consultation Response Report.

Affordability and delivery

Question
Q1. a) Should the GLA introduce a cap on the open market value of new shared ownership homes?
Q1. b) What, if any, impact would this have on housing market recovery post Covid-19?
Q2. a) Should the GLA require housing providers to report on service charge levels at regular intervals?
Q2. b) If so, should the GLA make this information available to the public?
Q3. Should the GLA require affordable housing providers to publish a schedule of additional fees which may be charged to shared owners for specific services or transactions?
Q4. What more could be done to improve the experience of those living in shared ownership?
Q5. What role should intermediate housing play in meeting housing need and supporting the housing market as part of the recovery from the impacts of Covid19?
Q6. a) What role should intermediate rented homes play in London's affordable housing mix, as part of the recovery from the impacts of Covid-19?
Q6. b) What more could the Mayor do to support delivery of London Living Rent homes?
Q7. a) What impact might the implementation of the Government's First Homes policy have in London?

Question
Q7. b) What steps could the GLA take to minimise risks to affordable housing delivery, in particular homes at social rent levels, arising from this policy?
Q8. Would the proposals set out above be effective in ensuring that DMS homes are be secured in perpetuity?
Q9. a) What impact might the implementation of the Government's proposed Right to Shared Ownership scheme in London have on the delivery of affordable homes, in London, in particular homes at social rent levels?
Q9. b) What steps could the Mayor take to mitigate any negative impacts of this policy?
Q9. c) What mechanisms already exist to support social tenants who want to access shared ownership homes to do so, and how effective are they?
Q10. a) Are there other examples of innovative models of affordable home ownership in London?
Q10. b) What could the GLA do to support delivery of these homes?

Eligibility, prioritisation and allocation

Question
Q11. Should the income eligibility criteria for intermediate housing in London should be frozen at current levels?
Q12. a) What evidence is there of households staircasing to a 100 per cent share of shared ownership homes within a year of purchase?
Q12. b) If so, what factors may be driving this?
Q12. c) Should this be disincentivised and, if so, what measures should the GLA take to achieve this?
Q13. Should local authorities be required to implement an intermediate housing waiting list and/or allocations policy as a condition of setting additional prioritisation criteria for the first three months of marketing new intermediate homes?

Question
Q14. a) Should the GLA publish best practice guidance on allocation of intermediate housing and intermediate waiting lists?
Q14. b) If yes, is there anything in addition to the list above which should be covered by the guidance?
Q15. a) What are the challenges facing shared owners who wish to move to a more appropriate home?
Q15. b) What more could be done to support shared owners who need to move to another shared ownership home?

Supporting London's key workers

Question
Q16. a) Should the GLA should define a 'core' list of key worker occupations for use in intermediate housing allocation policies, and should local authorities be able to identify additional key worker groups, where there is evidence of local need?
Q16. b) If yes, which occupations should be included in a 'core' list of key workers for use in intermediate housing allocation policies?
Q16. c) What evidence should be required to define an occupation as a key worker for the purpose of intermediate housing allocations?
Q17. a) If local authorities utilise the three-month prioritisation period for new intermediate homes, should they be required to include the 'core' list of key worker occupations in their prioritisation criteria, or should this be optional?
Q17. b) Are there any other measures which the GLA should consider to ensure key workers can access intermediate homes?
Q18. What evidence is available on: <ul style="list-style-type: none"> a) the scale and quality of existing shared key worker accommodation in London; and b) the extent to which this accommodation meets housing need for key workers?

Question
Q19. Should the GLA explore options to support housing providers to convert shared key worker accommodation into self-contained intermediate homes, where there is demand for this?
Q20. a) Should the Mayor publish guidance for public sector bodies on his affordable housing investment and planning policies?
Q20. b) If yes, is there anything in addition to the list above which should be covered by the guidance?

Improving data on intermediate housing

Question
Q21. <ul style="list-style-type: none"> a) What data is currently captured outside CORE by housing providers on intermediate rent, and on the occupations of intermediate housing occupants? b) Should CORE capture data on all types of intermediate homes, and on the occupations of those purchasing or renting these homes? c) What data is currently captured outside of CORE on the protected characteristics of those to whom intermediate homes are sold or let? Should data on all protected characteristics be collected by CORE? d) Is there any additional data not referenced above which should be captured by CORE?
Q22. a) Should data be collected on all intermediate housing stock across London, including that owned by local authorities?
Q22. b) What data is currently collected by housing providers on staircasing transactions?
Q22. c) How could this be captured more systematically?
Q22. d) Should more data be captured on the tenure that shared owners move into if they leave their shared ownership property?
Q22. e) Are there any barriers to collecting this data?

Question

Q23. a) What data is available, in addition to that outlined in this consultation and accompanying Housing Research Note, that could inform the GLA's assessment of the equalities impacts of the proposals set out in this consultation?

Q23. b) Do you have any other comments or feedback on how the proposals set out in this consultation may impact on groups with protected characteristics?

Appendix 2: Talk London survey and discussion questions

The questions asked via the Talk London survey and discussion forums and considered in this report are listed below.

Survey questions

1. Current tenure. Do you own or rent the home in which you live?
2. Which type of intermediate housing should the Mayor prioritise in London as part of the recovery from COVID-19?
3. One action the GLA could take is to introduce a cap on the price of new shared ownership homes. Ensuring shared ownership homes are below a certain price could help to ensure that they are more affordable to a wide range of Londoners; however, it could result in fewer shared ownership homes being delivered in areas where property is more expensive. To what extent do you agree or disagree that the GLA should introduce a cap on the price of new shared ownership homes?
4. Why do you say that?
5. Have you ever lived in a shared ownership home?
6. What more could be done to improve the experience of those living in shared ownership homes? Please tick all that apply:
 - More transparency and consistency around service charges
 - More transparency and consistency around other fees which could be incurred by shared owners during resales or as part of a renovation
 - More information to help shared owners who want to move home to understand their options
 - Other (please specify)
 - Don't know
7. Currently, households must have an annual income under £90,000 to be eligible for intermediate homes. The current eligibility income cap was last increased in 2016 but has been frozen since then. Do you think that this income threshold should continue to be frozen at £90,000, or change?
8. Why do you say that?

Discussion questions

1. What role could intermediate housing play to tackle London's housing crisis?
2. What can be done to improve the experiences of those Londoners living in intermediate housing?
3. Would you like to see more London Living Rent homes delivered in London?

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Intermediate housing

Part 2 Consultation Response Report

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enquiries 020 7983 4000
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1. Introduction and background

Purpose and structure of this report

1.1. In August 2020, the GLA launched a consultation¹ to gain views on how the Mayor and the GLA might help to build on the current role of intermediate housing in London, ensuring that this type of housing is well-placed to support recovery from the impacts of Covid-19 and meet the housing needs of those Londoners who are unlikely to access homes at social rent levels. The consultation was divided into the following chapters:

- affordability and delivery
- eligibility, prioritisation and allocation
- supporting London's key workers
- improving data on intermediate housing

1.2. This Part 2 Consultation Response Report focuses on consultation questions which were not initially analysed in the Part 1 Consultation Response Report, which focused on policies to be implemented through the Homes for Londoners: Affordable Homes Programme 2021.²³ Appendix 1 outlines the consultation questions included in this Part 2 Consultation Response Report.

The Mayor's powers and responsibilities in relation to intermediate housing

1.3. The national policy context sets the parameters for housing policy, but the Mayor has influence over intermediate housing policy in London via his planning and investment powers. There are three main ways in which the Mayor can influence intermediate housing delivery in London:

- London Housing Strategy: the Mayor has a statutory requirement to publish a housing strategy for London, and this includes his aims and policy objectives on intermediate housing;⁴
- Planning: the London Plan sets the strategic planning framework and is part of the statutory development plan for Greater London which allows the Mayor to influence the level and type of intermediate housing delivered through the planning system; and the Mayor of London Order

¹ Greater London Authority, [Consultation on Intermediate Housing](#), August 2020

² Greater London Authority, [Intermediate Housing: Part 1 Consultation Response Report](#), November 2020

³ Greater London Authority, [Affordable Homes Programme 2021-2026: Funding Guidance](#), November 2020

⁴ Greater London Authority, [London Housing Strategy](#), May 2018

(2008) requires all planning applications that are of potential strategic importance to London to be referred to the Mayor and gives the Mayor the power to direct refusal or take over an application that has been referred to him;⁵⁶ and

- Affordable Homes Programme (AHP): this allows the Mayor some flexibility to use funding secured from the Government to support and increase delivery of his preferred types of intermediate housing in London.⁷

Equality Impact Assessment

- 1.4. A Consolidated Equality Impact Assessment of the policy responses outlined in this report has been published alongside this Part 2 Consultation Response Report.

⁵ Greater London Authority, [London Plan \(Publication London Plan\)](#), December 2020

⁶ MHCLG, [The Town and Country Planning \(Mayor of London\) Order 2008](#), April 2008

⁷ Greater London Authority, [Homes for Londoners: Affordable Homes Programme 2016-21 Funding Guidance](#), November 2016; Greater London Authority, [Homes for Londoners: Affordable Homes Programme 2016-21 Funding Guidance - Addendum with updated guidance and arrangements for 2021-22](#), June 2018; Greater London Authority, [Affordable Homes Programme 2021-2026: Funding Guidance](#), November 2020

2. Consultation process

Introduction

- 2.1. The intermediate housing consultation opened on 4 August 2020 and closed on 11 October 2020. The intermediate housing consultation asked twenty-three questions, some of which had multiple parts.
- 2.2. The consultation was accompanied by a Housing Research Note which sets out the evidence base on intermediate housing in London.⁸ All 'GLA analysis' referred to in this report is outlined in the Housing Research Note.

Publicising the consultation

- 2.3. The consultation was publicised in a number of ways. The consultation document was made available on a new page on the GLA website.⁹ This page was viewed in total on 3,400 different occasions over the period of the consultation. The GLA also issued a press release highlighting the consultation.¹⁰ The Mayor posted details of the consultation on Twitter and the tweet received 83 likes and was retweeted 22 times. The Deputy Mayor for Housing and Residential Development also posted on Twitter and this tweet received 57 likes and was retweeted 15 times.
- 2.4. The GLA sent an email to stakeholders including London boroughs, housing associations and voluntary and community groups to inform them of the consultation and encourage them to respond. The email was delivered to 300 subscribers of which 38 per cent opened the email and clicked through to the consultation page. GLA Housing and Land officers also brought the consultation to the attention of internal teams within the GLA and partner organisations in the course of routine meetings and other interactions with them. These included meetings with local authorities, housing associations and other groups during which there were conversations about wider policy issues. The consultation was also a topic of a survey and discussions hosted on Talk London.

⁸ Greater London Authority, [Housing Research Note: Intermediate housing: The evidence base](#), August 2020

⁹ Greater London Authority, [Intermediate Homes for London](#), 2020

¹⁰ Greater London Authority, [Mayor proposes priority housing for London's Covid heroes](#), August 2020

Responses to the consultation

Main consultation

- 2.5. The GLA received 73 responses to the consultation. This is four more than reported in the Part 1 Consultation Response Report, due to the receipt of four late responses. The late responses predominantly covered questions which are addressed in the Part 2 Consultation Response Report. Two of the late responses included answers to questions which were addressed in the Part 1 Consultation Response Report. These responses have been assessed against the policy responses outlined in the Part 1 Consultation Response and the responses do not alter the GLA's recommendations.
- 2.6. Of the 73 responses to the consultation, 69 (95 per cent) came from organisations and four (five per cent) from individual members of the public. The following table shows the breakdown of those who responded to the consultation.

Respondent type	Number of respondents	Percentage of respondents
Councillor, Assembly Member or MP	1	1%
Housing association	17	23%
Housing developer	8	11%
Local authority	21	29%
Trade association or industry body	7	10%
Voluntary /community sector (campaign/research/representation)	4	5%
Voluntary /community sector (front line services)	1	1%
Other organisation	10	14%
Individual	4	5%
Total	73	100%

Talk London survey and discussions

- 2.7. Talk London is an online community designed to put Londoners at the centre of GLA strategies and plans, by involving them in sustained and meaningful consultations that generate insights, feedback and actions to improve London.
- 2.8. Talk London hosted a survey and online discussion relating to the intermediate housing consultation between 4 August and 11 October 2020. There were 1,315 responses to the survey and 154 responses to the online discussions.
- 2.9. A list of the questions asked in the survey and the topics of the discussion forums considered in this report are outlined at Appendix 2. Talk London discussions predominantly focussed on questions analysed within the Part 1 Consultation Response Report. However, a small number of comments mentioned key workers, and are reflected within this Part 2 Consultation Response Report.
- 2.10. Because the survey was completed by self-selecting respondents, rather than conducted with a sample intended to be representative, the results have not been weighted. Therefore, they cannot be said to be representative of the views of London's population.

Presenting consultation responses

- 2.11. Chapters three to six cover the separate consultation chapters and associated questions. The chapters contain the following information:
 - the number of respondents who responded to each of the consultation questions;
 - for the chapters that cover closed consultation questions, the proportion of respondents who agreed, partly agreed, or disagreed with the proposal in the question;
 - recurring themes in respondents' comments by question (and 'other' category where applicable); and
 - responses to Talk London survey and discussion questions (where applicable).
- 2.12. The chapters also contain the GLA response to the feedback received on each of the consultation questions addressed in this Part 2 Consultation Response Report, with any proposed policy responses highlighted in bold. A number of these will be recommended to be implemented through the Mayor's planning and investment powers, including through the Affordable Housing and Viability London Plan Guidance. A small number of proposed policy responses are highlighted as needing further work and consideration.

- 2.13. The proposed policy responses within this Part 2 Consultation Response Report should be read alongside the Part 1 Consultation Response Report, to represent a comprehensive assessment of the consultation response.

3. Affordability and delivery

Note: Consultation Questions 1 to 6, and Question 10, are addressed within the Part 1 Consultation Response Report, which should be read alongside this Part 2 Consultation Response Report.

Question 7 (a): What impact might the implementation of the Government's First Homes policy have in London?

Box 1: First Homes

In February 2020, the Government published a consultation on its proposals for a new type of discounted market sale home called First Homes. It is proposed that First Homes will be sold at a minimum 30 per cent discount on their market value and that they will be prioritised for first-time buyers with the discount secured in perpetuity.

Overview of responses

- 3.1. Fifty respondents answered this question. The main themes occurring in these comments are summarised below.

Recurring themes

Theme 1: Mandating the requirement for First Homes would take away flexibility for local authorities to determine affordable tenure splits with reference to local need.

- 3.2. Some respondents suggested that mandating a specific proportion of affordable housing to be delivered as First Homes would be inappropriate for London and would have a detrimental impact on local authorities' ability to ensure that affordable housing provision is meeting local housing need. These respondents argued that local authorities are best placed to negotiate the appropriate mix of affordable housing tenures within their local areas.

Theme 2: First Homes could directly displace the delivery of intermediate housing products, in particular shared ownership.

- 3.3. A large proportion of respondents warned that First Homes would take priority over the delivery of other intermediate housing products, including shared ownership and intermediate rent, where there is a greater proven housing need. These

respondents suggested that shared ownership remains the most appropriate type of affordable home ownership.

Theme 3: First Homes could reduce the overall supply of housing and affordable housing, including low cost rent homes.

- 3.4. The majority of respondents warned that the implementation of First Homes could reduce the opportunity for cross-subsidy from shared ownership, if First Homes displace the delivery of shared ownership homes. This could reduce the overall viability of development sites, which may make investment in housing delivery less attractive. This could lead to a negative impact on the delivery of housing and, even more importantly, affordable housing including low cost rent. Some respondents also specifically cited the management challenges of delivering First Homes on Build to Rent schemes, which might reduce investor appetite for and delivery of Build to Rent homes in London.

Theme 4: First Homes would be unaffordable to those in housing need in London at the proposed discount, particularly in higher value areas.

- 3.5. A large proportion of respondents highlighted the risk that First Homes would be unaffordable to those in housing need in London with a discount of only 30%. One respondent cited analysis from JLL which found that First Homes would only be accessible to 10% of Londoners. These respondents suggested that a deeper discount would be needed in order to make First Homes affordable to Londoners. Some respondents also suggested that the First Homes discount should be linked to income rather than the open market value of the home.

Theme 5: First Homes may have the potential to help more households into owner occupation, particularly in lower value areas.

- 3.6. A small number of respondents supported the aim to have a range of affordable housing options available, including affordable home ownership options, to diversify the types of affordable housing offered across London. These respondents suggested that First Homes would be most affordable in lower value areas.

Question 7 (b): What steps could the GLA take to minimise risks to affordable housing delivery, in particular homes at social rent levels, arising from this policy?

Overview of responses

- 3.7. Forty-eight respondents answered this question. The main themes occurring in these comments are summarised below.

Recurring themes

Theme 1: The GLA could oppose First Homes and lobby against implementation of the policy in London.

- 3.8. A small number of respondents suggested that the GLA could lobby against implementation of the First Homes policy in London. These respondents cited concerns about the affordability of the product and the potential negative impact of First Homes on the delivery of housing and, particularly, affordable housing. Some respondents went further and suggested that the GLA should not categorise First Homes as an affordable housing product.

Theme 2: The GLA could lobby for exemptions to the First Homes policy in circumstances where it is not practical to deliver.

- 3.9. A number of respondents suggested that the GLA could lobby for exemptions to the First Homes policy for housing association and local authority-led development, for Build to Rent schemes, and in higher value areas. These respondents cited viability and management challenges, which might make development of First Homes impractical to deliver on these types of schemes.

Theme 3: The GLA could lobby for local implementation of the First Homes policy, with flexibility to prioritise other tenures where there is local need.

- 3.10. A large proportion of respondents suggested that the GLA could lobby for local authorities to have the flexibility to implement the First Homes policy in line with local need. These respondents argued that a local authority should be able to control the overall affordable housing tenure mix, the discount level for First Homes, income caps, and other eligibility requirements with reference to local need.

Theme 4: The GLA could introduce measures to make First Homes more affordable and/or secure the affordability of First Homes in perpetuity.

- 3.11. A small number of respondents suggested that the GLA could introduce measures to make First Homes more affordable to the target group of those in intermediate housing need, for instance by implementing market value and income caps to align with other affordable home ownership products. Some respondents also suggested that the GLA could introduce measures to ensure that any First Home delivered is secured as an affordable home in perpetuity.

Theme 5: The GLA could continue to prioritise social rent and other affordable housing tenures over First Homes.

3.12. A large proportion of respondents suggested that the GLA could continue to prioritise the delivery of social rent and other affordable housing tenures over First Homes, for instance by directing funding towards these other affordable housing tenures and by ensuring the London Plan requirement that at least 30 per cent of homes should be delivered as social rented homes remains fixed and is not displaced by the delivery of First Homes. These respondents made the case that other types of affordable housing products, in particular social rent, are more affordable and meet a more acute housing need.

GLA response: Questions 7 (a) and 7 (b)

- 3.13. The Mayor shares respondents' concerns about the impact of the First Homes policy on the delivery of affordable housing and overall housing supply in London. As well as diverting developer subsidy from intermediate homes, the Government's proposals risk undermining efforts to increase housing supply overall. The GLA recognises the importance of receiving cross-subsidy from shared ownership to support the viability of low cost rent, and shares respondents' concerns that the implementation of First Homes could lead to a negative impact on the delivery of housing and, even more importantly, affordable housing including low cost rent. In addition, the First Homes proposals aim to maximise the delivery of one tenure, which is contrary to the recommendation of the 2018 Letwin Review, which found that diversification of tenure was key to increasing build out rates.¹¹
- 3.14. The Mayor also shares respondents' concerns about the potential of the First Homes policy to seriously undermine the long-standing foundations of devolution, and the principle that the Mayor of London is responsible for affordable housing policy in the capital. The Mayor agrees that the GLA and local planning authorities should have maximum flexibility to implement the First Homes policy in a way that minimises the damage to London's housing supply.
- 3.15. The Mayor's housing policies are designed to support Londoners who aspire to own their own home. However, the way to achieve this is by offering a range of intermediate housing products, including shared ownership and London Living Rent, which require a smaller deposit than market housing and are affordable for middle-income Londoners. Imposing a one-size-fits-all approach that does not take account of London's unique housing market, nor site-specific circumstances, will only exacerbate the housing crisis.
- 3.16. The final details on the implementation of First Homes have not been confirmed by Government; however, the GLA remains concerned that the delivery of First Homes is not appropriate for London. **The GLA will continue to oppose the First Homes**

¹¹ Rt Hon Sir Oliver Letwin MP, [Independent Review of Build Out: Final Report](#), October 2018

policy on the basis that First Homes are not affordable. The Mayor's priority is low cost rented homes, which is London's most critical type of housing need.

- 3.17. Subject to any restrictions on the implementation of First Homes introduced by Government, **the GLA will utilise its planning powers to strengthen guidance on existing market value and income caps for affordable home ownership policies, which should also be relevant to First Homes; and to introduce measures to ensure First Homes remain discounted in perpetuity.**

Question 8: Would the proposals set out below be effective in ensuring that Discount Market Sale (DMS) homes are secured in perpetuity?

Box 2: Securing DMS homes in perpetuity

The GLA's Consultation on Intermediate Housing suggested that guidance on how DMS homes should be secured in perpetuity could include the following:

- A requirement to include a clause in the headlease of any DMS homes which restricts any subsequent sales to those within the income caps set out in the London Plan (December 2020);
- Setting out a clear requirement in the Section 106 agreement that the discount offered on the home should remain in perpetuity, and expectations for how homes will be valued; and/or
- Setting out in the Section 106 agreement the level of subsidy to be repaid to the local authority if the home is eventually sold on the open market (this may be necessary if, for instance, increases in price render future sales of the home unaffordable to those within the Mayor's income caps).

Overview of responses

- 3.18. Thirty-five respondents answered this question. Of these respondents, fifty-one per cent agreed that the proposals set out in the GLA's consultation document would be effective in ensuring that DMS homes are secured in perpetuity. Thirty-seven per cent partly agreed and eleven per cent disagreed.
- 3.19. The analysis of responses by respondent type is set out in the table below.

Respondent type	Agree (number)	Partly agree (number)	Disagree (number)
Councillor, Assembly Member or MP	0	0	0
Housing association	8	2	1
Housing developer	1	0	0
Local authority	7	11	2
Trade association or industry body	2	0	1
Voluntary /community sector (campaign/research/representation)	0	0	0
Voluntary /community sector (front line services)	0	0	0
Other organisation	0	0	0
Individual	0	0	0
Total number	18	13	4
Percentage of total	51%	37%	11%

3.20. Respondents provided a range of comments in response to this question and the main themes are summarised below.

Recurring themes

Theme 1: The GLA's proposals would be effective in ensuring that DMS homes are secured in perpetuity, and the GLA should publish guidance to this effect.

3.21. The majority of respondents agreed that the GLA's proposals, as set out in the GLA's Consultation on Intermediate Housing, would be effective in ensuring that DMS homes are secured in perpetuity. Some respondents noted that the proposals rightly align with the London Plan requirements for other affordable home ownership products, such as shared ownership and shared equity.

Theme 2: The GLA's proposals would be effective in ensuring that DMS homes are secured in perpetuity, but do not address the core issue of affordability.

- 3.22. A small number of respondents suggested that the GLA's proposals would be effective in ensuring that DMS homes are secured in perpetuity in areas where DMS is affordable, but argued that DMS is not affordable in many areas. Some respondents suggested that local authorities should have the flexibility to set discount levels for DMS homes at a local level; others argued that discount levels should be linked to income caps, rather than open market values. Most respondents agreed that a requirement should be included in Section 106 agreements that any discount on a DMS home should be secured in perpetuity.

Theme 3: The GLA's proposals would be effective in ensuring that DMS homes are secured in perpetuity, but need to include guidance for instances when a buyer cannot be found for a DMS home.

- 3.23. A small number of respondents suggested that the GLA's proposals should include options for instances when an eligible buyer cannot be found for a re-sale DMS home, to prevent the seller from becoming trapped. Some respondents suggested that guidance could allow for local authorities to buy back the DMS home and convert it to social rent or other affordable housing; or for the DMS home to be sold on the open market after a defined period.

Theme 4: Local authorities are not sufficiently resourced to administer, monitor or enforce the GLA's proposals, which could make the proposals ineffective.

- 3.24. A number of respondents highlighted the potential resource burden that the GLA's proposals could place upon local authorities and housing providers, particularly in instances where the local authority is required to manage only a small number of homes. These respondents made the case that the GLA's proposals would require a level of expertise that most local authorities and housing providers do not have in-house, such as valuation expertise. These respondents suggested that the GLA could provide additional funding to local authorities to administer, monitor and enforce the GLA's proposals; or lobby the Government to allow local authorities additional means to charge the freeholder for the ongoing administration of DMS.

Theme 5: A centralised approach to administering, monitoring and enforcing the GLA's proposals could be more effective in ensuring that DMS homes are secured in perpetuity.

- 3.25. Citing the resourcing burden to local authorities, a number of respondents suggested that a centralised approach to administering, monitoring and enforcing the GLA's proposals could be more effective in ensuring that DMS homes are secured in perpetuity. Some respondents suggested the GLA could produce

London-wide policy on the DMS discount levels needed; and others suggested the GLA could produce standard Section 106 clauses for DMS homes that can be used by local authorities. Some respondents also suggested the GLA could consider using the Land Registry as a mechanism to secure DMS homes in perpetuity.

GLA response: Question 8

- 3.26. The London Housing Strategy makes clear that the Mayor only supports the delivery of DMS homes where they are genuinely affordable and meet a specified need. To be considered genuinely affordable, DMS homes must meet the affordability criteria set out in the London Plan, which means that monthly housing costs should be no more than 40 per cent of net household income for households on a range of incomes up to £90,000.
- 3.27. **The GLA will support the delivery of DMS homes where they are delivered on schemes that align with wider strategic housing and planning policy objectives, such as community-led schemes and/or schemes that provide homes to groups of people who share a protected characteristic. To ensure that DMS homes are affordable, the GLA will utilise its planning powers to strengthen guidance on market value and income caps for DMS homes, to be consistent with existing affordable home ownership policies.**
- 3.28. The Mayor is keen to ensure that, where DMS homes are delivered, the discount is passed on to the next buyer to guarantee that the homes remain affordable in the future. This will help to protect affordable housing stock and ensure that, where these homes are delivered, they provide a lasting benefit for Londoners.
- 3.29. The Affordable Housing and Viability London Plan Guidance (AHVLPG) states that local authorities should ensure that affordable housing provision is secured for future eligible households through a legal agreement. Intermediate products must be secured as such through a Section 106 (S106) agreement. **The GLA will utilise its planning powers to introduce measures to ensure DMS homes remain affordable in perpetuity, with income caps applicable to subsequent sales. In addition, the GLA will provide guidance on how DMS homes should be valued, to ensure DMS homes remain affordable in perpetuity and to seek to minimise the administrative burden placed on local authorities.**
- 3.30. The GLA intends that the proposals outlined above will ensure that DMS homes remain affordable to Londoners in perpetuity, and will minimise instances when a buyer cannot be found for a DMS home. The GLA is committed to ensuring that DMS homes are secured in a way that ensures the homes remain at a discount for future eligible households, as is a requirement of the National Planning Policy Framework, and will continue to work with housing providers to seek a mechanism to prevent DMS home owners becoming 'trapped'.

Question 9 (a): What impact might the implementation of the Government's proposed Right to Shared Ownership scheme in London have on the delivery of affordable homes, in London, in particular homes at social rent levels?

Box 3: Right to Shared Ownership

In October 2019, the Government announced proposals to introduce a Right to Shared Ownership offer for social housing tenants. Further announcements on these proposals suggest that tenants of all rented homes delivered through the Affordable Homes Programme 2021-2026 will be given an automatic right to buy a share of their home on a shared ownership basis. While the minimum share that can be purchased under the shared ownership model is currently 25 per cent of the home's value, tenants of these homes will be able to buy a 10 per cent share. Like other shared owners, they will have the option to increase this over time through staircasing.

Overview of responses

3.31. Forty-four respondents answered this question. The main themes occurring in these comments are summarised below.

Recurring themes

Theme 1: The Right to Shared Ownership could reduce the overall stock of affordable housing and, most importantly, social rent housing.

3.32. The majority of respondents warned that the implementation of the Right to Shared Ownership could lead to a loss of valuable social rent housing stock. These respondents argued that modest receipts from the Right to Shared Ownership, restrictions on the use of receipts, and a lack of funding for social rent could mean that affordable homes sold through the Right to Shared Ownership are not replaced. Some respondents also warned of the risk of public subsidy ending up in the private market, if affordable homes sold through the Right to Shared Ownership are eventually sold on the open market.

Theme 2: The Right to Shared Ownership could reduce the overall supply of housing and affordable housing, including low cost rent homes.

3.33. The majority of respondents also suggested that the Right to Shared Ownership could impact on the level of borrowing that housing associations can undertake, because shared ownership homes are valued differently to low cost rent homes and the Right to Shared Ownership would introduce more risk in housing providers' asset base. In addition, some respondents suggested that the Government's new

model for shared ownership, which will apply to homes bought through the Right to Shared Ownership, could increase costs to housing providers. These issues could reduce the overall viability of development sites, which may make investment in housing delivery less attractive. This could lead to a negative impact on the delivery of housing and affordable housing, including low cost rent.

Theme 3: The Right to Shared Ownership could cause management challenges if delivered on sites designated for use as rented tenure homes.

- 3.34. Some respondents suggested that it would not be practical to offer the Right to Shared Ownership on sites designated for use as rented tenure homes. These respondents suggested that to do so would create a broken asset with mixed rented tenure and owner occupier homes, which could lead to service charge disparities and diluted management efficiency. These respondents warned that these management challenges could impact on development viability, which could reduce investor appetite for and delivery of rented tenure homes in London.

Theme 4: There is insufficient detail on how the Right to Shared Ownership scheme would be implemented in London, which means it is not possible to determine what impact the scheme could have on affordable housing delivery.

- 3.35. A small number of respondents suggested that further detail is needed on how the Right to Shared Ownership scheme would be implemented in London, before a judgement can be made on the impacts of the policy. Some respondents suggested that a pilot scheme should be run to test the impact of Right to Shared Ownership before implementation.

Theme 5: The Right to Shared Ownership may have the potential to help more households into owner occupation, particularly lower income households.

- 3.36. A small number of respondents supported the aim to help lower income households access home ownership and thought the Right to Shared Ownership was an effective mechanism by which to do so. These respondents cited the positive aspects of home ownership not being restricted to higher incomes. However, a number of these respondents also noted that they expected the take up of Right to Shared Ownership to be low, due to the affordability challenges of shared ownership for lower income households.

Question 9 (b): What steps could the Mayor take to mitigate any negative impacts of this policy?

Overview of responses

3.37. Thirty-six respondents answered this question. The main themes occurring in these comments are summarised below.

Recurring themes

Theme 1: The GLA could seek to introduce policies to limit the extent of Right to Shared Ownership in London.

3.38. A large proportion of respondents suggested that the GLA could lobby for exemptions to Right to Shared Ownership, to limit the extent of Right to Shared Ownership in London. These respondents suggested introducing exemptions for housing associations with smaller stock; homes in higher value areas; homes in areas of high housing need; and homes where the introduction of the Right to Shared Ownership would cause management issues, such as homes on Build to Rent schemes. In addition, some respondents suggested that the GLA could lobby to introduce restrictive covenants to limit the time frame for eligibility for Right to Shared Ownership and to prevent homes being bought through the Right to Shared Ownership being sublet.

Theme 2: The GLA could increase support for social rent, to prevent the loss of valuable social rent housing.

3.39. A large proportion of respondents suggested that the GLA could increase support for social rent to counteract the potential loss of social rent housing stock as a result of homes being sold through the Right to Shared Ownership. These respondents suggested that support for social rent could be increased by increasing new homes grant for social rent; prioritising the delivery of council homes for social rent; ensuring like-for-like replacement of social rent homes sold through the Right to Shared Ownership; or supporting housing providers to buy back homes for social rent when the leaseholder moves on.

Theme 3: The GLA could increase support for other affordable housing tenures, to mitigate the impact on overall housing delivery.

3.40. A large proportion of respondents suggested that the GLA could increase support for other affordable housing, and particularly shared ownership housing, to cover the cost of the new model for shared ownership and to mitigate the impact on overall housing delivery. Some respondents suggested that the GLA could increase grant funding to support the delivery of affordable housing. Other respondents suggested that developing a framework to enable current funding arrangements and rates of borrowing to continue could help mitigate the potential impact on housing delivery.

Theme 4: The GLA could encourage the provision of better advice and guidance for prospective shared ownership purchasers.

- 3.41. A small number of respondents highlighted the importance of ensuring that there is transparency around fees and charges associated with shared ownership, to support potential purchasers to understand the full cost before purchasing their home through the Right to Shared Ownership. Some respondents suggested that guidance to prospective purchasers should include advice on other routes into home ownership.

Question 9 (c): What mechanisms already exist to support social tenants who want to access shared ownership homes to do so, and how effective are they?

Overview of responses

- 3.42. Twenty-eight respondents answered this question. The main themes occurring in these comments are summarised below.

Recurring themes

Theme 1: Many local authorities and housing providers already prioritise social tenants for shared ownership.

- 3.43. A large proportion of respondents highlighted that many local authorities and housing providers give the highest priority to prospective shared ownership purchasers who are social tenants. However, a number of these respondents report that applications for shared ownership from social tenants are few, due to affordability or because shared ownership is not considered to be as secure as social rent.

Theme 2: Better advertising of shared ownership homes could support social tenants who want to access shared ownership.

- 3.44. A number of respondents highlighted the benefit of good advertising to make social tenants aware of opportunities to access shared ownership. These respondents highlighted a number of existing mechanisms for advertising shared ownership homes and suggested that these could be improved. Those mechanisms included the Homes for Londoners portal, intermediate housing waiting lists, local authority websites, and resident newsletters. Specifically, one respondent highlighted the importance of advertising shared ownership homes on estate regeneration schemes to support existing social housing residents into those homes.

Theme 3: A lower initial share could make accessing shared ownership more affordable to social tenants.

- 3.45. Some respondents suggested that the lower initial share proposed in the Government's new model for shared ownership could make accessing shared ownership more affordable to social tenants. These respondents cited the difficulties for social tenants of saving for a deposit to purchase a 25 per cent share in their home, and suggested that a 10 per cent share might make shared ownership more accessible to lower income households.

Theme 4: Other affordable home ownership products exist which support social tenants who want to access home ownership.

- 3.46. A number of respondents highlighted other affordable home ownership products that are available to social tenants, such as the Home Ownership for Long-Term Disability (HOLD) scheme; Social Homebuy; and borough-specific options such as the Westminster City Council Flexible Home Ownership scheme. Some respondents also highlighted that the Right to Buy and Right to Acquire provide a well-established route to home ownership.

GLA response: Questions 9 (a), 9 (b) and 9 (c)

- 3.47. Since the launch of the GLA's Consultation on Intermediate Housing in August 2020, the Government has provided further guidance for registered providers on the Right to Shared Ownership.¹² This announcement confirmed that the Right to Shared Ownership would be implemented through the Affordable Homes Programme 2021-2026 and that homes sold through the Right to Shared Ownership would adopt the new shared ownership model. Following concerns raised by the GLA and others, MHCLG introduced a series of exemptions which will limit the scope of the policy. In addition, MHCLG confirmed that the Right to Shared Ownership would not be retrospectively introduced for homes funded through the Affordable Homes Programme 2016-2023. The GLA welcomes these proposals to limit the scope of the Right to Shared Ownership policy.
- 3.48. The Mayor shares respondents' concerns about the impact of the Right to Shared Ownership policy on the stock of valuable social rent homes; and the impact on the overall delivery of housing and affordable housing in London, as a result of housing providers' reduced borrowing power and the increased costs of delivering shared ownership in the new model. The GLA notes some respondents' predictions that the take up of the Right to Shared Ownership will be low. Nevertheless, the GLA is concerned that the Government will not be prioritising the like-for-like replacement of social rent homes sold through the Right to Shared Ownership. The GLA believes that the Right to Shared Ownership policy is counterproductive to the provision of much needed social rent homes, and will continue to make the case to Government to recognise the overwhelming need for social rent.

¹² MHCLG, [Right to Shared Ownership: initial guidance for registered providers](#), September 2020

- 3.49. The Mayor recognises that a number of mechanisms already exist to support social tenants who want to access shared ownership homes, and remains of the view that the Right to Shared Ownership is not the most appropriate route to home ownership for Londoners. However, for those residents who do choose to exercise their Right to Shared Ownership, the Mayor wants to ensure that the process is transparent and that residents have access to the full range of information about the nature of shared ownership as well as the full range of likely fees.
- 3.50. As outlined in the Part 1 Consultation Response Report, the GLA will require all investment partners in the Affordable Homes Programme 2021-2026 to provide a key features document to potential purchasers at the start of the marketing and sales period for all new shared ownership homes. **The GLA expects that the requirement to provide a key features document to potential buyers would apply to all new shared ownership homes sold through the Right to Shared Ownership. In addition, the GLA expects all investment partners in the Affordable Homes Programme 2021-2026, including those with homes sold through the Right to Shared Ownership, to sign up to the principles of the Shared Ownership Charter for Service Charges.**
- 3.51. **Furthermore, as announced in January 2021, the GLA expects investment partners receiving funding through the Affordable Homes Programme 2021-2026 to use a 999-year lease for shared ownership where it is possible to do so, to offer long-term security to leaseholders and to minimise the cost and burden of leasehold extension processes.¹³ The expectation to use a 999-year lease for shared ownership will also apply to homes sold through the Right to Shared Ownership.**

¹³ Greater London Authority, [Mayor demands 999-year leases for shared ownership homes](#), January 2021

4. Eligibility, prioritisation and allocation

Note: Consultation Questions 11 to 12, and Question 15, are addressed within the Part 1 Consultation Response Report, which should be read alongside this Part 2 Consultation Response Report.

Question 13: Should local authorities be required to implement an intermediate housing waiting list and/or allocations policy as a condition of setting additional prioritisation criteria for the first three months of marketing new intermediate homes?

Box 4: Eligibility and prioritisation criteria for intermediate housing

Access to intermediate housing is subject to regionally defined eligibility criteria: income eligibility thresholds are outlined in the London Plan and the London Housing Strategy; and other eligibility criteria reflect the national criteria and are conditions of receiving GLA funding, set out in the GLA's Capital Funding Guide.¹⁴

For intermediate ownership, households are eligible if they:

- have a gross household income of up to £90,000 per annum;
- do not currently own their own home or have sold their home; and
- are unable to find a property to suit their needs on the open market.

For intermediate rent, households are eligible if they:

- have a gross household income of up to £60,000 per annum.

Current London planning policy enables local authorities to require housing providers to further restrict sales and marketing of new intermediate homes to certain groups for the first three months (after which homes can be marketed to anyone within the London wide criteria). Locally set intermediate eligibility and/or prioritisation criteria can include a requirement for an applicant to live or work within the borough; whether the applicant has a recognised medical need or in overcrowded conditions; or the occupation of the applicant, with priority sometimes given to armed forces personnel or key workers.

¹⁴ Greater London Authority, [Affordable Housing Capital Funding Guide](#), periodically updated

Overview of responses

- 4.1. Fifty respondents answered this question. Twenty-two respondents disagreed that the GLA should require local authorities to implement any form of intermediate housing waiting list and/or allocations policy. The remaining respondents raised a range of issues reflecting multiple viewpoints. The main themes occurring in these comments are summarised below.

Recurring themes

Theme 1: The use of intermediate housing waiting lists and/or allocations policies could be beneficial and could provide greater clarity and transparency.

- 4.2. A large proportion of respondents supported the use of intermediate housing waiting lists and/or allocations policy, on the basis that it could provide clarity and transparency. These respondents noted that the use of a waiting list and/or allocations policy could benefit those seeking, or potentially able to benefit from intermediate housing, by helping to ensure those most in housing need are prioritised for intermediate housing. Some respondents also suggested the use of a waiting list and/or allocations policy could be helpful for providers to minimise void periods and help to target intermediate housing allocations to those in greatest need.

Theme 2: The use of intermediate housing waiting lists and/or allocations policies could be beneficial but should not be implemented by local authorities.

- 4.3. Some respondents supported the use of intermediate housing waiting lists and/or allocations policies but suggested that they should not be implemented by local authorities. Some respondents suggested that the housing associations developing intermediate housing should operate the waiting list and/or allocations policy, while others advocated for a pan-London approach, potentially managed by the GLA. Some who suggested a pan-London approach observed that the market for intermediate housing, especially shared ownership, spans borough boundaries.

Theme 3: Local authorities are not sufficiently resourced to administer, monitor or enforce intermediate housing waiting lists and/or allocations policies, which could make the policies ineffective.

- 4.4. A number of respondents, including but not limited to local authorities, questioned whether local authorities have adequate resources to implement and maintain waiting lists and/or allocations policies for intermediate housing. Some respondents observed that, although local authorities' statutory duties around the allocation of social housing in some respects leave them well-placed to take on this responsibility, some local authorities are already stretched meeting existing

statutory duties. Some respondents expressed particular concern around the resources required to ensure that lists are regularly updated, which they considered essential if lists are to be useful.

Theme 4: Local authorities should have the flexibility to decide whether to implement an intermediate housing waiting list and/or allocation policy.

- 4.5. A number of respondents suggested that the decision of whether to implement a waiting list and/or allocations policy for intermediate housing should be down to individual local authorities. Some respondents suggested that local authorities should at least be able to determine the process for prioritisation at a local level, informed by their understanding of local need.

Theme 5: The use of intermediate housing waiting lists and/or allocations policies could slow down the sale or letting of intermediate housing, to the detriment of delivery.

- 4.6. A small number of respondents, in particular developers of intermediate housing, expressed concern that waiting lists and/or allocations policies could slow down the sale or letting of intermediate housing, which would undermine delivery. These respondents suggested the process was best managed by the housing provider, and highlighted the risk of waiting lists becoming quickly out of date.

GLA response: Question 13

- 4.7. The Mayor is aware that some local authorities already utilise an intermediate housing list to manage the prioritisation of households for available intermediate housing; and that these local authorities have found such a list helpful to ensure those in greatest housing need are prioritised for intermediate housing.
- 4.8. The responses to this question suggest that the use of intermediate housing waiting lists and/or allocations policy can provide clarity and transparency, which could benefit those seeking intermediate housing as well as housing providers. However, the responses to this question also raise concerns around the additional resource required for local authorities to administer and maintain an intermediate housing waiting list and/or allocations policy; and the desire of some local authorities to have autonomy over the decision of whether to implement such a list.
- 4.9. The Mayor wants to ensure that there is transparency around the prioritisation and allocation of intermediate homes; and that intermediate housing is allocated fairly to Londoners. Recognising the shortage of affordable homes including intermediate rent homes in London and the desirability of targeting homes at those in greatest need – regardless of whether providers set additional prioritisation criteria for the first three months of marketing new intermediate homes – **the GLA expects local**

authorities and housing providers to adopt an equitable and targeted allocation process for all intermediate housing, having regard to regional and local eligibility criteria, and the established definitions of housing need.

- 4.10. The Mayor recognises that an intermediate housing list might be challenging to implement, given the resource required to administer and maintain such a list effectively; and does not wish to add undue pressure to local authorities' already stretched resources. Recognising respondents' concerns, the GLA will not, at this stage, introduce an expectation that local authorities should implement an intermediate housing waiting list as a condition of setting additional prioritisation criteria for the first three months of marketing new intermediate homes.
- 4.11. The Mayor remains committed to ensuring that allocations policies are transparent, to help those seeking intermediate housing to better understand the process for finding an intermediate home. Where local authorities set additional prioritisation criteria for the allocation of intermediate homes, the GLA expects these criteria to be transparent. The GLA will, therefore, strengthen existing requirements in the Capital Funding Guide to ensure that allocations policies can be easily accessed by Londoners seeking a home. **Housing providers receiving grant through the Affordable Homes Programme 2021-2026 that choose to set additional prioritisation criteria for the first three months of marketing new intermediate homes will be required to publish details of the criteria on which intermediate housing applications might be prioritised, which might reflect local eligibility and/or prioritisation criteria, within their published policy statements.**
- 4.12. The requirement for housing providers to publish details of additional eligibility and/or prioritisation criteria within their policy statements currently exists within the GLA's Capital Funding Guide for homes sold through Social HomeBuy.¹⁵ The GLA will expand the existing requirement in the 'Housing for sale' guidance to incorporate other affordable home ownership tenures, including shared ownership. Given the constrained supply of intermediate rent homes, the GLA believes there is a strong case to ensure these homes are targeted towards the households in greatest need. Therefore, the GLA will also expand the existing requirement to be included in the 'Housing for rent' guidance to incorporate rented tenure homes, including London Living Rent.
- 4.13. The GLA also wants to ensure that any homes delivered through the planning system are allocated in accordance with published eligibility and/or prioritisation and will, therefore, strengthen existing requirements in the AHVLP to ensure homes are targeted towards households in greatest need. **Where intermediate homes are delivered through the planning system, the GLA expects these homes to be allocated according to intermediate eligibility and/or prioritisation criteria,**

¹⁵ Greater London Authority, [Affordable Housing Capital Funding Guide – Section 4: Housing for sale](#), last updated August 2016, accessed January 2021

which can include locally defined criteria. Where a local authority has an intermediate housing waiting list, they should agree with the applicant a process for providing priority access for households on the waiting list.

Question 14 (a): Should the GLA publish best practice guidance on the allocation of intermediate housing and intermediate waiting lists?

Overview of responses

4.14. Forty-nine respondents answered this question. Of these respondents, forty-seven per cent agreed that the GLA should publish best practice guidance on the allocation of intermediate housing and intermediate waiting lists. Forty-three per cent partly agreed and ten per cent disagreed.

4.15. The analysis of responses by respondent type is set out in the table below.

Respondent type	Agree (number)	Partly agree (number)	Disagree (number)
Councillor, Assembly Member or MP	0	0	0
Housing association	6	5	3
Housing developer	2	4	0
Local authority	12	6	2
Trade association or industry body	2	2	0
Voluntary /community sector (campaign/research/representation)	1	0	0
Voluntary /community sector (front line services)	0	1	0
Other organisation	0	2	0
Individual	0	1	0
Total number	23	21	5
Percentage of total	47%	43%	10%

- 4.16. Respondents provided a range of comments in response to this question and the main themes are summarised below.

Recurring themes

Theme 1: Guidance on the allocation of intermediate housing and intermediate waiting lists would be helpful and would increase consistency between boroughs.

- 4.17. The majority of respondents welcomed the prospect of guidance, on the basis that it would help increase consistency between boroughs and local authorities in how intermediate housing is allocated. Some respondents suggested this would be helpful to those in need of intermediate housing, for whom the varying processes across different boroughs can prove confusing and time-consuming to navigate.

Theme 2: Guidance on the allocation of intermediate housing and intermediate waiting lists would be helpful, but local authorities should have the flexibility to determine priorities at a local level.

- 4.18. A large proportion of respondents welcomed the prospect of guidance and saw the benefit of a common framework. A similar number of respondents' support for guidance was conditional on local authorities having the flexibility to determine local priorities for affordable housing. These respondents did not support the concept of strictly enforcing a standardised approach.

Theme 3: A practical resource showcasing existing best practice for the allocation of intermediate housing and intermediate waiting lists would be useful.

- 4.19. A small number of respondents suggested that a practical resource that showcased best practice on the part of local authorities that already operate waiting lists and/or allocations policies for intermediate housing would be useful.

Theme 4: Guidance on the allocation of intermediate housing and intermediate waiting lists is not necessary, because there are already established approaches.

- 4.20. A small number of respondents suggested that such guidance was not necessary because there are established approaches to allocating intermediate housing and/or because allocations should be left to local authorities.

Theme 5: The use of intermediate housing waiting lists and/or allocations policies could slow down the sale or letting of intermediate housing, and should not be promoted through guidance.

- 4.21. A small number of respondents expressed concern that waiting lists and/or allocations policies could slow down the sale or letting of intermediate housing, to

the detriment of delivery. These respondents were concerned by the prospect of guidance on this basis.

Question 14 (b) If yes, is there anything in addition to the list above which should be covered by the guidance?

Overview of responses

4.22. Twenty-nine respondents answered this question. The main themes occurring in these comments are summarised below.

Recurring themes

Theme 1: Guidance could include recommendations on how to prioritise those seeking intermediate housing.

4.23. A large proportion of respondents suggested that guidance could usefully cover recommended approaches to prioritising those seeking intermediate housing, which could be used to promote pan-London consistency in the prioritisation and allocation of intermediate housing. Some respondents specifically mentioned the importance of prioritising intermediate housing on the basis of income and local connection.

Theme 2: Guidance could include examples of best practice based on existing frameworks for intermediate housing waiting lists and/or allocations policies.

4.24. A small number of respondents suggested that guidance could usefully highlight examples of best practice in implementing waiting lists and/or allocations policies for intermediate housing.

Theme 3: Guidance could provide recommendations on the practical process of implementing an intermediate waiting list and/or allocations policy.

4.25. A number of respondents suggested that guidance could cover the following areas, focussed on the practical process of implementing an intermediate housing waiting list and/or allocations policy:

- The process for updating intermediate housing waiting lists;
- The approach to pricing intermediate homes, with these respondents specifically citing the need to have reference to local incomes;
- The role of the Homes for Londoners portal in marketing homes; and
- The approach to monitoring data on those seeking intermediate housing through the Homes for Londoners portal.

Theme 4: Guidance could provide recommendations on how to approach the allocation of intermediate housing to improve the experience of the consumer.

4.26. A small number of respondents suggested that guidance could cover the following areas, focused on improving the experience of the consumer:

- How to promote intermediate housing, including directing prospective applicants to the products most suitable for them;
- How to manage data protection requirements (including GDPR) when maintaining, and potentially sharing, a list of registered interest; and
- How to work with local employers to target intermediate housing allocations towards key workers.

GLA response: Questions 14 (a) and 14 (b)

- 4.27. The responses to this question suggest that guidance on the allocation of intermediate housing and intermediate waiting lists could increase consistency between boroughs. However, responses also suggest that local authorities should have the flexibility to determine priorities and processes at a local level, in light of varying resourcing priorities across local authorities and to reflect local needs.
- 4.28. The Mayor recognises the limitations of adopting a pan-London approach to intermediate allocations policies and/or waiting lists, and is not convinced that publishing best practice guidance alone will necessarily lead to greater consistency for Londoners, as many residents will not limit their search to one housing provider and, particularly for shared ownership, may search across boroughs. For these reasons, at this stage, **the GLA will not publish best practice guidance on the allocation of intermediate housing and intermediate waiting lists.**
- 4.29. As outlined in the GLA's response to Question 13, the Mayor wants to ensure that the process for the prioritisation and allocation of intermediate homes is fair and transparent, and that Londoners experience an appropriate degree of consistency across the city. The Mayor believes there may be an opportunity to share best practice from local authorities that already maintain applicant waiting lists and/or allocations policies for intermediate housing, and particularly intermediate rent homes.
- 4.30. The Mayor recognises the administrative burden of maintaining applicant waiting lists and/or allocations policies for intermediate housing. The Mayor is also aware of the existence of cross-borough markets for intermediate housing; and the potential benefit of a pan-London approach to marketing intermediate homes and managing allocations, particularly after the first three months of marketing a new intermediate home, after which any locally defined eligibility criteria cease to apply. For these reasons, the Mayor considers that it might be useful, to both prospective residents

and housing providers, to have a database that registers interest from Londoners to inform allocations across multiple boroughs. The Mayor will continue to engage with local authorities and housing providers on the feasibility of enhancing the Homes for Londoners portal to perform this function.

- 4.31. Investment partners receiving funding through the Affordable Homes Programme 2021-2026 are already encouraged to advertise their available shared ownership and London Living Rent homes through the Homes for Londoners property search tool. **The GLA will explore options to develop the existing Homes for Londoners portal as a pan-London property search tool to register housing interest and to inform allocations, as well as to market the availability of intermediate homes.**

5. Supporting London's key workers

Note: Consultation Questions 18 and 19 are addressed within the Part 1 Consultation Response Report, which should be read alongside this Part 2 Consultation Response Report.

Question 16 (a): Should the GLA define a 'core' list of key worker occupations for use in intermediate housing allocation policies, and should local authorities be able to identify additional key worker groups, where there is evidence of local need?

Overview of responses

- 5.1. Fifty-eight respondents answered this question. Of these respondents, twenty-one per cent agreed that the GLA should define a 'core' list of key worker occupations for use in intermediate housing allocation policies, which local authorities should be able to add to where there is evidence of local need. Fifty-two per cent partly agreed and twenty-eight per cent disagreed.
- 5.2. The analysis of responses by respondent type is set out in the table below.

Respondent type	Agree (number)	Partly agree (number)	Disagree (number)
Councillor, Assembly Member or MP	0	0	1
Housing association	5	9	3
Housing developer	1	5	0
Local authority	5	5	11
Trade association or industry body	0	7	1
Voluntary /community sector (campaign/research/representation)	0	0	0
Voluntary /community sector (front line services)	0	1	0

Respondent type	Agree (number)	Partly agree (number)	Disagree (number)
Other organisation	1	2	0
Individual	0	1	0
Total number	12	30	16
Percentage of total	21%	52%	28%

- 5.3. Respondents provided a range of comments in response to this question and the main themes are summarised below.

Recurring themes

Theme 1: Defining a core list of key workers could provide greater clarity and transparency around the prioritisation and allocation of intermediate housing.

- 5.4. A large proportion of respondents welcomed the prospect of a core list on the basis that it would provide greater clarity and transparency around the prioritisation for and allocation of intermediate housing. The majority of these respondents thought that a local authority should be able to add to the list where there is evidence of local need.

Theme 2: Defining a core list of key workers could be beneficial, but allocations policies should also prioritise on the basis of income.

- 5.5. Some respondents highlighted the importance of income as a criterion for accessing intermediate housing. Some respondents suggested applicants should be prioritised on the basis of income rather than by occupation, with others suggesting occupation should be taken into account alongside income.

Theme 3: Defining a core list of key workers could be beneficial, but this list would need to be kept under regular review.

- 5.6. A small number of respondents highlighted the importance of keeping any core list (and prioritisation criteria more broadly) under regular review, so that the list reflects changing circumstances and understandings of key workers.

Theme 4: Defining a core list of key workers could be beneficial, but achieving consensus on what occupations should or should not be included in this core list could be challenging.

- 5.7. A small number of respondents expressed concerns about the difficulty of defining a core list, highlighting the risk that a list could be divisive and inadvertently exclude some people whose work is not necessarily typical of traditional understandings of key workers. Some respondents noted the impact of the Covid-19 pandemic on understandings of essential workers.

Theme 5: Defining a core list of key workers is not desirable, and local authorities should have the flexibility to determine priorities at a local level.

- 5.8. A number of respondents opposed the GLA defining a core list, on the basis that local authorities should have the flexibility to determine how to allocate intermediate housing and/or because marked local variations in need mean that it is most appropriate to consider prioritisation at local level.

Question 16 (b): If yes, which occupations should be included in a ‘core’ list of key workers for use in intermediate housing allocation policies?

Overview of responses

- 5.9. Forty-six respondents answered this question. The main themes occurring in these comments are summarised below.

Recurring themes

Theme 1: A core list of key workers could include a range of occupations within key public services.

- 5.10. Respondents identifying specific occupations or sectors which could be included in a core list of key workers most commonly identified the following services:
- Health;
 - Education;
 - Social work and, to a lesser extent, other local authority work;
 - Fire services, principally the London Fire Brigade;
 - Police and, to a lesser extent, prison and probation; and
 - Public transport.

Theme 2: A core list of key workers could align with the Government’s list of critical workers identified in the context of the Covid-19 pandemic.

5.11. Some respondents suggested that a core list could be based on the list of critical workers identified by the Government as key workers in the context of the Covid 19 pandemic.¹⁶ This list is regularly reviewed and, as of the January 2021 update, included the following categories for critical workers:

- Health and social care;
- Education and childcare;
- Key public services;
- Local and national government;
- Food and other necessary goods;
- Public safety and national security;
- Transport and border; and
- Utilities, communication and financial services.

Theme 3: A core list of key workers should be expansive and recognise a broader range of occupations than previously defined.

5.12. Some respondents highlighted the need for a broader range of occupations to be defined than in previous key worker lists. These respondents noted the need to recognise a range of occupations within key sectors, for instance teaching assistants as well as teachers; hospital porters as well as nurses; and privately contracted workers providing public services. Some respondents also stressed the need to include all occupations essential to the smooth running of London and noted the impact that the Covid-19 pandemic has had on understandings of essential work. Some respondents who made this case suggested that those in roles such as security, maintenance, essential retail, and delivery should form part of any core list.

Question 16 (c): What evidence should be required to define an occupation as a key worker for the purpose of intermediate housing allocations?

Overview of responses

5.13. Forty-one respondents answered this question. The main themes occurring in these comments are summarised below.

Recurring themes

Theme 1: Evidence of recruitment and retention difficulties, as a result of housing availability and/or affordability, should be provided to define an occupation as a key worker for the purpose of intermediate housing allocations.

¹⁶ Cabinet Office and Department for Education, [Guidance: Children of critical workers and vulnerable children who can access schools or educational settings](#), January 2021

- 5.14. The most common response related to evidence of recruitment and retention difficulties. Some respondents suggested that this could be determined through engagement with employers. Some suggested that evidence should include specific information, for instance details of vacant posts. Some commented that there should be clear evidence that recruitment and retention difficulties are linked to the affordability of suitable housing.

Theme 2: Evidence of a worker's essential role in the functioning of London should be provided to define an occupation as a key worker for the purpose of intermediate housing allocations.

- 5.15. The second most common response was that, in order for an occupation to be defined as a key worker role, it should be essential to the functioning of the city or borough. These respondents did not suggest how the essential nature of the role could be evidenced but some suggested essential roles included those that are responsible for protecting the health, safety and education of Londoners.

Theme 3: A key worker should be defined by reference to income.

- 5.16. Some respondents again highlighted the importance of income as a criterion for accessing intermediate housing. These respondents suggested that key worker occupations should be defined on the basis of income.

Theme 4: A key worker should be defined by reference to local need.

- 5.17. Some respondents again highlighted the importance of considering key worker prioritisation at a local level, based on local need. These respondents suggested that local authorities should have the flexibility to determine how to define key worker occupations.

GLA response: Questions 16 (a), 16 (b) and 16 (c)

- 5.18. The Mayor wants to ensure that his intermediate housing policies are effective in helping to meet the housing needs of those who work in essential services. The responses to Question 16 suggest that defining a core list of key workers could provide greater clarity around the prioritisation of intermediate housing for key workers. The GLA intends to publish a core list of key workers, which the Mayor intends will create an expectation that this group should be prioritised for intermediate housing. **The GLA will define a core list of key worker occupations. Local authorities will be encouraged to adopt this core list of key workers and can add to the core list at a local level.** To be effective, this would have to be adopted as part of a transparent allocations policy.

- 5.19. A key challenge when considering key worker housing is how to decide which occupations should be included within a definition. Traditionally, key worker professions have been largely public sector roles with an emphasis on ‘blue light’ workers such as nurses, police and teachers. While a more expansive definition would incorporate a broader range of key worker professions, this makes prioritising key workers within the list more challenging. In developing a key worker list that is supported by evidence, the GLA, building on the consultation responses summarised above, will continue to engage and consult with stakeholders, including trade unions, emergency services, local authorities and others. To achieve a balance between a clear, consistent definition of key workers, and flexibility to adapt the definition where required, the GLA proposes that local authorities should be able to add to the core list of key workers in response to local circumstances.
- 5.20. While there are many occupations which are vital to keeping London functioning effectively, not all of them will require access to intermediate housing. Some key workers (particularly those on the lowest incomes) are likely to have circumstances where only social rent levels are appropriate to secure affordability; others may have adequate income to buy or rent market housing and may not be in housing need. In addition, some boroughs may face greater pressures in recruitment and retention of key workers in some sectors than in others. For these reasons, it is vital that eligibility for housing should continue to be made by reference to household income; and that key worker lists should remain flexible to evolving interpretations of what constitutes a key worker.
- 5.21. **The GLA will define a core list of key workers based on the following parameters:**
- **occupations that are considered essential to the functioning of London in normal times;**
 - **occupations where there is a requirement for an employee to be anchored at their workplace in London to carry out their role; and**
 - **regard to income, with incomes below the income caps defined for intermediate housing within the London Plan.**

Question 17 (a): If local authorities utilise the three-month prioritisation period for new intermediate homes, should they be required to include the ‘core’ list of key worker occupations in their prioritisation criteria, or should this be optional?

Overview of responses

- 5.22. Forty-two respondents answered this question. Of these respondents, thirty-eight per cent agreed that local authorities should be required to include the ‘core’ list of key worker occupations in their prioritisation criteria, if they utilise the three-month

prioritisation period for new intermediate homes. Nineteen per cent partly agreed and forty-three per cent disagreed, arguing that it should be optional.

5.23. The analysis of responses by respondent type is set out in the table below.

Respondent type	Agree (number)	Partly agree (number)	Disagree (number)
Councillor, Assembly Member or MP	0	0	0
Housing association	8	0	5
Housing developer	2	2	0
Local authority	4	2	12
Trade association or industry body	1	2	0
Voluntary /community sector (campaign/research/representation)	0	0	0
Voluntary /community sector (front line services)	0	0	1
Other organisation	1	1	0
Individual	0	1	0
Total number	16	8	18
Percentage of total	38%	19%	43%

5.24. Respondents provided a range of comments in response to this question and the main themes are summarised below.

Recurring themes

Theme 1: Local authorities should not be required to adopt the GLA's core list of key workers in their prioritisation criteria.

5.25. The majority of respondents suggested that local authorities should not be required to include the GLA's core list of key worker occupations in their prioritisation criteria,

as they should have the flexibility to determine priorities on the basis of local need. These respondents suggested that the adoption of the GLA's core list of key worker occupations should be optional.

Theme 2: Local authorities should be required to adopt the GLA's core list of key workers in their prioritisation criteria, if they utilise the three-month prioritisation period for new intermediate homes.

5.26. A number of respondents suggested that local authorities should be required to include the GLA's core list of key worker occupations in their prioritisation criteria, as it would provide greater clarity and transparency around the prioritisation for and allocation of intermediate housing. Some of these respondents suggested that an element of flexibility, for instance to prioritise certain key workers on sites delivered by public sector bodies, should be retained.

Theme 3: The requirement for local authorities to adopt the GLA's core list of key workers in their prioritisation criteria should not override other important priorities.

5.27. A number of respondents commented that any requirement to refer to a core list of key workers should not preclude applicants other than key workers, or important forms of need not related to occupation. These respondents suggested occupation should form part of a set of eligibility criteria, rather than override other eligibility criteria.

Theme 4: The requirement for local authorities to adopt the GLA's core list of key workers in their prioritisation criteria should not exclude sharers.

5.28. Some respondents recommended that households comprising two sharers should be entitled to prioritisation as key workers, even if only one member of the household is in an occupation included on the core list.

Theme 5: The requirement for local authorities to adopt the GLA's core list of key workers in their prioritisation criteria could delay sales and lettings.

5.29. A small number of respondents expressed concern that, if a core list meant homes were initially restricted to key workers, this would delay sales and lettings. These respondents argued that marketing should not be restricted solely to the core list of key workers.

Talk London responses

5.30. A small number of respondents mentioned key workers in response to the Talk London survey and discussions. The majority of those respondents who mentioned key workers thought that key workers should not necessarily be prioritised for

housing – rather, all those on low wages should be. Such respondents argued that housing is a human right and access to it should not be determined by occupation. One respondent also highlighted the risk that a key worker list could be interpreted to distinguish between people who are “deserving” and “undeserving”.

Question 17 (b): Are there any other measures which the GLA should consider to ensure key workers can access intermediate homes?

Overview of responses

5.31. Forty respondents answered this question. The main themes occurring in these comments are summarised below.

Recurring themes

Theme 1: The GLA could promote intermediate housing directly to key workers.

5.32. A large proportion of respondents suggested that the GLA could raise awareness of intermediate housing among key workers, including by working with organisations that employ key workers. Some of these respondents suggested developing a website specifically aimed at key workers to aid marketing of intermediate homes; and some suggested utilising the existing Homes for Londoners portal.

Theme 2: The GLA could explore opportunities to help key workers build up deposits to access intermediate ownership homes.

5.33. Some respondents suggested that the Mayor could explore opportunities to help key workers build up equity deposits to purchase intermediate ownership homes – for instance by providing loans directly, or by working with employers on savings schemes such as salary sacrifice schemes.

Theme 3: The GLA could explore opportunities to support the delivery of more affordable housing, including intermediate housing.

5.34. A number of respondents stressed the value of developing more affordable housing, including intermediate housing. Among these respondents, some suggested a greater focus on intermediate rent, which they argue is more likely to be accessible to key workers with lower incomes or no savings.

Theme 4: The GLA could explore opportunities to support public sector organisations to provide new homes for key workers on public land.

- 5.35. Some respondents suggested that the GLA could promote the delivery of homes that could be allocated to key workers on public land and/or work with employers to support them building homes to be retained for their employees.

Talk London responses

- 5.36. The majority of those respondents who mentioned key workers thought that key workers should not necessarily be prioritised for housing. Those respondents that were supportive of key worker housing questioned what would happen if a key worker's employment ceases or their income increases above the fixed income eligibility criteria. These respondents questioned how homelessness would be prevented for key workers in such circumstances.

GLA response: Questions 17 (a) and 17 (b)

- 5.37. Current London planning policy enables local authorities to require housing providers to restrict sales and marketing of new intermediate homes to certain groups for the first three months (after which homes can be marketed to anyone within the London wide criteria). Some local authorities currently take this up and prioritise key workers, using their own local definition or that provided in the National Planning Policy Framework (NPPF). However, definitions and approaches are inconsistent, meaning that key workers may be unaware that they could be prioritised for intermediate housing.
- 5.38. Responses to this question were varied with regard to requiring local authorities to include the GLA's core list of key worker occupations within their prioritisation criteria. Some responses highlighted that it may not always be appropriate to prioritise key worker occupations above other criteria for eligibility and housing need, while other responses highlighted the benefits of prioritising homes for key workers on public land.
- 5.39. As outlined in the GLA's response to Question 16, to help standardise key worker definitions, and to raise awareness among key workers of the opportunities afforded by intermediate housing, the GLA will define a 'core' list of key workers which local authorities will be expected to adopt. **The GLA will strengthen planning guidance to enforce the expectation that key workers should be prioritised, with regard to local need, if local authorities and housing providers choose to set additional prioritisation criteria for the first three months of marketing new intermediate homes.**
- 5.40. The Mayor remains committed to ensuring there is a systematic offer across London for those key workers who are essential to the resilience of the city and are most affected by high housing costs in the capital. The Mayor is delighted to have seen instances where landowners, housing providers and local authorities have

successfully worked together to deliver homes that are provided exclusively for local key workers. **The GLA expects local authorities and housing providers to use their discretion to consider whether it is appropriate for local key workers to be prioritised on certain sites near a key worker institution, with regard to local need and site-specific circumstances.**

Box 5: Key worker accommodation at St Ann’s Hospital

In 2018, the Mayor purchased the St Ann’s Hospital site from the Barnet, Enfield and Haringey Mental Health Trust (“NHS Trust”). Following a procurement exercise through the Mayor’s London Development Panel, in 2020, Catalyst Housing Limited was selected as development partner to deliver a total of 934 homes on the site, of which 60% will be delivered as affordable housing.

As part of the agreement between the GLA and the NHS Trust, the development will deliver 22 London Living Rent homes for which the local NHS Trust will have nominations rights over 10 years. The homes will be owned and managed by Catalyst Housing, with the local NHS Trust providing nominations from staff that meet the pan-London intermediate eligibility criteria and work for the local NHS Trust.

Question 20 (a): Should the Mayor publish guidance for public sector bodies on his affordable housing investment and planning policies?

Overview of responses

5.41. Thirty-six respondents answered this question. Of these respondents, seventy-five per cent agreed that the Mayor should publish guidance for public sector bodies on his affordable housing investment and planning policies. Nineteen per cent partly agreed and six per cent disagreed.

5.42. The analysis of responses by respondent type is set out in the table below.

Respondent type	Agree (number)	Partly agree (number)	Disagree (number)
Councillor, Assembly Member or MP	0	0	0
Housing association	9	0	1
Housing developer	0	3	0

Respondent type	Agree (number)	Partly agree (number)	Disagree (number)
Local authority	15	2	0
Trade association or industry body	3	0	1
Voluntary /community sector (campaign/research/representation)	0	0	0
Voluntary /community sector (front line services)	0	0	0
Other organisation	0	2	0
Individual	0	0	0
Total number	27	7	2
Percentage of total	75%	19%	6%

5.43. Respondents provided a range of comments in response to this question and the main themes are summarised below.

Recurring themes

Theme 1: Yes, guidance for public sector bodies on the GLA's affordable housing investment and planning policies would be helpful.

5.44. The majority of respondents suggested that it would be helpful for the GLA to publish guidance for public sector bodies on the GLA's affordable housing investment and planning policies. Some respondents suggested that, in order to add value, this guidance should not duplicate existing policy.

Theme 2: Guidance for public sector bodies would be helpful, and the GLA should work with public sector bodies to develop this guidance.

5.45. Some respondents suggested that the GLA should involve the relevant public sector bodies in developing the guidance, including the NHS and local health and social care services.

Theme 3: Guidance for public sector bodies would be helpful, and the GLA should also consider offering its resource and expertise to support the delivery of key worker homes on public land.

- 5.46. Some respondents suggested that a key constraint to the delivery of key worker homes on public land is a lack of resource, experience and expertise. These respondents suggested that the GLA could offer its resource and expertise to assist public sector landowners in bringing forward land for development and to support the delivery of key worker homes on public land.

Theme 4: The GLA should directly lobby public sector organisations to bring forward surplus land for development.

- 5.47. A small number of respondents highlighted that public sector organisations may have significant land holdings that could be released to provide affordable housing. Some respondents suggested that a mechanism is needed to transparently monitor and hold public bodies to account with respect to delivering homes on their land. Some respondents also suggested the GLA should build on the One Public Estate programme to work with public sector partners to release more land for delivery and/or broaden the type of key workers housed on public land.

Question 20 (b): If yes, is there anything in addition to the list above which should be covered by the guidance?

Overview of responses

- 5.48. Eighteen respondents answered this question. The main themes occurring in these comments are summarised below.

Recurring themes

Theme 1: The guidance could provide information on GLA grant funding.

- 5.49. Some respondents suggested the guidance could include information on GLA grant funding, including investment partner eligibility and the level of funding available.

Theme 2: The guidance could provide information on how to appraise public land for development.

- 5.50. A number of respondents suggested the guidance could demonstrate how to undertake a development appraisal which delivers upon the Mayor's housing and planning objectives and achieves best value. This could include clarification on London Plan requirements and any national policy requirements, such as the preferred tenure split (including First Homes) and policies for co-location with other

land uses. This could also include guidance on how key worker accommodation interlinks with other affordable housing and intermediate housing policy requirements.

Theme 3: The guidance could provide information on best practice for administering affordable housing.

- 5.51. A number of respondents suggested the guidance could provide information on best practice for administering affordable housing. This could include guidance on how to secure affordable housing through Section 106 and/or other legal agreements; how to market intermediate homes, with reference to eligibility and prioritisation criteria; and how to manage intermediate homes, with reference to any relevant regulatory standards.

Theme 4: The guidance could provide information on the role of local authorities and other partners in supporting development of public land.

- 5.52. Some respondents suggested the guidance could provide information on (or a list of) housing providers to encourage partnership working. In addition, some respondents suggested the guidance could provide a framework to encourage local authorities, public bodies, key worker employers, private developers and financial institutions to work together to support the development of public land.

Theme 5: The guidance could provide information on best practice for disposal and/or delivery of public land.

- 5.53. Some respondents suggested the guidance could provide information on best practice for disposal and/or delivery of public land. One respondent suggested the guidance should aim to discourage the sale of public land and encourage its use for key worker housing.

GLA response: Questions 20 (a) and 20 (b)

- 5.54. The Mayor wants to support public sector organisations to provide new homes for staff and/or other key workers on their land; and is aware that many public sector organisations may not be familiar with the policy and regulation surrounding the delivery and management of affordable housing in London.
- 5.55. The responses to this question show a high level of support for the Mayor publishing guidance for public sector bodies on his affordable housing and investment policies. Respondents highlighted that this guidance could usefully cover information on GLA grant funding; advice on how to appraise public land for development; and best practice for administering affordable housing. The responses to this question suggest that this guidance could be useful to help

address a key constraint to the delivery of key worker homes on public land, which is a lack of resource, experience and expertise.

- 5.56. **The GLA will work with existing partners, including public sector bodies and the One Public Estate, to ensure that public sector bodies are briefed on the Mayor's existing affordable housing investment and planning policies.**

6. Improving data on intermediate housing

Note: Consultation Question 23 is addressed within the Part 1 Consultation Response Report, which should be read alongside this Part 2 Consultation Response Report.

Question 21 (a): What data is currently captured outside CORE by housing providers on intermediate rent, and on the occupations of intermediate housing occupants?

Box 6: Continuous Recording of Social Housing Lettings and Sales (CORE)

Much of the data on the characteristics of households accessing intermediate housing is collected through the CORE dataset which is administered by MHCLG. This provides detailed information on the incomes, ethnicity and household composition of those accessing shared ownership, as well as details of the properties themselves including values, rents and service charges. However, this dataset has a number of limitations:

- CORE only contains data on shared ownership, not other products such as intermediate rent. Only limited data on discounted market sale is captured. This means that there is little information on who is accessing these properties.
- CORE contains no information on the occupations or employment sectors of those purchasing shared ownership homes. This makes it difficult to understand the extent to which these homes are being accessed by those in what could be considered as key worker roles.
- CORE contains no information on certain protected characteristics of residents.

Overview of responses

6.1. Twenty-four respondents answered this question. The main themes occurring in these comments are summarised below.

Recurring themes

Theme 1: Some data is collected by local authorities and housing providers outside of CORE on prospective intermediate housing occupants.

- 6.2. A number of respondents commented that they collect data on those seeking or moving into intermediate housing and, in some cases, on the property characteristics. Among these respondents, the data most often collected includes occupation, household income, current/previous tenure and household composition.

Theme 2: Limited data is collected by local authorities and housing providers outside of CORE on prospective intermediate housing occupants.

- 6.3. A number of respondents commented that they collect (or receive from housing providers) limited or no additional data outside of CORE. Among these respondents, a number commented that there is little standardisation in the data collected by housing providers across the sector.

Theme 3: Local authorities and housing providers tend to capture more data on shared ownership than other intermediate housing tenures.

- 6.4. A small number of respondents commented that they capture less data on intermediate rent than shared ownership.

Question 21 (b): Should CORE capture data on all types of intermediate homes, and on the occupations of those purchasing or renting these homes?

Overview of responses

- 6.5. Thirty-two respondents answered this question. Of these respondents, eighty-one per cent agreed that CORE should capture data on all types of intermediate homes, and on the occupations of those purchasing or renting these homes. Sixteen per cent partly agreed and three per cent disagreed.
- 6.6. The analysis of responses by respondent type is set out in the table below.

Respondent type	Agree (number)	Partly agree (number)	Disagree (number)
Councillor, Assembly Member or MP	0	0	0
Housing association	8	3	0
Housing developer	1	0	0
Local authority	17	1	0
Trade association or industry body	0	1	1

Respondent type	Agree (number)	Partly agree (number)	Disagree (number)
Voluntary /community sector (campaign/research/representation)	0	0	0
Voluntary /community sector (front line services)	0	0	0
Other organisation	0	0	0
Individual	0	0	0
Total number	26	5	1
Percentage of total	81%	16%	3%

6.7. Respondents provided a range of comments in response to this question and the main themes are summarised below.

Recurring themes

Theme 1: Capturing data on all types of intermediate homes and on the occupations of those purchasing or renting intermediate homes would be useful to improve understanding of intermediate housing and to aid policy making.

6.8. The majority of respondents commented that collecting this information via CORE would be useful to improve understanding of who is accessing different intermediate tenures and would increase transparency and help to inform future policy making, including strategies to target intermediate housing to meet housing needs and the approach to marketing intermediate housing.

Theme 2: Capturing data on all types of intermediate homes and on the occupations of those purchasing or renting intermediate homes would be useful to increase consistency and comparability.

6.9. A small number of respondents commented that, if this information was captured via CORE, the resulting data would be more consistent (and thus more comparable) than the data available currently. One respondent commented that there needs to be clarity around definitions used to aid comparison.

Theme 3: Capturing data on the occupations of those purchasing or renting intermediate homes could be challenging in terms of the resource required.

- 6.10. Some respondents expressed concerns about the resource required to collect this data and the challenge to ensure this data remains accurate (for instance, where the occupation of a prospective resident changes over time). One respondent commented that CORE can be unreliable and that there might be more efficient methods by which to collect this data.

Theme 4: Capturing data on the occupations of those purchasing or renting intermediate homes could be challenging in terms of data protection.

- 6.11. Some respondents expressed concerns about the intrusiveness of collecting data on the occupations of those purchasing or renting intermediate homes, and highlighted the need to have regard to data protection requirements. One respondent commented that any information collected must be gathered for a clearly defined and proportionate purpose.

Question 21 (c): What data is currently captured outside of CORE on the protected characteristics of those to whom intermediate homes are sold or let? Should data on all protected characteristics be collected by CORE?

Overview of responses

- 6.12. Twenty-four respondents answered this question. The main themes occurring in these comments are summarised below.

Recurring themes

Theme 1: Some data is collected by local authorities and housing providers outside of CORE on protected characteristics.

- 6.13. A large proportion of respondents commented that they collect data outside of CORE on the protected characteristics of those seeking or moving into intermediate housing. Among these respondents, some respondents reported collecting data on one or two characteristics, and some reported collecting more comprehensive data on protected characteristics. Consistent with this, some respondents commented that there is not a standard approach to collecting data on the protected characteristics of those accessing intermediate housing.

Theme 2: Capturing data on protected characteristics via CORE would be useful to improve understanding of who is accessing intermediate housing and to aid policy making.

- 6.14. A number of respondents commented that collecting this information via CORE would be useful to improve understanding of who is accessing intermediate housing, and to provide a basis from which any under-representation of those with particular characteristics could be addressed through policy making.

Theme 3: Capturing data on the protected characteristics of those purchasing or renting intermediate homes could be challenging in terms of data protection.

- 6.15. A small number of respondents questioned whether it would be appropriate to ask those seeking or accessing intermediate housing for information on their protected characteristics. Among these respondents, some suggested that providing this information should be voluntary. One respondent commented that any information collected must be gathered for a clearly defined and proportionate purpose.

Question 21 (d): Is there any additional data not referenced above which should be captured by CORE?

Overview of responses

- 6.16. Nineteen respondents answered this question. The main themes occurring in these comments are summarised below.

Recurring themes

Theme 1: Data should be collected via CORE on the way in which buyers access shared ownership housing.

- 6.17. A large proportion of respondents suggested that data should be collected via CORE on the source of deposit for those accessing shared ownership, and any restrictions implemented through the shared ownership lease.

Theme 2: Data should be collected via CORE on the way in which shared ownership buyers utilise shared ownership beyond the initial sale.

- 6.18. A large proportion of respondents suggested that data should be collected via CORE on shared ownership staircasing, including the timing and amount of additional shares purchased. Some respondents also suggested collecting data on the location, tenure and type of home to which shared owners move.

Theme 3: Data should be collected via CORE on the characteristics of those accessing intermediate housing.

- 6.19. A number of respondents suggested that data should be collected via CORE on intermediate housing residents' previous tenure. Some respondents also suggested

collecting data on intermediate housing residents' occupation and income, with some respondents specifically suggesting that data should be collected on whether the resident is a key worker.

GLA response: Questions 21 (a), 21 (b), 21 (c) and 21 (d)

- 6.20. The responses to this question suggest that the data collected outside CORE by housing providers on intermediate rent, and on the occupations of intermediate housing occupants, is inconsistent. In addition, the responses to this question show a high level of support for CORE to capture more data on all types of intermediate homes, and on the characteristics of those accessing intermediate housing.
- 6.21. While a good amount of data is already available through CORE, the data gaps and challenges mean it is not possible to comprehensively assess the characteristics of those accessing intermediate housing in London. Evidence-based policy making on intermediate housing requires more comprehensive data collection across the full range of products offered.
- 6.22. The GLA wants to explore what more could be done to increase and improve the data available on intermediate housing of all tenures in London, to develop a robust evidence base on intermediate tenure products to inform policy making across London. In particular, while there is some data available on the characteristics of those who are accessing intermediate housing, this not available for all characteristics defined in the Equality Act 2010 as 'protected characteristics'.
- 6.23. The GLA notes respondents' concerns that any data on protected characteristics collected is gathered for a clearly defined and proportionate purpose; and should have regard to privacy legislation including GDPR. **The GLA will work with Government to improve the collection of data, via the CORE dataset, on homes across all intermediate tenures, including shared ownership, shared equity, discounted market sale, discounted market rent, London Living Rent, and other intermediate rent; and the characteristics of those to whom intermediate homes are sold or let, including their occupation and additional protected characteristics.**

Question 22 (a): Should data be collected on all intermediate housing stock across London, including that owned by local authorities?

Overview of responses

- 6.24. Thirty-three respondents answered this question. Of these respondents, eighty-two per cent agreed that data should be collected on all intermediate housing stock across London, including that owned by local authorities. Fifteen per cent partly agreed and three per cent disagreed.

6.25. The analysis of responses by respondent type is set out in the table below.

Respondent type	Agree (number)	Partly agree (number)	Disagree (number)
Councillor, Assembly Member or MP	0	0	0
Housing association	7	2	0
Housing developer	0	0	1
Local authority	18	2	0
Trade association or industry body	1	1	0
Voluntary /community sector (campaign/research/representation)	0	0	0
Voluntary /community sector (front line services)	1	0	0
Other organisation	0	0	0
Individual	0	0	0
Total number	27	5	1
Percentage of total	82%	15%	3%

6.26. Respondents provided a range of comments in response to this question and the main themes are summarised below.

Recurring themes

Theme 1: Capturing data on all intermediate housing stock, including that owned by local authorities, would be useful to improve understanding of intermediate housing and to aid policy making.

6.27. The majority of respondents suggested that collecting this information would be useful. These respondents commented that the current data is partial and does not help providers plan for intermediate housing, in terms of who is in housing need and where the greatest housing need is. Some respondents suggested that this

information would improve understanding of the scale and geography of intermediate housing across London, which would help to inform evidence-based policy making. Some respondents also suggested this information would help to monitor the impact of the First Homes policy in London.

Theme 2: Data on all intermediate housing stock, including that owned by local authorities, should only be collected if the process is reliable.

- 6.28. Some respondents suggested that any information collected must be gathered for a clearly defined and proportionate purpose. Some respondents also suggested that collection of any information would need to be comprehensive and mandatory in order to be reliable.

Question 22 (b): What data is currently collected by housing providers on staircasing transactions?

Overview of responses

- 6.29. Nineteen respondents answered this question. The main themes occurring in these comments are summarised below.

Recurring themes

Theme 1: Some data is collected by housing providers on staircasing transactions.

- 6.30. A large proportion of respondents suggested that it was typical for housing providers to collect data on the number of stand-alone staircasing transactions, but not how many are final or intermediary. Some respondents highlighted that housing providers collect data on the percentage share increment purchased and the value of the transaction. A small number of respondents suggested that housing providers collect data on the property valuation, old and new rent levels, administration charges for the transaction, and historic purchase records.

Theme 2: Data collected by housing providers on staircasing transactions is inconsistent between different providers.

- 6.31. A number of respondents suggested that the data collected on staircasing transactions varies between providers. Among these respondents, some commented that the data collected by housing providers on staircasing transactions is not systematically captured. One respondent commented that data on staircasing transactions is collected via the MHCLG Local Authority Housing Data (LAHS).

Theme 3: It is not possible to collect data on all staircasing transactions.

- 6.32. One respondent commented that the majority of staircasing takes place as part of a resale, which may not be recorded.

Question 22 (c): How could this be captured more systematically?

Overview of responses

- 6.33. Nineteen respondents answered this question. The main themes occurring in these comments are summarised below.

Recurring themes

Theme 1: Data on staircasing transactions should be collected via CORE.

- 6.34. A large proportion of respondents suggested that housing providers should be required to submit data on staircasing transactions via CORE.

Theme 2: Data on staircasing transactions should be collected via the GLA and local planning authorities.

- 6.35. A number of respondents suggested that housing providers should be required to submit data on staircasing transactions to the GLA, via OPS, and to local authorities.

Theme 3: Collecting data on staircasing transactions would require a significant investment in IT systems and administration.

- 6.36. Some respondents suggested that collecting data on staircasing transactions would require a significant investment to reconfigure workflows and existing processes. Among these respondents, some suggest the GLA should be responsible for creating the infrastructure and service needed to collect this information.

Question 22 (d): Should more data be captured on the tenure that shared owners move into if they leave their shared ownership property?

Overview of responses

- 6.37. Thirty respondents answered this question. Of these respondents, seventy-three per cent agreed that more data should be captured on the tenure that shared owners move into if they leave their shared ownership property. Eleven per cent partly agreed and seven per cent disagreed.

- 6.38. The analysis of responses by respondent type is set out in the table below.

Respondent type	Agree (number)	Partly agree (number)	Disagree (number)
Councillor, Assembly Member or MP	1	0	0
Housing association	3	4	2
Housing developer	0	0	0
Local authority	18	0	0
Trade association or industry body	0	1	1
Voluntary /community sector (campaign/research/representation)	0	0	0
Voluntary /community sector (front line services)	0	0	0
Other organisation	0	0	0
Individual	0	0	0
Total number	22	5	3
Percentage of total	73%	11%	7%

6.39. Respondents provided a range of comments in response to this question and the main themes are summarised below.

Recurring themes

Theme 1: Capturing data on the tenure that shared owners move into if they leave their shared ownership property would be useful to improve understanding of intermediate housing and to aid policy making.

6.40. The majority of respondents commented that collecting this information would be useful to evaluate the impact of shared ownership, in terms of mobility and affordability, and whether shared ownership leads to full home ownership. These respondents suggested this information would help to inform future policy making, including strategies to target intermediate housing to meet housing needs.

Theme 2: Data collected on the homes that shared owners move into if they leave their shared ownership property should go beyond just tenure.

- 6.41. Some respondents suggested that the data collected on the homes that shared owners move into if they leave their shared ownership property should also include the size and type of the next home; the cost of the next home; the location of the next home (and particularly whether inside or outside of London); and the income and occupation of the shared owner at the point of moving.

Theme 3: Capturing data on the homes that shared owners move into if they leave their shared ownership property could be challenging in terms of the resource required.

- 6.42. Some respondents expressed concerns about the resource required to collect this data and the risk that this could take resources away from other, more urgent duties. One respondent suggested that a pilot could be implemented before rolling out the requirement more widely.

Theme 4: Capturing data on the homes that shared owners move into if they leave their shared ownership property could be challenging in terms of data protection.

- 6.43. Some respondents expressed concerns about the intrusiveness of collecting data on the homes that shared owners move into if they leave their shared ownership property, and highlighted the need to have regard to data protection requirements. Among these respondents, some suggested that providing this information should be voluntary.

Question 22 (e): Are there any barriers to collecting this data?

Overview of responses

- 6.44. Twenty-five respondents answered this question. The main themes occurring in these comments are summarised below.

Recurring themes

Theme 1: The reliability of data on the homes that shared owners move into if they leave their shared ownership property is dependent on leaseholders submitting information on their personal circumstances.

- 6.45. The majority of respondents noted that there is currently no obligation or incentive for leaseholders to provide this information. These respondents commented that incomplete or inconsistent data would undermine the reliability of the data and limit

its use. Some respondents also suggested that it would not be lawful to require leaseholders to provide this data.

Theme 2: Collecting data on the homes that shared owners move into if they leave their shared ownership property will require significant resource from housing providers and local authorities.

- 6.46. A number of respondents expressed concerns about the resource required to collect this data and check its accuracy. Among these respondents, some suggested that an effective mechanism to collect this data could be via a voluntary, online 'exit survey'. Some respondents also suggested that the responsibility should sit with the developer and/or housing provider to collate this data.

GLA response: Questions 22 (a), 22 (b), 22 (c), 22 (d) and 22 (e)

- 6.47. The responses to this question show a high level of support for capturing more data on existing intermediate housing stock, including that owned by local authorities; and more data on staircasing transactions and the tenure that shared owners move into if they leave their shared ownership property. Most respondents thought that, if the data collection was reliable, this data would be useful to inform policy making, including strategies to target intermediate housing to meet housing needs.
- 6.48. MHCLG's Statistical Data Return dataset collects data on the intermediate housing stock owned by housing associations; however, there is not currently a consistent approach to collecting data on the stock owned by local authorities. In addition, the data collected by housing providers on staircasing transactions and the destinations of those leaving shared ownership is inconsistent. The gaps in data collection mean that it is not possible to comprehensively assess the stock of intermediate housing in London and how intermediate housing needs change over time. Evidence-based policy making on intermediate housing requires more comprehensive data collection across the lifetime of the home; however, the resourcing burden and investment in technology required to achieve an enhanced data collection system should also be acknowledged.
- 6.49. The London Housing Strategy and Strategic Housing Market Assessment (SHMA) play an important role in setting out an assessment of London's housing needs at a regional level; and are an important resource to enable policy-makers and housing providers to plan for intermediate housing, in terms of who is in housing need and for what tenure there is the greatest housing need.¹⁷ However, the GLA wants to explore what more could be done to increase and improve the data available on intermediate housing stock in London, to develop a robust evidence base on intermediate housing to inform policy making across London.

¹⁷ Greater London Authority, [Strategic Housing Market Assessment](#), November 2017

- 6.50. Housing providers that receive grant from the GLA to deliver shared ownership homes are required to keep records of all initial sales transactions and each subsequent staircasing event on individual properties. This is to ensure that, every time a resident increases the share they own, a proportion of the grant is recovered into the Recycled Capital Grant Fund. **The GLA will work with investment partners to build on existing data collection processes and identify any opportunities for data sharing to improve understanding in this area.**
- 6.51. The GLA recognises that the data collected through MHCLG's Local Authority Housing Data and Statistical Data Return datasets is not comprehensive and lacks data across the range of intermediate housing tenures owned by local authorities. **The GLA will work with Government to improve the collection of data on the stock of intermediate homes owned by local authorities and on shared ownership staircasing transactions.**
- 6.52. The GLA is of the view that any data collected should be gathered for a clearly defined and proportionate purpose; and notes respondents concerns regarding the challenges of collecting data on the tenure that shared owners move into if they leave their shared ownership property. While it might be useful to know more about how the circumstances of intermediate housing residents changes after the first sale/let, the GLA is of the view that the London Housing Strategy and SHMA provide a sufficient assessment of London's housing needs over time. For these reasons, at this stage, the GLA will not seek to increase collection of data on the tenure that shared owners move into if they leave their shared ownership property.

7. Next steps

- 7.1. This report summarises consultation feedback received on intermediate housing consultation in relation to the questions not previously addressed in the Part 1 Consultation Response Report. The proposed policy responses outlined within this Part 2 Consultation Response Report should be read alongside the Part 1 Consultation Response Report, to represent a comprehensive assessment of the GLA's consultation response.
- 7.2. The Part 2 Consultation Response Report was designed to provide the Mayor with the information he needed before making a decision on the introduction of policy interventions through the Mayor's planning and investment powers, including through the Affordable Housing and Viability London Plan Guidance. The Part 2 Consultation Response Report will be submitted to the Mayor with a recommendation that he approve the proposed policy interventions as set out in chapters three to six of this report. At the same time, he will receive an EqIA outlining the anticipated equalities impacts of the proposed policy interventions.
- 7.3. The policy interventions recommended through the Part 1 Consultation Response Report have been implemented through the Homes for Londoners: Affordable Homes Programme 2021-2026.
- 7.4. The policy interventions recommended through the Part 2 Consultation Response Report will be recommended to be implemented through the Affordable Housing and Viability London Plan Guidance, and through the GLA's revised Affordable Housing Capital Funding Guide.

8. Appendices

Appendix 1: Intermediate housing consultation questions

Questions shaded in green are included in the Part 2 Consultation Response Report, while all other questions are included in the Part 1 Consultation Response Report.

Affordability and delivery

Question
Q1. a) Should the GLA introduce a cap on the open market value of new shared ownership homes?
Q1. b) What, if any, impact would this have on housing market recovery post Covid-19?
Q2. a) Should the GLA require housing providers to report on service charge levels at regular intervals?
Q2. b) If so, should the GLA make this information available to the public?
Q3. Should the GLA require affordable housing providers to publish a schedule of additional fees which may be charged to shared owners for specific services or transactions?
Q4. What more could be done to improve the experience of those living in shared ownership?
Q5. What role should intermediate housing play in meeting housing need and supporting the housing market as part of the recovery from the impacts of Covid19?
Q6. a) What role should intermediate rented homes play in London's affordable housing mix, as part of the recovery from the impacts of Covid-19?
Q6. b) What more could the Mayor do to support delivery of London Living Rent homes?
Q7. a) What impact might the implementation of the Government's First Homes policy have in London?

Question
Q7. b) What steps could the GLA take to minimise risks to affordable housing delivery, in particular homes at social rent levels, arising from this policy?
Q8. Would the proposals set out above be effective in ensuring that DMS homes are secured in perpetuity?
Q9. a) What impact might the implementation of the Government's proposed Right to Shared Ownership scheme in London have on the delivery of affordable homes, in London, in particular homes at social rent levels?
Q9. b) What steps could the Mayor take to mitigate any negative impacts of this policy?
Q9. c) What mechanisms already exist to support social tenants who want to access shared ownership homes to do so, and how effective are they?
Q10. a) Are there other examples of innovative models of affordable home ownership in London?
Q10. b) What could the GLA do to support delivery of these homes?

Eligibility, prioritisation and allocation

Question
Q11. Should the income eligibility criteria for intermediate housing in London be frozen at current levels?
Q12. a) What evidence is there of households staircasing to a 100 per cent share of shared ownership homes within a year of purchase?
Q12. b) If so, what factors may be driving this?
Q12. c) Should this be disincentivised and, if so, what measures should the GLA take to achieve this?
Q13. Should local authorities be required to implement an intermediate housing waiting list and/or allocations policy as a condition of setting additional prioritisation criteria for the first three months of marketing new intermediate homes?

Question
Q14. a) Should the GLA publish best practice guidance on allocation of intermediate housing and intermediate waiting lists?
Q14. b) If yes, is there anything in addition to the list above which should be covered by the guidance?
Q15. a) What are the challenges facing shared owners who wish to move to a more appropriate home?
Q15. b) What more could be done to support shared owners who need to move to another shared ownership home?

Supporting London's key workers

Question
Q16. a) Should the GLA define a 'core' list of key worker occupations for use in intermediate housing allocation policies, and should local authorities be able to identify additional key worker groups, where there is evidence of local need?
Q16. b) If yes, which occupations should be included in a 'core' list of key workers for use in intermediate housing allocation policies?
Q16. c) What evidence should be required to define an occupation as a key worker for the purpose of intermediate housing allocations?
Q17. a) If local authorities utilise the three-month prioritisation period for new intermediate homes, should they be required to include the 'core' list of key worker occupations in their prioritisation criteria, or should this be optional?
Q17. b) Are there any other measures which the GLA should consider to ensure key workers can access intermediate homes?
Q18. What evidence is available on: <ol style="list-style-type: none"> a) the scale and quality of existing shared key worker accommodation in London; and b) the extent to which this accommodation meets housing need for key workers?

Question
Q19. Should the GLA explore options to support housing providers to convert shared key worker accommodation into self-contained intermediate homes, where there is demand for this?
Q20. a) Should the Mayor publish guidance for public sector bodies on his affordable housing investment and planning policies?
Q20. b) If yes, is there anything in addition to the list above which should be covered by the guidance?

Improving data on intermediate housing

Question
Q21. <ul style="list-style-type: none"> a) What data is currently captured outside CORE by housing providers on intermediate rent, and on the occupations of intermediate housing occupants? b) Should CORE capture data on all types of intermediate homes, and on the occupations of those purchasing or renting these homes? c) What data is currently captured outside of CORE on the protected characteristics of those to whom intermediate homes are sold or let? Should data on all protected characteristics be collected by CORE? d) Is there any additional data not referenced above which should be captured by CORE?
Q22. a) Should data be collected on all intermediate housing stock across London, including that owned by local authorities?
Q22. b) What data is currently collected by housing providers on staircasing transactions?
Q22. c) How could this be captured more systematically?
Q22. d) Should more data be captured on the tenure that shared owners move into if they leave their shared ownership property?
Q22. e) Are there any barriers to collecting this data?

Question

Q23. a) What data is available, in addition to that outlined in this consultation and accompanying Housing Research Note, that could inform the GLA's assessment of the equalities impacts of the proposals set out in this consultation?

Q23. b) Do you have any other comments or feedback on how the proposals set out in this consultation may impact on groups with protected characteristics?

Appendix 2: Talk London survey and discussion questions

The questions asked via the Talk London survey and discussion forums and considered in this report are listed below.

Survey questions

1. Current tenure. Do you own or rent the home in which you live?
2. Which type of intermediate housing should the Mayor prioritise in London as part of the recovery from COVID-19?
3. One action the GLA could take is to introduce a cap on the price of new shared ownership homes. Ensuring shared ownership homes are below a certain price could help to ensure that they are more affordable to a wide range of Londoners; however, it could result in fewer shared ownership homes being delivered in areas where property is more expensive. To what extent do you agree or disagree that the GLA should introduce a cap on the price of new shared ownership homes?
4. Why do you say that?
5. Have you ever lived in a shared ownership home?
6. What more could be done to improve the experience of those living in shared ownership homes? Please tick all that apply:
 - More transparency and consistency around service charges
 - More transparency and consistency around other fees which could be incurred by shared owners during resales or as part of a renovation
 - More information to help shared owners who want to move home to understand their options
 - Other (please specify)
 - Don't know
7. Currently, households must have an annual income under £90,000 to be eligible for intermediate homes. The current eligibility income cap was last increased in 2016 but has been frozen since then. Do you think that this income threshold should continue to be frozen at £90,000, or change?
8. Why do you say that?

Discussion questions

1. What role could intermediate housing play in tackling London's housing crisis?
2. What can be done to improve the experiences of those Londoners living in intermediate housing?
3. Would you like to see more London Living Rent homes delivered in London?

9. Other formats and languages

For a large print, Braille, disc, sign language video or audio-tape version of this document, please contact us at the address below:

Greater London Authority
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The Queen's Walk
More London
London SE1 2AA

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Intermediate housing

Consolidated Equality Impact Assessment of GLA proposed policy responses in the GLA's Part 1 Consultation Response Report and Part 2 Consultation Response Report

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enquiries 020 7983 4000
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1. Introduction and background

Background

- 1.1. This Consolidated Equality Impact Assessment (EqIA) reviews the potential impacts of policy changes which are recommended for implementation following the GLA's consultation on intermediate housing which ran from August to October 2020 ("the consultation")¹. This EqIA brings together the assessment of the policy changes which are recommended for implementation in the Part 1 Consultation Response Report (Part 1 CRR) and the Part 2 Consultation Response Report (Part 2 CRR)².
- 1.2. The Part 1 CRR focuses on consultation questions which relate most directly to the Homes for Londoners: Affordable Homes Programme 2021-2026 (the new AHP) and recommends policy responses that primarily (although not exclusively) focus on the new AHP. The Part 2 CRR relates to the analysis of the questions not addressed within the Part 1 CRR and recommends policy responses that will primarily be implemented through the Affordable Housing and Viability London Plan Guidance (AHVLPG), and through the GLA's revised Affordable Housing Capital Funding Guide. The questions considered in the Part 1 CRR and the Part 2 CRR are outlined in Appendix 1 of the respective reports.
- 1.3. This EqIA assesses the likely impacts of the proposed policy responses set out in the Part 1 CRR and the Part 2 CRR.

Public Sector Equality Duty

- 1.4. Functions of the Greater London Authority (GLA) exercisable by the Mayor are subject to the "public sector equality duty" set out in section 149 of the Equality Act 2010. In exercising these functions, the Mayor, like all public bodies, must have "due regard" to the need to:
 - eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010;
 - advance equality of opportunity between persons who share a protected characteristic and persons who do not share it; and
 - foster good relations between persons who share a protected characteristic and persons who do not share it.

¹ GLA, [Consultation on Intermediate Housing](#), August 2020

² GLA, [Intermediate Housing: Part 1 Consultation Response Report](#), November 2020

- 1.5. The GLA policy responses identified in the Part 1 CRR and Part 2 CRR are designed to help the Mayor further meet his policy objectives in relation to the delivery of genuinely affordable homes, with a specific focus on intermediate housing. These objectives, which are outlined in the [2018 London Housing Strategy](#), were also shaped with due regard to the public sector equality duty.

Equality Impact Assessment

- 1.6. [Section Two](#) of this assessment outlines the baseline data that has been used to conduct the assessment and this is followed in [Section Three](#) by an analysis of the potential equality impacts related to the proposed policy responses. Questions 23a and 23b in the consultation invited feedback on the data sources available to assess the equality impacts of the proposals, and relevant feedback provided in response to these questions has been taken into account when undertaking the assessment of equality impacts.
- 1.7. The Mayor's approach to intermediate housing forms one part of his overall approach to housing in the capital and this assessment should be read in conjunction with the equalities section of the 2018 London Housing Strategy Impact Assessment (LHSIA)³.
- 1.8. The LHSIA notes that the balance of affordable housing tenures represents a balance between meeting different forms of need and maximising the overall delivery of affordable homes, within the context of national policy and available funding. It also identifies the mitigations that have been put in place through the Mayor's wider housing policies against any potential negative impacts of the balance of affordable housing tenures on those who share particular protected characteristics, and relations between those who share characteristics and those who do not. The housing challenges in London that the London Housing Strategy seeks to address and the impacts of that strategy which the LHSIA assesses remain salient and relevant. The policy proposals put forward through the Part 1 and Part 2 CRR aim to further mitigate against any potential negative impacts of the balance of affordable housing tenures, within the context of national policy and available funding.

³ GLA, [London Housing Strategy: Impact Assessment](#), May 2018

2. General housing baseline data

- 2.1. This baseline data draws on the data contained in the LHSIA, including some updates to the data where they are available, as well as data included in the GLA *Housing Research Note 5: Intermediate housing: The evidence base*⁴ which accompanied the consultation.

Supply and affordability

- 2.2. The affordability pressures⁵ that result from a long-term undersupply of homes of all tenures, and particularly affordable homes, in London (see chapter two of the London Housing Strategy) are one important respect in which housing impacts a range of those with particular protected characteristics and the relations between different groups.
- 2.3. Groups of Londoners who share some particular protected characteristics are more likely to experience poverty, which is both a cause and a symptom of them struggling with the cost of housing. Specifically:
- Londoners from Black, Asian and Minority Ethnic (BAME) backgrounds are more likely to live in poverty than those from a White background: 39 per cent of BAME Londoners live in poverty after housing costs, compared to 21 per cent of White Londoners⁶.
 - Insofar as those with some religious affiliations – Buddhists, Hindus, Sikhs, and particularly Muslims⁷ – are more heavily represented among London's BAME population, they too may be more likely to live in poverty.
 - Deaf and disabled residents are also more likely to be living in poverty: 36 per cent of Londoners who live in families where someone is disabled are living in poverty after housing costs, compared to 26 per cent of those in families where no-one is disabled⁸.

⁴ GLA, [Housing Research Note: Intermediate housing: The evidence base](#), August 2020

⁵ After accounting for housing costs, 2.4 million Londoners live in relative poverty (with a household income below 60 per cent of the national median). This is equivalent to 28 per cent of the population, compared with 21 per cent in the rest of England. A third of Inner London residents live in poverty. Housing is a significant cause of these high rates of poverty in London; poverty rates almost double after housing costs are considered. GLA, [London Plan: Integrated Impact Assessment: Consultation Document](#), November 2017. Property wealth in London is extremely unequally distributed, with around half of households owning nothing. Meanwhile, the wealthiest 10 per cent each own property worth an average value of around £1 million. Greater London Authority analysis of Households Below Average Income data (End User dataset)

⁶ GLA analysis of Households Below Average Income data (End User dataset)

⁷ GLA analysis of Office for National Statistics (ONS) 2011 Census

⁸ GLA analysis of Households Below Average Income data (End User dataset)

- Young people are more likely to be unemployed: the unemployment rate for London young adults is 2.7 times higher than for adults aged 25-64⁹. Young Londoners also face higher housing costs than older groups (partly because the latter are less likely to be renters): those aged 16-29 or 30-49 spend an average of 29 per cent of their net income on housing costs, compared to 24 per cent for 50-64 year olds and 17 per cent for those aged 65 or more.¹⁰
- Although the overall poverty rate for working-age men and women in London is similar (26 per cent for women compared to 25 per cent for men)¹¹, women are disproportionately likely to be economically inactive¹², low paid¹³, and/or subject to the poverty that affects single parent families¹⁴. 54 per cent of all London's single parent families (of whom the vast majority are single mother families) live in poverty, compared to 31 per cent of couples with children¹⁵.
- Although specific data on housing affordability is not available for those who are pregnant, on maternity leave, or have given birth within the last 26 weeks (the pregnancy and maternity characteristic), this group may be more likely to disproportionately experience economic inactivity, low pay and/or poverty as many women are forced to leave their jobs because of harassment and discrimination during pregnancy, maternity leave and on their return to work. Issues include being turned down for flexible working, missing out on a promotion and being put under pressure to hand in their notice¹⁶. These issues are likely to contribute to affordability problems in areas of high housing costs such as London.

2.4. The Centre for London recently reported that LGBT+ Londoners are more socioeconomically polarised than other Londoners, as they are more likely to report both being financially comfortable and in poverty¹⁷. There is also evidence that those who are LGBTQ+ are more likely to experience discrimination when seeking to rent or buy a home¹⁸. Although not specifically related to the affordability of housing, this does suggest that those who are LGBTQ+ can be at a disadvantage in a competitive housing market.

⁹ GLA analysis of Office for National Statistics (ONS) Annual Population Survey for 2019

¹⁰ Resolution Foundation, [Intergenerational audit for the UK: Data dashboard](#), 2020

¹¹ GLA analysis of Households Below Average Income data (End User dataset)

¹² Although they form a minority (46 per cent) of Londoners who are unemployed, worklessness rates for women in London are 11 percentage points higher than for men. New Policy Institute, [London's Poverty Profile 2015](#), October 2015

¹³ 58 per cent of low paid jobs in London are carried out by women. The biggest group among the low paid in London is female part-time employees, who account for 31 per cent of all low paid Londoners. Ibid.

¹⁴ 53 per cent of all London's single parent families live in poverty, and 97 per cent of those parents are female. Ibid.

¹⁵ GLA analysis of Households Below Average Income data (End User dataset)

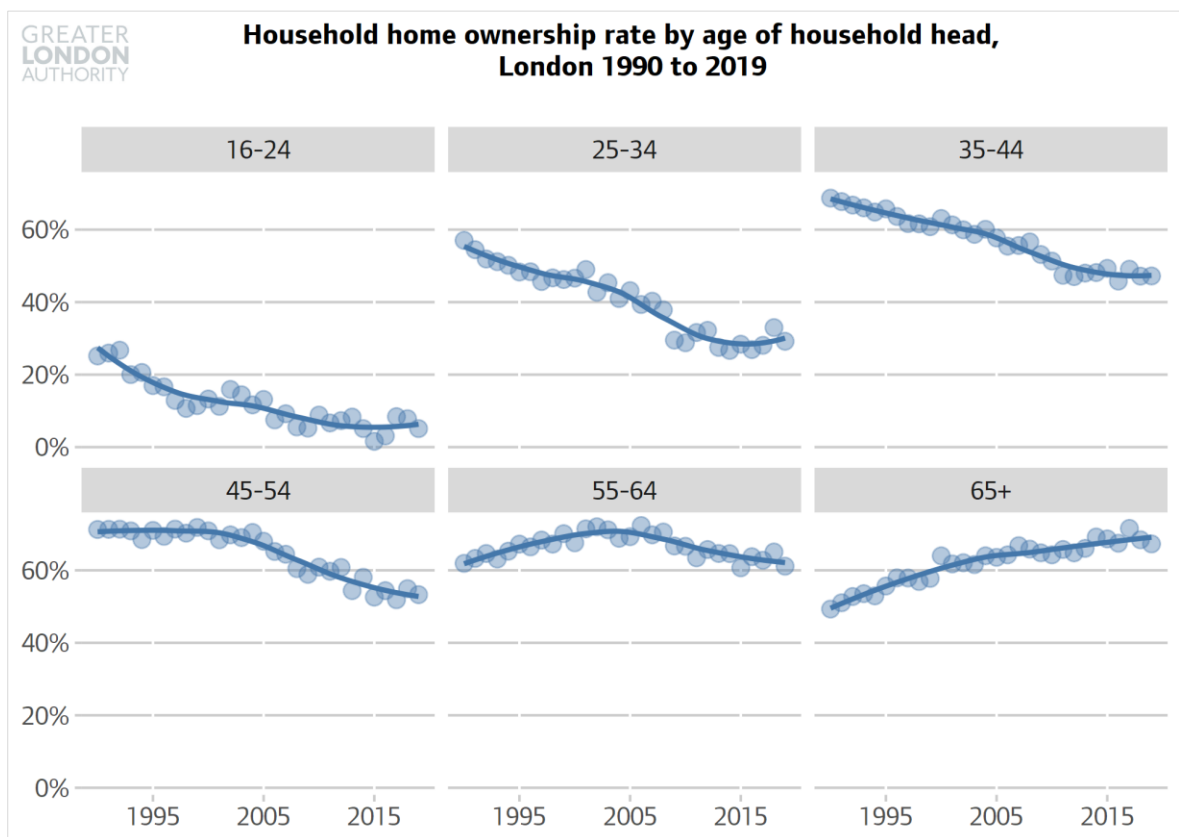
¹⁶ EHRC, [Pregnancy and Maternity – Related Discrimination and Disadvantage](#), December 2015

¹⁷ Centre for London, [How do LGBT+ people experience life in the capital?](#), July 2020

¹⁸ Stonewall, [LGBT in Britain: Hate Crime and Discrimination](#), September 2017

Housing tenure

- 2.5. The disproportionate extent to which those with some protected characteristics struggle to afford housing is one factor in their uneven distribution across housing tenures – and consequently the extent to which they access or experience particular problems associated with different tenures. Home ownership and social housing are the most secure tenures, but there are significant barriers to accessing each of them – high buying costs in the case of home ownership and the rationing of scarce lettings to the households most in need in the case of social housing. The rapidly growing private rented sector is the least secure and the least affordable of the main tenures. These shifts in tenure have had particular impacts on certain groups.
- 2.6. For example, as illustrated in the chart below, the fall in home ownership among Londoners in recent decades has been most acute among younger Londoners. In 1990, 25 per cent of households in London headed by someone aged 16-24 and 57 per cent of those headed by someone aged 25-34 were homeowners. But by 2019, these figures had fallen to 5 per cent and 29 per cent respectively. There were less dramatic falls in the 35-44 and 45-54 age groups (69 per cent to 47 per cent and 71 per cent to 53 per cent respectively), while ownership rates were relatively stable for those aged 55-64 (going from 62 per cent in 1990 to 61 per cent in 2019) and increased for those aged 65 or more from 49 per cent to 67 per cent¹⁹.



¹⁹ GLA, [Housing in London 2020](#), October 2020

2.7. There are also clear differences in tenure patterns between Londoners of different ethnicities. 39 per cent of households where the household reference person is someone of BAME ethnicity own their own home, compared to 58 per cent of households where the household reference person is someone of White ethnicity²⁰. 35 per cent of BAME-headed households live in social housing, compared to 17 per cent of White-headed households²¹. 26 per cent of both BAME and White households live in the private rented sector, but 53 per cent of privately renting BAME individuals are in relative poverty after housing costs, compared to 23 per cent of privately renting White individuals²².

Housing need

- 2.8. The patterns of affordability and housing tenure set out above contribute to stark differences in housing need between different groups of Londoners. Among the clearest differences are those between Londoners of different ethnicity: for example, households with a Black or Asian household head are 80 per cent more likely to be overcrowded than the London average, while households with a Black household head are around 150 per cent more likely to be owed a homelessness duty²³.
- 2.9. There are also significant differences in some aspects of housing need by age: for example, an estimated 19 per cent of families in London headed by someone aged 16-29 are overcrowded, compared to 13 per cent of those headed by someone aged 30-49 and 8 per cent of those headed by someone aged 50-64²⁴.
- 2.10. Female-headed households in London are more likely to be homeless: single mother families accounted for 25 per cent of all homeless households assessed as owed a prevention or relief duty in London in 2019/20, and single female households another 24 per cent²⁵.
- 2.11. Nearly one in five LGBT Londoners, including 25 per cent of trans people and 28 per cent of LGBT disabled people, have experienced homelessness at some point in their lives; and 24 per cent of young people facing or experiencing homelessness identify as LGBTQ+²⁶. In addition, only half of lesbian, gay and bi people (46 per cent) and trans people (47 per cent) in Britain feel able to be open about their sexual orientation or gender identity to everyone in their family; and more than one

²⁰ The household reference person is the household member named in statistical returns; however, the protected characteristics of the household reference person might not always be representative of other household members. For ease of reference, within this report, the household reference person is referred to as the household head.

²¹ GLA analysis of Office for National Statistics (ONS) Annual Population Survey for 2019

²² GLA analysis of Households Below Average Income data (End User dataset)

²³ GLA, [Housing in London 2020](#), October 2020

²⁴ Resolution Foundation, [Intergenerational audit for the UK: Data dashboard](#), 2020

²⁵ MHCLG, [Statutory Homelessness Annual Report, 2019-20, England](#), October 2020

²⁶ The London LGBTIQ+ Housing Campaign, [A Manifesto for London LGBTIQ+ Community Housing: Mayoral Election 2020 Campaign](#), February 2020

in ten LGBT people (11 per cent) in Britain have faced domestic abuse from a partner in the last year – increasing to 17 percent of Black, Asian and minority ethnic LGBT people in Britain²⁷. These experiences suggest that LGBTQ+ Londoners may be more likely to face discrimination in their existing home and be more likely to form a new household with a distinct housing need.

- 2.12. More broadly, a common theme is that low income households are more likely to find themselves in housing need, and the same therefore goes for those groups with typical incomes below the London average.

Occupants of intermediate housing in London²⁸

- 2.13. Data on the characteristics of households who currently move into intermediate housing is collected through the Ministry of Housing, Communities and Local Government Continuous Recording of social housing lettings and sales (CORE) dataset. CORE data only provides information on those purchasing shared ownership homes. Information on other intermediate products such as intermediate rent is not included. CORE records information on household composition, age, sex, ethnicity, nationality and disabilities. Unless stated otherwise, the figures stated below include imputation in the case of missing or unreported data on ethnicity.
- 2.14. Only four per cent of those accessing shared ownership moved into their homes from other forms of affordable housing²⁹, while over half (56 per cent) of those purchasing shared ownership homes were previously living in private rented sector housing and a further quarter (25 per cent) were previously living with family or friends.
- 2.15. For the purpose of the baseline data below, comparisons are made between those households purchasing shared ownership homes, and those households living in the private rented sector in London earning between £30,000 and £90,000³⁰. This is because those earning between £30,000 and £90,000 are identified in the GLA

²⁷ Stonewall, [LGBT in Britain: Homes and Communities](#), June 2018

²⁸ This section summarises the findings and analysis set out in the GLA [Housing Research Note: Intermediate housing: The evidence base](#), August 2020

²⁹ This category includes shared ownership purchasers who previously lived in homes owned by a Registered Provider, Local Authority or who were in temporary accommodation.

³⁰ This data is drawn from the Households Below Average Income dataset. Due to small sample sizes, this data is pooled from four years (2015/16 to 2018/19). The CORE data on shared ownership is drawn from CORE data from 2017/18, as published in the GLA Housing Research Note. It should be noted that for certain characteristics where numbers of households with this characteristic are small (such as disability for instance) there may be some volatility in the data which means that comparisons with other years could affect results.

Housing Research Note as being most likely to be in some form of intermediate housing need or aspiration³¹. This group is referred to below as the 'target market'.

2.16. Concealed households living with friends and family and earning between £30,000 and £90,000 are also likely to be in some form of intermediate housing need or aspiration, however no comparative data was available for these households. Data on those in homes at social rent levels or owner-occupied homes are not included in the comparison as these households are assumed to be having their housing needs met.

- 28 per cent of households in the target market were headed by a person aged between 25 and 34, and a further 28 per cent were headed by someone between 35 and 44. In comparison, 59 per cent of households purchasing shared ownership in 2017/18 were headed by a person aged between 25 and 34, and 27 per cent were headed by someone aged between 35 and 44. While 13 per cent of households in the target market were aged over 55, only 2.1 per cent of households moving into shared ownership in London were headed by a person aged over 55. This suggests that shared ownership purchasers are more likely to be aged between 25-44 and less likely to be aged over 55, when compared to the target market.
- 41 per cent of households in the target market were headed by women, and 59 per cent headed by men. In comparison, an equal share of households purchasing shared ownership in London in 2017/18 were headed by each sex. This suggests that shared ownership purchasers are more likely to be female-headed households when compared to the target market.
- 66 per cent of households in the target market were headed by someone of White ethnicity, and 34 per cent were headed by someone of BAME ethnicity. In comparison, 71 per cent of shared ownership purchasers in 2017/18 were headed by a person of White ethnicity, while less than a third (29 per cent) of households were headed by a person of BAME ethnicity. Among first time buyers on the open market, 66 per cent of first-time buyers between 2013/14 and 2016/17 were of White ethnicity³². This suggests that shared ownership purchasers are more likely to be headed by a person of White ethnicity and less likely to be headed by someone of BAME ethnicity when compared to the target market. It

³¹ While the GLA Housing Research Note analysis suggests that households earning between £28,500 and £80,000 are most likely to be in some form of intermediate housing need or aspiration, it also notes that households earning between £80,000 and £90,000 might still be in intermediate housing need, where they are buying larger homes in more expensive areas or where they do not have the deposit to access the open market. As such, households earning up to £90,000 have been included in the analysis undertaken for this EqIA. The lower threshold of £28,500 has been rounded to £30,000.

³² GLA analysis of English Housing Survey data on first-time buyer households in London, pooled 2013/14 to 2016/17 datasets. Four years of data have been used to increase the sample size.

should be noted that White ethnicity in this context also includes people from non-British backgrounds, including many European nationals (further detail on non-UK nationals is provided below).

- 13 per cent of households in the target market included someone with disability in the household, while only 1.1 per cent of households purchasing shared ownership housing in 2017/18 included a household member considered to have a disability. This suggests that shared ownership purchasers are less likely to include households including someone who is disabled when compared to the target market (although the difference may also be partly explained by differences of definition).
- 33 per cent of households in the target market were single adults, 32 per cent of households were two adults with no children, 35 per cent were households with children, and 6 per cent were single adults with children. In comparison, 59 per cent of households purchasing shared ownership housing in 2017/18 were single adults, and 33 per cent were households with two adults with no children. A total of 7.5 per cent of households moving into shared ownership in London in 2017/18 had children and 1.8 per cent were single adult households with children. This suggests that shared ownership purchasers are more likely to be single adult households, but less likely to be households with children when compared to the target market.
- The majority of households (78 per cent) moving into shared ownership housing in London in 2017/18 were UK nationals residing in the UK. A further 21 per cent were nationals of European countries and just 0.8 per cent of those moving into shared ownership housing in London were nationals of countries outside Europe. In this case, the figures do not include imputation in the case of missing or unreported data on nationality. No comparative data is available for the target market.

Key workers

2.17. The consultation includes a chapter which considers how intermediate housing can better support the housing needs of key workers. While analysis on the protected characteristics of key workers is constrained by both limited data and a lack of consensus on definitions, some analysis by the GLA based on the recent Government definition of key workers during Covid-19 is available to inform the assessment:

- 30 per cent of employed Londoners with a work-limiting disability are employed in a key worker role, and key workers in London are slightly more likely to have a disability as defined under the Equality Act than other workers³³

³³ GLA, [Briefing: Covid-19 socio-economic risk factors in London](#), June 2020

- Some ethnic groups, particularly Black and Indian Londoners, are more likely to work in a key worker job than White Londoners³⁴;
- 34 per cent of women in London work in key worker roles, compared to 25 per cent of men³⁵
- Londoners aged 35-49 and 50-59 are the most likely to work in a key worker role, with 30 per cent of those within these age ranges employed in a key worker role³⁶;
- 36 per cent of key workers in London are Hindu, 31 per cent Muslim and 29 per cent Christian. 27 per cent of key workers belong to another religion, while a further 27 per cent report having no religion³⁷.

2.18. GLA analysis of Labour Force Survey data, using the Institute for Fiscal Studies definition of key workers (which is also based on that adopted by the Government during the Covid-19 pandemic) suggests that 19 per cent of key workers (including those working in both the private and public sector) live in social rented homes. In comparison, 11 per cent of other workers live in social rented homes. 40 per cent of key workers own a home with a mortgage, compared to 44 per cent of other workers.

³⁴ Ibid

³⁵ Ibid

³⁶ Ibid

³⁷ Ibid

3. Analysis of equality impacts of proposed policy interventions

Delivery of intermediate housing

- 3.1. The London Housing Strategy³⁸ sets out the Mayor's ambition to increase the overall supply of genuinely affordable homes. While his priority is increasing the number of homes at social rent levels, the 2017 Strategic Housing Market Assessment (SHMA)³⁹ also identifies a need for intermediate homes.
- 3.2. While the proposed policy responses to the GLA's 2020 consultation on intermediate housing are largely focused on improving the affordability and accessibility of the tenure rather than on increasing delivery, improvements in these areas could help to ensure continued demand, and thereby lead to current supply levels being maintained, or potentially increased. This could have a wider impact on overall affordable housing supply, as some forms of intermediate housing such as shared ownership also provide cross-subsidy (both within a development and/or across a portfolio of developments) which can be used to support the delivery of low cost rent homes.
- 3.3. In addition, following the report of the Housing Delivery Taskforce in July 2020, the consultation sought further views on what role intermediate housing should play in supporting the housing market as part of the recovery from the impacts of the Covid-19 pandemic. It also asked some specific questions on what more the Mayor could do to support the delivery of some specific types of intermediate housing, such as London Living Rent and Discount Market Sale (DMS); and to minimise the risks to affordable housing delivery arising from new Government policies on First Homes and the Right to Shared Ownership.

GLA proposed policy response outlined in Part 1 and Part 2 CRR

- The GLA will use the new AHP to promote London Living Rent and shared ownership - options for intermediate housing that aim to meet the needs of Londoners, while at the same time meeting the requirements set by the Government.

³⁸ GLA, [London Housing Strategy](#), May 2018

³⁹ GLA, [Strategic Housing Market Assessment](#), November 2017

- The new AHP will operate on a competitive bidding rather than a fixed grant rate basis and so will be able to better reflect the costs of the delivery of different affordable housing tenures, including London Living Rent.
- The GLA expects investment partners to support LLR tenants into home ownership within ten years. The GLA will seek to maximise the number of LLR homes that can be delivered through the programme. Partners are encouraged to inform us of any interventions they may require in this regard when bidding for funding through the new AHP.
- Do-it-yourself (DIY) shared ownership schemes will be eligible for funding through the new AHP (providing they meet the wider requirements of the programme).
- The GLA will support the delivery of DMS homes where they are delivered on schemes that align with wider strategic housing policy objectives, such as community-led schemes and/or schemes that provide homes to groups of people who share a protected characteristic.
- The GLA will continue to raise concerns with Government over the First Homes policy, on the basis of London's priority for low cost rent, which is London's most critical type of housing need.

Potential positive impacts:

- As set out above, improving the affordability and accessibility of intermediate housing could help to ensure continued demand, and thereby help to maintain or increase intermediate housing supply. This could benefit some groups who are in intermediate housing need whose protected characteristics may mean that they are more likely to struggle with housing costs in the private rented sector. For instance, although data suggests that women are more likely to be living in poverty, analysis set out in this EqIA shows that shared ownership purchasers are more likely to be female-headed households when compared to the target market. This suggests that intermediate housing could already be helping some women whose housing needs can be met appropriately by intermediate housing.
- For households who are disadvantaged due to protected characteristics who would be unlikely to afford intermediate housing, and would be more suited to homes at social rent levels, maintaining and potentially increasing intermediate housing supply could indirectly benefit them as it also helps to ensure continued delivery of homes at social rent levels via cross-subsidy. This is likely to benefit households headed by someone with a BAME ethnicity background. This is because 42 per cent of BAME-headed households living in the private rented sector have a household income of below £30,000 (and would therefore be unlikely to afford intermediate homes). In comparison, only 30 per cent of households in the private rented

sector with a household income below £30,000 are headed by someone of a White ethnicity background⁴⁰.

- The proposed GLA policy response to support intermediate housing delivery as part of recovery from the impacts of Covid-19 should have a broadly positive impact on those who share particular protected characteristics and are more likely to struggle with housing costs – this includes those from a BAME background, women, those living with a disability and young Londoners. This is because these proposals seek to maintain the supply of genuinely affordable homes through the new AHP.
- More broadly, increasing the overall supply of homes should help to ease the problems of overcrowding and homelessness, problems that result in part from the inadequate supply of homes and disproportionately affect those who share some protected characteristics. This includes Black-, Asian-, and female-headed households, and LGBTQ+ Londoners.
- The GLA proposes a number of policy responses to support the delivery of London Living Rent, including a move away from fixed grant rates to a competitive bidding process which should (in the context of an enhanced settlement from central Government) better reflect the cost of delivering these homes, as well as providing some additional clarity on how LLR works as a Rent-to-Buy product. These homes provide a more affordable option for those who are struggling to pay market rents, as well as an opportunity for households to buy their rented home on a shared ownership basis at a later date. Increasing delivery of these homes would be likely to have a positive impact on some groups in the target market who are currently less likely to be shared ownership purchasers in comparison to others in the target market, such as households headed by someone of a BAME ethnicity background.
- The GLA also proposes a number of policy responses to support the delivery of other intermediate housing tenures, including DIY shared ownership and DMS. The 2018 Letwin Review found that diversification of tenure was key to increasing build out rates⁴¹. By supporting the delivery of a diverse range of tenures, the policies could bring about the benefits of increased housing supply outlined above. In addition, by ensuring these homes are delivered on schemes that align with wider strategic housing policy objectives, the policies could advance equality of opportunity for those people who share protected characteristics that are often underrepresented in intermediate housing, including older people and people from a BAME background; and foster good relations between persons who share a protected characteristic and persons who do not

⁴⁰ GLA analysis of household by tenure, ethnicity of household head and gross household income band in London from 2015/16 to 2018/19, based on Households Below Average Income data.

⁴¹ Rt Hon Sir Oliver Letwin MP, [Independent Review of Build Out: Final Report](#), October 2018

share it by encouraging community participation in engagement processes to inform the delivery of new homes and neighbourhood-level plans.

Potential negative impacts:

- The SHMA makes clear that the greatest housing need in London is for low cost rented homes. The delivery of intermediate homes may therefore have less of a positive impact on some groups who are disadvantaged due to particular protected characteristics, for whom low cost rent homes would be more appropriate. This is likely to include some households headed by someone with a BAME ethnicity background that, as outlined above, may be less likely to afford intermediate homes than households headed by someone of a White ethnicity background.
- The London Plan makes clear that the Mayor's preferred affordable housing tenures are homes based on social rent levels (including Social Rent and London Affordable Rent), London Living Rent and London Shared Ownership⁴². The London Plan outlines that other affordable housing products may be acceptable if, as well as meeting the broad definition of affordable housing, they also meet the London Housing Strategy definition of genuinely affordable housing. While the delivery of other intermediate housing tenures might diversify the supply of affordable housing, the delivery of these homes may have less of a positive impact on those groups for whom low cost rent homes would be more appropriate, including those who are more likely to experience poverty and those who are more likely to struggle with the cost of housing. Further steps to mitigate the affordability challenges of any non-preferred intermediate housing tenures are outlined in the following section.
- As highlighted in the LHSIA, the balance of affordable housing tenures delivered through the Mayor's funding programmes represent a balance between meeting different forms of need and maximising the overall delivery of affordable homes, within the context of national policy and available funding. The make-up of the new AHP reflects a similar balance of priorities and constraints, while additionally benefitting from funding to deliver social rented homes at scale.
- The Mayor continues to work to mitigate the negative impact of insufficient funding for low cost rent homes by making the case to government for a step-change in the amount of money available to London to deliver affordable homes, in particular those at social rent levels. In addition, as noted above the delivery of intermediate homes, in particular shared ownership homes, is likely to support the delivery of low cost rented homes through cross-subsidy generated within housing developments and across a portfolio of developments brought forward by GLA investment partners.

⁴² GLA, [Publication London Plan](#), December 2020

Affordability of intermediate housing

- 3.4. The GLA Housing Research Note highlights the extent to which intermediate housing meets particular types of intermediate housing need in London. However, it also outlines a number of existing challenges around the affordability of intermediate housing, in particular in relation to the open market value of and the fees and charges often associated with shared ownership homes. The consultation sought views on measures which, if implemented, may go some way to tackling these challenges. The consultation also sought views on measures which, if implemented, could help to ensure the affordability of First Homes, Discount Market Sale (DMS) and homes sold through the Right to Shared Ownership.

GLA proposed policy response outlined in Part 1 and Part 2 CRR

- The GLA will not introduce a formal cap on the open market value of shared ownership homes funded through the new AHP, but will work over the coming months to identify any options for further strengthening existing planning guidance in this area.
- The GLA expects all investment partners in the new AHP to sign up to the existing Shared Ownership Charter for Service Charges and to commit to working with the GLA to develop a new and improved charter, reflecting the new shared ownership model and potentially extending the charter to the wider leasehold sector.
- The GLA will work with investment partners to undertake research on service charges in London, including understanding the best categories to include in any data collection on service charges and how best to analyse, present and make use of this data. The new charter could include commitments for partners to publish service charges data.
- The GLA will require all investment partners in the new AHP to:
 - publish details of additional fees and charges (other than service charges) for shared ownership homes on their websites. The new AHP funding guidance outlines the expectation that these charges should be reasonable and kept to a minimum.
 - provide a key features document to potential purchasers at the start of the marketing and sales period for all new shared ownership homes. In addition to the information already required through a key information document, as outlined in the shared ownership model lease, this key features document should also include detailed information on the tenure of a property and the length of any lease, as well as the full range of potential costs, including any expected service charges, permission fees and any other charges (including those relating to resales and lease extensions).
- The London Living Rent benchmarks for 2021/22 will be capped at £1,400 a month.

- Subject to any restrictions on the implementation of First Homes introduced by Government, the GLA will utilise its planning powers to strengthen guidance on existing market value and income caps for affordable home ownership policies, which should also be relevant to First Homes; and to introduce measures to ensure First Homes remain affordable in perpetuity.
- The GLA will utilise its planning powers to strengthen guidance on market value and income caps for DMS homes, to be consistent with existing affordable home ownership policies; and introduce measures to ensure DMS homes remain affordable in perpetuity, with income caps applicable to subsequent sales.
- The GLA will provide guidance on how DMS homes should be valued, to ensure DMS homes remain affordable in perpetuity and to seek to minimise the administrative burden placed on local authorities.
- The GLA expects that the requirement to provide a key features document to potential buyers would apply to all new shared ownership homes sold through the Right to Shared Ownership. In addition, the GLA expects all investment partners in the Affordable Homes Programme 2021-2026, including those with homes sold through the Right to Shared Ownership, to sign up to the Shared Ownership Charter for Service Charges.

Potential positive impacts:

- While the GLA Housing Research Note shows that the median household income of shared ownership purchasers is slightly above the median household income of working age Londoners, it also shows that shared ownership is much more accessible to Londoners than market housing and that, overall, intermediate housing helps to meet the needs of those Londoners identified in the SHMA as needing intermediate housing.
- A number of the proposed GLA policy responses to improve affordability, including strengthening planning guidance in relation to the maximum value of shared ownership and other intermediate tenure homes, freezing income eligibility caps (see next section) and improving consistency and transparency of services charges and fees should help to widen access to intermediate housing for those groups with particular protected characteristics who are more likely to struggle with housing costs, but who fall within the target market. These groups include households containing someone with a disability, or of a BAME ethnicity background, who have a household income of between £30,000 and £90,000.
- The forms of intermediate housing preferred by the Mayor (shared ownership and London Living Rent) may be more suitable for younger people, because of their emphasis on home ownership – something that may be more viable for those able to access a mortgage over an extended

period. As outlined earlier in this document, younger people are more likely to struggle with housing costs, and so may be likely to benefit from proposals to improve the affordability of intermediate housing. Analysis set out in this assessment shows that shared ownership purchasers are more likely to include households headed by someone aged between 25-34 when compared to the target market, suggesting that the tenure may already be helping this group. Proposals to improve affordability may help to maintain this effect.

- As set out above, improving the affordability of intermediate housing could help to ensure continued demand, and thereby indirectly help to maintain or increase intermediate housing supply. This could benefit some groups who are in intermediate housing need whose protected characteristics may mean that they are more likely to struggle with housing costs in the private rented sector. This includes those groups who appear to already be benefitting from intermediate homes, such as younger people and women, as well as those who could potentially benefit in future such as households including someone who is disabled, and/or households including someone of a BAME ethnicity background who have a household income of between £30,000 and £90,000.
- For households who share particular protected characteristics who would be unlikely to afford intermediate housing, and would be more suited to homes at social rent levels, maintaining and potentially increasing intermediate housing supply could indirectly benefit them as it also helps to ensure continued delivery of homes at social rent levels via cross-subsidy. This includes those from a BAME background, women, those living with a disability and young Londoners.

Potential negative impacts:

- Analysis published in the GLA Housing Research Note comparing shared ownership purchasers in Inner and Outer London shows that a greater proportion of shared ownership purchasers in Inner London could not afford private rents (likely as a result of rents being higher in these areas). Proposed policy responses to improve the affordability of shared ownership homes across London, principally considering options to strengthen existing planning guidance around the value of shared ownership homes, may mean that fewer shared ownership homes are delivered in more expensive areas of London where the need for intermediate housing is greater. While some households may be able to/want to move to Outer London boroughs to access intermediate housing, some households – particularly those who need to be close to work or family – may be unable to, and therefore may be negatively impacted by lower delivery of intermediate housing in their area. These households may include key workers and so this could negatively impact on women (who are more likely to work in key worker

roles than men) and Black and ethnically Indian Londoners (who are more likely to work in key worker roles than White Londoners).

- This risk could potentially be mitigated by delivering alternative forms of intermediate housing in these areas, such as London Living Rent. The GLA is proposing a range of policy responses to support delivery of these homes, which would likely be more affordable than shared ownership for some groups who share particular protected characteristics that place them at a disadvantage and are on lower incomes in more expensive parts of London. This includes those groups who appear to already be benefitting such as younger people and women, as well as those who could potentially benefit in future such as households including someone who is disabled, and/or households including someone of a BAME ethnicity background who have a household income of between £30,000 and £90,000.
- Responses to the consultation raised concerns that other intermediate housing tenures, including DMS and First Homes, would be unaffordable to many Londoners and particularly in higher value areas. The proposed policy responses to improve the affordability of these other affordable home ownership homes across London, principally those that strengthen planning guidance on existing market value and income caps for affordable home ownership policies, will ensure that other intermediate housing tenures remain affordable to meet the needs of those Londoners identified in the SHMA as needing intermediate housing.

Eligibility, prioritisation and allocation

- 3.5. As outlined in the consultation document, there are many Londoners who are unlikely to benefit from homes at social rent levels but who still struggle with housing costs. Intermediate housing plays an important role in meeting the housing needs and aspirations of this group. However, there is little transparency or consistency across London in how intermediate housing is allocated meaning that those who need it most might not always be aware of it, or able to access it.

GLA proposed policy response outlined in Part 1 and Part 2 CRR

- The GLA will continue to freeze income eligibility criteria for intermediate homes (£90,000 for shared ownership/other affordable home ownership and £60,000 for London Living Rent/ other intermediate rent). This will continue to be kept under review via the London Plan Annual Monitoring Report.
- The GLA will extend eligibility for LLR homes funded through the new AHP to all those who live or work in London and who either have a formal tenancy (e.g. in the private rented sector) or who are living in an informal arrangement with family or friends as a result of struggling with housing costs. This change will also apply to the Homes for Londoners: Affordable Homes Programme 2016-23 and this will be reflected in an update to the Capital Funding Guide.

- The GLA will consider any further changes to the resales process that are put forward by the Government in its technical consultation on the new shared ownership model, including how the process could be better explained to current and potential shared owners, taking into account the need to protect affordable housing stock.
- Regardless of whether providers set additional prioritisation criteria for the first three months of marketing new intermediate homes, the GLA expects local authorities and housing providers to adopt an equitable and targeted allocation process for all intermediate housing, having regard to regional and local eligibility criteria, and the established definitions of housing need.
- Housing providers receiving grant through the Affordable Homes Programme 2021-2026 that choose to set additional prioritisation criteria for the first three months of marketing new intermediate homes will be required to publish details of the criteria on which intermediate housing applications might be prioritised, which might reflect local eligibility and/or prioritisation criteria, within their published policy statements.
- Where intermediate homes are delivered through the planning system, the GLA expects these homes to be allocated according to intermediate eligibility and/or prioritisation criteria, which can include locally defined criteria. Where a local authority has an intermediate housing waiting list, they should agree with the developer a process for providing priority access for households on the waiting list.
- The GLA will explore options to develop the existing Homes for Londoners portal as a pan-London property search tool to register housing interest and to inform allocations, as well as to market the availability of intermediate homes.

Potential positive impacts:

- Proposals to freeze eligibility income caps at current levels will help to ensure that a wide range of households can continue to benefit from new intermediate homes. This is likely to benefit households with protected characteristics who are in the target market but are currently less likely to purchase shared ownership homes including households with someone who is disabled, or households headed by someone from a BAME ethnicity background.
- Proposals to expand eligibility for LLR homes through the new AHP to include those who either live or work in London and who either have a formal tenancy (e.g. in the private rented sector) or who are living in an informal arrangement with family or friends as a result of struggling with housing costs should ensure that those who are experiencing acute challenges with housing costs can benefit from these homes. This could benefit some groups who are in intermediate housing need whose

protected characteristics may mean that they are more likely to struggle with housing costs in the private rented sector. This includes those groups who appear to already be benefitting from intermediate homes, such as younger people and women, as well as those who could potentially benefit in future such as households including someone who is disabled, and/or households including someone of a BAME ethnicity background who have a household income of between £30,000 and £90,000.

- Proposals to support shared owners to move to homes which are more suitable for their needs and increase understanding of the process relating to resales should help ensure that intermediate homes are accessed by those who would most benefit from them. This is also likely to benefit those groups identified in the bullet point above.
- Proposals that seek to increase the transparency and clarity of intermediate housing allocations should help to improve the accessibility of intermediate housing; while proposals that promote the adoption of an equitable and targeted allocation process will support the aim of ensuring that intermediate homes are accessed by those who would most benefit from them. Retaining an element of flexibility over the allocation of intermediate homes will allow local authorities to determine priorities for affordable housing with regard to local need, which should also mean that those people with protected characteristics that are identified as being in the greatest housing need are prioritised for intermediate homes.

Potential negative impacts:

- Proposals to freeze eligibility income caps at current levels (rather than raise them) may mean that fewer intermediate homes are delivered in more expensive areas of London where the need for intermediate housing is greater. Analysis published in the GLA Housing Research Note comparing shared ownership purchasers in Inner and Outer London shows that a greater proportion of shared ownership purchasers in Inner London could not afford private rents (likely as a result of rents being higher in these areas). While some households may be able to/want to move to Outer London boroughs to access intermediate housing, some households – particularly those who need to be close to work or family – may be unable to, and therefore may be negatively impacted by lower delivery of intermediate housing in their area. This includes those groups who appear to already be benefitting from intermediate housing such as younger people and women, as well as those who could potentially benefit in future such as households including someone who is disabled, and/or households including someone of a BAME ethnicity background who have a household income of between £30,000 and £90,000.
- The absence of guidance on the allocation of intermediate housing and intermediate waiting lists may mean there is still inconsistency between

local authorities and housing providers in the process for applying for an intermediate home. To mitigate these potential negative impacts, the GLA has proposed policy responses that seek to increase the transparency and clarity of intermediate housing allocation processes, such as a requirement for housing providers to publish details of the criteria on which intermediate housing applications might be prioritised.

Supporting London's key workers

- 3.6. The consultation sought views on options for how key workers could be defined and prioritised for intermediate homes, as well as how the Mayor might support improvements in the quality of existing key worker accommodation. It also sought views on how the Mayor can encourage delivery of affordable housing, which could be prioritised for key workers, on public sector land.

GLA proposed policy response outlined in Part 1 and Part 2 CRR

- The GLA will define a core list of key worker occupations. Local authorities will be encouraged to adopt this core list of key workers and can add to the list at a local level, as they consider appropriate.
- The GLA will define a core list of key workers based on the following parameters:
 - occupations that are considered essential to the functioning of London in normal times;
 - occupations where there is a requirement for an employee to be anchored at their workplace in London to carry out their role; and
 - regard to income, with incomes below the income caps defined for intermediate housing within the London Plan.
- The GLA will strengthen planning guidance to enforce the expectation that key workers should be prioritised, with regard to local need, if local authorities and housing providers choose to set additional prioritisation criteria for the first three months of marketing new intermediate homes.
- The GLA expects local authorities and housing providers to use their discretion to consider whether it is appropriate for local key workers to be prioritised on certain sites near a key worker institution, with regard to local need and site-specific circumstances.
- The GLA will work with existing partners, including public sector bodies and the One Public Estate, to ensure that public sector bodies are briefed on the Mayor's existing affordable housing investment and planning policies.
- The GLA is open to discussing with partners options for funding the conversion of shared key worker accommodation to intermediate homes through the new AHP where it will result in net additional affordable homes and there is evidence of demand.

Potential positive impacts:

- Improving the quality of existing key worker accommodation could provide those with protected characteristics who are more likely to live in poor quality or overcrowded accommodation with a higher quality, more secure, home. In particular, this could benefit women (who are more likely to work in key worker roles than men) and Black and ethnically Indian Londoners (who are more likely to work in key worker roles than White Londoners).
- Defining a core list of key worker occupations and strengthening planning guidance to enforce the expectation that key workers should be prioritised for intermediate housing could improve the accessibility of these types of homes to those in key worker professions. This will particularly benefit women and Black and ethnically Indian Londoners who, as outlined above, are more likely to work in key worker roles than men and White Londoners.
- Supporting the delivery of intermediate homes for key workers on certain sites near a key worker institution, and supporting the delivery of public sector land, could increase the availability and quality of intermediate homes for key workers. This will particularly benefit women and Black and ethnically Indian Londoners who, as outlined above, are more likely to work in key worker roles than men and White Londoners.
- Improving the access of those in certain key worker professions to high quality affordable housing is likely to help address the recruitment and retention challenges facing key public services. Having well-resourced public services could indirectly benefit those with protected characteristics who are more likely to experience ill health, be a victim of crime or experience lower educational attainment⁴³. This includes LGBT+ Londoners, women, older people, disabled people and those from some BAME backgrounds.

Potential negative impacts:

- Providing funding that focuses on investment in homes exclusively for key workers could potentially reduce the resource available to deliver intermediate housing for households who may be in greater need of intermediate housing but who do not fit the definition of key workers. For instance, most key workers in London are aged between 35 and 60, however those Londoners between the age of 25-34 are most likely to need support to access affordable home ownership products. This could result in younger people having reduced access to intermediate homes.
- Prioritising intermediate homes for key workers could potentially reduce the accessibility of intermediate housing for households who may be in greater need of intermediate housing but who do not fit the definition of key

⁴³ GLA, [Inclusive London: The Mayor's Equality, Diversity and Inclusion Strategy](#), May 2018

workers, as outlined above. However, the GLA expects local authorities to prioritise key workers with regard to local need, having regard to the relative prioritisation of all those identified as being in housing need through the local Strategic Housing Market Assessment (SHMA). In addition, by ensuring any key worker definition has regard to income, with incomes below the income caps defined for intermediate housing within the London Plan, the GLA will ensure that intermediate homes are only accessed by those key workers who are in intermediate housing need.

- Some people in occupations which could be defined as key workers may be more suited to homes at social rent levels (and data shows that those in key worker roles are more likely than those in other roles to live in social rented homes already). As such, these households may not benefit from delivery of, and improvement to, intermediate housing.

Improving data on intermediate housing

- 3.7. The consultation sought views on options for how the data collected on intermediate housing could be improved to better demonstrate how intermediate housing is performing to inform evidence-based policy development. The consultation sought views on what data is currently collected outside of centralised systems such as MHCLG's Continuous Recording of Social Housing Lettings and Sales (CORE) dataset, as well as what data is collected by local authorities and housing providers for their own monitoring purposes. It also sought views on the benefits of improving data on intermediate housing and any barriers to collecting the data.

GLA proposed policy response outlined in Part 1 and Part 2 CRR

- The GLA will work with Government to improve the collection of data via CORE on homes across all intermediate tenures, including shared ownership, shared equity, discount market sale, discount market rent, London Living Rent, and other intermediate rent; and the characteristics of those to whom intermediate homes are sold or let, including their occupation and additional protected characteristics.
- The GLA will work with investment partners to build on existing data collection processes for staircasing transactions and identify any opportunities for data sharing to improve understanding in this area.
- The GLA will work with Government to improve collection of data on the stock of intermediate homes owned by local authorities and on shared ownership staircasing transactions.
- Recognising the challenges of collecting data on the tenure that shared owners move into if they leave their shared ownership property, and the assessment of London's housing needs over time provided by the London Housing Strategy, the GLA will not, at this stage, seek to increase collection of

data on the tenure that shared owners move into if they leave their shared ownership property.

Potential positive impacts:

- Improving the collection of data on homes across all intermediate tenures and on the characteristics of those accessing intermediate homes could help to inform future policy making, including strategies to target intermediate housing to meet housing needs. Evidence-based strategies to increase the delivery of intermediate housing could benefit those Londoners identified in the SHMA as needing intermediate housing, including younger people and women. Evidence-based strategies to increase the affordability of intermediate housing could help to widen access to intermediate housing for those groups with particular protected characteristics who are more likely to struggle with housing costs, including households containing someone with a disability, or of a BAME ethnicity background, who have a household income of between £30,000 and £90,000.

Potential negative impacts:

- The reliability of data on protected characteristics is dependent on residents voluntarily providing personal information. There is a risk that the evidence base could be skewed if those groups who are more likely to be affected by digital exclusion – including women, older people, deaf and disabled people, and those who are economically inactive⁴⁴ – are not proportionately represented in the evidence base. To mitigate this risk, the GLA will work with Government to improve the collection of data via CORE, which is input into by housing providers as opposed to residents.

⁴⁴ ONS, [Exploring the UK's digital divide](#), March 2019

4. Summary of impacts of policy proposals by protected characteristic

4.1. The table below summarises the likely impacts of the proposed policy responses set out in the Part 1 CRR and Part 2 CRR by protected characteristic. Mitigations of the potential negative equality impacts of the proposed policy responses are identified in [Section Three](#) above.

Table 1: Summary of equality impacts by protected characteristics

Protected characteristic
Age
<i>Children</i>
<ul style="list-style-type: none"> • Certain groups of children, including those from BAME backgrounds, disabled children and those for whom one or more parents is not in employment, are at higher risk of living in poverty. While this means that low cost rent homes may be more appropriate than intermediate homes in meeting the needs of these households, proposals which help to maintain or increase the supply of intermediate homes and therefore increase overall affordable supply including of homes at social rent levels (via cross-subsidy) - could benefit these households and help to reduce this inequality.
<i>Younger people</i>
<ul style="list-style-type: none"> • Shared ownership purchasers are more likely to be young people aged between 25 and 34 when compared to those in this age group within the target market. It is likely that the benefit to this age group would be increased by improving the delivery, affordability and quality of intermediate housing options. • Investing in conversions of shared accommodation to intermediate homes for key workers where there is evidence of need may have a negative impact on this group, as most key workers in London are aged between 35 and 60.
<i>Older people</i>
<ul style="list-style-type: none"> • Older people are less likely to benefit from investment in affordable housing aimed at encouraging home ownership, and shared ownership purchasers are less likely to

Protected characteristic

include households headed by someone aged over 55, when compared to the target market. Supporting the delivery of other intermediate housing tenures could lead to increased supply of other tenures which may be more accessible to this age group, for example Discount Market Sale (DMS) may be more accessible for older people with relatively large deposits.

- Londoners aged 35-49 and 50-59 are the most likely to work in a key worker occupation, with 30 per cent of employed Londoners in these age brackets employed in a key worker role⁴⁵ and so could benefit from efforts to convert shared accommodation to intermediate homes for key workers, and to prioritise intermediate homes for key workers, where there is evidence of this need.

Disability

- Households containing people with disabilities are more likely to experience poverty. While this means that low cost rent homes may be more appropriate than intermediate homes in meeting the needs of these households, proposals which help to maintain or increase the supply of intermediate homes may benefit people with disabilities as the cross-subsidy generated by intermediate housing that can be invested in accessible homes at social rent levels.
- In addition, households within the target market including someone who is disabled are less likely to be shared ownership purchasers, so the proposals to improve the affordability of this product (for instance, by freezing the income cap and by requiring investment partners to sign up to the Shared Ownership Charter for Service Charges) may help to widen access to this group.
- 30 per cent of employed Londoners with a work-limiting disability are employed in a key worker role⁴⁶ and so could benefit from efforts to convert shared accommodation to intermediate homes for key workers, and to prioritise intermediate homes for key workers, where there is evidence of this need. However, given that households containing people with disabilities are more likely to experience poverty, they may be negatively impacted if such conversions entail an increase in housing costs.

Gender reassignment

- The very limited availability of data makes it difficult to reliably assess potential impacts of potential policy interventions on those who are proposing to undergo, undergoing or have undergone a process (or part of a process) for the purpose of reassigning their sex. To the extent that trans Londoners are captured within the data on LGBTQ+ people set out in Section Two of this EqIA, they are likely to experience impacts identified below for LGBTQ+ Londoners.

⁴⁵ GLA, [Briefing: Covid-19 socio-economic risk factors in London](#), June 2020

⁴⁶ Ibid

Protected characteristic
<p>Pregnancy and maternity</p> <ul style="list-style-type: none"> The limited availability of specific data on this group makes it hard to identify impacts, beyond those that affect households including children.
<p>Race</p> <ul style="list-style-type: none"> Black, Asian and minority ethnic (BAME) groups are more likely to experience poverty and are disproportionately affected by overcrowding. While this means that low cost rent homes may be more appropriate than intermediate homes in meeting the needs of these households, proposals which help to maintain or increase the supply of intermediate homes may benefit this group as the cross-subsidy generated by intermediate housing that can be invested in homes at social rent levels. This is likely to benefit some households headed by someone with a BAME ethnicity background. This is because 42 per cent of BAME-headed households living in the private rented sector have a household income below £30,000 (and would therefore be unlikely to afford intermediate homes). In comparison, only 30 per cent of households in the private rented sector with a household income below £30,000 are headed by someone of a White ethnic background⁴⁷. In addition, BAME ethnicity households within the target market are less likely to be shared ownership purchasers, so the proposals to improve the affordability of this product (for instance, by freezing the income cap and by requiring investment partners to sign up to the Shared Ownership Charter for Service Charges), and the proposals to increase the transparency and clarity of intermediate housing allocations, may help to widen access to this group. Some ethnic groups, particularly Black and ethnically Indian Londoners, are more likely to work in a key worker job than White Londoners and so may be more likely to benefit the conversion of shared accommodation to intermediate homes for key workers, and policies to prioritise intermediate homes for key workers, where there is evidence of this need. However, given that Black, Asian and minority ethnic (BAME) groups are more likely to experience poverty, they may be negatively impacted if such conversions entail an increase in housing costs.
<p>Religion or belief</p> <ul style="list-style-type: none"> The limited availability of data on the extent to which those who hold a particular religion or belief, including no religion or belief, are subject to particular housing problems, makes it difficult to reliably identify potential impacts. However, to the

⁴⁷ GLA analysis of household by tenure, ethnicity of household head and gross household income band in London from 2015/16 to 2018/19, based on Households Below Average Income data.

Protected characteristic
<p>extent that households with some religious beliefs – including Buddhists, Hindus, Sikhs and Muslims – are more heavily represented among London’s BAME population, they are likely to experience impacts identified for those from BAME backgrounds above.</p>
Sex
<ul style="list-style-type: none"> • Women stand to benefit from efforts to improve the affordability of intermediate homes, because there are a number of indications that they are more likely to experience poverty. Data suggests that shared ownership purchasers are more likely to be female-headed households in comparison to the target market, suggesting that this group is already benefiting from intermediate homes. • However, some women may experience less of a positive impact of intermediate housing delivery, as low cost rent homes might be more appropriate for their needs. However, they may benefit from the cross-subsidy generated by intermediate housing that can be invested in homes at social rent levels. They may also benefit from any proposals to try and mitigate the impacts of Government policy initiatives on the supply of existing and new affordable homes, in particular homes at social rent levels. • Employed female Londoners (34 per cent) are much more likely to work in a key worker occupation than employed male Londoners (25 per cent)⁴⁸ and so may be more likely to benefit from efforts to convert shared accommodation to intermediate homes for key workers, and policies to prioritise intermediate homes for key workers, where there is evidence of this need. However, given that women are more likely to experience poverty, they may be negatively impacted if such conversions entail an increase in housing costs.
Sexual orientation
<ul style="list-style-type: none"> • There is an absence of data on the extent to which those who identify as LGBTQ+ experience difficulties covering housing costs or occupy particular types of housing. However, there is evidence that those who are LGBTQ+ may experience discrimination when seeking to rent or buy a home. In addition, LGBT Londoners are more likely to have experienced homelessness than non-LGBT Londoners, and are more likely to face discrimination and/or domestic abuse, which may mean that they are likely to form a new household with a distinct housing need. • Proposals which help to maintain or increase the supply of intermediate homes and therefore increase overall affordable supply (via cross-subsidy) could benefit these households and help to reduce this inequality.

⁴⁸ GLA, [Briefing: Covid-19 socio-economic risk factors in London](#), June 2020

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