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Your Ref: PO2026/07046

23 May 2026

Dear Alex

Re: Ten Points of Action on Shared Ownership

Thank-you for your letter dated 5th May 2026. Our reservations around shared ownership stem from the imbalance of rights and responsibilities, with tenants taking on an onerous level of responsibilities, while landlords are encouraged to raise as much money as they can from the scheme. We would like to see the balance tip the other way, and for the scheme to become much fairer for tenants. Further to your request that we submit insights on shared ownership, then, we are happy to provide a ten-point list of recommendations for the scheme, as follows:

1. Improved Legal Framework for Shared Ownership

Shared Ownership does not currently exist in law. It's a marketing term for a government scheme. The leases that are written under it vary depending on who is in office, and are a melange of random clauses drawn from various leasehold and landlord and tenant law. A lot of the problems with shared ownership would be resolved if it had a legal basis, and a Shared Ownership Act is vitally important

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2. Service Charges

Service charges are disproportionate and excessive, verging on exploitative. A simple resolution here would be, if the tenant is responsible for 100% of the maintenance of their property, service charges for the building and the areas around it should only be applied once they have staircased to 100% ownership. Landlords can use profit from rental income to maintain the building and common parts.

3. Service Standards

Service standards should be set out much more clearly than they are at the moment, and tenants should know what service standards they can expect from their landlord before they buy. This is particularly germane to flats.

4. Rent

There are similar schemes to the UK one that have NO rent payable on the unpurchased share. However, if the rent component is retained, rent should be inflation minus 1%, and not the inflation or RPI plus an additional 0.5%-5% per year, every year, always increasing, as it is at the moment.

5. Staircasing

Staircasing should be based on the value of the property when it was bought, and not its value at the time of staircasing. No fees should be payable by the tenant to the landlord when staircasing, and each party pays their own legal fees. The amount of rent paid by the tenant should also be factored in to the staircasing premium, and the premium payable by the tenant to staircase should be reduced for every year of rent paid. There is a precedent for this - "right to buy" in the Housing Act 1980, and the difference is that with shared ownership a similar policy would not take social housing away from people who need it. Instead, it will allow a government scheme to deliver on its promises to buyers.

6. Regulation and Oversight

Housing Associations and other shared ownership providers should be subject to much more stringent regulation than they are currently, and overseen by a regulator with real teeth. There is no reason why anyone who buys into a government-led affordable housing scheme should have to engage in David-and-Goliath battles to get their basic legal entitlements, but that is the situation at the moment. Moreover, SO landlords who fall short of the regulatory standards should not be awarded any more public money until they resolve their failures.

7. Complex Lease Arrangements

Complex lease arrangements – whereby a housing provider buys a stake in a building and then sublets it to tenants - should be banned. No landlord should also be a tenant themselves, as this leads to a lack of accountability and ineffective or non-existent property management. Parties to existing complex lease arrangements should be given a fixed amount of time to decide who is buying who out, so that no tenants (shared ownership, social rented, or anything else) have to live with the invariably negative consequences of these arrangements.

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8. Retrospective Application of Shared Ownership Reform.

Any consideration of shared ownership should recognise that there are shared ownership leases in existence that began 30 years ago or more, and any improvements to the shared ownership scheme should apply retrospectively to ALL shared ownership leases, regardless of whether they were signed in 1996, 2006, 2016, or 2026. (Again, legislation of shared ownership would be helpful here)

9. Sales and RICS Valuations.

At the moment, shared ownership properties rely on RICS valuations for their initial and subsequent sales. These are based on the Land Registry entry. The issue with SO is that the sale is not recorded with the Land Registry and therefore is a closed market 'sale' (which some building developers such as Vistry, admit to). All SO outright sales need to be available on the Land Registry, to avoid the original RICS valuation being too high (because the surveyor is not comparing with like with like). Therefore any subsequent 'sale' would be a fair and open market transaction which is not currently the case.

With an open market Red Book valuation, the Surveyor visits and asks the vendor what price they had originally paid for the subject property and what improvements etc., they had made, in order the gauge whether the sale is overpriced. This is not possible with a SO property as the applicant is purchasing, normally, from a Housing Association who will in turn have purchased from the developer but without making any improvements etc. In order to make the system fair and transparent, the HA would have to divulge the price they paid, in order to avoid any suggestions of a mark-up/premium being applied

10. Buy-Backs

At the moment, once you have bought shares in a shared ownership property, everything about it becomes the tenants responsibility, including selling it on. If the tenant cannot sell it, they are stuck with it. And when shared ownership comes with so many problems (the ones outlined here, plus things we haven't touched on, like cladding and building safety) selling can become incredibly difficult, and tenants can end up stuck for years, or becoming accidental landlords just so they can move on. The simple resolution here is for buy-back to be compulsory for ALL shared ownership properties. To make it fair, the tenant can have three months to sell the property via the housing association's sales team, and if it does not sell, the landlord must buy it back from the tenant at the current fair market price, and then resell it themselves.

We also note that you asked for evidence. Unfortunately there is a dearth of research into shared ownership, and we have not conducted any research ourselves. Our recommendations are based on the views and experiences of our membership, and where we have considered research ourselves it is usually from information that is already in the public realm. In this regard, we would refer you to the Shared Ownership Resources website sharedownershipresources.org as they have done a lot of the "heavy lifting" on research into the scheme.

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We are grateful to you for the opportunity to contribute to the work the MHCLG is undertaking on shared ownership, and we would welcome the opportunity to meet with officials and to discuss our views in more detail.

Kind regards

Regards



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