Shared ownership in England:

Assessing the tenure's evolving role

Madina Orujilu and Megan Hinch, Chartered Institute of Housing

September 2026

Contents

Back to contents

Executive summary

The housing system in England faces sustained pressure from high property prices, constrained mortgage access, and an ongoing shortage of affordable homes. These conditions have made traditional homeownership increasingly unattainable for low-to moderate-income households, while the private rented sector remains costly and less secure, despite welcome changes in the Renters' Rights Act. Shared ownership was introduced to provide an intermediate solution, enabling households to purchase a share in a property while paying subsidised rent on the remainder. This provides a more affordable path for many who would not otherwise be able to attain homeownership. However, the practical outcomes of the scheme have prompted growing scrutiny, including from a recent investigative report by the National Audit Office (NAO) and wider analysis in the sector. Many of these issues were also set out in a report by the then Levelling Up, Housing and Communities (LUHC) on shared ownership in 2024.

This research explores the extent to which shared ownership meets its objectives of improving affordability, supporting access to homeownership, and offering long-term stability. It assesses recent policy developments, including reforms under the Affordable Homes Programme 2021-2026 and Social and Affordable Homes Programme 2026-2036, as well as the introduction of the Shared Ownership Code. The report examines issues such as cost accumulation, regional delivery imbalances, barriers to staircasing, and unequal access across demographic groups. Drawing on affordability data, resident experiences, and provider insight, the study analyses both structural strengths and emerging limitations of the model.

Findings suggest that affordability requirements for shared ownership must be properly focused on sustainable homeownership in the long-term. Gaps persist in communication, accessibility, and long-term cost predictability for shared owners, with satisfaction decreasing over time. This is particularly true for those who live in shared ownership flats – who experience similar concerns to those of leaseholders – with rising service charges (driven by rising costs and building safety remediation charges) contributing to lower rates of satisfaction. These issues raise questions about how effectively the model serves those most in need of affordable homeownership, and what must improve to ensure its long-term sustainability as an affordable tenure. Recent research supports the need to review affordability in shared ownership with a "lifecycle approach" to better understand the needs, barriers and improvements required for shared owners in the long-term.

Whilst many recent reforms have been welcomed for improving shared ownership, there are concerns that these will largely only apply to new shared ownership homes, leaving existing shared owners to live within the existing model. This will mean that those already living in shared ownership homes will continue to experience issues of affordability, transparency and accountability, without the implementation of further changes to the tenure. Satisfaction levels within shared ownership can decline over time, particularly when people feel 'trapped' in their homes due to unaffordable costs or wider issues such as building safety remediation. This additionally points to a lack of exit routes from shared ownership, with concerns over a smaller pool of eligible buyers with increased staircasing. Affordability constraints increasingly mean that shared owners do not have viable alternatives when they find their homes are no longer suitable for them.

Shared ownership continues to play a significant role in national housing policy. Whilst there are concerns about the affordability of shared ownership raised in this report, there are also continued success stories of shared ownership providing access to homeownership for those who previously could not afford it. To strengthen the positive impact of shared ownership and secure the long-term sustainability of the tenure, reforms are needed to improve affordability assessments, expand provision in underserved areas, enhance consumer transparency, and ensure consistent and improved service delivery. With these changes, the model has the potential to offer a more secure and inclusive route into homeownership.

Back to contents

Our recommendations:

1. Strengthen regional responsiveness in delivery
2. Reform affordability assessments to account for long-term sustainability
3. Enhance regulatory coordination and oversight
4. Promote transparency and viability in staircasing
5. Improve data infrastructure and longitudinal tracking
6. Undertake a comprehensive, evidence-based review of the tenure

Methodology and acknowledgements

This research was undertaken by Madina Orujilu and edited by Megan Hinch, from the Chartered Institute of Housing (CIH), focusing on shared ownership affordability and access in England.

The methodology for the research:

- Adopted a qualitative and historical research approach, designed to examine how policy, practice, and market dynamics have evolved over time
- Conducted a historical analysis of shared ownership policy development, tracing its evolution through major government programmes, funding frameworks, and regulatory reforms
- Reviewed a wide range of reports, policy documents, parliamentary evidence, and CIH publications addressing specific concerns such as affordability, staircasing barriers, regional disparities, and governance
- Carried out semi-structured interviews with housing professionals and practitioners from housing associations, and sector bodies to capture first-hand perspectives on operational challenges and buyer experiences
- Analysed qualitative data thematically, identifying patterns in affordability pressures, access constraints and long-term tenure outcomes
- Synthesised findings across historical and interview evidence to develop policy-relevant insights and recommendations.

Thank you to all those who contributed to this research, including those interviewed as part of the process.

Note: Whilst shared ownership and low-cost homeownership schemes exist across the UK, this report specifically focuses on shared ownership in England. Further information on shared ownership across the nations is available on the government's website.

Back to contents

Introduction and context

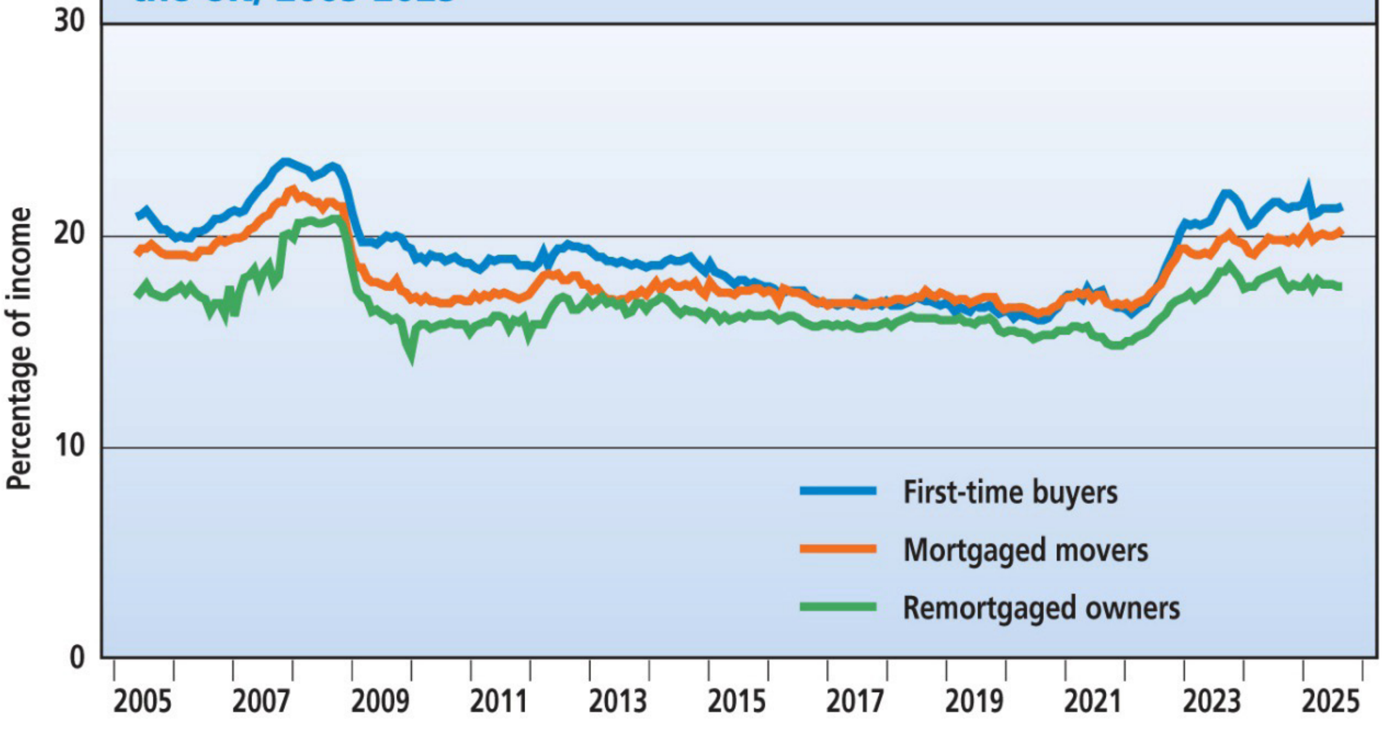
The UK housing market is defined by a profound and persistent imbalance, where high property prices, volatile interest rates and mortgage rates, and a chronic undersupply of affordable homes have created significant barriers to homeownership.

In 2025, the median house price in England was £300,000, whilst median earnings were £39,300. The UK Housing Review 2026 Affordability Index measures affordability with a 1994 base rate of 100 (the higher the index, the more unaffordable homeownership is). In 2024, this stood at 190.5, demonstrating that house prices and mortgages often far exceed what most median-income households can realistically afford. In high-demand regions such as London, this disparity is even more pronounced.

The persistent shortage of affordable housing constitutes a structural constraint within England's housing system. It is estimated that at least 300,000 new homes are needed each year to meet overall housing need, of which 60-70,000 of these are social rent. This increases to 330-350,000 homes, with 90,000 social rent homes, from 2030. However, annual housing delivery continues to fall short of this requirement, with net additions fluctuating between approximately 230,000 and 250,000 in recent years. This sustained under-supply has contributed to a growing backlog of unmet housing need.

Compounding this issue, mortgage affordability has deteriorated significantly in recent years due to fluctuating interest rates, impacting access to homeownership. The Bank of England base rate is currently 3.75%, with highs of 5.25% in recent years. This has contributed to higher borrowing costs across the mortgage market, as well as growing levels of uncertainty and a lack of confidence due to global financial events. The UK Housing Review 2026 (Table 1 below) highlights that "fundamental tension remains" within the mortgage market on affordability and house prices, particularly as a percentage of income for first-time buyers.

Figure 2.3.1 **Mortgage repayments as a percentage of income in the UK, 2005-2025**



Source: Financial Times using data from UK Finance, ONS, Dataloft.

Table 1 - Source: UK Housing Review 2026

On top of uncertainty with mortgage rates, accumulating the necessary deposit for many first-time buyers remains a significant barrier. The average (mean) deposit for a first-time buyer in 2024/25 was £78,131, with 31% receiving help from family or friends to buy their home (often not an option for those on the lowest incomes). The Resolution Foundation highlights that this often leads to "intragenerational unfairness" as access to homeownership becomes tied to the wealth of family and older generations. This lack of access to homeownership is also related to ethnicity, with the Joseph Rowntree Foundation finding that "enduring inequalities" are experienced by ethnic minority groups in the UK when accessing homeownership, securing mortgages, building housing wealth, and buying and maintaining a good quality home. It has also led to a generation of younger people living at home for longer, with almost two-thirds of people in their early 20s living at home. This is often to save up for a deposit, which is less achievable when living in the more expensive private rented sector (PRS) with higher percentages of incomes spent on housing costs.

As access to affordable housing options diminishes with a shortage of social homes, a growing proportion of low-income households are diverted into the PRS. This shift has significant economic and social implications. The PRS typically demands a higher share of household income, often pushing tenants beyond accepted affordability thresholds. The lack of long-term security, combined with higher rents, creates financial instability for households that would otherwise have been eligible for social housing.

The PRS has become a high-cost tenure with limited long-term security. Average private rents in England increased by 3.4% in the year leading up to March 2026, rising to £1,434 a month, with the highest increase of 6.5% in the North East, and the highest average rent in London at £2,280 a month. This increasing level of expenditure, alongside ongoing cost-of-living pressures and rising consumer price inflation, can reduce the capacity to save for a deposit, making progression into homeownership more difficult.

Given these systemic challenges, traditional homeownership has become increasingly inaccessible without additional financial support, while private renting offers little long-term security or asset-building potential. Shared ownership was developed to fill this gap by supporting households with moderate incomes who could not afford to buy on the open market and often could not access social housing. Introduced alongside the Right to Buy, which enabled existing council tenants to purchase their homes, shared ownership targeted those outside the social housing system who were also excluded from full ownership. By allowing buyers to acquire a share of a property while paying an affordable rent on the remainder, the scheme offered an alternative route into homeownership for the so-called 'squeezed middle'.

Back to contents

The evolving role of shared ownership in England's housing system

Shared ownership was formally introduced in 1980 as part of broader efforts to expand access to homeownership through publicly supported, market-based mechanisms. The scheme was enabled by the Housing Act 1980, introduced under Margaret Thatcher's government, which aimed to promote homeownership as a central policy goal. Although there were earlier examples of shared ownership in practice, including the first "half and half" recorded purchase in Birmingham in 1975, the 1980 Act provided the legislative foundation for its national implementation. Initially targeted at low-to-moderate-income households, including social tenants and key workers, the scheme enabled buyers to acquire between 25-75% of a property while paying below-market rent on the retained share – which was owned by a social landlord, such as a housing association..

Positioned between private renting and full ownership, shared ownership was designed to provide a more affordable and secure pathway into homeownership. Buyers purchase an initial share in a property while paying a controlled rent on the unsold equity, with the option to increase ownership incrementally, a process known as staircasing. As a hybrid tenure, shared ownership aims to facilitate upward housing mobility, reduce pressure on the social rented sector, and diversify affordable housing options for first-time buyers and other priority groups.

The scheme gained prominence under successive governments. During the New Labour period (1997 to 2010), shared ownership was integrated into urban renewal and regeneration programmes, positioned as a tool to enhance social inclusion and housing choice. Under the Coalition and subsequent Conservative administrations, shared ownership became an important component of national affordable housing policy, frequently employed to meet housing need while aligning with broader public spending objectives.

Over time, shared ownership has been reshaped by changing policy frameworks, fiscal constraints, housing market changes, and demographic pressures. What began as a targeted support mechanism has developed into a significant element of affordable housing delivery, contributing a notable share of new supply. This institutionalisation of shared ownership was first developed in the Shared Ownership and Affordable Homes Programme (SOAHP) 2016-2021, described as 'a decisive shift' towards low-cost homeownership, which committed to approximately £8.8 billion in total investment by March 2021.

Shared ownership then expanded within the Affordable Homes Programme (AHP) 2021-2026, where it was embedded alongside other affordable tenures. Administered by Homes England and the Greater London Authority (GLA), the programme provided capital grant funding for a range of affordable tenures, including social rent, affordable rent, and shared ownership. In April 2026, the new Social and Affordable Homes Programme (SAHP) began, which provided £39 billion grant funding nationwide for a period of ten years. The SAHP introduced further reforms to develop new shared ownership homes, with specific requirements to consider the affordability of service charges, ensure fees are fair and proportionate, publish sales and leaseholder fees, and make clear where residents are able to opt out of fees.

In addition to its wider funding and delivery objectives, the AHP 2021–2026 also introduced significant tenure reform through the Right to Shared Ownership (RtSO). This policy entitled eligible tenants living in new-build social and affordable rented homes funded through government grants to purchase an initial equity stake in their home after one year of tenancy. RtSO is no longer a contractual requirement for capital funding under the SAHP 2026-2036, but remains a voluntary option for providers.

Within this framework, shared ownership serves a dual function: it expands access to homeownership for households priced out of the open market and contributes to the financial viability of social housing developments. Many registered providers use it as part of internal cross-subsidy models, where proceeds from sales help fund the delivery of homes at lower, sub-market rents (social rent homes). This financial structure has made shared ownership an attractive product for providers and a recurring feature in affordable housing delivery, even amid increasing debate around its long-term affordability and consumer outcomes.

Despite growing scrutiny around issues such as affordability, cost transparency, and barriers to staircasing, shared ownership continues to attract significant buyer interest. Homes released under the scheme are often sold quickly, particularly in urban and commuter regions where demand for affordable homeownership remains high. This ongoing uptake points to a divergence between public discourse and consumer behaviour, with many prospective buyers continuing to view shared ownership as one of the few accessible pathways into homeownership. This pattern is also evident in national delivery figures. The UK Housing Review 2026 shows that 15,314 shared ownership homes were completed in the AHP 2021-26 up to September 2025, making shared ownership a leading tenure out of a total of 40,669 homes delivered. Such figures suggest that the scheme's sustained popularity is mirrored in the priorities of housing programmes and funding allocations.

Shared ownership itself comes in many forms, which can cause confusion and conflation with wider policy issues. It is important to note when discussing the affordability of shared ownership, that there are often vast differences between the experiences of those living in shared ownership houses and flats. Whilst shared ownership flats may appear more in the public discourse, about 72% of all new shared ownership homes are houses, mostly outside of London. There has also been evidence that the composition of new shared ownership homes has shifted to reflect these differences. Research shows that there is an increasing proportion of shared ownership houses rather than flats, to follow housing demand and preferences.

Many of the issues linked to service charges and fees in shared ownership apply more to flats than houses, and therefore the regional experience of shared ownership can vary, based on the density and proportion of flats to houses. As the NAO report outlines, it can also be difficult to distinguish between shared ownership and leasehold, as many of the issues from leasehold flats correspond to shared ownership flats. This includes rising service charges (reflected by rising maintenance and building safety remediation costs) and block management, and therefore it can be a more complex and potentially unaffordable scenario for a shared owner in a flat. The government is currently looking to reform leasehold, through the Leasehold and Freehold Reform Act 2024 and the Commonhold and Leasehold Bill, which will likely also impact shared ownership, although further clarity is required.

Whilst this report focuses on shared ownership in England, it can be useful to look at similar models elsewhere in the UK to highlight success and where lessons can be learnt. One example is in Northern Ireland, where co-ownership offers an affordable homeownership solution by purchasing the share of the home the buyer can afford, whilst the co-ownership housing association purchases the rest. The scheme operates differently to England as it does not use grant, instead receiving long-term government loans, meaning that capital funding can be used for other priorities such as social housing. The scheme has been a historic success, with high numbers of people able to increase their share to full ownership and 80% of people saying owning a home through co-ownership had a positive impact on their wellbeing. This suggests that it is possible to chart a path towards affordable home ownership, and shared ownership has the opportunity to learn lessons from across the UK.

Back to contents

Affordability within shared ownership

Shared ownership differs in fundamental ways from conventional homeownership and private renting due to the complexity of its financial structure. It also varies based on the type of home, with houses and flats differing in additional costs and requirements for shared owners. Rather than involving a single mortgage or rental payment, monthly housing costs typically include a combination of mortgage repayments on the purchased equity share, subsidised rent on the unsold share, service charges, and, where applicable, ground rent. In addition to these core payments, shared owners are generally responsible for repairs and maintenance costs, as specified in the lease agreement.

Affordability within shared ownership remains an area of continued policy attention. This is compounded by ongoing issues related to building safety remediation. Many shared owners who would like to sell their homes are facing difficulties with the costs and complexities of remediation, following systemic and much-needed changes to the building safety regime introduced after the tragic Grenfell Tower fire. There have been widespread delays to remediation of existing buildings, including previously restricted access to the Building Safety Fund for social housing providers and prolonged approval timeframes at the Building Safety Regulator. This has meant that shared owners can be stuck in homes that are no longer fit for their needs – for example, a growing family or a new job in a different area - whilst waiting for remediation works, as they are reliant on others to complete the work before they can sell. This can often mean rising costs related to remediation and staying in the home longer than they would like to stay.

Homes England's affordability guidance in the Capital Funding Guide previously recommended that total housing costs, including mortgage payments, rent, and service charges, fall between 25-45% of net household income, although this has since been replaced with wider assessment guidance (outlined below). The combined effect of multiple housing-related charges often introduced a level of financial complexity not fully captured by ratio-based assessments. While many households formally satisfied affordability criteria, research has indicated that these assessments did not consistently account for the cumulative burden of rising service charges, essential non-discretionary expenses, or variable household incomes. As a result, some buyers may have been assessed as eligible initially, but then experienced financial strain once in occupation.

Residual income models have been proposed as a more comprehensive alternative. These models assess the income remaining after housing costs have been met and evaluate whether that amount is sufficient to cover basic living necessities. Research has shown that many shared owners, particularly those in lower income brackets, did not retain sufficient residual income. This condition, commonly referred to as affordability stress, has highlighted the limitations of conventional affordability metrics and pointed to broader concerns regarding financial resilience within the shared ownership model. Fixed housing costs that appear acceptable under percentage-based metrics may, in practice, leave households unable to meet everyday living costs, leading to compromised wellbeing and financial insecurity.

In response to these challenges, Homes England introduced revised affordability guidance in August 2024. The updated framework, set out in Section 6.1 of the Capital Funding Guide, moves away from fixed thresholds and calculator tools and towards a principles-based approach that requires providers to ensure fair, consistent, and transparent decision-making. Applications must now be assessed in relation to individual circumstances and supported by financial assessments conducted by qualified mortgage advisors at no cost to the applicant.

While providers are no longer bound by rigid affordability caps, they are required to establish and publish a surplus income policy that specifies the minimum residual income applicants should retain after meeting housing and essential living costs. This shift reflects an acknowledgement of the limitations of ratio-based assessments and promotes a more holistic understanding of financial sustainability. These requirements apply to both new-build and resale shared ownership homes, although the guidance allows greater flexibility in the case of resales to avoid restricting existing owners' ability to sell their homes.

Eligibility criteria

Eligibility for shared ownership is determined by both national criteria and locally applied conditions. Applicants must have a gross annual household income of no more than £80,000, or £90,000 if purchasing in London. They must also be unable to afford a suitable home on the open market through conventional mortgage and deposit arrangements. While a maximum income cap is clearly defined, there is no national minimum income requirement. Instead, individual providers often apply their own lower income thresholds as part of internal eligibility checks or financial sustainability assessments.

The scheme includes targeted provisions for specific demographic groups. Older applicants aged 55 or over may be eligible for the Older Persons Shared Ownership (OPSO) scheme, which enables them to purchase up to 75% of a home. Once this threshold is reached, they are no longer required to pay rent on the remaining share, providing greater financial certainty for those on fixed or limited retirement incomes. Disabled applicants whose needs cannot be met by standard shared ownership homes may access an alternative route through the Home Ownership for People with Long-Term Disabilities (HOLD) scheme. HOLD permits the use of shared ownership funding to purchase homes on the open market, including homes with accessibility adaptations or specific layouts such as ground-floor accommodation.

Priority access to shared ownership is also granted to serving members of the Armed Forces and those who have left service within the past two years. Surviving partners of service personnel who died while in service may also be eligible for priority access, provided that the application is made within two years of bereavement. In designated rural areas, including National Parks, Areas of Outstanding Natural Beauty, and rural exception sites, additional eligibility criteria may apply. These typically require applicants to demonstrate a local connection, which is enforced through a Section 106 planning agreement, with applicants prioritised through a cascade system designed to ensure local housing need is met first.

In practice, access to shared ownership is more constrained than the formal eligibility criteria suggest. While households may qualify based on income thresholds, actual entry into the scheme is shaped by mortgage lending practices and provider-specific allocation policies. Lenders carry out detailed affordability checks that take into account not only gross income, but also credit history, debt levels, employment type, and financial resilience. It also requires a level of understanding on how to access shared ownership and the role of registered housing providers, both of which are not always clear.

For households with irregular or insecure earnings, or those with limited savings, these assessments can present substantial obstacles. Recent rises in mortgage interest rates have further reduced affordability, tightening lenders' thresholds for approval. As a result, many applicants who meet the official eligibility conditions are effectively excluded due to these additional financial and institutional barriers.

Back to contents

Policy transformation

The SOAHP 2016-2021 and AHP 2021-2026 introduced the most significant updates to shared ownership policy since the 1980s. These were then built upon in the SAHP 2026-2036, with specific requirements to consider the affordability of service charges, ensure fees are fair and proportionate, publish sales and leaseholder fees, and make clear where residents can opt out of fees. The following positive reforms aimed to address long-standing concerns about affordability, access, and buyer progression:

1. Minimum initial purchase share reduced to 10%

- Previously set at 25%, the reduction to 10% significantly lowered the financial entry barrier for prospective buyers.
- This reform enabled more low-to-moderate-income households to access the scheme, particularly in high-cost areas such as London and the South East.

2. Introduction of 1% incremental staircasing

- Under the previous model, shared owners could only increase their stake in 10%, which was unaffordable for many.
- The reform allows buyers to staircase by just 1% at a time for up to 15 years, enhancing flexibility and enabling ownership growth in line with personal budgets.
- Staircasing under the new model does not require a solicitor or incur stamp duty, reducing cost and complexity.

3. Introduction of a 10-year repair warranty

- New buyers are now protected from repair costs of up to £500 per year for the first ten years.
- This reform reduces financial stress during early ownership and improves consumer confidence in the scheme.

4. Standardisation of lease terms to 990 years

- Previously, lease terms varied and were often as short as 99 years.
- The new standard lease enhances security, eliminates costly lease extensions, and improves marketability.

5. Landlord’s nomination period reduced from eight weeks to four weeks

- Housing providers now have a maximum of four weeks to find a buyer before the property can be marketed more widely.
- The change speeds up resales, improves seller flexibility, and balances provider control with greater consumer confidence.
- Housing providers report that the resale market is relatively active, with most homes selling within the four-week nomination period.

It is important to note that the reforms introduced are not applied retrospectively to existing shared ownership homes. Buyers of resale properties or homes developed under earlier models remain excluded from the revised terms. As a result, existing shared owners are not entitled to 1% staircasing, the 10-year repair warranty, or the 990-year lease. This distinction could create a two-tier structure within the tenure, with newer buyers benefiting from enhanced rights and protections, while earlier purchasers continue under less favourable contractual terms. There are, however, difficulties in retrospectively changing existing contracts for shared owners, due to valuation issues.

One of the most significant consequences of the non-retrospective application of recent policy reforms is the continued exposure of legacy shared owners to lease extension costs. Under earlier models, leases were typically granted for 99 or 125 years, requiring many owners to extend their lease to avoid drops in valuations and increases in costs after about 75-80 years. The estimated cost of lease extensions ranges from £10,000 to £20,000, depending on property value and the remaining lease term. These financial obligations can weaken long-term affordability, reduce the feasibility of staircasing, and limit the resale prospects of older shared ownership homes. In addition, legacy owners are not entitled to the simplified staircasing options or repair protections introduced under the new model. Approximately 200,000 shared owners remain without access to these reforms, highlighting a significant disparity in consumer protection.

While the stated intention of the updated shared ownership model is to create a product that is fairer, more affordable, and more consumer-friendly, sector evidence points to emerging challenges in its implementation. Both CIH and the wider sector have highlighted that the cumulative cost implications of the reforms are likely to affect business planning and reduce the capacity of providers to deliver homes at scale. This research also found that housing providers shared concerns that the reforms introduced, including the 10% minimum initial share, new repair obligations, and uncertain staircasing, have made shared ownership schemes less financially viable. Providers face immediate losses on small share sales, cannot rely on future staircasing receipts, and encounter barriers in mortgage availability for buyers. As a result, many are shifting focus towards alternative affordable housing products which carry fewer financial risks. Collectively, these developments highlight the ongoing need to balance affordability objectives for consumers with the practical considerations faced by housing providers.

Back to contents

Shared ownership and private renting: a comparative affordability perspective

The financial realities of shared ownership, especially for low-income households, merit closer examination. Although shared ownership reduces upfront barriers relative to full homeownership, it imposes ongoing financial obligations that may strain household budgets, as shared owners in London report paying more than 40% of their net income on housing costs. Table 2 presents 2023 data showing that low-income shared owners experience higher levels of financial hardship than low-income renters in either the private or social sectors. Significantly, 76% of low-income shared owners reported experiencing food insecurity, compared to 65% of private renters and 61% of social renters. Additionally, 94% reported going without at least one essential item such as toiletries, clothing, or heating, a figure notably higher than the average for all low-income households.

Indicator	Low-income shared owners	Low-income private renters	Low-income social renters	Average for all low-income households (incl. mortgage buyers & owners)
Food insecurity	76%	65%	61%	47%
Going without at least one essential	94%	93%	88%	81%
Behind on at least one household bill or payment	66%	61%	53%	40%
Behind on rent or mortgage payments, or both	24%	19%	18%	18% (excludes outright owners)

Table 2 - Indicators of financial strain by tenure type: low-income households
Source: Shared Ownership: The Consumer Perspective, May 2023

Concerns are further compounded by the prevalence of rent arrears within shared ownership. 66% of low-income shared owners reported being behind on at least one household bill or payment, while 24% were in arrears on rent or mortgage payments. These levels are higher than those observed among low-income private renters.

This has prompted increasing support for the use of residual income models within affordability assessments. This model provides a more accurate measure of household financial capacity, particularly for those transitioning from the PRS who may already be experiencing economic vulnerability. Incorporating residual income assessments enables housing providers to better distinguish between technical eligibility and practical affordability.

Notwithstanding these challenges, shared ownership may deliver greater affordability than private renting over time. A 2025 independent study commissioned by Leeds Building Society compared shared ownership and PRS costs across 294 English local authorities, drawing on both local authority-level and lending data. The study found that shared ownership was more affordable than private renting in 77% of areas during the first year of occupancy. By year five, this figure increased to 79%, rising to 93% by year 10. These outcomes reflect core features of the model. Even without staircasing, shared owners reduce their mortgage principal over time, which decreases monthly costs. Additionally, they benefit from potential property value appreciation, building equity in a way that is not possible within the rental market. However, it is important to note that the experience of shared ownership and private renting may vary significantly, due to varying local market rent rates and interest rates, as well as limited data on the costs of shared ownership.

Findings suggest that shared ownership can offer dynamic affordability benefits, particularly when held over the medium to long term. While private renting retains advantages in terms of mobility, tenure flexibility and lower market risk, it does not facilitate wealth accumulation or security of tenure in the same way. Provided that shared ownership is targeted appropriately and supported by robust affordability checks, it may serve not only as a transitional tenure but as a viable long-term housing option for those unable to access full homeownership.

Nevertheless, the scheme's suitability as an alternative to private renting must be approached with caution. Without improvements to affordability screening, particularly for low-income and benefit-reliant households, there is a risk that shared ownership may expose some households to unsustainable financial pressures in the longer-term. If shared ownership is to fulfil its objective of extending opportunity and stability, it must be underpinned by affordability measures that account for the full range of living costs required to maintain a secure and dignified standard of living.

Additionally, it is important to better understand the role of the private renting in the housing sector as a whole, including cost pressures, when comparing it to shared ownership. Social housing is vital in ensuring access to affordable housing for those who need it, but with the lack of supply of social housing, private renting becomes increasingly important in providing housing and preventing homelessness. The government's recent reforms in the Renters' Rights Act ensures that tenants are protected from Section 21 'no-fault evictions' without cause, with additional reforms on the quality of private rented homes coming in to provide consistency across the rented sectors. Yet, affordability of private rented homes continues to cause financial instability for households on lower incomes. This is compounded by the freeze on local housing allowance (LHA) rates, which do not keep up with rising rent levels. This leads to many unable to afford to cover the rent gap not covered by LHA, pushing more people into poverty and driving further housing instability and unaffordability. CIH, along with many in the sector, have consistently called for the freeze on LHA rates to be lifted, and restore rates to at least the 30th percentile, to protect vulnerable households from experiencing homelessness and lift thousands of children and adults out of poverty.

Simultaneously, increased reliance on the PRS has escalated public expenditure, particularly through the growing cost of housing benefit allocations used to offset market-level rents. CIH has therefore highlighted the difficulties of affordability in the PRS, which contributes to heightened housing insecurity and further misalignment between housing demand and the available supply, intensifying structural vulnerabilities within the housing system.

For many trying to access affordable housing, the PRS and shared ownership offer different options, of which there are positives and negatives for both. However, it is vital that the government is clear about the role and purpose of each tenure and product in the housing market, to ensure that each can work effectively to support those who want or need it.

Back to contents

Rethinking shared ownership: diverging realities behind the tenure model

1. Cost accumulation and affordability pressures

Affordability in shared ownership is not static but subject to gradual shifts over the lifecycle of the tenure. One of the most salient financial pressures is the cumulative nature of rent and service charge increases. Leases typically specify that annual rent reviews are linked to the Retail Price Index (RPI), with variations on percentage increase depending on whether the lease was signed before or after 12 October 2023, following reforms to shared ownership rents. New leases have a rent increase of the Consumer Price Index (CPI) plus 1%, whilst older leases typically increase annually by RPI plus 0.5%. These increases are applied regardless of whether inflation subsequently falls, and each uplift establishes a new rent baseline. Over time, this compounding mechanism can elevate rent levels beyond the affordability threshold originally assessed at the point of purchase.

These pressures are often more pronounced for households who entered the scheme at a lower initial share, as they retain a greater rental liability. At the same time, variable mortgage repayments, as well as rising service charges and repairs, contribute to a broader cost profile that may depart significantly from initial projections due to inflation and other external factors. A considerable number of shared owners now allocate over half of their income to housing costs, while annual service charges frequently surpass £5,000 in certain developments, particularly those incorporating concierge services or affected by building safety remediation works and insurance costs. Shared owners submitted evidence to the LUHC Committee inquiry into shared ownership outlining significant increases in service charges including an 140-170% for some. The Greater London Authority (GLA) outlined similar about a lack of affordability and transparency in the rising costs of service charges for shared owners in London.

It is also important to note that shared ownership remains a tenure that is subject to market realities. High borrowing rates, inflation pressures and a shifting housing market can impact mortgage finances as well as long-term financial stability. The NAO report outlined that the longer-term financial risks for shared owners are not always obvious or transparent, impacting affordability over time within an ever-changing housing market.

Empirical findings reinforce these concerns. Approximately 38% of shared owners exhibit signs of financial vulnerability. These households tend to have fewer financial buffers and may be disproportionately impacted by modest increases in any component of housing expenditure. This financial sensitivity complicates long-term planning and can limit the feasibility of equity progression within the scheme. For a complex housing tenure such as shared ownership, the lack of comprehensive guidance and transparency, combined with high financial impacts, can mean that shared owners are significantly impacted by increasing costs over time.

However, challenges with repairs and wider costs are not exclusive to shared ownership. In 2022, NHF and CIH commissioned the Better Social Housing Review (BSHR), an independent review into social housing which found that housing associations are operating in a challenging environment. This has since been reinforced by the Regulator of Social Housing's Sector Risk Profile for 2025, which stated the "significant economic challenges" facing landlords, as well as the wider cost inflation across the sector. The cost of repairs and maintenance has risen well above inflation in recent years, with additional issues linked to supply chains and labour shortages.

In addition, affordability challenges can be particularly acute when the housing provider is not the freeholder, as this may restrict access to statutory lease extensions and introduce additional long-term costs. It can also cause issues with completing works within timescales, at a high quality and at a good price, particularly for building safety remediation, as the housing provider does not have control over the freeholder's decisions. This can lead to shared owners having prolonged repair issues, with ever-increasing costs and a lack of understanding over who is responsible for remediation.

In this context, the gap between expected and actual costs can widen, especially for households with limited financial flexibility. This means that shared owners can often feel the rising costs more acutely, as they end up paying the higher costs passed on from not-for-profit housing associations, reflective of the wider economic and operating environment.

Whilst the Housing Ombudsman cannot consider complaints about the level of service charge increases, it considers complaints about the openness and transparency of information provided and raises concerns and has subsequently raised concerns over miscommunication, complexity, and maintenance within shared ownership. The NAO report also highlighted the need for transparency in communications with shared owners regarding service charges.

2. Staircasing constraints and tenure progression

Although staircasing is promoted as a central pathway to achieving full homeownership, its practicality varies considerably across contexts. Under the AHP 2021–2026, reforms introduced the option to purchase additional equity in 1% increments. Housing providers and sector representatives report increased engagement with this mechanism, with positive feedback regarding its greater flexibility and accessibility. By contrast, earlier lease structures restricted staircasing to minimum 10% increments, typically accompanied by valuation and legal fees. These transaction costs, combined with rising house values in certain areas, often deterred or delayed households from increasing their share. In localities where capital growth is limited, the incentive to staircase may be weaker still, reducing the appeal of further investment in the home.

Staircasing percentages can also be restricted in certain variations of the tenure. In rural areas, shared ownership may be restricted to a maximum 80% share, or landlords are required to repurchase homes if 100% staircasing is allowed. For Older Persons Shared Ownership, staircasing is limited to 75%.

Many shared owners remain in partial ownership longer than anticipated, with limited exit routes. One housing provider in this research reported that levels of staircasing have declined in recent years, largely due to the combined pressures of the cost-of-living crisis, rising interest rates and concerns about unemployment. With mortgage rates often exceeding the rental element of shared ownership, households were deterred from purchasing additional shares, and many waited until the end of fixed-term mortgage arrangements before considering remortgaging and staircasing. The NAO report outlined barriers to staircasing, including repeated property valuations, additional legal fees, and a landlord administration fee.

This pattern could also be explained by underlying affordability constraints within the model. As the data in Table 3 shows, households with lower initial shares (25 to 40%) are more evenly distributed across income groups, suggesting broader accessibility at entry level. However, as ownership rises, the proportion of households able to remain within affordable income thresholds falls sharply, declining to just 10.5% at 70% equity.

Decisions on staircasing must also account for potential future sales of a shared ownership home. Concerns have been raised that shared owners wanting to sell homes at higher levels of equity face a smaller pool of eligible buyers, disincentivising staircasing among those considering a future sale. This indicates that while staircasing is promoted as a pathway to full ownership, in practice it may be financially unfeasible or unadvisable for many households, particularly when taking on additional debt.

Equity Ownership	0.25	0.3	0.4	0.5	0.6	0.7
% of households in income banding	22.3	22.3	22.2	20.5	16.1	10.5

Table 3. Distribution of Households Across Equity Ownership Bands in Shared Ownership
Source: Shared Ownership: The Consumer Perspective, May 2023.

3. Governance, management, and service relationships

Beyond financial considerations, the governance arrangements that underpin shared ownership developments can have a significant influence on resident outcomes. In many shared ownership schemes, especially those developed under planning obligations such as Section 106 agreements, housing management responsibilities are delegated to third-party managing agents rather than carried out directly by the housing provider. While this model can support professional service delivery, it may create ambiguity around accountability for communal maintenance, service charge setting, and repairs. It can also make it difficult for providers to limit cost increases.

Where residents lack a clear understanding of who holds responsibility for key decisions, engagement becomes more difficult and the resolution of concerns less predictable. This is particularly evident in mixed-tenure developments, where multiple entities may be involved in managing the property. In such cases, the role of the provider extends beyond operational delivery to include oversight of service quality and communication between stakeholders. This includes coordination within different teams of a housing provider, with sales and management teams needing to work together for a smooth transition and ongoing support of shared owners from purchase to living in the home.

The Housing Ombudsman's spotlight report highlighted these ongoing issues of communication and complaint handling for shared ownership, particularly between both internal and external teams handling different aspects of a complaint. It stated the need for clearer information for residents on reporting issues when there are third parties involved.

4. Buyer expectations and tenure understanding

Resident expectations concerning autonomy and decision-making play an important role in shaping satisfaction. Recent data in the Tenant Satisfaction Measures show significantly lower scores for low-cost homeownership, with nearly a third of shared owners reporting dissatisfaction with their overall landlord service. This was also outlined in the Housing Ombudsman's insight report on shared ownership in 2024. This shows the high levels of dissatisfaction among shared owners, and the trends and themes of complaints related to shared ownership.

Expectations for shared owners are set from the outset, with marketing materials often using language that suggests ownership and control, reinforcing associations with traditional homeownership. These representations may shape perceptions about the rights of shared owners to make alterations, schedule repairs, or postpone maintenance. In reality, shared owners remain leaseholders and are generally required to obtain permission for significant changes. They are also usually responsible for the full cost of repairs, irrespective of the share they own. The NAO outlines that whilst shared owners are often well informed about initial affordability, the long-term financial risks and escalating charges are not always understood. The new SAHP sets new expectations for shared ownership providers to improve resident experience with greater transparency.

This misalignment between expectation and legal structure is not only a matter of misunderstanding. Research suggests that some of these misconceptions stem from insufficient or overly complex information at the point of sale. Lease documents are lengthy and technical, while sales discussions may emphasise initial affordability rather than the full spectrum of ongoing responsibilities. The Housing, Communities and Local Government Committee identified a widespread lack of clarity in communications, which can have lasting implications for residents' financial and legal awareness and their ability to navigate their way through shared ownership to full ownership.

5. Perceptions of equity and tenure identity

The experience of shared ownership is also shaped by how residents interpret their position within the wider housing system. In developments that contain a mix of tenures, comparisons between shared owners, private renters, and social tenants are common. These comparisons can inform perceptions of fairness, particularly where differences in service responsiveness or amenity access emerge. In this context, consistency in service delivery and transparency around entitlements are essential to reinforcing confidence in shared ownership and increasing satisfaction levels.

Expectations may also be influenced by the perceived status of the provider. Residents who associate shared ownership with private market tenures may anticipate a higher degree of personalisation or responsiveness than those who understand the model as part of the affordable housing sector. This variation highlights the importance of clear, standardised communication across all developments, regardless of the provider's organisational identity or delivery model.

Back to contents

Regional variations in shared ownership provision

1. Concentration of delivery and national funding allocations

The supply of shared ownership homes has expanded in recent years but remains unevenly distributed across England. The AHP 2021-2026 allocated £11.4 billion in capital funding, with £8.03 billion directed through Homes England and £4 billion allocated to the GLA. This was topped up when the government announced bridge funding of £2 billion as a down payment for the new programme, split between Homes England and the GLA. While the programme initially targeted 180,000 starts by 2026, economic adjustments led to revised delivery targets. The Social and Affordable Homes programme began in April 2026 with an ambition on the government's part to deliver around 300,000 social and affordable homes over the programme's lifetime of 10 years. This includes funding to shared ownership homes, although the focus is on delivering 60% social rent homes.

Despite this significant investment, the spatial distribution of shared ownership remains skewed. The 2021 Census shows that the majority of shared ownership homes are in high-demand, high-value regions such as London, the South East, Greater Manchester, and the Oxford–Cambridge Arc (see Figure A below). These locations often benefit from more favourable development economics and planning environments that support higher residential density. Housing associations in such areas can often cross-subsidise affordable units using profits from market-sale homes, which supports both financial viability and delivery volume.

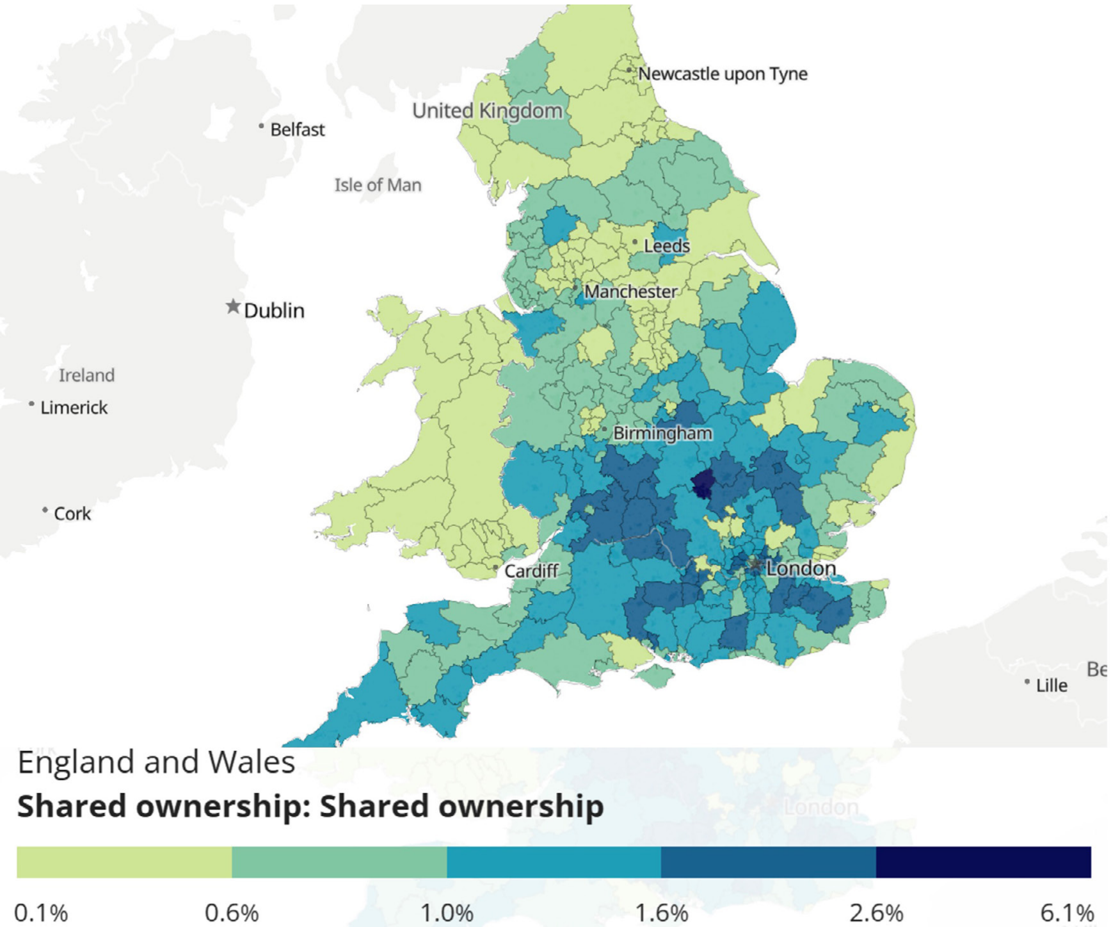


Figure A – Source: ONS data

By contrast, rural communities, coastal towns, and post-industrial areas continue to receive lower levels of investment in shared ownership. These locations face several structural constraints, including lower land values, reduced developer activity, and planning restrictions.

Research shows that shifts in the funding model, specifically a move towards the "financialization" of housing, with loan-based funding and reduced capital grants, as well as policies to promote homeownership, often reinforce these disparities. Providers faced greater commercial risk and are incentivised to build in markets where higher values ensure more predictable returns. Additionally, rising house prices relative to incomes lead to restricted social mobility, with wealth often accumulating among older groups and in metropolitan areas.

2. Market alignment and affordability metrics

A regional comparison of shared ownership market dynamics reveals significant disparities in affordability and entry-level purchasing behaviour. Table 4 presents data on market value-to-earnings ratios and average initial equity stakes by region, highlighting both the relative cost burden of shared ownership and the share size typically acquired at the point of entry.

The mean initial equity stake in London is 30%, compared with 45% in the North West. This could be explained by London's much higher market value-to-earnings ratio of 9.6, compared with six to eight in most other regions. Entering the scheme at with a lower share reduces the upfront barrier but increases reliance on rent and heightens long-term exposure to housing cost inflation, illustrating how regional market conditions shape both affordability and tenure progression.

Region	Market value-to-earnings ratio	Mean initial equity stake purchased
North East	6.1	38
North West	6.53	45
Yorkshire and The Humber	6.65	39
East Midlands	7.31	42
West Midlands	7.8	43
South West	8.14	43
East of England	8.33	42
South East	8.4	38
London	9.62	30

Table 4 - Regional variations in market value-to-income ratios and initial equity shares in shared ownership. The market value-to-earnings ratio was calculated by dividing the regional mean market values of shared ownership homes (2023/2024), sourced from the UK Government's live tables on social housing sales, by the regional mean annual full-time salaries in the UK for 2024, obtained from Statista.

Back to contents

A regional breakdown of average prices paid by first-time buyers (in quarter four of 2025), published in research by the Connells Group, further illustrates these disparities. First-time buyers in London face average purchase prices of £404,920, more than double those in regions such as the North East (£165,770) and Yorkshire and The Humber (£188,840). This substantial price differential helps to explain both the much lower mean initial equity stake in London (30%) and the significantly higher market value-to-earnings ratio of 9.6 compared to around six or seven in northern regions. Conversely, in regions where entry-level prices are lower, such as the North East and Yorkshire and The Humber, households are able to purchase larger initial shares (38–39%) despite facing lower incomes on average. This demonstrates how regional housing market conditions simultaneously shape affordability, tenure progression, and the accessibility of shared ownership as a pathway onto the housing ladder. It has also led to some discussion on linking shared ownership thresholds to regional house prices, rather than applying a single national threshold.

3. Planning policy, local variation, and supply constraints

Local authorities play a pivotal role in shaping the geography of shared ownership. Some councils actively promote the tenure through Section 106 agreements, land release strategies, and planning frameworks. Others focus on social rent or specialist housing, based on local need and political priorities. The absence of a nationally defined affordability benchmark has resulted in fragmented implementation. In low-supply areas, eligible households may face long waiting times and limited availability of shared ownership homes.. In high-supply areas, uptake may be constrained if pricing is misaligned with local incomes.

Additional supply restrictions occur in rural Designated Protected Areas, where shared owners are only permitted to staircase up to 80% of the property's value. This policy is intended to preserve affordable housing in areas where replacement homes are difficult to secure. is difficult to secure. However, some buyers report that they were unaware of this restriction at the point of sale. Once the cap is reached, they remain responsible for rent on the unsold share and bear full leaseholder obligations, including maintenance and service charges. These conditions may affect perceptions of the scheme's fairness and long-term value.

4. Lending conditions and the role of new providers

In response to ongoing delivery challenges, the government opened shared ownership development to unregistered bodies, which are not registered with the Regulator of Social Housing (RSH) but can own and manage shared ownership homes. While this policy aims to broaden the supply base, it does not necessarily correct the geographic concentration of delivery. concentration of delivery, nor the consistency of outcomes for shared owners.

Additionally, the role of for-profit providers is evolving in relation to the delivery of shared ownership. More for-profit registered providers are increasing their share of shared ownership homes, which is a key priority for investors with a secure rental income and access to house price inflation through staircasing. This presents a more diverse and complex environment for shared ownership going forward.

Lender engagement also plays a role. Research from CIH and Orbit highlighted a lack of data transparency around staircasing, equity levels, and arrears, which contributed to limited mortgage availability. The complexity and lack of understanding of shared ownership cause hesitancy among lenders as well as perceived additional risks in lending. More recent efforts to collect and publish such data have expanded lender participation and diversified product offerings.

The future appetite of lenders for smaller share mortgages will likely depend on the outcomes of households entering shared ownership under the new model. Monitoring equity progression and arrears levels will be essential in sustaining lender confidence.

Back to contents

5. Provider perspectives and delivery pressures

Housing professionals in this research have identified several market trends and structural barriers that complicate the delivery of shared ownership, particularly under the current policy framework. Housing providers highlighted a range of external and internal pressures that are shaping business plans and strategies, including:

- Rising living costs and economic uncertainty, which have made potential buyers more cautious
- Fluctuating interest rates, particularly following events in the wider national and global economic environment, which have increased mortgage costs
- Stricter lending rules that exclude many with strong rental histories but irregular or lower incomes
- A shrinking pool of eligible buyers who meet income thresholds or lender criteria, especially single-income households
- The closure of the Help to Buy equity loan scheme in 2023, which meant that shared ownership became one of the only remaining routes to affordable homeownership
- Greater regulatory scrutiny within a complex framework with the introduction of the Tenant Satisfaction Measures and increased buyer expectations
- Complexity and high costs associated with delivering flats, particularly in high-rise developments, with leasehold structures and building safety requirements. This includes delays linked to approvals by the Building Safety Regulator
- The risk of high service charges, and concerns over unaccountable managing agents further contribute to affordability pressures and reputational risks for providers.

Back to contents

Demand dynamics and accessibility in shared ownership

1. Demographic characteristics and buyer profiles

Shared ownership remains a tenure that attracts households seeking greater residential stability and a viable alternative to private renting. Its appeal is particularly strong in high-cost markets, where rising house prices and stringent mortgage requirements have made traditional ownership unattainable for many first-time buyers. The profile of the typical buyer reflects this accessibility function. Most purchasers are between 25 and 40 years of age, employed full time, and often part of a dual-income household. Workers in the public sector, including teachers, nurses, and local government employees, are notably well represented due to relatively stable incomes and the ability to meet lender affordability requirements.

Nonetheless, this profile also illustrates the scheme's limits. Access is shaped by broader social and financial inequalities. Single-parent households, disabled people, and some ethnic minority groups are underrepresented, often due to the structural hurdles embedded in credit scoring, mortgage underwriting, and allocation practices. Research found that schemes to extend access to homeownership, such as shared ownership, had limited success into improving social mobility and did not address racial inequality. Such inequalities must be addressed to ensure that shared ownership remains an effective option for widening access to homeownership for those who would otherwise not be able to afford to buy their own home.

There are also practical barriers, such as the lack of parking provision in some developments, reducing the appeal of shared ownership to certain buyer groups, including key workers and tradespeople who require a car for work. This demonstrates how both financial systems and the physical environment influence the demographic profile of purchasers.

2. Institutional barriers and lending criteria

Although official eligibility thresholds are set at £80,000 outside London and £90,000 within it, mortgage lenders frequently apply stricter affordability filters in practice and may automatically exclude applicants without permanent, full-time employment. Applicants working as freelancers, carers, or in the gig economy face particular difficulties. Similarly, those reliant on welfare benefits often encounter additional scrutiny, despite having monthly income sufficient to cover housing costs. Affordability checks are vital, but mean that shared ownership will continue to be a scheme accessible only to specific household groups and not available more widely. This eligible group may also become increasingly smaller with restricted wage growth and wider economic pressures.

Additionally, council-specific Section 106 restrictions, such as lower income caps, debt-to-net income ratios, or priority given to local residents, limit the pool of households eligible to buy or the number of homes available. Local requirements therefore, can constrain demand despite wider affordability challenges, showing how institutional rules intersect with lender practices to reduce accessibility.

This misalignment between eligibility policy and mortgage market practice creates a significant accessibility gap. It undermines the equity of the scheme by reducing access for applicants who formally qualify but are systematically excluded during the financial assessment process. Consequently, affordability is not the only challenge.

Back to contents

3. Regional disparities in demand

Demand for shared ownership also varies geographically, reflecting regional differences in housing market pressures, income levels, and tenure opportunities. Areas characterised by high housing costs and restricted affordability, particularly London, the South East, and parts of the East of England, tend to exhibit stronger demand for intermediate housing products. Conversely, lower demand in some regions may reflect not an absence of need, but a lack of local supply and institutional support.

Uptake is highest in London and the South East, where affordability constraints are most acute and alternative pathways into ownership are limited. Shared ownership uptake is significantly lower in the North East, Yorkshire and the Humber, and the Midlands where traditional homeownership is generally more accessible, even though some affordability pressures persist in many of these regions. This indicates that demand is likely under-served, potentially due to supply gaps, planning constraints, or provider incentives.

4. Accessibility within shared ownership

Barriers to participation are especially acute for disabled applicants. The Home Ownership for People with Long-term Disabilities (HOLD) scheme provides opportunities for those with long-term disabilities to access shared ownership, which is positive. However, many disabled people can experience interrupted employment, lower lifetime earnings, or reliance on benefits, all of which affect their ability to secure mortgage finance or pass affordability checks. While the scheme can assist households unable to save large deposits, the income-based nature of eligibility criteria and the rigidity of lending practices often exclude disabled individuals from accessing the tenure.

Accessibility challenges are not limited to financial criteria. The physical structure of shared ownership homes also restricts uptake among disabled households. Most are located in dense urban developments, with a predominance of flats that do not meet Building Regulations Part M4(2) or M4(3) standards. As a result, homes offer only limited "visitability" and often lack the features necessary for long-term adaptability. Although some providers offer HOLD properties, availability remains highly constrained and fragmented. Current national programmes do not mandate accessibility targets for low-cost homeownership, further limiting the supply of suitable homes.

Advocacy efforts by the Housing Made for Everyone (HoME) coalition, supported by CIH, have called for the universal application of the M4(2) standard as a baseline, with planning frameworks focused on delivering M4(3) properties in areas where local needs warrant it. The recent National Planning Policy Framework (NPPF) introduced this for 40% of new homes to be built to M4(2) accessible standards, but did not extend it to all new homes. Without these structural reforms, the tenure will continue to marginalise disabled residents.

Back to contents

5. Perceptions of stigma

Perceptions of stigma further complicate uptake. Research has highlighted the potential for stigma associated with subsidised housing to extend into shared ownership, particularly in mixed-tenure developments. Some residents report feeling like "fourth-class citizens" within their communities, noting restricted access to amenities such as parking spaces and shared facilities. Differences in management regimes between general needs and shared ownership homes, and the separation of entrances, sometimes described as "poor doors", have reinforced this sense of exclusion.

These experiences occur in a broader policy context where social housing has been increasingly residualised. Government housing strategies have largely prioritised homeownership through schemes such as Help to Buy or holidays in Stamp Duty. As a result, social housing is often framed as a last resort rather than a viable long-term option. Respondents to a consultation linked this narrative to the emergence of stigma, noting that the language and design of housing policy contribute to the marginalisation of non-ownership tenures. CIH has long highlighted the need to tackle stigma within social housing, supporting campaigns such as Stop Social Housing Stigma's Tackling Stigma Journey Planner. As an affordable housing tenure, shared ownership will often be grouped within these same stereotypes and perceptions as general needs social housing.

In addition, providers highlighted that in some developments, surrounding infrastructure is insufficient to support additional population growth, particularly in relation to public transport and healthcare provision. Such deficiencies can undermine the attractiveness of schemes and contribute to negative perceptions of the development of new social housing, including shared ownership,, reinforcing concerns about tenure quality and integration within local communities. As a result, shared ownership can become framed discursively as a marginalised tenure, shaping how it is perceived and experienced by both existing residents and prospective buyers.

Reforming shared ownership: the Shared Ownership Code and its sector-wide implications

Amid growing dissatisfaction and formal complaints regarding affordability, accessibility, and transparency within the shared ownership sector, the Shared Ownership Code was established in 2025. This was initially developed by the Shared Ownership Council, with a recent transfer to management by the New Homes Quality Board (NHQB). The Code responds to years of fragmented consumer experience and inconsistency in provider standards, aiming to place the resident journey at the heart of policy and practice by raising standards, improving resident experience, and driving best practice and consistency in the sector.

While the Code is voluntary, housing associations choosing to adopt it must meet a set of minimum procedural commitments. These include:

- Completing relevant onboarding or training programmes
- Revising internal policies and operational practices to meet Code standards
- Submitting evidence of compliance, such as published lease information or consumer satisfaction data
- Formally attesting to adherence, thereby becoming accountable for ongoing implementation.

Back to contents

The Code is built around seven core principles, each reflecting an area where the shared ownership model has historically struggled to meet consumer expectations:

1.	Clear, accurate shared ownership information
2.	Transparent, navigable cost structures
3.	Fair, consistent sales experience
4.	Guided staircasing and resale support
5.	Help managing unexpected housing costs
6.	Prompt, transparent complaint resolution
7.	Inclusive access for disabled buyers

The Code is intended as a comprehensive framework for improving the entire shared ownership journey, from affordability assessments and staircasing clarity to responsive complaint handling and equitable access.

With adoption already underway across several housing associations, the Code is expected to play a transformational role in enhancing sector credibility, improving consumer trust, and aligning shared ownership with broader housing quality and tenure reform goals in the sector.

Policy recommendations

This section sets out key recommendations to government and the wider sector for strengthening the delivery, governance, and long-term sustainability of shared ownership in England. The proposals emphasise regional responsiveness, improved consumer outcomes, stronger regulatory coordination, and the development of robust data to inform policy and investment decisions.

1. Strengthen regional responsiveness in delivery

Shared ownership delivery must more clearly reflect regional variations in both affordability and tenure preferences. Policymakers should:

- Support providers to expand in lower-cost but high-demand regions, particularly the Midlands and North, while ensuring design and tenure formats reflect local preferences.
- Work with mayors and strategic authorities within a devolved policy context to review how shared ownership could be developed to meet regional needs and priorities.

2. Reform affordability assessments to account for long-term sustainability

While affordability assessments at the point of purchase have improved, the current approach remains focused on entry rather than ongoing sustainability. Rising service charges, repair costs, and rent escalations can significantly erode affordability over time. To address this, we must:

- Introduce mandatory, periodic affordability reviews post-purchase to support households as they progress through the tenure
- Include appropriate headroom in initial affordability assessments to account for potential rising service charges throughout the tenure
- Require providers and lenders to offer transparent guidance and decision-support tools on complex trade-offs, such as remortgaging, staircasing, or managing rent escalations.

3. Enhance regulatory coordination and oversight

Shared ownership governance is currently fragmented, with responsibilities dispersed across Homes England, the GLA, the Ministry of Housing, Communities and Local Government (MHCLG), the Regulator of Social Housing (RSH), the Financial Conduct Authority (FCA), ombudsman services, providers, and lenders. This fragmented structure creates accountability gaps and inconsistent oversight. There is a pressing need to:

- Conduct an independent, cross-agency review of regulatory responsibilities for shared ownership
- Ensure the Shared Ownership Code is embedded within regulatory frameworks and enforcement mechanisms across all relevant bodies
- Establish a lead coordinating body or formal mechanism to ensure coherent policy development, consumer protection, and enforcement
- Encourage the RSH to develop a dedicated regulatory framework for shared ownership, supported by legislative reform where needed
- Ensure the New Homes Ombudsman covers shared ownership homes built by housing associations, to provide remediation and accountability from developers, and ensure shared owners have clear recourse to the appropriate ombudsman service for complaints.

4. Promote transparency and viability in staircasing

Low levels of full staircasing and limited data on partial progression highlight the need to reconceptualise tenure success. Full ownership should not be assumed as the default or only positive outcome. To better support mobility within the model:

- Develop and promote an active resale market for part-owned homes, encouraging the retention of affordable homes while supporting household transitions
- Improve the visibility and functionality of shared ownership listings on mainstream property platforms
- Recognise part-staircasing and shared resale transactions as valid, beneficial tenure outcomes and include them in monitoring metrics.

5. Improve data infrastructure and longitudinal tracking

A persistent barrier to effective policy, investment, and consumer support is the lack of robust, accessible data on shared ownership. Current systems such as CORE are under-utilised and insufficiently comprehensive. To address this, we must:

- Upgrade and expand CORE to include consistent data on staircasing, service charges, resale outcomes, and consumer satisfaction.
- Introduce longitudinal tracking of shared owners to monitor affordability trajectories, housing outcomes, and tenure transitions over time.
- Ensure data is made accessible to researchers, policymakers, and investors to support market transparency, innovation, and accountability.

6. Undertake a comprehensive, evidence-based review of the tenure

There is broad consensus on the need for a fundamental review of shared ownership, encompassing both its policy rationale and operational mechanisms, and the need to view shared ownership with a "lifecyle approach". This should include:

- A national audit of demand, supply, consumer profiles, and tenure outcomes
- A critical evaluation of the allocation of risks, benefits, and responsibilities between providers and buyers
- A detailed examination of buyers, including any additional guidance or resources needed for both providers and shared owners staircasing barriers, resale processes, and affordability erosion mechanisms, including a differentiation between shared owners' experiences in flats and houses, and how supply and demand for shared ownership interact.