

Affordable and genuinely affordable housing: Sadiq Khan introduced two new ‘affordable’ housing types (London Affordable Rent and London Living Rent) when he became Mayor of London. Some affordable housing types are described as ‘genuinely affordable’. The Mayor refers to social and London Affordable Rent as ‘low cost rented’. The draft new London Plan says 50% of new homes should be ‘affordable’; 30% low-cost rented, 30% intermediate and 40% as determined by individual boroughs.

Housing type	The cost in London	Who is it for?	Affordable / Genuinely Affordable																																			
Social rent	<p>Average rents + service charges: Council £106 + £9 (2018/19) Housing Ass £123 + £12 (2018/19)</p> <ul style="list-style-type: none"> From 2002-16, social rents went through a process of ‘restructuring’. Rents were set using a Government formula and included annual increases and caps. From 2016-20, an annual 1% rent reduction was applied to reduce the growing housing benefit bill, which itself was a result of rent restructuring and a shortage of social housing. From 2020/21, social rents will increase annually by CPI + 1%. 	Households on local authority housing registers.	Described as ‘ genuinely affordable ’. This is only type of housing that is affordable to low-income households and others with incomes below the median, despite wide variations depending on: <ul style="list-style-type: none"> where you live; whether you are a council or housing association tenant; when your tenancy began. 																																			
Affordable Rent	Up to 80% market rents and inclusive of service charges. In 2018/19 they were on average £184 pw. The 1% annual rent reduction for years 2016-20 was applied to Affordable Rent.	As above.	Described as ‘ affordable ’.																																			
London Affordable Rent	<p>Weekly rents, which exclude service charges, are set out below. Rents increase annually by CPI + 1%. The rent for a 3-bed London Affordable Rent home in 2018/19 was 59% higher than the average council and 37% higher than the average housing association rent. Once the £12 weekly average housing association service charge in is added they are close to Affordable Rent levels.</p> <table border="1"> <thead> <tr> <th></th> <th>2017/18</th> <th>2018/19</th> <th>2019/20</th> <th>2020/21</th> </tr> </thead> <tbody> <tr> <td>Bedsit & one beds</td> <td>£144.26</td> <td>£150.03</td> <td>£155.13</td> <td>£159.32</td> </tr> <tr> <td>Two beds</td> <td>£152.73</td> <td>£158.84</td> <td>£164.24</td> <td>£168.67</td> </tr> <tr> <td>Three beds</td> <td>£161.22</td> <td>£167.67</td> <td>£173.37</td> <td>£178.05</td> </tr> <tr> <td>Four beds</td> <td>£169.70</td> <td>£176.49</td> <td>£182.49</td> <td>£187.42</td> </tr> <tr> <td>Five beds</td> <td>£178.18</td> <td>£185.31</td> <td>£191.61</td> <td>£196.78</td> </tr> <tr> <td>Six or more beds</td> <td>£186.66</td> <td>£194.13</td> <td>£200.73</td> <td>£206.15</td> </tr> </tbody> </table>		2017/18	2018/19	2019/20	2020/21	Bedsit & one beds	£144.26	£150.03	£155.13	£159.32	Two beds	£152.73	£158.84	£164.24	£168.67	Three beds	£161.22	£167.67	£173.37	£178.05	Four beds	£169.70	£176.49	£182.49	£187.42	Five beds	£178.18	£185.31	£191.61	£196.78	Six or more beds	£186.66	£194.13	£200.73	£206.15	As above.	<p>A new ‘affordable’ housing type added by Sadiq Khan when he first became Mayor of London. While rents are pretty much the same as Affordable Rent once service charges are added, these are described as ‘genuinely affordable’.</p> <p>Even more confusing, at times, the Mayor’s office and local authority officers refer to London Affordable Rent homes as ‘social rent’, which they are not.</p>
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London Living Rent	Rents set at a third of average gross local earnings. On average, they are about 67% of London market rents. Renters must also save for a deposit to buy a home. Most households with below median incomes are not able to afford this without paying more than a third of incomes on rent ¹	Exclusively for middle income households (up to £60,000) who want to buy a home.	A new ‘affordable’ housing type added by Sadiq Khan when he became Mayor of London. It is intermediate housing that is described as ‘ genuinely affordable ’.																																			
London shared ownership	Costs include: a deposit, rent, service charges and a mortgage.	Households with up to £90,000 incomes.	Described as ‘ genuinely affordable ’.																																			

*1 - www.london.gov.uk/sites/default/files/ad_54_ltf_analysis_llr_-_breifing_households_with_below_median_income_levels.pdf and https://www.london.gov.uk/sites/default/files/ad_55_ltf_analysis_of_llr.pdf