



House of Commons
Levelling Up, Housing and
Communities Committee

Shared Ownership

Fifth Report of Session 2023–24

*Report, together with formal minutes relating
to the report*

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Levelling Up, Housing and Communities Committee

The Levelling Up, Housing and Communities Committee is appointed by the House of Commons to examine the expenditure, administration, and policy of the Department for Levelling Up, Housing and Communities.

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Summary

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. In particular, rising rents, uncapped service charges, liability for repairs and maintenance costs and complex leases make shared ownership an unbearable reality for many people seeking to become 100% homeowners. For there to be a genuine place in the market for shared ownership, the Government must take urgent and significant action to reform how shared ownership schemes currently operate.

The main issue faced by most shared owners is uncapped service charges levied by the provider or landlord. These increasing costs inhibit the ability of shared owners to increase their share (“staircase”) over time and achieve their ambition of 100% homeownership. This is exacerbated by the fact that shared owners are unfairly liable for 100% of the repairs and maintenance costs of their property despite owning only a proportion of it. Many of the repairs and maintenance services shared owners then receive are not done in good time and are often of poor quality.

Furthermore, shared ownership is a unique product with often complex leases, but there is a lack of a single, specialist source of independent and impartial advice for shared owners. While there is broad support for the improvements made to shared ownership leases in 2021 to address some of these issues, these provisions do not extend to shared owners who own properties delivered under the previous Affordable Homes Programme (2016–2023). There is a risk this will result in the emergence of a two-tier market, where older, less attractive shared ownership properties become more difficult or even impossible to sell.

Shared owners also often have difficulty selling their share in cases where their properties are affected by building safety remediation issues, with many people ending up ‘trapped’ in properties they can no longer afford.

Finally, it is vital that the Government better understand and assess what role shared ownership should have within the Affordable Homes Programme. There is a significant and concerning data gap when it comes to shared ownership which hinders this assessment and which must be addressed.

Ultimately, the Government must take clear and urgent action to improve shared ownership by:

- exploring how it can extend the improvements made to shared ownership leases from 2021 onwards to properties delivered under the 2016–2023 Affordable Homes Programme;
- exploring how it can ensure shared owners are only ever liable for repairs and maintenance costs proportionate to the size of share they own and ensuring the Regulator for Social Housing updates its Tenant Satisfaction Measures to include satisfaction with repairs and maintenance for shared owners;

- ensuring Homes England improves the accessibility and quality of guidance, e.g. better signposting to existing services such as the Leasehold Advisory Service and ensuring providers offer the specialist advice needed to understand complex shared ownership leases; and
- continuing to urge providers to offer flexibility for shared owners in situations where they are unable to sell due to building remediation issues, and exploring the potential for requiring providers to buy back shares in such situations.

Introduction

What is shared ownership?

1. Shared ownership is an ‘affordable’ homeownership scheme available to a person looking to buy property who cannot afford to buy a home that meets their needs on the open market. A prospective shared owner must have a household income of £80,000 or less (£90,000 in London) and meet one of several other conditions, such as being a first-time buyer.¹ Buyers purchase an initial share of 10% to 75% of the home’s full market value and pay rent to the landlord (or provider, with whom they then share the property) on the remaining share. They may then ‘staircase’ (buy additional shares) in increments until they own 100% of the property, although there is no requirement to do so.

2. Shared ownership is a key product supporting the Government’s policy objectives around affordable housing, with the scoping Report for the 2021–2026 Affordable Homes Programme estimating that 50% of new affordable housing units delivered by 2028 are expected to be for owner’s occupation (as opposed to being rental properties).² The majority of this ‘owner occupation’ segment of the Affordable Homes Programme are being sold as shared ownership properties.³ For the purposes of the Affordable Homes Programme, shared owners are classed as ‘owner-occupiers’ of their property despite the fact they are not the landlord (until/unless they purchase 100% of the property).

3. Shared ownership is not, however, a widespread tenure.⁴ The English Housing Survey estimated in 2019–2020 that there were around 202,000 households living in shared ownership properties in England, representing approximately 1% of homeowners and less than 1% of all households.⁵

4. There is also a limited amount of publicly available data about the shared ownership scheme in general, with little research having been undertaken about its development over time, an issue we explore throughout the Report.

5. As part of this Report, we discuss issues many shared owners who submitted written evidence of their lived experience have had with their shared ownership properties. The issue of limited data as mentioned above means it is not currently possible to ascertain the full scope of these issues, and indeed some of the recommendations we make concern improving the collection and publication of data on shared ownership so that we have a clearer picture of how widespread these issues are within the shared ownership sector.

1 At least one of the following must apply to be eligible for shared ownership: they are a first-time buyer; they used to own a home but cannot afford to buy one now; they are forming a new household for example, after a relationship breakdown; they are an existing shared owner and want to move; they own a home and want to move but cannot afford a new home that meets their needs.

2 Homes England, [Affordable Homes Programme 2021 to 2026](#) (August 2022)

3 Department for Levelling Up, Housing and Communities, [Scoping Report for the Evaluation of the Affordable Homes Programme 2021–2026](#) (August 2022)

4 Shared ownership (England): The fourth tenure?, Commons Library Research Briefing [08828](#), House of Commons Library, December 2021

5 Ministry of Housing, Communities and Local Government, [English Housing Survey - Home Ownership 2019–20](#) (July 2021)

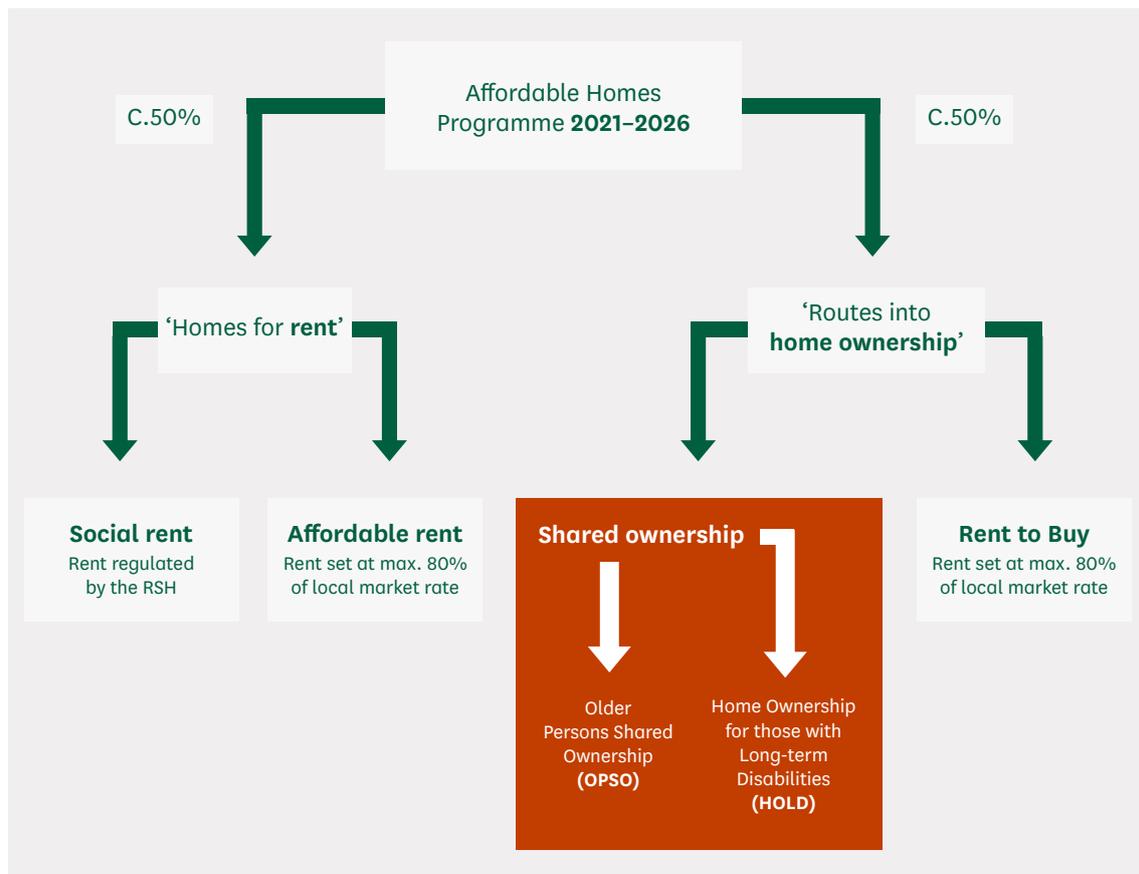
Affordable Homes Programme

6. The Affordable Homes Programme is run by Homes England - the Government’s housing and regeneration agency - to deliver housing for those “whose needs are not met by the market”. It provides grant funding to support the capital costs of developing affordable housing, which it splits into ‘Homes for rent’ and ‘Routes into Home Ownership’ (which includes shared ownership - see diagram 1, below). Homes England defines ‘affordable’ in this context as anything up to 80% of local market rates for an equivalent home. In London, affordable housing delivery is currently overseen by the Greater London Authority’s ‘Homes for Londoners’ programme (2021–2026).⁶

7. The current iteration of the Affordable Homes Programme started in 2021 and is due to end in 2026.⁷ The lease terms for shared ownership properties delivered under this iteration of the programme (the ‘new’ lease) are different from those delivered under the previous programme which ran from 2016–2023 (the ‘old’ lease); the implications of this are explored throughout the Report.

8. A breakdown of the different tenures into which the Affordable Homes Programme is split is outlined in the diagram below.

Diagram 1: Breakdown of the 2021–2026 Affordable Homes Programme⁸



6 Greater London Authority, ‘Homes for Londoners: Affordable Homes Programme 2021–2026’, Accessed 13 February 2024

7 GOV.UK, ‘Guidance - Apply for affordable housing funding’, 11 December 2023

8 Graphic adapted from information in GOV.UK’s, ‘Guidance - Apply for affordable housing funding’, 11 December 2023

Variants of shared ownership

9. There are specific shared ownership schemes for those aged 55 and older (Older Persons Shared Ownership, OPSO); those who are disabled (Home Ownership for people with Long-term Disabilities, HOLD); those living in rural areas and those who are contributing some of their own capital to the development or restoration of the property (DIY).⁹ Additionally, Right to Shared Ownership (RtSO) gives most social tenants already living in rented homes delivered by the 2021–2026 Affordable Homes Programme the opportunity to purchase shares in their homes on a shared ownership basis.¹⁰

Our inquiry

10. Our inquiry looked into shared ownership following a number of issues being raised about shared ownership products by stakeholders in the sector, including its affordability and difficulties facing households in achieving 100% homeownership through shared ownership products. Throughout the Report, we call on the Government to act urgently to reform the product and ensure better support is available for shared owners.

11. The inquiry consisted of a call for written evidence to explore issues around shared ownership further, from which we received 153 submissions, the majority of which consisted of testimonies of lived experience from users of shared ownership.

12. We also held two oral evidence sessions, the first of which, on 4 December 2023, was with representatives from the sector, registered providers and academics. One of these witnesses, Sue Phillips, additionally had lived experience of shared ownership. The second and final session took place on 18 December 2023 with Baroness Penn, Parliamentary Under-Secretary of State for Housing and Communities, and Emma Payne, Director of Social Housing and Resettlement at the Department for Levelling Up, Housing and Communities.

Our Report

13. In Chapter 1 of this Report, we examine the value for money and affordability of shared ownership properties, and how these may be improved for shared owners. In Chapter 2, we turn to where shared ownership sits within the Government's broader affordable and social housing objectives. In Chapter 3, we discuss the complexity of leases attached to shared ownership properties, and how the Government can ensure consumers have better access to advice and guidance in understanding these issues. Chapter 4 considers the risk of a 'two-tier' market emerging between the 'old' and 'new' leases, and how this might be mitigated. Chapter 5 explores the low level of satisfaction shared owners have with their repairs and maintenance, and how this could be ameliorated. Finally, Chapter 6 discusses the process of selling shares, the difficulties many shared owners encounter, particularly in respect to building safety, and what the Government could do to help ensure shared owners do not become 'trapped' in properties they can no longer afford.

9 GOV.UK, '[Shared ownership homes: buying, improving and selling - Who can apply](#)', Accessed 13 February 2024

10 GOV.UK, '[Right to Shared Ownership: buying a share of your rented home](#)', Accessed 13 February 2024

Chapter 1: Value for money and affordability

“I do not feel that the shared ownership agreement is a fair one [...] we pay for everything [...] I resent the lack of flexibility, the high costs and the fact that the Housing Association has all the control.”

Morag Cameron, shared owner¹¹

Introduction

14. In this Chapter, we consider the value for money and affordability of shared ownership products. In particular, we explore the impact of service charges; fees for increasing the amount of shares owned in the property (‘staircasing’); and we discuss proposed solutions to improving affordability. In addition, we consider the value of the initial eligibility and affordability assessments undertaken by providers to ensure shared ownership products are genuinely affordable for shared owners. Finally, we address specific affordability issues within the Older Persons Shared Ownership (OPSO) product.

Service charges

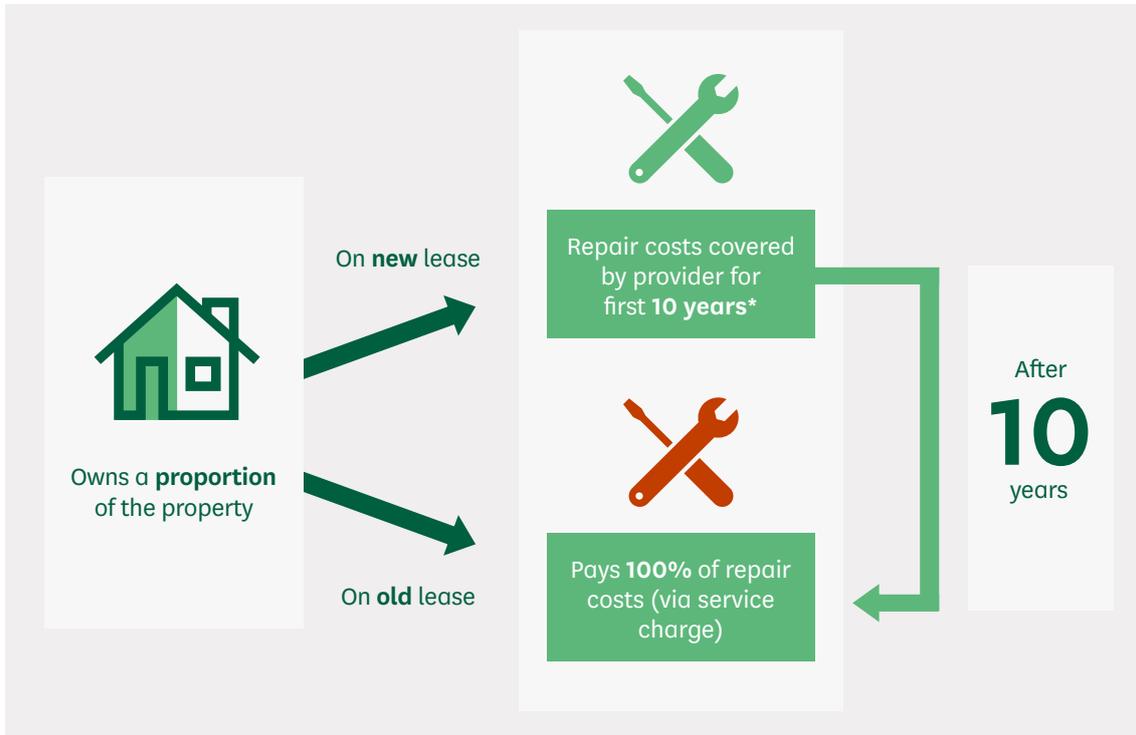
15. Service charges are a fee paid from shared owners (and other leaseholders) to their landlord (usually the provider) or a management company acting on their behalf, designed to go towards covering the costs of repairs and maintenance. While rent increases are capped, increases to the service charge are not.

16. Shared owners whose properties were delivered as part of the 2016–2023 Affordable Homes Programme (the ‘old lease’) are required to cover 100% of costs for repairs. Homes England requires providers to set up sinking funds for these properties, which the service charge can contribute to, in order to ‘smooth out’ large one-off repair costs.¹²

17. Those on the ‘new lease’ (properties delivered under the 2021–2026 Affordable Homes Programme) have their repairs and maintenance costs covered by the provider for the first 10 years, after which they become liable. This difference between the new and old leases is set out in the diagram below.

¹¹ Morag Cameron ([SHO0041](#))

¹² Homes England, ‘Capital Funding Guide’, December 2023

Diagram 2: Breakdown of repairs & maintenance arrangements for shared owners¹³

18. * Providers must contribute up to £500 a year to repairs and maintenance if the lease includes the 10-year period. This contribution must cover heat, water and drainage repairs (structural issues). It excludes other fixtures and fittings such as kitchen cabinets, beds, sofas, appliances that use energy or water supplies such as ovens or washing machines and repairs covered by the building warranty or other guarantees.¹⁴

Affordability of service charges

19. Much of the evidence submitted to our inquiry was from individuals with lived experience of shared ownership products. A key theme that emerged is that increases in the service charge over time (in addition to other rising costs such as rent) have led to frustration, as they have prevented users from staircasing as planned. Many as a result regretted having made the purchase in the first place.

20. Dr Alison Wallace, Senior Lecturer in Social Policy and Housing at the University of York, told us that service charges are “often uncontrollable” and that rents are increased “over-inflation”.¹⁵ She added that this is a particular issue given shared owners are generally more financially vulnerable than other mortgagors.¹⁶

21. Furthermore, we received a significant amount of evidence that highlighted the real-world impact of this problem on shared owners. For many this was exacerbated by the sudden or unexpected nature of the increases in costs. Illustrative examples include:

¹³ Graphic adapted from Homes England’s [Capital Funding Guide](#); para 4.3 “Level and quality of management and maintenance services and service charges” and HM Government guidance on [“Shared ownership homes: buying, improving and selling”](#) (accessed 12 February 2024)

¹⁴ HM Government, [“Shared ownership homes: buying, improving and selling”](#) (Accessed 12 February 2024)

¹⁵ [Q2](#) [Dr Wallace]

¹⁶ [Q6](#) [Dr Wallace]

- Michelle Furber, who has experienced increases in the service charge and administration fees to the point that they are “extremely high [...] [a] 140% - 170% increase”, in the two years from moving into the property in August 2021 to submitting her written evidence in August 2023.¹⁷
- Rosie Hall, whose service charge has increased 39% in 2 years, standing at £4,589 for the current year.¹⁸
- Mr Gary Holmes, who has seen rent and mortgage interest costs rise substantially over the past five years and has therefore not been able to staircase during that period, such that they feel they are “paying well over the odds for just over half a house.”¹⁹

Staircasing and fees

22. Shared ownership schemes typically contain provisions which enable shared owners to buy more shares in their home (staircasing), simultaneously reducing the percentage of the property on which they pay rent to the landlord. Staircasing increments can be as low as 1% (for those on the ‘new lease’, although 1% staircasing can only be done once per year), while there is no upper limit on share size purchased (up to 100%).

23. For buying shares of more than 5%, the shared owner must pay for a valuation by a chartered surveyor and may also be liable for an administration fee paid to the landlord between £150 and £500. If the shared owner needs to borrow to pay for the additional shares, they must also pay legal fees to a legal adviser (but are not liable for the legal fees of the landlord).²⁰ An example is set out in the diagram below.

17 Michelle Furber ([SHO0016](#))

18 Rosie Hall ([SHO0045](#))

19 Mr Gary Holmes ([SHO0028](#))

20 HM Government, [‘Shared ownership homes: buying, improving and selling’](#) (Accessed 26 January 2024)

Diagram 3: Example staircasing transaction for a shared owner²¹

24. The evidence we have received and heard throughout our inquiry has highlighted the importance of staircasing to shared owners. For instance, Sue Phillips, who has lived experience of shared ownership and is also the founder of Shared Ownership Resources (an advocacy and advice organisation for shared owners), said that shared owners may want to staircase to 100% ownership as it means the removal of exposure to rent on the landlord's share and enables access to the statutory right-to-lease extension.²² According to Stanimira Milcheva, Professor in Real Estate Finance at University College London, increasing the size of their share may provide equity growth for shared owners, depending on whether and by how much house prices rise.²³

Difficulties in staircasing

25. There is evidence that rates of staircasing to 100% are low. Dr Wallace highlighted research from estates and lettings agents Savills that estimated only around 3% of shared owners reach 100% ownership each year.²⁴ Similarly, in his evidence, Dr Peter Williams of the Shared Ownership Industry Group, estimated annual rates of staircasing to 100% to be as low as 0.7% in the North-East, with only the South-East (9.2%) and London (15.3%) having rates higher than 5%.²⁵

21 Graphic adapted from information on HM Government's, '[Shared ownership homes: buying, improving and selling](#)' guidance page (Accessed 26 January 2024)

22 [Q14](#) [Sue Phillips]

23 Milcheva et al., '[The Maturing Shared Ownership Market: A Data-Led Analysis](#)' (May 2023)

24 Dr Alison Wallace ([FSS 002](#))

25 Dr Peter Williams ([SHO069](#))

26. Ms Phillips added that the fees charged by providers when staircasing are often not affordable for many shared owners.²⁶ This was echoed by numerous evidence submissions which detailed how shared owners face considerable difficulty in being able to afford to staircase, including:

- Mr Rogers, who believed that “staircasing is a nonsense concept” given the numerous payments which need to be made each time, which he described as “[...] the best part of £1,000 before reaching the start line! [...] the price moves just too far ahead to catch up.”²⁷
- Mr Holmes, whose plans to eventually staircase to 100% and own the freehold on the property “[...] seem to have been blown out of the water by these constant rent rises.”²⁸
- Mr Martin Kerfoot, who says he would like to staircase but that “[...] the process itself” is the main barrier to doing so: “Ideally, I would staircase in increments of say 5% but solicitors’ fees and associated costs mean that is not viable.”²⁹

27. Dr Williams added that shared owners become “[...] frustrated by their slow progress to full ownership” and that more could be done to facilitate staircasing to 100%. This could include providers having to offer shared owners with periodic reviews setting out their current share owned, their historic cost breakdown and options they have available to them, including staircasing.³⁰

Impact of building safety on staircasing

28. Sue Phillips explained how building remediation is a particular issue for shared owners relative to other leaseholders because it limits their ability to staircase.³¹ Dr Wallace also pointed to “extra legal layers” shared owners must navigate, compared to other owner-occupiers, in getting properties remediated.³² More discussion of the impacts of building safety issues on shared owners can be found below (Chapter 6).

Proposed solutions to affordability and staircasing issues

29. Dr Williams said that it should be a “priority” to improve the “disappointingly weak” evidence available on staircasing, to better understand the scale of problems shared owners have in increasing their share:

The data on staircasing which is available publicly is partial and doesn’t tell us anything about how shared owners are incrementally increasing the share they own towards (but still below) 100% ownership ... A fully comprehensive database should be put in place as a priority.

26 [Q14](#) [Sue Phillips]

27 [Mr Rogers \(SHO008\)](#)

28 [Mr Gary Homes \(SHO0028\)](#)

29 [Mr Martin Kerfoot \(SHO0031\)](#)

30 [Dr Peter Williams \(SHO069\)](#)

31 [Q22](#) [Sue Phillips]

32 [Q22](#) [Dr Wallace]

30. Dr Wallace and Sue Phillips were clear that service cost charges should be proportionate to the share owned by the provider. For example, if the shared owner owns 20% of the property, they should only be liable for 20% of the repair and maintenance costs (by means of the service charge).³³

31. We asked Baroness Penn, Parliamentary Under Secretary of State for Housing and Communities, whether the Department has any plans to change the terms of shared ownership leases so that shared owners are liable only for repairs and maintenance proportionate to the share they own. She told us that this is not a change the Government is planning to make and instead cited the 10-year repairs period as a means of mitigating the high cost of service charges as a better alternative.³⁴ However, this applies only to shared owners living in properties delivered under the 2021–2026 Affordable Homes Programme (some of whom may stay in their property after the 10-year period expires), and not to those in homes delivered under the 2016–2023 Affordable Homes Programme

Rent to Buy

32. Rent to Buy is a scheme within the Affordable Homes Programme designed to help tenants in England save for a deposit by allowing them to rent properties at 20% below market rate so that they can save for a deposit to eventually purchase the property outright to live in. Prospective users must be in employment, and they must be first-time buyers and able to pay their rent and save for a deposit at the same time. Initial tenancy agreements are for up to two years, with the possibility for extension if more time is needed for a deposit.³⁵

33. As part of our Terms of Reference for this inquiry, we asked for views on whether affordable homeownership schemes other than shared ownership, such as Rent to Buy, are viable and whether they offer value for money. However, we received relatively little evidence on this topic. Dr Williams summarised that “There is so little data on Rent to Buy it is hard to offer a view.”

34. The evidence that we did receive on this topic from Rentplus, a Rent to Buy provider, stated that Rent to Buy is a more affordable homeownership option than shared ownership, citing the lack of upfront costs (namely, a deposit) and the fact that the rent is inclusive of service charges, unlike in shared ownership.³⁶ However, Steve Collins, Rentplus’ CEO, also acknowledged that Rent to Buy is not a well-known or widely available product, due to the fact it is still “relatively new” and that less work has been done by the Government to support the product compared to shared ownership.³⁷

35. In our follow up letter to Baroness Penn following her appearance at the oral evidence session, we asked the Minister to provide comparative data on the affordability of achieving 100% homeownership by means of Rent to Buy and shared ownership products.³⁸ In her

33 [Q4](#) [Steve Collins]; [Q24](#) [Dr Wallace]

34 [Q88](#) [Baroness Penn]

35 GOV.UK, ‘[Rent to Buy: pay lower rent to save for a deposit](#)’, Accessed 30 January 2024

36 Rentplus-UK Ltd ([SHO00148](#))

37 [Q5](#) [Steve Collins]

38 Letter from Clive Betts MP to Baroness Penn, ‘[Follow up to oral evidence session on Shared Ownership inquiry](#)’, 17 January 2024

response, the Minister explained that the Department has not conducted separate cost-to-benefit assessments for shared ownership products against alternatives such as Rent to Buy.³⁹

36. Shared ownership products can often become unaffordable over time due to having to pay for 100% of repairs and maintenance costs despite only owning a proportion of the property. This is exacerbated by the fact that these service charges can increase over time, along with other costs such as rent. The 10 year repairs period only mitigates repairs and maintenance costs for those on the ‘new’ lease, and not those in properties delivered under the 2016–2023 Affordable Homes Programme. This, combined with the numerous and often unnecessarily expensive charges involved in the process of staircasing, makes it very difficult for many shared owners to complete their objective of staircasing to 100% and achieving their aspiration of full homeownership.

37. The Government should as a matter of urgency explore the implications of changing the terms of shared ownership leases delivered under current and previous iterations of the Affordable Homes Programme so that shared owners only ever have to pay service charges for repairs and maintenance proportionate to the size of share they own.

38. Rent to Buy may represent a better value for money product than shared ownership, but there is insufficient evidence to come to a firm judgement on this at present. Both Rent to Buy and Shared Ownership as affordable home ownership schemes need to be better understood in terms of their affordability and how far they enable 100% homeownership. The Government must as a matter of urgency begin collecting evidence, in liaison with mortgage lenders and providers, in order to assess the viability and affordability of Rent to Buy relative to shared ownership. It must also collect and publish data around staircasing trends over time within shared ownership. These data should then inform the proportion of shared ownership and Rent to Buy homes allocated within the next iteration of the Affordable Homes Programme.

Initial Eligibility and Affordability assessments

39. In its Capital Funding Guide, Homes England states that providers are required to conduct their own assessment of shared ownership applicants to:

- ensure that they meet all eligibility criteria;
- assess what share they can afford; and
- ensure that their purchase is affordable and sustainable.⁴⁰

40. Registered providers may complete this assessment using Homes England’s Initial Eligibility and Affordability Calculator.⁴¹ The calculator takes into account information around household income to determine the size of share that the shared owner would find affordable, with specific guidance that the cost of the share to the shared owner should not exceed 45% of their annual income.

39 Letter from Baroness Penn to Clive Betts, ‘[Shared Ownership Inquiry](#)’, 24 January 2024

40 Homes England, ‘[Capital Funding Guide](#)’, 19 December 2023

41 Homes England, ‘[Shared Ownership Initial Eligibility and Affordability Calculator - Guidance note](#)’ (Accessed 26 January 2024)

41. The guidance note for the Calculator does not, however, recommend that an assessment is undertaken to determine how affordable staircasing - an objective of most shared owners - will be in future given projected costs.

42. Helen Spencer, Executive Director of Growth at registered provider Great Places Housing Group, told us:

An awful lot of work is undertaken to ensure that customers who are being assessed [...] think about that long-term affordability for them.⁴²

43. Clare Miller, CEO of registered provider Clarion, added that:

For everybody who [...] is interested in shared ownership, an affordability assessment is done. We will not go beyond 45% of the household income being spent on supporting that house, whether it is through mortgage, rent, service charges or any other ancillary charges.⁴³

44. Despite these affordability assessments, many shared owners still struggle to meet the costs of their shared ownership property over time, and have enough money left over to staircase. Sue Phillips told us that the major problem with costs is one of long-term unsustainability, while Dr Wallace cited her own research which found that the costs borne by shared owners reach around the same level as those for open market purchasers after 15 years (despite not owning 100% of the property).⁴⁴ This was reinforced by the experiences of many of the shared owners who submitted evidence:

The schemes provide good value for money upon entering the market [...] However [...] I am now paying 20% more a month for my combined rent and service charges than when I initially bought the flat in 2019.⁴⁵

We have now been in the property for almost 29 years and still have only 25%. The costs of running a large family and the running costs of the property [...] strained our income to the limit, leaving no opportunity to raise money for a further share.⁴⁶

45. When we questioned Baroness Penn about this issue of affordability, she informed us that the Government had updated the key information documents (KIDs) that providers must share with prospective shared owners with illustrative scenarios of what costs may look like over a longer time period. The Minister emphasised:

It is impossible to say what it [costs] will look like in all scenarios, but [...] we would always look to continually improve the information that we provide to people.⁴⁷

46. Shared ownership as an ‘affordable homeownership’ scheme is predicated on shared owners being able to save enough money to staircase (eventually to 100%). However, its affordability appears to be so marginal for many shared owners that there is no guarantee that staircasing will be possible for them, and the guidance for

42 [Q34](#) [Helen Spencer]

43 [Q40](#) [Clare Miller]

44 [Q2](#) [Sue Phillips] and Dr Alison Wallace, Professor David Cowan and Professor Helen Carr ([SHO0091](#))

45 ‘Lawlor’ ([SHO0059](#))

46 Mrs Alice Wright ([SHO0035](#))

47 [Q108](#) [Baroness Penn]

Homes England's Affordability Calculator does not explicitly recommend providers assess the likely affordability of future staircasing for prospective shared owners before the purchase is made. This puts into question the effectiveness of the product as a homeownership scheme.

47. *Homes England should assess how fit for purpose their initial eligibility and affordability calculator is. As part of this, it should evaluate whether to include a 'long-term' function within the calculator to model affordability over 5-, 10- and 15-year periods which take into account the assumption that costs will rise over time for shared owners, through various scenarios. Homes England should also add a means of calculating how likely it is that shared owners will be able to afford to staircase, given projected costs, and not just assess affordability on the assumption that the shared owner remains on the initial share purchased.*

Older Person's Shared Ownership (OPSO)

48. OPSO is a form of shared ownership available for those aged 55 and over.⁴⁸ Eligibility criteria and liability for payment of service charges and costs are otherwise the same as for standard shared ownership. As with other forms of shared ownership, OPSO is offered on properties delivered as part of the Affordable Homes Programme, overseen by Homes England.

49. As with standard shared ownership, prospective buyers can purchase an initial share of 10% to 75%. However, they cannot staircase beyond 75%. Once buyers reach 75% ownership, they pay no rent on the remaining 25%. See the diagram below for an example of how this may work in practice.

Diagram 4: Rent payments on OPSO properties⁴⁹



50. In answer to a written question tabled by Peter Aldous MP on 17 March 2022, Stuart Andrew, then Minister of State for Housing, said that a total of 1,238 homes had been delivered through the OPSO scheme.⁵⁰

48 HM Government, '[Own Your Home - Older Persons Shared Ownership \(OPSO\)](#)'; accessed 25 January 2024

49 Graphic adapted from information on HM Government's, '[Own Your Home - Older Persons Shared Ownership \(OPSO\)](#)'; accessed 25 January 2024

50 Question for Department for Levelling Up, Housing and Communities from Peter Aldous MP, [UIN 141982](#), tabled on 17 March 2022

51. An *Older People’s Housing Taskforce* was launched by the Government in May 2023, to run for up to 12 months and to produce an independent Report to DLUHC and DHSC, focussing on “options for the provision of greater choice, quality and security of housing for older people”. This Report has not yet been published, and it is unclear whether a review of OPSO products is included in its remit.⁵¹

Rent liabilities in OPSO properties

52. We received several pieces of evidence which highlighted significant problems with the structuring of the OPSO product, and which expressed the view that it is inequitable in its current form.

53. McCarthy Stone, a registered provider of OPSO properties, highlighted that, under the terms of OPSO, someone could in theory own 70% of their OPSO property and be paying 30% rent, while someone owning 75% pays no rent at all. It argued that the share on which rent is paid should be calibrated in a more consistent way, as demonstrated in the table below.⁵² This recommendation was echoed by Oliver Boundy, Executive Director of Development at Anchor Housing, another provider of OPSO, who described the current situation as a “perverse characteristic” and made clear that he advocates changing the product.⁵³

Table 1: Example OPSO rent breakdown

Share owned by shared owner (e.g.)	Share on which rent paid (currently)	Share on which rent paid under McCarthy-Stone proposal
10%	90%	65%
50%	50%	25%
70%	30%	5%
75% (max share)	0%	0%

Service charges being passed on to families after death

54. We had evidence that some people are inheriting shares in OPSO properties from deceased relatives. These people then become liable for service charges levied against the property by the provider (until they are able to sell the property) despite the fact the former resident is no longer making use of any services.⁵⁴

55. This issue was said to be often exacerbated by the facts that these properties are then difficult to sell, given the unattractiveness of the service charges attached to them, and that there is no incentive for the provider to assist in any sale. As Gillian Perceval, who inherited a share in an OPSO property following the death of a relative, summarised: “How can it be right or fair that dead people are paying for services and relatives are liable for costs?”⁵⁵

51 HM Government, ‘[Taskforce to transform older people’s housing underway](#)’, 16 May 2023

52 McCarthy Stone ([SHO0120](#))

53 [Q36](#) [Oliver Boundy]

54 Dr David Lynn ([SHO0122](#)); Gillian Perceval ([SHO0082](#))

55 Gillian Perceval ([SHO0082](#))

56. Mr Boundy acknowledged that this does happen in some cases with OPSO. He explained that:

There is a low level of understanding of OPSO as a product. Having Government support for raising awareness of OPSO as a product would inherently increase people's understanding and would increase the market of people looking to purchase it [...] Increased grant funding into the product upfront could soften the cost of the service charges to providers or purchasers' estates in the future [...] transaction rates are slow and that can lead to people paying service charges on vacant properties and the associated frustration.⁵⁶

57. It can come as an unpleasant shock during a difficult time to relatives of deceased shared owners to find out that they are liable to pay service charge costs when their relative living in an OPSO property has died, despite the fact that there is no longer anyone living in the property using the services paid for through the service charge.

58. The Government must make it mandatory for providers of OPSO to highlight the potential legacy costs of service charges being passed on to family members to prospective shared owners and family members in line to inherit the property upon the shared owner's death, prior to initial purchase. Homes England could ensure this by specifying the need to include this information in the Key Information Documents. The Government should also give consideration to how it can encourage providers to better support those inheriting OPSO properties to sell the property upon the death of their relative.

59. It is unfair that OPSO owners with shares of less than 75% are liable to pay rent on the entirety of the landlord's equity in the property, while those who own the maximum 75% share pay no rent at all.

60. As part of its report, the Older People's Housing Taskforce must include recommendations for reform of OPSO, focussing on the potential merits of changes to ensure that no rent is charged for the top 25% of equity, regardless of the proportion owned by the shared owner. The Taskforce should publish these recommendations in its report in May 2024, as currently scheduled.

Chapter 2: Affordable and Social Housing objectives

“Every time someone staircases to 100% [...] that home is lost to social housing stock. That is an important consideration in thinking about the aims of the scheme.”

*Sue Phillips, Shared Ownership Resources*⁵⁷

Introduction

61. In this Chapter, we consider the place of shared ownership within the Government’s wider affordable and social housing objectives. We look at the impact of sales of shared ownership properties on affordable housing stock and consider the data gap around the Right to Shared Ownership product.

Affordable housing stock

62. See above (paras 6–8) for detail on the Affordable Homes Programme, and Shared Ownership’s place within it.

63. Shared Ownership Resources have noted that shared ownership homes are being sold on to the open market, following a 100% staircase, and not being replaced by similarly ‘affordable’ properties; of the c.400,000 shared ownership homes built, according to Shared Ownership Resources, only around half remain categorised as shared ownership.⁵⁸

64. Shared Ownership Resources also note that current data does not distinguish between people completing ‘back-to-back’ transactions (where the shared owner purchases and then immediately sells on to the open market), with those staircasing to 100% and remaining in the property afterwards. This, they argue, makes it difficult to fully assess how much shared ownership stock is being transferred to private landlords who they let out the property on market terms in the private rented sector.⁵⁹

65. Furthermore, Professor Milcheva has suggested to us that most shared owners who staircase to 100% are most likely to do so as part of a further sale onto the open market, rather than buying and then living in the property. This potentially represents a risk to the total supply of affordable housing stock in the UK, as sales to private landlords may result in the property being rented out at market rates, rather than the ‘affordable’ levels it was being rented out at as a shared ownership product.⁶⁰

66. Baroness Penn told us that there is no specific Government policy to directly replace shared ownership stock which has been sold to the open market. She said that this is because

57 [Q15](#) [Sue Phillips]

58 Shared Ownership Resources, ‘[Shared Ownership: The Consumer Perspective](#)’ (May 2023)

59 *Ibid.*

60 Professor Stanimira Milcheva and Professor Damian Damianov ([SHO0146](#))

the majority of shared ownership homes sold are sold back to providers themselves, who then let out the property to a new buyer, still on shared ownership terms; in the process not compromising the affordability of the product.

67. The Minister did subsequently provide us with data on the number of shared ownership homes which were ‘fully staircased’ in each year from 2019–2020 to 2021–2022⁶¹, although this did not include a disaggregation of sales between those involving ‘back-to-back’ sales and those where the shared owner had remained in the property.⁶² The Minister added that from 2023–2024, a question has been added to the Continuous Recording of Lettings and Sales in Social Housing in England (CORE) data collection platform to ask whether transactions were part of a ‘back-to-back’ sale of the home on to the open market.

68. It is currently unclear what proportion of shared ownership housing stock is being lost to the open market. This makes it impossible to judge what impact sales of shared ownership homes to the open market are having on the overall supply of affordable housing in the UK. We welcome the data provided to us by Baroness Penn which shows the number of 100% staircasing sales for the previous three years, as well as the introduction of a question to the CORE platform on whether a staircasing transaction is part of a ‘back-to-back’ sale. This should help improve our understanding of the implications of shared ownership on affordable housing stock, although there is still no specific plan for how the Government will replace those homes which are sold on to the open market.

69. The Government must urgently review data it has from the CORE platform regarding the new question on whether staircasing transactions are part of a ‘back-to-back’ sale for 2023–2024, from which it must make an assessment of the extent to which shared ownership properties are being lost to the open market. The Government must then design and publish a plan on how it intends to replace all properties transferred to the open market from sales in the current and future iterations of the Affordable Homes Programme.

Right to Shared Ownership

70. Right to Shared Ownership (RtSO) is a scheme which gives most social tenants already living in rented homes delivered by the 2021–26 Affordable Homes Programme the opportunity to purchase shares in their home.⁶³ Tenants can buy an initial 10% to 75% share of their home, and then are able to buy further shares in line with the standard shared ownership scheme. No discounts are offered to tenants as part of the scheme.

71. Of the relatively little evidence that was submitted to us concerning RtSO, most cited the fact that its value for money is unknown, and is too early to be assessed properly, with RtSO-eligible homes still in the process of being built.⁶⁴ It is currently unclear whether there are plans to monitor and evaluate future take-up of the RtSO option by tenants in eligible homes, and what the impacts of this might be.

61 6,051 in 2021–22; 4,339 in 2020–21 and 4,478 in 2019–20

62 Letter from Baroness Penn to Clive Betts, ‘[Shared Ownership Inquiry](#)’, 24 January 2024

63 Department for Levelling Up, Housing and Communities, ‘[Guidance - Right to Shared Ownership: initial guidance for registered providers](#)’ (September 2020)

64 Great Places Housing Group ([SHO0049](#)); Metropolitan Thames Valley Housing Association ([SHO0074](#))

72. There is currently an evidence gap around Right to Shared Ownership, as a new product. It is unclear what the level of demand for this product is; what sort of value for money it represents; and what the likelihood is of achieving 100% homeownership through it. The Government must develop a clear understanding of Right to Shared Ownership to properly evaluate its role in future iterations of the Affordable Homes Programme.

73. The Government should actively collect and analyse data on Right to Shared Ownership, to better understand supply and demand for this emerging product. This data should include: the level of take-up of the Right to Shared Ownership; the characteristics of those who have exercised their right in this regard; the average share owned through Right to Shared Ownership; and the proportion of users staircasing to 100%.

Chapter 3: Shared ownership leases

“The most frequent thing that I was told in one study [...] [was that] they [shared owners] just don’t understand the lease. They thought they did but the conversations [that] are wrapped around it have muddied the water and it is very complex.”

*Dr Alison Wallace*⁶⁵

Introduction

74. In this Chapter, we discuss: the complexity of leases attached to shared ownership properties; difficulties that shared owners face when extending their lease, and the apparent lack of clear and accessible advice and guidance for shared owners in understanding the terms of their lease and the process of lease extension.

Complex leases

75. Leases on shared ownership properties are often complex, with multiple sub-lessees with different rights and responsibilities, and shared owners being liable for the legal and other administrative costs of superior leaseholders and the freeholder.⁶⁶ These complex arrangements can often be confusing and frustrating for shared owners. The diagram below provides example scenarios of leasehold arrangements within shared ownership properties.

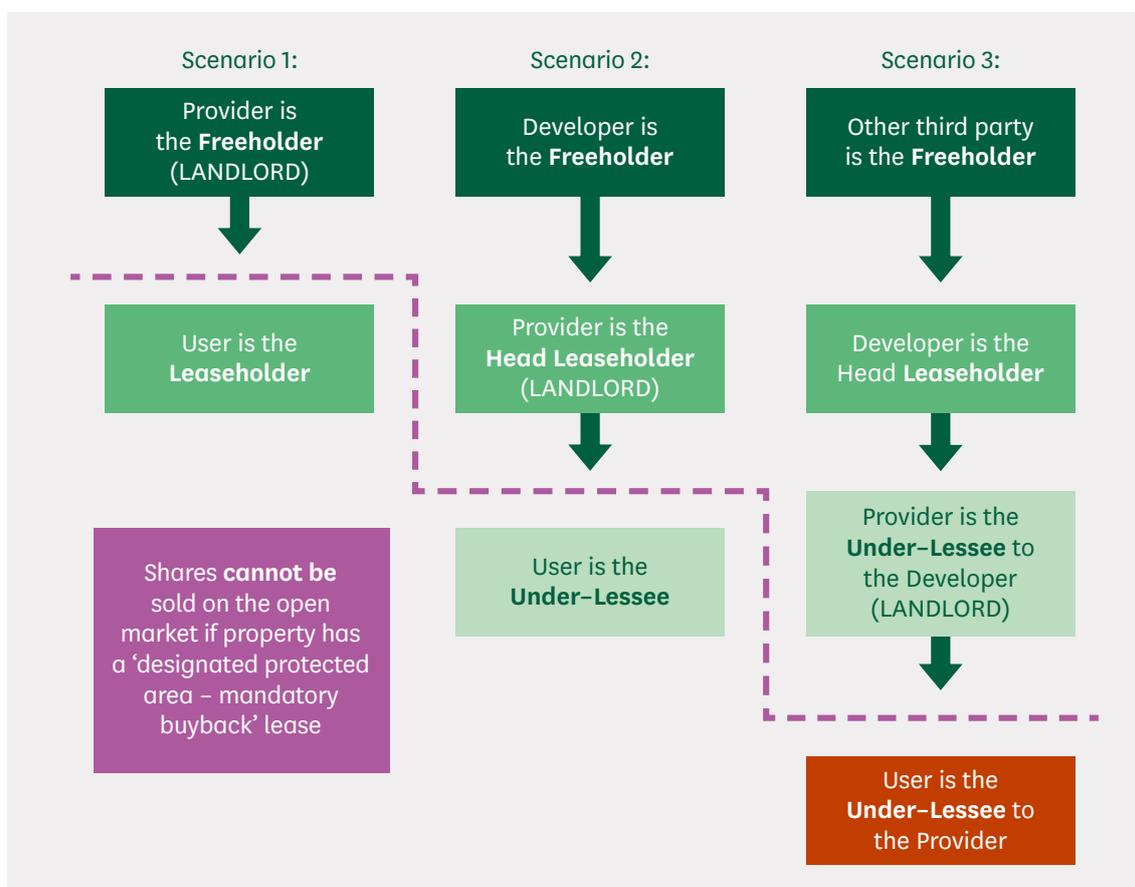
76. For example, Ms Alison Bancroft, who owns 30% of her flat, said that her landlord:

[...] is not the freeholder [...] There is a superior landlord above them (Clarion Housing) and a freeholder above Clarion [...] the arrangements create a lack of accountability in terms of service and service delivery.⁶⁷

65 [Q24](#) [Dr Wallace]

66 Shared Ownership Resources (Zahrah Aullybocus), [‘Is my HA my landlord? Part 1: Does it matter?’](#), 15 November 2022

67 Ms Alison Bancroft ([SHO0053](#))

Diagram 5: Shared ownership lease arrangements - hypothetical examples⁶⁸

77. The Housing Ombudsman has also recognised this issue. It said that it has found a lack of clarity on roles and responsibilities between landlord and shared owner in its casework, adding that:

[...] attempts by landlords to retrospectively untangle these provisions leads to an unnecessary burden of time and effort for both landlords and residents and a deterioration in the relationship between landlord and shared owner.⁶⁹

Lease extensions

78. Many shared owners are required to extend their lease, particularly those living in properties delivered under the 2016–2023 Affordable Homes Programme who do not benefit from the 990-year minimum lease. This can be a costly and expensive process. As those with lived experience described it:

- Ms. Morag Cameron, who owns 50% of her property, said that she was “[...] responsible for applying all of L&Q’s [provider] legal costs [...] based on the valuation of the whole property not my 50% share [...] I paid in 2016 £8,305 for the lease extension and an additional £3,000 for professional costs.”⁷⁰

68 Graphic adapted from Shared Ownership Resources (Zahrah Aullybocus), ‘Is my HA my landlord? Part 1: Does it matter?’, 15 November 2022

69 Housing Ombudsman Service (SHO0149)

70 Ms Morag Cameron (SHO0041)

- Mrs Zahrah Aullybocus, a consultant solicitor at Nexa Law, said on the basis of her experience with shared ownership clients that: “There is no set procedure for valuing lease extensions on shared ownership, so [Housing Associations] are essentially allowed to charge what they like for [them] ... costs can be as high as £40,000 per lease extension.”⁷¹

79. Further, Sue Phillips told us that shared owners do not have the statutory right to lease extension in the way other leaseholders do; they must raise this ‘informally’ with landlords.⁷² In this context, Ms Phillips very much advocated for shared owners to have a statutory right to lease extension.

80. When we asked Baroness Penn about this issue, she told us that the provisions of the Leasehold and Freehold Reform Bill are intended to make it easier for those on the old form of the lease to extend when needed.⁷³ However, Shared Ownership Resources have said that shared owners will not benefit from the leasehold enfranchisement reforms included in the Bill, as, as assured tenants, they do not have statutory rights to leasehold enfranchisement.⁷⁴

Advice and guidance

81. Currently, prospective shared owners of properties delivered through the 2021–2026 Affordable Homes Programme must be provided with Key Information Documents (KIDs) to inform them of the rights and responsibilities of the shared owner under the terms of the lease.⁷⁵

82. Shared Ownership Resources, while saying the KIDs are a “considerable improvement on previous information materials”, note that gaps remain, as there is still no single specialist, independent source of information and advice on this subject.⁷⁶

83. Additionally, Housing Association Jigsaw Homes Group said that they are concerned that applicants for shared ownership products do not always read their KIDs.⁷⁷ Helen Spencer of Great Places Housing Group also described the KIDs as “a step in the right direction” but that much still needed to be learnt about how to best advise (prospective) shared owners.⁷⁸

84. Some shared owners told us in their written evidence that they had received poor advice, or none at all, around leasehold issues:

- Ms. Cameron said that: “I had lived in the property for 14 years without understanding the implications of this [lease] because of poor legal advice [...] and the lack of transparency from the Housing Association.”⁷⁹

71 Mrs Zahrah Aullybocus ([SHO0063](#))

72 [Q11](#) (Sue Phillips)

73 [Q118](#) [Baroness Penn]

74 Shared Ownership Resources, ‘[Leasehold and Freehold Reform Bill](#)’, 20 January 2024

75 Homes England, ‘[Capital Funding Guide](#)’, 19 December 2023

76 Shared Ownership Resources, ‘[The Consumer Perspective](#)’

77 Jigsaw Homes Group ([SHO0027](#))

78 [Q54](#) [Helen Spencer]

79 Mrs Morag Cameron ([SHO0041](#))

- Mr. Lachezar Hara said: “Many shared ownership homeowners are not well-versed in property management matters, and they should have access to resources that help them navigate this complex issue.”⁸⁰

Proposed solutions to advice and guidance issues

85. We received evidence suggesting potential solutions to the lack of adequate advice and guidance for shared owners. These solutions include providers setting up specialist teams to help shared owners understand their leases and the process of lease extension, and establishing an independent body to provide impartial, high-quality advice to shared owners.

86. Both Clare Miller of Clarion and Helen Spencer said that their Housing Associations had specialist teams that dealt with helping users understand their leases that shared owners can make use of. Ms Spencer added that for her Housing Association:

One thing that will help the customers [...] now that specialist teams are in place [is] that more of the shared ownership is sold and managed by specialist teams. It has been a more marginal, niche product and some of that expertise has been missing. By the establishment of these teams across the country, we have an opportunity to try to address that.⁸¹

87. Sue Phillips built on this by adding that (prospective) shared owners need “an independent source of information”. Similarly, Mr Boundy advocated for the setting up of a body or range of bodies with “a clear mandate to equip customers with advice and guidance around the older persons shared ownership product” specifically.⁸²

88. Moreover, the Housing Ombudsman recommended that landlords must ensure prospective purchasers are given clear information regarding the property and their legal obligations arising from the lease. It added:

This should include information on the responsibilities that will fall to the resident, those that are retained by the landlord and where relevant those that fall to a third party.⁸³

89. Baroness Penn pointed to the Leasehold Advisory Service (LEASE) as a place where shared owners could go for guidance.⁸⁴ However, LEASE were very rarely mentioned in evidence we received from those with lived experience, suggesting that, among shared owners, there may be a lack of awareness that LEASE exists to provide advice and guidance on their leases.

90. It is clear that many shared owners lack access to advice and guidance which can explain to them clearly and impartially the complexities of leasehold tenure and their rights and responsibilities under their shared ownership lease, as well as advise them on lease extension. There is a lack of awareness among shared owners of the advice and guidance that is available to them from the Leasehold Advisory Service.

80 Mr Lachezar Hara ([SHO065](#))

81 [Q43](#) [Clare Miller]; [Q44](#) [Helen Spencer]

82 [Q46](#) [Oliver Boundy]

83 Housing Ombudsman Service ([SHO0149](#))

84 [Q109](#) [Baroness Penn]

91. *Homes England should ensure that providers include simple guidance on lease arrangements within the Key Information Documents distributed to shared owners, including information on how rights and responsibilities are allocated and guidance on how to extend the lease. It should also make sure it is clearly signposting to existing advice and guidance services that may be helpful to shared owners in understanding their leases, such as the Leasehold Advisory Service, in these documents. These changes to guidance should be introduced before the end of the 2024 calendar year.*

92. **It is unacceptable that shared owners are having to make significant financial decisions without appropriate advice being readily available, and we believe the Government must act to remedy this. We also believe that it is unacceptable that shared owners do not have the same statutory right to leasehold extension as other leaseholders.**

93. *We urge Homes England to update its Capital Funding Guide for shared ownership to specify that providers should only be selling shared ownership properties on the condition they set up and maintain specialist teams of professionals who can provide accurate, timely and accessible advice on leases and lease extension to shared owners. Homes England could help facilitate the establishment of these teams through, for example, convening forums through which experienced providers could share best practice.*

94. *Finally, the Government should ensure that any legislation passing through Parliament which has provisions to reduce the cost of, and simplify, the process of leasehold extension (for example, as in the Leasehold and Freehold Reform Bill) also applies to leaseholders in shared ownership properties, so that shared owners have the same statutory right to leasehold extensions as all other leaseholders.*

Chapter 4: Risk of a two-tier market

“All leases should be brought in line with the new shared ownership rules to make it fair [...] If it [the lease] falls below 80 years it is a financial trap at the point of sale and a real headache to sort out.”

*Anonymous, shared owner*⁸⁵

Introduction

95. In this Chapter, we discuss the potential risk for the emergence of a ‘two-tier’ market of shared ownership properties delivered under the 2016–2023 Affordable Homes Programme and those delivered under the 2021–2026 Programme, and how this risk may be mitigated.

Risk of a two-tier market

96. The lease terms for shared ownership homes delivered as part of the 2021–2026 Affordable Homes Programme contain notable changes from the previous form of the lease (the ‘old’ lease, 2016–2023). The table below outlines the key differences between the old and new forms of the lease.

Table 2: Differences between leases on shared ownership properties delivered under the old and new Affordable Homes Programme (minimum terms)⁸⁶

Lease element	Affordable Homes Programme 2021–2026	Affordable Homes Programme 2016–2023
Minimum initial equity share	10%	25%
Staircasing	Min. of 5% with 1% option for first 15 years	Minimum of 10%
Repair and maintenance costs	Met by landlord up to £500 p/a for first 10 years	Met by shared owner
Minimum lease term	990 years	99 years
RtSO	Available	Not available

97. Shared Ownership Resources had issued a warning prior to the start of the inquiry that the new lease could create a ‘two-tier market’ with a negative impact on demand for re-sales of shared ownership properties under the old lease.⁸⁷ Sue Phillips also suggested that the longer guaranteed length of newer leases could negatively impact on the saleability of existing shares with a much shorter lease.⁸⁸

85 Anonymous (SHO0030 - *unpublished*)

86 Department for Levelling Up, Housing and Communities, [Scoping Report for the Evaluation of the Affordable Homes Programme 2021–2026](#), August 2022

87 Shared Ownership Resources, [‘The Consumer Perspective’](#)

88 [Q12](#) [Sue Phillips]

98. This concern was echoed by several individuals who shared their lived experience with us:

- Miss Lou Hooper, who owns 50% of her shared ownership property, said that: “[...] there will be a 2 tiered affect [sic]. New Leasehold rules will not apply to existing owners so those properties will be harder if not impossible to sell. Please try to at least apply some of the new regulations to existing owners, don’t treat us like 2nd class citizens.”⁸⁹
- An anonymous shared owner said that: “It is proving impossible to sell as the rent has already increased, the service charge has also increased and the new SO properties will be more desirable as the initial outlay will seem less.”⁹⁰

99. Baroness Penn downplayed the risk of the emergence of a two-tier market when we asked her about this. She pointed to the provisions of the Leasehold and Freehold Reform Bill, which, she said, will make it easier for those on the old form of the lease to extend when needed.⁹¹

100. The changes brought to leases for shared ownership properties delivered under the 2021–2026 Affordable Homes Programme, while well-intended, risk creating an unnecessary and unfair ‘two-tier’ market where shared ownership homes delivered under the previous Affordable Homes Programme are considered less attractive properties, making them harder to sell. It is unfair that the more generous minimum terms of the ‘new’ lease do not also apply to shared ownership homes delivered under the 2016–2023 Affordable Homes Programme.

101. The Government should encourage providers to voluntarily update the terms of their ‘old’ shared ownership leases (for properties delivered under the 2016–2023 programme), particularly the minimum 990-year lease length and the 10-years repair period, and consider offering financial incentives for providers to do so.

89 Miss Lou Hooper ([SHO0034](#))

90 ‘Lowlor’ ([SHO0059](#))

91 [Q118](#) [Baroness Penn]

Chapter 5: Repairs, maintenance and fees

“The wait times for repairs are long, leaving communal areas unprotected, the work when completed is often shoddy and ineffectual [...] Poor systems and management drive up costs which are always passed on to the tenants [...] Tenants are always left feeling unsupported, powerless, and exploited.”

*Mrs Naomi Sjober and Mrs Deborah Akinbola, shared owners*⁹²

Introduction

102. In this Chapter, we consider issues with repairs and maintenance arrangements for shared owners. We explore the higher levels of dissatisfaction among shared owners relative to those living in other types of tenure, in particular with the (lack of) routes of redress available for complaints about repairs and maintenance.

Responsibility for repairs and maintenance

103. According to the Regulator of Social Housing (RSH), shared owners are responsible for ‘Keeping properties in good repair’.⁹³ As such, it does not require landlords to collect data as part of its Tenant Satisfaction Measures, regarding repairs and maintenance specifically, for shared owners.⁹⁴ Landlords of shared ownership properties are, however, still required to report on most of the other Tenant Satisfaction Measures (17 of 22).⁹⁵

104. Despite the RSH saying that it is the responsibility of shared owners to take responsibility for repairs and maintenance, it appears clear from the evidence submitted from those with lived experience of shared ownership that landlords or management companies are in fact usually responsible for organising repairs and maintenance of shared ownership properties, paid for through the service charge. The issues this creates are explored below.

Issues with repairs and maintenance

105. Many people with lived experience highlighted to our inquiry that their properties were in poor condition due to either building defects, a lack of proper maintenance, or a combination of both, and that action by landlords or management companies to redress this has been lacking.

92 Mrs Naomi Sjober and Ms Deborah Akinbola ([SHO0055](#))

93 *Ibid.*

94 Regulator of Social Housing, [‘Consultation outcome: Tenant Satisfaction Measures - Summary of RSH requirements’](#) (September 2022)

95 Letter from the Regulator of Social Housing to Clive Betts MP, [‘Performance information for shared owners’](#), 16 February 2024

106. Concerns expressed by shared owners included: poor maintenance (or poor-quality buildings in the first place); poor quality and delayed communications about repairs; feeling there is nowhere to go to complain; and poor value for money service by contractors. Some illustrative examples of this can be found in the quotes below:

- Sarah Campbell, who owns a 35% share in her flat, said that her building is: “[...] incredibly poorly constructed [...] Many flats in this building have leaks, there is mould, the cold water system floods communal areas and I am handed the bill for the remediation work.”⁹⁶
- Deborah Allen, who has lived in her shared ownership property since 2016, told us that in her building: “Fire doors [are] failing [...] communal boilers [are] frequently breaking down [...] frequent leaks [are] causing flats to flood [...] lights [are] failing and remaining broken for months at a time [...] [the provider] Octavia have left me living for over 7 years with defects present when I moved in [...] [the provider’s] complaints process is not fit for purpose.”⁹⁷

107. Furthermore, the Housing Ombudsman stated that the proportion of cases they deal with involving shared owners which concern property condition and complaints handling increased between 2022/2023 and 2023/2024.⁹⁸ This is set out in more detail in the table below.

Table 3: Breakdown of Housing Ombudsman cases for shared ownership properties (service quality/delivery)⁹⁹

Type of case	2022/23	2023/24
Property Condition	39.3% (57)	42.2% (76)
Complaints Handling	49.0% (71)	63.3% (114)

108. Many shared owners appear to have little or no say over the contractors hired to carry out works and maintenance, as in the two examples below:

- Ms Lorraine Jimenez expressed frustration that: “Housing Associations [...] take out qualifying long term agreements meaning you are not able to nominate your own contractor and the costs are always high and not the best value.”¹⁰⁰
- Similarly, Miss Delphine Sylvain told us that “Shared owners should be able to choose who is managing their building, how the building is maintained and how their money is spent. Presently, shared owners often find themselves at the mercy of unscrupulous Housing Associations that have strayed from their original purpose.”¹⁰¹

96 Sarah Campbell ([SHO0026](#))

97 Deborah Allen ([SHO0116](#))

98 Housing Ombudsman Service ([SHO0149](#))

99 *Ibid.*

100 Ms Lorraine Jimenez ([SHO0013](#))

101 Miss Delphine Sylvain ([SHO0125](#))

Dispute resolution for repairs and maintenance issues

109. Much of the evidence we received described internal complaints processes which shared owners did not feel were effective at resolving repairs and maintenance issues:

- Mr Nick Poteri, who owns a 45% share in his property, said that: “Realstar [property management company] have so vigorously held us at arms-length they have never even told leaseholders that we have rights to refer unresolved complaints to the ombudsman.”¹⁰²
- Deborah Allen told us that her housing association’s complaints process “[...] is not fit for purpose [...] Octavia seem incapable of responding to issues and are completely inflexible in their approach [...] they will hear a complaint only twice so, although I have complained about all the same issues since 2016 and Octavia have failed to act, they won’t let me complain again.”¹⁰³
- Gillian Perceval, a shared owner who had taken the step of escalating complaints to the Ombudsman, said that: “The process of taking any complaint further to [the] Ombudsman or FTT [first-tier tribunal] or legal levels is rigorous and [soul-] destroying. Even with the increased presence of the Housing Ombudsman and the review of the Social Housing Regulator code, injustice is not being addressed.”¹⁰⁴

Potential solutions to repairs and maintenance issues

110. Shared Ownership Resources criticised the aforementioned omission of repairs and maintenance from the RSH’s Tenant Satisfaction Measures for shared owners.¹⁰⁵ Similarly, registered provider Moat Homes argued that the measures for shared owners should include those regarding repairs.¹⁰⁶ In her oral evidence, Sue Phillips noted that:

A lot has been said about the dissatisfaction with service charges. How do we capture that if there are no measures for shared owners on service charges, repairs and those issues?¹⁰⁷

111. In her letter to us, Baroness Penn said that the RSH is “preparing to introduce a new, proactive consumer regulation regime.”¹⁰⁸ This appears to be a reference to the RSH’s plans to publish the results of the first year of the new Tenant Satisfaction Measures data later in 2024.¹⁰⁹

112. Further, in its letter to the Committee, the RSH added that it had recently commissioned a one-off survey of social housing residents which includes a sample of shared ownership residents, the results of which they aim to publish later in 2024.¹¹⁰

102 Mr Nick Poteri ([SHO0084](#))

103 Deborah Allen ([SHO0116](#))

104 Gillian Perceval ([SHO0082](#))

105 Shared Ownership Resources ([SHO0054](#))

106 Moat Homes ([SHO0090](#))

107 [Q26](#) [Sue Phillips]

108 Letter from Baroness Penn to Clive Betts, ‘[Shared Ownership Inquiry](#)’, 24 January 2024

109 Regulator of Social Housing, ‘[Consultation outcome: Tenant Satisfaction Measures - Summary of RSH requirements](#)’, 21 September 2022

110 [Letter](#) from the RSH

113. As noted above, Baroness Penn told us that shared owners can look to resolve their complaints through their providers' internal complaints system or alternatively escalate to the Housing Ombudsman if this does not resolve the issue. However, there was very little mention of the Housing Ombudsman in the evidence we received from those with lived experience of shared ownership.

114. Shared owners need a proper mechanism through which to feed back dissatisfaction with repairs, maintenance and other aspects of the management of their property. Based on the evidence we have received, many shared owners are clearly unaware of the option of escalating unresolved complaints to the Housing Ombudsman, suggesting that better signposting is needed. The evidence also makes clear that, in many cases, providers' internal complaints mechanisms are not fit for purpose, with shared owners often experiencing significant delays in waiting on responses from the landlord to their complaints.

115. The Government should ensure that there is more effective signposting to the Housing Ombudsman for shared owners; it should make it clear that the Ombudsman is their port of call for resolving disputes with landlords once internal mechanisms have failed to resolve an issue. One option would be to do this by updating the Key Information Documents, so that this information is clearly spelled out.

116. We welcome the Government's confirmation that the Regulator is preparing to introduce a new, proactive consumer regulation regime. However, for the next round of tenant satisfaction data collection, the Regulator must update the measures to include satisfaction with repairs and maintenance for shared owners.

Chapter 6: Selling shares and building safety

“Shared owners are currently trapped, especially those affected by the Building Safety Act 2022. They cannot re-mortgage or sell.”

*Mrs Zahrah Aullybocus, solicitor*¹¹¹

Introduction

117. In this Chapter, we explore how shared owners go about selling shares in their property, and the difficulties they can often face when doing so. These include ongoing issues with building safety and cladding remediation, burdensome fees and a lack of provider support during the selling process.

Building safety and remediation

118. Many shared owners who submitted written evidence to us said that they were experiencing building safety issues with their property, usually due to providers not (yet) remediating cladding deemed unsafe. As well as being highlighted in an issue in and of itself, these shared owners, many of whom wanted to sell and move on due to rising costs and an inability to staircase, primarily expressed frustration that their properties remaining unmediated was making it legally impossible to sell on to potential buyers.

The selling process

119. According to Government guidance¹¹², shared owners are allowed to sell shares in their home at any time, although they must inform their landlord of their intention to do so. The buyer will “usually” be required to purchase a share equal to or higher than what the seller currently owns (i.e. the shared owner will need to sell all of their share).¹¹³ The only exception to this is for properties with a “designated protected area - mandatory buyback lease” where the landlord will buy the home back or arrange for someone else to buy it.

120. Shared owners can only sublet their properties with their landlord’s permission and in “exceptional circumstances”, for example, a member of the armed forces who is serving away from the area where they live for a fixed period.¹¹⁴ See below for detail of a recent intervention by the Secretary of State requiring landlords to be more flexible in assessing subletting requests in cases where there are building remediation issues.

121. The landlord then has a ‘nomination period’ of either 8 weeks (old lease) or 4 weeks (new lease) to find a buyer. If they don’t find a buyer within this period, shared owners may attempt to sell the share on the open market themselves. The sale price of the share

111 Mrs Zahrah Aullybocus ([SHO0063](#))

112 GOV.UK, ‘[Shared ownership homes: buying, improving and selling](#)’, Accessed 31 January 2024

113 Share To Buy, ‘[Selling your Shared Ownership home](#)’, Accessed 12 February 2024

114 GOV.UK, ‘[Renting out all or part of your home \(subletting\)](#)’, Accessed 12 February 2024

(by either route) is based on a valuation by a chartered surveyor, which the shared owner must pay for. The landlord may also charge a fee for selling, and shared owners are also liable for any legal fees if they seek legal advice as part of the sale. The diagram below maps out the theoretical sales process for a shared owner.

Diagram 6: The sales process for shared ownership properties:¹¹⁵



Difficulties selling

122. Many people who shared their experiences of shared ownership with us said that they had struggled to sell their shares, which they often needed to do due to no longer being able to afford the costs of the property, as discussed above. They cited a variety of difficulties including the need for building remediation and associated costs¹¹⁶; a lack of support from providers or landlords to sell;¹¹⁷ and high and increasing service charges and rents making the property less attractive to potential buyers.¹¹⁸

Building remediation costs

123. While the Building Safety Act 2022¹¹⁹ protects shared owners from cladding remediation costs, and both caps and spreads costs leaseholders must pay for non-cladding

115 Graphic adapted from GOV.UK's, '[Renting out all or part of your home \(subletting\)](#)', Accessed 12 February 2024

116 Mr Richard Nicholson ([SHO0037](#)); Mrs Judith Wakeford ([SHO040](#)); Ms Alison Bancroft ([SHO0053](#)); Ms Claire Woodcock ([SHO002](#)); Ms Rachilda Khatun-Uddin ([SHO0060](#))

117 Dr David Lynn ([SHO0122](#)); Ms Rachilda Khatun-Uddin ([SHO0060](#)); Mr Chris Tapp ([SHO001](#))

118 Michelle Furber ([SHO0016](#)); 'Lawlor' ([SHO0059](#))

119 [Building Safety Act](#) [Bill 132 (2021-22)]

remediation over 10 years proportionate to the share owned, Shared Ownership Resources have noted that shared owners looking to extend their lease could lose these protections due to the requirement for leases to have been granted before February 2022 to benefit from these protections.¹²⁰

124. Many shared owners who submitted evidence described very difficult experiences of needing to sell their shares but being unable to do so due to building safety reasons beyond their control:

- Peter Wyeth, writing on behalf of Barrington Court Residents' Association, said that shared owner residents there had been “[...] trapped in a block for years waiting for the cladding works to commence, [and] not being able to sell and move on has just been the most depressing experience [...] The cost to our mental health and happiness is incalculable.”¹²¹
- Alison Bancroft told us that she feels “stuck”: “We cannot afford to move and we could not sell our flats even if we wanted to, because of the ground rent clause and a short lease and the lack of an EWS1 [External Wall Safety] certificate.”¹²²

Provider role in mitigating building safety issues

125. While landlords must allow shared owners to sell shares in their property at any time, there is no requirement for them to buy back shares themselves, or to assist the shared owner in the selling process.

126. Clare Miller of Clarion acknowledged that shared owners have found it “incredibly difficult to remortgage or to sell” in the context of the building safety crisis and that shared owners have been “left in limbo while those works have been carried out.” However, she cited “huge progress” in providers addressing these issues. She added that Clarion had taken it upon themselves to remediate mid-rise homes and had given relaxation on leases to allow shared owners to sublet their properties.¹²³

Proposed solutions to selling issues

127. Suggested solutions to the difficulties shared owners face in selling their properties include providers being more flexible in allowing shared owners to sublet and requiring providers to have to buy back any shares in situations where there is a persistent issue selling due to building remediation delays.

128. The End Our Cladding Scandal campaign group proposed that shared owners be given the right to sublet at the market rate where they need to sell but are unable to find a buyer; that social landlords be granted conditional access to building safety funds; and that there be a legal right to “downward staircasing” (i.e. selling shares back to the provider).¹²⁴

120 Shared Ownership Resources, [‘Building Safety Act: Update for Shared Owners’](#), 10 April 2023

121 Peter Wyeth ([SHO0077](#))

122 Ms Alison Bancroft ([SHO0053](#))

123 [Qq47-50](#) [Clare Miller]

124 End Our Cladding Scandal Campaign ([SHO0052](#))

129. Clare Miller, Helen Spencer and Oliver Boundy were unanimous, however, that the requirement to buy back from owners would not be financially sustainable for them; Ms Spencer added that ‘buy-back’ requests from shared owners would be assessed on a case by case basis.¹²⁵

130. On 19 December 2023, the Secretary of State wrote to registered providers to inform them of changes to Homes England’s Capital Funding Guide for shared ownership. The new measures are intended to offer more flexibility in allowing shared owners to sell their shares, or at least mitigate situations where they are ‘trapped’ and unable to sell. This includes:

- Relaxation on restrictions on the level of rent that can be charged when providers are assessing subletting requests, so shared owners subletting can charge a level of rent “[...] required to meet their ongoing housing costs.”¹²⁶
- Allowing for recycled Capital Grant Funding to be used by providers to buy back shared ownership homes “[...] where sales are proving especially problematic due to building safety issues.”¹²⁷
- An expectation that providers work with the shared owner to ensure sale valuations reflect actual market conditions: “[...] where it appears that the sales price of the home will need to be reduced based on the actual offers received, the shared owner should be supported to secure a new valuation as quickly and cost efficiently as possible.”¹²⁸

131. The Secretary of State added that the details of these policies should be “freely available on [providers’] websites in a clear and accessible manner”, acknowledging that “shared owners often find it difficult to know what their options are”.

132. We heard from Baroness Penn of other measures the Government has taken to make it easier for shared owners to sell in difficult situations, including allowing for mortgage lenders to provide mortgages to prospective buyers of shared ownership properties as long as a plan for remediation is in place, rather than the remediation needing to have been completed prior to sale.¹²⁹ She also pointed to the Building Safety Act 2022 preventing costs for cladding remediation being passed on to leaseholders, and added that these measures should prevent shares in shared ownership homes from becoming unaffordable.¹³⁰

133. Shared owners can face considerable difficulty selling shares in their property, which many are prompted to do once rising costs reach unaffordable levels. Many are still waiting on their buildings to be remediated, without which they are legally unable to sell their shares and so end up trapped in properties they can no longer afford. Providers currently have no obligation to buy back shares from shared owners or to allow shared ownership tenants to sublet. We welcome the Secretary of State’s

125 [Q51](#) [Oliver Boundy, Helen Spencer, Clare Miller]

126 Letter from Michael Gove to registered providers of shared ownership, [‘Shared ownership and building safety’](#), 19 December 2023

127 *Ibid.*

128 *Ibid.*

129 [Q125](#) [Baroness Penn]

130 [Qq123–24](#) [Baroness Penn]

recent intervention to allow providers more flexibility in allowing shared owners to sublet, and in buying back shares, but these decisions remain entirely at the provider's discretion and more could still be done.

134. The Government should either require providers to buy back shares from shared owners in situations where they are trapped and unable to sell shares due to building remediation issues, or if not, set out the reasons why it has decided not to do this. It should also undertake an assessment of the potential merits of requiring provider buyback of shares as an automatic entitlement for shared owners. If this were to be implemented, the Government would need to increase grant funding to providers to cover the additional costs incurred.

Conclusions and recommendations

Value for money and affordability

1. Shared ownership products can often become unaffordable over time due to having to pay for 100% of repairs and maintenance costs despite only owning a proportion of the property. This is exacerbated by the fact that these service charges can increase over time, along with other costs such as rent. The 10 year repairs period only mitigates repairs and maintenance costs for those on the 'new' lease, and not those in properties delivered under the 2016–2023 Affordable Homes Programme. This, combined with the numerous and often unnecessarily expensive charges involved in the process of staircasing, makes it very difficult for many shared owners to complete their objective of staircasing to 100% and achieving their aspiration of full homeownership. (Paragraph 36)
2. *The Government should as a matter of urgency explore the implications of changing the terms of shared ownership leases delivered under current and previous iterations of the Affordable Homes Programme so that shared owners only ever have to pay service charges for repairs and maintenance proportionate to the size of share they own.* (Paragraph 37)
3. *Rent to Buy may represent a better value for money product than shared ownership, but there is insufficient evidence to come to a firm judgement on this at present. Both Rent to Buy and Shared Ownership as affordable home ownership schemes need to be better understood in terms of their affordability and how far they enable 100% homeownership. The Government must as a matter of urgency begin collecting evidence, in liaison with mortgage lenders and providers, in order to assess the viability and affordability of Rent to Buy relative to shared ownership. It must also collect and publish data around staircasing trends over time within shared ownership. These data should then inform the proportion of shared ownership and Rent to Buy homes allocated within the next iteration of the Affordable Homes Programme.* (Paragraph 38)
4. Shared ownership as an 'affordable homeownership' scheme is predicated on shared owners being able to save enough money to staircase (eventually to 100%). However, its affordability appears to be so marginal for many shared owners that there is no guarantee that staircasing will be possible for them, and the guidance for Homes England's Affordability Calculator does not explicitly recommend providers assess the likely affordability of future staircasing for prospective shared owners before the purchase is made. This puts into question the effectiveness of the product as a homeownership scheme. (Paragraph 46)
5. *Homes England should assess how fit for purpose their initial eligibility and affordability calculator is. As part of this, it should evaluate whether to include a 'long-term' function within the calculator to model affordability over 5-, 10- and 15-year periods which take into account the assumption that costs will rise over time for shared owners, through various scenarios. Homes England should also add a means*

of calculating how likely it is that shared owners will be able to afford to staircase, given projected costs, and not just assess affordability on the assumption that the shared owner remains on the initial share purchased. (Paragraph 47)

6. It can come as an unpleasant shock during a difficult time to relatives of deceased shared owners to find out that they are liable to pay service charge costs when their relative living in an OPSO property has died, despite the fact that there is no longer anyone living in the property using the services paid for through the service charge. (Paragraph 57)
7. *The Government must make it mandatory for providers of OPSO to highlight the potential legacy costs of service charges being passed on to family members to prospective shared owners and family members in line to inherit the property upon the shared owner's death, prior to initial purchase. Homes England could ensure this by specifying the need to include this information in the Key Information Documents. The Government should also give consideration to how it can encourage providers to better support those inheriting OPSO properties to sell the property upon the death of their relative. (Paragraph 58)*
8. It is unfair that OPSO owners with shares of less than 75% are liable to pay rent on the entirety of the landlord's equity in the property, while those who own the maximum 75% share pay no rent at all. (Paragraph 79)
9. *As part of its report, the Older People's Housing Taskforce must include recommendations for reform of OPSO, focussing on the potential merits of changes to ensure that no rent is charged for the top 25% of equity, regardless of the proportion owned by the shared owner. The Taskforce should publish these recommendations in its report in May 2024, as currently scheduled. (Paragraph 60)*

Affordable and Social Housing objectives

10. It is currently unclear what proportion of shared ownership housing stock is being lost to the open market. This makes it impossible to judge what impact sales of shared ownership homes to the open market are having on the overall supply of affordable housing in the UK. We welcome the data provided to us by Baroness Penn which shows the number of 100% staircasing sales for the previous three years, as well as the introduction of a question to the CORE platform on whether a staircasing transaction is part of a 'back-to-back' sale. This should help improve our understanding of the implications of shared ownership on affordable housing stock, although there is still no specific plan for how the Government will replace those homes which are sold on to the open market. (Paragraph 68)
11. *The Government must urgently review data it has from the CORE platform regarding the new question on whether staircasing transactions are part of a 'back-to-back' sale for 2023–2024, from which it must make an assessment of the extent to which shared ownership properties are being lost to the open market. The Government must then design and publish a plan on how it intends to replace all properties transferred to the open market from sales in the current and future iterations of the Affordable Homes Programme. (Paragraph 69)*

12. There is currently an evidence gap around Right to Shared Ownership, as a new product. It is unclear what the level of demand for this product is; what sort of value for money it represents; and what the likelihood is of achieving 100% homeownership through it. The Government must develop a clear understanding of Right to Shared Ownership to properly evaluate its role in future iterations of the Affordable Homes Programme. (Paragraph 72)
13. *The Government should actively collect and analyse data on Right to Shared Ownership, to better understand supply and demand for this emerging product. This data should include: the level of take-up of the Right to Shared Ownership; the characteristics of those who have exercised their right in this regard; the average share owned through Right to Shared Ownership; and the proportion of users staircasing to 100%. (Paragraph 73)*

Shared ownership leases

14. It is clear that many shared owners lack access to advice and guidance which can explain to them clearly and impartially the complexities of leasehold tenure and their rights and responsibilities under their shared ownership lease, as well as advise them on lease extension. There is a lack of awareness among shared owners of the advice and guidance that is available to them from the Leasehold Advisory Service. (Paragraph 90)
15. *Homes England should ensure that providers include simple guidance on lease arrangements within the Key Information Documents distributed to shared owners, including information on how rights and responsibilities are allocated and guidance on how to extend the lease. It should also make sure it is clearly signposting to existing advice and guidance services that may be helpful to shared owners in understanding their leases, such as the Leasehold Advisory Service, in these documents. These changes to guidance should be introduced before the end of the 2024 calendar year. (Paragraph 91)*
16. It is unacceptable that shared owners are having to make significant financial decisions without appropriate advice being readily available, and we believe the Government must act to remedy this. We also believe that it is unacceptable that shared owners do not have the same statutory right to leasehold extension as other leaseholders. (Paragraph 92)
17. *We urge Homes England to update its Capital Funding Guide for shared ownership to specify that providers should only be selling shared ownership properties on the condition they set up and maintain specialist teams of professionals who can provide accurate, timely and accessible advice on leases and lease extension to shared owners. Homes England could help facilitate the establishment of these teams through, for example, convening forums through which experienced providers could share best practice. (Paragraph 93)*
18. *Finally, the Government should ensure that any legislation passing through Parliament which has provisions to reduce the cost of, and simplify, the process of leasehold*

extension (for example, as in the Leasehold and Freehold Reform Bill) also applies to leaseholders in shared ownership properties, so that shared owners have the same statutory right to leasehold extensions as all other leaseholders. (Paragraph 94)

Risk of a two-tier market

19. The changes brought to leases for shared ownership properties delivered under the 2021–2026 Affordable Homes Programme, while well-intended, risk creating an unnecessary and unfair ‘two-tier’ market where shared ownership homes delivered under the previous Affordable Homes Programme are considered less attractive properties, making them harder to sell. It is unfair that the more generous minimum terms of the ‘new’ lease do not also apply to shared ownership homes delivered under the 2016–2023 Affordable Homes Programme. (Paragraph 100)
20. *The Government should encourage providers to voluntarily update the terms of their ‘old’ shared ownership leases (for properties delivered under the 2016–2023 programme), particularly the minimum 990-year lease length and the 10-years repair period, and consider offering financial incentives for providers to do so. (Paragraph 101)*

Repairs, maintenance and fees

21. Shared owners need a proper mechanism through which to feed back dissatisfaction with repairs, maintenance and other aspects of the management of their property. Based on the evidence we have received, many shared owners are clearly unaware of the option of escalating unresolved complaints to the Housing Ombudsman, suggesting that better signposting is needed. The evidence also makes clear that, in many cases, providers’ internal complaints mechanisms are not fit for purpose, with shared owners often experiencing significant delays in waiting on responses from the landlord to their complaints. (Paragraph 114)
22. *The Government should ensure that there is more effective signposting to the Housing Ombudsman for shared owners; it should make it clear that the Ombudsman is their port of call for resolving disputes with landlords once internal mechanisms have failed to resolve an issue. One option would be to do this by updating the Key Information Documents, so that this information is clearly spelled out. (Paragraph 115)*
23. *We welcome the Government’s confirmation that the Regulator is preparing to introduce a new, proactive consumer regulation regime. However, for the next round of tenant satisfaction data collection, the Regulator must update the measures to include satisfaction with repairs and maintenance for shared owners. (Paragraph 116)*

Selling shares and building safety

24. Shared owners can face considerable difficulty selling shares in their property, which many are prompted to do once rising costs reach unaffordable levels. Many are still waiting on their buildings to be remediated, without which they are legally unable to sell their shares and so end up trapped in properties they can no longer afford. Providers currently have no obligation to buy back shares from shared owners or to allow shared ownership tenants to sublet. We welcome the Secretary of State’s recent

intervention to allow providers more flexibility in allowing shared owners to sublet, and in buying back shares, but these decisions remain entirely at the provider's discretion and more could still be done. (Paragraph 133)

25. *The Government should either require providers to buy back shares from shared owners in situations where they are trapped and unable to sell shares due to building remediation issues, or if not, set out the reasons why it has decided not to do this. It should also undertake an assessment of the potential merits of requiring provider buyback of shares as an automatic entitlement for shared owners. If this were to be implemented, the Government would need to increase grant funding to providers to cover the additional costs incurred.* (Paragraph 134)

Formal minutes

Monday 25 March 2024

Members present

Mr Clive Betts, in the Chair

Kate Hollern

Andrew Lewer

Mohammad Yasin

Draft report (*Shared Ownership*) proposed by the Chair, brought up and read.

Ordered, That the report be read a second time, paragraph by paragraph.

Paragraphs 1 to 134 read and agreed to.

Summary agreed to.

Resolved, That the Report be the Fourth Report of the Committee to the House.

Ordered, That the Chair make the Report to the House.

Ordered, That embargoed copies of the Report be made available, in accordance with the provisions of Standing Order No. 134.

Adjournment

Adjourned till Monday 15 April at 3.30pm

Witnesses

The following witnesses gave evidence. Transcripts can be viewed on the [inquiry publications page](#) of the Committee's website.

Monday 04 December 2023

Sue Phillips, Founder, Shared Ownership Resources; **Steve Collins**, Chief Executive, Rentplus-UK Ltd; **Dr Alison Wallace**, Senior Lecturer in Social Policy & Housing, Centre for Housing Policy, University of York

[Q1–28](#)

Helen Spencer, Executive Director of Growth, Great Places Housing Group; **Professor Stanimira Milcheva**, Professor in Real Estate Finance, University College London; **Clare Miller**, CEO, Clarion; **Oliver Boundy**, Executive Director of Development, Anchor

[Q29–59](#)

Monday 18 December 2023

The Baroness Penn, Parliamentary Under-Secretary of State (Housing and Communities), Department for Levelling Up, Housing and Communities; **Emma Payne**, Director for Social Housing and Resettlement, Department for Levelling Up, Housing and Communities

[Q60–135](#)

Published written evidence

The following written evidence was received and can be viewed on the [inquiry publications page](#) of the Committee's website.

SHO numbers are generated by the evidence processing system and so may not be complete.

- 1 Abri Group ([SHO0103](#))
- 2 Addleshaw Goddard LLP ([SHO0107](#))
- 3 Adedeji, Olukemi ([SHO0011](#))
- 4 Allen, Deborah (Freelance editor, Self-employed) ([SHO0116](#))
- 5 D'Ambra, Mr Michael (Policy Officer , Manchester City Council) ([SHO0113](#))
- 6 Anchor ([SHO0057](#))
- 7 Anonymised ([SHO0153](#))
- 8 Anonymised ([SHO0150](#))
- 9 Anonymised ([SHO0127](#))
- 10 Anonymised ([SHO0044](#))
- 11 Anonymised ([SHO0012](#))
- 12 Aster Group ([SHO0110](#))
- 13 Aullybocus, Mrs Zahrah (Consultant Solicitor, Nexa Law) ([SHO0063](#))
- 14 Bancroft, Ms Alison ([SHO0053](#))
- 15 Brown, Mr Michael ([SHO0111](#))
- 16 Building Societies Association ([SHO0098](#))
- 17 Cameron, Ms Morag (Retired) ([SHO0041](#))
- 18 Campbell, Sarah ([SHO0026](#), [SHO0079](#))
- 19 Censeo Financial ([SHO0073](#))
- 20 Chartered Institute of Housing ([SHO0093](#))
- 21 Clarion Housing Group ([SHO0133](#))
- 22 Delich, Jenna ([SHO0147](#))
- 23 Department for Levelling Up, Housing and Communities (DLUHC) ([SHO0145](#))
- 24 Edwards, Mr Roger (Retired) ([SHO0008](#))
- 25 End Our Cladding Scandal campaign ([SHO0052](#))
- 26 Engel, Ms Emily (Retired) ([SHO0023](#))
- 27 Evison, Mrs Y (Customer service agent, Saga) ([SHO0058](#))
- 28 Faizi F ([SHO0112](#))
- 29 Forbes ([SHO0048](#))
- 30 Furber, Michelle (Class Teacher, Brighton and Hove Council) ([SHO0016](#))
- 31 G15 ([SHO0075](#))
- 32 Gray, Mr Julian (IT Network Engineer, UKRI) ([SHO0042](#))
- 33 Great Places Housing Group ([SHO0049](#))

- 34 Greater Manchester Housing Providers; and Great Places Housing Group ([SHO0086](#))
- 35 Hall, Rosie ([SHO0045](#))
- 36 Hanson ([SHO0004](#))
- 37 Hara, Mr Lachezar ([SHO0065](#))
- 38 Haralambiev, Mr Lachezar ([SHO0021](#))
- 39 Holmes, Mr Gary (General Manager, National Justice Museum) ([SHO0028](#))
- 40 HomeOwners Alliance ([SHO0114](#))
- 41 Hooper, Miss Lou (Extra Care Housing Coordinator, Hampshire County Council) ([SHO0034](#))
- 42 Housing Ombudsman Service ([SHO0149](#))
- 43 Jigsaw Homes Group ([SHO0027](#))
- 44 Jimenez, Ms Lorraine (Office Manager, pi global) ([SHO0013](#))
- 45 Karbon Homes ([SHO0096](#))
- 46 Kerfoot, Mr Martin ([SHO0031](#))
- 47 Khatun-Uddin, Ms Rashida ([SHO0060](#))
- 48 Lawlor ([SHO0059](#))
- 49 Leeds Building Society ([SHO0072](#))
- 50 Legal & General ([SHO0095](#))
- 51 Lynn, Dr David ([SHO0122](#))
- 52 McCabe, Mrs Kelly (Managing Director, TMP The Mortgage People) ([SHO0128](#))
- 53 McCarthy Stone ([SHO0120](#))
- 54 Mengerink, Mr Peter ([SHO0009](#))
- 55 Metropolitan Thames Valley Housing ([SHO0074](#))
- 56 Milcheva, Stanimira (Professor, University College London (UCL)); and Damianov, Damaian (Professor, Durham University) ([SHO0146](#))
- 57 Moat Homes ([SHO0090](#))
- 58 National Housing Federation ([SHO0132](#))
- 59 Nicholson, Mr Richard ([SHO0037](#))
- 60 Noels, Ms Lesley (Consolidation Accountant, HM Treasury) ([SHO0102](#))
- 61 Northern Housing Consortium ([SHO0105](#))
- 62 Northern Ireland Co-Ownership Housing Association ([SHO0140](#))
- 63 Orbit ([SHO0135](#))
- 64 Perceval, Gillian (Retired) ([SHO0082](#))
- 65 Places for People ([SHO0115](#))
- 66 Poteri, Mr Nick ([SHO0084](#))
- 67 Pumar, Mr Scott Leboeiro (Senior Supply Chain Planner, Rondanini UK) ([SHO0032](#))
- 68 Rentplus-UK Ltd ([SHO0148](#))
- 69 Ribeiro, Danny ([SHO0134](#))
- 70 Richardson, Susan ([SHO0129](#))

- 71 Sylvain, Ms Delphine ([SHO0125](#))
- 72 Sage Homes ([SHO0071](#))
- 73 Shared Ownership Resources ([SHO0054](#))
- 74 Sherrington, ([SHO0068](#))
- 75 Sjoberg, Mrs Naomi; and Akinbola, Ms Deborah ([SHO0055](#))
- 76 South Yorkshire Housing Partnership; and Great Places Housing Group ([SHO0087](#))
- 77 Sovereign Housing Association ([SHO0142](#))
- 78 Spence, Mrs Emma (Consultant Accounts Specialist , Solicitors) ([SHO0080](#))
- 79 The Leasehold Advisory Service ([SHO0089](#))
- 80 Tapp, Mr Chris ([SHO0001](#))
- 81 The National Sales Group ([SHO0094](#))
- 82 The Riverside Group ([SHO0123](#))
- 83 Thirteen ([SHO0106](#))
- 84 Torus ([SHO0066](#))
- 85 Trent & Dove Housing ([SHO0097](#))
- 86 Trowers & Hamlins LLP ([SHO0088](#))
- 87 UK Finance ([SHO0138](#))
- 88 Wakeford, Mrs Judith (Retired) ([SHO0040](#))
- 89 Wallace, Dr Alison (Senior Lecturer, University of York); Cowan, Professor David (Interim Head of Law School, Cardiff University); and Carr, Professor Helen (Professor of Property Law & Social Justice, Southampton University) ([SHO0091](#))
- 90 Walsh, Kirsty ([SHO0121](#))
- 91 Warwick District Council ([SHO0100](#))
- 92 Williams, Dr Peter ([SHO0069](#))
- 93 Williams, Ms Catherine ([SHO0043](#))
- 94 Woodcock, Ms Claire (Product Director, Machine Learning, Mozilla) ([SHO0002](#))
- 95 Wright, Mrs Alice ([SHO0035](#))
- 96 Wyeth, Peter (Chair, Barrington Court Residents' Association); and Williams, (Deputy Chair, BCRA) ([SHO0077](#))
- 97 Yorkshire Housing Limited ([SHO0070](#))
- 98 bpha Ltd ([SHO0099](#))
- 99 Heylo ([SHO0109](#))
- 100 Oyedepo, Mr Robert (Teacher, Education) ([SHO0007](#))
- 101 Shiels, Ms S ([SHO0108](#))

List of Reports from the Committee during the current Parliament

All publications from the Committee are available on the [publications page](#) of the Committee's website.

Session 2023–24

Number	Title	Reference
1st	Financial Reporting and Audit in Local Authorities	HC 59
2nd	Council Tax Collection	HC 57
3rd	Financial distress in local authorities	HC 56
4th	Electoral Registration	HC 58
1st Special	Financial Reporting and Audit in Local Authorities: Government Response to the Committee's First Report	HC 536

Session 2022–23

Number	Title	Reference
1st	The regulation of social housing	HC 18
2nd	Long-term funding of adult social care	HC 19
3rd	Exempt Accommodation	HC 21
4th	Draft Strategy and Policy Statement for the Electoral Commission	HC 672
5th	Reforming the Private Rented Sector	HC 624
6th	Funding for Levelling-Up	HC 744
7th	Reforms to national planning policy	HC 1122
8th	Pre-appointment hearing for the role of Local Government and Social Care Ombudsman and Chair of the Commission for Local Administration in England	HC 1819

Session 2021–22

Number	Title	Reference
1st	The future of the planning system in England	HC 38
2nd	Local authority financial sustainability and the section 114 regime	HC 33
3rd	Permitted Development Rights	HC 32
4th	Progress on devolution in England	HC 36
5th	Local government and the path to net zero	HC 34
6th	Supporting our high streets after COVID-19	HC 37

Number	Title	Reference
7th	Building Safety: Remediation and Funding	HC 1063
8th	Appointment of the Chair of the Regulator of Social Housing	HC 1207

Session 2019–21

Number	Title	Reference
1st	Protecting rough sleepers and renters: Interim Report	HC 309
2nd	Cladding: progress of remediation	HC 172
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