

Affordable homes: workshop briefing note JS 1 Nov 2017

This workshop will consider the Mayor's proposals for "genuinely affordable homes". Will the affordable rent, living rent and shared ownership "products", together with new targets and funding arrangements, make a significant change?

Mayor's draft Housing Strategy (HS) chapter 4, page 92 onwards. Policy 4.1 sets out the key policies.

Timing/context:

These proposals for types of rent levels and targets would be defined in the HS and then carried over into the London Plan – a draft of which is expected on 29 November, just a week before the HS consultation ends.

It is impossible to judge exactly how well the proposals would meet Londoners' needs until we see the Strategic Housing Market Assessment (SHMA), but that is not published until 29 November. Premature?

Scope:

The Strategy proposals affect new sub-market developments – the elements which are cheaper than the open market – and are not related to rent controls of private lettings. They could also affect the future rents and conditions of current council and housing association tenants.

The Mayor proposes the following types of housing ("products") which, together, are called "affordable":

- London Affordable Rent, described as close to council rents. LTF comments "These are based on 'capped' formula rent levels, exclusive of service charges. This is the highest amount of rent that a council or housing association may currently charge for social-rented homes. Rents at this level are quite a lot higher than average social-rents in London."
- London Living Rent aimed at Londoners with household incomes up to £60,000 a year, conditional on them saving a deposit to buy. LTF comments: "The rents are based on a third of average incomes in any one ward, which is supposed to be better or fairer than rents based on market rents. However, since average incomes are high in exactly the same areas where there are high market rents..."
- Shared ownership and other innovative forms of intermediate (sub-market) housing, aimed at households with income below £90,000 per year.

The median income of London households in 2016 was £39,000.

Mayor says he's limited by national policy and has to direct subsidy towards middle-income households; would like to help low income people more.

As an incentive, he's offering fast-track approvals to schemes which offer 35% "affordable" floorspace without use of grant/subsidy.

On land owned by mayoral bodies (TfL etc) he's calling for 50% "affordable", and urging other public bodies to do similarly (NHS, Network Rail etc)

For a fuller summary and commentary see London Tenants Federation

[http://www.londontenants.org/publications/briefings/Briefing - Genuinely affordable housing \(FF\).pdf](http://www.londontenants.org/publications/briefings/Briefing - Genuinely affordable housing (FF).pdf)

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