

Report on the Mayor's consultation on proposals for Key Worker Living Rent Homes

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1. Introduction

Purpose of this report

1.1. This report summarises responses to the Mayor's consultation on his proposals for Key Worker Living Rent (KWLR) homes. It sets out whether and how the Mayor's plans reflect those responses. It's accompanied by, and should be read with:

- an Equalities Impact Assessment (EqIA), which assesses the impact of the Mayor's plans for KWLR homes on Londoners with characteristics protected by the Equality Act 2010
- a Planning and Housing Practice Note that summarises the Mayor's plans for KWLR homes.

Both are available at <https://www.london.gov.uk/key-worker-living-rent-homes>, alongside this report.

Background

1.2. The Mayor has developed proposals for KWLR homes. These will be genuinely affordable homes with rents linked to key workers' incomes. Delivering homes of this tenure will fulfil his manifesto pledge, of "building new Rent Control homes ... [with] rents capped and linked to the incomes of key workers." He committed to deliver 6,000 of these homes across London. His proposals are available at <https://www.london.gov.uk/key-worker-living-rent-homes>. He consulted on them between 25 November 2024 and 3 March 2025.

1.3. The Mayor's consultation focused on securing stakeholders' insights, to help him hone his proposals. It asked 19 questions, available at Appendix 1, on specific aspects of the proposals; and invited further comments. The Mayor explained that he welcomed and would consider all responses, but was especially keen to hear from:

- key workers who need homes that are genuinely affordable for them
- institutions that employ, and organisations that represent, key workers
- providers and developers of both affordable and market housing, who he'll work with to deliver KWLR homes; and organisations that represent them
- local planning authorities (LPAs) and planning consultants, who will receive, consider and advise on applications to develop these homes.

- 1.4. The Greater London Authority (GLA) publicised the Mayor's consultation accordingly. The Deputy Mayor for Housing and Residential Development emailed partner organisations in these categories, as well as London Assembly Members, think tanks, academics and campaigning organisations. GLA officers asked groups and networks to share information about the consultation with members. They also presented, and sought comments on, the Mayor's proposals at meetings attended by these partners.
- 1.5. The Mayor received 47 written responses from a range of respondents, most of them organisations. Appendix 2 shows respondents by type. Appendix 3 lists all organisations that responded.

The structure of this report

- 1.6. Chapters 2 to 9 have the same themes as sections of the Mayor's proposals for KWLR homes. Each chapter covers a theme; summarising the key points of respondents' answers to questions the Mayor's consultation asked, along with comments made in meetings that GLA officers attended as part of the consultation. (Appendix 4 shows the number and types of respondents that answered each question, relative to all respondents.) These summaries are followed by the Mayor's responses, noting decisions between options on which he consulted, and changes to his proposals in view of respondents' feedback. Chapter 10 summarises those decisions and changes.

2. Key Worker Living Rent homes: what and why

Introduction

- 2.1. In this section of the proposals, the Mayor explained that he intends KWLR homes to be a form of intermediate rented housing. As such, they will be for households working and earning more than those with the lowest salaries or no earnings; but struggling to afford accommodation that meets their needs on the open market. This includes, in particular, key workers, as defined by the [list of key worker occupations that he issued in 2021](#), who need intermediate housing. The Mayor expects KWLR homes to help address the challenge of recruiting and retaining staff for London's key services.
- 2.2. The Mayor also outlined his expectation that KWLR homes will be distinct from his current preferred intermediate housing tenures: shared ownership and London

Living Rent (LLR). He envisages they will meet the needs of Londoners who may not:

- have money for the deposit shared ownership requires; or, even with rents at less than market level, be able to save towards one (as LLR tenants are expected to)
- want to own a home, or be in a position to do so. (This includes those who share a home with others, with whom they wouldn't necessarily envisage the long-term commitment of buying a home.)

Q1.a: considerations in making KWLR homes attractive to Londoners in need of intermediate housing, especially key workers

2.3. Respondents identified the following considerations as important.

Affordability

2.4. **Respondents' comments:** A large and varied proportion of respondents commented that KWLR homes need to be affordable to potential intermediate renters, including in the long term. Some – predominantly local authorities and organisations that employ or represent key workers – expressed concern about affordability for key workers on lower incomes. Some respondents flagged the need to keep service charges affordable.

2.5. **The Mayor's response:** Ensuring KWLR homes remain affordable for Londoners, especially key workers, is central to the Mayor's plans – alongside ensuring they're financially sustainable for those looking to invest in, develop and provide them. He will set rent and service charges from a starting point of 40 per cent of key workers' average net household income; this is in accordance with the 2021 London Plan's criteria for intermediate homes being affordable. Including service charges in benchmarks will ensure rising charges don't make homes unaffordable. As Chapter 5 outlines, the Mayor will vary benchmarks by borough, in line with market rents. He will review those resulting benchmarks, to ensure they're affordable. In line with this manifesto commitment, he will cap any that exceed either:

- 80 per cent of average market rents in the borough
- the maximum housing costs that derive from the income threshold for intermediate rent.

Finally, he will limit annual increases in rent and service charges to CPI plus 1 per cent.

2.6. The Mayor recognises that not all key workers will be able to afford a KWLR home; some need social rented homes. He remains committed to increasing their supply. The Mayor has also strengthened provision for homes for sharers in his plans for KWLR homes. This creates an option for single key workers unable to afford their own home, such as nurses or early-career teachers. Chapter 6 provides further detail.

Location

2.7. **Respondents' comments:** A large proportion of respondents, of all types, commented that KWLR homes must be near the workplaces of the Londoners for whom they're intended; and/or have good public transport connections. Some noted this is especially important for shift workers and some key workers (e.g., social workers, community healthcare workers) who work in multiple locations.

2.8. **The Mayor's response:** The Mayor's London Plan recognises the importance of building good-quality, affordable homes in sustainable locations. His commitment to working with organisations and institutions that employ key workers to deliver KWLR homes should help ensure they're developed near workplaces. The Mayor anticipates that stronger provision for KWLR homes for sharers will make the option of developing them more attractive to employers (such as NHS trusts) that want to deliver or refurbish homes for staff to share (sometimes known as 'cluster flats').

Security of tenure

2.9. **Respondents' comments:** Several respondents (mostly housing associations and private developers) identified security of tenure as important in making KWLR homes attractive to Londoners who need intermediate housing. Some raised concerns about whether tenants might lose their homes if they cease to be in a key worker occupation; and/or their household income increases above the threshold for intermediate rent.

2.10. **The Mayor's response:** In the Mayor's proposals for KWLR homes, he explained that he wants tenants to be able to stay in their homes in either of these scenarios. Chapter 6 explains that this remains a key feature of his plans – other than where tenants occupy their homes by virtue of working for a particular organisation or institution.

Q1.b: considerations in making KWLR homes attractive to developers seeking to build intermediate housing

2.11. Respondents identified the following considerations as important.

Certainty about initial and future rental income

2.12. **Respondents' comments:** Private developers, and some registered providers (RPs),¹ stressed the need for certainty about initial and future rent levels, so they can assess viability and attract investment. Some suggested that linking rent increases to inflation, and clarifying how the Mayor will update benchmarks, would help.

2.13. **The Mayor's response:** The Mayor intends that his method for setting rent and service-charge benchmarks for KWLR homes (covered in Chapter 5) is clear. The starting point is key workers' average net household incomes across London, adjusted to yield borough-level benchmarks. The Mayor considers this simpler and more transparent than the methodology for setting LLR benchmarks, which operate at ward-level and vary with ward-level incomes. The Mayor will allow providers to increase rents and service charges in line with CPI plus 1 per cent. He will not require them to re-set rents and service charges to current benchmarks when they re-let KWLR homes. He hopes this approach, including a familiar formula for rent increases, will help housing investors, developers and providers predict income.

Grant funding

2.14. **Respondents' comments:** Many housing associations, and some local authorities and private developers, identified grant funding as essential to make KWLR homes viable. They asked the Mayor to clarify how much he will provide. They assessed that KWLR homes may require more than LLR homes, because providers won't secure income from sales; and because they anticipated that rent and service-charge benchmarks will be lower for KWLR than LLR homes.

2.15. **The Mayor's response:** The Mayor published funding guidance for his new [Social and Affordable Homes Programme \(SAHP\) 2026-36](#) in November 2025. This confirms that he will support KWLR homes through this programme. As the proposals on which the Mayor consulted recognised, he appreciates that investment partners (IPs) may need more grant for KWLR homes than LLR or shared ownership homes, because they won't receive income from selling shares of the homes. However, although rent and service-charge benchmarks for KWLR homes are not (as some respondents anticipated) consistently lower than those for LLR. The Mayor is also confident that, even where benchmarks for KWLR homes are lower, developing them will give investors and developers confidence of income that increases over time, as well as being affordable for tenants over time. They will be able to increase rents and service charges at CPI plus 1 per cent annually, with no requirement to re-set them to current benchmarks when they re-let homes.

¹ In this report, "RP" refers to both housing associations and local authorities, as providers of affordable housing subject to the Regulator of Social Housing.

2.16. In the [emergency measures to support housebuilding](#), which he and the government announced in October 2025, the Mayor set out benchmark grant rates, including one of £140,000 per home for intermediate rent homes with rents at or below the benchmarks for LLR. The Mayor will use this benchmark rate when agreeing grant for KWLR homes from his 2021-26 Affordable Homes Programme (AHP) and the initial years of SAHP, subject to them meeting [his Accelerated Funding Route requirements](#). As SAHP progresses, the amounts of grant he is able to provide for KWLR homes will depend on the profile of the bids he receives. However, the funding guidance for SAHP indicates that the Mayor will prioritise funding KWLR homes over other intermediate rent homes.

Regular review of the income threshold

2.17. **Respondents' comments:** Respondents of all types, especially private developers, urged the Mayor to revise the household income threshold for intermediate rented housing regularly – potentially every year. They commented this would ensure KWLR homes are viable and will attract investment.

2.18. **The Mayor's response:** As the Mayor's proposals for KWLR homes note, the GLA keeps this threshold under review. It considers changes in incomes, and the affordability of homes, when preparing its Annual Monitoring Report (AMR) on the London Plan. While the Mayor was consulting on his proposals for KWLR homes, he issued a [Planning and Housing Practice Note on Accelerating Housing Delivery](#). It explained that the GLA anticipated increasing the threshold. The GLA will do so, through AMR 21, due to be published in late January 2026. Future versions of the benchmarks for KWLR homes will be capped using the threshold in place at the time.

Clarity on the relationship between KWLR and other intermediate rented tenures

2.19. **Respondents' comments:** Respondents requested clarity on how KWLR will fit with existing intermediate tenures, in particular, LLR. Some suggested KWLR should replace other tenures; others that developers should have flexibility to let homes as either KWLR or LLR.

2.20. **The Mayor's response:** The Mayor's proposals recognised the need for clarity on the relationship between the two tenures. He will seek to provide this through both his new London Plan. The funding guidance that he published for SAHP confirms that he will fund both KWLR and LLR homes, as well as intermediate rented home with rents and service charges set at LLR benchmarks, or other levels that meet the London Plan's requirements on the affordability of intermediate homes. Chapter 7 covers the relationship between KWLR and LLR further, including how they can meet different needs.

Clear, supportive planning policy and guidance

2.21. **Respondents' comments:** Private developers and RPs emphasised that planning policy needs to support KWLR homes clearly. Some suggested it fast-track schemes with a specific percentage of KWLR homes. Some requested clarity about Build to Rent providers delivering them. Some expressed concerns that, even if the Mayor's policy is clear, LPAs might not align local policies with it.

2.22. **The Mayor's response:** Chapter 3 considers comments on how the Mayor could ensure his planning policy and guidance support KWLR homes. The following address respondents' specific points above:

- The Mayor's established threshold approach to planning applications already covers different affordable tenures.
- The Mayor envisages planning decisions will be an important source of KWLR homes, including in Build to Rent developments. He is committed to exploring how to achieve this through his new London Plan.
- If the Mayor identifies and defines KWLR as a preferred tenure there, he anticipates that, as and when LPAs update their Local Plans, they will take this into account.

Q1.c: considerations in making KWLR homes attractive to providers seeking to manage and let intermediate housing

2.23. Respondents identified the following considerations as important.

Support with the administrative burden of a new tenure

2.24. **Respondents' comments:** RPs raised concerns about the demands of managing homes of a new tenure. They requested clear guidance on eligibility and allocation, including nominations. They noted that having to review tenants' incomes and occupations regularly would be onerous. Some respondents commented that managing multiple intermediate tenures is complex. Local authorities raised concerns about the Right to Buy potentially applying to KWLR homes they provide.

2.25. **The Mayor's response:** The Mayor does not anticipate that managing KWLR homes will differ significantly from managing other intermediate rented homes. Eligibility criteria and lettings processes will be the same. Providers won't need to assess tenants' ability and inclination to save, or review their income and occupation after letting the homes. So, they may actually need fewer resources than for allocating and managing LLR homes. The Mayor is sympathetic to local

authorities' concerns about KWLR homes being subject to the Right to Buy, and has raised this with government.

Certainty about rental income in the long term

- 2.26. **Respondents' comments:** As in the response to Q1.b, respondents highlighted concerns about long-term certainty on rents and service charges, including the impact of the household income threshold.
- 2.27. **The Mayor's response:** See paragraphs 2.13 and 2.17.

Grant funding

- 2.28. **Respondents' comments:** As in the response to Q1.b, respondents emphasised grant funding as essential to making KWLR homes viable. Some noted that these homes may require higher rates than other intermediate tenures.
- 2.29. **The Mayor's response:** See paragraphs 2.15 and 2.16.

Service charges and maintenance costs

- 2.30. **Respondents' comments:** Respondents, especially housing associations, warned that including service charges with rents might leave providers unable to afford essential services (such as energy and insurance); or, in the long term, essential maintenance. One suggested calculating and charging service charges separately.
- 2.31. **The Mayor's response:** The Mayor recognises housing providers face pressures from increases in costs such as utilities and insurance. However, he notes that KWLR tenants won't need to pay for as many services as leaseholders, including shared owners. This is because, as tenants, they are not liable for costs such as buildings insurance or maintaining communal areas. The Mayor anticipates this will mean providers are under less pressure to increase service charges for KWLR homes than they are with homes of some other tenures. More fundamentally, service charges are part of housing costs, so need to be considered when assessing affordability. This approach is in line with both the London Plan and the National Planning Policy Framework (NPPF).

3. Planning framework

Introduction

3.1. In this section of the proposals, the Mayor noted his assessment that KWLR homes are consistent with the NPPF. He recognised that, in GLA documents that guide London planning decisions, a clear definition of KWLR as a tenure type would help ensure clarity and consistency. He explained that, on this basis, he intends to refer to KWLR in planning guidance; and will consider the case for making it a preferred tenure in his new London Plan.

Q2: Adequacy of proposed steps to provide clarity for those seeking planning permission and assessing planning applications, and alternative or additional steps

3.2. Respondents expressed the following views.

Widespread support for including KWLR in planning policy and guidance

3.3. **Respondents' comments:** Close to two-thirds of respondents who answered this question supported a clear definition of KWLR being included in planning guidance. Some suggested this would promote consistent decision-making on applications to develop KWLR homes – including by enabling LPAs to readily incorporate them into local policies. They also suggested it would help developers secure planning consent for KWLR homes. Around half of these respondents explicitly supported KWLR homes featuring in a new London Plan, for similar reasons.²

3.4. Respondents felt defining KWLR in planning guidance and policy would usefully clarify its status, relative to other affordable and intermediate tenures. This point was made by those concerned that it might displace social housing, as well as those concerned that social housing might displace KWLR. Some respondents also suggested this clarification is important for a new intermediate tenure that stands alongside other more established and viable tenures.

3.5. A few respondents recommended that any definition covers the appropriate locations and sizes, eligibility and priority, and tenancy length for KWLR homes. Some urged the Mayor to relax some of his planning policy requirements – for example, design and space standards – for KWLR, to encourage development.

3.6. **The Mayor's response:** The Mayor plans to define KWLR in any planning guidance he issues. He intends that the Planning and Housing Practice Note on

² It's likely more than half did so, as some simply voiced support for steps the proposals outlined.

KWLR homes, which accompanies this report, will give developers and investors clarity. The Mayor has also noted respondents' feedback in relation to his new London Plan.

- 3.7. The Mayor's current London Plan policy already mandates including intermediate housing in development proposals; and ensures it cannot displace much-needed social housing. It is clear that, in residential developments, at least 30 per cent of affordable homes should be intermediate; and at least 30 per cent social rented. The borough determines the appropriate tenure for the remaining 40 per cent, in view of local need. The Plan also covers eligibility for intermediate housing and some of the considerations respondents identified that relate to all homes – for example, ensuring homes of an appropriate range of sizes. The Mayor's Practice Note on KWLR homes covers tenancy terms.

Strengthen expectations for boroughs to have allocations policies and systems for intermediate housing and to prioritise key workers

- 3.8. **Respondents' comments:** Some respondents – primarily private developers and housing associations – commented that the Mayor's proposals rely on boroughs having policies and systems to prioritise key workers for intermediate homes. Most urged the Mayor to require this, rather than just encouraging it. Some respondents queried how key workers would be prioritised in their absence; one asked whether providers could prioritise them independently of local authorities.
- 3.9. **The Mayor's response:** The Mayor expects boroughs and housing providers to have equitable processes for allocating intermediate housing. He encourages them to prioritise key workers. He set this out in a [Housing Policy Practice Note \(December 2021\)](#), which identifies key worker occupations; and a [Planning Practice Note \(March 2024\)](#).³ Draft [London Plan Guidance \(LPG\)](#) on affordable housing, which carries some material weight in decision-making on planning applications, reiterates this expectation. Draft LPG also encourages boroughs to set out any allocation processes, including priority for key workers, in section 106 agreements.
- 3.10. The Mayor recognises that not all local authorities currently have policies and systems for allocating intermediate housing; but he lacks the powers to oblige them to do so. The Mayor anticipates housing providers can prioritise key workers for KWLR homes, where a local authority has no system for allocating intermediate housing. He will make clear that he expects IPs to prioritise key workers for homes he funds. The Mayor will also amend the GLA's templates for section 106 agreements, to include provision for prioritising key workers for intermediate housing.

³ See the document 'Prioritising Key Workers for Intermediate Affordable Housing Planning Practice Note' under the heading 'Practice Notes'.

Concerns about the relationship between Mayoral and local planning policy

3.11. **Respondents' comments:** Some respondents – primarily developers and providers alert to risks of low demand or difficulty allocating homes – were concerned that London guidance or policy might curtail local flexibility. A few stressed that boroughs should be able to tailor affordable housing to local needs. Others, predominantly private developers, but also housing associations, expressed concern LPAs might not incorporate KWLR into local planning guidance and policy – as in the response to Q1.b.

3.12. **The Mayor's response:** The current London Plan gives LPAs flexibility about how much of the affordable housing they secure is intermediate, between a minimum of 30 per cent and maximum of 70 per cent. It also provides flexibility about the types of intermediate housing they secure, while identifying the Mayor's preferred tenures. The Mayor doesn't anticipate developers and providers will need flexibility specifically to address low demand for KWLR homes. Responses to his consultation, as well as his last Strategic Housing Market Assessment (SHMA) and the number of Londoners using the Mayor's [Homes for Londoners search platform](#), all suggest providers will be able to let KWLR homes readily. On boroughs incorporating KWLR into local policies, see paragraph 2.22.

Clarify securing KWLR homes through planning decisions

3.13. **Respondents' comments:** Some respondents recommended planning guidance clarify how LPAs secure KWLR homes through section 106 agreements, including whether they can do so in Build to Rent developments.

3.14. **The Mayor's response:** The Mayor anticipates LPAs securing KWLR homes through section 106 agreements as they do other intermediate affordable homes. The GLA will update templates for section 106 agreements to assist them. On Build to Rent providers, see paragraph 2.22.

4. Eligibility and allocation

Introduction

4.1. This section of the proposals explained that eligibility criteria that already apply to intermediate homes – both those set in planning policy and, where the Mayor funds homes, funding requirements – will apply to KWLR homes. The Mayor also outlined the London Plan's provision for boroughs and providers to set additional eligibility criteria. He noted that he strongly encourages them to use this to prioritise key

workers for intermediate housing. He explained that he anticipates boroughs and housing providers doing so will mean key workers benefit from KWLR homes. He highlighted the possibility of making allocating KWLR homes to key workers a condition of Mayoral funding to develop them. And he noted his hope that KWLR homes will be of interest to organisations and institutions that employ key workers, and want to develop or secure accommodation for them.

Q3: Insights on demand for intermediate housing from key workers and its role in supporting recruitment and retention

4.2. Respondents expressed the following views.

Key workers need intermediate housing – lack of it affects recruitment and retention

4.3. **Respondents' comments:** Respondents largely agreed that there's high demand for intermediate housing from key workers. They cited evidence including the registers of local authorities and housing providers; and surveys conducted by organisations that represent or employ key workers. Some respondents commented that some key workers – those on lower incomes and/or with children – struggle to afford intermediate housing. They were concerned that this may be the case with KWLR homes. Others flagged the impacts of unaffordable housing on key workers, including long commutes.

4.4. NHS employers, and organisations that represent NHS staff, emphasised the link between recruitment and retention issues and housing costs. They also cited surveys and assessments. Local authorities highlighted difficulties retaining staff in a range of key worker occupations, including teaching, social work and care work.

4.5. **The Mayor's response:** Respondents' comments confirm the Mayor's assessment that there's need for KWLR homes; and his view that boroughs and housing providers should prioritise key workers when allocating intermediate housing. On lower-income key workers, see paragraph 2.6.

The income threshold should not exclude households with two or more earners

4.6. **Respondents' comments:** Respondents raised concerns that the income threshold for intermediate rent may exclude couples who both earn, but still struggle with housing costs; and sharers who all earn. Some proposed varying the threshold for intermediate rent by household size; or aligning it with the threshold for shared ownership.

4.7. **The Mayor's response:** The Mayor recognises that some households whose incomes exceed the threshold for intermediate rent still struggle with housing costs; but he considers the threshold important. It means KWLR and other intermediate

rent homes go to those unlikely to secure social housing, but least able to afford a home on the open market. To ensure the threshold serves this purpose, he keeps it under review, considering incomes and housing costs when reviewing it (see paragraph 2.18). The threshold also helps LPAs secure intermediate homes for a range of the households who need intermediate housing.

- 4.8. The Mayor recognises the need for a slightly different approach for sharers, who don't form a household as defined under [section 258 of the Housing Act 2004](#) and related [Regulations](#); and don't pool incomes, as such households might. The London Plan doesn't address sharers living in intermediate homes. So, the Mayor is open to boroughs and providers allocating KWLR homes to sharers whose combined incomes exceed the threshold – provided they seek to allocate them to individuals who would struggle to afford a KWLR home on their own.

Diverse views on the sizes and types of homes needed

- 4.9. **Respondents' comments:** Some respondents reported rising demand for family-sized homes; others, consistently high demand for one-bedroom homes. Some noted that NHS employers value accommodation that new recruits can occupy in the short term.
- 4.10. **The Mayor's response:** Divergent assessments are likely to reflect variations in need, by location and cohort of potential tenants. The current London Plan seeks to ensure homes are of the sizes needed locally. The Mayor will consider this in his new Plan too. He will work with organisations and institutions that employ key workers to develop KWLR homes. He also anticipates that strengthening provision for sharers in his plans will help employers secure homes that they can use for staff, including on a short-term basis.

Q4: Additional measures the Mayor could adopt to support boroughs and housing providers to prioritise key workers for KWLR homes

- 4.11. Respondents expressed the following views.

Stronger requirements on allocating intermediate homes, including prioritising key workers

- 4.12. **Respondents' comments:** A range of respondents urged the Mayor to establish a stronger requirement, or further guidance, on allocating intermediate housing, including prioritising key workers. They considered this would help ensure key workers secure KWLR and other intermediate homes. Respondents suggested guidance could usefully mandate work to understand key workers' housing need; define key workers; and explain the place of the Mayor's [Homes for Londoners platform](#) in marketing homes. A couple requested clarity on whether the Mayor's expectation of prioritising key workers extends to re-lets.

4.13. The Mayor's response: See paragraphs 3.9 to 3.10 on prioritising key workers.

The Mayor already expects providers to advertise intermediate homes developed with Mayoral funding on his Homes for Londoners platform. This will apply to KWLR homes. He encourages providers to use it for marketing other intermediate homes too. On re-lets, the current London Plan states that local eligibility criteria should not apply when homes are re-let. He will seek to amend this in a new Plan, so key workers continue to benefit from KWLR and other intermediate rent homes beyond the first let.

Time-limiting prioritisation and allowing additional prioritisation are helpful

4.14. Respondents' comments: Some respondents identified the importance of local flexibility to give additional priority to particular key worker occupations. NHS organisations valued this for the staff of specific institutions or organisations. A range of respondents voiced support for a 'cascade' approach, whereby homes can be let to any eligible household, if they haven't been let to those given priority within a set period. For some, this related to being able to let homes developed on a particular institution's land in the absence of demand from its staff. One respondent suggested prioritisation should only apply for a month for intermediate rent, because letting homes is typically quicker than selling them.

4.15. The Mayor's response: The Mayor's existing policy provides for both these things. The London Plan states, "any local criteria ... should automatically cascade out to the London-wide eligibility criteria within three months to ensure that units are not left vacant." The Mayor considers that applying the same prioritisation period for all intermediate homes is clear and simple. Therefore, he isn't minded to set a shorter period for intermediate rented homes.

4.16. The Mayor's December 2021 Housing Practice Note explains:

"Where it is decided to incorporate key worker status into intermediate housing allocations policies, local authorities and housing providers may add to, or prioritise specific occupations within, the GLA's core list."

His 2024 Planning Practice Note reiterates this.⁴ It also highlights one of the scenarios respondents mentioned: "prioritising certain key worker occupations ... might, for example, be appropriate on housing development sites near a key worker institution." The Mayor will consider clarifying this in his new London Plan.

⁴ It states, "It is reasonable for priority to be given, among key workers, to those working in occupations where local public services and essential services are facing recruitment and retention issues."

Questioning current policy on prioritising key workers

4.17. **Respondents' comments:** A few respondents, mostly RPs, questioned prioritising key workers for intermediate housing, rather than focusing solely on income. Some suggested the GLA's list of key worker occupations is too extensive, and recommended limiting it to frontline staff – especially those in health and social care.

4.18. **The Mayor's response:** The Mayor firmly believes boroughs and housing providers should prioritise key workers for intermediate housing: his 2021 Housing Practice Note identifies this as "one way to ensure that London's affordable housing creates wide-ranging benefits for the city." Because prioritisation works in tandem with household income thresholds that determine eligibility, intermediate homes still go to Londoners who most need them. Time-limiting prioritisation means those who qualify for intermediate housing but aren't key workers can still secure it.

4.19. The Mayor doesn't intend to amend the GLA's list of key worker occupations. When he consulted on introducing it, respondents supported the proposal, subject to any list recognising a range of occupations – for example, teaching assistants and hospital porters, as well as teachers and nurses. The GLA's list is based on one established by the Office for National Statistics, to determine which children could attend school in-person during lockdowns. It contains additions the Mayor agreed with London's local authorities, trade unions and employers. While it's intended to cover all occupations essential to London's functioning, the Mayor's approach encourages boroughs and housing providers to add occupations to the list, or give additional priority to particular key workers, in line with local need.

There is value in standardising and centralising allocations

4.20. **Respondents' comments:** Several respondents – primarily private developers and housing associations – made suggestions about standardising or centralising aspects of allocating intermediate homes. A few advocated a London-wide register, or a single platform for advertising KWLR homes. Some respondents, especially NHS organisations, recommended the Mayor publicise KWLR homes to the Londoners they're intended to benefit.

4.21. **The Mayor's response:** The Mayor already plays a part in ensuring clear, consistent allocation of intermediate homes. First, he sets household income thresholds that determine eligibility. Second, he expects boroughs and providers to prioritise key workers for intermediate homes, using his list. Third, he provides the [Homes for Londoners platform](#). However, he's aware that meeting housing need is local authorities' responsibility, as part of their strategic housing function. He also recognises the importance of local authorities having some flexibility in the extent

and type of intermediate housing they secure or provide (see paragraph 3.12), and who they prioritise for homes (see paragraph 4.19).

Ensure key workers can move closer to their workplaces

- 4.22. **Respondents' comments:** A handful of respondents – primarily private developers – advocated the Mayor ensuring prospective tenants can move to homes near their workplaces, irrespective of where they live. A couple suggested he stop boroughs and providers from applying local-connection criteria when allocating KWLR homes.
- 4.23. **The Mayor's response:** Recognising boroughs should have some flexibility in who they prioritise for intermediate homes, the Mayor will not stop them prioritising local residents. He anticipates key workers may still be able to secure KWLR homes near their workplaces, where boroughs and providers set local-connection requirements. Requirements often include those who work locally. Even where they don't, key workers may be able to secure homes once the time-limit on prioritisation has elapsed; or where boroughs don't have allocations policies for intermediate housing, but providers prioritise key workers (see paragraph 3.10). The Mayor hopes working with organisations and institutions that employ key workers to develop KWLR homes will also help key workers secure homes close to work.

Q5. The option of making allocation to key workers a condition of Mayoral funding for KWLR homes

- 4.24. Respondents expressed the following views.

This funding condition would be logical and benefit key workers and London's essential services

- 4.25. **Respondents' comments:** Most respondents indicated they'd support the Mayor making allocation to key workers a condition of his funding for KWLR homes. However, some questioned the principle of prioritising key workers. Those who supported the potential funding condition often noted the logic of ensuring homes benefit key workers. Some highlighted key workers' need or benefits to London's essential services.

- 4.26. **The Mayor's response:** The Mayor is convinced of the value of prioritising key workers for intermediate housing. He already strongly encourages boroughs and housing providers to do so; and will reiterate this where he funds them to develop KWLR homes. But he won't make prioritising key workers a condition of any funding, because of the risk (apparent in responses to Q2) that this deters delivery of KWLR homes in boroughs without policies or systems for allocating intermediate housing.

A funding condition would increase the complexity of intermediate housing

4.27. **Respondents' comments:** Some respondents supported prioritising key workers for intermediate homes, but questioned the value of a new intermediate tenure focused on them. Accordingly, they opposed the potential funding condition. Most suggested the Mayor could achieve similar benefits more straightforwardly, by requiring boroughs and providers to prioritise key workers for existing intermediate tenures.

4.28. **The Mayor's response:** The Mayor understands these comments are less about a potential funding condition, and more about how best to deliver intermediate homes for key workers. This is something the Mayor already seeks to do, by encouraging boroughs and providers to prioritise key workers for all intermediate homes. He recognises that KWLR will add to the range of intermediate tenures. He is convinced that, as a new tenure, it provides substantial, distinct benefits. For prospective tenants, it gives the option of renting affordably in the long term, including for sharers. For investors, developers and providers, it offers the prospect of steady income over time. In general, the Mayor considers there is value in different forms of intermediate housing to meet diverse needs – provided they are genuinely affordable. This is in line with his London Plan's criteria.

Support subject to time-limited prioritisation and scope for additional local prioritisation

4.29. **Respondents' comments:** Some housing developers and providers who supported the potential funding condition did so subject to prioritisation being time-limited. A smaller number endorsed it subject to local authorities being able to award additional priority to particular occupations.

4.30. **The Mayor's response:** Although the Mayor does not intend to make allocation to key workers a condition of his funding for KWLR homes (for reasons explained at paragraph 4.26), his existing policy provides for both these things.

A funding condition would require boroughs to have policies and systems for allocating intermediate housing

4.31. **Respondents' comments:** Echoing responses to Q2, some respondents noted that any funding condition would rely on boroughs having policies and systems for allocating intermediate housing. Some housing associations queried what would happen if they developed KWLR homes in boroughs without them. Some boroughs expressed concern about the demands of developing them; and suggested the Mayor resources them to do so.

4.32. **The Mayor's response:** The Mayor won't make allocating these homes to key workers a funding condition. This is partly to avoid deterring delivery of KWLR

homes in boroughs without such policies and systems. However, as paragraph 3.10 explains, he anticipates housing providers will be able to prioritise key workers in those boroughs.

Q6. Insights or suggestions on how the Mayor could work with organisations and institutions interested in providing or securing accommodation for employees, to support them to develop KWLR homes for staff

4.33. Respondents expressed the following views.

There's value in the Mayor working with organisations that employ key workers to deliver homes

4.34. **Respondents' comments:** Respondents often agreed there was value in the Mayor working with organisations that employ key workers – in particular, NHS organisations – to help meet key workers' need for housing, primarily by building homes on these organisations' land. Some highlighted joint working they're already undertaking. They often suggested the Mayor play a coordinating role, building on existing relationships with employers. Some recommended he support and incentivise organisations that employ key workers to develop KWLR homes. Some suggested this should extend to providing grant funding; or buying land for residential development, as he did with the St Ann's Hospital site.

4.35. **The Mayor's response:** The Mayor already supports public bodies that own land in London to deliver homes (including affordable homes) and identify opportunities to work together.⁵ Through this work, the Mayor will encourage them to deliver KWLR homes. He may only grant-fund RPs to develop affordable homes. But employers seeking to deliver homes can work with RPs, or explore registering as RPs, so they can access grant-funding. Whether the Mayor funds RPs to purchase land in future depends on future funding: the government has confirmed initial funding for a City Hall Developer Investment Fund. The Mayor will use this to enable progress on existing sites, where development has stalled, because that will mean homes can be completed quickly. He may use future funding to support land acquisition, where that's an effective route to securing new affordable homes.

There needs to be a clear approach to nominations for homes developed with employers

4.36. **Respondents' comments:** Some respondents emphasised the need for clarity about allocating homes developed with organisations that employ key workers. Some (primarily NHS organisations) recommended a model enabling these

⁵ Within the GLA Group, his team works with Transport for London, London Fire Brigade and the Mayor's Office for Policing and Crime to help them prepare strategies for their estates and to deliver projects that provide new homes. He also works with external public sector partners, including the NHS, directly and through One Public Estate.

organisations to nominate staff to homes. However, other respondents had concerns about avoiding a scenario where homes remain vacant.

4.37. **The Mayor's response:** The Mayor appreciates both imperatives, and considers his current approach accommodates them. It time-limits prioritisation for intermediate homes to three months, with a view to avoiding void periods; and encourages boroughs and housing providers to give additional priority to certain key workers, where local need merits this. See paragraph 4.16 on Mayoral policy supporting nominations agreements, whereby employees of a given organisation or institution receive priority for homes it has helped develop.

Work to develop understanding of key workers' need, to ensure that homes meet it

4.38. **Respondents' comments:** A few respondents countenanced the Mayor working with organisations that employ key workers, so as to improve understanding of key workers' housing needs – and thereby ensure KWLR homes better meet them.

4.39. **The Mayor's response:** As part of preparing a London Plan, the Mayor's team completes a thorough assessment of housing need (including for intermediate housing) via a SHMA. His team is currently undertaking one, which will inform policies in his new London Plan.

5. Rent setting and increases

Introduction

5.1. In this section of the proposals, the Mayor recognised the need to balance affordability and delivery – as well as the importance of a clear, transparent approach to rent setting and increases over time. He identified the existing policies that form the policy framework for setting rents and service charges for KWLR homes. He proposed 40 per cent of key workers' average net household incomes as a starting point for setting rent and service-charge benchmarks. He noted the option to adjust these, in line with borough-level market rents, to create borough-level benchmarks. The Mayor asked whether he should require providers to re-set rents and service charges to benchmarks when they re-let KWLR homes. Finally, he set out two alternative approaches to increasing rents: in line with CPI plus 1 per cent; or increases in key workers' incomes.

Q7: The framework of policies the Mayor identified as considerations when setting rent and service-charge benchmarks for KWLR homes

5.2. Respondents expressed the following views.

Increase and regularly review the household income threshold for intermediate rent

5.3. **Respondents' comments:** As in the response to Q1.b, most respondents urged the Mayor to increase and regularly review the household income threshold for intermediate rent. Private developers voiced concerns about the viability of homes, with rents and service charges capped at the maximum level that derives from this threshold. As in their responses to Q3, some respondents flagged that the threshold would leave households with more than one income (including sharers) ineligible for KWLR homes.

5.4. **The Mayor's response:** See paragraphs 2.17 and 4.7 and 4.8.

Cap rents and service charges at 80 per cent of market rates, in line with the NPPF requirement

5.5. **Respondents' comments:** Some respondents, especially housing associations, queried the Mayor setting benchmarks at less than the 80 per cent of market levels required by the NPPF. They suggested this would reduce the viability of KWLR homes, and inflate how much grant they need.

5.6. **The Mayor's response:** The primary basis for setting benchmarks for KWLR homes isn't discounting market rents, but rather, 40 per cent of key workers' average net household incomes. As paragraphs 5.21 and 5.23 explain, the Mayor's team will adjust London-wide benchmarks set at that level, in line with market rents in each borough, to encourage development of KWLR homes across London. Most benchmarks, set in this way, sit below the level at which the Mayor's proposals suggested capping them. The exception is benchmarks for smaller homes in, predominantly, outer London boroughs. The Mayor will cap borough-level benchmarks that exceed 80 per cent of average market rents in the borough, rather than – as he proposed – where they exceed 70 per cent. He considers capping benchmarks at a proportion of average market rents in a borough necessary to ensure that they comfortably meet the NPPF's requirement of affordable homes, and will continue to do so after routine rent increases.⁶ However, he considers doing so at 80 per cent of that level will ensure compliance with that requirement, and preserve affordability, while boosting the viability of smaller homes in outer London boroughs.

⁶ Although capping benchmarks at 80 per cent of average market rents in a borough might appear to place them at the maximum level the NPPF permits, the Mayor is confident they will remain below that maximum. This is because, in capping benchmarks, the Mayor uses average market rents in the borough, rather than data on market rents for comparable, newly-build homes – the approach developers and providers typically use when demonstrating that homes will meet the NPPF requirement.

Exclude service charges from caps

5.7. **Respondents' comments:** As in their responses to Q1.c, a few housing associations and private developers suggested excluding service charges from any caps on benchmarks.

5.8. **The Mayor's response:** See paragraph 2.31.

Q8: A potential starting point for setting rent and service-charge benchmarks

5.9. Respondents expressed the following views.

Cap benchmarks at 80 per cent of market rent to improve viability

5.10. **Respondents' comments:** Most respondents voiced concerns about the viability of KWLR homes with the rent and service charges proposed. They didn't question using 40 per cent of key workers' average net household incomes as a starting point for benchmarks, recognising this would promote affordability. Rather, they suggested improving viability by capping benchmarks at 80 per cent of market rents, rather than 70 per cent.

5.11. **The Mayor's response:** The Mayor's appreciates the challenge of balancing imperatives of affordability and viability. As paragraph 5.6 notes, most borough-level benchmarks are not affected by capping at a proportion of market rents: adjusting the London-wide benchmarks, based on key workers' average net household incomes, in line with average market rents in the borough yields benchmarks less than 70 per cent of market rents. As paragraph 5.6 also explains, when capping benchmarks, the Mayor will do so at 80 per cent of average market rents in the borough, rather than the 70 per cent he proposed. His rationale for this is boosting the viability of smaller homes in, predominantly, outer London boroughs.

Set benchmarks clearly and transparently

5.12. **Respondents' comments:** As in answers to Q1.b, most respondents – especially private developers and some RPs – stressed that a clear, transparent approach to setting rent and service-charge benchmarks will encourage investment and development. It will do so by enabling investors, developers and providers to project rental income over time confidently. They urged clarity and transparency about the methodology and data used, as well as the frequency of updates.

5.13. **The Mayor's response:** See paragraph 2.13. Appendices to the Practice Note on KWLR homes outline the methodology for establishing benchmarks, including the data used. The Mayor will publish updated benchmarks for each financial year before it begins, as he does for LLR.

Benchmarks should be based on a wider range of incomes and adjusted for some households less able to afford them

- 5.14. **Respondents' comments:** Respondents concerned about the affordability of KWLR homes to key workers with lower incomes made two specific recommendations about benchmarks. First, they suggesting including lower salaries in the incomes used to calculate them. Second, they suggested a range of benchmarks – with lower charges for those with lower or more stretched incomes; or those working in outer London and typically paid less than counterparts in inner London.
- 5.15. **The Mayor's response:** The Mayor is aware that the rents and service charges for KWLR homes, like any housing costs, may be experienced differently by different households. For example, single-income households or families may find housing costs more stretching. He anticipates that adjustments by the number of bedrooms and borough will smooth some of those variations: for example, single-person households, and those in many outer London boroughs, will pay less. However, he considers that varying rents and service-charge benchmarks in line with households' incomes and circumstances, would make them complex to administer and risk reducing supply. This would potentially risk more households paying higher prices in the private market.
- 5.16. The incomes used by the Mayor's team to calculate rent and service-charge benchmarks include those of nursing professionals (a cohort that respondents suggested might find KWLR homes unaffordable) and welfare professionals⁷ (whose average incomes are lower than those of nursing professionals). See also paragraph 2.6.

Benchmarks will hamper development of larger homes

- 5.17. **Respondents' comments:** Respondents expressed concerns that proposed benchmarks would make it hard to deliver larger KWLR homes. They highlighted modest variation between benchmarks for homes with different numbers of bedrooms, and identical benchmarks for three- and four- bedroom homes.
- 5.18. **The Mayor's response:** The Mayor wants to support investors, developers and providers to deliver KWLR homes of different sizes for different households, including larger homes for larger families. He notes his planning policy and approach to funding affordable homes have a part to play here. The London Plan is clear that developments should generally include homes of different sizes. His funding programme, meanwhile, provides scope to award more grant for larger

⁷ As noted in the appendices to the Mayor's proposals for KWLR homes, and the Practice Note that accompanies this report, this grouping includes social workers, probation officers, clergy and youth work professionals.

homes. In terms of the part benchmarks play, the Mayor will not increase the differences between benchmarks for one-, two- and three-bedroom homes. The methodology for calculating these is an established one, used for social rented and LLR homes. But he will use that methodology to make benchmarks for four-bedroom homes higher than those for three-bedroom homes. Table 1 shows the resulting London-wide figures. Although the benchmark for four-bedroom homes slightly exceeds 40 per cent of key workers' average net household incomes, it is well below both market alternatives and 40 per cent of the net amount of income used as the threshold for intermediate rent.

Table 1: London-wide monthly rent and service-charge benchmarks for KWLR homes, 2026-27

1-bed	2-bed	3-bed	4-bed
£1,156	£1,301	£1,445	£1,590

Q9: London-wide or borough-level rent and service-charge benchmarks

5.19. Respondents expressed the following specific views.

Varying benchmarks in line with local market rent will help make KWLR homes viable in higher-value areas, although perhaps not in all areas

5.20. **Respondents' comments:** Most respondents commented that adjusting London-wide benchmarks in line with local market rents, to provide borough-level benchmarks, would make KWLR homes more viable. They considered this adjustment would encourage investment in, and development of, KWLR homes in higher-value locations. Respondents saw distribution of KWLR homes across London as positive. They noted a concentration of NHS jobs in inner London, and many key workers' preference for living there. Some respondents judged the proposed variation by borough insufficient to make homes viable in all areas.

5.21. **The Mayor's response:** Making KWLR homes viable in a wider range of areas was the Mayor's primary rationale for the option of varying benchmarks by borough. He will set borough-level benchmarks using the methodology proposed (and outlined in the Practice Note that accompanies this report). He will not vary benchmarks more sharply, to preserve a close link between rents and service charges and key workers' incomes. Borough-level benchmarks are available in Appendix 5.

Adjusting benchmarks in line with borough-level market rents makes for greater variation in affordability

5.22. **Respondents' comments:** Respondents observed that borough-level benchmarks will mean the affordability of KWLR homes looks and feels different depending on their location. For example, tenants may find it easier to afford them in boroughs with lower market rents.

5.23. **The Mayor's response:** The Mayor recognises that there will be some variations in how affordable KWLR homes are to different households, depending on location. He judges this will promote affordability for outer London key workers, as paragraph 5.15 notes; and encourage development and even distribution of KWLR homes.

Q10: Whether the Mayor should expect providers to re-set rents and service charges to benchmarks when they re-let homes

5.24. Respondents expressed the following views.

Set rents and service charges at benchmarks at first let only, for certainty and simplicity

5.25. **Respondents' comments:** Some respondents, especially private developers, supported not requiring providers to re-set rents and service charges for KWLR homes to benchmarks at re-let. They argued it would help investors, developers and providers predict income, with assurance of steady growth. Conversely, they suggested the potential decreases in income associated with re-setting rents to benchmarks at re-let would deter development. Respondents also highlighted that doing so would complicate housing management. This is because they'd end up charging different rents for KWLR homes of the same size, in the same development, depending on turnover of tenants.

5.26. **The Mayor's response:** The Mayor recognises that the requirement to re-set rents and service charges for LLR homes to benchmarks, when they are re-let, has concerned potential investors, developers and providers. Their specific concern is that income may drop over time. To avoid any similar deterrent to developing KWLR homes, he won't require providers to do this when they re-let them. They may let them with rents and service charges at the level they have reached through annual increases. To ensure homes remain affordable, the Mayor will expect providers to keep rents and service charges below both 80 per cent of local market rents (reflecting the NPPF's requirement of affordable housing); and the maximum housing costs that derive from the income threshold for low-cost ownership.⁸ This is in line with the provision for flexibility in increasing rents over time, set out in his

⁸ At the moment, with an income threshold of £90,000, this is £2,100 a month.

[Planning and Housing Practice Note on Accelerating Housing Delivery \(December 2024\).](#)

Set rents and service charges at benchmarks at re-let for affordability

5.27. **Respondents' comments:** Some respondents, particularly local authorities, favoured requiring providers to re-set rents and service charges to benchmarks when they re-let homes. They noted this would help to keep them affordable, and preserve the close link between rents and key workers' incomes. They noted that, if the Mayor allows rents and service charges to increase at CPI plus 1 per cent, tenants would have some protection in the event of lower growth in key workers' incomes.

5.28. **The Mayor's response:** The Mayor recognises that requiring providers to re-set rents and service charges to benchmarks at re-let homes could promote affordability. But he also anticipates a boost to the supply of KWLR homes from not requiring them to do so – with the result that more key workers across London would access genuinely affordable housing. He considers this outcome justifies the approach. Setting a ceiling on increases (outlined at paragraph 5.26) will help safeguard affordability.

Q11: Increasing rents and service charges in line with key workers' incomes, or by CPI plus 1 per cent

5.29. Respondents expressed the following views.

Increases at CPI plus 1 per cent would provide familiarity and predictability

5.30. **Respondents' comments:** Many respondents who supported the Mayor permitting providers to increase rents and service charges by CPI plus 1 per cent identified benefits in the familiarity of this approach. They considered that investors, developers and providers would be able to predict rental and service-charge income more readily and accurately; and would have greater confidence that it would increase steadily over time. Some noted it would assure providers they would recover the costs of managing homes, insofar these are likely to increase in line with CPI. They also highlighted that consistency with rent increases for affordable homes of other tenures would simplify management.

5.31. **The Mayor's response:** The Mayor recognises the benefits of allowing providers to increase rents and service charges for KWLR homes using a familiar measure. So, as paragraph 2.5 indicates, he will permit them to raise these in line with CPI plus 1 per cent annually. The Mayor recognises this may mean that, in some circumstances, they rise faster than key workers' incomes – for example, if there is a period of restraint in public sector pay. However, he considers this risk is offset by

the likelihood more homes are developed, improving key workers' access to genuinely affordable homes. He also notes the protection provided by the ceiling outlined at paragraph 5.26.

Increases in line with key workers' incomes would keep KWLR homes affordable

- 5.32. **Respondents' comments:** Some respondents – mainly local authorities and organisations that represent key workers – supported the Mayor permitting providers to increase rents and service charges for KWLR homes, in line with increases in key workers' incomes. They noted this would ensure they remain affordable over time. They saw particular value in this if public sector pay is frozen, or increases by less than CPI. Several respondents flagged that, even with rent increases linked to key workers' incomes, tenants whose incomes don't increase much might struggle to afford rent and service charges.
- 5.33. These respondents recognised that, because income-linked rent increases are uncommon, the Mayor would need to set a clear methodology for calculating them. They suggested he publish and regularly update the data used to do so.
- 5.34. **The Mayor's response:** The Mayor recognises that allowing rents and service charges for KWLR homes to increase in line with key workers' incomes would promote affordability over time. However, he considers that the familiarity and predictability of increases at CPI plus 1 per cent will yield greater overall benefits to housing affordability, by encouraging delivery.

6. Tenancies and management

Introduction

- 6.1. In this section of the proposals, the Mayor noted that the Renters' Rights Bill would change the framework within which housing providers issue tenancies for KWLR homes. He explained he intends tenants to be secure in KWLR homes – including if their household income exceeds the threshold for intermediate rent, or they cease to be a key worker. He also explained his hope that KWLR homes provide an option for sharers.

Q12: Types of tenancy providers would be likely to use for letting KWLR homes

- 6.2. Respondents expressed the following views.

Concern about the impact of the Renters' Rights Bill on delivering and managing homes

6.3. **Respondents' comments:** Some housing providers and NHS organisations noted that, by making periodic tenancies the default, the Renters' Rights Bill will mean providers cannot end tenancies in either of the following cases:

- tenants' household income exceeds the threshold for intermediate rent
- they leave a key worker occupation (though one flagged the possibility of using employment-related possession grounds in the Bill).

They assessed this could limit the benefit that key workers in housing need, and their employers, derive from KWLR homes.

6.4. **The Mayor's response:** As his proposals make clear, the Mayor wants tenants to be secure in KWLR homes, including in either of the scenarios mentioned at paragraph 6.3, above. He considers that tenants should enjoy security similar to that of social renters and shared owners; and, once the Renters' Rights Act takes effect, private tenants. The Mayor does recognise that NHS and other public sector employers who develop, or support the development of, KWLR homes will want their staff to benefit. To be confident of this, the Mayor is open to providers using employment-related possession grounds in the Renters' Rights Act to seek possession of KWLR homes, where they have been let to tenants because they're employed in a specific key worker occupation or institution.⁹

KWLR homes should provide security for tenants

6.5. **Respondents' comments:** Some respondents – primarily private developers – agreed that tenants should have long-term security in KWLR homes. Some suggested tenants should retain their security where one tenant leaves a joint tenancy. Others noted the value of security in encouraging settled communities.

6.6. **The Mayor's response:** As paragraph 6.4 explains, the Mayor wants tenants to be secure in KWLR homes. To help ensure this is the case where unrelated sharers rent KWLR homes, the Mayor will encourage providers to issue each sharer an individual tenancy, rather than sharers holding joint tenancies. Where two or more members of an individual household hold a joint tenancy, the Mayor anticipates that landlords will determine an appropriate response in the event that one of the tenants leaves – for example, in instances of relationship breakdown or domestic abuse.

⁹ This could apply where an NHS trust has rights to nominate staff to KWLR homes that an RP is managing on land the trust has released for development; or on land where the trust has developed KWLR homes to provide several months' accommodation for new recruits.

Guidance would help providers allocate and manage KWLR homes

- 6.7. **Respondents' comments:** Some respondents, mainly local authorities, requested guidance on managing KWLR tenancies. They suggested it cover under-occupation; tenants becoming ineligible for KWLR homes; the Right to Buy, and the Right to Acquire; and whether local authorities may use KWLR homes to discharge a homelessness duty.
- 6.8. **The Mayor's response:** This report and the accompanying Practice Note outline the key features of KWLR homes. The Mayor is seeking clarification from government on whether the Right to Buy and the Right to Acquire apply to them; he will reflect this advice in his Capital Funding Guide. Beyond this, he expects housing providers to manage homes in line with their existing processes and extensive experience. It is outside his remit to judge whether KWLR homes meet the requirements related to accommodation that local authorities may use to discharge duties to households facing or experiencing homelessness.

Q13: Whether tenants should be able to remain in their homes if their household income exceeds the threshold for intermediate rent, or they cease to be a key worker

- 6.9. Respondents expressed the following views.

KWLR homes should be used by key workers who meet eligibility and priority criteria

- 6.10. **Respondents' comments:** Echoing responses to Q12, respondents who supported evicting tenants from KWLR homes in either of these circumstances considered this would help ensure KWLR homes served their purpose, meeting key workers' needs.
- 6.11. **The Mayor's response:** See paragraph 6.4. KWLR is intended to provide stability: the Mayor does not believe it is appropriate to evict people when their life circumstances change. The Mayor is comfortable that in some cases, due to people changing jobs, or the time-limited prioritisation for intermediate homes, some homes will be occupied by Londoners who aren't key workers.

Evicting tenants would adversely affect tenants and communities

- 6.12. **Respondents' comments:** A substantial minority of respondents supported tenants being able to remain in KWLR homes in either scenario identified in the question. They focused on the adverse impacts that evicting tenants would have on them (including potentially deterring career progression) and their communities. Some considered it unfair to evict tenants who cease to be key workers for reasons outside their control (such as caring responsibilities, illness, or redundancy). Others noted that those whose incomes exceeded the household income threshold for

intermediate rent might struggle to afford alternative accommodation. Some respondents thought tenants should have similar rights to social housing tenants and shared owners.

6.13. The Mayor's response: As paragraph 6.4 explains, the Mayor agrees.

There's scope to mitigate the adverse impacts of evicting tenants

6.14. Respondents' comments: Both respondents who supported tenants being able to remain in KWLR homes, in either scenario cited in the question, and those who didn't, recognised the potential adverse impacts of evicting tenants. These included those who might be evicted because their household incomes exceeded the threshold for intermediate rent struggling to afford alternative accommodation. Respondents suggested approaches that might help smooth any transition – for example:

- providing reasonable notice, and helping tenants to access alternative housing
- allowing tenants to remain in homes, where they have ceased to be key workers due to illness or caring responsibilities
- gradually increasing tenants' rents closer to market levels, rather than evicting them.

6.15. The Mayor's response: Providers gradually increasing the rents of tenants whose household income exceeds the threshold for intermediate rent, or who cease to be key workers, would be:

- at odds with the Mayor's intention that tenants are secure in KWLR homes
- onerous for landlords to administer
- problematic, in terms of planning and funding requirements for affordable homes to remain so in perpetuity.

The Mayor agrees that tenants asked to leave their homes, where employers or their partner landlords use employment-related possession grounds, should receive suitable notice. He anticipates legislation will ensure they do.

Obliging tenants to leave KWLR homes would be administratively burdensome for providers

- 6.16. **Respondents' comments:** Housing providers who agreed tenants should be able to remain in KWLR homes highlighted the administrative burden that any requirement to track changes in tenants' household incomes and/or employment would place on providers. They also noted that allowing tenants to remain would help minimise void periods.
- 6.17. **The Mayor's response:** The Mayor concurs, noting there was little support from RPs for a previous government's 'Pay to Stay' proposals, in part due to its operational demands.

Q14: Potential challenges of managing KWLR homes for sharers and possible approaches to managing them

- 6.18. Respondents expressed the following views.

Varying views on the principle of and demand for homes for sharers

- 6.19. **Respondents' comments:** Respondents expressed a range of views on the principle of offering affordable homes to sharers; a couple queried the demand for them. Some suggested they would benefit key workers early in their careers, noting that NHS trusts often seek to provide 'cluster flats'.
- 6.20. **The Mayor's response:** The Mayor recognises some single Londoners may choose to share homes; and that some with incomes well below the threshold for intermediate rent may need to share, for financial reasons. He's also aware some housing providers, including co-ops and employers, already provide homes for sharers, or are keen to do so. So, his plans for KWLR homes include homes for sharers. Because these aren't an alternative to homes for individual households, including families, the Mayor has set benchmarks for these homes that avoid disproportionately incentivising developers to provide them. But he is confident that KWLR homes for sharers meet a genuine need that intermediate housing hasn't addressed adequately until now.

Joint tenancies for sharers can be challenging to manage and precarious for tenants

- 6.21. **Respondents' comments:** Respondents considered that issuing joint tenancies to two or more tenants who aren't partners is likely to make for more frequent disputes between, and turnover of, tenants – for example, where one tenant does not pay their share of rent, or behaves antisocially. They noted that, where one tenant leaves, those remaining would be in a precarious position, having to cover rent and

service charges for the whole home. Several respondents assessed this would increase the risk of illegal subletting.

- 6.22. Respondents often suggested ways of managing these challenges. Some related to design – for example, providing some self-contained facilities for sharers and good acoustic insulation. Others involved clear processes – for example, a code of conduct for tenants, offering mediation in the event of disputes, and a clear procedure for managing tenancies when one tenant leaves.
- 6.23. **The Mayor's response:** Recognising respondents' concerns, as paragraph 6.6 notes, the Mayor suggests that, rather than let KWLR homes to sharers using joint tenancies, housing providers issue each sharer an individual tenancy. This will enable providers to ensure those who move into these homes, replacing tenants who leave, are eligible for intermediate housing.
- 6.24. To support this approach, the Mayor will set rent and service-charge benchmarks for KWLR homes for sharers. These will provide for charging more than when letting the same home to an individual household. This is because investors, developers and providers are likely to face some additional development, maintenance and management costs for these homes. For example, they might make bedrooms and kitchens slightly larger, or all bedrooms en suite; see more frequent turnover of tenants; or need to refurbish homes more often. However, the Mayor doesn't want to create an undue incentive to deliver homes for sharers. He also considers it reasonable that sharers pay proportionately less when sharing with more people. So, his benchmarks for sharers are based on:
 - increasing benchmarks for homes for individual households by:
 - 26 per cent for two-bedroom homes
 - 25 per cent for three-bedroom homes
 - 24 per cent for four-bedroom homes
 - dividing the resulting amounts by the number of bedrooms.

The resulting amounts are shown in Appendix 6.

The household income threshold must take account of sharers

- 6.25. **Respondents' comments:** As in replies to Q3 and Q7, respondents expressed concern that sharers would often exceed the household income threshold for intermediate rented homes – especially in homes let to three or more sharers.

6.26. **The Mayor's response:** See paragraph 4.8 on assessing sharers' eligibility. The Mayor also wants boroughs and providers to allocate KWLR homes for sharers to individuals who'd struggle to afford a KWLR home on their own. So, where he funds these homes, he will expect boroughs or housing providers to allocate tenancies to individuals with incomes no more than £50,000 a year.¹⁰ He'll keep this figure under review, given that intermediate rented homes for sharers are novel. He'll also increase it in line with any changes to the income threshold for intermediate rent.

7. Funding and viability

Introduction

7.1. In this section of the proposals, the Mayor explained he hopes to fund KWLR homes through his new SAHP; but will need to agree its terms with government. He also recognised that viability may present more of a challenge for KWLR homes than for LLR or shared ownership homes, because providers will not receive any income from sales.

Q15: Funding that investment partners might require to deliver KWLR homes, compared to social rented, London Living Rent or shared ownership homes

7.2. Respondents expressed the following views.

Sufficient grant funding is critical to get KWLR homes developed and incentivise IPs to develop them rather than other types of intermediate home

7.3. **Respondents' comments:** As in answers to Q1.a and Q1.b, respondents commented that sufficient grant is essential to make KWLR homes viable. They explained they are likely to require larger sums than for LLR homes; and highlighted specific factors they wanted the Mayor to consider when allocating grant. These included increases in development costs; and higher costs in some locations, and when building larger or wheelchair-accessible homes. They recognised that the amount of grant IPs need to develop KWLR homes depends on the level at which the Mayor sets benchmarks, and permits providers to increase rents and service charges. With these caveats, some respondents estimated these amounts.

¹⁰ Rents and service charges at London-wide benchmarks for a one-bedroom home would demand more than 40 per cent of the net income of an individual tenant earning just over £47,000 a year.

7.4. **The Mayor's response:** As paragraphs 2.15 and 2.16 and paragraph 5.18 state, the Mayor intends to support KWLR through his funding programme.

Q16: Assumptions about cost and viability for potential investors, developers and providers of KWLR homes

7.5. Respondents expressed the following views.

The framework for setting and increasing rent and service charges is crucial

7.6. **Respondents' comments:** Respondents' comments reflected views similar to those in responses to Q1.b and Q1.c, Q7, Q8, Q9, Q11 and Q15. They included the impact of the Mayor's approach to rent setting and increases on viability, the need for clarity in both, the risks of including service charges in benchmarks, and variations in development costs by location.

7.7. **The Mayor's response:** See paragraphs 2.13, 2.30, and 5.21 on how the Mayor intends to give clarity to investors, developers and providers, via his methodology for setting rent and service-charge benchmarks and provision for increases, including varying benchmarks by borough.

KWLR homes are likely to need grant funding, although institutional investment could also support development

7.8. **Respondents' comments:** Respondents' comments echoed responses to Q15, suggesting KWLR homes will only be viable with grant funding; and Q1.b, with requests for the Mayor to indicate how much grant he will allocate for KWLR homes. Several suggested institutional investment may help make homes more viable, noting that a long-term rent tenure and/or a focus on key workers may help attract it.

7.9. **The Mayor's response:** See paragraphs 2.15 and 2.16 on grant funding. As paragraph 2.13 explains, the Mayor has set rent and service charges, and provided for rent increases for KWLR homes, in ways intended to make them an attractive proposition for investors. The [London Growth Plan](#), developed by the Mayor and London Councils, recognises scope for institutional investment; and its value in boosting delivery of affordable homes and contributing to wider growth. The London Growth Plan commits to leveraging more institutional investment into the capital, including by exploring more public-private partnerships and using Local Government Pension Scheme pools.

Respondents want to have confidence about the levels of demand for KWLR homes

7.10. **Respondents' comments:** Some respondents indicated that investors and developers will want some assurance of strong demand for KWLR homes. A few

suggested the GLA could help by regularly increasing the income threshold for intermediate rented homes in line with Londoners' incomes.

7.11. **The Mayor's response:** See paragraph 3.12 on demand for KWLR homes and paragraph 2.18 on the household income threshold.

Other demands on resources may limit providers' capacity to develop KWLR homes

7.12. **Respondents' comments:** Respondents, especially RPs, highlighted pressures on their resources that make it difficult for them to develop or acquire new homes. They emphasised sharp increases in development costs; and the demands of complying with national policy on damp and mould, building safety, and retrofit.

7.13. **The Mayor's response:** The Mayor is acutely aware of challenges to developing new homes in general and affordable homes in particular. He has been working with partners to revive development – for example, through the measures outlined in his December 2024 [Planning and Housing Practice Note on Accelerating Housing Delivery](#), and [the package of emergency measures](#) that he and the government announced in October 2025. He intends that both his new funding programme, and his new London Plan, will play a part in the much-needed recovery of housing development.

8. Relationship to and future of London Living Rent

Introduction

8.1. In this section of the proposals, the Mayor considered whether, when it comes to new homes, KWLR should replace LLR as it currently exists. He outlined the background to LLR, including its relative youth as a tenure. The Mayor confirmed he will keep publishing LLR benchmarks for existing homes; and asked whether he should continue to actively promote LLR through his planning policy and funding programme.

Q17: Extent to which KWLR homes should replace LLR homes as the Mayor's preferred intermediate tenure

8.2. Respondents expressed the following views.

Specific elements of KWLR are welcome, as an addition to intermediate rent

- 8.3. **Respondents' comments:** Respondents often welcomed KWLR as an alternative to LLR – whether replacing or complementing it. They especially supported the absence of any expectation that tenants progress to home ownership, or that landlords sell homes; and KWLR's focus on key workers. On the former, they suggested homes for long-term rent would be more realistic and affordable for Londoners who need intermediate housing and less risky for developers, while providing permanent additions to London's intermediate housing.
- 8.4. **The Mayor's response:** The Mayor assesses there is value in an intermediate tenure for long-term rent – in terms of accessibility to Londoners; and attractiveness to investors, developers and providers, who he's aware have sometimes struggled to sell shared ownership homes in recent years.

Diversity in intermediate rent is welcome, so KWLR should sit alongside other tenures

- 8.5. **Respondents' comments:** Some respondents – primarily housing providers – considered KWLR should sit alongside other forms of intermediate rent that the Mayor's planning and funding policy support. Typically, they welcomed diversity in intermediate housing, as helping maximise supply and creating flexibility, including for boroughs, to meet different needs.

- 8.6. **The Mayor's response:** See paragraph 3.12.

Rather than making KWLR an additional tenure, the Mayor should incorporate welcome elements of his proposals into LLR, or replace LLR with KWLR

- 8.7. **Respondents' comments:** Other respondents – including housing consultants, developers and providers – did not object to KWLR itself, but thought a new tenure would unhelpfully complicate intermediate rent. They considered a proliferation of models of intermediate rent detrimental to investment and supply, and confusing for prospective tenants. Some suggested replacing LLR with KWLR; others, amending LLR to prioritise key workers and remove its pathway to home ownership.
- 8.8. **The Mayor's response:** The Mayor cannot amend LLR or otherwise simplify intermediate rent to mandate elements of his proposals for KWLR homes without changing his London Plan (where LLR is one of his preferred affordable tenures). By introducing a new tenure, which he will consider making a preferred tenure in a future London Plan, he can encourage investors, developers and providers to start building homes for long-term rent, with rents and service charges linked to key workers' incomes, ahead of issuing a new draft London Plan. More fundamentally, as paragraph 8.4 outlines, he considers there is value in supporting various types of

intermediate housing. On suggestions the Mayor require providers to prioritise key workers for LLR, he already strongly encourages this.

9. Other issues, including equalities impacts

Introduction

- 9.1. In this section of the proposals, the Mayor explained that he would assess the equalities impacts of his plans for KWLR, highlighting the data he intended to use and its limitations. In part because of the latter, he invited insights and intelligence on the potential impacts of KWLR homes on Londoners – in particular, key workers eligible for intermediate housing – with different protected characteristics, or combinations of them. As paragraph 1.1 explains, the Mayor has now undertaken this assessment and made it available with this report. It considers the equalities impacts of his plans, including those identified by consultation respondents, in full.
- 9.2. In this section of his proposals, the Mayor also encouraged respondents to highlight any other factors he should consider in developing his plans.

Q18: Additional factors the Mayor should consider in developing his plans for KWLR homes

- 9.3. Respondents expressed the following views.

A reporting framework will help assess the impact of KWLR homes

- 9.4. **Respondents' comments:** Respondents recommended regular reporting on KWLR homes, including progress towards annual targets for delivery. Some suggested reporting tenants' demographics and incomes; whether they are key workers; and the size of homes.
- 9.5. **The Mayor's response:** The Mayor will make KWLR homes a specific intermediate tenure in reporting on his new SAHP and reporting systems for planning applications. He will be able to monitor the size of KWLR homes being delivered through both. He won't introduce annual delivery targets – the number of homes started and completed through the Mayor's funding programmes varies from year to year, depending on the stage of the programme. Also, many factors in the overall number of KWLR homes that receive planning permission are beyond his control.
- 9.6. The Mayor is less well placed to establish who secures affordable homes, as both planning and funding decisions happen before they're let or sold. The government

does require RPs to record who rents or buys intermediate homes on the national Continuous Recording system (CORE). The Mayor's team will explore how that data could help establish who benefits from KWLR homes; and seek insights from IPs.

The success of KWLR homes will depend on key workers being aware of them

- 9.7. **Respondents' comments:** Some respondents commented that KWLR homes need to be promoted to key workers.
- 9.8. **The Mayor's response:** The Mayor's team is well connected with public sector employers and unions, and will work with them to promote KWLR homes.

Q19: Intelligence and insights on possible impacts of the Mayor's proposals on Londoners – in particular key workers eligible for intermediate housing – with different protected characteristics and combinations of them

- 9.9. Respondents expressed the following views.

Women could benefit from KWLR homes, but may struggle to afford them

- 9.10. **Respondents' comments:** Respondents noted women are more likely to struggle to secure housing they can afford, because they have, on average, lower incomes and are more likely to be single parents. They flagged that they're also over-represented in some key worker occupations, such as nursing and teaching. They suggested both factors mean women stand to benefit from KWLR homes.
- 9.11. Some respondents commented that rents linked to average incomes don't account for the gender pay gap; others said that KWLR homes must be affordable to single-parent families to ensure women benefit.
- 9.12. **The Mayor's response:** The Mayor is committed to ensuring KWLR homes are accessible to all Londoners who need them; and to helping make London a fairer, more inclusive city. He's noted these comments, and ensured they're reflected in the EqIA that accompanies this report. See also paragraphs 2.6 and 5.15.

Black, Asian and minority ethnic Londoners could benefit from KWLR homes

- 9.13. **Respondents' comments:** Respondents' comments about Black, Asian and minority ethnic Londoners were similar to their comments about women. They noted these Londoners are also more likely to struggle with housing costs; and are over-represented in some key worker occupations (for example, among the NHS workforce). They noted this means they may, therefore, benefit from KWLR homes.

9.14. **The Mayor's response:** The Mayor is committed to ensuring KWLR homes are accessible to all Londoners who need them; and to helping make London a fairer, more inclusive city. He's noted these comments, and ensured they're reflected in the EqIA that accompanies this report.

KWLR homes need to be accessible for disabled Londoners

9.15. **Respondents' comments:** Respondents emphasised that KWLR homes need to include accessible homes for disabled Londoners. Some expressed concern that the London Plan sets lower accessibility requirements for intermediate homes than social rented homes.

9.16. **The Mayor's response:** The Mayor is committed to ensuring KWLR homes are accessible to all Londoners who need them; and to helping make London a fairer, more inclusive city. He's noted these comments, and ensured they're reflected in the EqIA that accompanies this report. In his recent consultation, [Towards a New London Plan](#), the Mayor invited insights on options that might improve the supply of, or access to, accessible homes. Any new London Plan policy informed by these insights will apply to KWLR homes.

Young people and children may benefit from KWLR homes, though families may struggle to afford them

9.17. **Respondents' comments:** Respondents commented that young people often especially struggle to secure housing they can afford, so are likely to benefit from KWLR. Regarding children, respondents voiced concerns about single-parent families struggling to afford KWLR homes, and dual-income families potentially being ineligible for them.

9.18. **The Mayor's response:** The Mayor is committed to ensuring KWLR homes are accessible to all Londoners who need them; and to helping make London a fairer, more inclusive city. He's noted these comments and ensured they're reflected in the EqIA that accompanies this report. See also paragraphs 2.6 and 4.7.

Further comments

9.19. Respondents expressed the following views.

The principle of rent control

9.20. **Respondents' comments:** A few respondents registered diverse views on the principle of rent control, as the Mayor's proposals presented KWLR homes as "a form of rent control homes for Londoners" that meet a commitment in his manifesto.

9.21. **The Mayor's response:** The Mayor notes that the delivery of KWLR will provide new rent-controlled homes for key workers in London. He has consistently lobbied for the power to introduce rent controls in London, and continues to do so. He is using his powers to make housing in London more affordable, including by delivering KWLR homes.

10. Conclusion: summary of decisions

Introduction

10.1. This section summarises the decisions on, and amendments to, the proposals for KWLR homes on which the Mayor consulted.

Eligibility and allocation

Decisions

- Not to set a specific funding condition for KWLR homes that developers and providers should allocate these homes to key workers; but instead, encourage them to prioritise key workers for these homes.

Amendments

- To amend the GLA's template section 106 agreements to provide for prioritising key workers for intermediate housing.
- To allow IPs to allocate KWLR homes the Mayor funds to sharers whose combined income exceeds the household income threshold for intermediate rent – subject to the requirement immediately below.
- To expect IPs to allocate KWLR homes the Mayor funds to individuals with incomes no higher than a threshold for sharers – initially £50,000 a year.
- To seek to amend the exclusion of re-lets from local eligibility or priority criteria in a new London Plan. This is so key workers continue to benefit from KWLR and other intermediate rent homes beyond the first let.
- To consider clarifying, in the new London Plan, that the Mayor considers it appropriate to use his provision, to further prioritise key workers in certain occupations. This means giving staff from a specific organisation or institution

priority access to homes developed nearby. This includes, for example, homes developed by an NHS trust, or on land released by it.

Rent setting and increases

Decisions

- To set borough-level rent and service-charge benchmarks.
- To allow providers to increase rents and service charges annually, by no more than CPI plus 1 per cent.

Amendments

- To cap borough-level rent and service-charge benchmarks that reach this level at 80 per cent, rather than 70 per cent, of average market rents in the borough.
- To set a ceiling beyond which providers may not increase rents and service charges, over time. This will be 80 per cent of local market rents, in line with the NPPF's requirement of affordable housing; or the maximum housing costs that derive from the income threshold for low-cost ownership.

Tenancies and management

Decisions

- To seek clarity from the government on whether the Right to Buy applies to intermediate homes developed by local authorities.

Amendments

- To provide for housing providers to seek possession of homes where tenants change job – if their KWLR home is let to them by virtue of their employment by a particular organisation or institution.
- To make stronger provision for homes for sharers, specifically:
 - to set rent and service-charge benchmarks for sharers
 - to expect providers who wish to provide KWLR homes for sharers to issue separate tenancies to individual sharers, rather than joint tenancies.

Appendices

Appendix 1: Questions from the proposals for KWLR homes on which the Mayor consulted

Q1. What do you identify as the main considerations for the Mayor to ensure that KWLR homes will be attractive to:

- a) Londoners in need of intermediate housing, especially key workers
- b) developers seeking to build intermediate housing
- c) providers seeking to manage and let intermediate housing?

Q2. To what extent do you think that the steps set out at paragraphs 4.5 to 4.7 will provide clarity to developers and other housing providers seeking planning permission to develop KWLR homes, and/or local authority planning departments assessing such proposals?

If you do not think they will be sufficient to do so, do you think there are additional or alternative steps the GLA could take to ensure that the Mayor's planning framework is enabling to the delivery of KWLR homes?

Q3. Please share any insights you have on demand for intermediate housing and, in particular, intermediate rented homes, from key workers, as defined by the GLA's list of key worker occupations or local additions to it? This might include insights on the role of intermediate housing in supporting recruitment and retention, or on the profile of key workers seeking and securing intermediate housing. (Please also see question 19 below.)

Q4. Beyond the two Practice Notes and LPG on affordable housing described above, what more, if anything, could the Mayor do to support boroughs and housing providers to prioritise key workers for KWLR homes?

Q5. What do you think of the possibility that the Mayor makes allocating any KWLR homes he funds to key workers a condition of that funding (paragraph 5.8)?

Q6. Do you have any insights or suggestions on how the Mayor could work with organisations and institutions interested in providing or securing accommodation for employees to support them to develop KWLR homes for staff (paragraph 5.10)?

Q7. Please outline any comments or concerns you have about the framework of policies that the Mayor has identified as considerations when setting rent and service-charge benchmarks for KWLR homes (at paragraphs 6.5 to 6.10 above)?

Q8. What do you think about the potential starting point for setting rent and service charges presented at paragraphs 6.14 and 6.15 and Table 1, and why?

Q9. What do you think about as Options A and B, outlined at paragraphs 6.17 to 6.20 above, as approaches to rent setting, and why? In particular, what do you think of the link between rent and service charges for KWLR homes and local market rents that Options B allows, and why?

Q10. Do you think the Mayor should expect providers to set rents and service charges for KWLR homes at benchmarks when they re-let homes, or just when they first let them (see paragraph 6.21 above)?

Q11. What do you think about the potential approaches to permitted increases in rent and service-charge benchmarks for KWLR homes outlined at paragraphs 6.22 to 6.25 and illustrated in Table 2, and why?

Q12. Do you have any insights on or concerns about the types of tenancy that providers would be likely to use for letting KWLR homes (paragraph 7.1)?

Q13. To what extent do you agree that tenants of KWLR homes should not be obliged to leave their home if they cease to work in a key worker occupation and/or their household income increases above the threshold at which the household would be eligible for intermediate rented housing (paragraph 7.2) and why?

Q14. Are there particular challenges you anticipate providers might face as a result of letting KWLR homes, with joint tenancies, to households with two or more members who are not partners? If so, are there approaches that you recommend providers adopt to help them manage these challenges?

Q15. Do you have insights on how much funding IPs might require to deliver KWLR homes, relative to the funding needed to deliver social rented, LLR or shared ownership homes? Please set out the evidence that informs these insights.

Q16. What are the key assumptions about cost and viability that potential investors, developers and providers of KWLR homes would need to take into account?

Q17. To what extent do you think KWLR homes should replace LLR homes as the Mayor's preferred intermediate rented tenure, with rents linked to incomes? Please explain the reasons for your answers.

Q18. Is there anything else that you think the Mayor should consider in developing his plans for KWLR homes?

Q19. Please share any intelligence or insights you have on the possible impacts of the Mayor's initial proposals on Rent Control Homes, including different options set out in this document, on Londoners – and, in particular, London key workers who are eligible for intermediate housing – with different protected characteristics and combinations of those characteristics. (Please also see question 3 above.)

Appendix 2: Respondents to the Mayor's consultation on KWLR homes, by type

Respondent type	Number of responses	Percentage of responses
Councillor, Assembly Member or MP	2	4%
Housing association (or representative body)	9	19%
Housing or planning consultancy	2	4%
Individual	2	4%
Key worker employer (or representative body)	1	2%
Key worker professional body or union	1	2%
Local authority (or representative body)	13	28%
Private housing developer (or representative body)	12	26%
Other organisation	1	2%
Think tank or campaigning organisation	4	9%

Appendix 3: All organisations that responded to the Mayor's consultation on KWLR homes

Housing associations (or representative bodies)
A2Dominion
G15
HYELM
Notting Hill Genesis
Peabody
Places for People
RHP
Sage
Southern Housing
Local authorities (or representative bodies)
London Borough of Barking and Dagenham
London Borough of Bexley
London Borough of Croydon
London Borough of Ealing
London Borough of Hackney
London Borough of Hammersmith and Fulham
London Borough of Hillingdon
Royal Borough of Kensington and Chelsea
London Borough of Richmond

London Borough of Southwark
London Borough of Waltham Forest- Planning Policy team
London Borough of Wandsworth
Westminster City Council
Other housing developers
Bouygues Development
British Property Federation
Dolphin Living
Earls Court Development Company (Quod)
Imagine Living
Investment & White City Development, Imperial College London
John Lewis Partnership
Landsec (Quod)
Legal & General
NHS Property Services Ltd
Pocket Living
The Key 4 UK Cities
Think tanks and campaigning organisations
BusinessLDN
Generation Rent
London Housing Panel

London Tenants' Federation
Housing or planning consultancies
Global Apartment Advisors
Savills
Councillors, Assembly Members or MPs
London Assembly Housing Committee
Zoë Garbett AM
Key worker employers (or representative bodies)
Central London Community Healthcare NHS Trust
Key worker professional bodies or unions
Royal College of Nursing London
Other organisations
NHS London Healthy Urban Development Unit

Appendix 4: Respondents to each of the questions included in the Mayor's consultation, by type, compared to all respondents by type

Respondent type	All responses	Q1	Q2	Q3	Q4	Q5	Q6	Q7	Q8	Q9	Q10	Q11	Q12	Q13	Q14	Q15	Q16	Q17	Q18	Q19
Councillor, Assembly Member or MP	4%	4%	0%	3%	3%	3%	0%	3%	5%	3%	0%	5%	0%	0%	0%	3%	3%	3%	5%	
Housing association (or representative body)	19%	20%	22%	23%	21%	21%	24%	22%	21%	17%	19%	22%	26%	35%	24%	24%	25%	20%	21%	16%
Housing or planning consultancy	4%	2%	3%	3%	0%	0%	3%	3%	2%	3%	0%	2%	0%	6%	0%	3%	3%	3%	6%	5%
Individual	4%	4%	3%	5%	3%	3%	3%	6%	5%	3%	3%	5%	3%	0%	0%	0%	0%	3%	0%	5%
Key worker employer (or representative body)	2%	2%	0%	3%	3%	3%	3%	3%	2%	3%	0%	2%	3%	0%	0%	0%	0%	0%	3%	5%
Key worker professional body or union	2%	2%	3%	3%	3%	3%	3%	0%	2%	3%	3%	2%	0%	6%	3%	0%	0%	0%	3%	5%

Respondent type	All responses	Q1	Q2	Q3	Q4	Q5	Q6	Q7	Q8	Q9	Q10	Q11	Q12	Q13	Q14	Q15	Q16	Q17	Q18	Q19
Local authority (or representative body)	28%	28%	33%	31%	34%	32%	32%	33%	28%	34%	38%	27%	32%	24%	38%	34%	31%	31%	24%	47%
Private housing developer (or representative body)	26%	26%	31%	21%	29%	29%	21%	28%	26%	26%	28%	27%	32%	18%	28%	28%	31%	31%	26%	5%
Other organisation	2%	2%	3%	3%	3%	3%	3%	0%	2%	3%	3%	2%	3%	6%	3%	3%	3%	3%	3%	5%
Think tank or campaigning organisation	9%	9%	3%	8%	3%	5%	9%	3%	7%	6%	6%	5%	0%	6%	3%	3%	3%	6%	12%	5%

Appendix 5: Monthly borough-level rent and service-charge benchmarks for KWLR homes, 2026-27

Benchmarks are shaded orange where they are capped at 80 per cent of market rents in the borough; and blue where they are capped at the maximum housing costs that derive from the household income threshold for intermediate rent.

Borough	1-bed	2-bed	3-bed	4-bed
London	£1,156	£1,301	£1,445	£1,590
Barking and Dagenham	£1,065	£1,195	£1,293	£1,410
Barnet	£1,106	£1,238	£1,399	£1,574
Bexley	£972	£1,136	£1,287	£1,391
Brent	£1,120	£1,247	£1,386	£1,522
Bromley	£1,025	£1,167	£1,316	£1,506
Camden	£1,292	£1,469	£1,630	£1,750
City of London*	£1,398	£1,600	£1,750	£1,750
Croydon	£986	£1,144	£1,275	£1,440
Ealing	£1,144	£1,285	£1,436	£1,588
Enfield	£1,063	£1,192	£1,333	£1,461
Greenwich	£1,113	£1,245	£1,376	£1,506
Hackney	£1,270	£1,424	£1,563	£1,677
Hammersmith and Fulham	£1,266	£1,461	£1,602	£1,750
Haringey	£1,162	£1,301	£1,437	£1,581
Harrow	£1,068	£1,192	£1,339	£1,473
Havering	£969	£1,145	£1,284	£1,412

Hillingdon	£982	£1,151	£1,294	£1,435
Hounslow	£1,129	£1,259	£1,386	£1,538
Islington	£1,313	£1,470	£1,590	£1,750
Kensington and Chelsea	£1,506	£1,733	£1,750	£1,750
Kingston	£1,077	£1,221	£1,386	£1,507
Lambeth	£1,245	£1,396	£1,533	£1,707
Lewisham	£1,092	£1,218	£1,341	£1,458
Merton	£1,139	£1,272	£1,425	£1,573
Newham	£1,152	£1,280	£1,384	£1,443
Redbridge	£1,062	£1,186	£1,320	£1,460
Richmond	£1,170	£1,332	£1,505	£1,724
Southwark	£1,218	£1,370	£1,518	£1,646
Sutton	£974	£1,143	£1,293	£1,403
Tower Hamlets	£1,272	£1,406	£1,538	£1,608
Waltham Forest	£1,072	£1,197	£1,330	£1,421
Wandsworth	£1,258	£1,426	£1,565	£1,728
Westminster	£1,504	£1,730	£1,750	£1,750

*See the Practice Note that accompanies this report for an explanation of the methodology used to establish benchmarks for the City of London.

Appendix 6: Monthly rent and service charges benchmarks, per sharer, for KWLR homes for sharers, 2026-27

Borough	2-bedroom homes	3-bedroom homes	4-bedroom homes
Barking and Dagenham	£753	£539	£437
Barnet	£780	£583	£488
Bexley	£716	£536	£431
Brent	£785	£577	£472
Bromley	£735	£548	£467
Camden	£926	£679	£543
City of London	£1,008	£729	£543
Croydon	£720	£531	£446
Ealing	£810	£598	£492
Enfield	£751	£555	£453
Greenwich	£784	£573	£467
Hackney	£897	£651	£520
Hammersmith and Fulham	£921	£667	£543
Haringey	£820	£599	£490
Harrow	£751	£558	£457
Havering	£721	£535	£438
Hillingdon	£725	£539	£445
Hounslow	£793	£578	£477

Islington	£926	£663	£543
Kensington and Chelsea	£1,092	£729	£543
Kingston	£769	£577	£467
Lambeth	£879	£639	£529
Lewisham	£767	£559	£452
Merton	£802	£594	£488
Newham	£806	£577	£447
Redbridge	£747	£550	£453
Richmond	£839	£627	£534
Southwark	£863	£632	£510
Sutton	£720	£539	£435
Tower Hamlets	£886	£641	£498
Waltham Forest	£754	£554	£441
Wandsworth	£898	£652	£536
Westminster	£1,090	£729	£543

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