



Shared Ownership Insights: **Buyback**

Authors: Sue Phillips, Michael D'Ambra,
Kevin Edwards and Jamie Ratcliff
Shared Ownership Resources

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FOREWORD

From Lord Young of Cookham

Shared ownership offers the promise of an affordable pathway to home ownership for people who cannot afford to purchase a home on the open market and, in some cases, a more secure alternative to renting. Whilst it works for some households, many shared owners report being trapped in a home that is no longer suitable for their needs or become increasingly unaffordable; and, in some cases, unsellable.

Several recent reports highlight aspects of shared ownership that call for urgent review and a radical overhaul to ensure improved outcomes.

The National Audit Office (NAO) found that shared ownership helps many people buy a home who otherwise could not; however, the NAO also concluded that shared ownership is a complex financial and legal product for consumers, whose financial risks may not be obvious to households when buying.

Following an inquiry into the affordability of social housing, the Housing, Communities and Local Government (HCLG) Committee reported that shared ownership is not a long-term affordable option for many of the buyers to whom it is marketed. Previously, the Levelling Up, Housing and Communities Committee questioned whether the scheme is genuinely delivering the aspiration of full home ownership for many entrants to the scheme.

And the Housing Ombudsman notes a growing number of complaints arising from fundamental inequities in the design of what is as much a complex financial product as a home.

To date, the focus of decision makers has largely been on demand and access. However, mounting concerns about what happens once shared owners are “on the property ladder” indicate an urgent need for a review to assess long-term outcomes, impact, value for money, opportunity costs and viable exit routes.

It is against this landscape that Shared Ownership Resources has set out to deliver “a national voice for shared owners”, publishing reports on key aspects of shared ownership - from a shared owner perspective - as a channel for communication to inform social landlords’ strategies, policies and services.

Initially, this first Shared Ownership Resources report, funded by an MHCLG Social Housing Innovation Fund grant in partnership with Places for People, is on buyback; a process where a housing provider can buy back a shared owner’s leasehold interest where they need to move and a buyer cannot be found. The report draws on the lived experiences of shared owners; in particular, the severe financial and emotional impact on individuals and families when barriers to exit pose insurmountable challenges.

The report provides a comprehensive review of barriers to sale, and it makes a compelling case for buyback to act as a meaningful and accessible exit route for shared owners whose housing needs are no longer met by their home and for whom, in some cases, shared ownership has had adverse consequences. Yet buyback is extremely rare with under 45 bids for buyback funding approved in the past five years. For this reason, the report identifies scope for action.

Along with others, I have tabled amendments to the Social Housing Bill going through Parliament calling for a review. This report adds compelling evidence as to why that review is essential. Government must now act.

ABOUT THIS REPORT

This is the first of a series of *Shared Ownership: Insights* reports. The reports will act as a channel for communication, drawing on shared owner perspectives to inform social landlords' strategies, policies and services, with the aim of contributing to the Government's vision of a social housing sector where decisions are driven and informed by "tenant" involvement and experience.

Working together: a collaborative approach

This report was co-written by Sue Phillips (Founder and Project Lead, Shared Ownership Resources), Michael D'Ambra (Trustee, Shared Ownership Resources, and lived experience adviser), Kevin Edwards (Partner, Geoffrey Leaver Solicitors) and Jamie Ratcliff (Housing Consultant and Co-Founder of Place Base). Collectively, the four co-authors contribute lived experience of shared ownership and buyback, legal expertise and social housing expertise.

Exit routes, barriers to sale and buyback are key areas of concern for shared owners yet have been largely overlooked in research and publicly available national data. The intended purpose of this report is therefore to:

- **Address existing information gaps from a shared owner perspective** – For example, barriers to sale and drivers for seeking buyback; the availability of useful information about buyback; the experience of seeking buyback; consumer protection, complaints and redress; and the real-life consequences of buyback refusals.
- **Inform social landlords' strategies, policies and services** – Highlight current practice and draw attention to where improvements could be made.

The findings are based on:

- Review of shared owner responses to select committee consultations, social media peer forums, Shared Ownership Resources' case studies, and other communications with shared owners, former shared owners and people who have inherited shared ownership properties.
- Engagement with over 170 social housing professionals through four roundtables and a series of bi-lateral discussions.
- Review of regulation, legislation and Housing Ombudsman determinations.
- Review of Homes England and GLA guidance and data on buyback and downward staircasing.

Acknowledgements

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We would also like to thank the following people for reviewing earlier drafts of the report: Natasha Greenwood, NHQB; Deborah Halling, GLA; Michelle Wood, Places for People; and various anonymous shared owners and people who inherited shared ownership.

Last, but by no means least, thanks are due to the shared owners, former shared owners and estate executors who shared their experiences relating to buyback with Shared Ownership Resources. Their knowledge and expertise underpin the content and recommendations of this report.

Any errors and omissions are, of course, the responsibility of the co-authors.

Disclaimer: This is not an official report of MHCLG or Places for People. The views expressed are those of the co-authors. The report is aimed specifically at the shared ownership tenure, and systemic issues that many shared owners face. Issues exist in other tenures (for example, leasehold more generally) but fall outside the scope of this report, unless those issues have relevance specifically in a shared ownership context.

This report calls for a clear, fair and mandatory framework for buyback



EXECUTIVE SUMMARY

When it comes to shared ownership, the emphasis is often on demand, access and “a foot on the property ladder”. This report takes a longer term perspective focusing on why shared owners sell their homes, challenges for resale and why buyback might sometimes be the best, or only, option.

We explore why buyback matters, why it is not offered more widely, why it should be, and offer some proposals for a fair framework to support improved access to and exit from shared ownership homes, reduce the loss of social housing to the open market and restore public confidence in shared ownership.

Why buyback matters

Shared ownership offers an affordable route onto the property ladder. However, progressing up and off the ladder can be a different story. Some shared owners report being “trapped” with no viable exit route. This is why buyback matters to shared owners, and one of the factors which undermines public confidence in shared ownership.

Buyback is defined in funding guidance as: “Buying all of the current leaseholder’s share of the property because they need to move and the provider is unable to find another household in housing need who can afford to purchase the current leaseholder’s equity”.

In practice, registered providers often fail to find an eligible buyer during the nomination period (or waive it), and there is no guarantee that shared owners will be any more successful in selling their share. Yet access to buyback is extremely limited, and buyback policies are piecemeal, opaque and contradictory.

“Financial hardship” and “exceptional circumstances” are frequently cited in buyback policies, but there is no overall framework providing a clear, standardised definition of either term. Discretion not to offer buyback, even where households meet specified criteria, is the overarching theme. There is no mandatory requirement on registered providers to publish a buyback policy, or even to have a buyback policy.

Shared ownership is provided under an Affordable Homes Programme. However, rising housing costs can act both as a driver for sale and a barrier to sale.

Households may seek buyback for reasons other than financial hardship where barriers to sale pose insurmountable challenges in managing changed life circumstances, challenges and opportunities.

People who inherit shared ownership homes are largely overlooked in guidance and policy. Inevitably, this is a growing demographic whose special circumstances and interests should be recognised.



Why buyback isn't offered more widely

Various factors interact to militate against buyback being offered more widely.

Complex ownership structures and third party arrangements can create financial and legal hurdles.

Funding guidance imposes constraints on offering buyback, with these rules and restrictions not always clear and funding limited. Providers are likely to face the same challenges in selling on a shared ownership home as those experienced by the shared owner, and the financial viability of conversion to a different tenure is also likely to be challenging.

Where a housing provider has charitable objectives, these may create complications for buyback.

Uncertainty about potential demand for buyback can lead to concerns about "opening the floodgates".

Why buyback should be offered more widely

In reviewing demand for buyback, several distinct but related perspectives emerge:

- A view that shared owners shouldn't be in a worse position, in relation to their ability to move home, than people who can afford to buy on the open market.
- A view that there should be a greater duty of care towards purchasers of an "affordable" shared ownership home (including, but not restricted, to building safety issues) and anyone who inherits a shared ownership home.
- A view that the social purpose of shared ownership should be protected with shares "recycled" to other eligible households rather than lost from social housing stock, other than via staircasing to 100% in a "forever home" (or, at least, a home the household continues living in for the foreseeable future.)

Tackling problems encountered by shared owners won't always require full buyback. In some cases, buying back part of the shared owner's interest in equity will be all that is necessary to make a share affordable to a new eligible buyer.

A framework for buyback

A clear, fair and mandatory framework around buyback would create greater certainty for registered providers, shared owners and people who have inherited shared ownership homes, and improve transparency.

Recommendations

1. Buyback policies

- 1.1. All registered providers should publish a buyback policy, and this should be made available to potential purchasers early in the sales process.
- 1.2. Providers should review their buyback policies to ensure that they offer: a clear and transparent process, timely decision-making, regular communication and progress reporting, and compliance with consumer standards.
- 1.3. No shared owner should be excluded from access to the Housing Ombudsman in the event of disputes.

2. Older Persons Shared Ownership (OPSO)

- 2.1. Government should prioritise a transition from the current OPSO model, and particularly OPSO Extra Care, to one that is fairer for residents and for those who inherit their homes.
- 2.2. Capital Funding Guidance on OPSO and related model leases and Key Information Documents should be updated to ensure that people considering purchasing these homes, and their families, are provided with detailed information on potential financial risk, including typical resale timescales, and to robust mechanisms for complaints and redress.
- 2.3. Steps should be taken to ensure high rates of occupation by aligning incentives for sale (for example, by linking funding for new-builds to the number of vacant properties owned or managed by a housing provider) and by extending buyback to estate executors under a fair framework.

3. A clear framework for buyback

- 3.1. Buyback should have a clear, fair and mandatory framework around it, creating certainty for registered providers, shared owners and people who have inherited shared ownership homes.
- 3.2. A new framework for buyback should replace the current purely hardship-based test with a broader "material change in circumstances" standard, capturing legitimate exit needs that don't necessarily involve financial hardship but aren't captured by current "exceptional circumstances" criteria. The framework should act to ensure alignment between consumer standards, funding guidance, buyback policies and the Housing Ombudsman Service for independent, effective dispute resolution.

- 3.3. Subletting should never be required by a registered provider and/or the Housing Ombudsman as an alternative to buyback, given the significant responsibilities that come with becoming a landlord. Where it is recommended this should only be where a problem is temporary, at market rent, with full support to understand statutory duties and liabilities (including but not restricted to PAT testing, Capital Gains Tax and obligations under the Renters' Rights Act 2025) and other likely expenditure (including but not limited to void periods and landlord insurance).
- 3.4. Clear, mandatory guidance should be developed to remove barriers to sale arising from obsolete Designated Protected Area / Local Partnership restrictions on existing shared ownership properties.
- 3.5. A mandatory fast-track clearance process should be inserted into future Section 106 agreements to ensure planning rules do not unnecessarily block or delay buybacks.

4. Flexible tenure

- 4.1. The Government should fund simultaneous downward staircasing and sale transactions to improve access to shared ownership and to reduce the loss of social housing to the open market and private landlords.

5. Understanding the scale of the challenge

- 5.1. Fundamentally, the solutions to the challenges identified in this report depend on the scale of those challenges. If demand is limited, at a level similar to current buyback transactions, then improvements to policies, procedures and processes would allow a clear framework to be offered and operate. On the other hand, if demand is significantly higher, then a different funding and policy framework would be needed to support this. A data collection exercise, covering all current providers of shared ownership, is necessary to address this.
- 5.2. A data collection exercise, as set out above, could be carried out within the framework of a wider review of shared ownership. Such a review would be well placed to investigate other areas including ongoing affordability, transition to full home ownership, buyback, and unoccupied OPSO Extra Care homes.



1. Buyback: Why it matters

Introduction

Getting into shared ownership is relatively well understood. Mechanisms for entry to the shared ownership scheme are well publicised and streamlined:

- Eligibility criteria, including maximum income thresholds
- Affordability assessments
- Purchase of an initial share between 10% and 75% (25% and 75% under previous models)

However, moving on can be a different story. Unlike open-market freehold ownership, where liquidity is determined solely by market demand and price discovery, shared ownership disposals are governed by a complex triangulation of lease restrictions, regulatory funding guides (specifically those of Homes England and the Greater London Authority), individual registered provider policies and local authority requirements (under Section 106 planning gain arrangements).

Some shared owners report being “trapped” with no viable exit route. This is why buyback matters.

In this chapter, we will explore:

- Buyback and downward staircasing: Definitions
- Setting the scene: Why do people enter the shared ownership scheme?
- Selling a shared ownership home
- Drivers for selling shared ownership homes
- Affordability and financial hardship
- Barriers to sale
- Why do shared owners seek buyback
- Buyback policies
- Mandatory buyback
- Inheriting shared ownership: Older Persons Shared Ownership (OPSO)
- Fairness and access to effective dispute resolution

Buyback and downward staircasing: Definitions

We use the terms “buyback” and “downward staircasing” in this report as this language is frequently used by shared owners. However, other terminology is also used in the public domain, and in Homes England and Greater London Authority (GLA) Capital Funding Guides.

Buyback – referred to as “leasehold repurchase” by both Homes England and the GLA - involves the registered provider buying 100% of the leaseholder’s interest. The primary outcome is that “the leaseholder vacates the property”.

“Leasehold repurchase involves buying all of the current leaseholder’s share of the property because they need to move and the provider is unable to find another household in housing need who can afford to purchase the current leaseholder’s equity.”

Homes England Capital Funding Guide¹ and GLA Capital Funding Guide²

Buyback is distinguished from downward staircasing (also referred to in the GLA Capital Funding Guide as “flexible tenure” or “reverse staircasing”), where the explicit intention is that the shared owner remains in the property.

“Flexible Tenure or downward staircasing involves the re-purchase of some or all of the equity from the existing shared owner. Following flexible tenure the shared owner or former shared owner (tenant) continues to live in the property either owning a smaller share and paying a higher rent or simply paying rent as a sitting tenant.”

Homes England Capital Funding Guide³

¹ Homes England Capital Funding Guide, 5.3.29 (accessed 8/8/2026)

² Greater London Authority Capital Funding Guide, 4.1.268 (accessed 8/8/2026)

³ Homes England Capital Funding Guide 5.3.29, (accessed 8/8/2026)

“Flexible Tenure is designed to enable a shared owner to remain in their home either by selling some of their shares back to their landlord in order to reduce their mortgage to a more affordable and sustainable level, or by selling all their shares back to the landlord and becoming a tenant at an Affordable Rent. This is also known as downward or reverse staircasing.”

GLA Capital Funding Guide⁴

Setting the scene: Why do people enter the shared ownership scheme?

In considering why shared owners might want to sell their home, it's important to start at the beginning. Why do people purchase a shared ownership property in the first place?

Marketing campaigns, and other sources of information, often emphasise affordability and generally imply that the two exit routes of staircasing to 100% or resale are readily available. For example, under the heading, *How shared ownership works*, one registered provider states: “Buying a share in a property, rather than buying it outright, means you need a smaller deposit and mortgage. This makes shared ownership a really affordable route into home ownership. Once you’ve bought, you can increase your share in your home whenever you want – all the way up to owning it 100%. And you can sell at any time making shared ownership a great way to invest in your future”.⁵

Some households may enter the scheme anticipating a more secure and affordable alternative to the private rented sector, with no intention of progressing to full home ownership.

But how does shared ownership work in practice? The Regulator of Social Housing’s recently introduced tenant satisfaction measures (TSMs) demonstrate typically low satisfaction, suggesting a gap between initial expectations, aspirations and the lived experience of shared ownership.⁶



Moreover, satisfaction tends to decline over time. The Shared Ownership Council’s survey of 1,707 former, current and prospective shared owners found that 25% of respondents were fairly/very dissatisfied in their first year of ownership but dissatisfaction increased to 52% when the shared owner had owned a shared ownership home for ten years.

Selling a shared ownership home

Satisfaction with the selling process

The Shared Ownership Council’s survey found: “Of the 40 shared owners we surveyed who had exited shared ownership, 15% said that they were satisfied with the selling process.”⁷

⁴ Greater London Authority Capital Funding Guide,, 4.1.267 (accessed 8/8/2026)

⁵ What is shared ownership and how does it work? Latimer by Clarion Housing Group, accessed 12/6/2026

⁶ Tenant Satisfaction Measures 2024/25: Headline Report (2025), Regulator of Social Housing

⁷ Consumer Survey Findings (2024), The Shared Ownership Council

The nomination period and selling on the open market

Registered providers have a right to find a buyer during a “nomination period” (generally 4 weeks, 8 weeks or 12 weeks depending on the lease). Homes England’s Capital Funding Guide explains the rationale behind the nomination period:

“The concept of the nomination period was introduced to balance the interests of providers being able to retain shared ownership homes as affordable housing by being able to nominate an eligible purchaser, with the interests of shared owners and lenders being able to dispose of their interest in a property free of restriction.”⁸

However: “There is no active/widespread resale market for shared ownership homes. Rather sellers mainly rely on back to back sales – buying out the housing association share and selling the home on the market as a 100% owner occupied home.”⁹

The weak resale market for shared ownership homes raises two important questions.

1. Why do registered providers frequently fail to find a buyer during the nomination period, given oft-cited demand for shared ownership?
2. To what degree will shared owners encounter the same barriers to sale following the nomination period, or if it is waived?

Outside the nomination period, shared owners are free to sell their share on the open market. This raises a wider set of questions about the loss of social housing homes, which we explore in Chapter 3.

Drivers for selling shared ownership homes

Various circumstances can drive a desire to sell a shared ownership property, including (but not limited to):

- Selling a ‘starter home’; an opportunity to purchase a more desirable property (whether another shared ownership property, or on the open market) or to transition to a different tenure for whatever reason.
- Changes in household composition: relationship breakdown, new partner, pregnancy/maternity or paternity leave, children.
- Work demands or opportunities require relocation.
- Building safety issues.
- Other structural issues (including unresolved water ingress, damp, mould and excessive noise).
- Physical or mental health conditions, sometimes combined with a need for local support.
- Caring responsibilities.
- Reduced levels of household income in retirement or following the death of a partner.
- The resident has moved, permanently, to access specialist medical care or palliative care.
- The property has been inherited following the death of the resident.
- Financial hardship: the purchase is not financially sustainable.

⁸ Homes England Capital Funding Guide 2.4.6, (accessed 8/8/2026)

⁹ Thinking Outside the Box (2020), Whitehead and Williams

Affordability and financial hardship

Almost all the drivers listed above could apply to homeowners and leaseholders more generally. However, financial hardship, in a shared ownership context, is worthy of greater attention.

Shared ownership households are required to meet eligibility criteria confirming that they cannot afford to purchase a home on the open market. Consequently, they are more likely than open market homebuyers to have stretched incomes.

However, following an inquiry into the affordability of social housing, the Housing, Communities and Local Government (HCLG) Committee concluded that: “Shared ownership is a useful tool for getting people into home ownership, but it is not a long-term affordable option for many of the buyers to whom it is marketed”.¹⁰

In the same year, the National Audit Office (NAO) investigation identified two distinct sets of challenges: (a) a lack of information, and (b) affordability over time. The NAO concluded that: “Shared owners are well informed about initial affordability, but the longer-term financial risks when buying their initial share may not be obvious”.¹¹

Longer-term financial risks are not restricted to residents. Costs continue after the death of a shared owner until the property is sold.

Rent

An initial affordability assessment ensures that total housing costs, including rent, are affordable in relation to household income. However, an annual rent review policy requiring rent to increase annually at a premium to inflation, with no corresponding decrease if inflation falls, can result in total housing costs exceeding the original affordability threshold as time goes on. At the inception of the shared ownership scheme, this would not have been anticipated as a problem:

“The assumption of those who devised the scheme was that shared owners would staircase up to full purchase.... Rent rises, then, were set at levels that incentivise buyers to staircase”.¹²

The shared ownership scheme is targeted at households who cannot afford to purchase on the open market, and who tend to display lower financial resilience and lower financial capability than other homebuyers buying with a mortgage.¹³ Yet, the lower the initial share they can afford in the first place, the more exposed they are to the cumulative effect of annual rent increases in excess of inflation.

During periods of high inflation, shared owners are impacted by high rent increases at precisely the same time that day-to-day living costs are rising. The annual rent review policy can therefore create a vicious cycle:

- Rising rents erode disposable income, making it harder to save for staircasing and/or lease extension.
- Rising rents can cause problems selling on if potential buyers can access otherwise comparable properties locally with lower rents (whether private rentals or new build shared ownership homes).
- At worst, a policy of “upwards only” inflation-linked rent could contribute to financial hardship, if shared owners become effectively ‘trapped’ in the tenure.

Service charges

“The principles of shared ownership were developed in a very different economic environment where the expectation was generally that people would initially buy around 50% and high inflation and growing incomes would make staircasing to 100% a reasonable aspiration for most employed households using that product. Indeed, the 100% repairing obligation given to the shared owner at the outset was precisely to incentivise such behaviour.”¹⁴

Nudges to staircase

The impact of an ongoing cost of living crisis is not limited to shared ownership households. However, there are important questions as to whether the shared ownership model has been adequately modified for an economic environment which is very different to that when it was first launched in the 1979 Conservative Party manifesto.

¹⁰ Affordability of Home Ownership (2026), Housing, Communities, and Local Government Committee, pg.31

¹¹ Investigation into shared ownership (2026), National Audit Office

¹² Ownership, Narrative, Things (2018), Dave Cowan, Helen Carr and Alison Wallace

¹³ Do Affordable Homeownership Schemes Reduce Homeownership Risks for Lower Income Households in England? (2022), Dr Alison Wallace, Julie Rugg and Jiaxin Liu

¹⁴ Thinking Outside the Box (2020), Whitehead and Williams

It is arguable that mechanisms in the model originally designed to create nudges to staircase, with the objective of full home ownership, have become so unaligned with the current economic environment that they are now more likely to contribute to “financial hardship” – for some households, at least.

“I had to pass an affordability test with the housing association initially to see if I could afford to pay for the share of the flat and its associated costs. But now, nobody cares whether I still can afford it. If I could sell, I would... but I cannot. Absolute and utter madness.”

(My SO Home: No. 15)¹⁵

Barriers to sale

Of course, any homeowner can experience problems selling. However, shared owners encounter a more complex set of, sometimes intersecting, barriers to sale than households selling on the open market. These can include (but are not necessarily limited to):

Building safety issues: Building safety issues can make a property unattractive to potential buyers and/or “unmortgageable”. The social housing sector sometimes describes this as a “temporary” problem, pending remediation. Yet building safety campaigners highlight: “shared owners facing incredibly difficult circumstances, including some who are about to lose their homes”.¹⁶

Other property and building-specific barriers: Other structural issues – including water ingress, damp and mould – and ongoing or planned remediation works can restrict the market for resale.

Escalating housing costs: High service charges, estate service charges, rent and ground rent can make properties unattractive and/or “unmortgageable” to incoming buyers.

Affordability barriers for buyers: Rises in property value, or a large share, may mean that potential buyers cannot meet both eligibility and affordability criteria.

Lease-specific restrictions and process barriers: Lease-specific barriers including a low number of years remaining on a “short” model 99-year lease or 125-year lease, local connection criteria, staircasing caps, and restrictions blocking simultaneous sale and staircasing transactions can create insurmountable barriers to sale.

Transaction costs and financial risk: Upfront fees including RICS valuations, administration fees and conveyancing costs can deter people from selling. In some cases, any gain on sale may be insufficient to make a sale worthwhile, while a loss on a sale may be impossible for the shared owner to absorb (particularly if the provider requires the seller to pay over any difference between a RICS valuation and the resale price).

Older Persons Shared Ownership (OPSO) Extra Care: Barriers to resale of OPSO Extra Care homes include:

- A 75% staircasing cap (which prevents a simultaneous sale and staircasing transaction).
- A limited age-restricted market.
- Poor access to the market (as sales are more likely to occur via approaches directly to providers of Extra Care schemes, rather than on the open market).
- Weak alignment of incentives to sell (given there is more incentive for providers to sell new-builds than resales, as they are not affected by a failure to sell resale properties and continue to receive income as if homes were not vacant).

We have already discussed escalating housing costs as a driver for sale. Those same costs can create a barrier to sale, particularly given the target market and/or if charges are high enough to pose challenges to securing a mortgage.

Eligibility and affordability criteria are worthy of greater attention. It is an inherent aspect of the shared ownership model that, given upper income thresholds, the pool of eligible buyers will shrink if property market movements, or staircasing, result in the value of the share increasing.

Housing providers sometimes focus efforts on encouraging households to staircase. For good reason; shared owners will have an increased share in equity and a lower exposure to rent. But shared owners report concerns that a high share (below 100%) can be unattractive to potential buyers. Either because they may fail to meet both eligibility and affordability criteria, or because the higher the share, the more likely that homebuyers may prefer to purchase a similar but cheaper property on the open market.

¹⁵ My SO Home: No. 15 (2021), Shared Ownership Resources

¹⁶ Statement on the LUHC Select Committee Report on Shared Ownership (2024), End Our Cladding Scandal

“I’ve always thought of anything around 60-80% as a ‘danger zone’. You can’t really sell it on as it’s unaffordable to new buyers – those who it’s aimed at; yet it’s not quite 100%, so not attractive to a prospective leaseholder. It’s a deadlock.”

(My SO Home: No. 40) ¹⁷

Why do shared owners seek buyback?

For shared owners (or following the death of the shared owner), two distinct sets of circumstances come together to create a demand for buyback: one or more drivers to sell the property, and one or more barriers to sale (a number of which are tenure-specific).

In reviewing demand for buyback, several distinct but related perspectives emerge:

- A view that shared owners shouldn’t be in a worse position, in relation to their ability to move home, than people who can afford to buy on the open market.
- A view that there should be a greater duty of care towards purchasers of an “affordable” shared ownership home (including, but not restricted to, building safety issues) and anyone who inherits a shared ownership home.

- A view that the social purpose of shared ownership should be protected with shares “recycled” to other eligible households rather than lost from social housing stock, other than via staircasing to 100%.

“It needs to be easier for shared ownership leaseholders to sell their property and move on, either via more straightforward access to the open market or via housing association buyback or similar. This will avoid people who have grown out of the properties being stuck and unable to move on with their lives, whilst putting them back into rotation for those looking for that sort of ‘affordable’ property.”

(My SO Home: No. 25) ¹⁸

“Housing providers should be required to ‘buy-back’ the property if, say, after 12 months the property has not sold on the open market. This would enable the housing provider to let the property or find a buyer.”

(My SO Home: No. 35) ¹⁹

¹⁷ My SO Home: No. 40, Shared Ownership Resources

¹⁸ SO Hub: Improving shared ownership, My SO Home: No. 25, Shared Ownership Resources

¹⁹ SO Hub: Improving shared ownership, My SO Home: No. 35, Shared Ownership Resources



CASE STUDY:

Building safety and water ingress

I purchased my initial 45% share from Moat Homes, in 2012, via a key worker housing scheme in Brighton. Shared ownership was presented as a route to get onto the housing ladder. My intention was always to use shared ownership as a stepping stone. Like many shared owners, I saw the scheme as a means to build equity and, eventually, move on to a home that better suited my family's need.

Instead, building safety issues, ongoing water ingress, and the resulting impact on value and marketability have prevented that from happening.

I first noticed problems with water ingress around 14 years ago, shortly after I moved in. The initial repairs were covered under the NHBC warranty. However, the problems have continued, and re-emerged over time, despite repeated reports and attempts to address them. Ongoing leaks and mould have had a significant impact on my wellbeing. Rather than feeling safe in my home, I experience constant uncertainty and anxiety. Particularly during periods of heavy rain which always make me concerned about further damage.

What should have been a secure and stable home has instead become a source of ongoing stress, disruption and frustration.

I first became aware of building safety concerns following the Grenfell tragedy. It was around this time that Moat formally informed us that there were issues affecting our building.

Around two years ago, I enquired about buyback. This followed years of unresolved water ingress, building safety concerns, and the growing realisation that I was effectively unable to sell my property on the open market. I felt trapped. And uncertainty around remediation meant there was no clear path forward.

Buyback appeared to be the only realistic and fair exit route, particularly as the issues were not of my making. I had met my obligations as a leaseholder, yet I was left carrying the consequences of structural and building defects outside my control.

Moat Homes have a strict buyback policy. They only consider buying back homes in exceptional, specific circumstances – primarily for customers facing severe financial hardship or when major building safety/ remediation issues make properties completely 'unmortgageable' on the open market.

However, it was difficult to obtain clear and transparent information about the buyback process.

I had to repeatedly request information, and it wasn't clear what criteria were being applied to me or what discretion existed within the policy. This lack of clarity created additional stress during an already difficult situation. The process has been extremely frustrating and emotionally draining. It's been difficult to obtain meaningful support.

In addition, Moat has pursued me for service charge arrears despite clearly communicating my financial hardship and the circumstances I am facing. My shared ownership service charges and rent currently stand at £1,035 per month.

During this already difficult period, I was also dealing with the death of my father.

If Moat refuse to offer buyback, I face the possibility of the property being sold at auction. My concern is that it will sell for significantly less than it would have achieved had the building defects and water ingress issues been properly resolved. If this happens, I fear I may face a financial shortfall that I cannot reasonably absorb.

Given the lack of progress and clarity around my buyback request, I've escalated my concerns to the Housing Ombudsman. I am seeking clarity and accountability regarding how my case has been handled and the decision-making process applied.

Buyback policies

There is no legal requirement for housing providers to offer buyback, to publish a buyback policy or, even, to have a buyback policy.

“Buyback – This needs to be an actual option in circumstances where people can’t sell or have outgrown their properties. There needs to be a clear policy in place.”

(My SO Home: No. 39)²⁰

A Shared Ownership Code (developed by the Shared Ownership Council in 2025 and taken on by the New Homes Quality Board when the Council disbanded) requires that: “Providers must have published policies on support for shared owners experiencing financial hardship” and states that the policies must include information on repayment options, buybacks, downward staircasing and subletting.²¹ However, adoption is voluntary, so the provisions of the Code do not extend to all registered providers.

Our review of 65 providers’ websites found that only 19 (29%) published information relating to buyback. Not necessarily in the form of a buyback policy but also, for example, in FAQs or a Key Information Document.²²

Buyback information published by housing providers is characterised by a lack of standardisation; something which is explicitly acknowledged in one provider’s policy (“the absence of a clear framework”). In fact, one registered provider’s policy may impose criteria that are the precise opposite of those specified in another provider’s policy. Criteria for buyback requests are frequently opaque. Eight providers in our sample refer to “exceptional circumstances”, and three to “financial hardship”. However, there are no sector-wide, specific and measurable definitions that would enable these criteria to be applied in a consistent way.

Housing providers also refer to: “a case by case basis”; “discretion”; “availability of funds”; and the right to decline to buy-back properties, even in cases where all the criteria contained within a policy are met.

²⁰ SO Hub: Improving shared ownership, My SO Home: No. 39, Shared Ownership Resources

²¹ Shared Ownership Code (October 2025)

²² SO Hub: Buyback Policies, Shared Ownership Resources



Excerpts from housing provider information on buyback	
“Buy back is the process of buying back the lease at full equity from a resident or shared owner. We consider buying back a property in the following limited circumstances: • Where there are immediate building health and safety concerns that cannot be sufficiently mitigated through on-site measures and require permanent or long-term decanting. • Where we are undertaking regeneration or redevelopment. Residents will not be able to make an application for a buy back as properties which meet the prescribed criteria (or form exceptions) will be identified and determined by us. However, residents are encouraged to discuss their circumstances with their Local Officer to support our understanding of their circumstances so the situation can be appraised properly.”²³	“We’ve seen a rising number of enquiries from shared ownership customers asking us to buy back their homes, especially where major remedial works have made properties difficult to sell or mortgage. In the absence of a clear framework, our response to these requests has risked being inconsistent or unclear, potentially leading to customer frustration and operational pressure. At the same time, our ability to offer buybacks is constrained by strict funding conditions set by Homes England and the Greater London Authority (GLA)..... We will: • Review each buyback request to confirm whether the specific criteria outlined below are met: Your home needs major fire related remedial works that make it non mortgageable to at least 2 mortgage lenders. The works will take more than 12 months to complete and cannot be completed whilst you are living there. And Your home has been marketed for at least 6 months, and you have been unable to find a cash buyer. There are no rent or service charge arrears on your account.”²⁴
“We do not currently buy back individual properties or shares.”²⁵	
“The landlord may offer to buy back your share, but only in exceptional circumstances and if they have funds available.”²⁶	
“• Each buy back request will be considered on individual and case by case basis only. • We cannot buy back a property that is in negative equity – please speak to your mortgage lender in the first instance. • We cannot buy back a property back to release equity to pay off loans/debts. • Any buy back must evidence that this will put you in a better financial position. • A buy back request and decision can take time to review and seek relevant approvals and will require detailed consideration. This is not a quick fix solution.”²⁷	“We will only consider buy-back or reverse staircasing in limited circumstances, as follows: We may consider buying back part, or all of the shares in a property if a shared owner is experiencing severe financial difficulties and is in rent and mortgage arrears. In all cases, the shared ownership leaseholder must first demonstrate that they have exhausted all other options available to them... Unless the lease makes buy-back mandatory, any buy-back is at our discretion. It is not a right or entitlement. We reserve the right to decline to buy-back properties, even in cases where all the criteria contained within this policy are met.”²⁸

“Housing associations should be required to widen the criteria for buy back. Buy back policies are opaque, restricted. It appears that the shared owner should almost, if not actually, be homeless before the HA will consider it.”

(My SO Home: No. 22)²⁹

Mandatory buyback

While most buybacks are discretionary, a subset of leases contains a mandatory buyback clause. This applies to homes in Designated Protected Areas (DPAs), typically in rural locations.

The policy rationale for DPA mandatory buybacks is that, in areas with limited housing stock, allowing a shared ownership property to staircase to 100%

and be sold on the open market would permanently remove an affordable home from the locality. This might otherwise be impossible to replace due to planning constraints.

DPA buybacks are the exception that proves the rule; they function smoothly because the funding and obligation are pre-codified in the lease. General needs shared ownership leases lack this mandatory clause leaving shared owners exposed to market failures.

On the other hand, DPA buybacks are dependent on the shared owner having staircased above 80%. However, relatively few shared owners do staircase this high, and in addition DPA developments can restrict staircasing to 80%. In some locations, planning constraints in the local area have been lifted in the meantime, making resale of a share subject to obsolete restrictions challenging.

²³ Buy Back and Reverse Staircasing Policy (v1.1 16/02/2026), Notting Hill Genesis

²⁴ Buy Back Policy (approved date November 2025), Moat

²⁵ Frequently asked questions, Paradigm (accessed 6/8/2026)

²⁶ Key information about the home, Eastlight Homes (accessed 6/8/2026)

²⁷ Flexible Tenure and Buyback Policy (September 2025), Abri

²⁸ Shared Ownership Buy Back and Reverse Staircasing Policy (2025), LiveWest

²⁹ SO Hub: Improving shared ownership, My SO Home: No. 22, Shared Ownership Resources

CASE STUDY:

Inheriting an OPSO Extra Care home

My husband's mother passed away from dementia in 2019, 18 months after moving into her OPSO Extra Care home. We needed to sell the flat quickly, because we had lent her the full £105,000 purchase price by extending our own mortgage. We were liable for 50% rent, service charges, council tax, and mortgage interest.

By the time Housing 21 eventually gave us a way out via buyback, we'd paid full monthly costs for an empty flat for three years and 11 months. We lost over £63,000.

We tried very hard to sell. We redecorated, fully, in cream-and-white. We advertised for years through two specialist retirement portals, and three estate agents, including a retirement homes specialist, and one who specialised in homes that wouldn't sell. We tried being multi-agency. Reducing the price. Making A4 flyers to put on noticeboards, at day centres and church halls. Hand-delivering the monthly cheque to the Housing 21 Court Manager's office at the scheme, with a note attached, asking him to tell us if anyone enquired.

The OPSO rules prevented selling at auction. We could only sell to someone who met the criteria for OPSO, and had been approved by Housing 21, after an interview with their Court Manager.

The lease made us solely responsible for finding a buyer, based on a false premise: that we had a reasonable chance of selling independently of Housing 21. Housing 21's sales team admitted that only two properties at our scheme had sold via estate agents in six years, and that most resales came from enquiries to the Court Manager, or their central sales team. Having zero accountability for resales, Housing 21 – through indifference – caused unnecessary delays and potential lost opportunities. Due to website faults, our flat was missed out of their listings for 18 months. And a new manager was in post for some time, incorrectly believing our flat was not on the market!

Meanwhile, Housing 21 reported sales of 189 new shared ownership flats in 2021-22. Their literature stated that the "majority" of shared ownership flats were Extra Care – implying they sold at least 95 flats like ours that year.

When we couldn't sell, we begged for help. The Capital Funding Guide allows providers to buy back flats or permit subletting in "exceptional circumstances". Housing 21 insisted that "exceptional circumstances" meant "a resident living in the property suffering financial hardship". There was no resident. We provided a breakdown of our first £18,000 losses, and a forecast showing how they would grow, but Housing 21's Head of Extra Care claimed "lack of evidence" of financial hardship. In refusing a buyback, Housing 21 insisted they could "not see a pattern of leaseholders struggling to sell". By then, our flat and another 50% shared ownership 1-bed flat had both been on the market for around 15 months.

There was no effective oversight of how Housing 21 was applying the statutory guidance around buyback and subletting. The Leasehold Advisory Service referred us to the GLA. The GLA said they deferred to the provider. The Housing Ombudsman said our issues lay outside their scope. Lawyers told us Housing 21 was "too big to take on". Even after three years, our MP could not get Housing 21 to reconsider.

We felt entirely at Housing 21's mercy. We developed a form of Stockholm syndrome, staying quiet for fear of antagonizing the only people who could let us out of the contract. The imbalance of power was so great that Housing 21 took it for granted that they could do as they wished with 'our' flat. They let tradesmen in without consulting us. We discovered a new door entry system, and that part of the kitchen had been dismantled for access to a pipe.

The psychological toll was terrible. For almost four years we had to watch £100's/month - by the end over £1,500/month - leaching away from our family, for an empty flat, alongside the fear of how big the eventual capital loss might be.

In 2023, Housing 21 finally offered a buyback - at only 80% of what we paid in 2017.

Inheriting shared ownership: Older Persons Shared Ownership (OPSO)

The UK retirement homes model has faced repeated criticism in the press.³⁰ Recently the Government reported that it has commenced discussions with Associated Retirement Community Operators (ARCO) on alternative approaches to retirement housing to inform amendment of the drafting of the Commonhold and Leasehold Reform Bill to facilitate different and better models.³¹

In an Older Persons Shared Ownership (OPSO) context, it is inevitable that an increasing number of properties will enter the resale market due to the death of the shared owner resident. Although there are no statistics specifically on the age of OPSO Extra Care residents, when it comes to integrated retirement communities, two thirds are over 80, with nearly a third over 85.³²

However, people inheriting OPSO Extra Care homes face substantial barriers to resale, due to eligibility requirements and other restrictions which do not apply in the wider retirement home sector, whilst the ongoing charges the estate is liable for are considerably higher than for “standard” shared ownership homes. The OPSO model lease restricts staircasing to a maximum of 75%, meaning that a simultaneous sale and staircasing transaction is not available as an exit route.

Registered providers benefit from a business model which carries substantial financial risk for families inheriting OPSO Extra Care properties. There is currently little alignment between the incentives of providers and those of estate executors when it comes to OPSO resale. This misalignment can result in a material diminution of the value of the inheritance the shared owner intended for beneficiaries of their will, or even an inability to sell altogether, as our case study explains (page 18). The inheritance can be eroded by ongoing costs charged by the registered provider and by the depreciating market value of the property.

“For example, if the property was proving impossible to sell after a set period of time they [should] buy the property back so that the deceased estate can be settled and the property could be occupied by someone who needs it instead of standing empty indefinitely.”

(My SO Home: No. 34)³³

In assessing a complaint from a representative of a shared owner who had died, and who submitted the complaint on behalf of his estate, the Housing Ombudsman referenced the housing provider’s assertion that its home ownership policy was: “intended to support residents when they are at risk of losing their home because of severe financial hardship”. Which highlights a gap in guidance and policies relating to bereavement. The quoted policy relates to “residents” and makes no provision for those who inherit OPSO Extra Care homes.

Fairness and access to effective dispute resolution

Shared owners who have been through a buyback process tell Shared Ownership Resources that the process was unclear, extremely stressful, prolonged, and that there was no option but to accept a price they felt was unfairly low.

All social housing landlords must be registered members of the Housing Ombudsman Scheme, which operates a dispute resolution service. However, not all providers of shared ownership homes are social housing landlords. We have uncovered instances of for-profit registered providers informing shared owners that the Housing Ombudsman only considers grant-funded homes, and that non-grant-funded homes fall outside of its remit.

³⁰ I can’t sell Mum’s retirement flat - and it’s costing me thousands (2026), BBC News

³¹ Hansard, Social Housing Bill [HL] Volume 858: debated 20/7/2026

³² Seniors Housing Trading Performance Review (2025), Knight Frank

³³ SO Hub: Improving shared ownership, My SO Home: No. 34, Shared Ownership Resources

“As one of this report’s co-authors, my own experience as a shared owner with a for-profit provider illustrates how gaps in protection can compound. When I made a formal complaint and requested a buyback, I was told that the Housing Ombudsman did not have jurisdiction over my lease and that its investors would not permit a buyback. The barriers to exit described throughout this report can therefore apply equally to shared owners with for-profit providers, but without access to the Housing Ombudsman and with buyback decisions ultimately answerable to investor returns rather than social purpose.”

(Michael D’Ambra)

Even where the Housing Ombudsman is involved it cannot itself order a buyback to take place. Determinations on buyback complaints illustrate the nature of orders made by the Ombudsman:

- Update the information on its website about the circumstances under which the landlord will buy back a property.³⁴
- Create a procedure for buyback requests.
- Contact the resident once the buyback request procedure is finalised and offer her a fresh request for a buy back. The resident must be informed in detail of how her request will be assessed and what the landlord would consider “exceptional circumstances”.³⁵

Consequently, the Ombudsman is a recourse for shared owners only when a registered provider has failed to comply with its own policies or enforced them incorrectly or with excessive delay. The discretionary nature of buyback, and the fact that many registered providers do not even have a policy, renders the Ombudsman relatively ineffective in this area.

There are also concerns that some shared ownership properties may fall outside the jurisdiction of the Housing Ombudsman, depending on the development model.

Conclusion

Buyback (leasehold repurchase) is defined in funding guidance as: “Buying all of the current leaseholder’s share of the property because they need to move and the provider is unable to find another household in housing need who can afford to purchase the current leaseholder’s equity”.

It is reported that there is no active/widespread resale market and that registered providers frequently fail to find an eligible buyer during the nomination period. Barriers to sale, during the nomination period and on the open market, leave some shared owners trapped in increasingly unaffordable and/or unsuitable homes with no viable exit route.

Shared ownership is provided under an Affordable Homes Programme. Yet high housing costs can act both as a driver for sale and a barrier to sale.

Access to buyback is extremely limited, and buyback policies are piecemeal, opaque and contradictory. “Financial hardship” and “exceptional circumstances” are frequently cited in buyback policies, yet there is no overall framework providing a clear, standardised definition of either term. Discretion not to offer buyback, even where households meet specified criteria, is the overarching theme.

Households may seek buyback for reasons other than financial distress if barriers to sale pose insurmountable challenges in managing changed life circumstances, challenges and opportunities.

People who inherit shared ownership homes are largely overlooked in guidance and policy. Inevitably, this is a growing demographic whose special circumstances and interests should be recognised.

³⁴ London & Quadrant Housing Trust (202112117) (2022), Housing Ombudsman Service report

³⁵ Sovereign Network Homes (Former Network Homes) (202301684), (2024), Housing Ombudsman Service report

Recommendations

• Buyback policies

- All registered providers should publish a buyback policy, and this should be made available to potential purchasers early in the sales process.
- Providers should review their buyback policies to ensure that they offer:
 - a clear and transparent process
 - timely decision-making, and
 - regular communication and progress reporting.
- No shared owner should be excluded from access to the Housing Ombudsman in the event of buyback disputes.

• Older Persons Shared Ownership (OPSO)

- Government should prioritise a transition from the current OPSO model, and particularly OPSO Extra Care, to one that is fairer for residents and for those who inherit their homes. If OPSO continues to be offered on a leasehold basis, the model should include a fair and mandatory buyback mechanism.
- Steps should be taken to ensure high rates of occupation by aligning incentives for sale (for example, by linking funding for new-builds to the number of vacant properties owned or managed by a housing provider) and by extending buyback to estate executors under a fair framework.
- Capital Funding Guidance on OPSO and related model leases and Key Information Documents should be updated to ensure that shared owners and their families are provided with detailed information on potential financial risk, including typical resale timescales, and that they have access to fair, robust mechanisms for complaints and redress.



2. Legal and regulatory considerations

Introduction

The scope of this report is largely limited to registered providers³⁶ (being housing providers who are listed as such with the Regulator of Social Housing under the Housing and Regeneration Act) and their provision of shared ownership as “affordable” or “social” housing. It is acknowledged that there will also be many housing companies or organisations who fall outside this list and they are largely outside the scope of this report.

The legal and regulatory frameworks governing social housing are designed to manage risk, preserve capital, protect public grant funding and provide structure and stability. They operate across multiple intersecting domains, including property law, planning agreements, funding guidance and consumer standards. However, there are inconsistencies and gaps in legislation and regulation when it comes to shared ownership (referred to in legislation as “low cost home ownership”).

When systemic failures or acute crises occur, this rigid network of rules can inadvertently function as a barrier rather than a safety net. Instead of facilitating fluid transitions, current statutory controls and funding rules – such as those tied to Section 106 agreements, Homes England and GLA grant restrictions, and specific geographic caps – frequently compress the room for landlord discretion, creating friction when an exit or buyback is most desperately required.

As the previous chapter illustrates, when the legal, regulatory, and financial barriers to buybacks are examined from the consumer perspective, the inevitable result is a call on registered providers to shift from defensive asset management to proactive consumer protection.

In this chapter we will explore:

- Ongoing legal reform
- The Renters’ Rights Act 2025 and subletting as an alternative to buyback
- Rural Designated Protected Areas: 80% staircasing cap as a barrier to sale
- Charity law
- Consumer protection
- Consumer standards
- A clear framework for buyback

Ongoing legal reform

Inconsistencies and gaps in legislation have historically excluded shared ownership from standard leasehold protections (such as the enfranchisement provisions of the Leasehold Reform Act 1967³⁷, and the provisions of the Rent Act 1977³⁸). The Leasehold and Freehold Reform Act 2024^{39,40} has begun to harmonise these protections by categorising shared ownership leases as “long leases”. It is beyond the scope of this report to outline ongoing reform in full. However, it is worth noting that some key elements of proposed reform currently lack a clear timetable.

This can have implications for shared owners. For example, some may be disadvantaged by postponing lease extension in anticipation of legislative reform. Resale could become progressively more challenging as the number of years remaining on a short 99-year lease drops ever lower, with no guarantee that reform will bring lease extension within reach.

³⁶ GOV.UK Registered providers of social housing – updated monthly,

³⁷ Leasehold Reform Act 1967, Section 33A

³⁸ Rent Act 1977, Section 5A

³⁹ Leasehold and Freehold Reform Act 2024, Section 7 (Prospective)

⁴⁰ Leasehold and Freehold Reform Act 2024, Schedule 1 (Prospective)

CASE STUDY:

Making an ongoing loss subletting

In 2006, I purchased a 35% share in a one-bedroom flat in Maidstone. The outgoings for this brand new property were a bit less than I was paying in rent, and I'd be a "homeowner". It seemed like a no-brainer.

Not long after buying the property I met my now husband. I moved in with him expecting that we would be able to quickly sell the flat we no longer required. However, Hyde Housing failed to find a buyer during the nomination period. And we couldn't secure a buyer on the open market for the sale price Hyde insisted on, per a RICs valuation.

We were paying out £700-£800pcm for a flat we no longer lived in. Eventually (and having enlisted the help of my local MP), Hyde agreed to let us sublet. Since then, our rental income has been between £200 and £300 per month less in rent than we pay out in costs. But having been in severe financial difficulty while the property remained vacant, any income was better than nothing.

We went on to have two children which created additional financial pressure. While we have a tenant and some income we are staying afloat.

Around two years ago we started to look again at the prospect of selling. However, the lease has dropped to below 80 years. I have estimated the costs of the lease extension to be in the region of £20,000. Also, my service charges have increased exponentially since buying my share. The short lease and high service charges make the property unattractive to potential buyers.

Consequently, we face an absolutely huge financial risk. If we put the flat on the market our tenant will move out leaving us £700pm short. We then have to pay for the lease extension and associated costs. We would get further into debt until we find a buyer. But I have no confidence we will find a buyer.

I calculate that we have lost around £54,000 over the period we have been renting the flat. If you add the £20,000 debt accrued when we were trying to sell and the property was empty, that is in excess of £74,000 before we have even considered a subsequent attempt to resell.

For each year that we don't sell, we are now £300 per month short in rental income vs outgoings, and the cost of the lease extension increases by about £1,000 per year.

We don't want the property. We haven't wanted the property since 2007. We are subletting not by choice, but because we can't afford to sell. If we try and sell we will put ourselves in severe financial difficulty, but if we don't sell we are accruing additional costs each year.

Hyde Housing have refused to buy back the property. Whilst I appreciate they don't have a buy back policy and they are not under any obligation, I do not believe they have fully considered our situation.

How can a housing association be complicit in trapping people in a scheme that is impossible to exit? A scheme that is designed and sold to be 'affordable'?

Hyde's answer is to put the flat on the market and look for a cash buyer. This is an incredibly risky move and I cannot see a positive outcome. I expect that we would end up in a worse situation than we are currently in. I've said to Hyde that I don't want a penny from this property. I just want to walk away. At present the absolutely dire repercussions of giving the keys back to the mortgage company seems like the only option.

The Renters' Rights Act 2025 and subletting

When registered providers refuse a buyback, they may offer subletting as an alternative option.

However, subletting creates risks for shared owners, particularly given the Renters' Rights Act 2025 which came into force on 1 May 2026. Under the new Act, being a private landlord has become more complex. The Act makes landlords fully responsible for complex legislative updates, digital property portal registrations, and strict compliance rules; something which many shared owners are not aware of or able to navigate. Additionally, subletting requires "accidental landlords" to register with HMRC for Self Assessment, to file tax returns and makes them potentially liable for Capital Gains Tax on disposal.

Yet subletting policy often restricts shared owners' discretion to charge the level of rent that would compensate for risks, costs and liabilities. At worst, subletting can create ongoing and accumulating losses with no end in sight.

In a 2021 Spotlight report, the Housing Ombudsman outlined the limitations of subletting as an option for shared owners: "We are increasingly seeing that sub-letting is not an effective solution for all residents, especially those whose circumstances mean they need to release equity or where subletting could expose them to additional costs such as stamp duty for second homes".⁴¹

The ongoing legal liabilities of being an accidental landlord make subletting an inadequate substitute for a clean buyback exit. Subletting can only be seen as a short-term "holding" option – perhaps in a "temporary" building safety situation, and only where that is an option sought by the shared owner – rather than a long-term fix.

Yet Housing Ombudsman determinations sometimes justify buyback being declined on the basis that housing providers had offered permission to sublet.

"The landlord also acted reasonably in offering to allow the resident to sublet the property. Whilst the resident has said that she didn't wish to do this as she had no experience of being a landlord and lived a long way from the property the landlord's offer demonstrated that it had considered the resident's individual circumstances that she needed to move and was unable to sell the property."

(Housing Ombudsman Case ID 202112214)⁴²

There is some irony in the fact that shared owners who request permission to sublet – perhaps due to temporary caring or work responsibilities – are frequently turned down, yet people facing long-term, intractable barriers to exit can have subletting effectively forced upon them.

Rural Designated Protected Areas: 80% staircasing cap as a barrier to sale

There are two Designated Protected Area (DPA) models which shared ownership leases follow: one which restricts staircasing to 80% maximum, and one which requires that a shared owner first offer the property back to the registered provider on resale.

In the latter scenario, the lease provides a two branched approach for the registered provider. Where a shared owner has staircased above 80% (but not at or below 80%) and wishes to assign to a purchaser, the provider is obligated to either buy the property back, at market value or nominate another registered provider to action the buyback in its place.⁴³ (The Capital Funding Guide expressly states that this is required to be by way of surrender by the shared owner, meaning that the registered provider cannot simply hold the lease and then resell it.) The second branch within the lease allows for the provider to instead nominate the surrender to another registered landlord who will then deal with the surrender directly themselves in the same manner.

⁴¹ Spotlight on: Dealing with cladding complaints(2021), Housing Ombudsman Service, pg. 18

⁴² Clarion Housing Association Limited (202112214) (2023), Housing Ombudsman Service report

⁴³ Homes England Capital Funding Guide, Chapter 1, Section 9.2.3

Planning obligations (for example, Section 106) often include rigid nomination and allocation criteria or specified tenures. These restrictions make it difficult for a registered provider to repurpose a shared ownership property following buyback without facing legal complications from local authorities. This can put a buyback in direct conflict with requirements in the relevant Capital Funding Guide regarding tenure changes on buyback.

“Our neighbour had his property on the market for over 12 months, in a village where properties are usually snapped up within a matter of hours of going on the market. The estate agent told him that there was no shortage of interest in his property. But potential buyers lost interest when they found out that they could never fully staircase to 100%.”

(My SO Home: No. 38) ⁴⁴

National data on the number of households affected by DPA restrictions, where these are no longer required for developments in the locality, would help inform the development of standardised measures to prevent shared owners being “trapped” with no access to the open market and no access to buyback.

We recommend that a new model Section 106 clause be developed, for national adoption by local planning authorities, to potentially include:

- **Consumer Remediation Buyback Provisions** – Leaseholder qualifying criteria (to be established in a new Sector Policy Framework for Buybacks)
- **Automated Waiver of Local Authority Nomination Rights** – Automated waiver of local authority nomination rights, granting consent for the registered provider to repurchase the equity stake.
- **Post-Repurchase Tenure Flexibility** – In order to best meet local housing needs at that point in time.



How many shared owners in rural homes with 80% staircasing caps could find themselves trapped when they come to sell?

⁴⁴ My SO Home: No. 38 (2026), Shared Ownership Resources

CASE STUDY:

80% staircasing cap prevents sale

My wife and I bought a shared ownership house in a large village in Cheshire and moved in with our son. A few years later, when our daughter was born, we improved the property to meet our children's needs. At the time, staircasing to 80% (the maximum allowable) seemed like the sensible and responsible thing to do. Why pay more rent than we needed to when we could be paying off a mortgage instead? We invested in our future, with the intention of putting down roots and creating a long-term family home.

We've since divorced. Now we both need the house to sell so we can move on, rebuild our lives, and plan for the best interests of our two children.

Our upgrades made the property a better home for our family and increased its value on the open market. But, of course, we're not selling on the open market. Due to resale restrictions, a simultaneous sale and staircasing transaction isn't an option. However, nobody warned us that improvements and staircasing would make the property unaffordable for the limited pool of eligible shared ownership buyers.

As our housing provider admits: "The current asking price now reflects the enhanced property, making it much less affordable to shared ownership buyers."

Our two estate agents both tell us that the 80% staircasing cap is the primary deterrent for potential buyers. Along with the fact we've already staircased to the maximum 80%. Anyone who could afford 80% of a shared ownership leasehold house would probably prefer to buy a freehold property outright. But to afford the 80% share (£375,000 per the RICS valuation) households would most likely need an income above the £80,000 maximum threshold set by Homes England. Potential buyers are extremely unlikely to meet both affordability and eligibility criteria.

If Homes England had funded my property, the 80% staircasing restriction could have been removed through a Designated Protected Area (DPA) waiver process. However, it was developed through a Partnership Agreement between a housing association and the local authority. Homes England tell me that

any decision to remove the 80% restriction lies with the local authority and my housing association landlord to agree. The council supports a 100% sale, yet the housing provider refuses to show any flexibility. They say this is down to:

- The potential impact on their partnership with the council (despite the council saying they would support the lift of the 80% cap).
- Their charitable status.
- Legal constraints, and their solicitor's advice based on concerns about setting a legal precedent.
- A fear that making an exception for us could "open the floodgates" for other homeowners in similar situations.

In short, my property is unsellable, yet my landlord refuses to remove the 80% staircasing restriction. Consequently, I've asked them to buyback my property. But they say: "The rural repurchase option only applies to leaseholders who were granted a shared ownership lease prior to 7 September 2009. As your lease commenced 18 January 2010, this is not applicable".

Despite paying for, and owning, 80% of the property, I have effectively 0% control over how or when it can be sold. We've tried every reasonable avenue to resolve the situation. We've worked with estate agents, engaged with the housing association, approached Homes England and the council. But every route has ultimately led to a dead end.

This isn't simply about our family's circumstances but highlights a structural flaw in the scheme. We followed the rules, invested in our home, staircased as encouraged, and adapted the property to suit our growing family. Yet those very decisions have left us without a practical way to move on with our lives following divorce. And our housing provider's reference to "opening the floodgates" makes us wonder how many other shared owners are in a similar position: trapped with no exit route?

Charity law

The interaction between the provision of shared ownership and charity law is a complex area. Not all landlords of shared ownership homes are charitable and, even where they are, the activity of providing shared ownership may not always be a charitable activity. In 2009, HMRC, the Homes and Communities Agency (now Homes England) and the Charities Commission produced joint guidance for providers on the charitable status of shared ownership.⁴⁵

Providers that are charitable would be required to make sure any acquisitions for buybacks are at “market value” and within the scope of their charitable objectives to avoid an unauthorised private benefit. In most cases, this will therefore depend on the objectives of each registered provider. Those which specifically refer to the alleviation of poverty and provision of housing should be compliant. However, where the objectives only relate to housing, the registered provider will need to carefully consider whether this allows them to utilise buyback for a shared owner at all.

The situation is further complicated by the fact that, depending on the wording of the charity’s objects, a shared owner could be a charitable beneficiary at the point of entry into the lease but during the term of the lease, as their situation changes, they could actually come to fall outside the scope of that definition.

Consumer protection

Consumer Protection from Unfair Trading Regulations 2008 and the Misrepresentation Act 1967

Although shared ownership generally constitutes a series of transactions (including, as applicable, purchase of the initial share, staircasing, lease extension and monthly specified rent payments), more protections relate to the initial purchase than to subsequent transactions and exit.

Shared owners benefit (as “consumers” of housing products and services) from the Consumer Protection from Unfair Trading Regulations 2008 and the Misrepresentation Act 1967. However, some shared owners tell Shared Ownership Resources they have experienced unfair trading practices, such as a failure to clearly explain risk (for example, relating to a “short” 99-year lease or OPSO Extra Care typical resale timescales).

Consumer standards

Safeguarding and a duty of care

Registered providers do not owe a general, common-law, proactive duty of care to prevent harm to residents. However, they are bound by strict statutory and regulatory duties – including the Social Housing (Regulation) Act 2023⁴⁶ – which demand proactive measures for building safety, hazards, and tenant vulnerabilities. This Act led to the creation of social housing consumer standards and their monitoring by the Regulator of Social Housing.

The Social Housing (Regulation) Act 2023

The Social Housing (Regulation) Act 2023 provides rights to tenants. Though shared ownership (referred to in the Act as “low cost home ownership”) is explicitly excluded from the requirement to provide information to “tenants” about rights and making complaints (s25).

The Regulator of Social Housing

The Regulator of Social Housing enforces standards requiring registered providers to be transparent and communicate clearly with tenants. The Regulator defines “tenants” as “tenants and other occupiers of social housing which includes licensees and shared owners”.

If a housing association has a buyback policy, the Regulator expects them to make eligibility criteria clear and accessible. However, there is no requirement for a registered provider to have a buyback policy – this only applies in instances where there is one. Also, providers are not required to publish these policies directly – just to signpost a “tenant” where to enquire to get obtain the policy or guidance on it.

The Consumer Standards Code of Practice and buyback

None of the consumer standards directly cover assisting “tenants” in times of hardship. The Tenancy Standard is concerned with management and preventing social rent evictions rather than helping shared owners to exit a lease.

⁴⁵ Affordable home ownership: charitable status and tax (2009), Joint guidance from HM Revenue and Customs, the Charity Commission and the Homes and Communities Agency

⁴⁶ Social Housing (Regulation) Act 2023

However, consideration of provisions within the Transparency, Influence and Accountability Standard leads to a persuasive case that:

- Publication of buyback policies (and downward staircasing policies) should be a mandatory requirement.
- Buyback criteria should be more standardised and less restrictive (whilst still leaving room for discretion to deal with individual circumstances and complexity)

We explain in more detail in the following section.

The Transparency, Influence and Accountability Standard

There is much in the Transparency, Influence and Accountability Standard⁴⁷ to inform the development of a fair, transparent and comprehensive framework for buyback.

1.1.1: Registered providers must treat tenants and prospective tenants with fairness and respect

– This goes to the heart of the initial request for a buyback – the registered provider should be asking: is a refusal “fair”?

1.2.1. In relation to the housing and landlord services they provide, registered providers must take action to deliver fair and equitable outcomes for tenants and, where relevant, prospective tenants

– The registered provider should be asking if obliging a shared owner to stay in a property that is no longer suitable and/or affordable is “fair and equitable” when compared with the alternatives, regardless of whether the provider has a policy on the matter.

1.4.1. Registered providers must communicate with tenants and provide information so tenants can use landlord services, understand what to expect from their landlord, and hold their landlord to account – It is possible that stating that the registered provider has no buyback policy would comply with this strand of the standard. However, this is irrelevant if such an approach fails to comply with 1.1.1 and 1.2.1.

2.1.1. Registered providers must use relevant information and data to: (a) understand the diverse needs of tenants, including those arising from protected characteristics, language barriers, and additional support needs; and (b) assess whether their housing and landlord services deliver fair and equitable outcomes for tenants

– The registered provider should be asking if it has relevant information and data to assess the diversity of needs and circumstance of its shared owners, and whether their housing and landlord services deliver fair and equitable outcomes for shared owners.

2.1.2. Registered providers must ensure that communication with and information for tenants is clear, accessible, relevant, timely and appropriate to the diverse needs of tenants

– The registered provider should again be asking if it has sufficient understanding of the diverse needs of shared owners, including financial vulnerability, and whether it is communicating or signposting information on buyback (or any other options during hardship or changes of circumstances) in compliance with this standard.



⁴⁷ GOV.UK: Transparency, Influence and Accountability Standard (2024), Regulator of Social Housing

A clear, fair and mandatory framework for buyback

The lack of any mandatory requirement for shared ownership providers to even have a buyback policy, alongside considerable variation in practice where they do, based entirely on “discretion”, creates a postcode lottery and, at worst, can leave shared owners trapped with no viable exit route.

A clear, fair and mandatory framework for buyback across the social housing sector would increase certainty, sector-wide uniformity of approach and public confidence in shared ownership.

The Transparency, Influence and Accountability Standard provides the imperative for a fair approach and should underpin the development of a framework for buyback to ensure alignment between consumer standards, funding guidance, buyback policies and the Housing Ombudsman Service – including variant models such as OPSO and rural homes in Designated Protected Areas.

The current purely hardship-based test should be replaced with a broader “material change in circumstances” standard, capturing legitimate exit needs that don’t necessarily involve financial hardship but aren’t captured by current “exceptional circumstances” criteria.

Conclusion

Inconsistencies and gaps in legislation have historically excluded shared ownership from standard leasehold protections. Leasehold and commonhold reform is ongoing. However, some key elements of proposed reform which would benefit shared owners currently lack a clear timetable.

Subletting can be risky for “accidental” shared ownership landlords, and this is exacerbated by the new Renters’ Reform Act 2025. Subletting is an inadequate substitute for a clean buyback exit.

Barriers to exit may be particularly intractable where shared ownership homes are subject to staircasing caps, as this prevents access to a simultaneous sale and staircasing transaction. Adoption of a new national model Section 106 clause, developed in partnership with local planning authorities, could facilitate buyback where obsolete staircasing restrictions pose an intractable barrier to exit.

When it comes to OPSO Extra Care homes, barriers to sale are more likely to be encountered by families inheriting shared ownership retirement homes than shared owners themselves. Yet estate executors are

overlooked in model leases, funding guidance and buyback policies.

The language of consumer standards (“tenants”) may act to obscure their application to shared owners. However, the Transparency, Influence and Accountability Standard could usefully inform the development of a clear, fair and mandatory framework for buyback.

There is an urgent need for a clear framework for buyback to ensure that shared ownership is transparent, easier to understand and navigate, and that exit routes are available where intractable barriers to sale exist.

Recommendations

• A clear framework for buyback

- Buyback should have a clear, fair and mandatory framework around it, creating certainty for registered providers, shared owners and people who have inherited shared ownership homes.
- A new framework for buyback should replace the current purely hardship-based test with a broader “material change in circumstances” standard, capturing legitimate exit needs that don’t necessarily involve financial hardship but aren’t captured by current “exceptional circumstances” criteria. The framework should act to ensure alignment between consumer standards, funding guidance, buyback policies and the Housing Ombudsman Service for independent, effective dispute resolution.
- Subletting should never be required by a registered provider and/or the Housing Ombudsman as an alternative to buyback, given the significant responsibilities that come with becoming a landlord. Where it is recommended this should only be where a problem is temporary, at market rent, with full support to understand statutory duties and liabilities (including but not restricted to PAT testing, Capital Gains Tax and obligations under the Renters’ Rights Act 2025) and other likely expenditure (including but not limited to void periods and landlord insurance).
- Clear, mandatory guidance should be developed to remove barriers to sale arising from obsolete Designated Protected Area / Local Partnership restrictions on existing shared ownership properties.
- A mandatory fast-track, clearance process should be inserted into future Section 106 agreements to ensure planning rules do not unnecessarily block or delay buybacks.

3. Financial and funding considerations

Introduction

For registered providers considering buyback requests, key questions include: what resources are potentially available for this purpose, and is buyback financially viable? In short, what barriers to buyback exist for registered providers?

A fundamental challenge to determining the financial viability of buyback requests is a weak understanding of potential demand for buyback

However, limiting consideration of requests for buyback to a case-by-case basis, at the registered provider level, risks failing to take adequate account of the economics of buyback at a broader societal level. We therefore consider buyback in the context of transition of social housing stock to the open market, empty homes in a housing crisis, boosting public confidence in shared ownership and value-for-money.

In this chapter we will explore:

- Development models for shared ownership
- Complex ownership arrangements and third party agreements
- Funding buyback
- The economics of buyback: Why are registered providers wary of buyback?
- The economics of buyback: A wider perspective

Development models

There are two primary development models for shared ownership:

- Funded by government Affordable Housing Programme (AHP) grant, with Homes England and the GLA being the primary grant funding agencies in England.
- Acquired as part of a Section 106 planning gain agreement between a developer and a local planning authority.

Homes England and the Greater London Authority provide grant funding to not-for-profit and for-profit housing providers, and both not-for-profit and for-profit providers could offer Section 106 homes.

The two agencies each publish their own Capital Funding Guide, which are similar but different in relation to both guidance and terminology.

Complex ownership arrangements and third party agreements

Around half of shared ownership homes have been delivered under Section 106 arrangements.⁴⁸ Shared owners can encounter intractable barriers to exit where homes fall outside the scope of Homes England and GLA funding guidance. For example, when rural shared ownership homes have been developed under Section 106 planning gain arrangements and must therefore comply with local authority requirements.

In the previous chapter, we discussed legal constraints in relation to Section 106 developments. However, financial constraints can also arise.

“Places for People has encountered situations where planning and Section 106 restrictions have created barriers to resolving customer issues. In one rural scheme, a local authority charged approximately £30,000 to remove staircasing restrictions affecting three properties, and the approval process took around seven months. This illustrates how local planning restrictions can inhibit both resale and buyback solutions and underlines the importance of early engagement with local authorities when such arrangements are first established.”

(Roundtable participant)

On the other hand, registered providers may block exit despite the local authority expressing a willingness to resolve contractual barriers, as our case study demonstrates (page 26).

⁴⁸ How much does Section 106 really contribute to affordable housing supply? (2022), Inside Housing

Funding buyback

As discussed in previous chapters, there are provisions for mandatory buyback, in specified circumstances, for some homes in rural areas.

Homes England and GLA funding guidance both allow use of Recycled Capital Grant Fund (RCGF) to fund buybacks of other shared ownership homes, albeit subject to specified conditions and restrictions, and prioritising homes with building safety issues.

There are gaps in data on buyback and downward staircasing on the part of both Homes England and the GLA. However, responses to Freedom of Information (FOI) requests demonstrate an extremely low level of requests to use RCGF to fund buyback.

Our research shows that at least two large registered providers have delivered buybacks without recourse to RCGF. For one of these, at least, the numbers are relatively small at less than 0.2% of their total shared ownership homes. However, it suggests that not all providers use RCGF for buybacks and, where they don't, there is no requirement to capture this information, resulting in an incomplete data position.



RCGF buybacks: Homes England						
Approved bids	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27 YTD
Total number	No data	No data	4	13	18	3
Total value	No data	No data	£317,552	£1,277,032	£1,513,433	£214,250

Bid not approved	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27 YTD
Total number	No data	No data	–	1	–	–
Total value	No data	No data	–	£80,000	–	–

Buyback: Greater London Authority						
Approved bids	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27 YTD
Total number	–	–	–	2	3	–
Total value	–	–	–	£274,000	£270,000	–

The economics of buyback: Why are registered providers wary of buyback?

Historically RCGF has been prioritised for development and delivery of new homes. Additionally, viability from a registered provider's perspective depends less on having access to funding to repurchase the shared owner's interest in equity than on the ongoing financial performance of the property following buyback. Payback periods for investment in buyback can be lengthy and often fail to satisfy standard investment hurdles.

Requests to registered providers for buyback are therefore likely to be considered only in very specific circumstances, such as where grant is at risk of being reclaimed, or where there are overriding customer or strategic considerations. Decisions may be driven by exceptional customer circumstances and risk mitigation rather than financial return.

Buyback for resale as a shared ownership property

Whilst, in theory, buyback could be offered with the intention of resale on a shared ownership basis, in practice the landlord would be taking on a property that it has already failed to find an eligible buyer for during the nomination period (unless waived) and, likewise, the shared owner.

Different considerations apply for Older Persons Shared Ownership (OPSO) Extra Care homes where a failure on the part of a resident or estate executor to find an eligible buyer may not reflect the saleability of the home. Rather, as discussed in Chapter 1, this may arise from a combination of staircasing caps (which prevent access to a simultaneous sale and staircasing transaction); poor access on the part of residents and estate executors to the market; and weak alignment of incentives to sell.

Buyback for conversion to a different tenure

Homes England's funding guidance contains explicit provisions for conversion between tenure where registered providers are unable to sell new homes which have been marketed for a minimum of six months.⁴⁹ However, the situation is considerably more complex when it comes to conversion of tenure down the line, following a buyback. Not least due to financial viability for registered providers.

Conversion to social rent is likely to result in negative net income and therefore would not be viable for registered providers, in most cases, under current funding arrangements.

Conversion to an Affordable Rent basis could result in a positive increase in net income but is still likely to be below a provider's typical cost of capital.

In London, other options potentially include conversion to London Living Rent and Intermediate Rent.

An urgent need to establish demand for buyback

The number of buybacks reported by housing provider participants in roundtables informing this report ranged from 0.01% to 0.063% of shared ownership homes each year. Assuming this is representative of the wider sector, and assuming around 250,000 shared ownership homes at present, then this would equate to between 25 and 158 buybacks per year. Whilst this data might not extrapolate reliably to the wider sector, nonetheless it suggests that current rates of buyback numbers could be low. (Perhaps not much higher than repossession?)

Our research found that some registered providers were concerned at requirements to publish buyback policies on their websites as they felt it could increase shared owner demand beyond organisational capacity. Though others reported that their publicly accessible policies were a tool not only to manage demand but also to encourage early engagement from shared owners experiencing difficulties.

A Housing Ombudsman reference to "setting a precedent" echoes what a landlord told one of our case studies: "Making an exception for us could 'open the floodgates' for other homeowners in similar situations".

⁴⁹ Homes England Capital Funding Guide, 2.8

“The representative asked the landlord if it would consider buying back the property. It said that it doubted it would be able to do so, as it may “set a precedent”, but advised him that it would find out what the process was. In our opinion, it was reasonable for the landlord to have concerns about setting a precedent that may not be financially sustainable or practically deliverable.”

(Housing Ombudsman Case ID 202314124)⁵⁰

Data on how many shared owners seek buyback from their landlords is fragmented across providers and not collated by public authorities. There is an urgent need for data sharing at a national level to establish whether shared owners seeking buyback constitute a small minority of dissatisfied shared owners or whether there is widespread shared owner demand for buyback. Robust data on demand for buyback should be analysed by the underlying drivers to most effectively prioritise and tackle problems encountered by shared owners.

The economics of buyback – A wider perspective

Government has stated that: “Shared ownership providers are independent bodies, and decisions about the management, sale or repurchase of individual homes sit with them”.⁵¹ Considered from an individual registered provider perspective, poor prospects for resale and weak viability of conversion to other tenures militate against any significant scale of buybacks, at least in the absence of substantial subsidy.

However, consideration of the issues from a wider perspective suggests that that effectively tackling buyback problems offers potential benefits for people in housing need over and beyond benefitting shared ownership households facing intractable barriers to sale.

In this section we consider:

- Loss of social housing stock
- Empty homes in a housing crisis and social care crisis
- Boosting public confidence in shared ownership
- Value-for-money

Loss of social housing stock

Requests for buyback may occur where:

- building safety issues prevent sale
- access to a simultaneous sale and staircasing transaction is blocked, or
- buyers cannot meet eligibility and affordability criteria due to property price inflation.

Simultaneous sale and staircasing transactions are a frequently used mechanism where a suitable buyer cannot be found for a shared owner’s share:

“There is no active/widespread resale market for shared ownership homes. Rather sellers mainly rely on back to back sales – buying out the housing association share and selling the home on the market as a 100% owner occupied home. This limits the timescale during which the affordable home remains available, albeit the associations get an HPI adjusted receipt.”⁵²

These transactions transition scarce social housing stock to the open market and, potentially, to private landlords – at open market prices. This is at odds with the social purpose of shared ownership as affordable social housing. The “loss of affordable housing stock through open market sale” is a topical issue, discussed in the House of Lords in July 2026 during a debate on the Social Housing Bill.⁵³

It makes sense for shared owners to staircase to 100% in a “forever home”. Or at least a home they intend to continue living in for the foreseeable future. But there is a strong case for “starter homes” to be “recycled” to ensure maximum benefit for the grant invested in these properties. And, consequently, there are persuasive arguments for flexible tenure to be more flexible when it comes to resales. Not merely where shared owners are struggling to sell their share, but as a standard mechanism to improve access for potential entrants to the scheme.

“Landlords should purchase properties back – regardless of the % share owned – to sell on to new shared ownership buyers. This would enable existing owners to move on when they can afford to. And it would maintain existing social housing stock to allow other people to get on the housing ladder.”

(My SO Home: No. 23)⁵⁴

⁵⁰ Home Group Limited (202314124) (2025), Housing Ombudsman Service report

⁵¹ Question for Ministry of Housing, Communities and Local Government, UIN 14721, tabled on 30 June 2026

⁵² Thinking Outside the Box (2020), Whitehead and Williams

⁵³ Hansard, Social Housing Bill [HL] Volume 858: debated 20/7/2026

⁵⁴ SO Hub: Improving shared ownership, My SO Home: No. 23, Shared Ownership Resources

At present, both Homes England and the GLA allow partial buyback (downward staircasing) only as a last resort, at the provider's discretion, with near-identical eligibility tests (including the home being grant-funded, evidence of financial difficulty and that alternatives have been exhausted). The requirement to offer the full range of shares to buyers is not available for resales.

However, allowing simultaneous downward staircasing and sale transactions could deliver a financial return significantly higher than a provider's typical cost of capital. It would therefore be highly viable and would not involve additional costs or responsibilities, beyond the downward staircasing payment. It's reasonable to assume that selling on a share of an existing home is an easier way of protecting affordable homes than using RCGF to deliver new affordable housing.

Simultaneous downward staircasing and sale could form part of a suite of measures to tackle barriers to exit, whilst helping to retain social housing stock.

We are not the first to make an argument for partial buyback as a means of recycling RCGF and equity shares. In their report, *Making retirement living affordable: the role of shared ownership housing for older people*⁵⁵, the All-Party Parliamentary Group on Housing and Care for Older People said: "Claw-back of grant when a shared owner buys a further share not only creates a financial hole for the provider, but has longer term implications for who can access shared ownership for older people... households seeking a lower stake will effectively be blocked out of the market... Homes England and the GLA should look at options to enable properties to be resold at a lower stake than the last buyer. This could mean providers being able to keep receipts from sales but being required to offer shared ownership properties with a lower share in the future. Alternatively, the recycled capital grant fund (which takes receipt of returned grant when shares of properties are bought) could allow grant to be reclaimed when "staircasing down" occurs. At present a priority use with regard to 'staircasing down' only applies when 'it will prevent repossession and homelessness'."

We consider that partial buyback has potentially wider application than the OPSO variant.

There is also a wider benefit to providers given evidence of concerns in relation to a danger zone (see page 13) of "too much" staircasing making it harder to sell a shared ownership home. An offer to downward staircase simultaneously to sale in such circumstances could increase income from staircasing by alleviating shared owner concerns about potential implications for resale.

Empty homes in a housing crisis

The 2026-36 Social and Affordable Homes Programmes guidance makes it clear that uses of grant which change tenure but don't deliver net new homes are not priority uses.⁵⁶ The Government has a target of 1.5m net new homes delivered by 2029.

However, addressing a housing crisis requires not only building more homes but also ensuring high occupancy rates.

In some cases, where a shared owner relocates but cannot sell their share and is denied permission to sublet or does not wish to take on the risks associated with being a private landlord, the property will become unoccupied. Clearly, this represents poor value-for-money of the grant to develop that property.

Families who inherit OPSO Extra Care homes report that resale can take many years, often at huge cost to the deceased person's estate. Families experience financial distress as the inheritance their loved ones intended for them is whittled away on service charges and other costs, for an empty flat. And they experience emotional distress as closure is deferred year after year. In the meantime, a publicly subsidised retirement home is not being used as intended, resulting in poor value-for-money of grant to address the housing needs of older people. Tackling barriers to resale of OPSO homes would help make best use of specialist provision during a social care crisis.

What is the average amount of time OPSO Extra Care homes are unoccupied? Should government be providing grant to providers for new retirement home developments if more than a set percentage of their existing homes are empty?

⁵⁵ Making retirement living affordable: the role of shared ownership housing for older people (2023, All-Party Parliamentary Group on Housing and Care for Older People)

⁵⁶ Guidance – Social and Affordable Homes Programme (SAHP) 2026 to 2036

Boosting public confidence in shared ownership

Shared owners tell Shared Ownership Resources that government has a duty to citizens to ensure that publicly subsidised, affordable, social housing is designed to reduce the likelihood of adverse impacts.

Yet there is a regular stream of media articles profiling shared owners who are ‘trapped’ in their homes. Improving outcomes and satisfaction, including via a clear, fair and mandatory framework for buyback, would boost public confidence in shared ownership.

Value-for-money

Shared owners trapped with no viable exit route from increasingly unaffordable homes will have less disposable income to spend in the local economy and on saving towards a pension. There is a risk that some may become reliant on state assistance, whether in the short term or later in retirement, as their housing costs continue to mount and their household income decreases.

This raises questions about whether there are opportunities to increase the value-for-money of shared ownership not only for individual shared owners but also for the public purse. Such considerations are beyond the scope of this report.

Value-for-money assessments, and recommendations, were also outside the scope of the March 2026 National Audit Office report on its investigation into shared ownership. However, the National Audit Office could usefully progress that report with a follow-up investigation into the value-for-money of the shared ownership scheme,

Conclusion

Financial and funding complexity arises from various factors: different development models, complex ownership arrangements and third party agreements; similar but different funding guidance; non-standardised terminology; and the fact that not all shared ownership homes are covered by the same guidance and regulation.

There is an extremely low level of requests to use RCGF to fund buyback. Some registered providers fund buybacks using their own financial resources. But overall buyback rates are extremely low; potentially in the same ballpark as reposessions.

Current funding frameworks and guidance result in buyback being financially unviable on a case-by-case basis, in most circumstances, for most registered providers.

Provisions exist to convert other tenures to shared ownership. However, there are significant barriers to converting shared ownership properties to other tenures. This is likely to further depress registered providers’ appetite for buyback given requests generally arise due to intractable barriers to sale.

Registered providers express mixed views about publishing buyback policies. Some in favour, others concerned about increasing demand beyond capacity.

There is an urgent need for robust data on demand for buyback, analysed by the underlying drivers for requests.

Families who inherit OPSO Extra Care homes report that resale can take many years, often at huge cost to the deceased person’s estate. Further research is required to understand the scale of the problem. However, tackling barriers to resale of OPSO homes would help make best use of specialist provision during a social care crisis. Instead, there are concerns that significant numbers of OPSO properties are unoccupied.

Simultaneous staircasing and sale transactions are a common exit route from shared ownership, but transition scarce social housing stock to the open market and, potentially, to private landlords – at open market prices. Widening flexible tenure provisions to include simultaneous downward staircasing and sale transactions could assist sale whilst increasing access to a larger pool of buyers.

An improved framework for buyback could help address the housing crisis by improving occupancy rates and reducing the loss of social housing homes to private landlords.

It is unlikely that buyback can be increased to any significant degree in the absence of additional funding.

Recommendations

- **Flexible tenure**

- The Government should fund simultaneous downward staircasing and sale transactions to improve access to shared ownership and to reduce the loss of social housing to the open market and private landlords.

- **Understanding the scale of the challenge**

- Fundamentally, the solutions to the challenges identified in this report depend on the scale of those challenges. If demand is limited, at a level similar to current buyback transactions, then improvements to policies, procedures and processes would allow a clear framework to be offered and operate. On the other hand, if demand is significantly higher, then a different funding and policy framework would be needed to support this. A data collection exercise, covering all current providers of shared ownership, is necessary to address this.
- A data collection exercise, as set out above, could be carried out within the framework of a wider review of shared ownership. Such a review would be well placed to investigate other areas including ongoing affordability, transition to full home ownership, buyback, and unoccupied OPSO Extra Care homes.



4. Conclusions

This report is intended as the opening to a public conversation on shared ownership buyback. It presents evidence of a real but underdefined problem and identifies clear barriers to exit for shared owners facing changed circumstances. We are keen to engage with registered providers and policy-makers who want to address these challenges, and to collaborate on finding practical solutions.

The research underpinning this report has demonstrated the power of collaboration between shared owners with lived experience of buyback and resale barriers, and over 170 housing professionals working across the sector. Their expertise, candour, and willingness to engage with difficult questions has been invaluable. We are committed to taking this collaborative approach forward into our second research paper, recognising that sustainable reform requires genuine partnership between all stakeholders.

The recommendations in this report are intentionally structured to enable progress at different speeds. Some elements – such as publishing clear buyback policies, improving transparency around decision-making and ensuring access to redress schemes – can be acted on immediately by willing providers and would require no additional funding. Others – such as agreeing a clear and consistent framework for buyback across the sector – would require collaboration between providers, local authorities, policy-makers and funders. These steps would deliver material improvement in outcomes for shared owners facing exit barriers.

The recommendations in this report should be seen as an initial response to a defined set of problems affecting specific cohorts. A critical question remains: what is the true scale of demand for buyback, and how well is shared ownership working across the entire cohort of 250,000 households? Until we have robust data on the underlying drivers of exit requests and outcomes for shared owners over time, it will be difficult to determine whether the targeted recommendations offered here are sufficient, or whether there is a need for a more fundamental shift in funding and policy context.

This report provides the evidence base and stimulus for that conversation. We look forward to engaging with partners who are willing to take the next steps, whether at pace through voluntary adoption of the recommendations, or through wider policy and funding reform where that is ultimately required to ensure shared ownership delivers fairly and sustainably on its promise as a route to affordable home ownership.

Terminology

When it comes to shared ownership, terminology is extremely non-standardised. We outline some key areas of ambiguity and explain the terminology we have used in this report.

Buyback	We use the term “buyback” as this is the language often used by shared owners. Outside the context of this report, buyback is also sometimes written as “buy-back” or “buy back”. Homes England and Greater London Authority use the terms “equity repurchase”, “leasehold repurchase” and “repurchase of the shared owner’s equity” in funding guidance. In Homes England’s guidance this is described as “buying all of the current leaseholder’s share of the property” with “the leaseholder vacating the property”. The term “repurchase” is used in relation to mandatory buyback of applicable rural homes.
Downward staircasing	We use the term “downward staircasing” in this report. Downward staircasing is also referred to as “reverse staircasing”, “partial buyback” and “flexible tenure”. Under downward staircasing, the shared owner remains in their home.
Simultaneous downward staircasing and sale	We use the term “simultaneous downward staircasing and sale” in making a case that “flexible tenure” should be more flexible than is the case at present. Under a simultaneous downward staircasing and sale transaction, a shared owner would vacate the property (as happens with a simultaneous staircasing and sale transaction).
Registered provider	We use the terms “registered provider” and “provider” to refer to Registered Providers of Social Housing. This includes stock owning local councils, housing associations and for-profit providers who are registered with the Regulator of Social Housing. We also use the terms “housing provider” and “landlord” where appropriate (including for the avoidance of repetition).
Simultaneous sale and staircasing transaction	We use the term “simultaneous sale and staircasing transaction” as it describes the nature of the transaction. This is also referred to as a “back to back sale” and “back-to-back sale”. Under a simultaneous sale and staircasing transaction, the shared owner vacates the property.
Share	We use the term “share” as this is the language often used by shared owners and, also, in Homes England and GLA funding guidance. Homes England’s guidance states that raising the funds to purchase a share (Step 1) results in a provider granting “a leasehold interest” to the shared owner (Step 2).
Shared ownership	We use the term “shared ownership” throughout for understandability. However, we recognise that the term is contested, has no legal basis in law, and that some shared owners state that it is not accurate to describe shared ownership as “shared” or “ownership”.
Shared owner	We use the term “shared owner” throughout for understandability, with the same provisos as for ‘shared ownership’. Shared owners may also be included (or excluded) in terms including (but not limited to): “tenant”, “resident”, “customer”, “consumer” and “homebuyer”.
Tenant	We use the word “tenant” in relation to social rent tenants and private rent tenants. We also use it when quoting or referring to legislation, regulation and other material which uses this term to refer to a shared owner. However, the word “tenant” is ambiguous in relation to shared owners. The Social Housing (Regulation) Act 2023 refers to “tenants” and explicitly excludes shared ownership (referred to in the Act as “low cost home ownership”) from the requirement to provide information to “tenants” about rights and making complaints (s25). Yet the Regulator of Social Housing defines “tenants” as “tenants and other occupiers of social housing which includes licensees and shared owners”. Homes England’s model lease lists the two parties to the lease as “landlord” and “tenant” in the HM Registry prescribed LR3 clause, adding “in this lease referred to as the ‘the Leaseholder’”. Yet the lease refers to both “the tenant” and “the leaseholder” throughout. Homes England’s Capital Funding Guide refers to shared owners as both “tenants” and “leaseholders”.

About Shared Ownership Resources

Shared Ownership Resources is a shared-owner-led charitable incorporated organisation (CIO).

The CIO publishes case studies; collaborates with housing, legal and financial experts to offer specialist information and signposting; advocates reform to drive better outcomes; and campaigns for improved transparency and against mis-selling and other poor practices in the sector.

For more information visit: www.sharedownershipresources.org



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Registered office address: 19 Crescent Wood Road, London SE26 6RT

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