



# Shared Ownership 2.1

## Towards a fourth mainstream tenure: taking stock

### Summary report

It's now almost two years since Orbit and the Chartered Institute of Housing (CIH) published the influential Shared Ownership 2.0 – Towards a Fourth Mainstream Tenure report.

We argued that with the right policy interventions we could double the number of new shared ownership homes from 15,000 to 30,000 a year by 2021, and in turn provide 13% of the new homes the UK needs.

Since then, we have seen shared ownership go from strength to strength, including a commitment of £4.1bn investment by government to deliver 135,000 shared ownership homes by 2021.

Drawing on market analysis and expert advice, our latest report takes stock of where we are now and highlights opportunities for the future. It also reveals findings from an exclusive poll showing that awareness and understanding of shared ownership is growing amongst the UK population, and is higher than other government home ownership products.

Increasingly, the picture of shared ownership moving into the mainstream is getting brighter.



## TAKING STOCK

### Key findings

- There's huge demand, with 85,000 shared ownership approvals reported year-on-year.
- Customer awareness is growing, with 51% of the public able to identify the product.
- The sector is committed to improving the product and customer experience, and is working with CIH to develop a charter of common standards.
- Modelling demonstrates that it will remain affordable even with future potential interest rate rises.
- There is growing lender appetite, particularly as data capture improves.
- Shared ownership works and there is market capacity for 60,000 homes per year.
- The overall affordability of the tenure means it will remain a valuable and important route into home ownership for many.

### What a difference two years can make

Since our initial report, the government has:

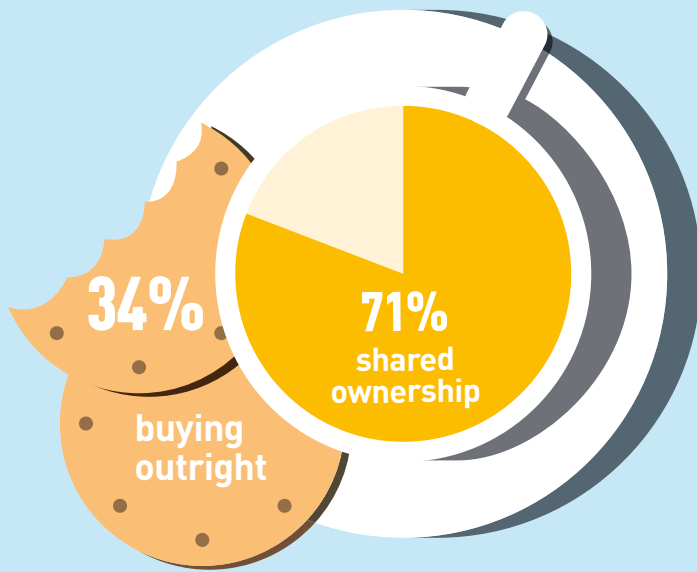
- committed an investment of £4.1bn into shared ownership
- stated an ambition to deliver 135,000 shared ownership homes by 2021
- put a clear focus on shared ownership in the latest HCA programme
- raised maximum income levels to enable access for more households – up to £90,000 in London and £80,000 elsewhere
- enabled movement within the tenure by removing disqualification of existing shared owners to apply for another shared ownership home
- removed restrictions on the size of home a household can buy, which was previously limited to only one bedroom above assessed needs
- supported the branding and marketing of shared ownership by bringing it under its Help to Buy banner and including it in its programme of promotion.

To read the full report go to [www.orbit.org.uk/shared-ownership](http://www.orbit.org.uk/shared-ownership) or scan the QR code below:



# SHARED OWNERSHIP

## THE FACTS AND FIGURES



I would never have been able to afford a home if it wasn't for shared ownership. The best thing about my new home is knowing it's mine and that I am investing in something for my little girl for the future.

Robyn Cummings, 28, a single working mum from Wolverhampton

### AFFORDABILITY:

Shared ownership is affordable for households on lower-quartile income in 71% of England's local authorities following interest rises, compared to 34% for buying outright.<sup>1</sup>

1 & 8: Orbit analysis – see full report for details and assumptions

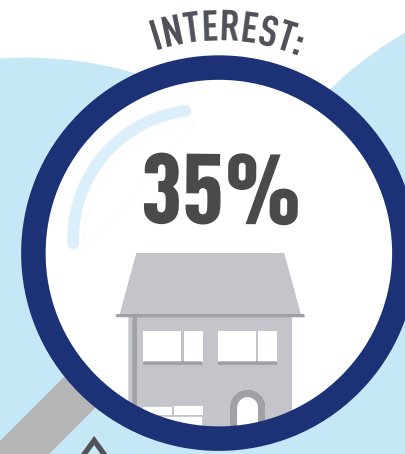
2 & 3: Ipsos MORI

4: NHF

5: since 2001, CORE

6 & 9: National Housing Group

7: Savills



35% of the public showed interest in shared ownership. Interest increases with income:<sup>2</sup>  
39% of £20k-£34k earners  
53% of £35k+ earners

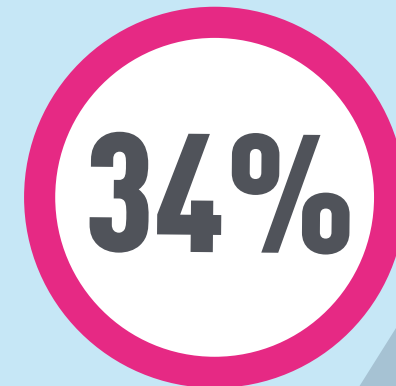


### SHARED OWNERS:

Average age: 33  
Average income: £33,558  
Average equity share bought: 43%

### AWARENESS:

34% of the public are aware of shared ownership, compared to 28% for the Help to Buy equity loan.<sup>3</sup>



102,848 shared ownership homes developed nationally.<sup>5</sup>  
Housing associations now manage 54,000 shared ownership homes.<sup>6</sup>

54,000 homes managed

### DEMAND:

85,000 applications per year.<sup>4</sup>

85,000 applications

### 2 bed shared ownership...

... is cheaper than renting

A two bed shared ownership home is cheaper than privately renting in 87% of England's local authorities.<sup>8</sup>



### MARKET CAPACITY:

Market capacity for 60,000 shared ownership homes per year.<sup>7</sup>

60,000

Sector delivery: 14,000 homes in development pipeline, ambition to build 20,000 more.<sup>9</sup>

14,000