Written Evidence Submitted by Miss Lou Hooper [SH 0 0034]

- Do the schemes Shared Ownership and Right to Shared Ownership provide good value for money for the potential users of the scheme?

  No, the rents are market rate as well as the mortgages so and they are increasingly less affordable to buy. My current landlord has changed the lease on a flat in my building and sold it to a property investor to sublet because first time buyers weren't making offers. (The investor told me this himself and has now rented it out.) I don't think that this is an isolated incident and is proof of how unaffordable s/o has become and also of how unregulated the sector is.

  How can the Government ensure that Shared Ownership and the Right to Shared Ownership remains an affordable programme in light of rising provider costs and inflation?

  It can't remain affordable as it isn't affordable now. Social rents were capped at 4% a few years ago but S/O rents were not, mine went up 7%, why? The government needs to ensure that truly affordable rents are offered. Landlords need to be more closely monitored. Introduce an obligatory rent cap not a voluntary one. S/O Rents are supposed to be subsidised but they are not.

- What support can be offered to Shared Ownership tenants given the impact of leasehold properties?

  More accountability from landlords, it is extremely difficult to stand up against large organisations. A body set up that can give advice to tenants and stand up for them if they have a genuine grievance. (I had issues with what I felt to be an unreasonable charge recently and had nowhere to turn to when the landlord refused to listen). Make extending voluntary and statutory leaseholds easier and cheaper for existing tenants and not just future ones. Standardise costs for this across all schemes as each landlord can charge what they want at present. Should banks view s/o leases differently to private ones because there is the back up of an RP on an s/o property and therefore the properties are more saleable than leaseholds with private landlords. Therefore should they be less reluctant to lend if a lease does fall lower than 80 years? Can the gov challenge them on this?

- What impact, if any, are changing sector regulations having on the Shared Ownership and Right to Shared Ownership Scheme?

  As regulations are not likely to be retrospective, there will be a 2 tiered affect. New Leasehold rules will not apply to existing owners and so those properties will be harder if not impossible to sell.

  Please try to at least apply some of the new regulations to existing owners, don't treat us like 2nd class citizens.

- Is there a lack of mortgage providers for Shared Ownership properties?

  Yes, I have stayed with my current lender since I moved here in 2007, not because I wanted to but because there weren't really any alternatives.

- What challenges are associated with repair costs being covered by those utilising the Shared Ownership schemes?

  We have no choice in how our sinking fund is spent even though it is our money. When our gate was mended recently, we weren't even told that it would be paid for out of the fund or consulted about the cost. Money is taken every month for day-to-day repairs, yet no one is able to tell me what that money is spent on as we are normally billed separately for any repairs that take place. I feel that we have little control on what repairs are done and what they will cost us. We get an end of year balancing statement which can be huge and somehow we have to find the money, often that is because of repairs. I believe if the landlord owns a portion of the property then they should pay a portion of the cost of repairs depending on how much they own.

- How viable is full ownership through the Shared Ownership scheme and/or the Right to Shared Ownership Scheme?

  It's not at all viable. I will pay off my mortgage in about 3 years time on my 50% but I have worked out that if my rent keeps going up on a yearly basis as much as it currently is, within about 5 years of paying it off, I will be paying as much rent as I am now with a mortgage and rent combined. I have no hope of buying a further share and cannot afford to move so I feel completely trapped. There will be no relief when my mortgage is paid off.

- Does the Right to Shared Ownership policy in its current form reduce homeownership risks for individuals from lower income backgrounds?

  No, your property can still be repossessed if you struggle to pay the rent.

- What more can be done to secure the Shared Ownership scheme as an affordable route into home ownership?

  Offer social rents rather than market rate. Allow people to buy ¾ and not pay rent on the other ¼ as schemes for the over 60s often do. This would then give owners a far better chance of buying more of the property.

- How does the variation of costs from Housing Associations and other providers impact the Shared Ownership Scheme and the experience of tenants or potential buyers?

  In our city Vivid has a stranglehold on s/o properties, there are barely any other landlords as such they can charge what they want in terms of service charges.

  Buyers are not informed about the differences in costs between HA's. They would naturally assume that landlords charge the same rent and service charges if they have similar properties in the same city.

- What should be done to improve the Department for Levelling Up, Housing and Communities' data collection regarding Shared Ownership and the Right to Shared Ownership?

  When auditors come they are completely reliant on the Housing Association providing the correct information and don't take into account that not every property is the same. For example, in my scheme we have 5 flats around a courtyard each with their own front door, however when it comes to cleaning, we have been charged the same as a scheme with internal corridors even though cleaning those takes a lot longer. An auditor would only see the standard figures presented by the landlord and in theory they would more than likely be right but theory and practice are not always the same thing. Each time the auditors come they should go and see a selection of properties to ascertain whether the charges are fair or not and this may then change the data.

Ask for information from the tenants and not just the landlords and this may also change the data. (Without the landlord present!)

- Are alternative schemes such as ‘Rent to Buy’ viable and do they offer more value for money?

  Yes, with rent to buy you only pay rent and not a mortgage as well, so it makes it more affordable.

- What more should be done to support first time buyers and those from lower hold incomes onto the property ladder?

  Help them to be better informed, as S/O is very specialised and even many solicitors aren’t au fey with it, buyers have little chance of getting their heads around all the nuances. Provide an advice service for buyers. Ensure that there is a wider range of mortgages available and the rent is affordable.

In conclusion as an owner of an s/o flat I feel that I have little or no control over what happens regarding my property. I am treated as the homeowner when it suits the landlord (You’re the homeowner it’s your responsibility!) and not when it doesn’t. I feel that I have no representation if I have an issue with the landlord, I feel dragged along by them. An example as mentioned above is the cleaning charge which went up fourfold in one year. I spent a year challenging it and they were never able to tell me how the calculation was arrived at and I had no choice but to pay it.

I regret buying an s/o property and if people ask for my advice as to whether to buy or not I tell them to steer well clear, it just isn’t an affordable option any more.

Finally thank you for giving owners the chance to have a voice and be listened to. In the 16 years that I have owned a property this is the first time it has ever happened!

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