

Intermediate housing

Part 1 Consultation Response Report

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**Greater London Authority
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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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