

Intermediate Housing Register Update

September 2021



Intermediate Housing Register



What is it and why?

- Contributes to the Council's commitment to develop and promote affordable housing within the Borough, as stated in the Council's Housing Strategy 2016-2021.
- Ensures that residents are first in line to benefit when intermediate housing units become available
- The IHRI enhances the opportunities for those who are not a priority for social housing, but who are unable to afford market housing options within the Borough, to access affordable intermediate housing products in the Borough.
- The IHRI is a data store to be accessed by participating registered providers to identify applicants interested in their products. The registered providers then market and select appropriate interested applicants for an affordability test for the product and make offers as a result.
- No council administration involved - self administered by RP's and developers although Council have procured the RAPID IT system to register and prioritise applicants – enabling direct and targeted marketing.

Intermediate Housing Register



- In March 2021, Cabinet approved the Intermediate Housing Policy which prioritises applicants for intermediate homes for sale or rent in the Borough during the initial first three-months of marketing any new Intermediate Housing Schemes built in the Borough.
- The prioritisation is applied irrespective of whether the schemes have been developed with or without any GLA or Government financial support/funding..
- After the initial three months of marketing, eligibility will automatically cascade to the London-wide offer as specified by the GLA where other qualifying applicants may apply.

Intermediate Housing Policy



- New policy conforms with the GLA's Affordable Homes eligibility criterion.
- Income thresholds:
 - Household income of < than £60,000 per annum for intermediate rent homes
 - Household income of <than £90,000 per annum for shared ownership homes
- No set minimum income for intermediate homes. Developers will screen applicants for affordability. The applicant will be required to show that they have the financial means for the home to be affordable to them .
- Applicants will be required to have sufficient deposit for the purchase (usually 5-10%) and will also need to have enough savings or to be able to access the costs of buying a home; for instance, to cover additional costs such as legal fees and Stamp Duty Land Tax.

Intermediate Housing Policy



Priority Matrix for the first three months of marketing new Intermediate Homes

1. Existing social housing tenants (living in accommodation owned by the Council or a Registered Provider as registered).
 2. Armed forces personnel (serving military personnel and former members of the British Armed Forces discharged within the last 2 years)
 3. Any Tower Hamlets Residents
 4. Any Hamlets' residents who have been working in the Borough for the past six months
- Applicants within each band will be accorded priority accordingly to the date of their registration on the IHRI
 - Each scheme will have its own valuation and costs. Applicants will be required to show that they have the financial means for the home to be affordable to them.
 - In the event of a 'tie' between applicants in one of the priority groups, the applicant/household who is on the lower income threshold of affordability should be prioritised.

Intermediate Housing Register



Benefits

- Maximises housing supply for those eligible (reducing pressure on supply in the Borough).
- Encourages and facilitates residents on low to medium incomes, who have the financial ability and the aspirations of home ownership, towards achieving their goal, via the intermediate housing route.
- Prioritises existing social tenants, working age sons and daughters living with parents, residents who are private renters, living with family or friends and others on low/middle incomes living and working in the borough.
- Benefits residents with a moderate level of income, enabling social mobility for those residents who with some assistance, would be able to acquire and step into affordable housing. High rents and house prices in the Borough mean that there are many residents who are unlikely to be eligible for social housing, but who could have their housing needs met by intermediate products.
- Offers residents the opportunity to purchase a home on a shared ownership basis where they cannot afford to purchase outright. Residents moving away from the private rented sector - where rents are typically above 40% of household's housing costs may benefit from reducing their rent liabilities, in turn reducing the stress and anxiety related to affordability of housing which can impact on the mental health and well-being of residents
- Many households across all tenures are affected by over-crowding, particularly as a result of their extended families moving in. Residents who have the financial means to move into an intermediate housing unit will benefit from having first priority for any new intermediate homes built within the Borough during the initial first three months of marketing.

Intermediate Housing Register



What next?

- The RAPID IT system has been extensively tested by users and will go live in September 2021.
- The Communication Team are co-ordinating work to promote and publicise the Intermediate Housing Register.
- Web content has been developed to provide information about the Council's Intermediate Housing Policy and Register of Interest, with a link where applicants can register their interest and view up and coming schemes set to launch in the Borough.