

# **Intermediate housing**

Equality Impact Assessment of GLA proposed policy  
responses in Part 1 of the GLA's Intermediate Housing  
Consultation Response Report

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# 1. Introduction and background

## Background

- 1.1. This Equality Impact Assessment (EqIA) reviews the potential impacts of policy changes which are recommended for implementation in the Part 1 of the GLA's Consultation Response Report following its consultation on intermediate housing which ran from August to October 2020 ("**the Consultation**")<sup>1</sup>.
- 1.2. Part 1 of the Consultation Response Report (CRR) focuses on consultation questions which relate most directly to the Homes for Londoners: Affordable Homes Programme 2021-26 (the new AHP) and recommends policy responses that primarily (although not exclusively) focus on the new AHP. It was necessary to prioritise dealing with these questions first, as a result of the Government requiring that the new AHP launches in November 2020. Responses to the remaining questions of the Consultation will be presented in a Consolidated Consultation Response Report (CRR), which will follow in due course. The questions considered in this first round of analysis and response are outlined in Appendix 1 of the Part 1 CRR.
- 1.3. This EqIA assesses the likely impacts of the proposed policy responses set out in the Part 1 CRR.

## Public Sector Equality Duty

- 1.4. Functions of the Greater London Authority (GLA) exercisable by the Mayor are subject to the "public sector equality duty" set out in section 149 of the Equality Act 2010. In exercising these functions, the Mayor, like all public bodies, must have "due regard" to the need to:
  - eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010;
  - advance equality of opportunity between persons who share a protected characteristic and persons who do not share it; and
  - foster good relations between persons who share a protected characteristic and persons who do not share it.
- 1.5. The GLA policy responses identified in the Part 1 CRR are designed to help the Mayor further meet his policy objectives in relation to the delivery of genuinely

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<sup>1</sup> GLA, [Consultation on Intermediate Housing](#), August 2020

affordable homes, with a specific focus on intermediate housing. These objectives, which are outlined in the [2018 London Housing Strategy](#), were also shaped with due regard to the public sector equality duty.

## Equality Impact Assessment

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

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<sup>2</sup> GLA, [London Housing Strategy: Impact Assessment](#), May 2018

## 2. General housing baseline data

- 2.1. This baseline data draws on the data contained in the LHSIA, including some updates to the data where they are available, as well as data included in *Housing Research Note 5: Intermediate Housing: the evidence base* (IHRN)<sup>3</sup> which accompanied the Consultation.

### Supply and affordability

- 2.2. The affordability pressures<sup>4</sup> that result from a long-term undersupply of homes of all tenures, and particularly affordable homes, in London (see chapter two of the London Housing Strategy) are one important respect in which housing impacts a range of those with particular protected characteristics and the relations between different groups.
- 2.3. Groups of Londoners who share some particular protected characteristics are more likely to experience poverty, which is both a cause and a symptom of them struggling with the cost of housing. Specifically:
- Londoners from Black, Asian and Minority Ethnic (BAME) backgrounds are more likely to live in poverty than those from a White background: 39 per cent of BAME Londoners live in poverty after housing costs, compared to 21 per cent of White Londoners<sup>5</sup>.
  - Insofar as those with some religious beliefs – Buddhists, Hindus, Sikhs, and particularly Muslims<sup>6</sup> – are more heavily represented among London's BAME population, they too may be more likely to live in poverty.
  - Deaf and disabled residents are also more likely to be living in poverty: 36 per cent of Londoners who live in families where someone is disabled

<sup>3</sup> GLA, [Housing Research Note: Intermediate housing: The evidence base](#), August 2020

<sup>4</sup> After accounting for housing costs, 2.4 million Londoners live in relative poverty (with a household income below 60 per cent of the national median). This is equivalent to 28 per cent of the population, compared with 21 per cent in the rest of England. A third of Inner London residents live in poverty. Housing is a significant cause of these high rates of poverty in London; poverty rates almost double after housing costs are considered. GLA, [London Plan: Integrated Impact Assessment: Consultation Document](#), November 2017. Property wealth in London is extremely unequally distributed, with around half of households owning nothing. Meanwhile, the wealthiest 10 per cent each own property worth an average value of around £1 million. Greater London Authority analysis of Households Below Average Income data (End User dataset)

<sup>5</sup> GLA analysis of Households Below Average Income data (End User dataset)

<sup>6</sup> GLA analysis of Office for National Statistics (ONS) 2011 Census

are living in poverty after housing costs, compared to 26 per cent of those in families where no-one is disabled<sup>7</sup>.

- Young people are more likely to be unemployed: the unemployment rate for London young adults is 2.7 times higher than for adults aged 25-64<sup>8</sup>. Young Londoners also face higher housing costs than older groups (partly because the latter are less likely to be renters): those aged 16-29 or 30-49 spend an average of 29 per cent of their net income on housing costs, compared to 24 per cent for 50-64 year olds and 17 per cent for those aged 65 or more.<sup>9</sup>
- Although the overall poverty rate for working-age men and women in London is similar (26 per cent for women compared to 25 per cent for men)<sup>10</sup>, women are disproportionately likely to be economically inactive<sup>11</sup>, low paid<sup>12</sup>, and/or subject to the poverty that affects single parent families<sup>13</sup>. 54 per cent of all London's single parent families (of whom the vast majority are single mother families) live in poverty, compared to 31 per cent of couples with children<sup>14</sup>.
- Although specific data on housing affordability is not available for those who are pregnant or have given birth within the last 24 weeks (the pregnancy and maternity characteristic), this group may be more likely to disproportionately experience economic inactivity, low pay and/or poverty as many women are forced to leave their jobs because of harassment and discrimination during pregnancy, maternity leave and on their return to work. Issues include being turned down for flexible working, missing out on a promotion and being put under pressure to hand in their notice<sup>15</sup>. These issues are likely to contribute to affordability problems in areas of high housing costs such as London.

2.4. The Centre for London recently reported that LGBT+ Londoners are more socioeconomically polarised than other Londoners, as they are more likely to report both being financially comfortable and in poverty<sup>16</sup>. There is also evidence that those who are LGBTQ+ are more likely to experience discrimination when seeking

<sup>7</sup> GLA analysis of Households Below Average Income data (End User dataset)

<sup>8</sup> GLA analysis of Office for National Statistics (ONS) Annual Population Survey for 2019

<sup>9</sup> Resolution Foundation, [Intergenerational audit for the UK: Data dashboard](#), 2020

<sup>10</sup> GLA analysis of Households Below Average Income data (End User dataset)

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

<sup>12</sup> 58 per cent of low paid jobs in London are carried out by women. Moreover, the biggest group among the low paid in London is female part-time employees, who account for 31 per cent of all low paid Londoners. Ibid.

<sup>13</sup> 53 per cent of all London's single parent families live in poverty, and 97 per cent of those parents are female. Ibid.

<sup>14</sup> GLA analysis of Households Below Average Income data (End User dataset)

<sup>15</sup> EHRC, [Pregnancy and Maternity – Related Discrimination and Disadvantage](#), December 2015

<sup>16</sup> Centre for London, [How do LGBT+ people experience life in the capital?](#), July 2020

to rent or buy a home<sup>17</sup>. Although not specifically related to the affordability of housing, this does suggest that those who are LGBTQ+ can be at a disadvantage in a competitive housing market.

## Housing tenure

- 2.5. The disproportionate extent to which those with some protected characteristics struggle to afford housing is one factor in their uneven distribution across housing tenures – and consequently the extent to which they access or experience particular problems associated with different tenures. Home ownership and social housing are the most secure tenures, but there are significant barriers to accessing each of them – high buying costs in the case of home ownership and the rationing of scarce lettings to the households most in need in the case of social housing. The rapidly growing private rented sector is the least secure and the least affordable of the main tenures. These shifts in tenure have had particular impacts on certain groups.
- 2.6. For example, the fall in home ownership among Londoners in recent decades has been most acute among younger Londoners. In 1990, 25 per cent of households in London headed by someone aged 16-24 and 57 per cent of those headed by someone aged 25-34 were homeowners. But by 2019, these figures had fallen to 5 per cent and 29 per cent respectively. There were less dramatic falls in the 35-44 and 45-54 age groups (69 per cent to 47 per cent and 71 per cent to 53 per cent respectively), while ownership rates were relatively stable for those aged 55-64 (going from 62 per cent in 1990 to 61 per cent in 2019) and increased for those aged 65 or more from 49 per cent to 67 per cent<sup>18</sup>.
- 2.7. There are also clear differences in tenure patterns between Londoners of different ethnicities. 39 per cent of households headed by someone of BAME ethnicity own their own home, compared to 58 per cent of households headed by someone of White ethnicity. 35 per cent of BAME-headed households live in social housing, compared to 17 per cent of White-headed households<sup>19</sup>. 26 per cent of both BAME and White households live in the private rented sector, but 53 per cent of privately renting BAME individuals are in relative poverty after housing costs, compared to 23 per cent of privately renting White individuals<sup>20</sup>.

## Housing need

- 2.8. The patterns of affordability and housing tenure set out above contribute to stark differences in housing need between different groups of Londoners. Among the clearest differences are those between Londoners of different ethnicity: for example,

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<sup>17</sup> Stonewall, [LGBT in Britain: Hate Crime and Discrimination](#), September 2017

<sup>18</sup> GLA, [Housing in London 2020](#), October 2020

<sup>19</sup> GLA analysis of Office for National Statistics (ONS) Annual Population Survey for 2019

<sup>20</sup> GLA analysis of Households Below Average Income data (End User dataset)



households with a Black or Asian household head are 80 per cent more likely to be overcrowded than the London average, while households with a Black household head are around 150 per cent more likely to be owed a homelessness duty<sup>21</sup>.

- 2.9. There are also significant differences in some aspects of housing need by age: for example, an estimated 19 per cent of families in London headed by someone aged 16-29 are overcrowded, compared to 13 per cent of those headed by someone aged 30-49 and 8 per cent of those headed by someone aged 50-64<sup>22</sup>.
- 2.10. Female-headed households in London are more likely to be homeless: single mother families accounted for 25 per cent of all homeless households assessed as owed a prevention or relief duty in London in 2019/20, and single female households another 24 per cent (the remainder were couple households or those with three or more adults)<sup>23</sup>.
- 2.11. More broadly, a common theme is that low income households are more likely to find themselves in housing need, and the same therefore goes for those groups with typical incomes below the London average.

### Occupants of intermediate housing in London<sup>24</sup>

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

<sup>21</sup> GLA, [Housing in London 2020](#), October 2020

<sup>22</sup> Resolution Foundation, [Intergenerational audit for the UK: Data dashboard](#), 2020

<sup>23</sup> MHCLG, [Statutory Homelessness Annual Report, 2019-20, England](#), October 2020

<sup>24</sup> This section summarises the findings and analysis set out in the GLA [Housing Research Note: Intermediate housing: The evidence base](#), August 2020

<sup>25</sup> This category includes shared ownership purchasers who previously lived in homes owned by a Registered Provider, Local Authority or who were in temporary accommodation.

the private rented sector in London earning between £30,000 and £90,000<sup>26</sup>. This is because those earning between £30,000 and £90,000 are identified in *Housing Research Note 5: Intermediate Housing: the evidence base* as being most likely to be in some form of intermediate housing need or aspiration<sup>27</sup>. This group is referred to below as the 'target market'.

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

- 28 per cent of households in the target market were headed by a person aged between 25 and 34, and a further 28 per cent were headed by someone between 35 and 44. In comparison, 59 per cent of households purchasing shared ownership in 2017/18 were headed by a person aged between 25 and 34, and 27 per cent were headed by someone aged between 35 and 44. While 13 per cent of households in the target market were aged over 55, only 2.1 per cent of households moving into shared ownership in London were headed by a person aged over 55. This suggests that shared ownership purchasers are more likely to be aged between 25-44 and less likely to be aged over 55, when compared to the target market.
- 41 per cent of households in the target market were headed by women, and 59 per cent headed by men. In comparison, an equal share of households purchasing shared ownership in London in 2017/18 were headed by each sex. This suggests that shared ownership purchasers are more likely to be female-headed households when compared to the target market. A total of 5.1 per cent of households were headed by households with two members of the same sex, however comparative data for the target market is not available.
- 66 per cent of households in the target market were headed by someone of White ethnicity, and 34 per cent were headed by someone of BAME or

<sup>26</sup> This data is drawn from the Households Below Average Income dataset. Due to small sample sizes, this data is pooled from four years (2015/16 to 2018/19). The CORE data on shared ownership is drawn from CORE data from 2017/18, as published in *Housing Research Note 5: Intermediate Housing: the evidence base*. It should be noted that for certain characteristics where numbers of households with this characteristic are small (such as disability for instance) there may be some volatility in the data which means that comparisons with other years could affect results.

<sup>27</sup> While the Housing Research Note analysis suggests that households earning between £28,500 and £80,000 are most likely to be in some form of intermediate housing need or aspiration, it also notes that households earning between £80,000 and £90,000 might still be in intermediate housing need, where they are buying larger homes in more expensive areas or where they do not have the deposit to access the open market. As such, households earning up to £90,000 have been included in the analysis undertaken for this EqIA. The lower threshold of £28,500 has been rounded to £30,000.

mixed ethnicity. In comparison, 71 per cent of shared ownership purchasers in 2017/18 were headed by a person of White ethnicity, while less than a third (29 per cent) of households were headed by a person of mixed or BAME ethnicity. Among first time buyers on the open market, 66 per cent of first-time buyers between 2013/14 and 2016/17 were of White ethnicity<sup>28</sup>. This suggests that shared ownership purchasers are more likely to be headed by a person of White ethnicity and less likely to be headed by someone of BAME or mixed ethnicity when compared to the target market. It should be noted that White ethnicity in this context also includes people from non-British backgrounds, including many European nationals (further detail on non-UK nationals is provided below).

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

## Key workers

2.16. The consultation includes a chapter which considers how intermediate housing can better support the housing needs of key workers. While analysis on the protected

<sup>28</sup> GLA analysis of English Housing Survey data on first-time buyer households in London, pooled 2013/14 to 2016/17 datasets. Four years of data have been used to increase the sample size.

characteristics of key workers is constrained by both limited data and a lack of consensus on definitions, some analysis by the GLA based on the recent Government definition of key workers during Covid-19 is available to inform the assessment:

- 30 per cent of employed Londoners with a work-limiting disability are employed in a key worker role, and key workers in London are slightly more likely to have a disability as defined under the Equality Act than other workers<sup>29</sup>
- Some ethnic groups, particularly Black and Indian Londoners, are more likely to work in a key worker job than White Londoners<sup>30</sup>;
- 34 per cent of women in London work in key worker roles, compared to 25 per cent of men <sup>31</sup>
- Londoners aged 35-49 and 50-59 are the most likely to work in a key worker role, with 30 per cent of those within these age ranges employed in a key worker role<sup>32</sup>;
- 36 per cent of key workers in London are Hindu, 31 per cent Muslim and 29 per cent Christian. 27 per cent of key workers belong to another religion, while a further 27 per cent report having no religion<sup>33</sup>.

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

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<sup>29</sup> GLA, [Briefing: Covid-19 socio-economic risk factors in London, June 2020](#); GLA analysis of the 2019 Q4 Labour Force Survey.

<sup>30</sup> GLA, [Briefing: Covid-19 socio-economic risk factors in London, June 2020](#)

<sup>31</sup> Ibid

<sup>32</sup> Ibid

<sup>33</sup> Ibid

### 3. Analysis of equality impacts of proposed policy interventions

#### Delivery of intermediate housing

- 3.1. The London Housing Strategy<sup>34</sup> sets out the Mayor's ambition to increase the overall supply of genuinely affordable homes. While his priority is increasing the number of homes at social rent levels, the 2017 Strategic Housing Market Assessment (SHMA)<sup>35</sup> also identifies a need for intermediate homes.
- 3.2. While the proposed policy responses are largely focused on improving the affordability and accessibility of the tenure rather than on increasing delivery, improvements in these areas could help to ensure continued demand, and thereby lead to current supply levels being maintained, or potentially increased. This could have a wider impact on overall affordable housing supply, as some forms of intermediate housing such as shared ownership also provide cross-subsidy which is often used to support the delivery of low-cost rent homes.
- 3.3. In addition, following the report of the Housing Delivery Taskforce in July 2020, the consultation sought further views on what role intermediate housing should play in supporting the housing market as part of the recovery from the impacts of the Covid-19 pandemic. It also asked some specific questions on what more the Mayor could do to support the delivery of some specific types of intermediate housing, such as London Living Rent.

#### GLA proposed policy response outlined in Part 1 CRR

- The GLA will use the new AHP to promote London Living Rent and shared ownership - options for intermediate housing that aim to meet the needs of Londoners, while at the same time meeting the requirements set by the Government.
- The new AHP will operate on a competitive bidding rather than a fixed grant rate basis and so will be able to better reflect the costs of the delivery of different affordable housing tenures, including London Living Rent.
- The GLA expects investment partners to support LLR tenants into home ownership within ten years. Bids will be assessed accordingly and the GLA will

<sup>34</sup> GLA, [London Housing Strategy](#), May 2018

<sup>35</sup> GLA, [Strategic Housing Market Assessment](#), November 2017

seek to maximise the number of LLR homes that can be delivered through the programme, but partners are invited to discuss any flexibility they may require in this regard when bidding for funding through the new AHP.

*Potential positive impacts:*

- As set out above, improving the affordability and accessibility of intermediate housing could help to ensure continued demand, and thereby help to maintain or increase intermediate housing supply. This could benefit some groups who are in intermediate housing need whose protected characteristics may mean that they are more likely to struggle with housing costs in the private rented sector. For instance, although data suggests that women are more likely to be living in poverty, analysis set out in this EqIA shows that shared ownership purchasers are more likely to be female-headed households when compared to the target market. This suggests that intermediate housing could already be helping some women whose housing needs can be met appropriately by intermediate housing.
- For households who are disadvantaged due to protected characteristics who would be unlikely to afford intermediate housing, and would be more suited to homes at social rent levels, maintaining and potentially increasing intermediate housing supply could indirectly benefit them as it also helps to ensure continued delivery of homes at social rent levels via cross-subsidy. This is likely to benefit households headed by someone with a BAME or mixed ethnicity background. This is because 42 per cent of BAME or mixed ethnicity households living in the private rented sector earn below £30,000 (and would therefore be unlikely to afford intermediate homes). In comparison, only 30 per cent of households in the private rented sector earning below £30,000 are headed by someone of a White ethnicity background.
- The proposed GLA policy response to support intermediate housing delivery as part of recovery from the impacts of Covid-19 should have a broadly positive impact on those who share particular protected characteristics and are more likely to struggle with housing costs – this includes those from a BAME background, women, those living with a disability and young Londoners. This is because these proposals seek to maintain the supply of genuinely affordable homes through the new AHP.
- More broadly, increasing the overall supply of homes should help to ease the problems of overcrowding and homelessness, problems that result in part from the inadequate supply of homes and disproportionately affect those who share some protected characteristics. This includes Black or Asian, and female-headed households.



- The GLA also proposes a number of policy responses to support the delivery of London Living Rent, including a move away from fixed grant rates to a competitive bidding process which should better reflect the cost of delivering these homes, as well as providing some additional clarity on how LLR works as a Rent-to-Buy product. These homes provide a more affordable option for those who are struggling to pay market rents, as well as an opportunity for households to buy their own shared ownership home at a later date. Increasing delivery of these homes would be likely to have a positive impact on some groups in the target market who are currently less likely to be shared ownership purchasers in comparison to the target market, such as households headed by someone of a BAME or mixed ethnicity background.

*Potential negative impacts:*

- The SHMA makes clear that the greatest housing need in London is for low cost rented homes. The delivery of intermediate homes may therefore have less of a positive impact on some groups who are disadvantaged due to particular protected characteristics, for whom low cost rent homes would be more appropriate. This is likely to include some households headed by someone with a BAME or mixed ethnicity background. This is because 42 per cent of BAME or mixed ethnicity households living in the private rented sector earn below £30,000 (and would therefore be unlikely to afford intermediate homes). In comparison, only 30 per cent of households in the private rented sector earning below £30,000 are headed by someone of a White ethnicity background<sup>36</sup>.
- However, as highlighted in the LHSIA, the balance of affordable housing tenures delivered through the current AHP represents a balance between meeting different forms of need and maximising the overall delivery of affordable homes, within the context of national policy and available funding. The make-up of the new AHP reflects a similar balance of priorities and constraints, while additionally benefitting from funding to deliver social rented homes at scale. Notwithstanding this, the Mayor continues to work to mitigate this potential negative impact by making the case to government for a step-change in the amount of money available to London to deliver affordable homes, in particular those at social rent levels. In addition, as noted above the delivery of intermediate homes, in particular shared ownership homes, is likely to support the delivery of low cost rented homes through cross-subsidy.

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<sup>36</sup> GLA analysis of household by tenure, ethnicity of household head and gross household income band in London from 2015/16 to 2018/19, based on Households Below Average Income data.

## Affordability of intermediate housing

- 3.4. The IHRN highlights the extent to which intermediate housing meets particular types of intermediate housing need in London. However, it also outlines a number of existing challenges around the affordability of intermediate housing, in particular in relation to the open market value of and the fees and charges associated with shared ownership homes. The consultation sought views on measures which, if implemented, may go some way to tackling these challenges.

### GLA proposed policy response outlined in Part 1 CRR

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



*Potential positive impacts:*

- While the IHRN shows that the median household income of shared ownership purchasers is slightly above the median working age household income of Londoners, it also shows that shared ownership is much more accessible to Londoners than market housing, and that, overall, intermediate housing helps to meet the needs of those Londoners identified in the SHMA as needing intermediate housing.
- A number of the proposed GLA policy responses to improve affordability, including looking to strengthen planning guidance in relation to the maximum value of shared ownership homes, freezing income eligibility caps (see next section) and improving consistency and transparency of services charges and fees should help to widen access to intermediate housing for those groups particular protected characteristics who are more likely to struggle with housing costs, but who fall within the target market. These groups include households containing someone with a disability, or of a BAME or mixed ethnicity background, who have a household income of between £30,000 and £90,000.
- The forms of intermediate housing preferred by the Mayor (shared ownership and London Living Rent) may be more suitable for younger people, because of their emphasis on home ownership – something that may be more viable for those able to take out a mortgage over an extended period. As outlined earlier in this document, younger people are more likely to struggle with housing costs, and so may be likely to benefit from proposals to improve the affordability of intermediate housing. Analysis set out in this assessment shows that shared ownership purchasers are more likely to include households headed by someone aged between 25-34 when compared to the target market, suggesting that the tenure may already be helping this group. Proposals to improve affordability may help to maintain this effect.
- As set out above, improving the affordability of intermediate housing could help to ensure continued demand, and thereby indirectly help to maintain or increase intermediate housing supply. This could benefit some groups who are in intermediate housing need whose protected characteristics may mean that they are more likely to struggle with housing costs in the private rented sector. This includes those groups who appear to already be benefitting from intermediate homes, such as younger people and women, as well as those who could potentially benefit in future such as households including someone who is disabled, and/or households including someone of a BAME or mixed ethnicity background who have a household income of between £30,000 and £90,000.
- For households who share particular protected characteristics who would be unlikely to afford intermediate housing, and would be more suited to homes at social rent levels, maintaining and potentially increasing

intermediate housing supply could indirectly benefit them as it also helps to ensure continued delivery of homes at social rent levels via cross-subsidy. This includes those from a BAME background, women, those living with a disability and young Londoners.

*Potential negative impacts:*

- Analysis published in the IHRN comparing shared ownership purchasers in Inner and Outer London shows that a greater proportion of shared ownership purchasers in Inner London could not afford private rents (likely as a result of rents being higher in these areas). Proposed policy responses to improve the affordability of shared ownership homes across London, principally considering options to strengthen existing planning guidance around the value of shared ownership homes, may mean that fewer shared ownership homes are delivered in more expensive areas of London where the need for intermediate housing is greater. While some households may be able to/want to move to Outer London boroughs to access intermediate housing, some households – particularly those who need to be close to work or family – may be unable to, and therefore may be negatively impacted by lower delivery of intermediate housing in their area. These households may include key workers and so this could negatively impact on women (who are more likely to work in key worker roles than men) and Black and Indian Londoners (who are more likely to work in key worker roles than White Londoners).
- This risk could potentially be mitigated by delivering alternative forms of intermediate housing in these areas, such as London Living Rent. The GLA is proposing a range of policy responses to support delivery of these homes, which would likely be more affordable than shared ownership for some groups who share particular protected characteristics that place them at a disadvantage and are on lower incomes in more expensive parts of London. This includes those groups who appear to already be benefitting such as younger people and women, as well as those who could potentially benefit in future such as households including someone who is disabled, and/or households including someone of a BAME or mixed ethnicity background who have a household income of between £30,000 and £90,000.

## **Eligibility, prioritisation and allocation**

- 3.5. As outlined in the consultation document, there are many Londoners who are unlikely to benefit from homes at social rent levels but who still struggle with housing costs. Intermediate housing plays an important role in meeting the housing needs and aspirations of this group. However, there is little transparency or

consistency across London in how intermediate housing is allocated meaning that those who need it most might not always be aware of it, or able to access it.

#### **GLA proposed policy response outlined in Part 1 CRR**

- The GLA will continue to freeze income eligibility criteria for intermediate homes (£90,000 for shared ownership/other affordable home ownership and £60,000 for London Living Rent/ other intermediate rent). This will continue to be kept under review via the London Plan Annual Monitoring Report.
- The GLA will extend eligibility for LLR homes funded through the new AHP to all those who live or work in London and who either have a formal tenancy (e.g. in the private rented sector) or who are living in an informal arrangement with family or friends as a result of struggling with housing costs. This change will also apply to the Homes for Londoners: Affordable Homes Programme 2016-23 and this will be reflected in an update to the Capital Funding Guide.
- The GLA will consider any further changes to the resales process that are put forward by the Government in its technical consultation on the new shared ownership model, including how the process could be better explained to current and potential shared owners, taking into account the need to protect affordable housing stock.
- Do-it-yourself (DIY) shared ownership schemes will be eligible for funding through the new AHP (providing they meet the wider requirements of the programme).

#### *Potential positive impacts:*

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

who appear to already be benefitting from intermediate homes, such as younger people and women, as well as those who could potentially benefit in future such as households including someone who is disabled, and/or households including someone of a BAME or mixed ethnicity background who have a household income of between £30,000 and £90,000.

- Proposals to support shared owners to move to homes which are more suitable for their needs and increase understanding of the process relating to resales should help ensure that intermediate homes are accessed by those who would most benefit from them. This is also likely to benefit those groups identified in the bullet point above.

*Potential negative impacts:*

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

## Supporting London's key workers

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

### **GLA proposed policy response outlined in Part 1 CRR**

- The GLA is open to discussing with partners options for funding the conversion of shared key worker accommodation to intermediate homes

through the new AHP where it will result in net additional affordable homes and there is evidence of demand.

*Potential positive impacts:*

- Improving the quality of existing key worker accommodation could provide those with protected characteristics who are more likely to live in poor quality or overcrowded accommodation with a higher quality, more secure, home. In particular, this could benefit women (who are more likely to work in key worker roles than men) and Black and Indian Londoners (who are more likely to work in key worker roles than White Londoners).
- Improving the access of those in certain key worker professions to high quality affordable housing is likely to help address recruitment and retention challenges facing key public services. Having well-resourced public services could indirectly benefit those groups with protected characteristics who are more likely to experience ill health, be a victim of crime or experience lower educational attainment<sup>37</sup>. This includes the LGBT+ community, women, older people, disabled people and those from some BAME groups.

*Potential negative impacts:*

- Providing funding that focuses on investment in homes exclusively for key workers could potentially reduce the resource available to deliver intermediate housing for households who may be in greater intermediate housing need but who do not fit the definition of key workers. For instance, most key workers in London are aged between 35 and 60, however those Londoners between the age of 25-34 are most likely to need support to access affordable home ownership products. This could result in younger people having reduced access to intermediate homes. However, the level of funding provided through the new AHP for this purpose is likely to be limited and so any negative impacts are expected to be minimal.
- Some in occupations which could be defined as key workers may be more suited to homes at social rent levels (and data shows that those in key worker roles are more likely than those in other roles to live in social rented homes already). As such, these households may not benefit from delivery of and improvement to, intermediate housing.

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<sup>37</sup> GLA, [Inclusive London: The Mayor's Equality, Diversity and Inclusion Strategy](#), May 2018

## 4. Summary of impacts of policy proposals by protected characteristic

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

**Table 1: Summary of equality impacts by protected characteristics**

Protected characteristic
<b>Age</b>
<i>Children</i>
<ul style="list-style-type: none"> <li>Certain groups of children, including those from BAME backgrounds, disabled children and those for whom only one parent works, are at higher risk of living in poverty. While this means that low cost rent homes (which will also be delivered through the new AHP) may be more appropriate than intermediate homes in meeting the needs of these households, proposals which help to maintain or increase the supply of intermediate homes and therefore increase overall affordable supply including of homes at social rent levels (via cross-subsidy) - could benefit these households and help to reduce this inequality.</li> </ul>
<i>Younger people</i>
<ul style="list-style-type: none"> <li>Shared ownership purchasers are more likely to be young people aged between 25 and 34 when compared to those in this age group within the target market. It is likely that this benefit would be increased by improving the delivery, affordability and quality of intermediate housing options.</li> <li>Investing in conversions of shared accommodation to intermediate homes for key workers where there is evidence of need may have a negative impact on this group, as most key workers in London are aged between 35 and 60.</li> </ul>
<i>Older people</i>
<ul style="list-style-type: none"> <li>Older people are less likely to benefit from investment in affordable housing aimed at encouraging home ownership, and shared ownership purchasers are less likely to</li> </ul>

Protected characteristic
<p>include households headed by someone aged over 55, when compared to the target market.</p> <ul style="list-style-type: none"> <li>• Employed Londoners aged 35-49 and 50-59 are the most likely to work in a key worker occupation, with 30 per cent employed in a key worker role<sup>38</sup> and so could benefit from efforts to convert shared accommodation to intermediate homes for key workers, where there is evidence of this need.</li> </ul>
Disability
<ul style="list-style-type: none"> <li>• Households containing people with disabilities are more likely to experience poverty. While this means that low cost rent homes (which will also be delivered through the new AHP) may be more appropriate than intermediate homes in meeting the needs of these households, proposals which help to maintain or increase the supply of intermediate homes may benefit people with disabilities as the cross-subsidy generated by intermediate housing that can be invested in accessible homes at social rent levels.</li> <li>• In addition, households within the target market including someone who is disabled are less likely to be shared ownership purchasers, so the proposals to improve the affordability of this product may help to widen access to this group.</li> <li>• 30 per cent of employed Londoners with a work-limiting disability are employed in a key worker role<sup>39</sup> and so could benefit from efforts to convert shared accommodation to intermediate homes for key workers, where there is evidence of this need. However, given that households containing people with disabilities are more likely to experience poverty, they may be negatively impacted if such conversions entail an increase in housing costs.</li> </ul>
Gender reassignment
<ul style="list-style-type: none"> <li>• The very limited availability of data makes it difficult to reliably assess potential impacts of potential policy interventions on those who are proposing to undergo, undergoing or have undergone a process (or part of a process) for the purpose of reassigning their sex.</li> </ul>
Pregnancy and maternity
<ul style="list-style-type: none"> <li>• The limited availability of specific data on this group makes it hard to identify impacts, beyond those that affect households including children.</li> </ul>

<sup>38</sup> GLA, [Briefing: Covid-19 socio-economic risk factors in London](#), June 2020

<sup>39</sup> Ibid



Protected characteristic
<p><b>Race</b></p> <ul style="list-style-type: none"> <li>• Black, Asian and minority ethnic (BAME) groups are more likely to experience poverty and are disproportionately affected by overcrowding.</li> <li>• While this means that low cost rent homes (which will also be delivered through the new AHP) may be more appropriate than intermediate homes in meeting the needs of these households, proposals which help to maintain or increase the supply of intermediate homes may benefit this group as the cross-subsidy generated by intermediate housing that can be invested in homes at social rent levels. This is likely to benefit some households headed by someone with a BAME or mixed ethnicity background. This is because 42 per cent of BAME or mixed ethnicity households living in the private rented sector earn below £30,000 (and would therefore be unlikely to afford intermediate homes). In comparison, only 30 per cent of households in the private rented sector earning below £30,000 are headed by someone of a White ethnicity background<sup>40</sup>.</li> <li>• In addition, BAME or mixed ethnicity households within the target market are less likely to be shared ownership purchasers, so the proposals to improve the affordability of this product may help to widen access to this group.</li> <li>• Some ethnic groups, particularly Black and Indian Londoners, are more likely to work in a key worker job than White Londoners and so may be more likely to benefit the conversion of shared accommodation to intermediate homes for key workers, where there is evidence of this need. However, given that Black, Asian and minority ethnic (BAME) groups are more likely to experience poverty, they may be negatively impacted if such conversions entail an increase in housing costs.</li> </ul>
<p><b>Religion or belief</b></p> <ul style="list-style-type: none"> <li>• The limited availability of data on the extent to which those who hold a particular religion or belief, including no religion or belief, are subject to particular housing problems, makes it difficult to reliably identify potential impacts. However, to the extent that households with some religious beliefs belong disproportionately to BAME groups, they are likely to experience impacts identified for those from BAME backgrounds above.</li> </ul>
<p><b>Sex</b></p> <ul style="list-style-type: none"> <li>• Women stand to benefit from efforts to improve the affordability of intermediate homes, because there are a number of indications that they are more likely to experience poverty. Data suggests that shared ownership purchasers are more likely</li> </ul>

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



### Protected characteristic

to be female-headed households in comparison to the target market, suggesting that this group is already benefiting from intermediate homes.

- However, some women may experience less of a positive impact of intermediate housing delivery, as low-cost rent homes (which will also be delivered through the new AHP) might be more appropriate for their needs. However, they may benefit from the cross-subsidy generated by intermediate housing that can be invested in homes at social rent levels. They may also benefit from any proposals to try and mitigate the impacts of Government policy initiatives on the supply of existing and new affordable homes, in particular homes at social rent levels.
- Employed female Londoners (34 per cent) are much more likely to work in a key worker occupation than employed male Londoners (25 per cent)<sup>41</sup> and so may be more likely to benefit from efforts to convert shared accommodation to intermediate homes for key workers, where there is evidence of this need. However, given that women are more likely to experience poverty, they may be negatively impacted if such conversions entail an increase in housing costs.

### Sexual orientation

- There is an absence of data on the extent to which those who identify as LGBTQ+ experience difficulties covering housing costs or occupy particular types of housing.
- However, there is evidence that those who are LGBTQ+ may experience discrimination when seeking to rent or buy a home<sup>42</sup>.

<sup>41</sup> GLA, [Briefing: Covid-19 socio-economic risk factors in London](#), June 2020

<sup>42</sup> Stonewall, [LGBT in Britain: Hate Crime and Discrimination](#), September 2017

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