



THE LONDON SCHOOL
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LSE London

The Role of Intermediate Housing in Hackney

An Independent Review

10 July 2025

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Contents

Section 1. The Panel and Its Remit	6
Section 2. History of Hackney	9
Section 3. Why Provide Subsidised Intermediate Housing?	12
Section 4. Types of Intermediate Housing Products in Hackney	14
Section 5. The Role of the GLA and the National Government	17
Section 6. Financing Intermediate Housing	20
Section 7. The Role of Housing Associations in Hackney	24
Section 8. Shared Ownership and Associated Products	27
Section 9. Developers' Views	31
Section 10. Political Views	35
Section 12. Conclusions	41
Section 13. Recommendations	44
Appendices	51
Appendix 1. Terms of Reference issued by the London Borough of Hackney	51
Appendix 2. Questions issued to Housing Associations and Elected Members	54
Appendix 3: Survey Questions	55
Appendix 4. Survey Results	61

4 The Role of Intermediate Housing in Hackney

Executive summary

In line with the Mayor of Hackney's Manifesto commitment, an enquiry was established in late 2024 to explore the current and potential role of intermediate housing across the borough. To support this work, an Independent Intermediate Housing Panel was convened to investigate the need for this type of housing within the borough. The primary purpose of the Panel was to explore the potential role of intermediate housing (IH) in Hackney.

The Panel has focused on the full spectrum of intermediate housing options, encompassing—but not limited to—shared ownership, part-buy schemes (including Right to Part Buy), and a variety of discounted and “affordable market rent” models such as homes offered at 50%, 65%, and 80% of market rent. outright sale homes).

The fundamental reason for such provision is that there is a wide gap between the costs of social and affordable housing and market rents even if the household is eligible for income related Universal Credit or Housing Benefit, while the costs of purchasing even relatively affordable home ownership within the borough are out of reach for large numbers of those needing to live in Hackney.

The panel reviewed the full range of intermediate housing options and clarified how they might be able to contribute to ensuring appropriate housing could be provided in the Hackney context. It further analysed the views of developers; planners; and local politicians and undertook a survey of local people and their housing requirements.

There was notable optimism about the potential for well-designed intermediate housing schemes. Respondents expressed strong support for models that bridge the gap between full market renting and traditional homeownership. Many see intermediate housing as a crucial solution to the affordability crisis in Hackney, providing a pathway that could ultimately lead to full ownership while ensuring a stable and predictable monthly outlay.

Panel members reached a clear and urgent conclusion that intermediate housing is essential to Hackney's future. It can no longer be understood as a peripheral policy option, as it has become an absolute necessity for the viability of the borough.

The temporary accommodation (TA) cohort in Hackney has expanded significantly so that it now includes nurses, teachers and other key workers. This underscores the need for intermediate and key-worker housing to relieve TA pressures – and

5 The Role of Intermediate Housing in Hackney

improve outcomes – for households who could, were it available, afford shared ownership or intermediate rent. The focus should be on lobbying for increased levels of (financial) support to deliver existing models at scale.

In conclusion, intermediate housing alone cannot solve Hackney's housing crisis – but without it, the crisis will deepen. There will be fewer working households and opportunities for younger households - and therefore ultimately fewer jobs. The question is no longer whether to support intermediate housing, but how to deliver it swiftly, at scale, with clear purpose and the bold leadership from the Council that Hackney's communities demand.

Finally, the report sets out fourteen specific recommendations which we hope will be taken forward over the next months.

Section 1. The Panel and Its Remit

In line with the Mayor of Hackney's Manifesto commitment, an enquiry was established in late 2024 to explore the current and potential role of intermediate housing across the borough. To support this work, an Independent Intermediate Housing Panel was convened to investigate the need for this type of housing within the borough. The Panel's work is set against the backdrop of Hackney's broader housing challenges, including issues around fire safety, damp and mould, the ongoing cost of living crisis, pressures on housing supply, and the wider dysfunction within the housing market.

Purpose

The primary purpose of the Panel was to explore the potential role of intermediate housing (IH) in Hackney. The council has an excellent and widely recognised track record of delivery of new housing through their programmes over the last ten years. In Hackney these programmes are based on a cross-subsidy funding model which has seen the delivery of three types of home:

- truly affordable council homes (mostly social housing)
- shared and partial ownership homes
- Intermediate rental homes
- outright sale homes

Profits from the development and sale of market homes built by the borough are mainly used to fund the development and supply of new council homes.

The Panel was tasked with examining whether, and in what ways, the supply of intermediate housing should fit into the housing supply context and the requirements of Hackney. This involves a review of housing need, market trends and demographic data, alongside an assessment of whether intermediate housing options are a practical and deliverable product that can aid in addressing the borough's housing crisis.

Scope

The Panel has focused on the full spectrum of intermediate housing options, encompassing—but not limited to—shared ownership, part-buy schemes (including Right to Part Buy), and a variety of discounted and “affordable market rent” models such as homes offered at 50%, 65%, and 80% of market rent. It has also considered build-to-rent developments, Hackney Living Rent, shared equity arrangements, London Living Rent, rent-to-buy options, and provision for key

7 The Role of Intermediate Housing in Hackney

workers. In addition, the scope extends to Community Land Trusts (CLTs), self-build initiatives, and the exploration of new intermediate housing products, tenures, and innovative ideas. The Panel has assessed these options and made recommendations grounded in housing need and prevailing economic conditions. Matters such as eligibility criteria, prioritisation, and related considerations also fall within its remit.

Methodology

The review was undertaken utilising the following approach:

1. A review of the evidence base, including Strategic Housing Market Assessments and Housing Needs Surveys
2. A series of 6 two-hour Panel meetings plus additional informal meetings.
3. A review and analysis of comparative council and RP programmes
4. Information from relevant organisations on the role of intermediate housing options including presentations and written evidence.
5. Subject experts and specialist advisors who helped to support the chair and panel via questionnaire responses.
6. Focus groups and questionnaire responses from local residents and stakeholders.

Stakeholders

The Panel has sought the views of various relevant stakeholders, including local residents, Registered Providers (PRs) and other partners, specialist providers, funders and financial advisors, and comparator local authorities. It also engaged with specialist consultants, as well as Officers and Members of the Council, to ensure a well-rounded and informed understanding of the issues.

Timescale

Panel meetings commenced in early October 2024 and concluded in May 2025. Consultations and survey data were gathered concurrently. Initially it was intended that the final report would be concluded by March 2025. However, both research and interaction with relevant specialists required longer than expected, and the timetable was revised to early July.

The Independent Panel: Roles and Responsibilities

8 The Role of Intermediate Housing in Hackney

The Chair

The terms and conditions set out by the Council stated that the Chair should lead the Panel, acting as its main point of contact supported by officers. They were to be responsible for maintaining the output of the Panel as set out in the terms of reference. The Chair was expected to remain objective and resilient, demonstrating independence, sound judgement, and the ability to work effectively with a diverse range of organisation and people. In addition, the Chair would bring expert subject matter knowledge to the role, ensuring that the Panel's work was managed within the agreed scope and timescales. The Chair was also expected to be responsible for drafting reports and formulating recommendations within set deadlines.

Panel Members

Panel members were expected to uphold the purpose and objectives of the Panel throughout the process. They were to demonstrate objectivity, resilience, and sound judgement, and work collaboratively. Members were also expected to bring relevant subject matter expertise, participate fully in the Panel's engagement activities, and contribute to the development of presentations and reports.

Panel Member List

- Christine Whitehead (Chair), *Emeritus Professor of Housing Economics at LSE*
- Marcus Bate, *Partnerships, Communities & Sustainability Director at Mount Anvil*
- Fiona Fletcher, *CEO of L&Q Housing Association*
- Elly Shepherd, *Head of Policy, Assurance and Performance at The London Borough of Camden*
- Guy Powdrill, *Director of Investment at Delancey*
- Piers Williamson, *Former CEO of The Housing Finance Corporation*
- Peter Williams, *Independent Researcher, University of Cambridge*

For further information on the Terms of Reference, please see Appendix 1.

Section 2. History of Hackney

Historical Overview

Hackney's evolution reflects the dramatic changes experienced by many London boroughs over the centuries yet represents a very specific case study. Originally [a rural retreat](#) – with notable historic buildings dating back to the Tudor times – Hackney transformed rapidly with [the advent of the railway](#) in the mid-19th century. The area transformed from open countryside into a densely built urban district during this time. During the 1930s, Hackney – like many inner-city areas – saw vigorous efforts to improve living conditions through slum clearance. The [Housing Act of 1930](#) mandated that local councils prepare plans to demolish substandard, insanitary housing. Hackney contributed to this nationwide drive by [clearing run-down properties](#) to make way for improved housing.

In the post-World War II period, the London County Council (LCC) responded to severe housing shortages by constructing large-scale estates. These estates were transferred to the newly formed London Boroughs following the [London Government Act of 1963](#), with Hackney now managing much of this legacy stock. By the 1980s, Hackney became recognised as one of the [most deprived areas in Britain](#). The borough faced significant challenges, including high unemployment rates, inadequate housing conditions, and elevated crime rates. A 1982 journalist' report highlighted that Hackney had the highest female unemployment rate in London, the highest proportion of single-parent families, and the highest level of smoke pollution. Additionally, one in five dwellings was deemed unfit for human habitation. The area was described as a "[sump for the disadvantaged of every kind](#)," reflecting the severe socio-economic hardships faced by residents during this period.

Population and Demographic Changes

The area that makes up present day Hackney was home to approximately 50,000 people in 1801 according to the Office of National Statistics (ONS), [reaching 200,000 in 2001](#) and almost 260,000 in the last census (2021). [Population fluctuation](#) throughout the 20th century was largely the result of war casualties and in-migration both from the rest of Britain and the Commonwealth. Today, Hackney is the [third most densely populated borough in England](#), but with a relatively slow net migration into the borough in the last decade (between 2011 and 2021) of 5.2%.

Hackney is now one of [London's most diverse boroughs](#), with well-established Caribbean, Turkish and Kurdish, Vietnamese and Orthodox Jewish communities.

According to the 2021 census, the proportion of residents identifying as "White" decreased somewhat from 54.7% in 2011 to 53.1% but still make up the majority. There was also a decrease in residents within the "Black, Black British, Black Welsh, Caribbean or African" category from 23.1% to 21.1% over the same period. Statistics also highlight an increase in residents' identifying with the "Other" ethnic group category ("Arab" or "Any other ethnic group"), from 5.3% in 2011 to 8.7%.

The age profile of Hackney's population has also changed. Census statistics indicate an [ageing population from 2011 to 2021](#) with the median age rising from 30 to 32. Younger age groups have been decreasing while older age groups have all increased since 2011 (particularly among the group aged between 50 and 64 which rose from 11.2% to 14.7%, an increase of 37.5%).

Hackney's Housing Landscape

Hackney has both the highest proportion of socially owned housing in England at over 40% and the lowest owner-occupation rate at 24.6%. Yet, despite the council's continued role as a major landlord in the borough there have been significant shifts in the last few decades. In particular, over 10,000 affordable homes have been sold in Hackney under the Right to Buy (RTB). However, many then transferred into private renting - an analysis done on data from 111 councils in England in 2017 for instance, showed [approximately 40% of RTB homes had ended up in the private rented sector](#).

Today, [Hackney's housing stock consists of 24.6% owner-occupied units](#) – as compared to around [63% across England](#), making it one of the boroughs with the lowest rate of owner-occupation in the country. As at May 2025, the average house price according to the [UK Price Index](#) was £593,400 – as against an average of [£534,400 across London](#).

About 32% of stock is privately rented, as compared to an average of 20% across the country, while 43% is social housing rented from the council or a housing association (of which 95% is social rented and only 5% is affordable rent) the highest proportion in England. Most of the housing stock is in the form of flats (84%) with houses accounting for 16% and bungalows only 0.2%.

This tenure mix is highly atypical and has major implications both for those who live in the borough and those trying to live in Hackney to find accommodation. In particular, the turnover rate in the social sector is very low and young people living with their parents in social housing (but trying to live separately) may have to wait decades before they are able to obtain their own home at a social rent.

On the other hand, house prices and private rents are out of reach for most people wanting to live in Hackney, so purchasers and renters will often be incomers. Homelessness has become a significant problem. In this context intermediate housing becomes an important discussion point, aiming to serve the large proportion of the population that cannot gain social housing, cannot afford to buy, and find private rents overwhelmingly expensive.

A major problem with respect to viability for most of the intermediate housing schemes is the rapid rise in both house prices and private sector rents in Hackney in recent years. Both increases in house prices and rents have generally exceeded those in comparator areas. Since 2000, lower quartile house prices have been increased by approximately 342% compared with 299% across Inner London, 297% across Greater London and 222% across England. In the same period, median prices have increased by 344% compared with 310% in Inner London, 270% across Greater London and 217% across England.

In terms of private rents, as of 2022 the lower quartile was £1,651 per month (Greater London £1,473 and England £776) with a median of £2,102 (Greater London £1,950 and England £1,200). Since 2010, lower quartile private rents have increased by 52.4% compared with 40.4% across Inner London, 42.2% across Greater London and 29% across England. Over the same period median private rents have increased by 49.3% compared to 46.6% in Inner London, 38.5% across Greater London and 34.4% across England.

Hackney is thus no longer the low-cost housing borough it once was for much of the twentieth century. Yet this image lingers and remains for many people seeking accommodation within the borough. It also increases the challenges for any interventions into the market, such as intermediate housing.

Section 3. Why Provide Subsidised Intermediate Housing?

As we have already noted, Hackney accommodates a particularly high proportion of households in social and affordable rented housing, provided mainly by the council but also by housing associations and other charitable organisations, as well as through subsidised home ownership. A fundamental question is therefore whether there is a case for further provision of subsidised intermediate housing, offering either below market rents or low-cost homeownership, and if so, to whom should it be provided?

The fundamental reason for such provision is that there is a wide gap between the costs of social and affordable housing and market rents even if the household is eligible for income related Universal Credit or Housing Benefit. On the other hand, the costs of purchasing even relatively affordable home ownership within the borough are out of reach for large numbers of those trying to live in Hackney. Many households have little option other than to move to cheaper areas or simply to exclude Hackney from their decision-making.

Why help those who can neither obtain social or affordable housing nor afford market rents or mortgage costs?

At its simplest, Hackney is at risk of becoming a very unbalanced place to live, with 40% of households living in social and affordable housing, little capacity to accommodate the younger generation and no easy way to move on. The inability of families to remain in the Borough is a major contributing factor to school closures. The Council announced that [four primary schools are to be permanently closed in Hackney](#) come September of this year. Meanwhile, in the market sector, there is a divide between well-off households able to afford local prices and rents, and others facing considerable difficulties in meeting housing costs, with little prospect of buying a home without moving elsewhere.

The Council has a responsibility to support residents in their desire to become homeowners and to alleviate pressure on the private rented sector. The positive reasons that were emphasised in our discussions included:

- To help local people remain in the borough rather than move out and probably change jobs to be nearer their new location – in other words to maintain families and the community within Hackney. This is the most accepted reason as there is a reasonable commitment that boroughs should support those living in their area and should aim to maintain a

reasonable mix of households. In other words, there is synergy in having a mix of ages, types of household and incomes.

- To attract key workers to remain in or move to the borough to ensure that such roles are filled by appropriately skilled households and conditions are such that employment is reasonably stable. Travelling into the borough is both costly and time consuming but if people cannot find housing that they can afford, and which meet their requirements they have little choice but to move out. Many such households will be looking to find a way to own their own home.
- To make good use of opportunities that the borough has to co-operate with local landowners who are looking to accommodate their own key employees but also want to work with others, notably the council, to make development more viable. In Hackney the most important potential relationship is with the NHS, which owns considerable quantities of land in the borough on which they wish to develop accommodation in part for employees. There may well be other landowners with similar objectives.
- Making use of subsidies available from the GLA and from national government which seek to help maintain economic activity as well as provide housing. The GLA has a clear-cut scheme for employees with incomes below £67,000 – the [Key Worker Living Rent \(KWLR\)](#) - while national government intermediate housing schemes work through the Affordable Homes programme – which in turn works through the GLA.

These schemes are not particularly generous and also account for less than 20% of sub-market funding. At the present time intermediate rent is almost entirely dependent on GLA and central government subsidy, while shared ownership and other partial ownership schemes tend to depend on S106 and other new build subsidies.

Another important question is the extent to which the council has the capacity to use their planning powers to increase the opportunities to develop mixed developments including intermediate housing and/or to link more directly with non-profit organisations working in the borough. Hackney's new Local Plan is due at the end of this year and will be developed in alignment with the borough's Housing Strategy. This presents an appropriate opportunity to mandate more intermediate housing.

Section 4. Types of Intermediate Housing Products in Hackney

Intermediate housing products exist under two categories: (1) Intermediate ownership and (2) intermediate rent. What follows is a list of products within each category, with a brief description of each.

Intermediate Ownership Products

1.1 Discounted Market Sale

Affordable homes sold at a discount of at least 20% below market value. Restricted eligibility applies to households with incomes below £90,000 per annum in London.

1.2 London Shared Ownership

Homes for which buyers can purchase a share of a property ranging between 25% and 75% and pay a regulated rent up to a maximum of 2.75% on the remaining, unsold share. Buyers have the option to purchase additional shares up to the full value of the home (known as 'staircasing'). Eligibility in London is restricted to households with incomes below £90,000. *In Hackney*, these properties are delivered by the Council as well as other providers. Over 55s only shared ownership is also being provided in limited numbers, although there is a high unsatisfied demand.

1.3 Shared Equity

Under the Low-Cost Home Ownership umbrella, Shared Equity is a type of affordable home. The equity in a home is shared between the purchaser and another organisation, usually the Government, local authority or housing provider.

Hackney differentiates Shared Equity from Shared Ownership. Shared Equity differs in that no rent is charged on the unsold equity (which is then retained by Notting Hill), but the deposit is calculated on 100% of market value. Typically, the deposit is 5%, so higher savings are required. This is only possible with significant concessions from the Council and Notting Hill in terms of viability. Additionally, these properties are reserved exclusively for existing leaseholders on the council's estates in Hackney, primarily located at Woodberry Down, and offered by exception on a small number of other estate regeneration projects.

Intermediate Rent Products

Intermediate rent products are homes with rent set below 80% of market rent, including discounted market rent and London Living Rent. Eligibility in London is restricted to households with incomes below £67,000 pa.

1.1 Discounted Market Rent (DMR)

A type of affordable home generally provided under Build to Rent schemes. Homes are rented at a discount of at least 20% below market rate and eligibility in London is restricted to households with incomes below £67,000 pa.

1.2 London Living Rent

Intended to provide genuinely affordable homes for Londoners on lower incomes. Maximum monthly rents are set by the GLA at ward level, based on a third of average gross local incomes and adjusted to reflect house type. Residents have the opportunity to purchase either through shared ownership or outright within 10 years. Eligibility in London is restricted to households with incomes below £67,000 pa.

Further eligibility criteria stipulate that households must live or work in London, not own any other residential property and currently not be able to buy any property (including shared ownership) in the local area. They must also have a formal tenancy (e.g. in the private rented sector) or live in an informal arrangement with family or friends as a result of struggling with local housing costs. Boroughs may set other eligibility criteria for intermediate homes, reflecting local housing need.

1.3 Hackney Living Rent

As a response to the growing lack of affordability in the rented sector in the borough, Hackney Living Rent restricts eligibility to households with incomes of up to £67,000 pa. Rents are capped at 60% of market levels at first let, and tenants are issued 3–5-year leases with the possibility to extend. Eligible applicants are entered into a ballot and chosen at random.

The Council lets and manages the properties through a wholly owned, not for profit company so that, as well as a discounted rent, tenants will not face ‘unwarranted fees and charges or excessive rent increases.’

So far, Hackney has delivered 24 Hackney Living Rent Homes on 2 sites, with a further 4 homes scheduled to be delivered. The product has been found to be highly attractive with significant oversubscription.

1.4 Key Worker Living Rent (KWLR)

Maximum household income thresholds are as per intermediate housing, with the added limitation that allocation is only made to households who live and/or work in London and who do not already own a home or have the means to buy one on the open market. Boroughs and providers have the flexibility to apply local eligibility criteria, prioritising key workers. This type of property is delivered by providers within Hackney.

1.5 Southern/Network Homes Intermediate Rent

Another variety of intermediate rent offered through providers within Hackney. It is worth mentioning that many of these are often quite small initiatives, very much tied to the GLA versions.

Section 5. The Role of the GLA and the National Government

The Greater London Authority (GLA), alongside national government, plays a critical role in defining, funding, and shaping the delivery of intermediate housing across the capital. These efforts reflect a growing recognition of the affordability crisis affecting middle-income Londoners, particularly key workers, who are increasingly priced out of the private market, yet do not qualify for traditional forms of social housing.

Strategic Direction and Planning Policy

Intermediate housing, including London Living Rent (LLR), Intermediate Rent (IR), and Shared Ownership, is embedded within the London Plan and national frameworks such as the National Planning Policy Framework (NPPF). The London Plan stipulates that at least 30% of affordable homes in new developments should be intermediate products, with a further 30% allocated to low-cost rented housing. Planning authorities are expected to secure intermediate housing for a broad spectrum of households earning below the income thresholds – currently set at £67,000 for intermediate rent and £90,000 for shared ownership.

The GLA's approach is further guided by a series of practice notes and planning guidance. Notably, the Mayoral Housing Policy Practice Note (2021) and Planning Practice Notes (2023 and 2024) underscore expectations that boroughs and registered providers should prioritise key workers and develop clear, equitable allocation systems aligned with both local and London-wide criteria.

Funding and Programme Flexibility

A major policy shift came in July 2024, when the GLA was granted flexibility to fund Intermediate Rent through the Affordable Homes Programme (AHP) 2021–26. Previously limited to products with a pathway to ownership (such as LLR), this change acknowledges the need for secure, high-quality rental options for households unable or unwilling to pursue ownership.

The GLA has since moved to support delivery. As of May 2024, income caps for Intermediate Rent were raised from £60,000 to £67,000, allowing monthly housing costs (rent plus service charge) up to £1,563. In December 2024, new planning and housing guidance introduced benchmark grant rates of £110k for rents at or below LLR levels, or £90k where rents are higher but still within affordability parameters. These reforms aim to improve viability, especially where developers and providers have found existing models commercially challenging.

Supporting Key Workers and Expanding Choice

Key workers are a central focus of the GLA's intermediate housing strategy. The list of eligible occupations, first published in 2021, informs both planning and funding guidance. In November 2024, the Mayor launched a public consultation on "Key Worker Living Rent" (KWLR) homes — a new form of Intermediate Rent product not linked to ownership and designed specifically for workers who underpin the city's essential services.

The proposed KWLR model includes rent caps based on 40% of average net incomes, with further ceilings set at 70% of market rent. The Mayor is considering whether to make KWLR a preferred tenure in planning and funding policy, potentially offering greater clarity and consistency for boroughs, investors, and developers.

National Context and Legislative Considerations

At the national level, the Affordable Homes Programme remains the primary funding mechanism, although intermediate products are not yet prioritised in the same way as in London. The Renters' Rights Bill may also affect tenancy types used in intermediate housing, although the GLA anticipates that most homes will continue to be let on assured or periodic tenancies to provide security for residents.

The NPPF defines intermediate housing as affordable products with rents at least 20% below market rate. However, the Mayor's policies regularly exceed this standard — for example, the LLR benchmark rent for a two-bedroom home averages £1,267, approximately two-thirds of the market average.

Looking Ahead

The GLA's role in shaping, funding and guiding intermediate housing is dynamic and evolving. The current phase of the AHP runs until 2026 (with completions required by 2030), meaning that new models such as KWLR must be implemented swiftly to be viable within existing timelines. The GLA's willingness to review income thresholds and rent benchmarks signals a pragmatic, responsive approach, shaped by ongoing feedback from boroughs, investment partners and residents.

Ultimately, intermediate housing in London is not a substitute for social rent or affordable rent but a necessary complement. It serves those on moderate incomes, sustains vital public services, and underpins a more inclusive and

resilient housing market. The GLA's leadership — in partnership with central government — remains essential to delivering this vision at scale and with integrity.

Section 6. Financing Intermediate Housing

Attributes of intermediate housing

- Intermediate housing can take the form of either Ownership or Rental.
- Provision may be delivered on a Not for Profit or a For Profit basis, whether directly by the borough or via housing associations.
- Regardless of the delivery model, the fundamental principle remains: Intermediate housing requires subsidy - subsidised housing needs subsidy.

This review of how it might be provided looks principally through the prism of financing housing associations, although much is also relevant to the Council as a principal itself.

What form might subsidies take?

Excluding the effects of asset inflation – which has played a significant role - capital grant subsidies have been the predominant support mechanism for subsidised housing. Over the past two decades, these subsidies have typically accounted for between 35% and 60% of development costs. These grants represent the most direct and accessible forms of subsidy for both housing associations and the Council, though their availability is heavily dependent on the extent to which funding is available from the GLA and central government. Looking ahead, this form of support is expected to be increasingly constrained, as a result of the upcoming Spending Review. London is anticipated to receive a reduced allowance relative to historic norms, with more funds potentially redirected to devolved administrations such as Greater Manchester and the West Midlands Combined Authority.

Particularly post-2010, other forms of subsidy have emerged including:

- Rent flexibility on both new and existing properties,
- Planning gain mechanisms, such as S106 agreements,
- Conversion of tenure (e.g., various shared or partial ownership models).

These tools have largely been deployed in the regulated not-for-profit sector, where rent levels are controlled. The combination of grants (capital subsidy) and regulated rents generally brings providers under the formal regulatory regime.

Some 'for profit' organisations have chosen to establish housing associations, primarily to access grants, thereby subjecting themselves to regulate rent

frameworks. Others, such as Dolphin Living, have benefited from endowments that allow them to pump-prime their developments while remaining outside the rent regime.

Ownership of the asset

Asset ownership is a central issue because third-party financing is contingent on the mortgageability of either the property to be developed or the pledging of existing, unencumbered stock. Housing association typically favour the latter – pledging completed but unpledged homes – as a way to access simple, often long-term, private finance. In contrast, shorter-term and more complex development finance is more common in the private sector to support building, albeit with higher risk, cost, and refinancing exposure.

When conventional financing fails – whether due to insufficient assets or political reluctance – more intricate structures have been introduced. Once such model was the Private Finance Initiative (PFI), which facilitated public-private partnerships. Although PFI has been discontinued since 2018, other similar financing models have emerged.

More novel spin-offs from project financing schemes, such as pledging future revenue streams (akin to the US ‘Tax Incremental Financings’ model), may appear attractive but are typically expensive and complex in practice. Securitisation of assets introduces further complications – primarily due to the heterogeneity in revenue collection, as there are several dozen methods used to collect rents. Moreover, in practice, tenant permissions and the difficulty in transferring all associated risks – securitisation structures also tend systematically to exclude various forms of corporate finance risk - render this route impractical for many.

The more constraints placed on a mortgageable asset or its associated cashflows - such as restrictive covenants like S106 or capped rents - the less attractive that asset becomes as a pledgeable security. This issue is relevant both at the portfolio level (e.g., the pledging of bigger blocks of security) and when assessing the acceptability of specific assets for retail shared ownership mortgages.

Type of debt and debt cost

Development finance is typically short term and on floating rates, as debt is repaid upon completion or sale. In contrast, wholesale finance of shared ownership portfolios often blends fixed and floating interest rate debt, with cashflows structured to reflect first-tranche receipts and subsequent staircasing - both implying accelerated early repayment of debt. It must also accommodate the

timing of grant receipts.

Wholesale lenders generally cap shared ownership assets in a portfolio of pledged security to around 20% of the total value of the security. The structural subordination of wholesale interests in shared ownership assets - under the Mortgagee in Possession Protocol – is highly technical in nature and often misunderstood. In simple terms, the retail lender (who finances the shared ownership) holds the primary security interest through a mortgage over the lease. While the housing association owns the underlying freehold of the (same) shared ownership asset and pledges this interest to a 'wholesale' lender, this interest ranks behind the retail mortgage, where most of the asset's security value resides.

Pension funds with CPI- or RPI- linked liabilities (pension 'promises') are natural purchaser of shared-ownership portfolios due to their indexed rental yields. However, they face risks related to staircasing and rental uplift assumptions. Staircasing data are notoriously sparse, and recent 'voluntary' rent caps by housing associations – introduced during a period of very high inflation - suggest that investors may face (at least) a moral, if not contractual, obligation to restrain rental increases. Service charge responsibilities (particularly for extraordinary costs like cladding remediation) further complicate the risk profile.

A topical case is the sale of a 3,000-home portfolio from for-profit housing association Sage to a newly formed Sparrow, backed by the University Superannuation Scheme 'USS'). The transaction, reportedly worth £405 million - or £135,000 per unit – reflected a yield of approximately 4%, acceptable to USS given its long-term indexed liabilities, though low for typical property deal.

Build to Rent (BTR), whether subsidised or not, must consider exit strategies to avoid encumbrances at point of sale. Although MHCLG introduced a bespoke Government Guarantee Scheme to encourage the long- term PRS financing, developers' preference for early exit led to limited uptake and shorter-than-expected guarantee terms.

Retail mortgages remain widely available for both shared ownership and Buy-to-Let properties. For shared ownership, loans can cover up to 95% of the purchaser's share. As of now, 5-year fixed rates hover around 5%. For example, a £560,000 two-bedroom new-build flat in Lower Clapton, developed by Southern Housing, would require a £7,000 deposit and carry a monthly cost of approximately £1,560.

Cost of debt

If Hackney were to borrow under the Housing Revenue Account (HRA) at today's

5-year Public Works Loan Board rate, it's effective cost would be a 4.63% (4.23% base + 0.4% margin).

The current affordable home ownership grant regime was conceived when 10-year government borrowing costs were around 1.9%. Today, those costs have more than doubled to approximately 4.6 %. Given the initial rents for shared ownership schemes are typically set at 2.75% (i.e. heavily subsidised), the economics of subsidised housing have undergone a profound shift. Compounding the issue are new spending pressures for housing association and councils alike: fire remediation, fuel poverty, and climate change initiatives all demand substantial reinvestment in existing housing stock.

Future viability of any form of affordable home ownership product will hinge upon the largesse of MHCLG, Homes England, and the GLA – with clarity expected in the June 2025 Spending Review.

Section 7. The Role of Housing Associations in Hackney

A 2020 GLA briefing on intermediate home ownership showed that, as of March 31, 2019, there were some 46,690 Shared Ownership and Shared Equity homes across London. These were concentrated in 54 Registered Providers, with five large housing associations accounting for 49% of the total – many of which operate in Hackney.

Registered Providers (RPs) – more widely known as Housing Associations – play a critical role in Hackney’s housing ecosystem, owning, and managing every unit of non-Council social housing across the borough. Together, they account for more than 35,000 homes (from Peabody’s 6,737 units and Gateway’s 3,099 to large numbers of small co-operatives with fewer than 50 units) according to Council tracking in 2023 (this includes HA leaseholds). These figures suggest that housing associations account for almost 30% of dwellings in Hackney.

In 2023 Hackney Council formalised a relationship with these RPs through a borough-wide [Housing Compact](#), overseen by the borough-led [Better Housing Partnership Forum](#). The objective was to embed shared commitments on safeguarding, public health, local lettings and data-sharing with progress reported annually.

To address the acute shortfall of truly affordable homes, the Council’s sales team entered nomination agreements with RP providers to deliver Hackney Living Rent, ensuring allocations for local households. As of the 2024/5 [Position Statement](#) publication, 18 Living Rent units had been enabled directly via the Mayor’s Housing Challenge Fund.

The [Mayor of Hackney’s Housing Challenge funding](#) – made up of income generated via the sale of Council homes under the Government’s Right-to-Buy policy – was used to enable Housing Associations to deliver more genuinely affordable housing for Social Rent and Hackney Living Rent from 2017. By the publication date of the [Hackney Housing Strategy: Position Statement 24/25](#), 124 homes had been provided through this avenue.

Key Challenge Fund projects included:

- Peabody: Morpeth Road Garages, Pembury Youth Hall, Powel Road
- ISHA: St John’s and Barretts Grove
- NLMHA/ISHA: Hunts Wharf
- Southern Housing Group: Kennaway Estate

Alongside these core partners, larger RPs such as Clarion, Sanctuary, Notting Hill Genesis, and L&Q continue to manage substantial stock, participate in mutual-exchange and mobility schemes, and collaborate on Council allocations – ensuring that RP partners collectively help deliver relief from overcrowding, under-occupation, and long-term affordability pressures.

Despite this framework of cooperation, Council engagement in practice remains uneven, especially as direct funding has now been restricted while many smaller Housing Associations are under-represented in strategic partnerships. Broadening the Compact, improving data sharing, scaling up small-site infill and vacancy chain delivery through future Challenge Fund rounds and ring-fencing 100 per cent of Right to Buy receipts – would all help to ensure co-operation between the Council and RP providers.

Hackney's relationship with housing associations as development partners has, in recent years, been highly varied. The Mayor of Hackney's Housing Challenge prompted a significant uptake in partnership working upon its launch in 2017/18 but the reallocation of these funds to Hackney's own direct delivery programme has effectively limited any meaningful partnership working in terms of delivery of housing of any tenure.

The Mayor of Hackney's Housing Challenge has delivered 78 homes across 7 projects of which 61 were either London Affordable Rent or Hackney Living Rent. A further 5 Shared ownership and 12 social rent homes have also been delivered to date. Two projects are still to be completed which will deliver a further 72 homes of which 12 are Hackney Living Rent and 11 are shared ownership with the remaining 39 homes being Social Rent.

The last of these grant arrangements was signed in 2022 following the decision to allocate the capital reserves (largely drawn from right to buy receipts) to Hackney's estate regeneration projects. Whilst some ad-hoc opportunities have been presented for acquisition or transfer of existing stock in the Borough, these are relatively limited and do not form part of a comprehensive strategy for partnership working.

Hackney's work with housing associations is now largely limited to meetings between senior leadership to address any operational issues concerning their stock in the borough and the formally well attended stakeholder meetings between the housing departments in the council and housing association staff are no longer running.

Joint Venture development models which are popular in some other London

Boroughs are not something that Hackney has engaged in over recent years. In general, where development opportunities are constrained to smaller sites on existing estates, this model is less suitable and less attractive to housing associations. Additionally, given the expertise that Hackney has within its own development team, the general consensus has been for direct delivery to be prioritised.

The current development constraints among the largest providers suggests Hackney should perhaps consider exploring a “small is beautiful” initiative by leveraging the borrowing capacity of smaller housing associations within the borough. To make this route viable, the borough could implement local incentives – chief among them, the provision of planning consents.

Given the lack of grant funding available and the limited opportunities to conduct joint development, the delivery of intermediate housing in the borough is currently conducted either by the council itself or by housing associations in isolation.

Section 8. Shared Ownership and Associated Products

Background

Registered providers play a major role in helping to provide partial ownership products in Hackney as they usually develop the dwellings and continue to own and receive rent from the share that the final purchaser will expect to buy over time. Over time the individual purchaser will normally expect to increase their share, although it may instead be sold on to other landlords.

In the 2021 Census, 2.6% of Hackney households (approx. 2,650 homes) were identified as in Shared Ownership – a relatively high figure compared with other London boroughs as it shown on the [ONS tenure map](#). Shared ownership, introduced in the Housing Act 1980, now accounts for about [6% of Registered Providers' stock in England](#), with [around 269,500 low cost home ownership properties](#). Across Britain, around 450,000 shared ownership homes have been built since 1980, with an estimated 200,000 staircased to full ownership.

Shared ownership is intended to sit below the mainstream mortgage market, targeting households on incomes under £90,000 in London. Buyers usually purchase an initial 40% share, although increasingly people can start with a lower deposit of 20%, 10% or even as low as 5%, with Government gradually reducing the minimum share thresholds over time. GLA analysis of CORE data shows the product supports both lower-income households and those aspiring to own outright. In 2017/18, [no household buying shared ownership could afford to purchase on the open market in their current borough](#), and over half could not afford average London rents.

As home ownership has become more difficult for younger households – due to rising prices, stricter mortgage rules, and high rents – shared ownership has met some of this demand. However, it is not immune to affordability pressures. The [Altair \(2024\)](#) article reports an [88% rise in shared ownership market values](#) over the past 14 years – from £164,600 to £309,700 – outpacing wider house prices growth (80%). Average deposits have also climbed, hitting [£23,200 in 2022/23](#), the highest value since it was first reported in 2008/09, although still very far below the £165,433 average deposit for London first-time buyers.

There are two typical shared ownership profiles (outside of the variant schemes such as Older Persons Share Ownership): (1) those aiming to staircase out and enter the open market, and (2) those who will remain in shared ownership over the long-term due to financial limits. The second group appears to be growing, particularly in high-cost areas. In Hackney, new shared ownership completions

rose in 2020/21 and 2021/22 (204 and 216 homes respectively) but dropped significantly to 38 in 2022/23 and 35 in 2023/24.

On staircasing, data are limited. Figures from the Regulator of Social Housing suggest 2.6% of shared owners reach 100% ownership annually, with a further 1.5% staircasing partially. Rates are higher in London – [averaging 15% between 2015 and 2022](#) – probably as a result of higher mobility and price inflation. Staircasing trends follow house price cycles and are higher in rising markets.

There is a developing resale market for existing shared ownership homes, supported by platforms such as [Rightmove](#) and [Share to Buy](#) (a new and active portal for shared ownership which also now markets new and existing homes). This helps keep properties within the sector, offering affordable options for new buyers.

Recent concerns

Yet challenges persist. Shared ownership remains a complex tenure, and satisfaction levels often decline over time. Rising service charges, repair responsibilities, and unrealistic expectations around staircasing contribute to dissatisfaction. The cladding crisis has further impacted marketability. The Levelling Up, Housing and Communities (DLUHC) Committee published a report on shared ownership in March 2024, highlighting significant concerns about the scheme's effectiveness and affordability. The report emphasized that shared ownership could become unaffordable over time due to the requirement for shared owners to pay for 100% of repairs and maintenance costs, despite only owning a portion of the property. The [2024 DLUHC Committee report](#) recommended a number of changes and stated bluntly:

“Shared ownership has historically been considered to provide an affordable route to homeownership. However, it has failed to deliver on this for too many people, for too long.”

The Government has signalled improvements, and the new Shared Ownership Council (SOC) is piloting a Code of Conduct to ensure greater transparency and better information for buyers. However, it remains unclear what priority shared ownership will have in the next Affordable Homes Programme (AHP).

SOC's research also suggests dissatisfaction is more acute among flat dwellers than house owners, raising the question of whether issues lie with shared ownership itself or with broader leasehold and service charge structures. This

applies particularly to boroughs in central London such as Hackney. This wider concern is backed by [Housing Ombudsman figures](#): in 2023/24, London saw 171 shared ownership complaints, compared to just 87 in the South East.

The Future Role of Shared Ownership in Hackney

While Hackney's shared ownership stock is relatively small, it still has potential. Key issues include:

1. **New shared ownership homes are being added annually**, increasingly by for-profit providers who often operate without public subsidy. These homes can support mobility from social renting and offer income streams to providers.
2. **Shared ownership could help free up social rented stock**, by enabling council and RP tenants with stable incomes to step into ownership, thereby improving housing flow.
3. **The borough could strengthen oversight**, ensuring providers comply with the GLA's Service Charge Charter, to which Hackney is a signatory.
4. **Hackney could help maintain shared ownership homes within the tenure**, working with providers to promote resale within the sector and support more affordable re-entry points.
5. **Shared ownership variants** – for older people, disabled residents, and service personnel – may have niche relevance locally. Private models like Stride Up, Your Homes, and Wayhome are also currently emerging alternatives.

Alternatives to shared ownership?

With the closure of Help to Buy (though Help to Build Equity Loans remain), the affordable home ownership landscape has weakened. Curbs on the Right to Buy may further reduce access to ownership.

Currently, there are a number of government-backed schemes (further clarifies in Section 4):

1. **Rent to Buy/London Living Rent** – This model allows private tenants to pay reduced rent while saving for a deposit, with an option to buy. Take-up has been low, largely because of high house prices. The DLUHC Committee noted in its 2024 report:

“Rent to Buy may represent better value than shared ownership, but there's not enough evidence to make a firm judgment. Both schemes need proper evaluation in terms of affordability and how far they support

full homeownership. The Government must urgently gather data—alongside lenders and providers—to assess Rent to Buy’s viability.”

2. **First Homes** – This offers homes at a 30% discount, locked in for future sales. Despite grant funding, uptake has been poor. The scheme may well not continue under the new administration.
3. **Lifetime ISA and Mortgage Guarantee Schemes** – The Lifetime ISA supports deposit saving; the Guarantee Scheme underwrites high loan-to-value mortgages. However, only 44 Mortgage Guarantees were used in Hackney between April 2021 and June 2024.
4. **Other schemes** – These include **Right to Acquire, shared ownership variants**, and others.

This suggests that there are too many variants with not enough clear advice for potential investors. Guidance focuses on how to enter schemes, with little support through the process. It is no surprise that first-time buyers are confused when navigating their options. This suggests there may be a role for Hackney Borough Council to provide supporting information to potential, shared and partial ownership purchasers.

Section 9. Developers' Views

From a developer's perspective, delivering intermediate housing – such as shared ownership or discounted market rent – presents a number of financial and operational obstacles. Intermediate units typically deliver lower revenues than open market sales, yet still incur comparable construction and regulatory costs. This squeezes margins and can undermine overall scheme viability.

Unlike affordable or social rent, which may benefit from grant funding or institutional partnerships, intermediate housing tends to fall into a grey area – neither cheap enough for public subsidy, not profitable enough to attract investment from the capital markets. This structural ambiguity presents a major barrier to delivery.

Developers also face significant uncertainty around demand, particularly in areas with restricted mortgage access or tightly defined eligibility thresholds. The Panel heard that securing a registered provider or managing ownership and staircasing in-house adds further complications. In land-constrained markets like London and the South East, intermediate housing can severely weaken viability unless local authorities show flexibility around tenure mix, scheme phasing, or planning obligations.

The overall viability of schemes is impacted by a combination of interlocking factors: an inflexible planning regime, new Fire Safety rules – including the Fire Safety Regulator, which developers are finding to be almost completely unworkable and poorly structured especially in London -e.g. with respect to dual staircases; the implications of the Renters Rights Bill, increased build costs, anticipated asset devaluation, and rising debt costs.

Developers also raised the issue of competing for and securing global, long-term, patient, low-cost capital in a climate that lacks clarity and confidence. This is particularly difficult given the cumulative policy and cost burdens that deter institutional investors.

While developers expressed a desire to remain constructive, they emphasised the importance of being realistic about the challenges. The Panel heard strong support for public-private partnerships, a planning system that actively acknowledges viability realities, and Planning Committees that heed the professional recommendations of planning officers. Developers also emphasised the importance of construction innovation to cut build times and reduce costs.

The developers' view is clearly that, if the Government expects affordable housing

to be delivered by the private sector, viability will remain a persistent challenge. However, if the public sector – through Homes England or other channels – can gap-fund financial shortfalls, the delivery of intermediate housing could be scaled up meaningfully.

Build to Rent (BtR) developers reported significant viability issues with boroughs – including Hackney – seeking to require social rent levels within BtR schemes. Hackney’s current policy requiring 50% affordable housing in BtR, delivered entirely at Living Rent levels, was described as “crushing viability,”

There were concerns raised around the GLA’s current income cap for Discounted Market Rent (£67,000). This was described as illogical, as it disqualifies many households – such as dual earners on £35,000 each – who still cannot afford market housing in Hackney. Further constraints include occupation restrictions, which delay scheme delivery when market units cannot be occupied before the affordable element is in place – effectively stalling progress if no affordable housing partner is secured. Shared ownership is also seen as increasingly unaffordable in much of Hackney, while intermediate rent products will struggle unless the Council sets rent levels significantly below current GLA benchmarks.

Subsidy levels from both the GLA and national Government were described as insufficient to fund intermediate housing on typical Hackney development sites. The Panel heard that, without direct financial support from the Council, delivery is unlikely to be viable.

In summary, developers identified the following key constraints:

- **Viability pressure**, as intermediate housing reduces gross development value (GDV) or net operating income (NOI), if there is limited or no grant support.
- **Investor constraints**, particularly the hesitation of institutional capital – especially from overseas – to engage in complex or uncertain schemes.
- **Administrative burden**, with developers citing challenges in navigating eligibility checks, rent caps, and staircasing requirements.
- **Planning rigidities**, where policies enforce fixed percentages of intermediate housing, often regardless of scheme type, tenure model or market conditions.

Despite these challenges, the Panel was told that intermediate provides housing strategic value. It contributes modestly yet meaningfully to a balanced housing mix by supporting social mobility, easing pressure on social rent homes, aiding workforce retention, and mitigating borough-level displacement.

Stakeholders who could benefit from intermediate housing include key workers based in Hackney; residents at risk of being priced out; individuals seeking to move on from social rent but unable to access private options; and those earning under £60,000 – including many single or cohabiting adults in Hackney’s fastest-growing demographics.

The Panel saw a strong potential opportunity for the Council to take a direct role in delivering intermediate housing. While the Hackney Living Rent initiative was well received, its limited scale meant its impact was constrained. Council-led delivery- including through development agreements and joint ventures with experienced private sector partners – offers a way to combine financial capacity with delivery expertise.

Entering into such partnerships could also lower financial exposure for the Council, with private investors potentially covering between 50% and 100% of the capital gap. The Panel further argued that the GLA policy on key worker eligibility should not override Hackney’s ability to define its own local priorities. Increased GLA grant for intermediate housing would be an important enabler for Council-led delivery.

Given the ongoing affordability crisis, social rent must remain the highest priority for Hackney. However, intermediate housing could form a valuable part of a diversified approach. There is a clear case for updating planning policy to encourage 10%-30% intermediate housing in new schemes, with the affordable balance delivered as social rent.

In summary, key opportunities for Hackney include:

- **Tenure balance**, with intermediate homes complementing a predominantly social rent-led strategy.
- **Latent demand**, from those squeezed between social rent and full market options.
- **Funding innovation**, through private capital and delivery partnerships.
- **Planning improvements**, offering clearer support and more flexibility for intermediate housing.

In conclusion, the Panel supports the effort to deliver homes that serve a broad spectrum of incomes. To deliver intermediate housing at scale, it must be viable, investable, and manageable. With greater policy support and targeted strategic subsidy, developers and investors could increase delivery without compromising quality.

The Panel recognises that many developers are driven by Environmental, Social

and Governance (ESG) values alongside financial objectives.

When carefully structured, intermediate housing offers a clear route to social impact – but this must not come at the expense of commercial viability.

Section 10. Political Views

Elected Councillors from the four political parties represented within the council were approached to participate in this research and share their views on the current and potential role of intermediate housing products within the Borough. Representatives from the governing Labour Party and opposition Green Party agreed to be consulted and gave responses to questions provided to them by the panel in advance of the discussion. These can be found in Appendix 2. The responses of elected members focused broadly on the prioritisation of social rented housing over intermediate; concerns regarding the affordability of intermediate housing; alternative forms of intermediate housing; and which cohorts of residents should be targeted for intermediate housing.

Should Hackney be delivering intermediate housing or social rent?

The responses from both political parties can be broadly described as favouring the delivery of socially rented housing as a priority for the borough, in line with public commitments made and the current delivery programme. Social rent was seen as preferable to both intermediate rented and ownership housing due primarily to concerns around the affordability of local examples of these products in relation to local incomes.

Some Labour councillors did note however that the limited options for home ownership within the borough were having a negative impact on the ability of families to remain in Borough should they wish to own a home. Additionally, the ability of young residents to raise a deposit sufficient for a mortgage in the private sale market was noted as a key issue.

Councillors from both political parties expressed a desire to see greater partnership working with external organisations if intermediate housing was to be delivered. Both Housing Associations and the NHS were identified as potential options for co-delivery of intermediate housing in order to enable the council itself to focus on social rented housing delivery.

Concerns regarding the affordability of mainstream intermediate housing options.

The concerns regarding the affordability of intermediate products were expressed particularly strongly by representatives of the Green Party who questioned the required income levels for both intermediate rented and shared ownership products. When considering the average incomes of Hackney residents, the affordability requirements for the average shared ownership homes in Hackney

seemed unrealistic to them.

Green Councillors also reported that, in addition to the high-income thresholds in comparison to local incomes, they were concerned that residents do not understand the true cost of shared ownership properties until after they have bought them, particularly the service charges. Service charges were reported as a particular concern to residents due to unexpected increases which left residents unable to afford their homes and less confident in their ability to sell them.

Alternative forms of intermediate housing:

Labour Councillors were keen to highlight the success of a bespoke shared equity product that had been piloted on a large estate regeneration project within the borough. This product is discussed in greater detail in Section 4 but the security of tenure that this form of housing offered was seen as a key factor to its success, together with the low rents, which were unlikely to be replicable. Councillors did note that the capacity for this form of housing to be replicated exactly would be challenging in the contemporary viability context. However, the Council should remain open to different equity models because of their benefits to particular types of residents. Security of tenure and maintenance of a sense of community were highlighted as desired outcomes from any housing that Hackney delivered, intermediate, affordable or socially rented.

Target resident cohorts for intermediate housing:

Representatives from both political parties expressed an interest in key worker housing being provided within the borough, given the requirements for such workers to support Hackney's key infrastructure, including schools, local government and hospitals. Examples were given of key worker home ownership schemes with mortgage guarantees and discounted service charges as models which Hackney should consider as a means of providing key workers with affordable routes into home ownership.

Concerns were raised around how key workers would be defined and at what income levels these properties should be targeted. These concerns increased when it was noted that there was no formal definition of key workers used by either the Borough or the GLA. It was suggested that further work was required to clarify the range of key workers who would need to live within the borough to ensure necessary services could be provided and how such workers on lower incomes could be supported to gain access to intermediate housing.

Overall, however, the councillors were far more concerned about providing for

those in need of social housing and felt that the emphasis should continue to be on expanding the available social housing stock.

Section 11. Survey Results

It was decided that the best way to gain understanding of peoples' attitudes to the housing situation in Hackney and to the potential for intermediate housing in particular was to undertake a survey. The survey comprised 16 questions compiled by the Panel and can be found in Appendix 3. The survey was distributed by Hackney Council Officers directly to all council staff, all staff working at Homerton NHS Trust and those who has previously enquired about intermediate rented and shared ownership homes through Hackney Sales. The survey was additionally advertised on the Council's Website and via social media channels.

Key Findings

The survey, which captured responses from 292 participants, highlighted a variety of challenges and aspirations regarding housing in Hackney. A significant majority of respondents (87%) currently resided in Hackney, and over half had lived in the borough for more than a decade. Households were generally small, with 71.6% reporting no children at home—many living alone or with a single other adult. Despite strong community ties, housing affordability remains a major concern. Approximately 70% of respondents are considering a move because of the pressures of rising rents and escalating property costs, while 80% expressed an interest in intermediate housing options. This included schemes like shared ownership, rent-to-buy, and discounted market rent arrangements, although only 43.8% reported having a sufficient 5% deposit to facilitate purchasing - indicating significant financial barriers to homeownership.

Further emphasising the economic challenges, the survey found that over half of the respondents work in Hackney, with nearly two-thirds expressing a preference to live and work in the same borough. This preference is driven by practical considerations including reduced commuting times, lower travel expenses, improved work-life balance, and stronger local community engagement. Many respondents argued that staying in Hackney is not merely about proximity to work; it is about retaining the character and continuity of the community. However, they face a paradox: while there is a clear desire to remain rooted in Hackney, the financial pressures of soaring property prices and escalating rents force many to consider leaving the borough in search of more affordable living options.

Key themes arising from the survey include struggles with affordability, housing stability, and the perceived shortcomings of current housing schemes. Many residents, despite stable employment, find private renting to be unaffordable and traditional homeownership out of reach. Shared ownership schemes on the other hand, have been widely criticised for being financially burdensome. Rising service

charges and unpredictable increases in ground rent are seen as making shared ownership a risky and sometimes unsustainable option—often described by respondents as a "trap." In contrast, there is strong support for more predictable alternatives, notably intermediate housing such as discounted market rent or rent-to-buy schemes. These options are viewed as potential lifelines that provide the stability and affordability required to retain long-term residents and key workers in Hackney.

The financial obstacles are further exacerbated by the limited availability of savings, as fewer than half the respondents have a sufficient deposit to even begin the process of purchasing an intermediate property. This scarcity of financial resources, combined with stringent eligibility criteria and sometimes opaque application processes, creates a significant barrier for even middle-income earners and key workers. For many, the current housing market is leaving them trapped—unable to secure stable, affordable housing despite their crucial roles in maintaining the social and economic fabric of the borough.

Positive Reflections on Intermediate Housing

Amid these challenges, there is notable optimism about the potential for well-designed intermediate housing schemes. A considerable number of respondents expressed strong support for models that bridge the gap between full market renting and traditional homeownership. Many see intermediate housing as a crucial solution to the affordability crisis in Hackney, providing a pathway that could ultimately lead to full ownership while ensuring a stable and predictable monthly outlay. Rent-to-buy schemes, in particular, are praised for their relative financial security when compared to the unpredictable costs associated with shared ownership arrangements.

One of the key attractions of intermediate housing is its potential to offer stability in a market where both rising rents and the risk of eviction are constant concerns. Respondents indicated that secure, long-term housing arrangements—such as discounted market rent—could significantly improve the quality of life by reducing the financial stress associated with constant relocations. Moreover, this stability is seen as essential not only for individual financial well-being but also for fostering stronger community bonds and retaining key local workers. The ability to live near one's workplace, combined with more affordable and secure housing options, is seen as vital for maintaining the borough's social fabric, particularly for those in public service roles such as NHS staff, teachers, and local authority employees.

There is also a substantial call for more clarity and transparency in the design and

implementation of intermediate housing schemes. Respondents emphasised the need for clearer eligibility criteria and more accessible information on available housing options. Many believe that well-structured intermediate schemes, with transparent costs and predictable payment plans, could serve as a bridge for those struggling to navigate the current high-cost housing market. This approach would not only benefit individuals and families but also support a broader community vision where residents feel secure enough to invest in local relationships and civic life.

Ultimately, the survey underscores a dual narrative: while there is palpable frustration over the current state of housing affordability and stability in Hackney, there is also a strong belief that intermediate housing solutions—if properly structured and transparently administered—could be the key to reversing this trend. As one respondent put it, the appeal of such schemes lies in their potential to provide “a stable housing solution for those priced out of both private rental and homeownership.” It is clear that for many, the viability of remaining in Hackney hinges on the successful implementation of intermediate rent, rent-to-buy, and discounted market rent options. These schemes are seen not only as a means of overcoming immediate financial hurdles but also as a critical pathway towards preserving the unique community identity of Hackney, ensuring that long-term residents and key workers can continue to contribute to and thrive within their local area.

In conclusion, while Hackney residents face daunting financial challenges in the current housing market, there is considerable support for the expansion of intermediate housing options. The findings suggest that well-designed schemes that prioritise transparency, affordability, and stability may offer the best chance of securing a sustainable living environment in Hackney—one that enables residents to maintain their community ties while also achieving long-term financial security.

Section 12. Conclusions

Panel members have reached a clear and urgent conclusion: intermediate housing is essential to Hackney's future. It can no longer be understood as a peripheral policy option, as it has become an absolute necessity for the viability of the borough.

This is not about choosing between social and market homes – Hackney needs a third, critical housing pillar. For too long, the borough's housing stock has been divided between social housing (approximately 40% of all homes) and unaffordable market provision, leaving a growing "missing middle" of key workers, young professionals, families with children, and long-term residents trapped with no viable local choice. Without a rapid expansion of intermediate products, Hackney will face deepening displacement, service-and other staff shortages, hollowed-out schools (tracked via rising school-place vacancies and closures), and an erosion of the borough's defining mixed-income character.

Hackney currently delivers a fraction of London's housing pipeline (London's formal target has been massively reduced to 38,000 pa but actual build in 2024/5 was around 9,200). Annual vacancies and under-utilisation – overcrowding, under occupation and void flows – must be managed to maximise the capacity of Hackney's existing assets rather than relying solely on new builds, which represent a small share of delivery.

Hackney is served by some 50 registered providers, but only about half hold meaningful stock in the borough. Relationships with Peabody and L&Q are strong, while many smaller associations remain under-engaged. The Panel agreed that these partnerships should be extended – and new ones cultivated – through joint ventures and acquisitions, using the Hackney Housing Company where viable.

NHS land presents another significant opportunity: as at least two strategic sites have previously been negotiated, and improved collaboration could free both land and capital for intermediate schemes. Elsewhere, the Housing & Health nexus (Andy Burnham's devolution model) offers a cross-subsidy route – drawing health budgets into housing – particularly as fire-remediation and retrofit costs continue to squeeze housing associations' cashflows.

The funding landscape has shifted dramatically since the last grant settlement, becoming less positive for development. Since 2021, financing has become significantly more costly, yet expectations often remain stuck in "old maths." Meanwhile, GLA and national subsidy pools are constrained. Hackney currently relies almost entirely on GLA funding for intermediate housing, channelling little

local money into schemes. At a contribution of perhaps £100,000 per intermediate unit, this is increasingly inadequate. Hackney will need to commit the borough to providing more intermediate housing if the borough is to retain working households.

The expansion of the temporary accommodation (TA) cohort, so that it now includes nurses, teachers and other key workers, underscores the need for intermediate and key-worker housing to relieve TA pressures – and improve outcomes – for households who would, were it available, be able to afford shared ownership or intermediate rent. In the same vein if we do nothing, schools will close, inquiries for support will soar, and Hackney will hollow out – this helps clarify the stakes of inaction.

Planning and viability present both barriers and levers. Current London Plan requirements – on energy efficiency, cycle parking, ESG credential and heat pumps – are stifling developer viability. Overly prescriptive cycle provisions missed electric-charging points and superfluous “window-dressing” bike benches illustrate the disconnect between policy and practicality. Meanwhile, 23 London boroughs delivered zero affordable units in Quarter 1 2025, highlighting an urgent need for better incentives, such as short-term CIL holidays, density uplifts and Section 106 relaxations to rebalance delivery priorities.

Despite shared-ownership’s appeal – up-front capital receipts, off-balance-sheet funding for housing associations, uncapped index-linked rents – it struggles against rising costs, fire-safety remediation, and Help to Buy loans that ratchet up at RPI + 1% from year 6. The result is increasing costs for what is meant to be a suitable intermediate product. In this environment, intermediate rent which calibrates to local incomes (60-70% of market rates) often provides the most scalable route to family-sized homes.

Framing intermediate housing as critical urban infrastructure – alongside transport, schools and healthcare – would unlock new funding streams and elevate the issue politically, underpinning Hackney’s vision to be “fairer, safer, greener and healthier” ([Strategic Plan 2022-26](#)). This narrative shift, aligned with the Inclusive Economy Strategy’s goal to “connect residents to high-quality employment,” would help secure cross-party support, attract institutional capital and ensure delivery at the scale needed ([Inclusive Economy Strategy 2019-25](#)).

In conclusion:

Supply/demand imbalance and associated affordability pressures exist across the spectrum of housing need. Intermediate housing is crucial in helping to address a key segment of need and, in the main, provides a value for money solution and easier access to home ownership (and associated personal capital growth) than direct market purchase.

A number of intermediate housing models are well defined, tried and tested (shared ownership being the best example). That is not to say that improvements cannot be made, but the time often spent trying to devise new approaches that target ever-increasingly specific cohorts is nearly always duplicative, confusing for consumers or abortive. The focus should be on repetition at scale, rather than innovation, in order to derive most benefit and best Value for Money.

Intermediate housing is fundamentally a form of affordable (i.e. subsidised) housing and as per the old maxim, in order to work, subsidised housing requires subsidy. The focus should be on lobbying for increased levels of (financial) support to deliver existing models at scale (and/or target a wider cohort of potential beneficiaries).

In terms of how Boroughs and HAs can work together, the easiest/quickest win is alignment with respect to eligibility, affordability, and allocation criteria. This reduces complexity and inefficiency - and increases the transparency and accessibility of core intermediate products.

Thus, intermediate housing alone cannot solve Hackney's housing crisis – but without it, the crisis will deepen. There will be fewer working households and opportunities for younger households - and therefore ultimately fewer jobs. The question is no longer whether to support intermediate housing, but how to deliver it swiftly, at scale, with clear purpose and the bold leadership Hackney's community demands.

Section 13. Recommendations

Based on the evidence set out in this report and the consensus of the Panel, Hackney Council is urged to adopt a robust and proactive approach to increasing the availability of intermediate housing – i.e. subsidised housing available to lower paid workers who otherwise will have to live some distance away from their work or give up employment in the borough for an easier commute outside central London.

This type of housing is a crucial component of Hackney's Inclusive Housing Strategy, addressing the affordability gap for key workers, young professionals and families who are neither eligible for social housing nor able to afford market housing. These recommendations set out specific actions the Council might take to deliver and scale up the role of intermediate housing in alignment with Hackney's wider objectives for community cohesion, social sustainability, and economic resilience.

Key Recommendations

1. Hackney Council should lead on the delivery of intermediate housing.

Hackney Council should champion, commission and contribute funding for intermediate housing – using council land and the Hackney Housing Company – to ensure strategic oversight, local tailoring, and accountability.

2. Hackney Council should identify additional sources of finance.

In earlier years Hackney Council has used funds arising from sales of Right to Buy properties to support intermediate housing, but this is no longer available. The Council should think carefully about how to find additional finance – e.g. by working with other providers. One clear proposal is that the Council should have more interaction with smaller housing associations who have the potential to work together, with borough support.

3. Intermediate housing should prioritise local residents, key worker and low- to middle-income households.

Eligibility frameworks should explicitly favour existing residents, frontline workers and middle-income families at risk of displacement, tracked in part via school-place vacancies and TA cohort data.

4. Hackney Council should adopt a mixed delivery model.

They should utilise a blended toolkit – including Council-led schemes, joint ventures with Housing Associations, the NHS and other relevant land owners; public-private platforms, affordable Build-to-Rent, shared equity with clear exit routes – to maximise both capacity and investment.

5. A range of tenures should be provided, with a focus on intermediate rent as well as, where affordable, shared ownership and shared equity models.

The focus should be on intermediate rent models (60-70% of local market rents) for family sized homes, with shared ownership and shared equity only where viability and subsidy allow.

6. The borough should unlock and leverage appropriate public or employer owned land

They should grant favourable long leases or strategic disposals of council-owned and NHS land – subject to clawback provisions – to ensure developer interest and institutional capital. The borough should continue to look for other similar possibilities.

7. Hackney Council should commit to local investment and look to secure external finance.

Ring-fenced capital – including borrowing, land value capture, Housing Revenue Account – should be used to underwrite early schemes, de-risk delivery and signal political resolve, leveraging GLA and government grants wherever possible.

8. The Council should form a regional alliance with the GLA

Hackney should collaborate with the GLA and neighbouring boroughs to standardised eligibility criteria, rent-setting methodologies, planning requirements and viability frameworks, thus creating scale and reducing complexity.

9. Intermediate housing should be mandated through Planning Policy.

Hackney should embed intermediate housing requirements in the Local Plan, s106 agreements and CIL frameworks, offering density uplifts and CIL

reductions to incentivise delivery.

10. The Council should simplify and standardise access for residents.

Efficiency requires that there are standardised application processes, streamlined eligibility assessments, and clear guidance to reduce confusion and barriers for residents.

11. Intermediate housing should be clearly embedded in Hackney's long-term vision.

In all communication and budget decisions, intermediate housing should be elevated to the status of essential infrastructure, aligning with Hackney's Strategic Plan to "work differently, in partnership" and the Inclusive Economy Strategy to "build opportunity" across communities.

12. The borough should carefully review potential sources of subsidy.

Currently intermediate housing subsidies come almost entirely from the GLA and through them from central government. The borough should think positively about how they can identify additional funding, notably through working with Housing Associations.

13. Use the planning system more effectively.

The local planning system can be used more effectively to identify possible ways of interacting with other providers.

14. Review the Local Plan approach to regulations

A major objective must be to provide suitable and reasonably affordable housing for younger people so that they can live away from home. One way is to develop a facility with a number of bedrooms but shared facilities. In Hackney planning permission is currently refused for this type of accommodation. This should be reviewed for at least some parts of the borough.

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Appendices**Appendix 1. Terms of Reference issued by the London Borough of Hackney**

Title of Report	Intermediate Housing Panel - Terms of Reference
Author(s)	James Goddard, Michael Walker-Roberts and Professor Christine Whitehead
Purpose of the Report	
Information only	<p>The Manifesto of the Mayor of Hackney provides a commitment to set up an enquiry into the role - actual and potential - of intermediate housing in Hackney.</p> <p>Consequently, an Intermediate Housing Panel is to be set up to investigate and map the need for intermediate housing in the borough.</p> <p>The Panel would be commissioned within the current housing context in Hackney, including housing conditions (especially fire safety and damp and mould), the cost-of-living crisis, housing supply and the dysfunctional housing market.</p> <p>Purpose</p> <p>The primary purpose of the Panel is to explore the potential role for intermediate housing in Hackney. The council have an excellent and widely recognised track record of delivery of new housing through their programmes over the last ten years.</p> <p>In Hackney these programmes are based on a cross-subsidy funding model which has seen the delivery of three types of home:</p> <ul style="list-style-type: none"> • truly affordable council homes • shared ownership homes • outright sale homes <p>Profits from the development and sale of market homes are used to fund the development and supply of new council homes.</p> <p>The Panel are asked to explore whether and how the supply of intermediate housing can fit into the housing supply context and requirements of Hackney. The Panel will need to review housing needs, market and demographic data and explore whether intermediate housing options are a practical and deliverable product that can help to tackle the</p>

housing crisis.

Scope

The Panel will focus on the full range of intermediate housing including, but not limited to:

- shared ownership
- (right to) part buy
- discounted and “affordable market rent” options, for example 50%, 65% and 80% market rent homes
- build to rent
- Hackney Living Rent
- Shared equity
- London living rent
- Rent to buy
- Key workers etc
- CLTs
- Self-build
- New intermediate products, new tenures and new ideas.

The Panel will assess and make recommendations based on housing need and economic conditions. Subsequent eligibility criteria, prioritisation etc are all in scope.

Methodology

The review will be undertaken utilising the following approach:

1. Review of evidence base, including Strategic Housing Market Assessments and Housing Needs Surveys
2. A series of 5-6 2-hour Panel meetings.
3. Review and analysis of comparative council and RP programmes
4. Information from relevant organisations on the role of intermediate housing options including presentations or written evidence.
5. Subject experts and specialist advisors may need to support the chair and panel via questionnaire responses.
6. Focus groups or questionnaire responses from local residents and stakeholders.

Panel Questions

The Chair, in consultation with Panel Members and Officers, will determine the specific questions. These will likely involve topics such as what types of intermediate housing could be delivered in Hackney, if these types of housing are genuinely affordable to local residents, which delivery models are the most appropriate and which organisations can contribute to

delivery.

The Panel will seek the views of relevant stakeholders such as:

1. Local residents
2. RPs and other partners
3. Specialist providers
4. Funders and financial advisors
5. Comparative local authorities
6. Specialist research consultants
7. Officers and Members of the Council

Reporting Arrangements

The Panel's progress will be reported to the relevant Cabinet Member for Affordable Housing and the Deputy Mayor, Planning and Housing Strategy via officers who will produce and issue regular briefings - with updates on progress. This is to ensure that the Panel is supported by commissioning boroughs whilst also retaining independence.

Similarly, the Panel will report to Scrutiny with an interim and final update in 2025 whilst, again, retaining independence.

The Panel will report interim findings and request a formal response from commissioners. The Panel will then produce a final report. Further Panel meetings may be required to assess progress against panel recommendations.

Roles

1. Chair

- a. Lead the Panel and act as the main point of contact, supported by officers
- b. Maintain the output of the Panel as set out in the terms of reference
- c. Manage the Panel to agreed scope and timeframes
- d. Write reports with recommendations within agreed timescales

2. Panel Members

- a. Maintain the purpose and objectives of the Panel
- b. Demonstrate objectivity, resilience and judgement while working in partnership
- c. Participate in engagement activities of the panel
- d. Contribute to the drafting of presentations and reports

Appendix 2. Questions issued to Housing Associations and Elected Members

Housing Associations

1. For how long have you owned social/affordable housing in Hackney?
2. Do you operate only in Hackney; in London; or across the country?
3. What proportion of your stock is in Hackney? Are the rest mainly in London?
4. What types of intermediate housing do you provide – if any?
5. Do you have plans to expand/contract the intermediate provision?
6. Do you provide services other than accommodation?
7. Do you help manage properties owned by other HAs or equivalent?
8. Do you wish to increase/decrease your involvement in Hackney – why/why not?
9. Do you concentrate on particular groups of households? e.g. those with a live/work connection to Hackney.
10. What are the major problems facing your Hackney tenants / shared owners?
11. In your opinion, would many wish to move out of the borough/London?

Elected Members:

1. Do you wish for Hackney Council to provide intermediate housing?
2. In your view, is this housing intended mainly for those already living in the Borough, or is it meant to be for those who work in the Borough and need to live close to their work, or is it to attract different types of people into the Borough?
3. Do you wish to provide intermediate housing only when you are able to obtain subsidy from the GLA using central government's Affordable Homes Programme, Or are you prepared to put in subsidy from Hackney's own resources. Do you wish to use the GLA's criteria for eligibility?
4. Intermediate Shared Ownership. You have older schemes which are still delivering shared ownership, but the Council's New Homes programme has no provision for this. Do you want to support a significant shared ownership programme into the future?
5. Do you encourage housing associations to provide such housing in the borough? Hackney used to provide through the Mayor of Hackney's Housing Challenge, why does Hackney no longer provide financial support to associations in this context?
6. Are you interested in providing any other types of intermediate home ownership?
7. Intermediate rent. Does Hackney aim to provide intermediate rent only when they receive funding through the GLA and using the GLA criteria?
8. Is it intended to be available only to those who work in particular types of employment e.g. Key Workers?

Appendix 3: Survey Questions

Exploring Middle-Income Housing in Hackney – Feedback Form

Overview

We recognise the important role that council shared ownership and Hackney Living Rent homes play for those who don't qualify for Social Rent but may not be able to afford a home for outright sale. That's why we have set up an entirely independent Intermediate Housing Panel to explore and advise on existing models and develop new ways to build affordable and accessible homes in Hackney.

What is Intermediate Housing?

Intermediate housing includes but is not limited to:

- Shared ownership
- (Right to) park buy
- Discounted and 'affordable market rent' options, for example 50%, 65% and 80% market rent homes.
- Build to rent
- Hackney Living Rent
- Shared equity
- London Living Rent
- Rent to buy
- Key workers and frontline workers
- Community land trusts
- Self-build
- New intermediate products, new tenures, and new ideas

This survey is part of our engagement with those interested in intermediate housing in the borough. Your feedback will help us to better understand demand and your real-life experience within private sector housing. Alongside other information, this will feed into our Housing Strategy and help us better understand the demand in the borough. Taking part in this survey is not related to, and will not affect, any current or future applications for intermediate housing.

If you would like to receive this survey in a different format or language, please email consultation@hackney.gov.uk or contact or contact Michael Walker-Roberts at 0208 356 2569.

Why your views matter

We value your feedback, which will help to shape the future of intermediate housing in Hackney. Please submit your response by Thursday 10th April 2025.

Chance to receive a voucher and getting further information

Your chance to receive a Love2Shop voucher.

We are offering a chance to receive one of thirty £20 Love2Shop vouchers for responding to this survey. Responses will be randomly selected after the survey is closed.

If you would like your response to be included for a chance to receive a voucher, please tick the box below and enter your contact details.

Further information

You can find further updates and information on our webpage.

If you would like to be kept informed about what is happening on private sector housing in Hackney, please tick the box below and add your contact details.

I would like to be entered into the draw for a voucher

- Please tick here if you would like your response to be entered into the draw

I am happy to be contacted about private sector housing information and campaigns in the future

- Please tick here if you would like to be contacted

Name:

Address:

Email:

How will we use this information

We will use this information to provide updates, such as emails or newsletters, about private sector housing in Hackney and further information about opportunities to be involved in shaping the future of private sector housing in the borough.

All information is used under the strict controls of the 1998 Data Protection Act and the 2016 General Data Protection Regulations (GDPR).

Survey Questions

Living and Working in Hackney

1. Do you live in Hackney? (Required) (Please select only one answer)
 - a. Yes - please go to question 2
 - b. No - please go to question 3
 - c. I don't know - please go to question 4
2. How long have you lived in Hackney? (Please select only one answer)
 - a. 0 - 5 years
 - b. 6-10 years
 - c. More than 10 years
 - d. I don't know
3. If you don't live in Hackney, in which borough or county council area do you live?
4. What is your age group? (Required) (Please select only one answer)
 - a. Under 18
 - b. 18 - 24
 - c. 25 - 34
 - d. 35 - 44
 - e. 45 - 54
 - f. 55 - 64
 - g. 65+
 - h. Prefer not to say
5. How many adults live with you (people 18 years of age or over)? (Required)

6. How many children or young people live with you (people under 18 years of age)? (Required)
7. Do you live in: (Required) (Please select only one answer)
 - a. Shared accommodation - people from different households living together and sharing amenities
 - b. Shared accommodation - friends and/or extended family
 - c. Family accommodation - only immediate family or on your own
 - d. Temporary or non-fixed accommodation - such as hotels or staying with friends or family temporarily
 - e. Other - please give details
8. Are you currently thinking about moving house? (Required) (Please select only one answer)
 - a. Yes
 - b. No
 - c. I don't know
9. Do you work in Hackney for at least some of your job? (Required) (Please select only one answer)
 - a. Yes - please go to question 10
 - b. No - please go to question 11
 - c. I don't currently have a job - please go to question 12
 - d. I don't know - please go to question 12
10. How long have you worked in Hackney? (Please select only one answer)
 - a. Less than 1 year
 - b. 1 - 5 years
 - c. 6 - 10 years
 - d. More than 10 years
 - e. I don't know
11. If you don't work in Hackney, in which borough(s) or council area(s) do you work?
12. Would you prefer to live and work in the same Borough? (Required) (Please select only one answer)
 - a. Yes
 - b. No
 - c. I don't know

Please comment on the reasons for your answer

Your Interest in Intermediate Housing

We would like to understand your interest in intermediate housing and what types of intermediate housing you are interested in

13. Are you currently interested in living in Intermediate housing such as shared ownership or a discounted market rent tenure? (Required) (Please select only one answer)
 - a. Yes - please go to question 14

- b. No - please go to question 16
- c. I don't know - please go to question 16

Please comment on the reasons for your answer

14. What type(s) of intermediate housing are you interested in? (Please select as many as apply)
- a. Shared ownership
 - b. Rent to buy
 - c. Other forms of partial ownership
 - d. Rental
 - e. I don't know
15. If you are looking to purchase intermediate housing, do you have enough for a 5% deposit? (Please select only one answer)
- a. Yes
 - b. No
 - c. I don't know
 - d. I'm not looking to purchase
16. Do you have any further comments about the current provisions for intermediate housing in Hackney?

About you

This information will help us to understand our service users and residents, allowing us to establish if the response to the questionnaire is representative of the borough. All information is used under the strict controls of the 1998 Data Protection Act and the 2016 General Data Protection Regulations (GDPR).

This information is optional and will not be used in a way that identifies you.

17. Gender: Are you... (Please select only one item)
- a. Male
 - b. Female
 - c. Non-Binary
 - d. Another term
 - e. Prefer not to say
 - f. If you prefer to use your own term, please provide this here:
18. Are you transgender or do you have a history of being transgender? (Please select only one item)
- a. Yes
 - b. No
 - c. Prefer not to say
19. Age: what is your age group? (Please select only one item)
- a. Under 16
 - b. 16-17
 - c. 18-24
 - d. 25-34

- e. 35-44
 - f. 45-54
 - g. 55-64
 - h. 65-74
 - i. 75-84
 - j. 85+
20. Disability: Under the Equality Act you are disabled if you have a physical or mental impairment that has a 'substantial' and 'long-term' negative effect on your ability to do normal daily activities. Do you consider yourself to be disabled? (Please select only one item)
- a. Yes
 - b. No
21. Caring responsibilities: A carer is someone who spends a significant proportion of their time providing unpaid support to a family member, partner or friend who is ill, frail, disabled or has mental health or substance misuse problems. Do you regularly provide unpaid support caring for someone? (Please select only one item)
- a. Yes
 - b. No
22. Ethnicity: Are you... (Please select only one item)
- a. Asian or Asian British
 - b. White or White British
 - c. Black or Black British
 - d. Mixed background
 - e. Other ethnic group
 - f. Other (please state if you wish):
23. Religion or belief: Are you or do you have... (Please select only one item)
- a. Atheist/no religious belief
 - b. Christian
 - c. Muslim
 - d. Buddhist
 - e. Hindu
 - f. Secular beliefs
 - g. Charedi
 - h. Jewish
 - i. Sikh
 - j. Other (please state if you wish):
24. Sexual orientation: Are you... (Please select only one item)
- a. Heterosexual
 - b. Bisexual
 - c. Gay man
 - d. Lesbian or Gay woman
 - e. Pansexual
 - f. Asexual
 - g. Queer

- h. All other sexual orientations
 - i. Prefer not to say
 - j. Other (please state if you wish):
25. Housing Tenure: Which of the following best describes the ownership of your home?
(Please select only one item)
- a. Being bought on a mortgage
 - b. Owned outright
 - c. Rented (Local Authority/Council)
 - d. Rented (Housing Association/Trust)
 - e. Rented (private)
 - f. Shared ownership (part rent/part buy)
 - g. Don't know

Appendix 4. Survey Results

The survey shows that most respondents (87%) live in Hackney, with over half having lived there for more than 10 years. Households are typically small, with 71.6% reporting no children at home and many living alone or with one other adult. A high proportion (70.2%) are considering moving, and 80.1% express interest in intermediate housing, particularly Rent to Buy and affordable rental options. However, only 43.8% have a 5% deposit, highlighting financial barriers to home ownership. Over half of respondents work in Hackney, and nearly two-thirds would prefer to live and work in the same borough.

Table 1. Do you live in Hackney?

Responses	Count	Percentage
Yes	254	87.0%
No	37	12.7%
I don't know	1	0.3%
Total	292	

Table 2. How long have you lived in Hackney?

Responses	Count	Percentage
0 - 5 years	64	21.9%
6-10 years	40	13.7%
More than 10 years	150	51.4%
Not Answered	38	13.0%
Total	292	

Table 3. Adults living in property (excluding respondent) *

Responses	Count	Percentage
0	61	20.9%
1	123	42.1%
2	52	17.8%
3	34	11.6%
4	14	4.8%
5	4	1.4%
6	0	0.0%
7	2	0.7%
8	1	0.3%
9	0	0.0%
10	1	0.3%
Total	292	

**Note: Some respondents exhibited confusion over whether to include themselves in this number. It has been fixed manually where text was provided, but uncertainty remains surrounding absolute numbers. Operating on the assumption that most respondents understood correctly.*

Table 4. Children living in property

Responses	Count	Percentage
-----------	-------	------------

0	209	71.6%
1	45	15.4%
2	19	6.5%
3	10	3.4%
4	5	1.7%
5	0	0.0%
6	2	0.7%
7	2	0.7%
Total		292

Table 5. Current Accommodation Type

Responses	Count	Percentage
Shared accommodation - people from different households living together and sharing amenities	49	16.8%
Shared accommodation - friends and/or extended family	29	9.9%
Family accommodation - only immediate family or on your own	147	50.3%
Temporary or non-fixed accommodation - such as hotels or staying with friends or family temporarily	7	2.4%
Other - please give details	60	20.5%
Total	292	

Table 6. Thinking of moving?

Responses	Count	Percentage
Yes	205	70.2%
No	47	16.1%
I don't know	40	13.7%
Total	292	

Table 7. Currently work in Hackney?

Responses	Count	Percentage	Count (living in Hackney; n=254)		Count (not living in Hackney; n=37)	
Yes	155	53.1%	132	52.0%	23	62.2%
No	126	43.2%	112	44.1%	14	37.8%
I don't currently have a job	9	3.1%	9	3.5%	0	0.0%
I don't know	2	0.7%	1	0.4%	0	0.0%
Total	292		254		37	

Table 7. How long have you worked in Hackney?

Responses	Count	Percentage (total)	Percentage (Work in Hackney; n=155)
Less than 1 year	10	3.4%	6.5%
1 - 5 years	56	19.2%	36.1%
6 - 10 years	43	14.7%	27.7%
More than 10 years	46	15.8%	29.7%
I don't know	1	0.3%	

Not Answered	136	46.6%
Total work in Hackney	155	
Total	292	

Table 8. Would you prefer to live and work in the same borough?

Responses	Count	Percentage
Yes	189	64.7%
No	53	18.2%
I don't know	50	17.1%
Total	292	

Table 9. Are you currently interested in living in Intermediate housing such as shared ownership or a discounted market rent tenure?

Responses	Count	Percentage
Yes	234	80.1%
No	44	15.1%
I don't know	14	4.8%
Total responses	292	

Table 10. What type(s) of intermediate housing are you interested in?

Responses	Count	Percentage
Shared ownership	130	44.5%
Rent to buy	181	62.0%
Other forms of partial ownership	120	41.1%
Rental	151	51.7%
I don't know	27	9.2%

Table 11. If you are looking to purchase intermediate housing, do you have enough for a 5% deposit?

Responses	Count	Percentage
Yes	128	43.8%
No	55	18.8%
I'm not looking to purchase	27	9.2%
I don't know	42	14.4%
Not Answered	40	13.7%
Total	292	

Respondents were asked to elaborate on their choice selection to the question: **“Would you prefer to live and work in the same borough?”** (can be seen in Table XX). The 176 written responses are synthesized and summarised below, alongside the provision of short quotes highlighting the elements discussed. The responses fell broadly into three categories— “Yes,” “No,” and “I don’t know”—with various reasons expressed within each.

1. Respondents Who Answered “Yes”

A significant number of people (64.7%) indicated they would **prefer** to live and work in the same borough. Their reasons can be broken down into the following sub-themes:

a. Reduced Commute Time and Cost

Shorter journey: Commuting is considered time-consuming, stressful, and expensive. Living and working in the same borough makes it easier to walk, cycle, or take shorter public transport routes.

Work-life balance: Less time commuting means more time for family, leisure, and rest.

"Less travel time and expense... I have more time with my daughter."

"I hate commuting, so being near to my job is very important."

b. Community Ties and Sense of Belonging

Local engagement: Many respondents love Hackney (or their home borough) and feel that working in the same area fosters a deeper connection to the community.

Contributing locally: Some want to see the direct impact of their work on their neighbourhood and enjoy connecting with local businesses and residents.

"It's important for me to both live and work in Hackney. It's where I build community."

"Living and working in the same borough fosters deeper engagement with the local community."

c. Practical and Familial Considerations

Family life: Parents and carers noted that living close to school or childcare facilities gives them flexibility if called away for emergencies, reduces stress, and saves money on travel.

Personal safety: Travelling later in the evenings can be challenging, especially for women. Living and working nearby feels safer.

"I have young children, so a short commute helps with childcare arrangements."

"Travelling late at night can be daunting as a female on buses."

d. Environmental and Health Benefits

Greener lifestyle: Respondents highlighted wanting to walk or cycle more rather than use cars or long public transport journeys.

Reduced carbon footprint: Some explicitly mentioned concern for the environment.

"I do not like commuting for environmental impact reasons and prefer to cycle."

2. Respondents Who Answered "No"

Another subset of respondents indicated they did **not** want to live and work in the same borough, or at least didn't see it as a priority. Their reasons include:

a. Desire for Separation Between Work and Home Life

Privacy: Especially for key workers or those in community-facing roles (like teachers, social workers, or healthcare professionals), living in the same borough could blur

personal and professional boundaries.

Avoiding bumping into clients/patients: Some prefer anonymity or separation of personal and professional spheres.

"I'm a community worker and living in the same borough meant I'd see families on my days off."

"I wouldn't want to randomly bump into my patients on the high street."

b. Location Preferences and Accessibility

Family ties elsewhere: Some prefer living near family or in a different location that suits their personal life better.

Affordable housing: Although they might work in an expensive borough (e.g. Westminster), they prefer to live where it's more affordable, or where they grew up.

"I prefer to live close to family in Hackney but work elsewhere."

"I cannot afford to live in the borough I work in, so I live in a cheaper area."

c. Enjoying a Distinct Commute or Distance

"Break" from work: A few people said they like cycling or travelling across different parts of the city and find that commuting gives them a mental boundary between work and home.

"I enjoy my cycle commute... it's good to have some space away from work."

d. Nature of Employment

Flexible or remote work: Some do not mind commuting if it is only part of the week (hybrid roles), so living in the same borough is not a priority.

No preference: If their job is inherently located elsewhere (e.g. specialist roles in central London), living in the borough doesn't factor in as important.

"I work from home for 3 days a week, so the borough doesn't really matter."

3. Respondents Who Answered "I Don't Know"

A number of participants were uncertain or indicated it **depends** on other factors:

a. Affordability vs. Ideal Choice

Would prefer to live close to work but can't afford it: Some participants said that in a perfect world they'd live and work in the same borough, but housing costs in Hackney (or another borough) were prohibitive.

"Living and working in the same borough would be ideal, but I can't afford rent near the hospital."

b. Nature of Work and Prospects

Career-driven: If a better role was available outside of the borough, they might prioritise that.

Key or specialised roles: Certain jobs aren't readily available in every borough (for example, universities, specialist hospitals, or specific industries).

*"I'll soon qualify as a nurse, so it depends on where I'm able to secure a role."
 "No universities in Hackney, so I can't really work in my borough."*

c. Neighbouring Boroughs

Short commutes across borough lines: Some are comfortable with living in a neighbouring area if it provides the same short journey times and lifestyle benefits.
"I live on the border of Hackney, so I'm effectively in walking distance even though technically it's a different borough."

Overall Themes and Observations

Strong Preference for Reduced Commuting

The majority of "Yes" respondents cite saving time and money on travel, as well as improving work-life balance, as the biggest incentives.

Community and Family Ties

People who have family or other strong personal connections to the borough often want to work close by for convenience, childcare support, and deeper community involvement.

Cost and Housing Affordability

Even those who would like to live and work in the same borough may find it financially impossible if that borough is expensive. Some have to compromise by living elsewhere or working somewhere else.

Privacy and Professional Boundaries

Among those who prefer living outside the borough where they work, a common concern is maintaining healthy boundaries between their professional and personal lives.

Flexibility in Modern Work

With the rise of hybrid and remote working arrangements, some respondents do not mind living further away if travel is only required a few days per week.

Conclusion

The question of whether people would prefer to live and work in the same borough generally yielded **yes** answers for **practical, financial, community, and family-related reasons**, including cost savings, reduced commute time, community ties, and ease of childcare. On the other hand, **no** or **indifferent** answers often centred on maintaining personal/professional boundaries, living elsewhere for family or affordability reasons, or working in a sector that isn't prevalent locally. Finally, those who answered **"I don't know"** highlighted **affordability constraints** and the nature of their job as deciding factors.

Overall, while many see the appeal of living and working in the same place—especially for convenience and community reasons—affordability remains a crucial barrier, and personal/job-related factors can sometimes make living and working in two different boroughs more practical or desirable.

...

Below is a synthesis of the **comment column** regarding people's interest in living in **intermediate housing** (e.g. shared ownership or discounted market rent):

1. Those Who Answered “Yes”

A large proportion of respondents (80.1%, see Table 9) **support** or **are open** to intermediate housing options—either shared ownership or (especially) discounted market rent. Their comments highlight several recurring themes:

Affordability and Housing Insecurity

- Many are **priced out** of both market-rate renting and traditional homeownership in Hackney, leaving discounted market rent or shared ownership as the **only perceived pathway** to staying in the borough.
- A number of respondents worry about **frequent rent increases** in the private sector or risk of eviction if landlords decide to sell.
- Some are currently living in **overcrowded** or poor-quality accommodation, underscoring the urgent need for a more stable option.

Desire to Stay in the Community

- Respondents expressed a **strong wish** to remain in Hackney, citing personal ties, work commitments, children’s schooling, and community engagement.
- Many see intermediate housing as the **only feasible route** to remain near friends, family, and essential support systems.

Scepticism Around Shared Ownership

- Although some view shared ownership as a **stepping stone** to eventual full ownership, it is also described by many as a **“scam,” “trap,” or “unaffordable”** in the long run.
- Concerns include **high service charges**, rising rents on the unsold share, and the difficulty of reselling or “staircasing” (buying additional shares).
- Several respondents emphasise they would **prefer discounted market rent** over shared ownership due to fewer financial risks and uncertainties.

Key Workers and Middle-Income Households

- A significant subset are **key workers** (e.g. NHS staff, teachers) or in public service roles who still cannot afford open-market prices.
- Many mention that **house prices and rent have far outpaced salary growth**, making intermediate housing essential for those on moderate incomes.

Challenges with Availability and Eligibility

- Numerous comments note the **lack of properties** on Hackney’s existing intermediate housing lists or difficulty meeting certain eligibility criteria.
- Some have been on waiting lists for **years** without success. Others point out that even if they have modest savings, the **monthly costs** (rent + mortgage + service charge) can be **prohibitively high**.

2. Those Who Answered “No”

A smaller but still significant group (15.1% or 44 respondents, see Table 9) **declined** interest in intermediate housing for various reasons:

Already in Social Housing or Suitable Accommodation

- Some respondents already have a **social rent tenancy** or live in housing association properties and **do not wish to move**.
- Others already completed shared ownership or Help to Buy in the past, or simply **achieved full ownership**.

Negative Perception of Shared Ownership

- A few explicitly call it a **"scam"** or **"pointless"**, arguing that the combined costs (mortgage, rent on the unowned share, and service charge) can be higher than outright renting or buying.
- There is a sense that the scheme **fails** to offer genuine affordability or an easier path to long-term homeownership.

Preference for Other Solutions

- Some say they want more **straightforward affordable housing** or a **council home**, rather than an intermediate scheme.
- Others mention that **moving out of Hackney** entirely—or different personal circumstances—means they have no interest in intermediate options.

3. Those Who Are Unsure or "Don't Know"

A number of respondents (4.8%) are **uncertain** about intermediate housing, often expressing **conditional interest**:

Depends on True Affordability

- Many say they would **consider** an intermediate option if the monthly costs proved **realistically affordable**—but are wary of hidden fees or service charges.
- Some worry about **income thresholds**: they either **earn too much** to qualify for certain schemes or **not enough** to afford the monthly payments once they're accepted.

Changing Circumstances

- Life events such as **divorce**, **family size changes**, or **career moves** mean people are re-evaluating their housing needs.
- Uncertainty also arises around the possibility of obtaining a mortgage or the availability of suitable **larger homes** (e.g. families needing two or three bedrooms).

Concerns About Availability

- A few individuals note they **rarely see** intermediate units on offer in Hackney. They might be interested in discounted market rent or a specific property type if it arises but have **not seen** any feasible listings.

Overall Observations

- **Intermediate Housing as a Middle-Ground**: For many on moderate incomes, especially key workers, intermediate housing (shared ownership or discounted

market rent) is seen as the **only** way to remain in Hackney, given prohibitive private rents and house prices.

- **Significant Distrust of Shared Ownership:** While some respondents are willing to attempt it, a large share **distrust** or have had **negative experiences** with hidden or escalating costs.
- **High Demand and Low Availability:** Repeatedly, commenters cite a **shortage of properties** and **stringent eligibility requirements** as major barriers.
- **Desire for Security and Community:** A common theme is seeking a **long-term, stable home** where they can be part of the borough's social fabric rather than being forced to move frequently due to rising rents or landlord decisions.

Overall, the comments suggest **strong demand** for truly affordable, stable housing options in Hackney—particularly for those who do not qualify for social housing but cannot afford market-rate ownership or rent.

Respondent Demographics

The majority of respondents identified as female (62.3%), followed by male (31.8%), with a small proportion identifying as non-binary or another term. Most were aged between 25–44, with 38.7% in the 25–34 range and 35.3% in the 35–44 range. Around 13% reported having a disability, and 9.2% had caring responsibilities. Over half identified as White or White British (53.1%), while 21.9% identified as Black or Black British. Atheism or no religious belief (37.3%) and Christianity (34.6%) were the most common belief systems. Most respondents were heterosexual (63.7%), and the majority lived in private rented accommodation (45.9%), with smaller numbers renting from the council or housing associations. Few owned their homes outright or through a mortgage.

Table 12. Gender

Responses	Count	Percentage
Male	93	31.8%
Female	182	62.3%
Non-Binary	5	1.7%
Another term	1	0.3%
Prefer not to say	8	2.7%
Not Answered	3	1.0%
Total responses	292	

Table 13. Are you transgender or do you have a history of being transgender?

Responses	Count	Percentage
Yes	3	1.0%
No	268	91.8%
Prefer not to say	12	4.1%
Not Answered	9	3.1%
Total responses	292	

Table 14. Age

Responses	Count	Percentage
18-24	10	3.4%
25-34	113	38.7%
35-44	103	35.3%
45-54	39	13.4%
55-64	22	7.5%
65-74	2	0.7%
Prefer not to say	0	0.0%
Not Answered	3	1.0%
Total responses	292	

Table 15. Disability under the Equality Act

Responses	Count	Percentage
Yes	38	13.0%
No	247	84.6%
Not Answered	7	2.4%
Total responses	292	

Table 16. Caring Responsibilities

Responses	Count	Percentage
Yes	27	9.2%
No	252	86.3%
Not Answered	13	4.5%
Total responses	292	

Table 17. Ethnicity

Responses	Count	Percentage
White or White British	155	53.1%
Black or Black British	64	21.9%
Asian or Asian British	17	5.8%
Other ethnic group	14	4.8%
Mixed background	28	9.6%
Not Answered	14	4.8%
Total responses	292	

Table 18. Religious beliefs

Responses	Count	Percentage
Christian	101	34.6%
Muslim	15	5.1%
Sikh	1	0.3%
Hindu	3	1.0%
Jewish	10	3.4%
Charedi	8	2.7%
Buddhist	3	1.0%

Atheist/no religious belief	109	37.3%
Secular beliefs	8	2.7%
Not Answered	34	11.6%
Total responses	292	

Table 19. Sexual Orientation

Responses	Count	Percentage
Heterosexual	186	63.7%
Lesbian or Gay woman	10	3.4%
Gay man	22	7.5%
Bisexual	13	4.5%
Pansexual	3	1.0%
Queer	9	3.1%
Prefer not to say	31	10.6%
Not Answered	18	6.2%
Total responses	292	

Table 20. Current Housing Tenure

Responses	Count	Percentage
Owned outright	7	2.4%
Being bought on a mortgage	23	7.9%
Shared ownership (part rent/part buy)	20	6.8%
Rented (private)	134	45.9%
Rented (Local Authority/Council)	41	14.0%
Rented (Housing Association/Trust)	48	16.4%
Don't know	14	4.8%
Not Answered	5	1.7%
Total responses	292	

Housing Issues in Hackney: Summary of Resident Feedback

The feedback from respondents (177 comments) underscores the severe affordability and availability challenges in the housing market. Many residents feel that current schemes, such as shared ownership, fail to meet their needs, leaving them trapped in precarious situations. The need for more affordable housing options, particularly for local people and key workers, is a consistent theme. Below is a detailed breakdown of the key concerns and suggested improvements, as articulated by residents.

1. Shared Ownership and Rent-to-Buy Schemes

Residents expressed a strong dissatisfaction with shared ownership schemes, which they feel trap individuals in long-term financial difficulty. The rising service charges, escalating rents, and the inability to fully own the property make it an unattractive option for many.

- **Key Points:**

- Shared ownership is often seen as a financial trap due to rising service charges and ground rent increases, leaving individuals unable to ever fully own their homes.
- There is a desire for more affordable rent-to-buy schemes, particularly those offering freehold properties, which are seen as a safer and more predictable alternative to leasehold arrangements.

2. Skyrocketing House Prices and Rent

Many respondents pointed to the unaffordability of housing in Hackney, particularly for long-term residents and those working in the borough. High house prices and rents are forcing people to leave or preventing them from securing a home in the area altogether.

- **Key Points:**

- The escalating prices make it impossible for local residents, particularly those born and raised in Hackney, to buy homes.
- Rental prices are also unaffordable, creating a sense of housing instability. Many fear eviction or being priced out of their current homes.

Quote:

"House prices in Hackney are ridiculous. People who are born and raised here like myself can't afford to continue to live here or even consider owning here."

3. Key Workers and Local Residents' Needs

The need for affordable housing aimed specifically at key workers is a common theme. Essential workers such as NHS staff, teachers, and local authority employees are finding it difficult to afford housing in the borough, despite earning too much for social housing.

- **Key Points:**

- Key workers, despite being vital to the borough's operations, are often priced out of living near their workplaces, forcing them to live further away.
- Many respondents believe that local residents who have lived in Hackney for many years should be given priority access to affordable housing to help them remain in the community.

Quote:

"As a key worker, I would be very happy to work and live in the same borough... Most have to live outside of Hackney due to affordability."

4. Lack of Intermediate Housing Options

There is a significant gap in the availability of intermediate housing—affordable options for those who earn too much for social housing but cannot afford the private housing market. Respondents expressed frustration at the limited availability of such housing and the lack of clear information on how to access it.

- **Key Points:**

- Middle-income workers, such as public sector employees, find it difficult to access housing schemes that cater to their needs, often leaving them with limited options.
- More intermediate housing schemes are needed to provide options for individuals who fall between the thresholds of social housing and full market rent.

5. Concerns About Leasehold Properties and Service Charges

Many residents raised concerns about the financial burden of leasehold properties, particularly in the context of shared ownership. Service charges are often unpredictable and can rise rapidly, adding to the cost of living and making it difficult to afford long-term.

- **Key Points:**
 - Leasehold properties come with the risk of escalating service charges and ground rents, which are financially destabilising for residents.
 - There is a need for more transparency in leasehold agreements, and a preference for freehold properties or more predictable rent-to-buy schemes.

Quote:

"Shared ownership feels like a trap... the possibility of being evicted by private landlords as are on assured shorthold tenancies."

6. Demand for Larger and Affordable Family Homes

The demand for family homes, particularly those with three or more bedrooms, was highlighted by several residents. Many larger families are struggling to find suitable accommodation within Hackney, and the limited availability of affordable family homes is a significant issue.

- **Key Points:**
 - Larger families are often forced to accept smaller or more expensive homes due to the limited availability of affordable family-sized properties.
 - Housing needs for multi-generational families should be addressed more effectively in future planning.

7. Suggestions for Improvement

Respondents made several suggestions for improving the housing market in Hackney:

- **Key Points:**
 - More support for long-term residents and key workers, with a focus on intermediate housing options that fall between social housing and market rent.

- Improved access to information on available schemes, such as rent-to-buy and intermediate housing, to help people navigate their options more easily.
- A focus on building more family-sized homes and offering priority to those already living and working in Hackney.

Quote:

"I reside in a multi-generational family and would like to have intermediate housing options to accommodate us all."

Conclusion

Hackney residents are experiencing significant housing challenges, with a widespread sense of frustration over unaffordability, limited options for local and key workers, and the complexities of shared ownership schemes. There is a strong desire for more affordable, accessible, and predictable housing options, especially for people already embedded in the borough. The feedback also highlights the need for clearer information on available schemes, along with a more comprehensive approach to intermediate housing. Addressing these concerns will be crucial in ensuring that Hackney remains a place where both long-term residents and essential workers can live and thrive.



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