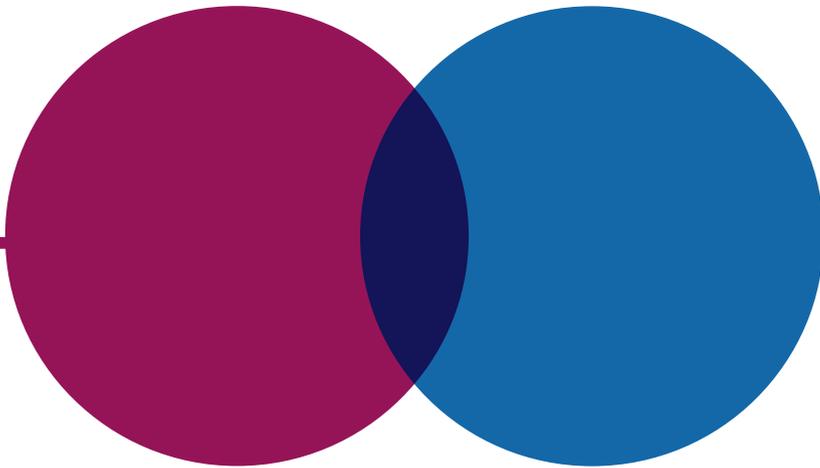




National Audit Office



REPORT

# Investigation into shared ownership

Ministry of Housing, Communities &  
Local Government

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SESSION 2024–2026  
25 MARCH 2026  
HC 1742

## What this investigation is about

- 1** Shared ownership is a government-backed affordable housing model, introduced through the 1980 Housing Act. It offers a route into home ownership for eligible buyers who cannot afford to purchase a home on the open market. Shared owners purchase an initial share (between 10% and 75%) and pay rent on the remaining share to a shared ownership provider (usually a registered provider or housing association, though it can be a local authority or private provider). Over time, shared owners can buy more of a share of the property through a process known as ‘staircasing’.
- 2** Shared owners have a long lease, with all associated leasehold obligations – including a rental charge that reflects the fact that the shared owner has acquired the lease at less than full market value – and service charges. Service charges are variable charges payable by tenants and leaseholders to cover the costs of maintenance, management, and services in communal areas in buildings and estates. Shared owners are responsible for paying all service charge costs, not a proportion based on their ownership share.
- 3** The Ministry of Housing, Communities & Local Government (MHCLG) is responsible for the stewardship of the housing sector and for schemes to support home ownership, and it sets the policy direction for shared ownership. Homes England (or the Greater London Authority in London) is the delivery partner for the Affordable Homes Programme (AHP), supplying grant funding for new shared ownership properties. New shared ownership homes made up approximately 11% of the supply of all new build homes in 2024-25.
- 4** This report sets out the facts on how the shared ownership model in England works, the challenges that affect shared ownership, redress (routes for complaints and resolution) for shared owners, and improvements made to the model by MHCLG and Homes England. It outlines:

  - the key bodies involved in the model, how it is delivered, and the impact of legislation on the model (Part One);
  - challenges for the shared ownership model including accessibility of information, affordability issues and broader housing challenges that impact shared owners (Part Two); and
  - government monitoring of the model, redress for shared owners and the government’s current and proposed actions to improve shared ownership (Part Three).

**5** This report does not examine in detail the new Social and Affordable Homes Programme or look at the quality of shared ownership housing. This report does not examine the value for money of shared ownership or make recommendations. A summary of our findings from our work is in **Figure 1** on pages 5 and 6.

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## Figure 1

### Summary of findings on the shared ownership model

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#### How shared ownership works (see paragraphs 1.2 to 1.6)

- Shared ownership is a government-backed affordable housing model and supports home ownership for those who would not otherwise be able to afford to buy a home on the open market.
- Shared owners are part-owner and part-renter, with all the associated obligations of having a lease, including service charges.
- There are different forms of shared ownership schemes, with different eligibility rules and conditions.

#### Roles and responsibilities (see paragraphs 1.7 to 1.8)

- The Ministry of Housing, Communities & Local Government (MHCLG) sets the policy direction for shared ownership.
- Homes England provides grant funding, through the Affordable Homes Programme (AHP) for new shared ownership properties in England (excluding London), while the Greater London Authority (GLA) does so in London.
- The Regulator of Social Housing (RSH) oversees all registered providers of social housing in England and the Housing Ombudsman can resolve disputes between shared owners and shared ownership providers.

#### Delivery of shared ownership homes (see paragraphs 1.9 to 1.11)

- Shared ownership homes are primarily acquired by shared ownership providers via grant funding (the AHP) or developer contributions (Section 106 planning obligations).
- The annual delivery of new shared ownership homes has increased in number over the last decade from 11,128 homes in 2014-15 to 20,353 homes in 2024-25.

#### The impact of changes to the AHP and legislation (see paragraphs 1.12 to 1.20)

- Shared ownership has evolved through multiple reforms, shaped by successive legislative changes and related housing schemes.
- The government sets out to strengthen leaseholders' rights in the Leasehold and Freehold Reform Act 2024 and increase security of tenure for shared owners in the Renters' Rights Act 2025. MHCLG has not yet fully implemented either Act but told us that measures will be introduced in phases during this Parliament.
- The new Social and Affordable Homes Programme 2026–2036 will give greater consideration to long-term customer affordability, increasing transparency and fairness on costs.

#### Accessibility of information (see paragraphs 2.2 to 2.5)

- Shared owners are well informed about initial affordability, but the longer-term financial risks when buying their initial share may not be obvious. Stakeholders have told us there are still 'understanding gaps' surrounding costs.
  - MHCLG, Homes England and the GLA require shared ownership providers to produce Key Information Documents to inform prospective shared owners. These documents have been updated to standardise the service charge information.
  - The shared ownership code is a voluntary, industry-led initiative to help improve accessibility of, and standardise information about, processes and costs for shared owners.
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**Figure 1** *continued*

Summary of findings on the shared ownership model

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**Affordability over time (see paragraphs 2.6 to 2.13)**

- Service charge increases can create affordability pressures over time for shared owners, as they can for any leaseholder.
  - There are transaction costs that apply each time shared owners want to buy a bigger portion of their property.
  - MHCLG told us that full ownership of the property is not the only positive outcome as a shared owner that buys a share and stays at a certain level of ownership still gains stability, builds equity, and is typically financially better off than remaining in the private rented sector.
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**Shared ownership and wider issues (see paragraphs 2.14 to 2.18)**

- All shared ownership is leasehold, so leasehold issues and shared ownership issues often overlap.
  - Leasehold terms differ depending on the iteration of the AHP the home was purchased under.
  - The Leasehold and Freehold Reform Act 2024 introduced changes to assist with issues such as lease extensions and information on service charges. While there is no clear timetable for implementation, MHCLG told us that measures will continue to be introduced in phases.
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**Data quality and collection (see paragraphs 3.2 to 3.8)**

- MHCLG requires private registered providers to submit data on shared ownership, but complete data is often not submitted, and MHCLG does not routinely escalate or enforce cases of non-compliance.
  - Historically, the data on shared ownership has been incomplete, although improvements have been made. This means MHCLG does not fully understand customer journeys and experience.
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**Redress and complaint routes (see paragraphs 3.9 to 3.13)**

- The redress process for shared ownership is complex, and shared owners may not know all the routes of redress and advice available to them.
  - Legal complaints are normally dealt with by the First-tier Tribunal (Property Chamber) and service complaints are normally resolved via the Housing Ombudsman.
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**Improvements to the model (see paragraphs 3.14 to 3.17)**

- Each iteration of the AHP has made improvements to the shared ownership model.
  - Recent amendments to data collection forms will assist MHCLG's understanding of the customer journey.
  - Changes to Homes England's affordability assessment has included more consumer safeguards.
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Source: National Audit Office analysis of Ministry of Housing, Communities & Local Government documents and data and interviews with stakeholders as set out in the methodology appendix

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