

Shared Ownership Lease Extension

A report on key themes and concerns arising from shared owners' experiences of lease extension, with recommendations.

Sue Phillips (ACCA)
Shared Ownership Resources
Version 3: 1 March 2021

Shared Ownership Lease Extension

EXECUTIVE SUMMARY	4
KEY RECOMMENDATIONS	4
3 KEY RECOMMENDATIONS:	4
VALUATION FEES	5
ISSUE – 1 (UNNECESSARY FEES)	5
IMPLICATIONS – 1 (UNNECESSARY FEES)	5
RECOMMENDATIONS 1 (UNNECESSARY FEES)	5
LEASEHOLD EXTENSION PREMIUMS	5
ISSUE – 1 (TRANSPARENCY)	5
IMPLICATIONS – 1 (TRANSPARENCY)	6
RECOMMENDATIONS – 1 (TRANSPARENCY)	6
ISSUE – 2 (AFFORDABILITY)	7
IMPLICATIONS – 2 (AFFORDABILITY)	7
RECOMMENDATIONS – 2 (AFFORDABILITY)	7
ISSUE – 3 (ZUCCONI PRECEDENT)	7
IMPLICATIONS – 3 (ZUCCONI PRECEDENT)	7
RECOMMENDATIONS – 3 (ZUCCONI PRECEDENT)	8
ISSUE – 4 (RESTRICTIONS ON LEASEHOLD EXTENSIONS)	8
IMPLICATIONS – 4 (RESTRICTIONS ON LEASEHOLD EXTENSIONS)	8
RECOMMENDATIONS – 4 (RESTRICTIONS ON LEASEHOLD EXTENSIONS)	8
ISSUE – 5 (LIABILITY FOR COSTS AND ENTITLEMENT TO GAINS)	9
IMPLICATIONS – 5 (LIABILITY FOR COSTS AND ENTITLEMENT TO GAINS)	9
RECOMMENDATIONS – 5 (LIABILITY FOR COSTS AND ENTITLEMENT TO GAINS)	9
ISSUE – 6 (LEASE EXTENSION AND RENT PAYABLE)	9
IMPLICATIONS – 6 (LEASE EXTENSION AND RENT PAYABLE)	9
RECOMMENDATIONS – 6 (LEASE EXTENSION AND RENT PAYABLE)	9
ISSUE – 7 (RISK OF POSSESSION WITHOUT RECOMPENSE AFTER LEASE EXTENSION)	9
IMPLICATIONS – 7 (RISK OF POSSESSION WITHOUT RECOMPENSE AFTER LEASE EXTENSION)	9
RECOMMENDATIONS – 7 (RISK OF POSSESSION WITHOUT RECOMPENSE AFTER LEASE EXTENSION)	9
ISSUE – 8 (LEGACY OWNERS)	10
IMPLICATIONS – 8 (LEGACY OWNERS)	10
RECOMMENDATIONS – 8 (LEGACY OWNERS)	10
FORMAL (STATUTORY) AND INFORMAL ROUTES	10
ISSUE – 1 (STAIRCASING AND CHOICE OF ROUTES)	10
IMPLICATIONS – 1 (STAIRCASING AND CHOICE OF ROUTES)	10
RECOMMENDATIONS – 1 (STAIRCASING AND CHOICE OF ROUTES)	10
ISSUE – 2 (TRANSPARENCY REGARDING INFORMAL ROUTE)	11
IMPLICATIONS – 2 (TRANSPARENCY REGARDING INFORMAL ROUTE)	11
RECOMMENDATIONS – 2 (TRANSPARENCY REGARDING INFORMAL ROUTE)	11

ISSUE – 3 (CONFLICTS OF INTEREST AND SELF-INTEREST)	11
IMPLICATIONS – 3 (CONFLICTS OF INTEREST AND SELF-INTEREST)	11
RECOMMENDATIONS – 3 (CONFLICTS OF INTEREST AND SELF-INTEREST)	12
LEASEHOLD EXTENSION AND STAIRCASING	12
ISSUE – 1 (INTER-RELATIONSHIPS AND SEQUENCING)	12
IMPLICATIONS – 1 (INTER-RELATIONSHIPS AND SEQUENCING)	12
RECOMMENDATIONS - 1 (INTER-RELATIONSHIPS AND SEQUENCING)	12
LEASE EXTENSION AND SELLING SHARED OWNERSHIP HOMES	13
ISSUE – 1 (GAIN EROSION)	13
IMPLICATIONS – 1 (GAIN EROSION)	13
RECOMMENDATIONS - 1 (GAIN EROSION)	13
OVER 55S	14
ISSUE – 1 (POTENTIAL VULNERABILITY OF DEMOGRAPHIC)	14
IMPLICATIONS – 1 (POTENTIAL VULNERABILITY OF DEMOGRAPHIC)	14
RECOMMENDATIONS – 1 (POTENTIAL VULNERABILITY OF DEMOGRAPHIC)	14

Shared Ownership Lease Extension

EXECUTIVE SUMMARY

This report identifies key themes and concerns arising from shared owners'¹ experiences of lease extension. Comments were requested and provided largely via social media.

The following topics were identified as significant by shared owners:

- Valuation fees
- Leasehold extension premiums
- Formal and informal routes
- Leasehold extension and staircasing
- Lease extension and sale of shared ownership homes
- Shared ownership schemes for over 55s

KEY RECOMMENDATIONS

This report identifies a number of issues to be addressed to improve shared owners' reported experiences of leasehold extension.

Two over-arching themes were: firstly, affordability over the long-term; and secondly, the intersection of policy (selling shared owners short 99 or 125-year leases) and transparency (not providing sufficient information on either the nature of the assured shorthold tenancy tenure or lease length, and implications arising).

3 Key Recommendations:

1. Shared owners to pay only their proportionate share of lease extension premium and other costs.
2. Lease extension to 990-years² with ground rents reduced to peppercorn as standard for all shared owners; with retrospective application for legacy shared owners for an affordable, nominal, flat fee of not more than £2,000.
3. Zucconi precedent not to be taken advantage of with immediate effect, and recompense to shared owners who've already paid a lease extension fee calculated taking advantage of the Zucconi precedent.

¹ For simplicity the term 'shared owner' is used throughout, including those who have staircased to 100% and are effectively long leaseholders rather than holding assured shorthold tenancies. It could be read as 'shared ownership buyer'.

² The London Mayor proposal is for 999-years (22/1/2021): <https://www.london.gov.uk/press-releases/mayoral/mayors-999-year-lease-pledge-0>. Government reforms specify 990-years (7/1/2021): <https://www.gov.uk/government/news/government-reforms-make-it-easier-and-cheaper-for-leaseholders-to-buy-their-homes>

Valuation Fees

Issue – 1 (Unnecessary fees)

- Shared owners are charged, what to some at least are significant fees, for valuations for lease extension purposes in some cases only to discover, when they receive the valuation, that they can't actually afford to extend.

Implications – 1 (Unnecessary fees)

- Shared owners, some on relatively low incomes, waste money unnecessarily.
- Shared owners lose trust and confidence that housing associations have their best interests at heart.
- Reputational damage for housing associations.

Recommendations 1 (Unnecessary fees)

- Signpost shared owners to online leasehold extension calculators in order that they can gain an indicative estimate without any initial outlay.
- Ensure that valuation fees are justifiable and transparent.

"I am a retired nurse who bought a "shared ownership" flat in London in 2007. 77 years on the lease left. In December 2020 my housing association charged me £420 for a valuation only to tell me the lease extension would cost £24,000+. As a pensioner paying 1,000 a month rent/mortgage this is way out of my reach".

"The only way for me to find out the price to increase the lease is to pay for a valuation and various other administration fees before I can get a quote. Then it is my choice if I accept or not. I really didn't expect I would have to go through all this stress. I really can't remember any of this being explained to me when I signed up and brought into the property.

"I asked the housing association about lease extension. Their only reply was 'get a valuation'".

Leasehold Extension Premiums

Issue – 1 (Transparency)

- First-time buyers are frequently not made aware that lease extension is a potential cost they may need to plan for.³ This remains a relevant issue until such time as

³ Peter Apps: "I just do not understand how people can go into this owning a 99-year lease on a property, or in many cases a 125-year lease on the property, without it being properly explained that you need to save now for the extension because it is going to cost an awful lot of money. It seems to come completely out of the blue and there seems to be a kind of residual expectation in the sector, not just among housing associations but among landlords of leaseholders full stop, that people just have that money lying around to extend a lease. People do not." (<https://www.london.gov.uk/aboutus/londonassembly/meetings/documents/s81888/21%20January%202020%20-%20Minutes%20-%20Housing%20Committee%20-%20Appendix%201%20Transcript.pdf>)

Government proposals for 990 year leases as standard are enacted; or housing associations implement that policy in advance of reform of legislation.

Implications – 1 (Transparency)

- Some shared owners may not have proceeded with the purchase of a shared ownership home had they known, at the point of sale, about the need to extend a short lease. This has given rise to accusations of mis-selling, and complaints to the Competition and Markets Authority.
- Shared owners may not find out about lease extension until decades later when it's too late for it to be affordable; a wasted opportunity when they could already have been planning and saving.

"When I bought the flat there was no mention of it coming with a short lease or of the need to extend the lease. I found out by speaking with friends who told me about the problems having a lease shorter than 80 years would bring."

"I bought my shared ownership flat in 2006, on a 99-year lease. There was no mention at the time from either my housing association, or from the solicitor I used on their recommendation, that I would need to extend the lease.... I have not budgeted for lease extension because until a couple of years ago I didn't know I had to, and I am now in a position where to extend my lease would be prohibitively expensive."

"[My housing association] sold 50 homes with shorter leases (99 years) than the 'full' leasehold ownership (125 years) on the same development, at the same time...."

"It seems indicative of the relationship that residents have with Housing Associations that the onus falls on the resident to know the right questions to ask rather than have a full picture presented to them. One would cynically imagine that this is a deliberate action as the whole shared ownership process appears worthy on the surface but diminishes rapidly once experience and knowledge are gained by a leaseholder."

Recommendations – 1 (Transparency)

- Full transparency from housing associations on whole life cycle costs of shared ownership, including lease extension, in marketing materials and sales packs.
- Online explanations of the 80-year threshold, marriage value, and Zucconi as standard on housing association websites (in jargon busters, FAQs and similar; and easily retrievable using the search tool, which isn't the case for many housing association websites at present).
- Total lease length, and years remaining on lease, included in sales particulars.
- Tenure (assured shorthold tenancy) specified, and explained, in marketing materials and in sales particulars.
- Training for marketing teams in responding accurately and in full to questions on long-term costs and risks (whether via on-line webinars, first-time buyers events, or similar).
- Annual statement of years remaining in total and years remaining until the 80-year threshold, with explanation of significance of 80-year threshold.

"I am currently having to try and go through the lease extension process with [HA] as I am at 81 years remaining on a 99 year max length lease. Unfortunately this wasn't something that was told to me that I would have to do this when I purchased the house."

"I'm currently in the process of selling my SO home of 13 years with [HA] to go to a freehold property. The importance of the lease has NEVER been called out either at point of sale or when I've come to sell it. I'm hopeful this doesn't jeopardise our sale. It's a 50% share with 86 years remaining."

"I think [the HA] could do more to remind tenants on their annual service charge statements. Even if no action is taken, it brings it to the forefront of their mind to start planning for it."

Issue – 2 (Affordability)

- Some shared owners cannot afford to extend their lease.

Implications – 2 (Affordability)

- Shared owners who do not extend their lease may find that their home devalues once the 80-year threshold is breached, and possibly several years prior to that threshold.
- The affordability premise of shared ownership is increasingly subject to challenge. As is the marketing implication that shared ownership constitutes a reliable investment.

Recommendations – 2 (Affordability)

- Initial affordability assessments should clearly explain potential long-term costs such as staircasing and leasehold extension.
- Access to reverse staircasing if shared owners find that not being able to afford lease extension will leave them potentially trapped in a devaluing asset.

"We've never had any communication from [HA] about lease extensions. They send us a statement of service charges every year. Why don't they include a statement of the remaining lease length alongside an explanation of the implications and options? Now [HA] will charge us around £18,000 (Note. pre-Zucconi estimate), plus legal fees, to extend the lease. We're not sure where we'll find that kind of cash. And all the cards are in their hands. We can't even negotiate without having to pay their legal fees as well as our own."

"Nearly pushed me off the property ladder. I lost best part of £17k in all to extend the lease and walked away with less for my share than I'd paid."

Issue – 3 (Zucconi precedent)

- Many housing associations have been taking advantage of the 2019 Zucconi precedent.

Implications – 3 (Zucconi precedent)

- The affordability premise is compromised, and leasehold extension is pushed even further out of reach for many shared owners.

- Taking advantage of the precedent can practically double the cost for those who do (or have to) extend their lease.
- Adverse publicity; taking advantage of Zucconi increases a perception that shared owners are simply 'cash cows' so far as housing associations are concerned.

Recommendations – 3 (Zucconi precedent)

- Immediate sector-wide policy to not take advantage of the Zucconi precedent, and prior to the abolition of marriage value in Government reform of leasehold extension legislation.
- Reimbursement of shared owners who have already been penalised through housing providers taking advantage of the Zucconi precedent.

“My valuer calculated that the range for my lease extension premium pre-Zucconi would have been £11,250 to £13,500 but now it was £24,750 to £27,750. So the cost of extending my lease had doubled from what it would have been if I hadn't needed a couple of years to find the money to extend the lease. The financial goalposts keep moving.”

Issue – 4 (Restrictions on leasehold extensions)

- Some housing associations appear to be imposing onerous restrictions on leasehold extensions: for example, not allowing shared owners to extend their lease until there are fewer than 70 years remaining⁴. Or, prior to 70 years remaining, only if shared owners want to sell and the buyer has requested an extension; or if they want to re-mortgage or staircase up.

Implications – 4 (Restrictions on leasehold extensions)

- Such restrictions can appear arbitrary, and limit shared owners' options to their financial detriment.
- Housing providers may be perceived as limiting shared owners' options in order to maximise their own financial benefit (given that leasehold extension premiums increase in cost with every year that passes, and particularly once the 80-year threshold has been breached).
- Appearance of, or even actual, conflict of interest.

Recommendations – 4 (Restrictions on leasehold extensions)

- Sector wide consistency as regards lease extension eligibility, and transparency on criteria.

“[HA] list on their website that I can only extend my lease once it has 70 years or less remaining. Having spoken to a solicitor they suggested I should email [HA] as that could be a mistake as if I was to sell I would now struggle as I have 81 years remaining. I have done this and [HA] are suggesting they will only extend my lease now if I want to sell and the buyer has requested an extension or if I want to re-mortgage or staircase up. The whole situation is stressing me out as I haven't a clear direction in which to go. If I want to increase the lease now I will feel I am being made to sell now as it's the only way to extend ...

⁴ <https://www.bromford.co.uk/media/8603/lease-extension-getting-started-shared-ownership-06-2017.pdf>

... and keep the property attractive to potential new buyers. I don't want to re-mortgage. I just want out as shared ownership is the biggest trap I have fallen into."

Issue – 5 (Liability for costs and entitlement to gains)

- Despite only a part-share in equity, shared owners pay 100% of the lease extension premium. Yet, if they sell without staircasing they won't receive any benefit for this outlay.

Implications – 5 (Liability for costs and entitlement to gains)

- This is widely perceived as unfair by shared owners (once they become aware of the issue) and compromises the affordability premise of shared ownership.

Recommendations – 5 (Liability for costs and entitlement to gains)

- Shared owners should pay only their proportionate share of the costs of lease extension, including the premium.

"It's not equitable to pay 100% costs of a lease extension when you have a 10 - 20 - 30 - 40% share."

Issue – 6 (Lease extension and rent payable)

- Lease extension increases the value of the property so may have the effect of increasing rent payable, depending how rent levels are calculated.

Implications – 6 (Lease extension and rent payable)

- Shared owners could incur increased costs without any corresponding financial benefit over the same period.

Recommendations – 6 (Lease extension and rent payable)

- Fair rent policies.

Issue – 7 (Risk of possession without recompense after lease extension)

- The assured shorthold tenancy nature of shared ownership is not widely understood. In large part, because the term 'shared ownership' and the slogan 'part buy, part rent' are misleading (and potentially non-compliant with Consumer Protection Regulations according to some legal commentators).

Implications – 7 (Risk of possession without recompense after lease extension)

- Shared owners may therefore not be aware that defaults could result in possession with no recompense of amounts paid for lease extension.

Recommendations – 7 (Risk of possession without recompense after lease extension)

- Full transparency about the assured shorthold tenancy nature of the tenure, and corresponding risks.

"The lease was never flagged to me by the housing association or the costs involved and it was sold to me at 75 years. I own 35%. Well, to clarify I lease 35% I don't own anything!"

Issue – 8 (Legacy owners)

- The London Mayor’s plan to require all shared ownership homes built as part of the new Affordable Homes Programme (AHP) to be sold with a 999-year lease as standard will benefit future shared owners, but may disadvantage legacy owners – particularly those who can’t afford to extend short 99-year or 125-year leases.

Implications – 8 (Legacy owners)

- Legacy shared owners may find themselves trapped in increasingly unsuitable yet commercially undesirable homes.

Recommendations – 8 (Legacy owners)

- Convert all existing shared ownership leases to 990 years (the new Government standard) at no cost to shared owners.

“I think that you need to have owned 100% for at least 2 years before you can use the formal route to extend the lease, so for all the shared owners still here, time is ticking down and I really hope there will be changes soon. So far I am not aware of any shared owner using their “voluntary” route and the residents’ associations has always advised against this explaining that they will then have the extra ground rent charge, but if the law doesn’t change soon I expect they will have to use this route to extend eventually rather than let the lease fall under the 80 years.”

“We have LOTS to say generally about shared ownership and [HA] very little of it positive!”

Formal (Statutory) and Informal Routes

Issue – 1 (Staircasing and choice of routes)

- Shared owners are not provided with full information at the outset regarding restrictions on access to the formal route; albeit arising from the nature of the specific scheme itself (staircasing capped below 100%) or simply the statistical unlikelihood of progressing to 100% staircasing which provides access to formal route.

Implications – 1 (Staircasing and choice of routes)

- Given the statistically remote possibility of staircasing to 100% many shared owners are unlikely to have access to the formal route to lease extension.

Recommendations – 1 (Staircasing and choice of routes)

- Full transparency about risks and benefits of informal and formal routes. See next section.

“The biggest shock to me was finding out that, as I do not own 100% of the flat, by law the housing association can refuse to extend my lease. I find this is truly shocking. It makes me feel very nervous about applying to extend the lease as I feel they have all the power and can ask for whatever amount they want without me being in a position to argue and negotiate with them.”

Issue – 2 (Transparency regarding informal route)

- Housing associations often actively promote the informal route. Solicitors and valuers often advise against it due, at least in part, to the fact shared owners have no recourse to the First-tier Tribunal (Property Chamber) to rule on any disputes, a protection available under the formal route.

Implications – 2 (Transparency regarding informal route)

- At the very least, the conflicting advice from housing associations and solicitors causes confusion. Housing associations could be accused of or, at worst, be guilty of not acting in shared owners' best interests.

Recommendations – 2 (Transparency regarding informal route)

- Greater transparency on the risks arising from the informal route (adverse variation of lease terms including ground rents (until such time as new Government proposals for peppercorn ground rents are enacted); shorter lease than 90-year formal extension term (likewise re new Government proposals for 990 year terms as standard), as well as any potential benefits (one set of valuation fees instead of two; beneficial variation of lease terms; longer lease than 90-year formal extension term).
- Introduce 990 year terms and peppercorn ground rents as soon as is practicable.
- Retrospectively apply 990-year terms and peppercorn ground rents to all existing shared ownership leases.

"[HAI] sold them with a 99 year lease so we are aware leaseholders will have to extend soon. Some, who own a 100% now have already done this using the formal route. We have always advised not to use the [HAI] voluntary route but for those who don't own 100% this is their only option at the moment, and introduces ground rent which we don't pay at the moment. The ground rent on the 999 year head lease is £1 per annum. Leaseholders have been hanging on hoping for changes to the law before it affects them, but this year there will be only 84 years left on the lease so some are starting to worry."

"I had no idea any of this existed when I purchased the property 27 years ago. I also got married never told them and when I purchased the other 50 per cent in joint names it meant that I now could not go down the formal route! All of it's so unfair I paid the going rate for my shared ownership property as other normal properties next door to me. I'd have extended the lease years ago if I realised what it all was. I'm a careful person and feel I've been had. Now waiting for 2 years before I can do the formal route and hoping laws will get to change by then. All housing associations want is money - change a bathroom £100 change a kitchen £100 and get nothing back for all the improvements I've made."

Issue – 3 (Conflicts of interest and self-interest)

- Shared owners are often encouraged, or effectively obliged, to use the housing association's own appointed lease extension valuer.

Implications – 3 (Conflicts of interest and self-interest)

- This can, at the very least, lead to perceptions of conflicts of interest and self-interest.

Recommendations – 3 (Conflicts of interest and self-interest)

- Access to RICS valuer of choice.
- Robust and transparent controls to ensure and demonstrate valuer independence and competence.

“There was no advice either from my solicitor (I used one recommended to me by [H+A] when I purchased) or [H+A] about the need to extend a lease or any associated information at all regarding this aspect of being a home-owner / leaseholder.”

“My son is currently in the process of buying SO flat in London. He was forced to use [XXX] Law as solicitors”.

Leasehold Extension and Staircasing

Issue – 1 (Inter-relationships and sequencing)

- The inter-relationships between leasehold extension and staircasing aren't always made clear to first-time buyers and shared owners. For example, it may not be apparent to shared owners that lease extension will – all things being equal – increase the cost of future staircasing by increasing the value of the property.

Implications – 1 (Inter-relationships and sequencing)

- Shared owners may lack the necessary knowledge for informed financial decision-making.

Recommendations - 1 (Inter-relationships and sequencing)

- Transparency on implications of lease extension, and signposting to relevant sources of information.

“I knew a little bit as my dad had previously had a lease that needed to be extended so we started to look into it. For a lot of people it was completely new to them and was definitely not something that had been explained to them when they bought. There were a lot of shared owners who had bought 40% (that was the minimum back in 2006) who had thought they would only be paying 40% of the service charges and any maintenance costs when they originally purchased.”

“I was going down the formal route and off I went and got a valuation for the marriage value and a valuation for the 100 per cent staircase valuation - did these at the same time. It took over 7 weeks for the valuation to come back and they would not start on the lease extension until I had staircased fully they also wanted £1,000 up front before I even started anything and the valuation was only valid for 3 months. None of this was explained to me at the time.”

"I think most shared owners would be extending with the view to making their flat more saleable than looking to staircase now. We still have a good number of original owners here on shared ownership and the increased value of their homes from initial purchase on 2010 / 2011 probably makes staircasing now too expensive for regular waged people."

"[XXX] Solicitor answer: "As regards extension, please take it up with [HA] directly. Lease extension is an area of special expertise and I don't deal with it."

"Lease extension not possible unless you have 100%, can't afford the last 25% as I am a pensioner. Can't sell because lease is close to 80 years, can't live in flat due to health, can't afford to leave empty, had to sublet but desperate to sell, vicious circle."

Lease Extension and Selling Shared Ownership Homes

Issue – 1 (Gain erosion)

- Lease extension may be required in order to sell a shared ownership home, reducing the shared owner's gain on investment in the property. Sellers who can't afford to extend may have to sell their home at a lower price, again eating into any gain, or even increasing a loss.

Implications – 1 (Gain erosion)

- Where shared owners rely on such gains (for example, to fund pensions, or healthcare), or had inheritance plans for their home, they may be surprised and shocked to discover this additional cost, if they had not previously been made aware of it.
- Anecdotal evidence suggests some shared owners may make a loss on sale of their share, compromising foot on the housing ladder rhetoric.
- Reputational damage for housing associations.

Recommendations - 1 (Gain erosion)

- Analyse statistics on numbers and percentage of shared owners extending their lease to establish how many do so simply in order to facilitate a sale.
- Clearer explanations of risks and potential long-term costs, as they relate to equity, in marketing materials and at point of sale.

"I'm currently selling my s/o house with [HA]. I was sold it three years ago with a short lease. It was not explained to me the cost implications. I cannot afford to extend the lease as it is thousands. Therefore I'm selling at 100%. I am incurring stamp duty and staircasing costs on a house that is only remaining a share to me. It is grossly unfair. I am selling it for the price I paid as it is valued the same. Chartered RICs sales valuations do not take into account short leases. The price I paid initially was wrong due to the short lease and no one pointed out the implications to me."

"I bought a 50% share in 2008. Lease length was 79 years at the time and both the HA and solicitor failed to advise me the implications of buying with a lease below 80 years. I lived there for 12 years, completely unaware. [HA] didn't warn me at any point of the rising costs and depleting house value as the years passed. It was only when I sold it arose as my buyers couldn't get a mortgage. It cost me £12,800 for the lease premium to add 90 years. I also had to pay: £600 survey costs, £950 for the HAs solicitor a £350 permission fee to the HA to extend, plus my own legal fees. It was a horrendous process. I had no rights to extend so had to be informal route."

Over 55s

Issue – 1 (Potential vulnerability of demographic)

- In some cases, this demographic may be more vulnerable to poor outcomes than younger shared owners.

Implications – 1 (Potential vulnerability of demographic)

- Reputational damage.

Recommendations – 1 (Potential vulnerability of demographic)

- Full transparency on all aspects of shared ownership schemes targeted at over 55s, including any limitations on staircasing to 100%, and the implications (as outlined in preceding sections).

"I expected my retirement to be something to savour but it has been a nightmare as we were misled by the Housing Associations glossy information that we owned 75% of the property and it was 'easy maintenance' and 'cost effective' living which it is not".

"We moved from our freehold property into a shared ownership bungalow due to health reasons.... It was advertised as shared ownership for over 55's and we 'purchased' the maximum 75%. We cannot staircase to 100% so we have no statutory rights at all I now know".

"There are 11 bungalows on the Close but many of the folk are frail and it is difficult to explain how things are to people in their late 80's / 90's. There a 4 bungalows that are rented on the Close and they have much more rights than we do as shared owners although I now know we own nothing but have an 'assured tenancy'".
