

MDA No.: 1693

Title: Housing Committee – Response to the Mayor of London’s Intermediate Housing Consultation

1. Executive Summary

1.1 At the Annual Meeting on 1 May 2013, the Assembly resolved that:

Authority be delegated to Chairs of all ordinary committees and sub-committees to respond on the relevant committee or sub-committee’s behalf, following consultation with the lead Members of the party Groups on the committee or sub-committee, where it is consulted on issues by organisations and there is insufficient time to consider the consultation at a committee meeting.

1.2 Following consultation with party Group Lead Members, the Chair is asked to agree the Committee’s response to the Mayor’s Intermediate Housing Consultation as attached at **Appendix 1**.

2. Decision

2.1 **That the Chair, in consultation with party Group Lead Members, agrees the Committee’s response to the Mayor’s Intermediate Housing Consultation, as attached at Appendix 1.**

Assembly Member

I confirm that I do not have any disclosable pecuniary interests in the proposed decision and take the decision in compliance with the Code of Conduct for elected Members of the Authority.

The above request has my approval.

Signature:



Printed Name: Sem Moema AM, Chair of the Housing Committee

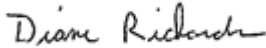
Date: 3 March 2025

3. Decision by an Assembly Member under Delegated Authority

Background and proposed next steps:

- 3.1 The exercise of delegated authority approving the report will be formally submitted to the Housing Committee's next appropriate meeting for noting.

Confirmation that appropriate delegated authority exists for this decision:

Signature (Committee Services): 

Printed Name: Diane Richards, Committee Officer

Date: 28 February 2025

Email: diane.richards@london.gov.uk

Financial Implications: NOT REQUIRED


Note: Finance comments and signature are required only where there are financial implications arising or the potential for financial implications.

Signature (Finance): Not Required

Date: Not Required

Legal Implications:

The Chair of the Housing Committee has the power to make the decision set out in this report.

Signature (Legal): 

Printed Name: Rory McKenna, Monitoring Officer

Date: 3 March 2025

Email: Monitoringofficer@london.gov.uk

Supporting Detail / List of Consultees:

- Lord Bailey of Paddington AM and Zoe Garbett AM (Deputy Chair)

4. Public Access to Information

- 4.1 Information in this form (Part 1) is subject to the FoIA, or the EIR and will be made available on the GLA Website, usually within one working day of approval.
- 4.2 If immediate publication risks compromising the implementation of the decision (for example, to complete a procurement process), it can be deferred until a specific date. Deferral periods should be kept to the shortest length strictly necessary.
- 4.3 **Note:** this form (Part 1) will either be published within one working day after it has been approved or on the defer date.

Part 1 - Deferral:

Is the publication of Part 1 of this approval to be deferred? **NO**

If yes, until what date:

Part 2 – Sensitive Information:

Only the facts or advice that would be exempt from disclosure under FoIA or EIR should be included in the separate Part 2 form, together with the legal rationale for non-publication.

Is there a part 2 form? **NO**

Lead Officer / Author

Signature: Sarah-Jane Gay


Printed Name: Sarah-Jane Gay

Job Title: Senior Policy Officer

Date: 28 February 2025

Email: sarah-jane.gay@london.gov.uk

Countersigned by Executive Director:

Signature: 

Printed Name: Helen Ewen

Date: 3 March 2025

Email: helen.ewen@london.gov.uk



Sem Moema AM
Chair of the Housing Committee

Sadiq Khan,
Mayor of London
Sent via email to housingstrategy@london.gov.uk

Response to the Key Worker Living Rent Homes consultation

03 March 2025

Dear Sadiq,

I am writing as Chair of the London Assembly's Housing Committee. Please accept this letter as our response to your Key Worker Living Rent Homes consultation.

Introduction

The GLA is currently consulting on the Mayor's manifesto commitment to build rent controlled 'Key Worker Living Rent' (KWLR) homes.¹ KWLR would be a form of intermediate housing. Intermediate housing is aimed at Londoners on ordinary incomes, who are unlikely to secure social housing but struggle to pay high private rents, and KWLR would be delivered alongside other intermediate products such as shared ownership. The Mayor proposes starting 6,000 KWLR homes by 2030.²

Intermediate housing is a priority issue for the London Assembly Housing Committee. The Committee regularly investigates the affordability, delivery, and resident experience of intermediate housing. Recent relevant investigations include Women and Housing, Young Londoners Access to Home Ownership, the annual Affordable Housing Monitor, and the current Leasehold and Service Charges investigation. This work will form the basis of this response.

The investigation into Leasehold and Service Charges is ongoing, therefore the Committee is unable to include recommendations related to this work at this stage. A report is expected in

¹ GLA Press release, [Mayor unveils plans for new rent-controlled homes to make housing more affordable for key workers in London](#), 25 November 2024

² Ibid

late spring 2025. This forthcoming report should be considered alongside this document as the Committee's submission to the Mayor's consultation on Key Worker Living Rent Homes.

The Committee has considered the GLA's proposals and is writing here to respond to specific questions in the consultation on which it has received relevant evidence.

Background

Intermediate housing delivered by the Mayor mainly consists of:

- **Shared ownership** – buyers own a share of the property, for example 25 per cent, and pay rent on the remaining share, which is owned by a housing association. Over time shared owners may purchase further shares in the property.
- **London Living Rent (LLR)** – rents and service charges are benchmarked and based on local incomes. Tenants are encouraged to save whilst paying discounted rent, with a view to purchasing a home (potentially via shared ownership) after 10 years.
- **London Affordable Rent** – rents are benchmarked and generally slightly higher than social rent. This tenure was the main form of low-cost rent delivered by the GLA during the 2016-2023 Affordable Homes Programme.³

The Housing Committee previously responded to the 2020 Mayor of London Consultation on Intermediate Housing, which first proposed prioritising key workers for intermediate accommodation in London.⁴ At that time the Committee set out that it did not support key worker 'core lists', and that eligibility and allocation should be based on income. This was due to concerns around:

- the definition of key workers;
- the potential for certain groups – such as self-employed people – being excluded from the list;
- the need for a 'key worker list' to be regularly updated in order to meet changing understandings of which roles are 'key';
- adding an administrative burden to councils.

The Committee concluded:

“[F]ocus for intermediate housing allocation policies should be on income, targeting support to intermediate earners, rather than on arbitrary definitions of key workers. This by extension would include a substantive majority of essential workers, many of whom are on this level of income, and provide clarity that very low-income

³ London Assembly Housing Committee, [Affordable Housing Monitor 2024](#), September 2024

⁴ London Assembly Housing Committee, [Response to the Mayor of London's Consultation on Intermediate Housing](#), October 2020

earners who are key workers should be allocated social rented housing, rather than key worker intermediate housing. **The GLA should avoid imposing a 'core' list.**"⁵

In 2021 the Mayor published an extensive key worker core list, going beyond the Office for National Statistics list.⁶ Since then, the Mayor has encouraged local authorities in London to use his list when developing intermediate housing registers.⁷

The Committee welcomed the recognition of a broader range of key workers. However, the Committee still holds some concerns about considering occupation alongside income in housing allocations, both in terms of burden on councils and in terms of equity of access for Londoners.

The Mayor has since reiterated his intention to take forward a Key Worker Living Rent Homes (KWLR) policy. The Committee acknowledges this decision and will work with the Mayor to deliver the best possible product for Londoners.

Consultation questions

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

The Committee's Young Londoners Access to Home Ownership investigation explored Londoners' priorities for home ownership including intermediate housing products. 'Young' was defined in the investigation as under 40 years of age. The response to this question will focus on shared ownership as the key affordable housing product offered by the Mayor of London to young people; LLR is explored in the response to question 17 of this consultation response.

The Committee heard that in terms of shared ownership, there are longstanding and well-known issues with the tenure, such as high costs, challenges with 'staircasing',⁸ remortgaging, quality issues, and the imbalance of shared owners being responsible for 100 per cent of the repairs when only owning a portion of the property (such as 25 or 50 per cent).⁹

As part of this investigation the Committee ran a survey to better understand Londoners' experiences of the tenure. Respondents explained their concerns;

⁵ London Assembly Housing Committee, [Response to the Mayor of London's Consultation on Intermediate Housing](#), October 2020

⁶ GLA, [Allocating intermediate homes to London's key workers](#), December 2021

⁷ GLA, [Public consultation on Key Worker Living Rent as a form of rent control homes for Londoners](#), November 2024

⁸ The term 'staircasing' is used to describe where shared owners buy a bigger share of the property. For example, a shared owner who has started with a 25 per cent stake may buy a further 25 per cent and then own 50 per cent of the property.

⁹ London Assembly Housing Committee, [Young Londoners' Access to Home Ownership](#), March 2024

“At the beginning I thought it was useful, now I realise that I am trapped in a scheme that will not support me moving on to full ownership.”

“Too far weighted towards the housing association over the buyer. My service charge has more than doubled since 2015. I can't sell due to cladding issues and high service charge. Housing association will not help or buy back my share.”

“I bitterly regret buying into it. It is not affordable and I wasn't warned about the pitfalls ... The housing association is clearly unable to manage their stock or process requests & complaints. Shared owners and tenants are ignored. I have never experienced such dreadful customer service.”¹⁰

London Borough of Brent also told us about affordability challenges:

“[A] large proportion of shared ownership is not accessible for Brent households, particularly families with children and that shared ownership is heavily reliant on two working adults within a household.”¹¹

Given the challenges identified in this investigation, the following are priorities for Londoners in terms of development of a new KWLR tenure:

- **Affordability** – all costs should be transparent at the time of letting, with tenants informed of the next five years of estimated increases.
- **Quality** – Londoners should not have to settle for poor quality homes, and where quality issues do exist, the housing provider should resolve them quickly and effectively.
- **Customer service** – housing providers of KWLH should respond quickly and effectively to requests and complaints.

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

b) developers seeking to build intermediate housing?

c) and providers seeking to manage and let intermediate housing?

The Committee agrees with the Mayor's assessment that 'potential developers and providers of KWLR homes need to be clear and confident about the income they will secure over the lifetime of those homes'.¹² The London Assembly Housing Committee and the Planning and Regeneration Committee regularly hear evidence about the viability challenges of developing in London. Across different parts of the housing sector, different factors play into what might

¹⁰ London Assembly Housing Committee, [Young Londoners' Access to Home Ownership](#), March 2024

¹¹ London Assembly Housing Committee, [Young Londoners' Access to Home Ownership](#), March 2024

¹² GLA, [Public consultation on Key Worker Living Rent as a form of rent control homes for Londoners](#), November 2024

make a development viable.¹³ An upcoming report from the Planning and Regeneration Committee on the topic of ‘Unlocking Development in London,’ outlines that this is one of the key concerns of developers in London.

There is an additional challenge for any KWLR delivered through the section 106 system.¹⁴ After developers build affordable housing through section 106, they then sell those homes to a housing association. The sector is currently undergoing a sharp decrease in appetite from housing associations for section 106 homes. At a Planning and Regeneration Committee meeting in July 2024, Syreeta Robinson-Gayle, Head of Affordable Housing at Barratt London, stated;

“[Section 106 units] have to be taken by a Registered Provider (RP). Therefore, in the short term, it is going to be a London-wide problem because bigger London RPs are facing costs due to works on existing properties, repair works, works to do with building safety that have drawn their focus away from development and drawn on their ability to deliver their own programme, as well as to purchase section 106 homes. I understand that the GLA is looking at it, but I suspect it is going to overtake us if we are not very careful that we will have lots of homes that are getting towards completion without RPs to take them.”¹⁵

Syreeta Robinson-Gayle gave the example of a Barratt scheme in Southwark, where it took Barratt two years to find a housing association to buy 58 section 106 social rented homes, both delaying the development itself and the letting of much needed social rented homes.¹⁶ This is extremely concerning in the context of a pressing need for affordable housing in the city; there is a significant progress to be made on section 106 before it can make any meaningful contribution to KWLR development.

In July 2024, Savills published findings from a nationwide survey of 30 of the top 50 developing housing associations on the topic of decreased demand for section 106 acquisition.¹⁷ Savills reported that just over half (53 per cent) of respondents’ state that they were either no longer intending to acquire Section 106 homes or had reduced their requirements for them. 75 per cent of respondents reported that financial capacity has affected appetite to buy Section 106 stock. In London, this increased to 100 per cent of respondents. Savills noted several reasons for the reduction in appetite for section 106 units, which echoed the issues set out above by Barratt. In terms of solutions that developers could implement (as opposed to government or the social housing sector), the Savills report listed:

¹³ London Assembly Planning and Regeneration Committee, Unlocking development in London [Panel 1 Transcript](#), 9 July 2024

¹⁴ A section 106 agreement is a legally binding agreement or “planning obligation” between a local planning authority and a property developer. The purpose of a S106 agreement is to ensure the developer also provides affordable housing and infrastructure as part of their development.

¹⁵ London Assembly Planning and Regeneration Committee, Unlocking development in London [Panel 1 Transcript](#), 9 July 2024

¹⁶ London Assembly Planning and Regeneration Committee, Unlocking development in London [Panel 1 Transcript](#), 9 July 2024

¹⁷ Savills, [Key findings from our survey of developing Housing Associations](#), 2024

1. Lower price for homes
2. Higher sustainability and energy efficiency standards for homes
3. Improved build quality for homes
4. Better design of space within section 106 stock
5. Improvement in payment terms
6. Larger lot sizes.¹⁸

At a subsequent Planning and Regeneration Committee meeting, representatives from the GLA and Government both recognised the scale of the challenge with section 106 and the complex economic and policy factors that have reduced housing association's appetite for section 106 properties.¹⁹ In terms of action to tackle the problem, Jules Pipe CBE, Deputy Mayor for Planning, Regeneration and the Fire Service, stated that;

"[The GLA and Government] are working together to buy some of those section 106 units. [Funds] such as the Housing Kickstart Fund and the Accelerated Funding Route (AFR) are two which contribute to purchasing section 106 units, but [...] that is not sustainable going forward."²⁰

Cathy Francis, Director, New Towns, Infrastructure and Housing Delivery, Ministry of Housing, Communities and Local Government, stated that further solutions would be set out in the upcoming Spending Review.²¹

The Committee therefore proposes the following principles as priorities for developers and providers, in terms of development of a new KWLR tenure:

- **Viability** – grant rates, rent and service benchmarks must ensure viability across different types of development, in order to bring forward maximum delivery.
- **Quality** – for housing associations to be able to consider buying any KWLR built through section 106, these homes must be good quality, energy efficient, and well designed.

The Committee sees KWLR homes developed through section 106 as a particular challenge. **The GLA should explore options for innovation around housing association section 106 purchase for each of its affordable housing tenures and set out an options paper by end of July 2025.**

¹⁸ Savills, [Key findings from our survey of developing Housing Associations](#), 2024

¹⁹ London Assembly Planning and Regeneration Committee, Unlocking development in London [Panel 1 Transcript](#), 9 September 2024

²⁰ Ibid

²¹ Ibid

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.)

The Committee's 2023 investigation into Young Londoners' Access to Home Ownership found that younger Londoners are less likely to own a home compared to their peers in other areas of the country and compared to older Londoners.²²

We found that young Londoners are more likely to spend a higher proportion of their wages on housing costs than older Londoners. On average, Londoners in all age groups spend more on housing costs than people living outside of London. People on lower incomes spend a higher share of their income on housing costs than people on higher incomes.²³ Generation Rent, an organisation that campaigns for renters' rights, shared their analysis of key worker rent costs. They found that median rent on an inner London 1-bedroom apartment represented 106 per cent of a teaching assistant's salary and 82 per cent of a care-worker's income.²⁴ Private renters spend a higher income share on housing costs, compared to social renters, who in turn spend a higher share than homeowners.²⁵

The Committee's 2022 investigation into Women and Housing in London highlighted similar affordability issues. Across both recent investigations we consistently heard that the unaffordable cost of rent in the private rented sector in London means that demand for intermediate housing products is high. There are many Londoners who are not eligible for social housing but also struggle to pay private rents. We therefore agree with the GLA's analysis set out in the public consultation document that only providing social rent homes would leave intermediate income households with minimal housing options in London.²⁶

The impact of unaffordable housing on Londoners and London cannot be overstated. The Committee heard that limited housing options have particularly affected young teachers. Other young key workers are having to relocate outside of London, with consequences for public services in the capital.²⁷ Many Londoners are considering leaving the city, with housing often the driving factor. Centre for London told us:

"We risk a vicious cycle, in which areas become too expensive for families to raise children, causing schools, nurseries, and other amenities necessary for raising a family to disappear. This then makes those areas still less attractive to future families with

²² London Assembly Housing Committee, [Young Londoners' Access to Home Ownership](#), March 2024

²³ Ibid

²⁴ Generation Rent, [Nurses, teachers, carers, and other key workers locked out of renting in London](#), February 2024

²⁵ Institute for Fiscal Studies, [Housing costs and income inequality in the UK](#), November 2023.

²⁶ GLA, [Public consultation on Key Worker Living Rent as a form of rent control homes for Londoners](#), November 2024

²⁷ London Assembly Housing Committee, [Young Londoners' Access to Home Ownership](#), March 2024

children and makes it harder for even families that can afford to buy their own homes to stay and have more children.”²⁸

Our survey findings highlighted that while overall awareness of the tenure was low, among those who were aware, there was high demand for properties. One housing association stated that they receive up to 100 enquiries on a LLR property a month, and that viewings of one or two-bed properties are attended by 20-30 people.²⁹

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.

The Committee investigated LLR homes as part of its Young Londoners’ Access to Home Ownership investigation. Through that investigation the Committee identified that the GLA published limited data, monitoring and evaluation of the LLR tenure. Without the GLA publishing an evaluation of this programme, the Committee is unable to answer whether KWLR should replace LLR. Similarly, without an evaluation, the Committee and the GLA will not have the best possible insight into lessons learned from LLR and how they could be applied to KWLR.

LLR is an intermediate tenure introduced in 2016 that provides benchmarked rents and service charges to enable intermediate-income Londoners³⁰ to save to buy a home. Key findings on LLR from the Young Londoners investigation included:

- Monitoring and evaluation in the tenure could be improved. The GLA does not collect data on;
 - the total number of LLR homes developed (including S106).
 - whether or not tenants have gone on to become homeowners.
 - demographics of tenants.
- Housing providers told the Committee that there is not a consistent approach to supporting tenants into home ownership.
- Awareness of the tenure was low. However, for survey respondents who had heard of it, demand was high. Respondents also felt that the eligibility criteria were narrow.³¹

Some demographic data will now be collected through government’s data release ‘Continuous Recording of Social Lettings’ (CORE). However, this will be as part of a wider category of ‘intermediate rent’ and will not collect specific LLR data.³²

²⁸ Centre for London Housing Committee call for evidence 2023, London Assembly Housing Committee, [Young Londoners’ Access to Home Ownership](#), March 2024

²⁹ London Assembly Housing Committee, [Young Londoners’ Access to Home Ownership](#), March 2024

³⁰ First defined as those with a household income of £60,000k or less, [this was raised to £67,000k in 2024](#).

³¹ London Assembly Housing Committee, [Young Londoners’ Access to Home Ownership](#), March 2024

³² London Assembly Housing Committee, [Young Londoners’ Access to Home Ownership](#), March 2024

The Committee heard feedback from Londoners about the LLR tenure through a survey. There was concern from respondents that even with benchmarked rents, saving for a deposit for shared ownership would still not be possible:

“It's helpful to some on middle incomes, but still too high for people on low incomes.”

“I think this is a promising scheme, but for someone like me, who has been making minimum wage and is single, a slightly lower rent would not see me on the path to home ownership within ten years.”

“I appreciate the intention to allow people to save for a deposit, but I am not convinced people will be able to do so in the 10-year tenancy envisaged because of rising living costs.”³³

Throughout the investigation the Committee identified opportunities for improved transparency in LLR reporting. Under the 2016-23³⁴ Affordable Homes Programme (AHP) LLR and Shared Ownership had a combined target (58,500), and the GLA combined LLR and Shared Ownership in its reporting.³⁵ In 2023 we wrote to the Deputy Mayor for Housing and Residential Development, Tom Copley, to ask for a separate breakdown of the number of LLR homes started and completed. The Deputy Mayor shared that between 2017 and 2023 2,999 LLR homes were started, and 1,750 were completed.³⁶

The Committee welcomed the GLA's decision to report separately on these tenures beginning in the 2023-24 financial year. However, this has revealed low take up of the tenure by housing providers. The GLA's data shows that no LLR homes have been started since the separate reporting began, although 541 have been completed.³⁷ In its report the Committee recommended that Mayor should publish targets for LLR under the 2021-26 Affordable Housing Programme. The Mayor responded:

“The Mayor has agreed with the Department for Levelling Up, Housing and Communities to set a range target for his Affordable Homes Programme 2021-26, as well as a breakdown between social rent and affordable home ownership. Setting targets for specific affordable homeownership tenures would risk curtailing registered providers' flexibility to respond to local needs in the context of a changing and challenging housing market.”³⁸

³³ London Assembly Housing Committee, [Young Londoners' Access to Home Ownership](#), March 2024

³⁴ This was originally the 2016-21 programme but later extended to 2016-23 due to the COVID-19 pandemic.

³⁵ [Letter from the Deputy Mayor to the Chair of the Housing Committee](#), July 2023

³⁶ [Letter from the Deputy Mayor to the Chair of the Housing Committee](#), July 2023

³⁷ GLA, [Affordable Housing Statistics](#), accessed online [06/02/2025]

³⁸ Mayor of London, [response to the London Assembly Housing Committee report on Young Londoners' Access to Home Ownership](#), August 2024

The Committee notes that the Mayor has set a target of 6,000 homes to be built in the initial phase of KWLH.³⁹ **Once the new Affordable Homes Programme settlement has been announced, the Committee recommends that the Mayor set annual targets or range targets for KWLR, and reports on KWLR separately to other intermediate tenures.**

Accessing LLR

Intermediate homes developed through AHP funding are listed on the [Homes for Londoners Portal](#). Some private developers that provide LLR list the properties on the Homes for Londoners Portal. However, they are not required to do so. During February 2024, we found that the number of LLR properties listed on the Homes for Londoners portal ranged from four to 10. This was compared to over 600 Shared Ownership homes listed on the portal in the same period.⁴⁰ **The Committee recommends that it be mandatory for developers to list any KWLR on the Homes for Londoners Portal.**

Developing LLR

The Committee heard from housing providers about the challenges of delivering LLR. Notting Hill Genesis stated;

“LLR is an expensive product to operate, and difficult to deliver in its current form. Rent increases at CPI are outstripped by service charge increases, so on aspirational developments it is often a loss-making product.”⁴¹

The London Borough of Brent stated;

“As the Council’s development of homes is solely based on targeting households on the Housing Waiting List, London Living Rent is not a tenure that is considered under the New Council Homes Programme.”⁴²

These issues, combined with the Mayor’s suggestion that KWLR could replace LLR as a tenure, suggest that the LLR programme has not set out what it meant to achieve. The Committee recommended in its 2023 report that the Mayor should undertake an evaluation of LLR, including further investigation into why housing providers are not providing more homes at the LLR tenure. At the time the Committee recommended that learnings should be applied to the 2021-26 Affordable Housing Programme.⁴³

³⁹ GLA, [Public consultation on Key Worker Living Rent as a form of rent control homes for Londoners](#), November 2024

⁴⁰ During February 2024, the Committee made three separate searches for all available LLR and shared ownership properties listed on the Homes for Londoners portal. Over the course of these searches, the number of LLR available ranged from four-ten. The number of shared ownership properties available was over 600 on each search. Ownership homes listed on the portal, on each of these searches.

⁴¹ London Assembly Housing Committee, [Young Londoners' Access to Home Ownership](#), March 2024

⁴² Ibid

⁴³ Ibid

The Mayor responded that;

“The Mayor’s housing team engaged with registered providers to understand their views on LLR and, for those that have done so, their experience of delivering and managing them. The housing team did so with a view to supporting registered providers to deliver LLR homes through the Mayor’s Affordable Homes Programme 2021-26. As a result of the insights gathered, the housing team took several steps to support registered providers. Steps included holding a roundtable session for registered providers interested in LLR to learn from the GLA and each other about LLR and making clarificatory amendments to the Capital Funding Guide.”⁴⁴

The Committee again recommends that a full analysis of the LLR programme is undertaken and published. The GLA and Committee should learn the lessons of the LLR programme, in order to best develop and implement KWLR.

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

As highlighted in the response to Q17, public monitoring and evaluation of the LLR programme has been limited.

The Committee therefore recommends that monitoring and evaluation is built into the development of KWLR. This would include:

- **Demographics of residents, including if they are key workers, and their income.**
- **Quarterly reporting on of number of KWLR homes started and completed, both through the AHP and through section 106.**
- **Number of bedrooms in each KWLR unit built.**

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.)

In the Women and Housing investigation, the Committee heard the specific challenges that women face in terms of housing affordability. The gender pay gap makes renting even less affordable for women than men in London:

⁴⁴ Mayor of London, [response to the London Assembly Housing Committee report on Young Londoners’ Access to Home Ownership](#), August 2024

- Women's median income is £2,259 per month. This means that women earning the median income need to spend **63 per cent of their earnings** to afford the median private rent (£1,425 per month) in London.
- Men's median income is £2,913 per month. Men earning the median income need to spend **49 per cent of their earnings** to afford the median private rent in London.⁴⁵

Housing for Women told us:

"The gender pay gap, further exacerbated by COVID and the cost-of-living crisis that we have, means that wages and benefits are being eroded, in real terms, for women. That gap between what women are earning in London and the cost of accommodation, particularly market rented accommodation or private rented, but even affordable rented accommodation, means that it is becoming less affordable."⁴⁶

Further intersectional issues came to light during the investigation. This included:

- Greater gender pay gaps and rates of poverty experienced by some Black and global majority households can exacerbate housing affordability challenges
- disabled women find it significantly harder to afford a house than non-disabled women, and slightly harder than disabled men
- single mothers tend to have lower incomes and rely more on an extended local social network for help with childcare and other care responsibilities particularly while working or studying, limiting their options for housing
- older women tend to have lower pensions (reasons for this can include less time in the workforce while caring for children or elderly parents, part-time working, or caring responsibilities later in life)
- there is a lack of data on the housing situations of LGBTQ+ women, however studies indicate that there are a disproportionate number of LGBTQ+ individuals among homeless young people
- many migrant women have no recourse to public funds (NRPF), so they are not entitled to housing support, social security benefits or tax credits.⁴⁷

The Committee heard concerns that the affordable rent levels for LLR are set at a third of average local household incomes. This does not take the gender pay gap into account, meaning those rents will be less affordable for women. In 2023, the Committee recommended that;

"The Mayor should review London Living Rent and consider changes to the rent setting policy to have regard to the gender pay gap, for example whether

⁴⁵ Zaiba Qureshi, Chief Executive, Housing for Women, London Assembly Housing Committee, [Women and Housing: A Gap in the Market](#), March 2023

⁴⁶ London Assembly Housing Committee, [Women and Housing Transcript](#), July 2022

⁴⁷ London Assembly Housing Committee, [Women and Housing: A Gap in the Market](#), March 2023

some rents could be set at women's median incomes rather than general median incomes.⁴⁸

The Mayor responded that tailoring LLR to better meet women's needs by, for example, setting some rents with reference to a third of women's average local wages, 'may seem a positive step in principle'. However, the Mayor set out several potentially challenging consequences, such as then needing to provide tailored rents for other protected characteristics, or the high admin burden that would be placed on housing providers.⁴⁹ The Committee recognises the challenges of personalised rents.

In relation to KWLH, the Mayor is consulting on benchmarking rents and service charges at 40 per cent of average key worker salaries.⁵⁰ The Committee recognises that for some key workers, social housing will be a more appropriate tenure. However, the Committee wants to ensure that there is not a specific group of key workers who fall through the cracks. **The Committee recommends that the Mayor evaluate the impact of this benchmark on groups with different protected characteristics, such as disabled people, to ensure that no one group of key workers is locked out of the tenure.**

Yours,



Sem Moema AM
Chair of the Housing Committee

⁴⁸ London Assembly Housing Committee, [Women and Housing: A Gap in the Market](#), March 2023

⁴⁹ GLA, [Letter to the London Assembly Housing Committee](#), 15 May 2023

⁵⁰ The Mayor is proposing benchmarks for three- and four-bedroom homes that are set at 40 per cent of key workers' average household income. The Mayor intends that rent and service charge benchmarks for KWLR homes would be adjusted for homes with one or two bedrooms.