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A half way house? An exploration of the impact of shared ownership's dual status as a form of social rented and private ownership on households and front line staff in Cumbria and London.

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Abstract

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Despite making up less than one per cent of total housing stock in England, since its introduction at the national level in 1980, shared ownership has played an important material and ideological role as part of wider neoliberal reforms to replace publicly-owned rented stock with privately-owned housing. The scheme has been used as part of a bundle of mechanisms to reduce spending on public housing, to enable access to appreciating housing wealth as part of asset-based welfare policies, and to spread a set of personal, social and community benefits which have come to be associated with 'home' ownership. In the first two decades of the twenty first century shared ownership has taken on new prominence as a solution to the "housing crisis", characterised by declining owner occupation rates and a chronic shortage of affordable and secure housing particularly for younger low to middle income households. Although launched with significant amounts of hyperbole and taking up an increasing proportion of government subsidy for affordable provision, the evidence suggests that schemes like shared ownership have a limited impact upon these underlying problems in the housing market. Indeed, shared ownership can be seen to embody some of the contradictions at the heart of neoliberal policies that seek to find market solutions to market-based problems.

This thesis explores these contradictions by examining the extent to which shared ownership can be used to meet the housing needs of particular regional populations as well as individual households. Drawing on empirical material gathered through in-depth interviews and participant observation with households and front-line housing staff in Cumbria and London, the thesis illuminates a set of tensions that run through the veins of shared ownership as a form of social and market-based housing. The thesis reveals the challenges housing associations experience in meeting housing needs whilst also driving sales; the divergent ways in which public and private discourses deal with ambiguities in relation to established tenure norms; and finally the difficulties both households and housing associations face in attempting to manage the risks associated with marginal home ownership.

A half way house?

An exploration of the impact of shared ownership's dual status as a form of social rented and private ownership on households and front line staff in Cumbria and London.

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PhD Human Geography

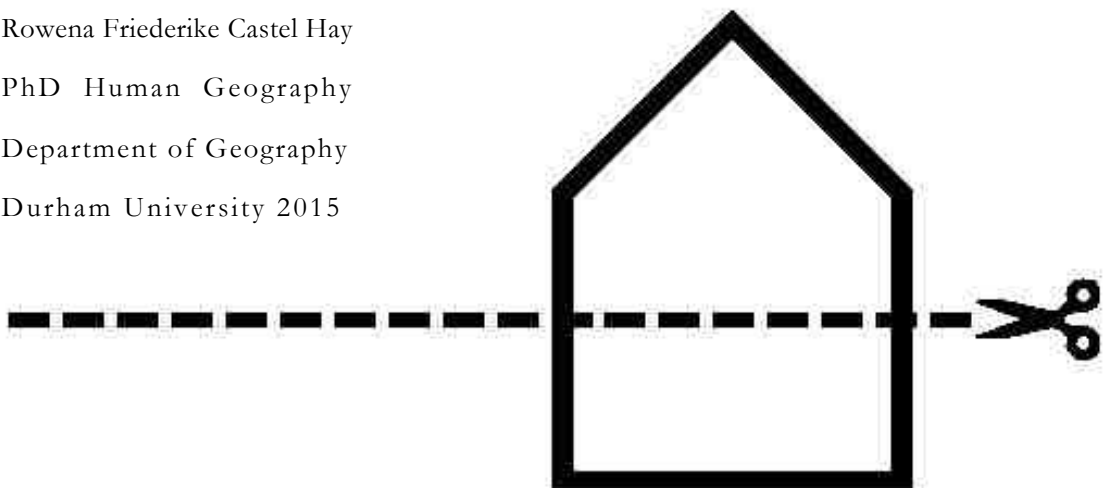Department of Geography

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For Howie and Frank

1. Introduction

1.1   Shared ownership: addressing a 'crisis' in housing?

It is an interesting time to explore shared ownership housing in England. In the first two decades of the 21st century housing issues have come to the forefront of political and public debates. "The housing crisis", including shortages of supply, affordability and quality across all tenures, has been the subject of countless newspaper articles, policy-orientated papers and campaigns (Chu, 2014; JRF, 2011; Shelter, 2014). In London in particular there is a tangible fever surrounding the pressure on housing as a result of population growth from national and international migration, demand from highly paid workers in the financial and business services sector and the effect of overseas investment on land and property values (Booth, 2014). A larger proportion of households including managerial and professional workers struggle to meet the costs of private renting in the capital, let alone to save for a deposit to move into the owner occupied sector (Neville and Burn-Murdoch, 2014). At the other end of the housing market, in the context of declining levels of social rented stock, many households on lower incomes are forced to rent overcrowded, insecure and poorly maintained accommodation (Gentleman, 2014). At the same time, those with existing housing assets have seen their investment grow at a rapid rate, a trend that has continued despite the 2007 financial crisis and subsequent recession (Dorling, 2014).

Whilst the pressure on housing increases in London and its surrounding commuter belt, more depressed housing markets in other parts of the country suffer from a lack of private and public investment. The unsettling presence of streets and streets of unoccupied terraced housing, often in inner-city locations, have become emblematic of reduced populations and income levels as peripheral cities struggle to compete (Owen, 2014). They also represent the failure of the previous New Labour Governments' 'housing market renewal' strategy, which sought to attract private sector partners to 'regenerate' poor neighbourhoods (Allen, 2008). Investment in housing have also proved less lucrative in these areas as house prices have not increased at the same rate during boom times, and were depressed for longer following the downturn. In this context there is a growing public concern about the inequalities of access to good quality affordable homes, as well as the uneven distribution of national and individual wealth tied up in housing (Thomas and Dorling, 2004; Dorling, 2014; Searle, 2014).

In an era in which widely available, good quality social rented housing is prevalently seen as either a pipe dream or relic best left in the past, policy makers, housing practitioners and academics have looked for alternatives to house the 'forgotten families' priced out of the housing market (De Santos, 2013). Growth in private renting has sparked new interest in the role the sector could play in meeting housing needs (ONS, 2013a). Calls have been made for greater levels of institutional investment to boost supply (DCLG, 2012a), as well as more robust regulation to improve the quality and security of the tenure (Clapham *et al.* 2012; Gousy, 2014). However, in a context where private renting is commonly seen as inferior and "money down the drain" (Gurney, 1999a), English housing policy has continued to focus on 'expanding the opportunity to own' through a range of low-cost home ownership initiatives (ODPM, 2005). These have included discount for sale schemes (e.g. Right to Buy), mortgage guarantees and part ownership arrangements (e.g. shared ownership, equity loans). This approach is underpinned by a set of long-standing beliefs about the inherent personal, social and community benefits of owner occupation (see Saunders, 1990). It is also driven by the increasingly important role owned homes play as a store of personal wealth in England: wealth that is seen as a source of equity to pay for health, education and care needs across the life course and as central to asset-based welfare policies (Quilgars and Jones, 2010: 297).

As house prices have risen at a faster rate than income levels, low cost home ownership policy has focused on bridging the 'equity gap' between existing owners who have benefited from gains in a rising market, and the increasing number of households unable to afford to buy (Monk and Whitehead, 2010). Over the last decade shared equity has taken on a central role as part of this agenda. In the period of housing-market boom the New Labour Government introduced a number of schemes to enable first time buyers to get a "foot on the housing ladder" with a particular focus on high-pressure areas in London and the South East (DETR, 2000a; DCLG, 2007). Since the financial crisis, these have been followed by a range of schemes introduced to 'bolster the flagging house building industry' by enabling more first time buyers to purchase their newly built properties (Burgess, 2010: 253; DCLG, 2008). Most recently the Liberal Democrat-Conservative Coalition launched *Help to Buy* to increase the supply of low-deposit mortgages in order to 'kick-start housebuilding' by increasing demand (DCLG, 2011: 9). Whilst popular with purchasers, these initiatives have been criticised on the basis that they do not contribute directly to new supply and as a consequence may push up house prices in

already inflated housing markets (House of Commons Treasury Committee, 2013: 72; Jenkins, 2013; NAO, 2014: 9). The myriad of schemes on offer has also been a source of frustration and confusion for developers, lenders and purchasers (Merrick, 2006). Further, despite the expectation that the private sector would provide shared equity schemes thereby 'reducing the need for government support,' (DCLG, 2006: 6) a significant private market has not emerged. The broadening of eligibility over a decade from low-to-middle income 'key workers' and social tenants, to first-time buyers and most recently existing home owners purchasing housing of a value of up to £600,000 (HCA, 2014) have led some to question a) whether the schemes are genuinely affordable to people in housing need and b) if they simply 'boost opportunity for those who already have it in droves' (Fearn, 2014).

It is in this context that a renewed interest in shared ownership has emerged as a way to 'plug the housing gap' for those households who cannot afford to purchase a property on the open market, even with assistance from government-backed shared equity schemes (Fearn, 2013; Austerberry, 2013). There have even been calls for shared ownership to be scaled up and repositioned as the 'fourth tenure in the UK housing market' (Alakeson *et al.* 2013: 4). Shared ownership is seen to have an important role to play for a number of long-standing reasons. Firstly, because it is applied to new-build housing associations units rather than existing stock it is seen as a net contributor to overall housing supply. Secondly, the small percentage shares available mean that the tenure is open to households on low to middle incomes (De Santos, 2013: 30). These include existing social sector tenants who could be housed at a lower subsidy cost, and other households who would not be able to buy a suitable home on the open market. Thirdly, shared ownership is seen as a way to provide households with a route through which to accumulate housing assets (Alakeson *et al.* 2013). The flexibility of the 'staircasing[1]' feature which allow households to purchase further shares in their home, means that if circumstances permit households can become full owners over time. Fourthly, as a form of 'home' ownership shared ownership is also seen to provide a set of less tangible personal and neighbourhood benefits including a stake in the community, a sense of pride, freedom, responsibility and 'ontological security' (Hiscock *et al.* 2001; Saunders, 1990; McIntyre and McKee, 2012). Fifthly, in recognition that there are risks involved in owner occupation, shared ownership is seen to offer some security

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1 Shared ownership products usually allow households to buy further shares in their property up to 100 per cent in minimum 10 per cent trances in a process known as 'staircasing' (Homes Communities Agency, 2011a).

against turbulence in the housing market by providing a buffer against house price drops or rising mortgage costs, and by allowing households to sell back shares in their home if they encounter financial difficulties (JRF, 2007). Finally, compared to private developers motivated by short-term gains, housing associations are seen to have the long-term interests of shared ownership households in mind, providing a better and more caring post-sales service (Bramley and Dunmore, 1996).

Contributing to supply

The extent to which these divergent aims can be met through shared ownership has been explored in the housing studies literature. The limited growth in the sector, which has never risen above one per cent of total stock, have led some to question whether shared ownership can ever play a significant role in the wider housing market (Bramley and Dunmore, 1996; Elsinga, 2005). A number of barriers have been identified which have limited consumer demand for and sales of shared ownership. These include high transaction costs and contractual complexities, inadequate consumer demand, and crucially the limited financial products available which make it difficult for shared owners to secure a mortgage (Allen, 1982; Whitehead and Yates, 2010). Although the numbers of completions have gone up over the last decade, there is a concern that the tenure may be developed instead of, rather than in addition to much-needed rented supply (Martin, 2001; Johnson, 2014). This fear is backed up by evidence showing that the proportion of government housing subsidy spent on low cost home ownership schemes has grown over the last decade (ibid). Further, the fact that shared ownership allows most households to 'staircase up' to full ownership incrementally or on sale mean that units are also continually 'lost' to the open market and do not remain in the affordable sector in perpetuity (Clarke *et al*. 2008: 2).

As shared ownership units have come to rely on the buoyancy of local and national markets for development and sales, delivery has become 'very closely tied to the supply of market housing' (Burgess, 2009: 3). As a result the tenure can be seen to replicate rather than counter inequities in the broader housing market. This is reflected in the concentration of supply in London and the South East where demand is high and developments are more profitable (Bramley and Dunmore 1996; Cho and Whitehead, 2010). The increasing proportion of units delivered through

the planning system also supports this bias, as more Section 106 agreements[2] are made in Southern England where local planning authorities are able to tap into high development values (Crook and Monk, 2011: 1006). In other parts of the country, particularly in the North, shared ownership has become less viable as demand and house prices are lower and the cost tend to be closer to the market average (Munro, 2007: 159). If shared ownership has become an increasingly large proportion of overall affordable housing provision and is developed in greater numbers in the South of England, there is a concern that other parts of the country in need of good quality affordable housing may be left with a hole in supply. The strong connection between shared ownership and housing markets is also reflected in the sorts of properties that have been developed. Whilst there has been an increasing number of smaller flats and maisonettes constructed across England since the mid 2000s, there are a greater number of larger, family dwellings in the Midlands and North. This reflects the higher house prices in London and the South East where lower-density developments are less viable, both for developers and purchasers. This has implications for the supply of larger family homes, particularly in London, as well as the long-term suitability of units for households changing needs (Cho and Whitehead, 2006, 2010; Clarke, 2008).

The impact of the fortunes of the broader economy on the supply of shared ownership housing was starkly illustrated following the financial crisis in 2008. A number of studies found that development and sales were impeded, with marked regional differences (Burgess, 2009, 2010; Burgess, Grant and Whitehead, 2009). The North West and West Midlands saw the largest slowdown in sales, whilst the East of England and the London commuter belt remained strong (Burgess, Grant and Whitehead, 2009). The picture also varied in the Capital, as flats were harder to sell and very local scale characteristics affected sales (ibid). In areas where shared ownership units remained empty, a number of housing associations converted units to social or intermediate rented units. New government-backed shared equity loan schemes for private sector dwellings also introduced a level of competition in the market, with house builders offering larger incentives to a broader group of purchasers (Burgess, 2010: 253). The development of shared ownership housing through the planning system was also impeded, as rising land values and demand on which s106 agreements were predicated declined (Morrison and Burgess, 2014).

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2 Section 106 of the Town and Country Planning Act 1990 enabled planning authorities to negotiate an agreement with developers for contributions to services or infrastructure including affordable housing provision, in order to mitigate against the impact of a development (Planning advisory service, 2015).

Whilst the market picked up quite rapidly in London, in other parts of the country the housing market remained depressed. As a result development activity continued to be focused in the Capital (ibid).

Providing "affordable" homes

House price rises, stagnating incomes and a lack of mortgage availability across England have also affected the affordability of shared ownership housing. Although low percentage shares of between 25 and 75 per cent are available for purchasers of shared ownership, this does not necessarily mean that the tenure is "affordable" for target households. In particular, despite the fact that social tenants remain the top of priority lists for eligible households very few have benefited from the scheme (Clarke *et al.* 2008). This has implications for a key policy aim of shared ownership - to free up rented units in the social sector for those in greatest need and rehouse households in units that require shallower subsidy levels. This is reflected in the shifting profile of purchasers over the last decade, with an increasing number of higher income households receiving assistance (Burgess, 2010). Whilst the incomes of purchasers have been shown to be lower than average compared to other first time buyers (Clarke, 2010), in London and the South East they still require relatively high incomes (Cho and Whitehead, 2010).

Problems of affordability continued in the context of economic downturn as borrowing restrictions tightened and households needed large deposits to secure a mortgage (Burgess, 2009). Although affecting the whole housing market these conditions were felt more acutely in shared ownership housing due to risk aversion amongst lenders (ibid). As Burgess (2010) argues 'conservatism especially affected shared ownership' as the products were considered 'very complex' and buyers were seen as 'sub-prime' and 'more risky by lenders' (p51). The purchase of units by those on higher incomes questions the underlying policy aims of the schemes to provide quality, secure part-owned housing to "squeezed" low-to-middle income families. Further, in an era where public subsidy for housing is depleted some question whether the syphoning of funds to households who are neither on particularly low incomes, nor in housing need is the best or most equitable use of public resources (Burgess, 2009).

Extending "home" ownership

The small scale, uneven geography and changing profile of households point to the limits of shared ownership in meeting government and households aspirations to extend home ownership. Research focusing on mobility within and out of the sector, also challenges the view of shared ownership as a "leg-up" or "stepping stone" to full ownership (Wallace, 2008; Clarke, 2010; McKee, 2010). These studies point to the barriers to purchasing additional shares, including the prohibitive administrative costs and complex bureaucracy involved in "staircasing". For existing shared ownership households the ability to staircase up and out of the sector is limited by individual circumstances, as well as fluctuations in the housing market and broader economy. In times of rapid house price inflation and depressed wages, the capacity of households to purchase further shares in their home is limited (Clarke, 2010: 195). Selling up and purchasing a property on the open market may also be unaffordable, even for those who have made equity gains on their share, unless households are prepared and able to move to substantially cheaper areas (Wallace, 2008). Unsurprisingly, evidence suggests that it is those households on lower incomes, with low percentage shares who find it most difficult to bridge the equity gap between part and full ownership (Wallace, 2008; McKee, 2010). If households are buying low shares and are unlikely to purchase more, there are also questions regarding the contribution shared ownership can make as part of asset-based welfare polices. Faced with this evidence scholars have questioned whether shared ownership should be considered as transitional at all but rather, as Wallace (2008) argues, a 'permanent hybrid tenure between ownership and renting' (p1).

There is clearly a tension in selling shared ownership as a form of "home-ownership" and its increasingly long-term nature. In a survey carried out by Clarke *et al.* (2008) some shared ownership households regarded themselves as owner occupiers, felt they had achieved something that 'society expected' and were 'proud to be (part) home owners' (p198). Others considered shared ownership as 'the next best option' to outright ownership and 'not an acceptable alternative over the long term' (Clarke, 2008: 4). According to McKee (2010) shared ownership households with aspirations to own outright but unable to do so felt 'trapped' rather than liberated by the tenure (p45). This was compounded for those who found that they did not have the autonomy they hoped to gain from entering a form of owner-occupied housing as a result of complex management relationships, restrictions on sub-letting and re-sales (ibid). As McKee (2010) argues 'despite low-cost home

ownership schemes being designed to encourage individuals to become 'responsible' homeowners who can enterprise their own lives, it would seem they are administered in a rather bureaucratic fashion, and may be more restrictive than a traditional social rented tenancy' (McKee, 2010: 46). As a result some shared ownership households may feel the tenure is the 'worst of both worlds' offering neither the 'security of social renting nor the freedom and independence of owner occupation' (Clarke *et al.* 2008: 10).

The limited research carried out to date into the tenure aspirations of shared ownership households points to the fact that for many the "dream of home ownership" is not their ultimate aim (Clarke, 2010). Households are instead motivated by the desire to access secure, good quality homes in a pleasant area and at an affordable price (ibid). For others it is 'push' rather than 'pull' factors that led them into the sector, including insecurity of tenure and high costs in private rented accommodation (Clarke *et al.* 2008: 4), a lack of supply of social rented homes (ibid), as well as neglect and underinvestment in existing social stock (McKee, 2010). In a regeneration context McKee (2010) found that many shared owners who had moved into the tenure from social rented accommodation rejected the negative labelling of their previous homes. Findings which chime with other studies highlighting residents' active resistance to the representation of their neighbourhoods as 'in decline' as well as the view of housing as a 'potential investment' and a symbol of social status as opposed to an 'end in itself shelter/dwelling space' (Allen, 2008: 84, 105; see also Lees, 2014).

Sharing the risks of owner occupation

Research considering the risk-sharing potential of shared ownership is scarce. As part-owners households are sheltered to some extent from house price falls and increases in the costs of borrowing (Bramley and Dunmore, 1996). However, this benefit may be limited if households are poorer and more heavily burdened with monthly outgoings than other first time buyers. Evidence suggests that shared ownership households on low incomes, and those with small percentage shares paying a large rent in addition to their mortgage do spend proportionally more of their incomes on housing costs in comparison with other first time buyers (Cho and Whitehead, 2010; Clarke, 2010). Long term affordability is also a concern, particularly for those who never staircase up to 100 per cent ownership but are responsible for repairs, maintenance and rent payments over the long term (Bramley and Dunmore, 1996; Burgess, 2010). Whilst this indicates that

affordability may be a problem for some, there is a lack of evidence regarding the frequency of arrears and repossessions or their impact on households. A study for the Joseph Rowntree Foundation found that in the late 1990s rates of arrears and repossessions were higher than amongst conventional purchasers (Martin, 2001). More recently McKee (2010) and Clarke (2010) found that whilst lower income shared ownership households managed to keep up with monthly payments, making ends meet was a considerable strain and source of anxiety. Wallace's (2008) study of mobility in and out of the sector also indicates that affordability may be a problem for households as a significant number move out of shared ownership into private rented rather than owner occupied accommodation. These limited findings raise questions regarding the extent to which housing associations are able to mitigate the risks of home ownership through the provision of shared ownership. Whilst housing associations have adopted 'flexible tenure' policies as a way to help households in financial difficulty to stay in their home (JRF, 2007; HCA, 2010), there is a lack of research focusing on how arrears are handled in practice, or the incidence and use of "downward staircasing[3]".

The role of housing associations as providers

This final point leads us on to consider the role that housing associations play as developers and managers of shared ownership housing. The 'dual' nature of shared ownership as 'the point at which sale and social housing mix' has long been recognised in the literature (Bramley and Dunmore, 1996: 123). As has the 'unique combination of development risk and long-term social commitment' needed to successfully deliver the tenure (ibid). Housing associations must at once respond to demand in the private market whilst also meeting their own and government objectives to provide affordable housing to those in need. On the one hand housing associations must take on significant risk as they develop speculative housing. They must have the skills and expertise to judge local demand, deliver successful marketing campaigns and sell units as quickly as possible. On the other they must perform eligibility and affordability checks and support customers with advice and guidance to help them through the purchase. After sale they remain part-owners of shared ownership properties and have an on-going relationship to customers as their landlords (Clarke, 2010). As Wallace (2008) argues as a result housing associations may be faced with a number of questions in providing a product that

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3 In difficult financial times housing associations may allow shared owners to 'staircase down' so they own a smaller share and pay a greater proportion of rent on the property (Homes and Communities Agency, 2010).

appears to have some confused aims. Is shared ownership private or social housing? If households are "sold" access to market housing should they be restricted in using and disposing of their property as they wish? Do housing associations have a continuing moral responsibility to households beyond their legal commitment? Given its long-term nature should shared ownership be "sold" as a form of home ownership at all? (p74-77). Whilst these tensions have been recognised in the literature, there is a dearth of research looking at how housing associations negotiate them in practice. In particular, attention needs to be drawn to the experiences of housing staff working on the front line of provision in different parts of the country where housing needs and markets are likely to differ in significant and interesting ways.

1.2. Contribution of the thesis

The purpose of this thesis is to build on the existing research by exploring more closely the ways in which shared ownership works as a housing type that straddles the traditional renting/ownership divide. Although designed as a "step up" to owner occupation, the existing body of research indicates that the tenure has become more permanent than transitional for many households (Wallace, 2008). For policy makers who remain preoccupied with extending 'home' ownership this may be seen as a serious failing of the scheme. This may also have implications for households who bought into shared ownership expecting to become full owners with all the responsibilities, freedoms and kudos attached (McKee, 2010). For others the permanent nature of shared ownership may not be so problematic (Clarke, 2008). Academics and housing practitioners have long recognised the potential role that a truly 'flexible tenure' could play in achieving sustainable housing markets (JRF, 2007; Monk and Whitehead, 2010). Indeed, the rationale behind the funding of this ESRC CASE PhD studentship was an interest in the role shared ownership could play in decoupling tenure from individual housing units by allowing households to move between renting and ownership to suit their circumstances. An arrangement that could enable a greater level of responsiveness to the changing needs of households across the life course. As well as tackling a host of housing related problems, not least the devastating personal and social impacts of loosing a home as a result of mortgage arrears and possession (Ford, Burrows and Nettleton, 2001). However, the limited research completed to date indicates that the dual nature of shared ownership as both social and market-based housing has led to a number of tensions. This is manifest in the close links between supply and the private market, the geographically uneven nature of provision,

concerns about short and long-term affordability, differing social perceptions of shared ownership, and questions regarding the competing demands placed on housing associations as both speculative developers and social landlords.

This thesis explores these tensions by addressing the following research questions:

1. How are the apparent tensions in meeting social housing needs with a market based product negotiated in practice by housing associations?

2. How do shared owners and others perceive and rework normative views of housing tenure?

3. To what extent are housing associations and households able to manage the risks associated with owner occupation through shared ownership?

In order to answer these questions the research illuminates the experiences and perspectives of those who operate at the 'sharp end of [shared ownership] policies' (Pain, 2006: 655). In particular the housing staff who manage the development, sales and on-going management of the tenure whose voices are currently not heard, as well as those households who have purchased an equity stake in a shared ownership home. In order to understand the rich detail of the everyday reality of living with and managing shared ownership, the research locates these actors within the context of the particular neighbourhoods in which they live and work: local contexts which are in turn placed within two contrasting geographic regions of England; Cumbria and London. Whilst previous studies show marked regional differences in the provision and viability of shared ownership housing, they have tended to highlight general trends based on statistical analysis of house price data, sales or quantitative surveys (Munro, 2007; Cho and Whitehead, 2006, 2010; Clarke *et al.* 2008). This study offers a different approach by taking a comparative view based on in-depth case study analysis rooted in interviews and participant observation. As such the research situates the study of shared ownership within varying social, economic and political contexts drawing out differences not just at the regional level but also at the fine grain of the neighbourhood.

1.3. Thesis structure

Chapter two explores the material and ideological conditions that saw England turn from a country of renters in the private and later council-owned sector to a 'nation of home owners' (Saunders, 1990). The chapter is split into 5 sections. The first analyses the impact of industrial urbanization on the condition of working-class dwellings and the wider health of the Victorian city. The second explores the emergence of a two tier housing system in the inter-war years as a result of a decline in private landlordism and an increase in housing provided by local authorities for rent and by private developers for sale. The third explores the role housing played as part of the formation of the welfare state following the Second World War. The fourth considers the ways in which housing took on a central material and ideological role in the context of neoliberal reforms to the welfare state after 1979. The fifth explores the implications of England's transition to a 'home-ownership society' (Ronald, 2008). In particular, the problems that emerged towards the end of the 20th and beginning of the 21st century, as housing and people's everyday welfare came to be ever closely tied to the fortunes of national and international markets.

Chapter three takes a closer view of the emergence of low cost home ownership (LCHO) schemes towards the end of the 20th century. The chapter is split into four historic sections. The first reviews the early precedents for national LCHO schemes, which were developed by local authorities and third-sector housing bodies during the 1970s. The second considers how LCHO schemes were central to the Conservative Government's privatisation agendas during the 1980s and early 1990s. The third explores how LCHO schemes were reoriented during the late 1990s by the New Labour Government as a way to address emerging problems of affordability and access to home ownership. In a planning and regeneration context LCHO were used to address the effects of the 'residualisation' of social housing through the 'mixed communities' agenda (Cole and Goodchild, 2001). Finally the section considers the way in which LCHO schemes, and shared ownership in particular, were seen to have a role in cushioning lower income households from the risks of home ownership. The final section brings the discussion up to date by focusing on the ways in which LCHO schemes have been used to address problems in the housing market and broader economy following the global financial crisis in 2008.

Chapter four sets out the methodology and epistemological foundations for the study of shared ownership. The first section sets out the research questions and explores the methodological approach taken to answer them. The section explores the case-study method, and the rationale behind the adoption of qualitative research methods included; in-depth interviews and participant observation. The section moves on to discuss the implications of the way the project has been funded through a CASE studentship that aims to link up academia with non-academic industry partners. The second section sets out the approach taken to case selection and introduces the two case study areas, as well as individual housing developments in which primary data collection was undertaken. Section three discusses some of the difficulties encountered in accessing the field, ethical considerations, and the approach taken to the analysis of the large quantity of qualitative data produced. The chapter concludes with some reflections on the research process.

Chapter five draws on the experience and perspectives of front-line housing staff who are responsible for the development, sale and ongoing management of shared ownership in London and Cumbria. The chapter is split into two main sections. The first explores some of the difficulties that arise from attempting to meet locally defined housing needs with a product so closely tied to the private market. It also discusses the implications of the restrictions placed on shared ownership, designed to temper market forces, have on the ability of housing staff to sell the product effectively. The chapter moves on to consider the approach taken to the management of shared ownership post-sales, and whether an operational environment that emphasises the need to develop and sell shared ownership units, is consistent with the provision of an effective post-sales service. In particular, it focuses on the challenges and at times conflicts that arise from managing a tenure that does not fit into existing social rented management structures, and cannot be approached in the same way as conventional owner occupied dwellings.

Chapter six explores the ways in which public and private discourses surrounding shared ownership have come to rework normative views of housing tenure. The chapter is split into three sections. The first considers the extent to which policy and marketing material have presented shared ownership as a form of 'home' ownership, with all the taken for granted benefits attached (Gurney, 1999a). The second section moves on to explore the ways in which shared owners perceive their homes and the extent to which the reality of part ownership has lived up to their expectations. In particular the impact of restrictions placed on shared owners as

owner/tenants, as well as the effect of wider changes in the economy which have made 'moving on' to full ownership an unlikely possibility are examined. The chapter ends with a discussion of the ways that some households reject the norms that have come to valorise home ownership and stigmatise rented housing, as well as the predominant view of housing as an asset and investment rather than just a place to live (Allen, 2008).

Chapter seven explores the extent to which households and housing staff have been able to manage the risks of marginal ownership with shared ownership. The structure of the chapter falls into three sections. The first section illustrates the ways in which households have used shared ownership as a way to hedge against turbulent housing and labour markets. The second draws out the risks of shared ownership that stem from its precarious legal status, and the restrictions placed on the tenure which make it difficult for households to manage periods of financial insecurity. The third explores the extent to which housing associations are able to help households if they encounter financial difficulties. In particular, the viability of downward staircasing is examined, a mechanisms that potentially de-couples housing tenure from individual units and offers a means to prevent the devastating effects of loosing a home through repossession.

The concluding chapter revisits the research questions in light of the existing scholarship, historical and empirical material explored through the thesis. The chapter is split into three main sections. The first revisits Chapters two and three, and draws out three historical themes that have shaped and continue to influence the development of shared ownership schemes in England. The second explores each of the research questions in turn, and reflects upon them with reference to the empirical findings presented in Chapters five, six and seven. The chapter moves on to explore the policy implications of the thesis, and to suggest avenues for further research.

2. The rise of owner occupation in Britain

2.1 Introduction

The aim of this chapter is to develop an understanding of the conditions that formed the backdrop for the emergence of low cost home ownership schemes including shared ownership during the later half of the twentieth century. In particular, the chapter explores the social, economic and political changes that saw England turn from a country of renters in the private and later public sector, to 'a nation of home owners' (Saunders, 1990) as illustrated in Figure 2.1 below. The chapter questions the simplistic view of tenure change in the UK as exemplified in the work of Peter Saunders (1990), which sees the extension of owner occupation as a 'natural' or inevitable process that 'nobody planned' (ibid: 13), and the accompanying assumptions that home ownership is an inherently superior tenure compared to rented housing (King, 2006). Instead, the chapter takes a more nuanced view by recognising the impact of policy decisions and wider structural factors on the ways that different housing tenures have been used and perceived in an English context.

The following discussion is not an comprehensive history of housing over the last century, but rather an exploration of key moments of change and strands of continuity that have influenced housing policy and practice, as identified in the housing studies literature (Malpass, 1999). This approach is influenced by a historical institutionalist perspective, as advocated by Lowe (2004), in recognition that "history matters" (p4). It is difficult, if not impossible, to explain the emergence of shared ownership schemes without reference to previous housing policies and practice. By its very nature housing is 'fixed and durable' and all current housing stock consists of properties that were built in the past, representing an 'accumulation' of previous building programmes (ibid: 21). Housing policy is 'path dependent' in that it is closely related to past policies and discourses which
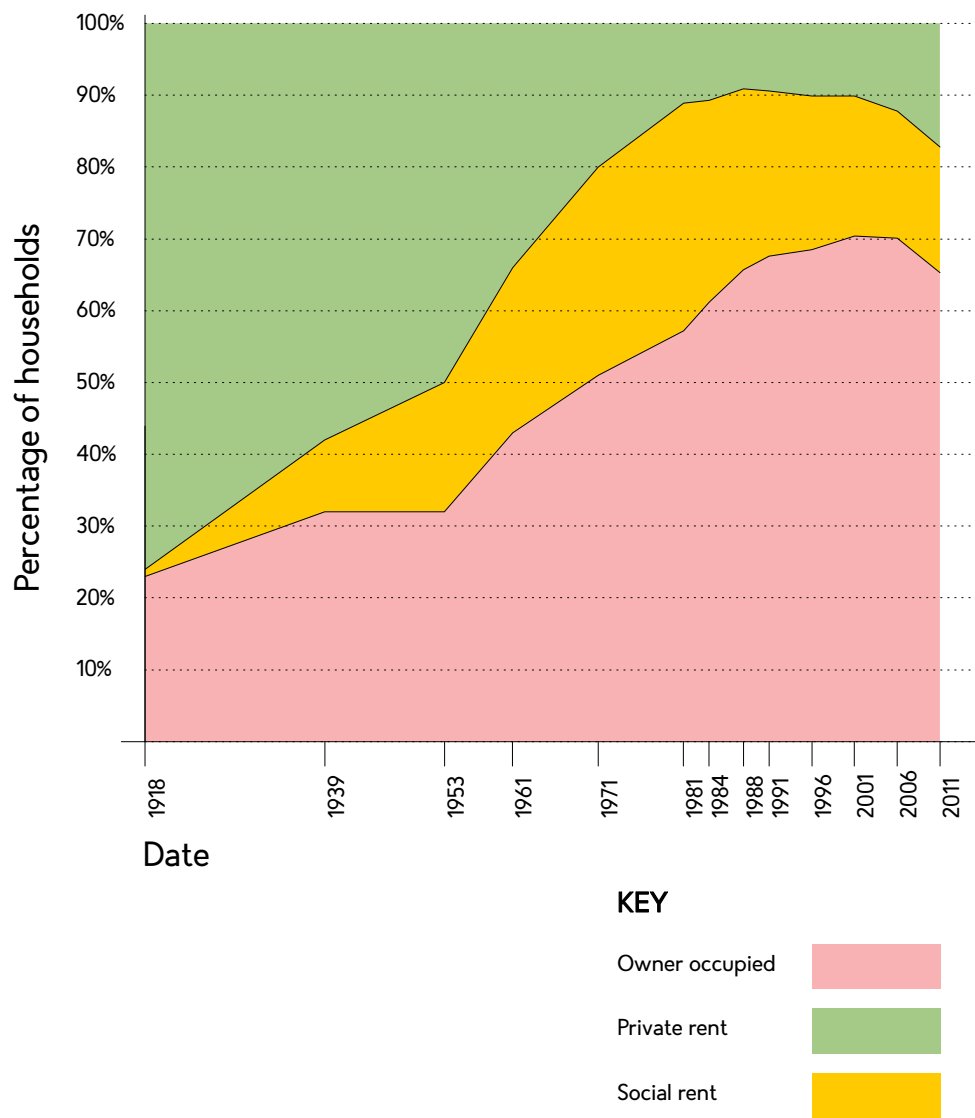
Figure 2.1

Tenure change in England and Wales; 1980 to 2011

Source: DCLG (2014c)

inevitably impact upon its shape and purpose (Kay, 2005: 558).[1] Policies that are concerned with the improvement or demolition of housing clearly illustrate this point, as do assessments of housing need which refer to the location, type and condition of existing stock (Lowe, 2004). From this perspective housing policy decisions are 'built from within an existing set of constraints and alignments of social forces' which are historically contingent (ibid: 159). [2] Whilst housing reforms do happen and 'critical junctures'[3] can be identified that mark important turning points in housing policy in periods of economic and political upheaval, change is understood to be contained within the context of existing and dominant material and ideological realities (ibid).

This chapter is structured around five 'critical junctures' that led to important changes in the ownership and perception of housing in England. The first section traces the roots of modern housing policy back to nineteenth century industrial urbanisation. The second section looks at the impact of the First World War on housing conditions and supply. The third examines the conditions that led to the emergence of mass local authority housing construction in the post-war period. The fourth considers the economic and political changes that saw the dismantling of local authority housing, and the accompanying growth of owner occupation from the 1980s onwards. The section goes on to explore some of the consequences of these policies during the 1980s and 90s, including the negative effects associated with the residualisation of social housing and the risks of low-income home ownership. The fifth section discusses the continuities in housing policies pursued by the New Labour Government, including the continued promotion of home ownership in the context of rising house prices, affordability constraints and a decline in overall levels of owner occupation rates. The section concludes with a discussion of the housing policy response implemented by the New Labour and then the Conservative-Liberal Democrat Coalition government following the global economic recession in 2008 which exposed the close ties between individual housing welfare and the fortunes of international markets.

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1. The concept of path dependency is defined as 'the constraints placed on current and future states, actions or decisions as a result of previous states, actions or decisions' (Page, 2006: 88). The concept has been usefully employed to offer insights into how policy decisions 'accumulate over time', and come to restrict the options available for future policy-makers (Kay, 2005: 558).
2. As Pierson (2011) argues, this approach provides an 'important caution against a too easy conclusion of the inevitability, "naturalness," or functionality of observed outcomes (p30).

3. The concept of critical junctures refers to periods of flux or disturbance which interrupt relatively long periods of path dependent stability. Political actors are understood to have more freedom to make a different range of choices during these periods. The decisions made are also likely to 'trigger a path-dependent process that constrain future choices' (Capoccia and Kelemen, 2007: 347-348).

2.2 Pre-war housing

Industrial urbanisation and slum dwellings

> *'Every great city has one or more slums, where the working-class is crowded together … [in] the worst houses in the worst quarters of towns … the streets are generally unpaved, rough, dirty, filled with vegetable and animal refuse, without sewers or gutters, but supplied with foul, stagnant pools instead. Moreover, ventilation is impeded by the bad, confused method of building the quarters, and since many human beings here live crowded into a small space, the atmosphere that prevails in these working-men's quarters may readily be imagined.'*
>
> (Engels, 1892)

The roots of modern housing policy are conventionally traced back to the early interventions introduced in the context of industrial urbanisation in the eighteenth and nineteenth century. In the wake of the industrial revolution England's towns and cities were transformed dramatically, as were the lives of the working classes (Hobsbawm, 1999). Households that had previously earned their living producing goods for a relatively local market in cottage-based industries or as agricultural labourers with subsidised wages came under increasing strain (ibid). The impact of mechanical inventions which enabled the production of far greater quantities of raw materials and goods, combined with the 'crushing power of competition' as a result of colonial expansion, put considerable downward pressure on wages (Engels, 1892). The impact of these broader economic changes became more acute in the context of The Poor Law Amendment Act 1834 which abolished subsidies drawn from local rates for agricultural workers, withdrew outdoor relief and introduced harsher conditions in the workhouses (Chadwick and Nassau, 1834). In the face of destitution, thousands migrated en mass to the country's burgeoning urban centres in search of work. This was during a period when the population of England doubled from 9 million to over 18 million between 1801 and 1850 (Lowe, 2004: 161), with urbanisation advancing rapidly after 1850 (Hobsbawm, 1975). In the North West, Manchester ballooned from a city of 339,483 in 1851 to 516,868 by 1881, whilst London's population expanded from 2,286,609 to 4,709,960 (University of Portsmouth, 2009a, 2009b).

In the face of competition for jobs and dwellings the poorest and least skilled working class households had little choice but to live in poor quality and unsanitary slum conditions. Earnings were low and rents were high resulting in households paying as much as half of their income on rent and subletting to cover costs which added to problems of overcrowding, poor sanitation and disease (Wise, 2009: 10). At the same time landowners were able to yield profitable returns from their investment in existing dilapidated stock, as well as densely packed, poorly planned and shoddily constructed new housing built for the highest return (Merret, 1979). The use of cellars as dwellings, the construction of back to back houses and tenements blocks were all 'devices of design' to increase population densities in high demand areas (ibid: 4-5). Contagious diseases including measles, whooping cough and tuberculosis were rife and mortality rates high as a result of the poor quality environment, overcrowding and a lack of sanitation. In 1842 the average age of death in Liverpool for the labouring classes living in the worst housing was just 15 (Hole, 1866: 17). In the Old Nichol, London's most notorious slum, the mortality rate was 40 per every 100 people in the late 1880s, one third of which were infant deaths (Wise, 2009: 9).

In the Victorian consciousness slums were associated not just with congestion, pollution and disease but also moral failure, crime and depravity.[4] As one contemporary account put it:

> *'seething in the very centre of our great cities, concealed by the thinnest crust of civilisation and decency is a vast mass of moral corruption, of heart-breaking misery and absolute godlessness.'*
>
> (Mearns, 1883: 2)

Whilst many recognised a link between 'filth and fever' and 'filth and vice,' there was a lack of agreement as to whether poor conditions were caused by the actions and behaviour of slum dwellers, or if they were the result of wider factors outside

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4. In the context of colonial expansion and exploration, slums were often described in exotic, sensationalist and orientalist terms (Angotti, 2013: 26). Just as in the oppressive 'wooded wilderness' of the tropics 'where in the dark, dank air' human beings 'dwarfed into pygmies and brutalised into cannibals', 'the stony streets of London' would 'tell of tragedies as awful, of ruin as complete [and] of ravishments as horrible' (Booth, 1890).

of their control (Hole, 1866: 2). Underlying this debate was a long-standing concern to distinguish between the 'deserving' and the 'undeserving' poor (Welshman, 2006: 4). Whilst it was justifiable to help those who had fallen on hard times through no fault of their own, the "lazy and feckless" were believed to be best left to their own devices, or subject to coercive policies (ibid: 2). This view was supported by an entrenched belief that the poor should be self-sufficient and that poor relief would only result in 'idleness, ignorance' and 'sluggish sensual indolence' (Chadwick and Nassau, 1834).[5] In line with the general assumptions of *laissez-faire* ideology which pervaded at the time, individual 'self-help' rather than state intervention was seen to be the solution to social ills;

> *'Whatever is done for men or classes, to a certain extent takes away the stimulus and necessity of doing for themselves; and where men are subjected to over-guidance and over-government, the inevitable tendency is to render them comparatively helpless.'*

(Smiles, 1859)

Despite declining conditions in the private rented sector, and calls for reform from some quarters (see Hole, 1866; Godwin, 1864), interference in housing through extensive regulation or direct public subsidies continued to be opposed on ideological grounds. It was generally accepted that the poor should be housed by private enterprise, that builders and investors should make a profit, and that as a result 'economies must be made in housing standards' (Tarn, 1973: 44). As Glynn (2009) argues 'it was not believed to be right or necessary to intervene in the housing market' and it was 'not thought to be the role of government to unbalance the relationship between landlord and tenant' (p.10).

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5. The reforms introduced following the Poor Law Commissioner's report of 1834, sought to ensure that the conditions of 'paupers' were worse than the lowest paid labourers to prevent lazy-ness and corruption (Chadwick and Nassau, 1834).

The role of philanthropic housing trusts

While for the vast majority housing provision was left to the market, in the middle of the nineteenth century a small number of pioneering charitable housing trusts and model dwelling companies worked to moderate market forces and improve housing conditions. Paternalistic industrialists and wealthy philanthropists sought to illustrate that a positive, if modest, rate of return could be achieved for investors in well-built and closely managed working-class housing (White, 1997: 9-10). The '5 per cent philanthropists' intended to show that if investors were prepared to accept a lower rate of return, and maintain their dwelling stock to a high standard, the housing problem could be alleviated without state involvement[6] (Malpass, 2005: 35).

Providing better housing was not just about addressing the material needs of working class households, but also their moral condition. Housing trusts sought to closely manage, and 'improve' their tenants to ensure that high standards of sobriety and cleanliness were maintained (Tarn, 1973: 53):

> *'The spiritual elevation of a large class depend(s) to a considerable extent on sanitary reform … but … sanitary improvement itself depend(s) upon educational work … they must be urged to rouse themselves from the lethargy and indolent habits into which they have fallen, and freed from all that hinders them from doing so.'* [7]

(Hill, 1875: 14)

However, housing organisations did not focus on an undifferentiated working-class but rather on the 'labour aristocracy' of skilled workers and artisans (Merret, 1979: 16)[8]. The poorest households were intentionally excluded from improved housing conditions as rents were higher than they could afford. Their omission was justified on the grounds that working class housing must return a modest-profit, that efforts

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6. Many housing reformers, including Octavia Hill, Lord Shaftsbury and Sir Richard Cross, objected to any state involvement in the housing sphere, arguing that intervention would discourage private enterprise and pauperise the working classes (Cowan and McDermont, 2006: 34).

[7] Octavia Hill, with her focus on housing management, was a great proponent of this point of view. Indeed she criticised the work of other housing trusts who tended to focus on material improvements and reconstructions, rather than close management and moral reform through a focus on 'social work' (Clapham, 1997: 30).

[8] Even Octavia Hill, who housed the unskilled labouring classes including 'costermongers and small hawkers', excluded the 'criminal and outcast poor' (Wohl, 1971: 110).

were best placed with the 'respectable' working class, and by a belief that housing improvements would 'filter down' to the poorest households - 'we have … tried to build for the best class, and by lifting them up to leave more room for the second and third who are below them' (Waterlow, 1884 cited in Wohl 2002: 150).

Early public health legislation

As the negative effects of industrial urbanisation became more acute, the threat of disease and poor sanitation became a public concern. In this context, policies aiming to address health and housing became intertwined (Merret, 1979: 7). In 1848, following a widespread outbreak of cholera, local health boards were empowered to ensure that basic sanitary standards were met through municipalised water supply and sewerage (Lund, 2011: 46). In the late 1860s the Torrens Act gave local authorities powers to demolish or repair individual slum dwellings if intervention could be justified by broader public health concerns. The Cross Act of 1875 built on this earlier legislation by allowing local authorities to purchase and clear 'unhealthy areas' (White, 1997: 13). In order to placate private interests, generous compensation was given to landlords for the loss of dwellings, whatever their condition. Although local authorities were permitted to carry out limited reconstruction work, priority was given to housing associations who were sold cleared sites for redevelopment[9] (Holmans, 1987: 29).

Despite slum clearances and reconstruction by housing associations, conditions did not improve for the poorest households. In fact their problems were exacerbated as a result of 'search and destroy tactics' which sought to clear away, rather than solve, the problems of slum housing (Merret, 1979: 12). Not only were the poorest excluded from better-quality dwellings, but the number of houses constructed did not exceed the number of houses that were demolished.[10] As a result overcrowding worsened, demand outstripped supply and rents increased. These pressures intensified in the face of competition for commercial land and the impact of

9. As White (1997) argues, housing associations became, for the first time, the main 'executors of state policy,' building nearly 10,000 dwellings on Cross Act slum clearance sites between 1878-1890 (p13).

10. It is estimated that in London alone 100,000 people were evicted from their dwelling and not rehoused in the fifty years to 1880 (Malpass, 2005: 37). Although housing trusts built on land that had been sites of demolished slums, new tenants tended to be more affluent than those who had been evicted (Wohl, 1971: 112).

clearances to make way for the expanding railway network (ibid). A sense of 'moral panic'[11] emerged in fear that deteriorating conditions would not only result in the spread of disease, but also vice, crime and political unrest[12] (Malpass, 1999: 45). A concern was also expressed that the respectable working class would be 'demoralised' as a result of their proximity to the poorest criminal classes (Ravetz, 2001: 24), and through the loss of contact with middle class households as they retreated from the inner city (Hole, 1866).

It was in this context that Lord Salisbury established the Royal Commission on Housing of the Working Classes in 1884. Evidence presented to the Commission undermined the theory that slums were the sole creation of slum dwellers,[13] and questioned the extent to which charitable organisations could ease the housing crisis with *laissez faire* responses alone (Lowe, 2004: 163; Merret, 1974). Whilst recognising that a 'great improvement' had been made in housing conditions, the Commission's report pointed to the 'public scandal' of overcrowding particularly in London, and the failures of existing public health legislation which had been designed 'to meet these evils'[14] (Royal Commission on Housing of the Working Class, 1885: 4). Although the Commissioners expressed different views regarding the extent of state involvement, they were on the whole in agreement that some local authority intervention was required to address the worst housing conditions

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11. This sense of moral panic can clearly be seen in the language used by commentators from the time. Mearns' influential 1883 pamphlet *The bitter cry of outcast London*, describes the 'wretched' and 'miserable', 'immoral' and 'corrupt' lives of the poor as a 'terrible' and 'rising' flood, 'gaining upon us … every day' (p2).

12. It is important to recognise the assertion of the organised labour movement during this time, with the formation of the Fabian Society and Social Democratic Federation in the mid 1880s, and the call for the election of working class representation in local and central government (Merret, 1979: 25).

13. The report addressed this question head on, asking 'are the dirty and drinking habits of a portion of the very poor … the cause or the consequence of the miserable circumstances in which they are found?' (Royal Commission on Housing of the Working Class, 1885: 14). Although witnesses disagreed with the answer to this question, the report clearly identified factors outside of individual control to explain poor material and moral conditions including high rents and low earnings, poorly constructed 'jerry' housing, and high levels of housing demand (p10-19).

14. The Sanitary Act of 1866, the Public Health Act of 1875, the Torrens Act, 1863 and the Cross Act, 1882 gave local authorities powers to inspect and force improvement of unsanitary dwellings (Royal Commission on Housing of the Working Class, 1885). The Commission found evidence of 'laxity' on the part of local authorities due to a conflict of interest amongst vestry and district board members who, as landlords, benefited from the status quo; and due to the complex administration of existing powers (ibid: 22-31).

(Cowan and McDermont 2006)[15]. Following the Commission's report, the Housing of the Working Class Act of 1885 and 1890 consolidated and clarified existing legislation, giving local authorities new powers to demolish and build housing for working class households (Wilding, 1972: 3). Although the Act had a limited impact in numerical terms,[16] it is seen as a milestone in British housing policy and a key moment in which 'the collective became implicated to some degree … in the individual housing of the poor' (Cowan and McDermont, 2006: 34).

2.3 The interwar years

Homes for heroes

> *'What is our task? To make Britain a fit country for heroes to live in. I am not using the word 'heroes' in any spirit of boastfulness, but in a spirit of humble recognition of the fact. I cannot think what these men have gone through. I have been there at the door of the furnace and witnessed it, but that is not being in it, and I saw them march into the furnace. There are millions of men who will come back. Let us make this a land fit for such men to live in.'*
>
> (Lloyd George, 1918 cited in MacArthur, 2002)

Although a number of legislative changes had been introduced before the war giving local authorities limited powers to address housing problems, it was not until the first world war that conditions transposed to take state intervention into the housing market further (Glynn, 2009). During the war major rent strikes had broken out in response to landlord exploitation of housing demand in urban areas (Damer, 1997). As a result, in 1915 the Increase of Rent and Mortgage Interest (War Restrictions) Act was introduced to limit rents and mortgage payments to

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15. An appreciation of changes to local government during this period is relevant to this discussion. Prior to the Poor Law Amendment Act of 1834 which joined parishes into larger administrative units to provide poor relief, and the Muncipal Corporations Act of 1835 which established local governments elected by ratepayers in 178 towns, there had been no overarching structure of local government in place in England (Moylan, 2011: 341). Instead parish vestries, magistrates and municipal corporations provided a 'patchwork of overlapping jurisdictions and services' (ibid). Greater coordination was needed in order to provide basic services to support urban expansion. In 1888 the Local Government Act established sixty-one county boroughs and forty-nine administrative counties across England (ibid). The Local Government Act of 1894 created urban and rural district councils to replace sanitary authorities and parish councils. Education and poor relief remained in the hands of un-elected authorities (ibid).

16. Between 1890 and 1914 only 20,000 dwellings were built as a result of the Act (Lund, 2011: 44-47).

their August 1914 levels (Lowe, 2011). The fear of civil unrest continued in the post-war period as housing conditions worsened due to low levels of production during the war, combined with a rapid increase in new households formations (ibid: 55). Housing came to be recognised as a key issue for working class voters and potentially a spark for 'Bolshevick Revolution' (Merret, 1979: 32). As Ravetz (2011) argues, the government were 'seriously alarmed by the possible consequences of several million highly trained and disaffected servicemen and conscripted industrial workers being let loose when, for the first time in history, rioters would be 'better trained than the troops' (p76). In this context, on the day after Armistice, Prime Minister David Lloyd George promised to provide "homes fit for heroes" to counter the fears of returning soldiers that having 'gone out to fight for "Home and Country" they would have 'no home worthy of that name and but little for which to thank their country' (Reiss,1918 cited in Hall, 2014: 70).

Local authorities as providers of housing

Measures introduced as part of the 1919 Addison Act included plans to deliver 500,000 dwellings to respond to the immediate housing crisis. The Act provided Exchequer subsidies for the first time and imposed a duty on local authorities to survey their districts, make and carry-out plans to meet local housing needs (Bowley, 1945). Quality was emphasised and dwellings constructed had to conform to minimum standards of size, density and amenities (Wilding, 1973). Whilst the scale of the programme was unprecedented, in common with pre-war housing policy, the intervention was seen as a temporary measure. The government expected that private housing developers would take over the supply of rental housing once conditions improved after the immediate post-war period (Lowe, 2004: 168). The Housing Act had been designed to encourage the private sector to build, but due to high costs and a lack of skilled workers the industry was unable to implement the programme (ibid: 59). In 1921 after only 17,000 houses were built, construction was aborted due to escalating costs and low production (ibid). Despite the fact that initial targets were not met, the Addison Act is recognised as a key turning point in terms of attitudes and approach to housing policy (Wilding, 1973: 333). The Act marked a 'decisive expansion in public responsibility for meeting housing need', enabling local authorities to secure themselves a central and permanent role in 'this new area of housing policy' (ibid: 332).

The Labour Governments 1924 Wheatley Act built on this earlier legislation, reversing the restrictions imposed by the Conservative Government's 1923 Housing Act[17], and reinstating local authorities as part of the 'machinery for providing working-class housing' (Bowley, 1945: 40). Unlike previous legislation the subsidy provided under the Act was not time limited (Holmans, 1987). Priority was given to local authorities rather than private enterprise, but the house building industry was kept on side through a "gentleman's agreement" with the building trade unions that guaranteed a large and long term programme of construction (Bowley, 1945: 41). Despite the fall of the Labour government in the same year the new Conservative government did not repeal the 1924 Act on pragmatic grounds, it was left in effect in order to deal with housing shortages in the context of a continued lack of investment in the private rented sector (Holmans, 1987). In numerical terms the 1924 Act was 'the most important of all the subsidies in the inter-war years' and out of a total of 1,112,000 local authority houses constructed, 505,000 were built with the subsidy (ibid: 309). However, local authority housing was still seen as a residual tenure. By the early 1930s subsidies had been reduced considerably and local authorities were urged to provide smaller houses that could be let at low rents in order to meet 'urgent needs' (ibid). In 1933 the subsidy provided under the Act was terminated altogether in favour of a renewed slum clearance programme (ibid: 309).

In 1930 housing policy shifted in emphasis towards slum clearance and the Housing Act of that year was the first national programme introduced to improve the conditions for the poorest households living in rapidly deteriorating houses, many of which had been built to low standards during the 1870s (Holmans, 1987). The new act required local authorities to define areas of slum housing and to provide five-year clearance plans. As a result of generous subsidy some 50,000 houses a year were built by local authorities between 1934/5 and 1938/39 (ibid: 311). Many were built in the form of 'peripheral satellites' of varying quality (Hall, 2014: 77). Some of which became regarded as 'repositories for the working class' - seen as urban, unionized, 'communist,' uncultured, and destructive' (ibid: 78). The Housing Act 1935 placed a duty on local authorities to provide housing to ease overcrowding and for the first time local authorities were encouraged to build flats in urban areas by providing more generous subsidies for their development as opposed to cottages

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17. The 1923 Housing Act continued to subsidise housing at reduced levels but directed subsidy to developers. Local authorities were only allowed to build houses if they could prove that it would be better if they did so, than if they left it to private enterprise (Bowley, 1945: 37).

(Holmans, 1987: 311)[18]. As Lund (2001) argues, the 1930 and 1935 Acts marked a shift in housing policy intervention which came to be confined to dealing with the worst housing conditions, 'leaving private enterprise to build new dwellings for home owners on suburban sites' (p50).

The rise of home-ownership

Between the wars owner occupation became a major tenure for the first time, growing from less than 10 per cent of households in 1914, to almost a third by 1938 (Ball, 1983: 23). This growth was the result of building booms in the 1920s and 1930s which saw over 2 million houses constructed in what was 'the most phenomenal, never again repeated, expansion of the housing stock' by private enterprise (Lowe, 2004: 173). Favourable wider economic conditions coincided with the development of extensive, suburban railway networks and a planning system that failed to keep up with the pace of development[19] (Hall, 2014). The growth of white-collar occupations offered secure salaries that enabled middle class households to consider home ownership for the first time (Holmans, 1987: 57). The availability of cheap agricultural land as a result of a depression in the countryside meant that even skilled manual workers were able to purchase a house[20] (Hall, 2014: 79). The rapid expansion of building societies was also a key factor and became the main source of finance for new homes built for owner occupation, as well as transfers from the private rented sector[21] (Boddy, 1997: 45). At the same time the state worked to encourage the growth of home ownership through the introduction of tax relief on mortgage interest, mortgage guarantees, direct mortgage provision from local authorities, and state subsidy to private developers to build houses for

18. Although only 24,000 flats were constructed, the Act was significant because it lay the ground for subsequent policies that would subsidise high rise developments during the 1960s and 1970s (Holmans, 1987).

19. In the 1920s a dearth of planners, combined with a lack of direction for local authorities from central Government, meant that a substantial number of cheap and poorly planned speculative suburban developments where constructed (Hall, 2014).

20. For many households the move from inner city terraces without bathrooms, to suburban homes with gardens away from the pollution and noise of the city represented a 'quantum leap' in their quality of life (Hall, 2014: 82).

21. Building society funds grew from £87 million in 1920 to £756 million by 1940. An average annual of 260,000 houses were built by private house builders, primarily for sale, over the period 1935-1939 (Boddy, 1997: 45).

sale (Merret, 1979: 43)[22]. For the first time, the development of owner occupied dwellings by speculative house builders came to be seen as a viable alternative to private rented homes (ibid).

In order to sell their houses, speculative house-builders made their developments intentionally distinct from local authority estates, offering a 'new and housing-related criterion of social class' (Revetz and Turkington, 1995: 21). Geographically, private housing was cut off from local authority developments in the 'segregated landscape of suburbia'[23] (Hall, 2014: 82). They were also aesthetically different, with features borrowed from past vernacular styles designed to express the individuality and status of the occupant (ibid, 2014: 82). Building society advertising focused on aspirational values, linking 'citizenship, domesticity, and a healthy, secure and prosperous future for one's family' (Scot, 2008: 14). Victorian domestic culture came to be 'reborn in the inter-war semi' based around the model family consisting of 'father out at work, mother tending the home and providing for her husband's comforts' (Ravetz, 2001: 179). Whilst before 1914 there had been no strong social kudos attached to owner occupation, and no particular stigma attached to renting, after the First World War home ownership came to be perceived as a superior tenure (Scott, 2008: 14). As Lowe (2001) argues by 1939 'the home-owning society was already a dominant force, forging not just a new housing revolution but, with an umbilical connection, also to the consumer society, a society that was put on hold with the outbreak of the second world war' (ibid: 75).

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22. This legislation built upon earlier laws from the 1880s (for example tax duty exemptions for building societies) that sought to encourage home ownership amongst working class households as a way to promote 'responsibility and thrift' (Cowan and McDermont 2006: 165). In the 1920s home ownership came to be recognised as an important counter-revolutionary force - 'every spade-full of manure dug, every fruit tree planted, converted a potential revolutionary into a citizen' (Chamberlain, 1920 cited in Feiling, 1946: 53).

23. The most notorious example of this was in the construction of the Cutteslowe Wall by a developer in North Oxford in 1934 to protect the value of houses build for sale by separating them from adjacent council dwellings (Ravetz, 2001).

2.4 Post-war reconstruction

Housing and the welfare state

> *'There is no need to spend words today in emphasising the urgency or the difficulty of the task that faces the British people and their Allies ... This does not alter three facts: that the purpose of victory is to live into a better world than the old world; that each individual citizen is more likely to concentrate upon his war effort if he feels that his Government will be ready in time with plans for that better world; that, if these plans are to be ready in time, they must be made now'*
>
> (Beveridge, 1942 cited in Leaper, 1991: 6)

In 1942 the wartime coalition government published the *Social Insurance and Allied Services* report, written by the economist Sir William Beveridge. The report reviewed existing schemes of social security, finding that provision was piecemeal, inconsistent and inadequate (Beveridge, 1942). Beveridge proposed a universal social insurance system[24] as a way to combat the 'five giant evils' in capitalist society: ignorance, want, idleness, disease and squalor (ibid: 6-7). In 1945 the Labour government was elected, demonstrating a shift to the left in public opinion. The experience of increased and successful state interventions in social policy during the war led to a consensus around the need for government action to combat societal problems (Malpass, 2005: 55). The subsequent restructuring of the state reflected new thinking across Europe and North America that 'both capitalism and communism in their raw forms had failed' and that 'the only way ahead was to construct the right blend of state, market, and democratic institutions to guarantee peace, inclusion, well-being and stability' (Harvey, 2005: 9-10). In the UK, the welfare state emerged with a focus on state intervention to ensure full employment, economic growth, and citizen welfare, based on Keynesian fiscal and monetary policies (ibid: 10-11).

Although housing 'squalor' was identified as one of the 'giant evils' to be eliminated in Beveridge's report, housing reforms were not planned out in the same way as changes to the provision of social security or health services (Marsland, 1991).

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24. A system that would, in return for individual contributions, guarantee benefits of up to subsistence levels without means testing as insurance against 'interruption and destruction of earning power and for special expenditure arising at birth, marriage or death' (Beveridge, 1942: 8).

However, in the context of even greater housing shortages than those experienced after the First World War, public housing took on new prominence under the Ministry of the Welsh Socialist, Aneurin Bevan. Domestic war-time bombings had destroyed 458,000 dwellings and badly damaged 250,000 across Britain's towns and cities (Lund 2001: 53). Fewer than 200,000 permanent dwellings were completed between mid-1939 and mid-1945, as a result of the diversion of materials and labour to the war effort (Holmans, 1987: 91). Household formation accelerated as a result of early marriages and an increasing number of widowers. Birth rates had also increased and by 1946 Britain's population had grown by over a million (Lowe, 2004: 176). As a result there was a deficit of approximately 2 million dwellings relative to households by the end of the war - the 'largest shortfall ever' (Holmans, 1987: 93).

The 1946 Housing Act formed the legislative basis for the post-war reconstruction programme. A flat-rate subsidy was provided for general needs housing at triple the rate offered in the 1930s. Preference was given to local authorities as opposed to housing associations on the grounds of greater efficiency and democratic accountability[25]. The construction industry continued to operate under restrictions imposed through the licence system during the war and only 20 per cent of new house building was allocated to house builders (Lowe 2004: 180). Between 1945 and 1951 completions were dominated by council dwellings as a matter of policy (Holmans 1987). Bevan also fought to ensure that the quality of houses constructed were high, arguing that 'while we shall be judged for a year or two by the number of houses … we shall be judged in ten years by the type of houses we build' (Bevan, 1946, cited in Beckett and Beckett 2004: 73). Bevan's vision was to build good quality council housing for people of different classes in communities where 'the doctor, the grocer, the butcher and … labourer all lived in the [same] street' (Hanley, 2012: 80). This is reflected in the removal of the statutory restriction of council housing to the 'working classes' in 1949 (English, 1997: 92); a move that can be seen, in contemporary parlance, as an endeavour to foster 'social mix' and the 'balanced community' (Cole and Goodchild, 2001: 353).

However, as Malpass (2003) argues the rhetoric of inclusiveness was a long way from the reality of housing policy implementation. Although the vision was to

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25. Housing associations continued to provide specialist housing, as well as taking on an important campaigning role as advocates for the needs of excluded groups including homeless people and new migrants (Mullins, 2010).

create rented housing for people from different walks of life, provision continued to be focused on working class households whose needs had not been met by the private market (ibid: 601). Unlike the other pillars of the welfare state, including health, education and social security, there was no radical overhaul in provision (ibid). No steps were taken to nationalise the construction industry for example, and although local authority housing was built in large numbers the approach relied on privately owned building firms to deliver production (ibid: 600). As Malpass (2003) argues 'although the Labour government recognised the social and political importance of housing, and although it built lots of good-quality and relatively affordable dwellings, it left housing as the least de-commodified and most market-determined of … welfare services' (p604). The 'shifting and ambiguous' status of housing as the 'wobbly pillar' of the welfare state set the context for the rapid erosion of council housing in subsequent decades (Harloe, 1995; Torgersen, 1987)[26].

The numbers game

The development of council housing after the second world war soon fell into the same mould as the post first world-war response - the housing problem was regarded as a quantity issue and the focus was on meeting immediate needs. Between 1945 and 1951 806,857 permanent local authority dwellings were built plus 160,000 prefabricated houses (Malpass, 2005: 67). Despite these large numbers they still fell below housing need. Continuing shortages of labour and materials, administrative complexity, the incapacity of some local authorities to deliver and the financial crisis in 1947 meant that the post-war Labour government struggled to keep up with demand (ibid: 68). When the Conservatives came to power in 1951, they committed to building 300,000 dwellings per year in order to meet this shortfall. Although optimistic about the capacity of the private sector to contribute, the Government recognised the need to quickly raise output through a renewed local authority building programme (Merret, 1979: 246). In 1952 the new Housing Minister, Harold Macmillan, increased subsidy levels and reduced standards in order

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26. Torgersen (1987) argues that housing is the 'odd man out' of welfare services because unlike pensions, schooling and health, it is not a legally enforceable right, does not have a clear set of standards attached, is not provided for immediately (for example, as a result of age or ill health), is not administered by a trained body of professionals or supplied by unified welfare state agencies (p116-117).

to beat Labour at the 'numbers game' and up completions of his 'People's Houses' (Glynn, 2009: 23). As a result local authority completions grew from 162, 584 units in 1951, to 229,305 units in 1953 (Merret, 1979: 239, 247).

Supporting the private market

Ideologically, though, the Conservative government was committed to applying free-market principles to housing. A number of measures were introduced to give 'greater freedom to private enterprise' in order that they play a 'steadily increasing part in building new houses' for rent and for sale (MHLG, 1953: 3). The 1957 Rent Act was introduced as a way to encourage improvement and investment in private rented properties which had not only seen a decline in numbers, but also quality, with a large proportion of older stock in need of urgent repair (Simmonds, 2002: 843-844). The Conservatives felt that rent controls were the main cause of the sectors decline, and so passed legislation that gave landlords greater freedom to set rents on high value properties and on lower value dwellings following a change of tenancy (ibid). However, decontrol did not result in renewed investment in the private rented sector, which continued to decline from more than a third, to a quarter of total stock between 1957 and 1961 (Kemp, 1997: 113)[27]. The poor reputation of private landlords, epitomised in the Rachman scandal, helped fuel a tide of popular, and political backlash against private landlordism. Its decline came to seen by some as unavoidable and even beneficial, to be replaced by a 'two tier system' of municipal provision and owner occupation (ibid: 113-115).

In the long term the Conservative Government was 'anxious to encourage the spread of house ownership' (MHLG, 1953: 4):

> *"One object of future housing policy will be to continue to promote, by all possible means, the building of new houses for owner-occupation. Of all forms of saving, this is one of the best. Of all forms of ownership this is one of the most satisfying to the individual and the most beneficial to the nation."*
>
> (MHLG, 1953: 4)

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27. This was partly the result of the demolition of private rented dwellings as part of slum clearances. Landlords also continued to sell their properties, often to existing tenants, and so exited the sector. According to Lowe (2011) between 1938 and 1975 2.6 million private rented dwellings transferred to owner occupation (p95).

Indeed, the creation of a 'nation-wide property owning democracy' (Eden, 1946 cited in Jackson 2012: 39), became an important ideology for the Conservatives during this time. The Conservatives saw the diffusion of property ownership amongst the working class electorate, as an 'ideological alternative to the collective ownership defended by Socialists' (Jackson, 2012: 37). Popular capitalism was seen as a way to convert unionised, working class voters into 'small-scale capitalists,' therefore diminishing the legitimacy of state interference in private property rights, and in the redistribution of economic resources (ibid: 47). Measures to expand home ownership included loans to building societies to encourage mortgage lending in 1950, the abolition of development charges and building control in 1953, the removal of stamp duty on properties less than £3000 in value in 1958, grants for purchasers of older properties to update and improve their dwellings in 1959 and in 1963 the abolition of Schedule A on owner occupied properties which taxed imputed investment income (Malpass, 2005: 89)[28]. As a result of these measures, as well as a increase in wages relative to house prices, the percentage of home owners increased from 32 per cent in 1953 to 42 per cent in 1961 (ONS, 2013a).

A residual role for council housing?

Although housing subsidies were reintroduced as part of the 1961 Housing Act, the Conservative government made it clear that council dwellings should be targeted at those who could 'neither afford to buy their own homes nor to pay economic rents' (MHLG, 1961: 3). General needs provision was seen to be the preserve of private enterprise which would in turn 'lighten the ever-growing burden of housing subsidies' (MHLG, 1953: 17). The introduction of 'realistic' rents was designed to encourage tenants who were 'able to make their own arrangements without need of subsidy' out of their council dwellings, in order to make them 'available to those who really need them' (MHLG, 1961: 3). During this period state intervention came to be directed at provision for vulnerable groups including older people, and the

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28. The active role the state played in shaping the rise of home ownership is often underplayed. This is partly due to the conceptual wedge drawn between the 'state' and the 'market' by economists who dismiss the impact of social structure or relations on production, distribution or consumption (Granovetter, 1985: 483). As Murie (1997) argues, it is clear that in housing the 'market' is fundamentally affected by state regulation, and that, as a result, it is misguided to contrast state and market allocative systems (p439).

poorest, overcrowded households through a renewed slum clearance programme. Local authorities were encouraged to rehouse displaced households by constructing lower quality dwellings using non-traditional construction methods (Merret, 1979). Cost effective system-building techniques and the modernist design and planning principles developed by Le Corbusier and the *Congres International d'Architecture Moderne* began to have an influence during this time (Dunleavy, 1981). Over the next two decades the large high-rise estates constructed on the edge of Britain's cities, became a crucial factor in the declining popularity and appeal of council housing (Ravetz, 2001)[29].

The election of the Labour party in 1964 did not mark a significant change in direction. Rather than returning to the immediate post-war response, the party came to accept that a balance of private and public housing was required. Although the government was committed to the construction of 250,000 council dwellings, they were to be directed at the 'poorest families' and expenditure was seen as a temporary measure (MHLG, 1965: 7):

> *'Once the country has overcome its huge social problem of slumdom and obsolescence, and met the need of the great cities for more houses let at moderate rents, the programme of subsidised council housing should decrease.'*
>
> (MHLG, 1965: 8)

The government also continued to pressure local authorities into constructing council houses using non-traditional methods, albeit to higher Parker Morris standards (Dunleavy, 1981). In the late 1960s this programme was wound back in the context of the economic crisis of 1967 and the devaluation of the pound (ibid). An appeal of assistance to the International Monetary Fund led to cuts in public spending which came into effect in 1968 (ibid). These circumstances marked an end to the policy emphasis on meeting quantitative housing targets which had characterised the debate in the post-war period (Malpass, 2005).

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29. The collapse of a large section of Ronan Point due to poor building standards in 1968, a tower block in Newham East London, only two months after its completion came to symbolise the decline of high rise council housing (Hay and Hay, 2012)

Although council housing had grown substantially in the post war period, accounting for just under a third of total housing stock by 1979, over the three decades after the Second World War governments 'progressively confirmed' the residual nature of the tenure which was increasingly reserved for 'those who could not afford to own their own home' (Glynn, 2009: 25). By the mid 1960s both the Conservative and Labour party came to regard the extension of owner occupation as inevitable, desirable and a 'symbol of social advance' (Lowe, 2011: 100). The fiscal advantages of owner occupation were enhanced, and measures were taken to expand demand. As Lowe (2011) argues 'this series of measures considerably enhanced the position of owner-occupiers, but caused imbalances in housing subsidies, which now favoured home-owners against public tenants and was generally regressive' (p.101). The cost of mortgage interest tax relief in the UK in 1968-69 was £195 million 'while the combined cost of Exchequer housing subsidy and rate fund contributions in England was little more than £140 million' (Malpass 2005: 96). Despite this the tax privileges to owner occupiers were not defined as subsidies, and housing reform came to focus on reducing expenditure in the social rented sector (Merret, 1975). The Housing Finance Act of 1972 hastened the decline of local authority housing, making receipt of rent conditional on a means test, and by encouraging better off households to move into home ownership by subsidising removal and legal costs (ibid). In these ways, as Malpass (2005) argues, '[p]olicy was not just supporting the market but was actively shaping it' by 'helping to shift demand from renting into owner occupation' (p100). The result of a steep decline in local authority output and an increase in positive discourses and indirect subsidies to owner occupation meant that by 1970 owner occupation had become a majority tenure, with strong electoral appeal (ibid).

2.5 Neoliberalism's home front[30]

> *'Spreading the ownership of property more widely is central to this Government's philosophy … A house is most people's biggest asset. It is a large investment, and it needs protection …. But a house is more than this. It is a symbol of security, and a stake in the future. People who own houses do so not just for themselves, but for their children. They do so as members of a responsible society - proud of the heritage derived from the past, glad to care for it, and eager to give the next generation a bit of capital to give them a start. I believe in home ownership because I believe in individual responsibility, and I believe that by our actions we can shape the future.'*
>
> <div align="right">(Thatcher, 1984 cited in Beland 2007: 94).</div>

Whilst significant steps had been taken to dismantle local authority general needs housing in favour of home ownership, the election of the Conservative party under the leadership of Margaret Thatcher in May 1979 accelerated these processes rapidly. Thatcher was influenced by neoliberalism - a political-economic theory advocating that human well-being and freedom can best be advanced by 'liberating individual entrepreneurial freedoms and skills' and that the role of the state should be limited to the creation and preservation of 'an institutional framework appropriate to such practices' including defence, military and legal institutions that 'secure private property rights' and guarantee the 'proper functioning of markets' (Harvey, 2005: 2). Neoliberal economists were strongly influenced by earlier, nineteenth century-theories of neo-classical free-market economics - ideas that had formed the basis of resistance to state intervention in the housing market during the industrial revolution. In Europe and America neoliberalism took on new prominence in the face of global recession, surging oil prices as a result of the 1973 OPEC oil embargo and rising inflation (ibid). In the UK, fiscal crisis, which had led to another IMF bailout in 1975-6, resulted in declining tax revenues and rising social expenditure (ibid, 12). Globally, the system of 'embedded liberalism' that had 'delivered high rates of growth' to 'advanced capitalist countries after 1945' was 'no longer working' (ibid). Some alternative was called for and neoliberal economics, advocated by those concerned with 'liberating corporate and business power and re-

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30. This title is borrowed from Chapter two of Sarah Glynn's (2009) book *Where the other half lives: Low income Housing in a Neoliberal World.*

establishing market freedoms,' (Harvey, 2005: 12-13) 'filled the breach' (Peck, 2010: 5)[31]. The emergence of neoliberal thought as the basis for political and economic reform in the West during this time did not mean that the state was withdrawn completely, but rather restructured and redrawn in the interest of shaping a 'pro-corporate, freer-trading 'market order' (Peck, 2010: 9). In the UK the Conservatives pursued a 'revolution in fiscal and social policies' based on the breakdown of 'the institutions … of the social democratic state that had been consolidated in Britain after 1945' (Harvey, 2005: 22-23). This entailed an attack on trade union power, the creation of a favourable business climate through tax cuts to encourage foreign investment and entrepreneurial initiatives, the rolling back of the welfare state and the privatisation of public services (ibid: 23). In the early years of the Thatcher administration housing was at the forefront of welfare retrenchment and privatisation and as Malpass (2008) argues, became a model for subsequent welfare changes in other policy areas.

Housing and welfare state restructuring

The Conservative party's 1979 Manifesto explicitly referenced Anthony Eden's earlier pledge to create a 'property-owning democracy' and his recasting of ownership as 'a reward, a right and a responsibility that must be shared as equitably as possible amongst all citizens' (Eden, 1947 cited in Jackson, 2012: 39-40). The Conservative's built on already firmly established narratives about the benefits of owner occupation for individuals and society, which as Ronald (2002) argues, had become 'normalised in the vocabulary of tenure' (p8). These included discourses of pride, self-esteem, responsibility and independence - all of which were consistent with neoliberal ideologies of privatism and individualism (Ronald, 2008: 57, 64, 77). As Beland (2007) argues, the celebration of home ownership in these ways, became a powerful ideological tool that was mobilised in the 'political struggle over neoliberal reform' (ibid: 92). The aspect of housing that came to be prioritised

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31. Neoliberal economic theory was developed by the Mont Pelerin Society, building on the principles established by Hayek. In his influential book the *Road to Serfdom* (1944) Hayek argued that socialism and individual freedom cannot be combined, linking the growth of state power through central economic planning, to the rise of totalitarianism in Nazi Germany (p171) - 'once you admit that the individual is merely a means to serve the ends of the higher entity called society or the nation, most of those features of totalitarianism which horrify us follow of necessity' (p153). Instead, Hayek argued that individual liberty is best ensured if economic activity is guided by competition in a minimally regulated market (p37). These ideas were developed and promoted by Friedman and his followers at the Chicago School (Peck, 2010). In the late 1970s neoliberal ideas gained momentum in the West and 'Thatcher and Regan' both came to power on the basis of 'economic advice delivered … by Mont Pelerinians' (ibid: 69).

during this period, though, was its potential as an investment vehicle and source of wealth (Smith, 2008). Whilst in the past homeowners 'accumulated wealth as a by-product of providing themselves with a home; now the idea of homes as assets [became] altogether more active' (Malpass, 2008: 12; De Decker and Teller, 2007: 3). The spreading of ownership came to be re-conceptualised as a way to bridge the wealth gap between 'those who own their homes and those who do not' (Heseltine, 1979).

Policies to encourage investment in housing were underpinned by, what became known as, an asset-based approach to welfare (Regan and Paxton, 2001). The wealth accumulated through appreciating housing assets came to be seen as a 'solution to the fiscal difficulties involved in the maintenance of welfare commitments' (Doling and Ronald, 2010: 165). In particular, the potential role that owner occupied housing could play in meeting the costs of old age were recognised (ibid): firstly, because of the reduced housing costs in retirement as a result of outright ownership; and secondly as an asset to be tapped to fund private residential care (Holmans and Frosztega, 1994). Implied in this approach, was a transfer of responsibility from the state to the individual as 'active savers' and 'investors' (Langley, 2008; Smith, 2008), to supplement or replace welfare services and benefits. As such, the 'modernized version' of welfare provision 'put housing in a much more central position than it was before, providing shelter but also a 'wider base of security and independence' (Groves, Murie and Watson, 2007: 184). In these ways housing became a 'cornerstone' in the modernisation of the welfare state (Malpass, 2008: 10), and central to a political agenda which came to depend on economic prosperity and growth, rather than state redistribution, as 'the guarantor of individual well-being' (Clapham *et al.* 1990: 225).

Extending home-ownership

Whilst in the 1950s Conservative politicians were unclear about how property ownership could be more widely spread (Jackson, 2012), in 1979 a clear policy agenda was set out to achieve this aim - by giving council tenants 'the legal right to buy their homes' (Conservative Party, 1979). The existence of a large stock of publicly owned housing provided an opportunity for the Conservative government to extend home ownership to working class households, whilst simultaneously pursuing an aggressive privatisation policy (Beland, 2007: 92). The 1980 Housing Act introduced the statutory Right to Buy, allowing the majority of secure tenants to purchase their council homes at a substantial discount, depending on length of tenancy. A series of other measures were introduced to make the Right to Buy more appealing to tenants, including the right to a mortgage, mortgage interest tax relief, and in the mid 1980s discount increases[32]. Changes to council tenancies, including an increase in rents following the introduction of means tested housing benefit in 1982, acted as push factors (Jones and Murie, 2006: 182). As a result, 2.2 million public dwellings were sold off between 1979 and 1996 (ibid), generating almost £27 billion of sales receipts (Forrest and Murie, 1997: 157). Right to Buy sales contributed significantly to the extension of owner occupation, accounting for 47 per cent of growth between 1981 and 1991 (ibid: 151).

Alongside the Right to Buy, the Conservatives also introduced changes in the regulation of banks and building societies that facilitated the growth of home ownership. The deregulation of the banking sector,[33] and the incorporation of building societies into the wider financial system in 1986, prompted increased competition among providers of mortgage finance (Stephens, 2007). This in turn led to the broadening of access to mortgages amongst lower-income households, marking an end to mortgage rationing (ibid: 211). 'Greater access to mortgage finance in turn widened access to homeownership,' contributing around one-third of the increase in homeownership rates in the 1980s (ibid: 211-212). Crucially, the change also integrated the British market for owner-occupied housing into the world of international finance (Smith, 2008: 520). Linking individual households

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32. Maximum discounts were later increased to a maximum of 60 per cent for houses, and 70 per cent for flats by 1986, depending on length of tenancy (Forrest and Murie, 1997).

33. Including the abolition of exchange controls and the opening up of the London Stock Exchange to foreign institutions (Helleiner, 1995: 329).

through the 'conduit' of housing to 'a surge of new capital' through the global mortgage market (Lowe, Searle and Smith, 2012: 107-108). And this marked the beginning of what Langley (2008) terms the 'financialization' of everyday life, turning savers and borrowers into 'financial investors' (Langley, 2008: vii). As Hanley (2012) observes 'we talked about housing just as much as we always did, but now, as property owners, concerned with equity and investment, rather than as tenants hopeful of a chance to escape cramped surroundings' (p98).

As a result of pro-home ownership policies, the sector increased from 55 per cent of total dwellings in Britain, to 66 per cent between 1979 and 1991 (Office for National Statistics, 2014a). This increase in numerical terms was accompanied by rhetorical support for the owner occupation that began to be seen as the housing consumption norm (Gurney, 1999a). The Conservatives clearly articulated a set of economic and moral virtues that were presented as being inherent to owner occupation (Beland, 2007). These included personal and social benefits such as individual autonomy and self-esteem and stronger, more stable communities (Atterhog and Song, 2009; Rohe *et al.* 2002); a set of financial benefits including to capital accumulation and asset-wealth redistribution (Clapham *et al.* 1990); as well the positive familial and emotional associations tied up with the evocative imagery of "home" (Gurney, 1999a). These taken-for-granted benefits came to powerfully shape public perceptions and policies towards owner occupation, private and social rented housing over the subsequent decades (ibid).

The residualisation of council housing

The growth in owner occupation rates was accompanied by a contraction in public sector housing. Whilst in 1979, 32 per cent of all households in Britain lived in council housing, by 1995 the figure had dropped to 22 per cent (ONS, 2014a). This reduction was not only the result of Right to Buy sales. Council house constructions declined dramatically as subsidies were cut and local authorities were not permitted to use receipts from sales to invest in new provision[34]. Whilst in 1979 86,188 local authority houses had been built, by 1988 completions had dropped to 19,717 units (Malpass, 2005: 109). Although supply side subsidies declined, it is

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34. The substantial sales receipts generated from the Right to Buy were used to offset public sector borrowing in other policy areas (Jones, 2007: 140).

misleading to view 'the pattern of public expenditure in terms of cuts' (Mullins and Murie, 2006: 53). The redirection of subsidy away from 'bricks and mortar' to individual, means-tested assistance proved to be expensive as housing benefits took the strain of rising private and social sector rents[35]. Secondly, the cost of tax relief and other subsidies for home owners were substantial, far outweighing spending on public housing[36] (Forrest and Murie, 2006: 88).

These policies not only resulted in a decline in the number of public sector dwellings, but also in the quality of council houses available. The best properties in the most popular areas were "creamed off", leaving the least popular and worst quality dwellings in public ownership (Jones, 2007: 143). Those best placed to exercise the Right to Buy tended to be better-off tenants in their middle age who were entitled to maximum discounts and more likely to occupy houses on estates built between the 1940s and 1950s, before the construction of flats dominated the sector (ibid). As a result the policy benefited 'a privileged cohort of tenants' who had already gained the most from council housing, 'to the detriment of those in the worst properties or on the council waiting list' (Mullins and Murie 2006: 101). Those left in the sector were increasingly poor households, living in undesirable, poorly designed and maintained housing on disconnected estates (Cole and Furbey, 1994; Jones and Murie, 2006). At the same time economic restructuring, which dismantled traditional manufacturing in favour of service-based industries, led to widespread unemployment[37] (Forrest and Murie, 1983: 462). In this context, council housing, which had been developed in a period where full employment was actively pursued by the state through industrial subsidies and nationalised services (Painter and Jeffrey, 2009), was now reserved for the poorest households, on the edge of the economy (Forrest and Murie, 1988).

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35. A new rent system introduced as part of the 1980 Housing Act, pushed local authority rents up to counter a reduction in central subsidy. By 1981/82 rents had increased by 49 per cent as a result (Malpass, 2005: 109). Rents in the housing association sector also increased and were deregulated in 1988 in order to draw in private finance to fund the cost of long-term maintenance and further developments - housing benefit took the strain for those households on low incomes (Malpass, 2000).

36. The cost of mortgage interest relief increased by almost five times between 1963-4 and 1983-4 (Forrest and Murie, 2006: 88). Whilst in 1985-6 spending on public housing was £2,834 million, the cost of mortgage interest relief is estimated at £4,500 million (ibid). Between 1980 and 1986, discounts on right to buy sales averaged £1000 million per annum (ibid).

37. Between 1979 and 1986 unemployment rates trebled to 3.1 million (Malpass, 2005: 119).

As Glynn (2009) argues although some estates had a bad name before the 1980s, many people were 'glad to be council tenants' and in many parts of the country 'it was being a council tenant that was normal' (p27). As council housing came to be allocated on the basis of need and therefore disproportionately concentrated among lower income households it came to be seen as an 'abnormal' tenure as opposed to the 'norm' of homeownership (Gurney, 1999a). Indeed, Gurney (1999a) goes further to argue that the discursive 'normalisation' of home ownership depended upon its differentiation as opposed to renting in the public sector. In an analysis of the Conservative party housing policy documents, he reveals how owner occupation became more 'evocatively and … emotionally' tied to ideas of 'home' compared to social renting. 'Home' ownership came to be closely associated with 'ideas of love, warmth, comfort, pride, independence, and self-respect' (ibid, 173). Ideas which were used far more sparingly in relation to social renting, which was reduced to an operational function - 'owners are normal and normalised and live in homes, renters are neither and live in houses' (ibid: 174).

Recast as a 'problem,' the 'council estate' and 'tower block' – and in Scotland, the 'Scheemee' - became pejorative terms during this time, shorthands for 'alcoholism, drug addiction [and] chronic poverty' (Cole and Goodchild, 2001: 354; Hanley, 2012: 7, 97; Johnston and Mooney, 2007). Initial regeneration policies including the 1979 Priority Estate Project focused on large, 'difficult to let' housing estates, seeking to address the perceived inadequacies of local authority management practices (Power, 1987). Faced with the 'enduring' nature of unpopular estates, and evidence that housing associations encountered similar problems within relatively new stock, the policy emphasis shifted (Pawson and Kearns, 1998; Page, 1993). During the 1990s regeneration programmes began to take a more holistic approach seeking, through the City Challenge and Single Regeneration Budget, to address broader problems of unemployment, training and education (Parkinson, 1993; Tilson *et al*. 1997). This approach depended on a more 'outward-looking' approach, focusing on the links between estates and the wider economy (Hall, 1997). In order to strengthen these connections, policies sought to develop strategic 'partnership' arrangements between different parts of the public, private and voluntary sector (Tilson, *et al*. 1997).

Whilst not addressed head on by Conservative regeneration policies, assumptions about the 'concentration' and 'segregation' of 'problem families' on 'problem estates' provided a context for policy intervention (Goodchild and Cole, 2001: 108).

This was linked to the re-emergence of the concept of the 'underclass' in the 1980s as a description for the long-term unemployed (Welshman, 2006: 158). Rather than employing structural explanations linking unemployment to wider economic and social change, neoliberal social policies were based on a behavioural understanding of poverty (Goodchild and Cole, 2001: 109). As Murray (1996), a staunch and influential proponent of this view[38], argued at the time:

> *'When I use the term 'underclass' I am indeed focusing on a certain type of poor person defined not by his condition, e.g. long-term unemployed, but by his deplorable behaviour in response to that condition, e.g. unwilling to take the jobs that are available to him.'*

> (Murray, 1996: 83)

Policy debates came to focus on a perceived breakdown in 'respectable' social norms and the erosion of the 'traditional family values,' as exemplified in Prime Minister John Major's 'back to basics' slogan (Phoenix, 1996: 178). In common with Victorian debates about state support for the poor, state relief was understood to have a 'de-moralising' effect, as a crutch for the work-shy, criminal and socially deviant (Murray, 1996: 120). Re-conceptualised as a 'poverty trap' council housing came to be seen as the place where the 'underclass' were located (James *et al.* 1992). As Goodchild and Cole (2001) argue, these themes would continue to inform regeneration programmes into the new century if in a different guise, underlying policies seeking to promote tenure diversification and 'socially balanced' communities.

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38. As Welshman (2006) shows, Murray's ideas were widely distributed by the popular press through articles in the *Times*, and in policy circles including the Institute of Economic Affairs (p164).

Diversifying the social housing sector

Early policy interventions to deconstruct municipal provision through compulsory sales, and restrictions on new build, explicitly sought to curtail local authority power[39]. In the late 1980s, this trend continued, with a set of policies aimed at reducing municipal landlord monopolies (Mullins and Murie, 2006: 43). Measures to encourage investment in private rented housing were included under the Housing Act 1988, which deregulated all private rents enabling landlords (including housing associations) to let at market rates, and introduced 'simplified and extended grounds' for tenant evictions (Crook and Kemp, 1996: 53). The introduction of the housing benefit system also provided a government commitment to pay all or part of the rents to landlords for low income claimants (ibid). As Crook and Kemp (1996) argue, these reforms were part of a wider package of measures which aimed to create a more 'pluralist and market-orientated system' (ibid: 54). These included policies which gave housing associations a mainstream role in provision,[40] reducing the role of local authorities to 'enablers' rather than direct providers of housing in a 'mixed economy of welfare' (Goodlad, 1992; Mullins, 2010: 10). The 1988 Housing Act introduced a new funding regime to encourage housing associations to raise private finance to maintain and develop housing. Associations were also encouraged to bid competitively in 'quasi-markets' as the basis to distribute grant funding (Lund, 2011: 65; Bramley, 1993). Local authorities were restricted in their capacity to borrow, and as a result initiated a transfer programme in order to finance the rehabilitation of existing stock (Ginsburg, 2005). This trend of 're-privatisation' was set to continue under New Labour, reflecting the neoliberal, 'market-driven policy consensus' which would continue to shape the 'modernization' of public housing in subsequent decades (Randolph, 1993; Ginsburg, 2005: 116).

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39. The Right To Buy reduced the dominant role of local authorities who were presented as inadequate and wasteful landlords (Audit Commission, 1986). The Secretary of State for the Environment was given substantial powers to monitor and intervene in local sales and those authorities opposed were put under considerable political and legal pressure to ensure widespread implementation of the policy (Jones, 2007).

40. The legislative basis for this was established in 1974 when the Labour government introduced Housing Association Grant, bringing housing associations under the scope of the newly established Housing Corporation and creating a risk-free environment that enabled associations to increase their property portfolios (Malpass, 2005: 115).

2.6. A crisis in home-ownership policy?

Housing 'boom and bust'

In the late 1980s and the early 1990s the impact of economic recession marked a period of crisis in the Conservative Government's home ownership policy (Mullins and Murie, 2006: 44). The increased demand for property, fuelled by the ready availability of debt, had contributed to a steep increase in house prices during the 1980s (Stephens, 1997: 196). In 1988 a frenzy of new borrowing occurred following reforms to mortgage interest tax relief (abolishing the right of each of two people jointly buying a house to qualify), announced three months before their introduction (Ford *et al.* 2001: 14). In the autumn of 1989 the house price bubble burst, prices fell sharply and households who had bought at the top of the market faced big losses (Hamnett, 1999). At the same time interest rates increased from 9.5 per cent in 1988 to 15.4 per cent in 1990 (Mullins and Murie, 2006: 44). Increasing levels of unemployment meant that many mortgagers were unable to keep up with rising housing costs (Ford and Burrows, 1999). Consequently the number of households with mortgage arrears grew from 21540 in 1981, to 205,010 in 1992, leading to the possession of over 400,000 homes during the 1990s (Hamnett, 1999: 5). Those households most likely to suffer from these difficulties were poorer households, including younger people, lone parents, those who were part-time employed, unemployed and self employed (Ford, 1998; Ford and Burrows, 1999; Ford *et al.* 2001; Hamnett, 1999). As Malpass (2005) argues, the deregulation of the financial services sector in the 1980s had opened up homeownership to a wider cohort, but it also exposed borrowers to the full effect of market forces from which they had been partially protected in the past (p123).

Impact of mortgage arrears and possessions

Research looking into the impact of arrears and possessions, pointed to their significant social, financial and personal costs. At a personal level they were shown to have a negative impact upon mental and physical health, family relationships and future prospects (Nettleton *et al.* 1999; Nettleton and Borrows, 2000; Christie, 2000; Ford *et al.* 2001). As mortgage indebtedness increased, these issues were seen to have wider societal effects, impacting upon labour force productivity and putting

pressure on welfare services (Ford and Burrows, 1999; Ford *et al.* 2001)[41]. Researchers came to question the sustainability of the push for home ownership at the same time as broader changes in the economy which had led to a growth in job instability, low paid employment and unemployment (Maclennan *et al.* 1997; Ford and Burrows, 1999; Ford and Wilcox, 1998: 623). Drawing on Beck's (1992) concept of the 'risk society,' Ford *et al.* (2001), argued that 'incidence of unsustainable home ownership' should not be seen as 'pathological' or short lived, but rather a 'normal' and 'enduring' part of the insecurity characteristic of post-industrial modern society (p170). Taken together, this body of research came to question the taken-for-granted association of home ownership with capital accumulation, personal freedom and security. In a later study showing that half of all people living in poverty were home-owners, Burrows (2003) called for a rethinking in 'our conceptual map of the social distribution of poverty: not least in the way in which housing tenure is sometimes used as a measure of relative dis/advantage' (p1224).

Removing the safety-net

Despite the exposure of the risks associated with home ownership, the Conservative government, under the new leadership of John Major, continued to support its extension. In their 1992 Manifesto, the Government referred to housing in terms of the 'right to own,' arguing that the 'wider distribution of wealth throughout society' depended on sustaining and spreading the ownership of 'homes' alongside shares, pensions and savings in a 'capital owning democracy' (Conservative Party, 1992). Whilst 'maintaining a stream of rhetorical encouragement' for home ownership, the Government also pursued policies that made buying a home far riskier (Malpass, 2005: 153). In a concern to cut housing-related social security expenditure, the safety net which had supported home owners in financial difficult was substantially reduced (Ford and Quilgars, 2001). In 1995 Income Support for Mortgage Interest payments were delayed for up to the first 9 months of loss of income as a result of accidents, sickness or unemployment (Kempson *et al.* 1999: 2). The government made these changes with an expectation that borrowers would take out private insurance as protection which would bridge the wait period for government support (ibid). Despite the introduction of new

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41. Ford *et al.* (2001) argued that the stress associated with widespread possessions justified this stressful life event being 'reconceptualised as a major public health issue' (p26).

products by lenders and insurers, take up was low, standing at only 19 per cent at the end of 1999 (Ford and Quilgars, 2001: 149). According to Kempson and Ford (1997) three quarters of people at greatest risk were not insured, partly due to affordability, making up a quarter of all borrowers (p1). Low-income mortgagers were particularly likely to develop arrears as a result, and had few resources with which to cover the 'wait' period (Kempson *et al.* 1999: 1). The inequities of this system which left low-income owner- occupiers at a clear disadvantage to tenants (who were supported by the housing benefit system), led to calls for a tenure-neutral housing allowance (Webb and Wilcox, 1991; Burrows, 2003).

New Labour, a new approach?

In New Labour's 1997 Manifesto, housing was not a prominent issue - in part because their approach did not represent a significant attack on or departure from Conservative policies (Mullins and Murie, 2006: 66). The fact that housing was not high up on the agenda, or a subject of political debate during this time led academics to question whether housing policy was in a process of 'terminal decline' (Bramley, 1997: 387). As Cowan and Marsh (2001) note, the conclusion seemed to be that 'if it does have future, it will be very different from its past,' in a subservient position to other social and economic policy concerns (p261). Although committed to addressing the insecurities associated with home ownership including 'record mortgage arrears, record negative equity and record repossessions,' New Labour supported the continued extension of owner occupation, and proposed a series of market rather than state sponsored solutions to address these problems (Labour Party, 1997). These including flexible mortgage products, consumer protections for mortgage buyers and the end to boom and bust housing market cycles (ibid).Whilst committed to investing in social housing, the incoming government sought to do so through the continued transfer of council stock to housing associations, and by 'deploy[ing] private finance' in order to 'build new houses and rehabilitate old ones' (ibid). The dual policies of home ownership expansion and social housing restructuring were set to continue.

The introduction of the Decent Homes Standard, which had to be met by all social housing providers, encouraged the transfer of council stock to housing associations and Arms Length Management Organisations[42] (DETR, 2000a: 10). Although

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42. The standard gave local authorities a time-limited responsibility to improve their stock whilst at the same time restricting their capacity to borrow for the purpose (Watt, 2009). As a result local authorities

tenants were balloted, Ginsburg (2005) questions the extent to which this represented a real 'choice' when councils continued to be starved of capital investment funds (p118). As a result of stock transfers, the ownership and management of social housing changed dramatically. Just as the Government had intended, by 2005 housing associations had become the 'majority providers of social housing' (DETR, 2000: 10), owning and managing 45 per cent of social stock (Pawson, 2006). New Labour's modernisation programme not only affected the ownership and management of social housing but also fundamentally altered the housing association sector (Malpass and Victory, 2010; Flint, 2003). Housing scholars began to critically examine the positive and negative implications of regulation and funding regimes designed to encourage greater commercial and consumerist orientations (Walker, 1998, 2001; Mullins, 2000).

Stock transfers were also linked to the New Labour Government's regeneration and neighbourhood renewal strategies, with improvements to social housing focused on the most deprived local authority areas (Mullins and Pawson, 2010: 82). Transfers were often the pre-cursor to large-scale demolition and reconstruction schemes. In rebuilding, housing associations were encouraged to include a 'choice' of 'affordable' units, including low cost home ownership schemes, in order to attract more affluent households into deprived areas (DETR, 2000a: 10-14). As Goodchild and Cole (2001) argue, the concept of 'social exclusion' became important during this time, with an emphasis on processes that prevent people from participating in the 'mainstream' (p109). New Labour policy came to explicitly address the 'concentration' of poor communities within 'closed' neighbourhoods, based on a belief that mixed tenure developments would solve the problems of poverty by encouraging social interaction with better-off households (Kearns, 2004: 2). However, as Lees (2008: 2456) and others have since asserted, the idea of 'social mixing' is something of an 'analytical sack of potatoes' (Fine, 2001: 190), based on limited research into cause and effect (Goodchild and Cole, 2001; Tunstall, 2003; Kearns and Mason, 2007). Further, as Kearns (2004) argues, these discourses conveniently shift the policy focus away from structural explanations of poverty, towards 'softer' individual and community issues, including behaviour, 'skills and cultures' (p3).

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were left with one of three choices to; set up Arm's Length Management Organisations (ALMOs) as vehicles for housing management; obtain a Private Finance Initiative or; to transfer stock to existing or newly formed housing associations (ibid: 234-235).

The recasting of housing as 'assets and investments' as opposed to 'just places to live' (ODPM, 2005: 10) was consolidated during the New Labour era. This can clearly be seen in their continued support for the 'further major extension of Britain's home owning, asset owning, property owning democracy' (Brown, 2005 cited in Smith, 2008: 522). In the context of rising house prices between 1995-2006, investment in housing became an increasingly important part of the national economy, as well as individual wealth [and debt] portfolios (Ong *et al.* 2013: 1013). At the same time, deregulation of the mortgage market made housing increasingly fungible due to the development of innovative mortgage equity release products (Smith and Searle, 2008). The result was a shift in the perception of mortgages once seen as 'large loans, used as leverage into home ownership and steadily paid off' they were now 'a source of credit which, although secured against property, [could] be spent on other things' (Smith and Searle, 2010a: 34). Research carried out into the use of housing wealth, point to the fact that even in buoyant economic periods, funds were used to manage financial hardships, support family members and to cover health or care costs (Smith *et al.* 2007). Housing wealth came to be repositioned by the state as an asset base for welfare, and by individual households as a 'feel safe resource,' 'filling the gap left by welfare retrenchment' (Searle and Smith 2010b: 357).

If housing assets were to be used as a source of privatised welfare, then the uneven geographic distribution of housing wealth was a problem to be addressed (Hamnett, 1999). The Housing Market Renewal (HMR) pathfinder programme, sought to tackle 'market failure' in nine of the 'most deprived' areas across the North of England and the Midlands (ODPM, 2003: 24). The aim was to replace obsolete housing, provide a 'better mix' of housing types and tenures, and to encourage people into once stigmatised areas by 'choice' (MacLeod and Johnstone, 2012: 9). As Allen (2008) argues, whilst previous forms of clearance and renewal had focused on improving physical conditions in run-down areas, HMR sought to renew 'the *market for houses … * rather than simply *the houses themselves*' (p122). The measure of success was seen to be an increase in house prices and house purchases by the middle classes (ibid). This dominant view of housing as a commodity has been shown to be problematic on a number of levels. Firstly, the official and media view of inner city areas 'in decline,' do not necessarily correspond with the 'lived view' of working class residents who value their houses as 'dwelling places', rather than assets (Allen, 2008: 166). Secondly, by ignoring the views and experiences of existing households, and imposing stereotypes on 'low demand' areas such

discourses come to justify the removal of working class households from their homes in favour of market interests (MacLeod and Johnstone, 2012).

The global financial crisis: exposing the 'new' risks of home ownership

The 2008 global financial crisis revealed how critically intertwined housing markets and the world economy had become (Smith, Searle and Powells, 2010: 1-3). Subprime mortgage defaults that had started in the USA affected the world economy due to the global nature of mortgage finance. Widespread investment in mortgage-backed securities (mortgages that were parcelled up and sold off to banks and other investors globally) exposed mainstream financial institutions to un-serviced loans (ibid). Once uncertainty took hold, prices dropped and investors, including banks, faced major losses. Unable to value their assets, interbank lending stopped and mortgage funding dried up (ibid). The lack of credit available in the system meant that mortgage finance become more expensive and harder to secure for first-time buyers and also affected existing home owners who were constrained in their ability to sell on, or refinance their homes (ibid). Across the UK the number of mortgages advanced by banks and building societies reduced from a high of 1,138,000 in 2006 to a low of 471,000 in 2008 (DCLG, 2014h). As housing starts slowed from 223,880 in 2005-06 to 118,570 in 2008-09 (DCLG, 2015d), demand for construction labour and other factors of production contracted (Gabriel *et al.* 2009: 3). The decline in house prices, which fell in England and Wales from a median of £180,000 at Q3 of 2007 to £156,000 at Q1 of 2009 (DCLG, 2014a), reduced household wealth and related consumption spending, thereby affecting households and businesses in areas 'far removed from housing' (Smith, Searle and Powells, 2010: 4).

The impact of the global financial crisis was geographically uneven. In London, house prices fell from a median of £275,000 at Q3 of 2007 to £248,000 at Q1 of 2009, recovering their value (and upward trajectory) to £280,000 at Q1 of 2010 (DCLG, 2014a). In other parts of the country the fall in house prices was less dramatic. For example, in the North West of England house prices dropped from a median of £136,000 at Q4 of 2007 to £120,000 at Q1 of 2009 (DCLG, 2014g). However, by Q3 of 2012 median house prices of £132,500 had not recovered to their pre-recession levels in the region (ibid). In some areas households who had bought at the top of the market found themselves in negative equity. According to a report produced by the Council of Mortgage Lenders (2011b) in the summer of 2011 around 20 per cent of mortgage advances since 2005 in the North East, North West and Yorkshire and Humber regions were estimated to be in negative equity (p9). Across the United Kingdom

households also faced difficulties in meeting their mortgage payments. In 2009 at total of 160,000 households were in mortgage arrears (DCLG, 2014i). Of this number 48,900 properties were taken into possession (ibid).

Whilst many individuals and households have gained from house price increases as a result of exposure to capital markets since deregulation in the 1980s, the 'material effects of these relationships' were 'highly divisive' and, at points of crisis, 'disastrous for those involved' (Langley, 2008: 14). The risks of holding all their 'financial eggs' in 'one housing basket' (Smith, Searle and Cook, 2008: 85), left homeowners exposed to the 'vagaries of the housing market' (Searle, 2011: 43). Further, the fact housing wealth was already being used to meet pressing welfare needs before the recession (Smith, Cook and Searle, 2007), raised questions about the extent to which households were able to cope in periods of economic downturn (Searle, 2011). As Searle and Smith (2010) argue, 'falling prices, as much as unsustainable debt, compromise[d] the recently established position of housing wealth as a financial buffer just at the time when it is needed most.' (Searle and Smith, 2010b: 357).

These events starkly exposed the risks of housing-asset based welfare policies, for individual households and the wider economy. Despite this, when the Coalition Government came into power in May 2010, the emphasis was still placed on ways to encourage home ownership, whilst withdrawing support for rented housing, through reduced funds on the supply side and stricter benefit controls on the demand side. The Coalition Government's housing strategy for England, *Laying the Foundations,* directly tied the health of the wider economy with the housing market, and the negative impact of the housing slump on financial markets and consumer confidence (DCLG, 2011: viii). Interestingly, though, while the strategy does highlight the need for 'responsible' lending, the irresponsible behaviour of sub-prime and mainstream lenders is not recognised as playing a major role in the global financial crisis and subsequent recession. On the contrary, the housing market is presented as 'one of the biggest victims of the credit crunch' rather than a causal factor (pviii). Rather than focusing on reforms or regulation to the financial services industry, policy emphasised the need to 'free' the housing market from unnecessary and burdensome national and local regulation, as advocated by the dominant neoliberal economic mode. Reforms included the re-negotiation of S106 planning gain agreements to tackle stalled development sites; the abolition of top-down housing targets in favour of locally defined priorities through the Community

Right to Build and Neighbourhood Planning; the freeing up of government land for housing development; funding to facilitate the availability of investment finance for housing developments and infrastructure and; and the introduction of *Help to Buy* shared equity scheme on privately developed, new-build properties (ibid). Re-conceptualised as a driver for the economy, these reforms marked the extension of the idea that housing is primarily an investment vehicle and financial asset.

2.7 Conclusion

This chapter has explored the social, economic and political changes that led to the emergence of owner occupation as the dominant housing tenure in Britain. Influenced by a historical institutionalist perspective the chapter has identified key moments of change and continuities that have influenced British housing policy. The roots of housing policy are identified as stemming from reforms that were introduced in response to the desperate housing conditions that were the result of the industrial revolution. During this time interventions in the housing market were shaped around conceptions of the poor and whether their conditions were the result of personal failings, or due to wider structural inequalities and unrestrained capitalist exploitation. It was only as conditions worsened and that a greater spectrum of households became affected beyond the poorest that intervention was justified. However, the slum clearance programmes and housing association dwellings that were constructed at this time did little to help the poorest, and provision came to be focused on the 'deserving' working and artisan classes. This theme would continue to inform housing policy as it developed in the early twentieth century.

After the first-world war, in the context of housing shortages and fear of revolution, the first national local authority construction programme was initiated through Lloyd George's 'homes for heroes.' At the same time tax breaks and subsidies encouraged the development of homes for private ownership in suburban locations. For the first time social distinctions came to be made between home owners and council tenants. The Second World War put the advance of owner occupation on hold, and following even greater shortages as a result of extensive war-time damage at home, council housing was championed as the best way to meet urgent housing needs. Although a large number of council dwellings were built as a result, housing was not reformed radically in the same way as other welfare services. The focus was on the need to address temporary deficiencies in the market, rather than to municipalise private ownership of property altogether. Although in the early days, the council houses that were constructed met general needs, they were intended primarily for working class households. In the subsequent decades, before the crisis in Keynesian economic management in the 1970s, local authority housing became an easy target for cuts in public spending, and governments on the left and right of the political spectrum reinforced the tenure's residual role. At the same time, home ownership continued to be encouraged through subsidies and tax

incentives, and by the 1960s there was a cross-party consensus that the extension of home ownership was both natural and desirable.

When the Conservative Government came into power in 1979, significant steps had already been taken to dismantle local authority housing in favour of private provision. The ideology of home ownership, which was associated with long-standing values associated with personal control and responsibility, became central to neoliberal welfare state restructuring. These ideas were effectively put into practice through the Right to Buy policy, which sold off council homes, to sitting tenants, and guaranteed the support of those who could potentially form the basis of opposition to welfare retrenchment and privatisation. Reforms introduced by the Conservative government resulted in dramatic changes to the structure of the housing market. Despite rising incidence of arrears and repossessions, particularly amongst lower income households, owner occupation was encouraged to grow whilst the social sector was reserved for those in the greatest housing need. A new stigma came to be attached to the 'council estate', which came to be recast as a 'poverty trap' where 'problem families' were 'concentrated.' These discourses formed the basis of later regeneration policies introduced by the Conservative and New Labour Governments that sought to promote tenure diversification and 'socially balanced' communities as a solution to poverty, often with detrimental effects on existing tenants.

The period also marked a shift in the perception of owner occupied housing. Housing came to be seen by governments and individuals as an asset and investment. The steady rise in house prices as a result of the ready availability of credit following market deregulation, meant that investment in housing became an increasingly important part of national and household wealth. The potential role housing assets could play in paying for the costs of retirement, as well as care in later life, was recognised. This welfare role was extended even further through innovation in mortgage equity release products, allowing households to tap equity from their homes to manage periods of financial hardship, across the life course. The risks of asset-based welfare policies were exposed in the context of the uneven geography of house price gains, and through the effects of the global financial crisis that revealed the close and tenuous connection between individual budgets and global flows of capital.

3. The emergence of low cost home ownership schemes in England

3.1. Introduction

The previous chapter provides a historical overview of changes in housing in Britain, highlighting the strands of continuities and moments of change that have influenced housing policy and practice over the last century. In particular, the chapter tracks the changes and implications of tenure restructuring which over a period of 100 years saw Britain turn from a nation of private and then social renters, to a nation dominated by home ownership. The aim of this chapter is to place the emergence of Low Cost Home Ownership (LCHO) initiatives within this broader context. The main purpose is to consider the ways in which LCHO have been utilised as part of wider policy agendas pursued from the 1980s onwards. These include the extension of the perceived social and economic benefits of owner occupation, reduction of direct public spending on housing, the promotion of a 'sustainable tenure-mix' in low and high demand areas, and most recently to drive the economy.

After an initial discussion of the definition of LCHO schemes, the chapter is split into four historical sections. The first traces the origins of LCHO which were initially pioneered by local councils prior to 1980. The intention is not to review these early schemes in detail, but rather to illustrate the ways in which they formed the foundation for later national initiatives. The second section explores the LCHO schemes introduced as part of a bundle of policy mechanisms to support the extension of home ownership by Conservative Governments during the 1980s and early 1990s. The section begins with a focus on the most well-known and arguably most successful of these initiatives, the Right to Buy, which was introduced alongside other discount for sale initiatives to enable the transfer of council and later housing association dwellings to siting tenants. The section goes on to explore the introduction of shared ownership schemes during the 1980s as a mechanism to help council tenants who were not eligible for Right to Buy discounts to move into the owner occupied sector. The third section begins by exploring the increasingly important role LCHO schemes came to play in the 1990s and 2000s in the context of rapidly inflating house prices which pushed home ownership out of reach of many low to middle income households. The section also discusses the role that

LCHO schemes played as a mechanism to create 'mixed tenure communities,' both as part of regeneration strategies, and as a way to retain 'key workers' in high-demand areas. In the context of rising awareness of the consequences of unsustainable home ownership, the section goes on to consider the extent to which LCHO schemes, and particularly shared ownership, came to be seen as mechanisms to share the risks associated with low-income home ownership. The final section considers the role LCHO have played since the financial crisis in 2008 both to 'kick start' the economy and to address increasing problems of housing supply and affordability.

3.2. Defining LCHO

Low Cost Home Ownership (LCHO) has been used alongside a range of other terms, including 'intermediate tenure' and 'affordable home ownership,' to refer to a set of state-led schemes that emerged during the 1980s to assist households who can't afford to buy on the open market into owner occupation (National Housing Federation, 2012a; Homes and Communities Agency, 2011b). The term is subsumed within the broader concept of 'social' and more recently 'affordable' housing provision, reflecting the move away from traditional rented approaches to addressing housing needs, to a more diverse array of tenure types, funding sources and housing providers[1] (Monk and Whitehead, 2010: 1; Cowan and McDermont, 2006: 1-2). In Britain these have included the use of 'cheap' local authority land for housing constructed by private developers and self-builders, homesteading schemes, public housing sold at a discount, improvement for sale, cooperative housing and part-ownership arrangements (Bramley and Dunmore, 1996: 106; Allen, 1982). Even beneath these subcategories lies considerable variation. The mix and constitution of different LCHO schemes have changed significantly over time, adding a further layer of complexity to an already confusing array of initiatives. Further, LCHO cross over with a range of other policies that have incentivised households into owner occupation in the UK since the 1950s. These include

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1. Cowan and McDermont (2006) track the history of the term 'social housing' which came to replace 'public housing' in the 1980s as a way to describe the 'mixed economy' approach to housing during this time (p2). By 1995 the term had come into popular usage in academic, policy and professional discourses to describe housing provision by housing associations and local authorities (ibid). In the mid 2000s as public subsidies were opened up to private and non-profit providers, and subsidised ownership and market rent properties became an increasingly important part of provision, there was another shift in housing policy language 'which now talks in terms of affordable housing … products' (ibid: 3).

mortgage interest, stamp duty and inheritance tax relief, as well as the deregulation of the financial services sector and the promotion of 'down-market' mortgage lending (Booth and Cook 1986a: 2; see chapter two above).

LCHO schemes do not fit neatly within established tenure categories. Although presented as forms of owner occupation rather than rented provision (see chapter six, section 6.2 below), many LCHO initiatives incorporate aspects of social, private and owner occupied housing (Monk and Whitehead, 2010: 2). In order to reflect their intermediate nature a number of studies place LCHO on a spectrum of housing tenures (Wilcox, 2005: 11; Yates *et al.* 2004: 5; Whitehead and Yates, 2010: 21). For example, Whitehead and Yates (2010) plot assisted and partial home ownership on a continuum between social rented housing and outright ownership, relating them to household income and explicit subsidy levels. Whilst conceptually useful this approach is problematic on a number of levels. Firstly, as Whitehead and Yates (2010) themselves acknowledge, the narrow definition of subsidy levels implied includes only direct public funding for affordable housing (p20). Indirect subsidies to private housing for rent and owner occupation including housing benefit and tax relief are not factored in. Secondly, this approach does not reflect the shifting composition of LCHO schemes which, as will be explored in depth below, have changed regularly and often reactively in response to economic and political change.

The recognition that LCHO is not a static category reminds us that the stark divisions placed between private renting, owner occupation and social rented housing should not be taken for granted either. As Barlow and Duncan (1988) argue, housing tenures have 'elastic and variable meanings' which have shifted in different historical periods, in different contexts and according to who is using them (p221-222). [2] This is clearly illustrated in cross-national comparisons where housing tenures, which appear equivalent, differ in detail and content from country

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2. In their much cited article *The use and abuse of housing tenure*, Barlow and Duncan (1988) argue that housing tenures should not be seen as static or universal categories, but rather as culturally and historically contingent. Tracking the specific English legal lineage of housing *tenure*, the authors question how and why the term came to be used in a 'quasi-scientific' shorthand for a range of wider financial, social, political and economic relations within housing studies literature (p220). Building on other contemporary scholarship questioning tenure 'fetishism' (see Gray, 1982 and Kemeny, 1981), the authors argue that housing tenure should not be seen as a determinant of class position (see Rex and Moore, 1967 and Saunders, 1979), social and political behaviour, household wealth or personal and ontological security (Saunders, 1990).

to country (Siksio, 1990). [3] Even within one country, tenure categories used in housing policy and research do not capture diversity in housing arrangements (Hulse, 2008: 216). [4] In the English context the varying position of long leaseholders living in flats, as opposed to freeholders living in houses clearly illustrates this point (Cole and Robinson, 2000). [5] As do the changes in the financing and management of housing over the last 40 years explored in chapter two above, which have led to a breakdown in divisions between 'private' and 'public' housing types. [6] Further, the meanings attached to housing tenures are also dynamic, as illustrated by the changing status of social and owner occupied housing over the last century. The emergence of shared ownership schemes, which appear to straddle the renting/ownership divide, further illustrate what Ruonavaara (1993) calls the 'messy real world of housing tenure' (p4). As a result, the shifting constitution of LCHO, should not be seen as exceptional but rather part of this contextually dependent dynamism.

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3. In a comparison of housing tenure across 9 European countries Siksio (1990) found 42 different kinds of tenure subsumed beneath four main housing groups -owner occupation, cooperative, private rental and public rental (p154).

4. For example, in an Australian context, Hulse (2008) argues that changing patterns of ownership are obscured by static tenure categories. Hulse (2008) explores the increasing diversity in housing arrangements for older people which don't fit into standard tenure types. For example, households often 'buy into' a retirement complex, but their legal arrangement is commonly a lease or licence rather than a title, resulting in a different set of rights and occupancy conditions compared to 'traditional' owner occupation (p215-216).

5. As Cole and Robinson (2000) argue, although understood in policy and public discourses as owner occupiers, long leaseholders in England are legally defined as tenants, with responsibilities to pay rent and meet obligations contained in a lease (p596-597).

6. These include the greater role given to private and voluntary sector organisations in social housing provision, the increase in public support for forms of owner occupation, and the indirect subsidy of the private rented sector through the housing benefit system.

3.3. Origins

Although LCHO initiatives tend to be associated with the accelerated post 1980s drive to extend home ownership, national schemes built upon earlier interventions developed at the local level. For example, the sale of council housing at a discount existed prior to the introduction of the Right to Buy in 1980 (Jones, 2007: 136). Since the 1950s Conservative and Labour governments have given local authorities the freedom to dispose of their housing stock, resulting in the sale of 61,000 council dwellings in England between 1952 and 1970 (Murie and Ferrari, 2003: 5-6), and a further 210,000 properties by 1979 (Jones and Murie, 2006: 31). During the 1970s, in the context of increasing house prices combined with high interest rates, metropolitan councils also pioneered a range of part-ownership schemes (see Appendix one for details of these and subsequent schemes discussed below). In common with later initiatives, they were designed to enable households with low levels of capital to access an appreciating asset, while also reducing the burden of housing costs on local authorities by diverting households from public rented accommodation to dwellings that required lower subsidy levels (Allen, 1982; Booth and Crook, 1986b; Bayly and Swain, 1977). A number of initiatives, including improvement for sale, building for sale and homesteading schemes were also introduced with the aim of rehabilitating decrepit housing stock, to 'diversify housing tenures,' 'halt the exodus of young people' and 'bring back skilled workers' to deprived, inner city neighbourhoods (DoE, 1977 cited in Crook, 1986a: 753; Crookes and Greenhalgh, 2011; Mullins *et al.* 2011).

Part-ownership initiatives, in the form of co-ownership societies, were also supported nationally. The 1964 Housing Act established the Housing Corporation to administer funding to housing associations and cooperatives to support co-ownership (Birchall, 1988) as a 'halfway house' between renting and owner occupation that 'combin[ed] the advantages of both' tenures (DoE, 1971 cited in Crook, 1986a: 64). Despite the construction of 40,000 dwellings by 1979, co-ownership societies only played a marginal role in overall housing provision (Shepherd, 1999; Clapham and Kintrea, 1987: 158).[7] In 1974 a working party on

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7. Poor quality maintenance and exploitation by management agents, legal conflicts around design and construction defects, complexities involved in calculating the amount of equity departing co-owners were entitled to, and the ambiguous legal status of members who were defined as neither owners or tenants, undermined the viability of the tenure (Bichall, 1988; Conaty *et al.* 2003: 19; Clapham and Kintrea, 1987).

Cooperative Housing was set up under Harold Campbell to revive the model. Whilst recommending continued support for co-ownership,[8] the report also suggested that more straightforward forms of 'shared ownership' needed to be developed as alternatives[9] (Lansley, 1979: 193; Department of Environment, 1976).

By 1977 the Labour Government sought to encourage local authorities and housing associations to explore part-ownership arrangements both as a 'stepping stone to full home ownership' and as a 'permanent' alternative in order to offer households 'greater control over living conditions and an opportunity to share in capital appreciation' (DoE, 1977: 103). These plans were implemented in 1979 through the pilot of shared ownership funded by the Housing Corporation, which built on experience from earlier local authority initiatives.[10] *Community Leasehold* allowed households to purchase a property on a shared ownership basis from a housing association on a 99 year lease financed by a building society mortgage, pay rent on the remaining share and benefit from any increase in property value at sale (Booth and Crook, 1986b: 23). The scheme focused on young single people in inner city areas to give them access to home ownership and to 'preserve some element of choice' and mix in areas dominated with properties for rent (Crook 1986a: 647). The scheme did not allow occupiers to become outright owners so that the property would 'remain in collective ownership' and thus become a permanent addition to the widening choice of tenure (ibid: 23). *Leasehold Schemes for the Elderly* were also introduced to enable older owner occupiers to release equity in their existing home to purchase a new sheltered housing unit from a housing association on a 70 per cent equity share basis (Clark, 1980; Booth and Crook, 1986b; Shepherd, 1999: 35).

8. Following the report, a revived interest in co-ownership culminated in the formation of the Council of Co-ownership Housing Societies in 1976 (Birchall, 1988: 105). Despite this, towards the end of the 1970s members of the Council of Co-ownership Housing Societies sought to demutualise and allow members to become owner-occupiers (ibid). The 1980 Housing Act included provisions to allow societies to dissolve and sell dwellings to members. By May 1981 9 societies had already sold, and 300 more had permission to do so from the Housing Corporation (ibid: 106).

9. Campbell himself experimented with a form of shared ownership in the late 1970s as the Director of the Greater London Secondary Housing Association at Glenkerry House in East London. The local authority retained the freehold and granted a long lease to the housing co-operative. Households could then purchase up to 50 per cent of the value of their dwelling from the co-operative, and could sell on this share at a market valuation on exit (Conaty *et al.* 2003: 21).

10. The influence of earlier, local authority part ownership schemes can be seen in the DoE's 1997 housing policy document which cites Birmingham City Council's 'half and half' equity sharing scheme (p103). The report also raised questions about part ownership stemming from the experience of local authorities. This included whether the proportion of rent to ownership should be altered, if occupiers should be responsible for all maintenance costs even if they were only part owners, whether equity sharing was a satisfactory long term tenure, and if equity sharing could be applied to existing public rented stock (ibid: 103-104).

This second scheme marked a slight change of direction in LCHO, illustrating a concern not only to extend home ownership, but also to meet the specific needs of older people by diversifying the type and location of houses for sale (Forrest *et al.* 1984).

While these initiatives did generate a lot of attention at the time, they did not take off on a large scale (Booth and Crook, 1986b: 23). Although Leasehold Schemes for the Elderly continued, by 1980 only 132 Community Leasehold units had been funded by the Housing Corporation (Crook, 1986a). Allen (1982) identifies a number of political, financial and legal barriers which stood in the way to wider implementation including political opposition by Labour councils to the introduction of LCHO to replace rented provision,[11] a lack of lender confidence in shared ownership/equity schemes, the heavy burden of stamp duty on households who bought their properties in stages, doubts regarding whether dwellings were eligible for public housing grant, and questions about the legality of local authority and housing association shared ownership initiatives (p23). Despite rhetorical support for shared ownership during the late 1970s, the Labour government did not take action to remove these barriers and it fell to the new Conservative Government, driven by an ideological commitment to extend home ownership, to remove them (Crook, 1986a: 646).

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11. Blanket support for local authority housing from the left is an over- simplification. In fact, voices from the far left actively rejected the top-down approach of council housing in favour of tenant owned, and managed co-operative housing during this time. This view is exemplified by Colin Ward in his 1974 book *Tenants Take Over* where he advocates co-operative self-help strategies (including community self-build) as alternatives to 'the rival orthodoxies of [state] bureaucracy and of the speculative development industry' (Ward, 2000: 51).

3.4. LCHO under the Conservatives: extending home ownership 'down market'

The Right to Buy

Although there was a good deal of continuity in terms of the types of mechanism introduced and policy rationales, LCHO initiatives were promoted far more vigorously after 1979 and became central to Margaret Thatcher's realisation of Anthony Eden's vision for a 'nationwide property owning democracy' (Munro, 2007: 247). Earlier LCHO schemes had been developed in a piecemeal fashion, often in response to local housing issues, to offer an option for households who were not adequately catered for by the private or social rented sector, and could not afford to purchase on the open market. From 1980 LCHO schemes were standardised and rolled out nationally by the Conservative administration as 'keys' to expand the benefits of owner occupation 'down market', with a new emphasis on existing social housing tenants (Department of Environment, 1982a). A number of discount-for-sale schemes were introduced to achieve this primary aim. The most significant of these was the Right to Buy (RTB), which removed local authorities' discretionary powers to sell council houses and gave tenants new rights to purchase their homes at discounts of up to 70 per cent of market value.[12] The policy introduced a new and accessible framework which laid down a standard set of rules and regulation for council house sales, which was simple for local authorities to implement, and easy for tenants to understand (King, 2006; Forrest and Murie, 1997). As explored in chapter two section five above, the Right to Buy and its associated scheme the Right to Acquire which gave some housing association tenants the right to purchase their home at a discount, contributed significantly to the extension and normalisation of home ownership as part of the Conservatives privatisation agenda. The two schemes led to the sale of almost 2 million dwellings to sitting tenants between 1979 and 1997 (DCLG, 2014b) It was also highly important ideologically and central to the promotion of neoliberal fiscal policies which emphasised 'self-reliance' over 'State-reliance' (Thatcher, 1974), based on private ownership as a source of economic prosperity which was seen as 'the most legitimate form of security available to workers and their families' (Beland, 2007:

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12. The commitment to statutory sales distinguished the Conservatives from the Labour party who, whilst recognising the benefits of sales where they did not impair local authorities ability to offer quality accommodation to rent to those in housing need and were concerned that the Right to Buy would lead to the loss of the most desirable council stock in the best areas (DoE, 1977: 106-7). They also argued that the fiscal advantages of sales were 'ephemeral' since Government would pay out more in indirect tax relief to home ownership than in direct housing subsidies (ibid).

94). The continued ideological importance of the policy as a potent and highly divisive symbol of privatisation, deregulation and possessive individualism is reflected in its continued elevation from the political Right,[13] and vilification from the Left.[14]

Whilst the Right to Buy was successful, in terms of the number of households entering the owner occupied sector as a result (Jones, 2007), the scheme had some long term negative impacts on housing affordability and supply. As discussed in chapter two, the scheme enabled better off tenants to purchase the best quality dwellings, leaving those with the least choice in the worst quality homes (ibid: 143-144). It also impacted the next generation who had 'less chance of assessing high quality houses with gardens by becoming council tenants' and 'less opportunities for buying such properties through the Right to Buy' (Jones and Murie, 2008: 2). Whilst many tenants benefited from substantial discounts, the risks of home ownership were not properly articulated, including the consequences of mortgage arrears and negative equity on the poorest purchasers (Jones, 2007: 146). Further, the policy is also widely recognised as having a long-term detrimental effect on housing provision in England, not least the shortage of affordable accommodation in parts of the country that would transpire in the following decades (Jones and Murie, 2008; see also Chapter five section 5.2).

13. In 2012 the Conservative Prime Minster David Cameron announced a 'revival' of the Right to Buy by increasing discounts to a maximum of £75,000 to give a 'new generation of social tenants' the 'keys to homeownership': 'In the 80s, Right to Buy helped millions of people living in council housing achieve their aspiration of owning their own home. It gave something back to families who worked hard, paid their rent and played by the rules. It allowed them to do up their home, change their front door, improve their garden - without getting permission from the council. It gave people a sense of pride and ownership not just in their home, but in their street and neighbourhood.' (Cameron, 2012 cited in DCLG, 2012d)

14. King (2010) argues that critics from the Left often stereotype the intentions, purpose and motivations behind the Right to Buy, 'it is all too easy to impugn the motives of our opponents as a simplistic way of trying to defeat them' and to argue that 'only one side of any debate is virtuous' (p48).

Shared ownership schemes

Alongside discount for sale initiatives the Conservative government also introduced reforms that removed some of the barriers that had restricted the development of shared ownership units. Since the 1970s the Conservative's had explored the development of national part-ownership initiatives as important tools to promote social mobility, and a more effective one than redistributive services provided through the welfare state:

> *'twenty years ago, it would ... have been maintained that the biggest divide in the nation was education ... employment ... or incomes. Today ... the biggest remaining divide is in housing – between those who own and those who rent, or expressed financially, between those who are building up a substantial capital asset through their working lives and those who are not ... shared purchase schemes [offer a] means of accelerating the healing of that divide.'*

(Stanley, 1974: 21)

The Finance Acts of 1980 and 1981 placed shared ownership on a firmer legal footing by granting housing associations permission to use public grant to develop part-ownership schemes, and changing rules regarding stamp duty which meant that shared owners no longer had to pay tax on additional tranches purchased in their property (DoE, 1982c). Alongside these measures the first national shared ownership scheme, Conventional Shared Ownership, was introduced as part of the 1980 Housing Act. The scheme was followed in 1986 with the introduction of Do-it-Yourself Shared Ownership (DIYSO), enabling households to identify an immediately habitable property on the open market and purchase it in partnership with a participating housing association.[15] The schemes were introduced to address access and affordability problems for existing social tenants who were not eligible for Right to Buy discounts and could not afford to purchase on the open market. Both were funded through a combination of a private mortgage and social housing grant administered by the Housing Corporation, with the intention of drawing in private finance in order to reduce public subsidy levels (Booth and Crook, 1986b). Whilst in the past local authorities had taken a key role in provision, housing associations were re-orientated as primary providers. These changes reflect the

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15. This built on an earlier, short-lived DIYSO initiative introduced during the financial year 1983-4. The scheme was funded on an individual rather than scheme-wide basis, with different grant rates available according to regional value limits (Booth and Crook, 1986b: 27)

broader restructuring of social housing provision, which saw a greater role for voluntary and private sector organisations in funding and delivery (see chapter three, section five). The introduction of the right to 'staircase' reflected the Conservative Government's view of shared ownership, which was not seen as a permanent alternative to owning or renting, but as a 'stepping stone' (DoE, 1982c: 1) to ease the transition to full ownership (Booth and Crook, 1986b). Indeed, the 'legal right to buy the balance held by your landlord at any time, either in stages or in one go' was seen as the 'most important' feature of the scheme (DoE, 1983a: 3).

Despite this national support and funding for shared ownership only 36,000 units were developed between 1980 and 1990 (Bramley and Dunmore, 1996: 109). In contrast to the Right to Buy which was mandatory, the implementation of shared ownership was at the discretion of housing associations (Crook, 1986b). The discounts and mortgage arrangements offered through the Right to Buy were also far more generous. Further, in many parts of the country the market was already providing 'less desirable options' at lower prices, including lower quality homes in inner city locations (Mullins and Murie, 2006: 104). In this context the argument that 'government should intervene to provide low cost housing' was more difficult to sustain particularly if there was 'no missing rung on the ladder' (ibid). However, in the context of increased affordability constraints during the late 1990s and a shortage of housing supply across all tenures, part-ownership schemes were to take on an increasingly prominent role as part of the New Labour Governments housing policies.

3.5. 'Sustainable', mixed-tenure communities? LCHO under New Labour

From the late 1990s a range of low cost home ownership schemes were introduced, taking on an increasingly prominent role as part of New Labour housing policies. In 1999 the Labour government reduced Right to Buy discounts amidst criticism that the policy exacerbated the problem of a lack of affordable housing and did not represent good value for public money (Jones and Murie, 1998; DETR, 2000a). The government also introduced changes in the use of capital receipts generated by Right to Buy sales that were reinvested in affordable housing supply, rather than diverted to the exchequer to offset other public spending costs as they had been under the Conservative government. Despite these reforms the Labour government was not committed to reinvigorating the social sector as a way to address emerging

housing needs and social housing output continued to decline each year from 1997 to 2003 (Jones and Murie 1998: 68). Although investment was made in social rented stock, it focused on improving poor quality accommodation through the Decent Homes Standard, rather than increasing housing production (DETR, 2000a). The continued political commitment to encourage 'sustainable home ownership', a desire to ensure 'best value' for public money through mixed funding regimes, and a commitment to the creation of 'mixed tenure' communities as part of regeneration strategies, perpetuated the move away from the traditional rented approach to affordable housing provision (ibid: 30).

Expanding the opportunity to own

In their 2000 Housing Green Paper *Quality and Choice: A Decent Home for All* the Labour Government set out their plans to build upon existing shared ownership and shared equity[16] schemes in order to help those on the margins of affordability (DETR, 2000a). In common with Conservative policy, these LCHO initiatives were targeted at existing social tenants and those nominated on waiting lists. The focus was not on increasing housing supply, but rather on providing a bridge between social renting and ownership to 'meet households aspirations', free up scarce social tenancies and meet housing need with lower subsidy levels (ibid: 37). In 2003 the *Low Cost Home Ownership Task Force* was set up with the express aim of examining the 'routes and methods by which those in housing need' could be helped into home ownership (Housing Corporation, 2003). The report that followed recommended that a range of 'simplified and cost-effective' home ownership opportunities be developed with sensitivity to the 'very different housing market conditions that exist in different localities' (ibid). In particular, the task force recognised that varying objectives might be prioritised in different locations; 'in high demand areas, helping key workers into home ownership might be a priority, in low demand neighbourhoods, sustaining or building a mixed-income community may be the driver' (ibid). These dual aims would continue to shape low cost home ownership, and broader housing policies, during the New Labour era.

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16. Homebuy was introduced in April 1999, before the Housing Green Paper was introduced. The scheme allowed existing local authority and housing associations tenants to buy a home on the private market with an interest free equity loan from a housing association for 25 per cent of the value of the property, to be repaid on sale (Jackson, 2001). Jackson (2001) found that HomeBuy sales between April 1999 and June 2000 resulted in 967 vacancies in the social rented sector. Interestingly, in common with the Right to Buy scheme, purchasers tended to be better-off than the make up of social sector tenants as a whole. Instead of staying within their existing communities, HomeBuy purchasers moved to bigger properties in more affluent areas as a result of the scheme (ibid).

During the early 2000s, a number of LCHO initiatives were introduced to improve the 'recruitment and retention' of 'key' workers (DCLG, 2006: 28), who were seen as crucial to the 'longer term sustainability of communities in cities'[17] and rural locations[18] (DETR, 2000a: 36). In 2001 the *Starter Homes Initiative* was introduced to assist people working in the public sector, including teachers and nurses, to access home ownership in high demand areas in London and the south east of England (Morgan *et al.* 2005). 9,104 key workers were helped into low cost home ownership as a result of the Starter Homes Initiative (ibid). This was replaced by the *Key Worker Living Scheme* in 2004, a bundle of 'intermediate' tenure options including shared ownership on new-build housing association units, and equity loans on open market dwellings (Battye *et al.* 2006). The schemes were administered by Registered Social Landlords (known as 'zone agents'), who were responsible for marketing and sales of low cost home ownership in particular geographic areas. Although small in scale and overwhelmingly concentrated in London, reviews of these two key worker initiatives found that they were on the whole well targeted, represented good value for public money and were popular amongst the majority of purchasers (Morgan *et al.* 2005; Battye *et al.* 2006). The form and structure of these schemes formed the basis for later LCHO initiatives.

An evaluation produced by Bramley and Morgan (2002) during this time, highlighted some of the challenges faced by the Government's low cost home ownership programme. These included the very small stock of LCHO units; the impact of the complex and confusing nature of schemes on mortgage availability and consumer understanding; the geographical disparity in viability of LCHO; and the effect of rising house prices particularly in London on the affordability of the schemes for target groups.

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17. The New Labour government placed a great deal of emphasis on England's urban environments in their housing and planning policies (Colomb, 2007). In 1998 the Government set up the *Urban Task Force* under the chairmanship of the architect Richard Rogers to identify and recommend solutions for the causes of inner-city decline with an emphasis on 'compact and connected' cities through the redevelopment of brownfield land and increased investment in urban centres 'using public finance to attract the market' (Urban Task Force, 1999: 3). Low cost home ownership schemes were seen as part of this agenda in order to attract the middle classes back to the city, diversify the residualised social rented sector, and as a way to provide cost-effective and attractive affordable homes (DETR, 2000b).

18. Although receiving far less attention, and funding, rural housing issues were addressed as part of the White paper *Our Countryside: the future*. The increase in second home-owners and retirees in rural districts was recognised as having a detrimental affect on the supply and affordability of housing in some parts of the countryside. The rise in house prices and lack of social housing due to the Right to Buy meant that many 'young families' were unable to afford to stay in 'the communities where they grew up' (DETR, 2000c: 9). This was in turn seen to have a detrimental affect on local services and community life. Shared ownership housing was seen as an important way to 'help young couples get their feet on the ladder' in these high pressure rural areas (p49).

In the context of increased house prices during the mid 2000s, the focus of LCHO broadened to address problems of access and affordability amongst a wider cohort of first-time buyers, 'especially for young people and those tenants who rent in the private or public sector' (Labour Party, 2005: 78). Whilst in 1997 the average mortgage payments as a proportion of first-time buyers income were 17.9 per cent with the deposit requiring 11 per cent of annual income, by 2004 these figures had risen to 22 per cent and 21 per cent respectively (Monk and Whitehead 2010, 5). There was an increasing concern that as existing homeowners benefited from rising house prices, more households were 'kept out' of the housing market, contributing to an 'ever widening social and economic divide' between 'owners and others' (Barker, 2004: 1, 3). As illustrated in Figure 3.1 below, the problems took on a generational, as well as class dimension, with an increasing gulf between newly formed households who were unable to purchase a home and older "baby boomers who had benefited from substantial gains in a rising market. Disquiet around the lack of housing production once again came to the fore of policy debate,[19] and the Labour Government launched a number of public reviews to tackle different aspects of housing affordability and supply.[20] In particular, the Government was keen to address the failure of private house builders to meet the demands for owner-occupied housing (ODPM, 2003: 9), an issue that also received widespread coverage in the media.[21] In an era where home ownership had become the housing tenure norm, a decline in access was seen to be politically unacceptable to a wide spectrum of the electorate. In response, during the 2005 general election the Labour party pledged to help a further '1 million households into home ownership' by raising the stamp duty threshold, and through renewed investment in shared equity and shared ownership schemes (Labour Party, 2005: 78). In July 2007 the housing green paper *Homes for the future: More affordable and more sustainable* included a commitment to increase output of affordable housing by 70,000 by 2010-11, including 25,000 part ownership units per year.

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19. As Bramley (2006) notes, a policy concern with housing supply was 'rediscovered' by the Labour Government in the 2000s after almost three decades of neglect (p222).

20. These including the Low Cost Homeownership Task Force, the Barker Review of Housing Supply, and the Miles review of the UK mortgage market.

21. Tabloid and broadsheet newspapers regularly featured stories of rising house prices (Bar-Hillel, 2001) and the plight of first time buyers 'on the brink of extinction' (Mulvihill, 2003) priced out of 'nine towns in 10' (Barrow, 2005).
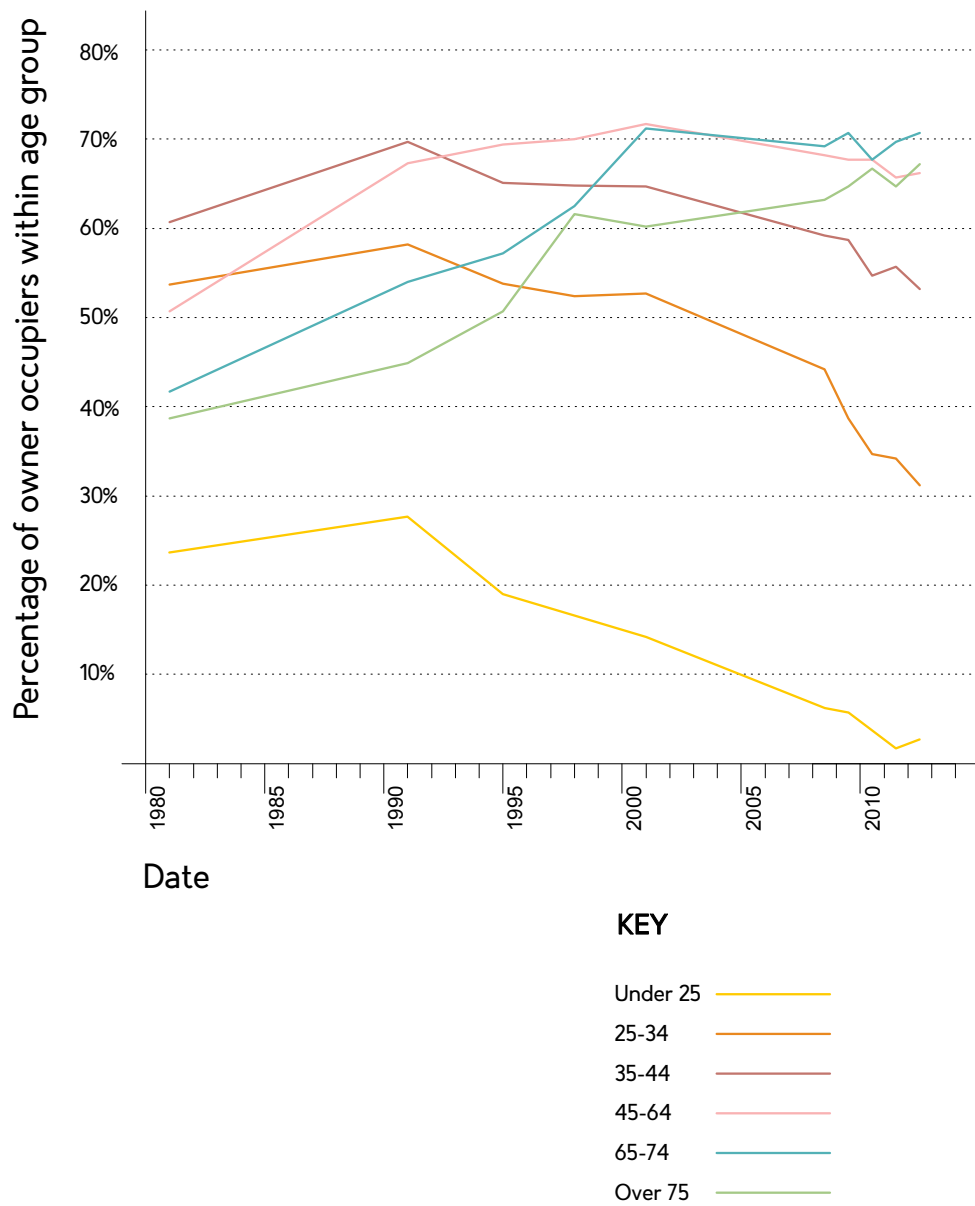
Figure 3.1

Owner occupation by age group in England; 1981 to 2011

Source: DCLG (2012e)

Following their third general election victory, all existing LCHO products and a number of new-shared equity schemes were subsumed under the *HomeBuy* banner (ODPM, 2005).[22] Although intended to 'streamline' LCHO schemes (ibid: 46), the inclusion of yet more initiatives with varying names, sources of funding and conditions attached added to an already complex policy landscape. The result was a lack of knowledge and a sense of confusion amongst purchasers and lenders, who were wary of the risks involved in small-scale and unfamiliar tenure arrangements (Clarke, 2008: 4). Despite a number of attempts to gather support and investment from the private sector in LCHO initiatives, the market for competitive mortgages or private sector shared equity loans did not develop.[23] As illustrated in Figure 3.2 and Figure 3.3 below as result LCHO schemes continue to make up only a very small proportion of total housing stock and annual additions and therefore only had a limited impact on the wider housing market (see also Clarke, 2008).

Further, as house prices rose in the wider market, so to did they in the LCHO sector. As a result the schemes were criticised for moving out of reach of those households they were originally designed to assist (Cho and Whitehead, 2010). This was reflected in the changing profile of purchasers, with an increasing number of higher income households benefiting from shared ownership schemes despite the low percentage shares available (Burgess, 2010). Further, evidence pointing to the inability of shared owners to 'move up and on' to conventional ownership, indicated that the tenure was becoming 'permanent rather than transitional … for some households' (Wallace, 2008: 7). In this context researchers and commentators questioned whether shared ownership schemes should be "sold" as a form of home ownership at all (ibid), particularly as households were on the one hand responsible for rent and mortgage payments and the full costs of repairs, but as a tenant/owner also subject to a host of restrictions (McKee, 2010).

22. These included *Social HomeBuy, Open Market HomeBuy*, *New Build HomeBuy* and the *First Time Buyers Initiative (*see Appendix one for details of these schemes).

23. The Government sought to explore the potential role the private sector could play in providing LCHO with little or no direct public subsidy (DCLG, 2007: 11). *The Pomeroy Review* was launched in 2007 in order to follow up on the findings of the *Shared Equity Task Force* which predicted that a private market for shared equity products would develop (DCLG, 2006:4-6). The review found that there had been very little movement into shared equity products by the private sector due to the small volume of the potential market, uncertainty about future house price movements, a lack of knowledge concerning incidence of 'staircasing,' and a general lack of awareness of the shared equity model amongst lenders (DCLG, 2008) (see also Williams and Bennet, 2004, 2005; Caplin *et al.* 2007; Whitehead and Yates, 2010a). In order to encourage innovation, a number of shared equity schemes were launched which were delivered with a combination of private financing, public grant, housing association reserves and loans. The shared equity arrangements introduced under *HomeBuy* included a number of public-private partnership arrangements to deliver equity loans with a combination of private financing, public grant and housing association reserves (See Appendix one for details of these schemes).
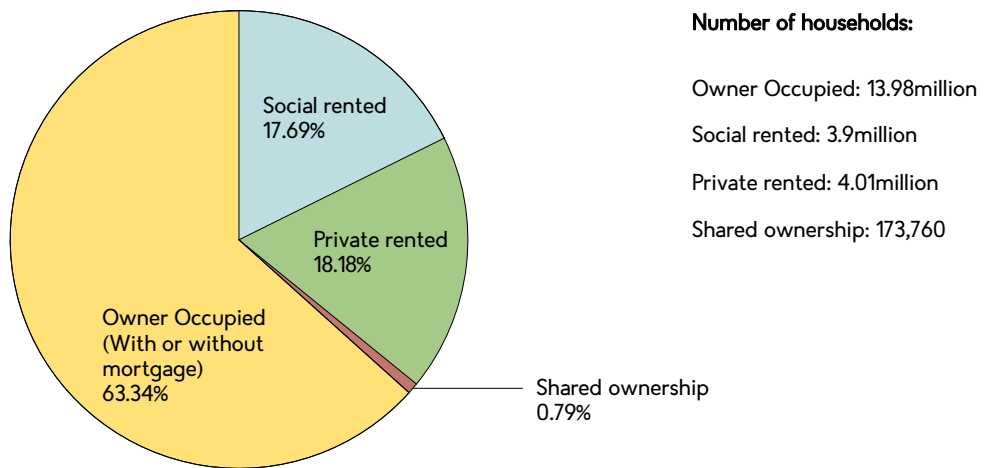
Figure 3.2

Shared ownership as a share of total households in UK (2011)

Source: ONS (2011f)
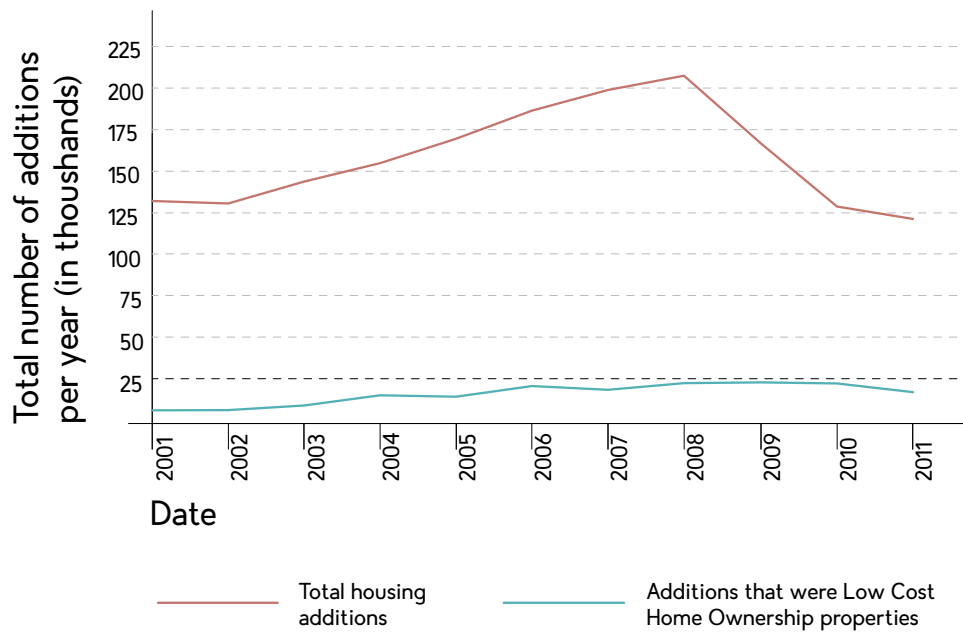
Figure 3.3

Low Cost Home Ownership as a proportion of annual

housing additions in England (2001 - 2011)

Source: DCLG (2011c)

The limited scale of LCHO schemes, the changing profile of benefiting households, and the inability of some households to move on from part to full ownership, called into question the extent to which they were successful in meeting their primary policy objective, to increase owner occupation rates (Munro, 2007; Clarke, 2008).

'Stretching' public subsidy

Another key driver in the pursuit of LCHO schemes was the efficiency savings that could be made through the replacement of public subsidy with private financing. This was to be achieved through reforms to the regulatory and funding environment that saw a decrease in grant levels and a concern that housing associations should make better use of their existing assets, and cross-subsidise development through the sale of private or part-private housing tenures. The Government was particularly keen to 'capture and recycle' equity gains made in the context of a rising housing market between 2001-2007 for the development of social housing units both for rent and for sale (DCLG, 2006: 6). Section 106 Agreements became increasingly important in this context, enabling the development of affordable housing units by sharing in the 'windfall gains' arising as a result of planning permission for a development (Barker, 2004: 7-8). [24] Between 2001 and 2007 completions on s106 contributed significantly to overall affordable housing supply, accounting for more than half of all affordable homes in 2006-2007 (Morrison and Burgess, 2014: 430). At the same time, the proportion of social rented units delivered on s106 sites fell nationally, with LCHO units making up an increasingly large proportion of overall completions (Crook and Monk, 2011: 1008). This upward trend in LCHO development occurred in the context of rising

24. Section 106 of the Town and Country Planning Act 1990, enabled planning authorities to mitigate against the impact of developments by ensuring that appropriate infrastructure and services were provided. During the 2000s local authorities sought financial contributions from developers to provide affordable rented and low cost home ownership housing on or near development sites, either by constructing housing and selling it to RSLs at lower cost, or providing land at a discounted price (Morrison and Burgess, 2014: 425-426). As Crook and Monk (2011) note, contributions made by developers rarely replaced the need for public funding altogether, as typically dwellings were funded by a combination of social housing grant, RSL loans and reserves and developers contributions (p1007). Further, the proportions from each source varied considerably from site to site depending on the negotiations between developers and the Local Planning Authority, the buoyancy of the local market and the type of affordable housing agreed (LCHO schemes tend to need less subsidy than social rented housing for example) (ibid).

development values and reduced public subsidy levels, driving the production of low cost home ownership units which could be delivered with less public funding than social rented accommodation, whilst at the same time generating sales surpluses to reinvest in more affordable homes (ibid: 1008-1009). Further, and more controversially, developers were often more accepting of the addition of housing for low-cost sale rather than rent, fearing that the addition of social rented housing would negatively effect private sales (Crook and Whitehead, 2010).

Although s106 agreements led to the delivery of units with less-subsidy, production was 'predicated on rising land values and market demand' (Morrison and Burgess, 2014: 423). As a result, development was geographically skewed and concentrated in areas with buoyant housing markets 'where housebuilders can build, sell and make profits,' primarily in London and the South East of England (Crook and Whitehead, 2010: 114). Cho and Whitehead (2006) found that the between 1995-2006 60 per cent of shared ownership sales were located in London and the South, increasing to 70 per cent between 2003-2006 with 15 per cent in the Midlands and 10 per cent in the North (p.12-13). At the national level, this raised questions about the syphoning of public funds for housing to the South, at the expense of the North and Midlands. Particularly as increased supply of LCHO did not eliminate the need for public subsidy altogether, did not generate a large number of additional units, and was not accompanied by a substantial increase in the production of social rented units (ibid). Crook and Whitehead (2010) found that subsidy was still needed on 68 and 69 per cent of shared ownership completions on s106 sites in 2005-6 and 2007-8 respectively (p116). They also found that lower subsidy levels for shared ownership do not necessarily mean higher developer contributions, but are instead drawn from RSLs reserves and loans (ibid).

Rising house prices and the widening gap between property values and incomes meant that in high demand areas even low cost home ownership was 'not cheap' (Cho and Whitehead, 2006, Monk and Whitehead, 2010b: 265). As a result, the characteristics and income levels of LCHO purchasers changed, with a focus on small, middle-income households coming from the private rented sector, with a

smaller number of families[25] on lower incomes, and households coming from social rented housing (Clarke, 2010; Monk and Whitehead, 2010b: 265). The changing demographics of LCHO purchasers was problematic on a number of levels. Firstly, the middle-income households benefiting may have been able to purchase a property on the open market without assistance. Secondly, one of the primary policy objectives of LCHO, to free-up social rented units, was not being met as lower income households could not access the schemes. Thirdly, in the context of low levels of housing production in the social rented sector, there was a concern that households who were on housing waiting lists or were ineligible for state help could not access secure and affordable housing.

Creating mixed tenure communities

Building on previous approaches developed under the Conservative's during the 1980s and early 1990s, the Labour Government also used LCHO as part of regeneration strategies to tackle the effects of residualisation and 'turn around' "problem" social housing estates through the creation of 'balanced communities'[26] (DETR, 2000a: 75). The issues faced by some tenants, including crime, poor health, low educational attainment and social stigma, were seen to be the result of their social, physical and economic isolation from 'the mainstream' (Rose, 2000: 1406). Poor households were perceived to be 'doubly disadvantaged' through living in neighbourhoods of 'concentrated' poverty, with limited access to opportunities, jobs and 'models of appropriate behaviour' (Arthuson, 2002: 245). 'Social exclusion' was, to varying degrees, seen as the result of both economic restructuring and the

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25. The increase in single adult households and couples taking up LCHO as opposed to families can also be attributed to the trend during the 2000s to develop small houses and flats rather than family homes (Cho and Whitehead, 2006). This is in part due to the impact of s106 agreements on housing densities. As Crook and Monk (2011) explain, in order to offset the costs of affordable housing contributions on private development sites, planning authorities have allowed higher densities on some sites (p426)

26. The idea of 'balanced communities' can be traced back to very early state housing interventions, and has long been seen as a desirable outcome in the construction of planned communities through Victorian era model towns and villages, to Garden Cities, New Town developments and early post-war council house construction (see Sarkissian, 1976). According to Cole and Goodchild (2001) the concept re-emerged at the centre of housing and planning policies under New Labour with a different emphasis, influenced by new approaches to social policy and in particular Giddens' 'Third Way' (p353). Third way politics advocated the need to find a 'middle ground' between Conservative, free market individualism, and the socialism of the old political Left (Giddens, 1998). At the heart of this approach was a concern to halt the perceived decline of civil and political engagement at the local level, by reinvigorating the social ties and networks which were seen to characterise 'successful' communities (Putnum, 1995: 66). Influenced by the 'neighbourhood effects' literature and the concept of 'additional disadvantage' the poorest neighbourhoods were diagnosed as suffering most from a lack of 'social capital' and became the prime focus of policy intervention as a result (Lupton and Fuller, 2009).

deficiencies in the behaviour of individual tenants (Cole and Goodchild, 2001: 354). The solution to both was the creation of 'balanced' communities through the promotion of a 'mix' of different housing types and tenures, to house a range of household sizes, ages and crucially incomes (DETR, 2000: 75). The integration of better-off working and middle-income households into regeneration areas was seen to provide a range of benefits to existing residents. These included improvements to neighbourhood reputation and a reduction in place-based stigma, investment in facilities and services, greater levels of community participation and access to employment opportunities (Bond *et al.* 2011). The creation of socially mixed communities were also prescribed to facilitate social interaction amongst residents, thereby raising the 'social capital' of poorer members of a community and creating opportunities for socio-economic mobility (Cole and Goodchild, 2001: 455).

In order to 'avoid residualisation,' and the problems of the 'large estates built in the past'[27] policy interventions focused on achieving 'social balance' through mixed tenure housing developments (DETR, 2000: 70-71). If social renting was taken as a proxy for poverty, disadvantage and disengagement, then the solution was seen to be the integration of home ownership into new and existing social housing estates.[28] In this context, LCHO was re-orientated as a way to create 'stable, mixed income communities,' rather than 'ghettos of poor and vulnerable people'[29] (ibid: 37). This was to be achieved by attracting wealthier households back to maligned areas, and by giving existing social tenants a 'stake in their housing and neighbourhoods' through the provision of shared ownership and equity schemes thereby promoting a 'culture of opportunity, choice and self-reliance' (ibid). In practice, this involved both the extensive remodelling of existing social housing estates, and the development of new mixed tenure schemes by housing associations (Cole and Goodchild, 2001). Planning policies also sought to create a mixture of housing by integrating social rented and low cost home ownership units into new

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27. These included older, council built modernist housing estates, and newer housing association mono-tenure developments which had been shown to exhibit similar problems of decline and stigmatisation (Page, 1993).

28 .It is interesting that despite the exposed risks of low-income home ownership (Ford, Burrows and Nettleton, 2001), and the fact that 'half the poor' were owner-occupiers, the tenure remained a proxy for affluence (Burrows and Wilcox, 2000).

29. The use of this language, and in particular the idea of the 'ghetto,' illustrates the influence that US approaches to regeneration and poverty alleviation had on the UK policy landscape. Indeed, as Lupton and Fuller (2009) argue, lessons from the HOPE VI programme were imported directly from the US through a number of site visits and exchanges (p1017).

private developments through Section 106 negotiations as a condition of planning permission.

Despite widespread policy support both in the UK and abroad, a number of studies pointed to a lack of rigour in the concepts and research behind mixed tenure strategies. Academics sought to question the 'taken-for-granted' benefits of the policy, which had been elevated to the status of 'conventional wisdom' (Bond *et al.* 2011: 71). A number of studies evaluating the impact of regeneration schemes found that there was a lack of interaction between tenants and home owners, and that existing residents had at best a neutral attitude towards tenure mix (Goodchild and Cole, 2001; Allen *et al.* 2005). Studies also questioned the assumptions made about the nature of existing communities, arguing that many social housing estates have a strong and positive sense of community already (Jupp, 1999). Policies concerned with integration were therefore seen to threaten the solidarity of existing communities, whilst de-valuing the needs, opinion and culture of existing working-class residents (Allen, 2008). Further, the focus on 'neighbourhood effects' located the cause and solution to problems of poverty within the boundaries of existing neighbourhoods, rather than addressing wider structural factors and inequalities (Lupton and Fuller, 2009). As a result there was a concern that unemployment, ill-health and poor education were not addressed through neighbourhood scale regeneration, but rather re-located as a result of the exclusion of poorer households (ibid). Although not all mixed-tenure regeneration schemes involved the dispersal of existing residents, particular programmes and most notably the Housing Market Renewal pathfinder did involve the large-scale demolition of existing housing, including low value owner occupied dwellings, and relocation of existing communities (Allen, 2008; see also chapter two section 2.6). As such New Labour's approach to regeneration was seen as part of a move towards 'third-wave' gentrification, whereby the state encourages middle-class groups to 'gentrify' previously working-class neighbourhoods (Watt, 2009: 229-230; Lees, Slater and Wyly, 2008).

Encouraging 'sustainable' home ownership?

In recognition that volatility in the housing market had resulted in negative individual and societal effects during the 1980s, the Labour Government committed to 'enhancing opportunities for *sustainable* home ownership' (Housing Corporation, 2003: 22, emphasis added). The provision of shared ownership schemes in particular, were seen to have a role in cushioning lower income households from the financial risks of home ownership in a number of ways (ibid: 21). Firstly, it was argued that the low tranche shares offered through part-ownership schemes reduced the risks of over-indebtedness by shielding households from the full impact of interest rate rises and house price falls (ibid). Secondly, robust eligibility and affordability checks, the provision of debt advice and forbearance in the face of rent arrears were all identified as best-practice management (JRF, 2007). Thirdly, the risk-sharing potential of shared ownership schemes through "staircasing" was acknowledged, with the *Low Cost Home Ownership Task Force* recommending that 'where anyone in shared ownership gets in difficulties that might lead them losing their home, they should be able to staircase down and back to social rented if necessary' (Housing Corporation, 2003: 18-19). The guarantee of 'flexibility' in shared ownership schemes in this way, was seen as crucial in achieving a new 'vision' for housing, 'where 'tenure' is a continuum between renting and owning and households can move in both directions (and vary their equity stake) depending upon their circumstances' (ibid: 34). The housing association sector played a key role in promoting the use of LCHO in this way, particularly through the introduction of 'flexible tenure' arrangements in the management of shared ownership properties (JRF, 2007).

Whilst the academic literature had long recognised the potential role LCHO could play in mitigating the risks of marginal home ownership (Bramley and Morgan, 1998), there was scant evidence regarding how and if this could be achieved. To the contrary, studies questioned the extent to which LCHO policies, which focused on lowering the entry costs of home ownership, ensured the long term sustainability of subsequent mortgage, rent and maintenance payments. Whilst the research regarding the incidence of arrears and repossessions is lacking, one early study found that between 1996-97 10.3 per cent of shared owners had rent or mortgage arrears compared to 3 per cent of full owners, and that repossession rates were four times that of conventional purchasers (Martin, 2001: 55). A study by Cho and Whitehead (2010), looking at purchasers of shared ownership and shared equity

between 2000-2005, found that they were more heavily burdened by their monthly housing costs than conventional first time buyers, with 60 per cent of shared owners spending more than 30 per cent of their income on housing costs (p154). Evidence pointing to barriers to re-sales questioned the extent to which households were able to sell up or move on as a way to relieve financial problems, or to take up job opportunities elsewhere (Wallace, 2008). Further, whilst some attention was placed on the in/ability of shared owners to purchase further equity stakes in their home, there was a lack of understanding of the incidence and use of 'downward' staircasing, and the extent to which housing associations were able to offer safeguards through sales policies and management practices.[30] Whilst these concerns were highlighted in a period of growth and relative economic prosperity, they were to be tested in the context of global financial crisis in 2007.

3.6. New lessons, or the same old story? LCHO after the financial crisis

Impact on existing LCHO households

Whilst there had always been a 'fine balance' in LCHO between 'the financial risk taken by the purchaser and obtaining maximum value for money from public subsidy,' the global economic downturn in 2008 exposed the inherent tension in 'providing owner-occupation for households on lower incomes and managing the risk' (Burgess, 2010: 259). Rising unemployment and stagnating incomes, combined with the increased costs of borrowing affected everyone, but were likely to hit lower-income home owners particularly hard. Although far from conclusive, a number of studies indicated that some LCHO households were struggling to cope, reporting increases in rent and mortgage arrears (Burgess, Grant and Whitehead, 2009: 37), high levels of negative equity (Cho and Whitehead, 2010: 155) and increased stress and anxiety in meeting mortgage payments, rent and maintenance costs (McKee, 2010: 43-44), particularly if they were combined with other forms of debt (Whitehead, Burgess and Grant, 2008: 78). Stagnating incomes and a generalised slow down in the housing market also inhibited households' ability to sell-on their property and move out of the sector (Burgess, 2010: 258). In response,

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30. The exception to this was a study produced by Martin (2001) for the Joseph Rowntree Foundation, which found that some LCHO properties had been sold inappropriately to households who couldn't afford the long-term costs, and that support for those facing financial difficulties was patchy due to a lack of timely support and/or specialist staff working on the front line of provision (p55).

the Homes and Communities Agency (2010) produced guidance recommending that housing associations develop 'flexible tenure' policies to allow shared owners at risk of repossession to sell back part, or all, of the equity in their home, in order to clear outstanding mortgage debts and reduce housing costs to an affordable level. Whilst not mandatory, the adoption of flexible tenure policies was seen as an important tool to 'stop people becoming homeless' and to prevent the costs of repossession 'for family, community and other services' (ibid: 4).

Impact on supply and sales

The fact that delivery was so closely tied to the supply of market housing, both through mortgage lending and development on s106 sites, meant that the recession also impacted the supply and sales of LCHO units (Burgess, 2009: 3). A shortage of investment capital resulted in a steep fall in loans, and the costs of borrowing increased (ibid, p3-4). The lack of available credit meant that falls in house prices didn't necessarily increase affordability. As a result the market for owner occupied housing, including subsidised low cost home ownership units, declined. The complexity of LCHO compared to traditional owner occupied housing made lenders particularly wary because they considered the products to be more risky due to the lower incomes of purchasers, and the perceived complications in claiming equity in the event of repossession (Burgess, Grant and Whitehead, 2009: 6, 41). This all had a detrimental impact on housing associations, who were exposed to reduced valuations on new build units and a slow-down in sales which impacted on their ability to service existing loans (Burgess, 2009). These factors affected some housing association credit ratings, which in turn increased the costs of borrowing, leaving some housing associations struggling to raise private finance (Hinsliff, 2008). In order to mitigate some of these risks, housing associations began to change the tenure of LCHO units to social and intermediate rent, a move that was facilitated by the Government's *Rent to HomeBuy* scheme (Whitehead, Burgess and Grant, 2008: 48-49). The sector's approach to development also changed, leading to more cautious behaviour, reduced levels of LCHO completions, and a decline in the levels of cross-subsidy for additional affordable units (ibid: 15-19, 50-52).

The geographic impact of these events were also uneven. According to Burgess, Grant and Whitehead (2009) the largest slowdown in LCHO sales occurred in the North West and Midlands, particularly on inner-city apartments which remained empty as a result. After an initial slump, London[31] and the surrounding commuter belt retained stronger sales as demand for housing was still high and values held up (ibid: 14). In these areas, although LCHO sales continued, higher deposit requirements as a result of tightened mortgage lending, led to the allocation of units to higher income households (Burgess, 2010: 256). In areas where private rents were becoming increasingly expensive, and social rented housing was in short supply, the funnelling of scarce public resources to households who were neither on particularly low incomes nor in severe housing need was questioned (Shelter, 2010).

The reorientation of LCHO as a driver of the economy

In an economic context where the house-building industry represented a significant contributor to the national economy, a concern to shift property rather than meet housing needs became a key priority. LCHO was re-orientated as a mechanism to address 'the difficulties faced by the house building industry, and those in their supply chain' (DCLG, 2008b: 3). A number of reactive measures were introduced to meet this aim including; the extension of eligibility for some LCHO schemes to all first time buyers with a household income of £60,000 per annum or below; the allocation of public funding to housing associations to purchase unsold units on privately developed sites; and the launch of *HomeBuy Direct* shared equity scheme to help struggling developers sell empty units (DCLG, 2008b). The emphasis on 'boost[ing] growth' and 'maintaining capacity in the housebuilding industry' was continued by the Coalition Government with the introduction of the *FirstBuy* equity loan scheme (ibid: 7). All first time buyers with no upper income limit were eligible if they were purchasing a newly built property with a purchase price of £600,000 or less. In 2013, eligibility was extended yet again to include existing home-owners under the *Help to Buy: equity loan* scheme. Two mortgage guarantee schemes were also launched: *NewBuy Guarantee* in March 2012 and *Help to Buy: mortgage guarantee* in October 2013, with an emphasis on helping those who were 'frozen out' to enter

31. Although within London the picture is more varied. As Burgess (2009) shows, during the downturn local area characteristics defined the buoyancy of the local LCHO market, including area perceptions, school catchment areas and transport links (Burgess, 2009: 8).

the housing market or move within it by making more low-deposit mortgages available (DCLG, 2012b).

Although the schemes were reportedly popular amongst purchasers (NAO, 2014), a number of concerns were voiced regarding their impact on the affordable housing sector and the broader housing market. The sale of vacant privately developed new-build stock to housing associations, meant that many were left with poor quality accommodation of the wrong size and in unsuitable locations (Whitehead, Burgess and Grant, 2008). The introduction of market-based shared equity schemes introduced a new level of competition between housing associations and private house-builders at the neighbourhood level, and sometimes on the same development site (Burgess, 2009). The non-profit sector was particularly concerned that private developers would not consider the long-term interests of prospective buyers because they were motivated by the need to secure short-term cash flow, rather than a commitment to LCHO purchasers and neighbourhoods (ibid). Moral questions were also raised regarding the desirability of encouraging first-time buyers into a market at a time of falling house prices, with a specific risk involved on new build properties which had suffered substantial reductions in value during the market downturn (Wilson, 2014a). Critics argued that house builders who could not sell their properties should reduce their prices to a level the market could genuinely afford, rather than having them artificially 'propped up' through Government subsidies (Milner, 2011). The substantial investment in mortgage guarantees was seen as particularly problematic, as measures that increased the supply of mortgages without addressing the shortage of new housing ran the risk of driving up house prices (House of Commons Treasury Committee, 2013; Wolf, 2013). [32]

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32. A number of commentators drew parallels with the failure of US mortgage finance vehicles Fannie Mae and Freddie Mac, which had, it was argued, given the banks excessive scope to expand sub-prime lending prior to the financial crisis (Jenkins, 2013; Wolf, 2013; Lawson, 2013).

There is a lack of evidence regarding the impact of shared equity and mortgage guarantees on local and national housing markets. What is clear is that the Government's LCHO policy failed to address problems in the system which had existed well before the crisis, in particular the lack of supply and affordability across all tenures. There was an assumption that once 'normal times' resumed, and the 'mortgage market' started to operate 'as it should' then these 'kinds of intervention' would not be required (Osbourne cited in House of Commons Treasury Committee, 2013: 71-72).

3.7. Conclusion

There is a good deal of continuity in terms of the design and policy aims of LCHO initiatives introduced in England since the late 1970s. In particular, by lowering the costs of entry LCHO have consistently sought to contribute to the extension of owner occupation to wider spectrum of households, including those on low to middle incomes from the private and social rented sector. The increasing importance placed on housing as a personal investment vehicle and financial asset, meant that LCHO products have been designed to help those 'left behind' to share in the nation's increasing housing wealth, particularly in the context of rising house prices and affordability constraints. From this perspective, access to housing assets through LCHO (rather than just good quality affordable homes of any tenure) came to be conceptualised as a primary route to social mobility.

Secondly, by drawing in private financing, in the form of mortgages to individual households and debt finance by housing associations against their existing assets, LCHO have been seen as a way to meet housing needs with a shallower level of public subsidy compared to conventional social rented properties. LCHO initiatives that are focused on existing social tenants and those on housing waiting lists, also have the potential to free up social units for those in greatest housing need, thereby helping to reduce public expenditure. In addition, sales of LCHO units, particularly on regeneration sites, have been used to cross-subsidise rented provision and as part of an agenda to provide a 'tenure-mix' in areas previously dominated by local authority housing. In the context of privately developed sites, LCHO have also become an important part of affordable provision negotiated as part of s106 planning agreements in areas of high demand. Finally, and more recently, shared ownership schemes have been seen to have a role in managing the risks and

insecurities associated with owner occupation, particularly for those on low to middle incomes.

The extent to which these core policy aims are met by LCHO is questionable. The history of the development of LCHO policies explored in this chapter points to a number of limitations to the schemes. Whilst the *Right to Buy* contributed significantly to increased owner occupation rates and enabled many subsidised access to housing equity, the scheme also depleted the stock of quality affordable units across the Country. Once the stock had moved out of the public sector and *Right to Buy* sales were curtailed there was no straightforward mechanism to support the further extension of home ownership 'down market.' Instead, other LCHO initiatives including shared ownership and shared equity schemes took centre stage. However, unlike the *Right to Buy* which was easy to understand and straightforward to administer, part ownership initiatives were complex, involving a variety of funding routes and delivery partners and varying in the terms and conditions attached to individual schemes. They were also small in scale in comparison, having a limited impact on the wider market. In the context of rising affordability constraints in the housing market, which also impacted the sale of LCHO, there were questions raised regarding the extent to which shared equity and shared ownership schemes could effectively 'bridge the gap' between owners and others. Particularly as an increasingly number of purchasers were coming from higher income groups, and an increasing number of existing households could not afford to move on and become full owners. In this context it is also questionable whether households aspirations can be met if they have bought into LCHO as a way to access the owner occupied sector.

The inability of LCHO to meet the needs of social tenants also questions the extent to which LCHO schemes can successfully 'stretch' public funds. As an increasing number of all 'affordable' units were LCHO, serious questions came to be raised regarding the extent to which households who cannot afford these schemes are sufficiently catered for. Research looking at 'tenure mix' policies in private developments and regeneration contexts point to a trend in the development of LCHO units at the expense of rented units. In this context the whole premise of 'mixed tenure' is questioned if those on lower incomes, including existing tenants, are moved on as a result. Whilst the 'risk sharing' potential of shared ownership has been recognised, there is a lack of evidence regarding the success of shared ownership as a way to mitigate against the risks of home ownership for those

lower-income households who have accessed the tenure. Finally, the financial crisis saw LCHO take on a new role as a kick-starter for the house-building industry, marking the extension of the idea that housing is primarily an asset and investment. LCHO initiatives introduced appear to be little more than a sticking plaster for a deficient housing system. As a result it is questionable how far these schemes can sufficiently address underlying housing needs.

4. Methodology

4.1 Introduction

The existing body of research examining shared ownership housing in an English context has tended to focus on analyses of statistical data related to house prices, sales and affordability measures (Cho and Whitehead, 2010), as well as quantitative surveys looking at household attitudes to the tenure (Clarke, 2008). A limited number of studies have also carried out qualitative interviews with representatives from housing associations who are responsible for delivering shared ownership (Burgess, Grant and Whitehead, 2009; Wallace, 2008), as well as shared ownership households (Wallace, 2008; McKee, 2010). Whilst the effect of regional contexts have been factored into many analyses, including the impact of local markets on the number and type of shared ownership units developed and sold, the demographic profile of purchasers and long-term affordability of the tenure (Cho and Whitehead, 2006; Burgess, Grant and Whitehead, 2009), few studies have looked at these issues 'in the round' by locating them within the particular social, economic and political contexts in which they occur. Further, the policy-orientated nature of much of this research has meant that shared ownership has on the whole been judged by the terms and goals set out at the national level, by policy-makers who are responsible for the schemes funding and design.

The central aim of this study is to develop an understanding of shared ownership as a 'dual' tenure from the perspective of households living in shared ownership homes, and housing professionals involved in the development, sale and on-going management of shared ownership units. In order to draw out the impact of local contexts, these actors are placed within the particular geographies of two distinct case study areas, London and Cumbria. Whilst broader trends relating to the scale and provision of shared ownership provide a context for this analysis, alongside understandings of wider social and economic processes, the interpretative nature of this research demands a more grounded approach to data collection. Drawing on precedents in the housing studies field (Franklin, 1990), this study seeks to explore the rich detail of the everyday reality of shared ownership through in-depth interviews and observations grounded within particular localities.

The first section of this chapter sets out the research questions and explores the methodological approach taken to answer them. The section explores the case-study method and the adoption of qualitative research methods supported by contextualising data sources looking at regional demographics and housing markets to locate shared ownership within particular geographical locations. The section moves on to discuss the implications of the way the project has been funded through a CASE studentship that aims to link up academia with non-academic partners from various sectors of society. The second section sets out the approach taken to case selection including the identification of broad case study areas, as well as individual housing developments in which primary data collection was undertaken. Section three discusses some of the difficulties encountered in accessing the field, ethical considerations, and the approach taken to the analysis of the large quantity of qualitative data produced. The chapter concludes with some reflections on the research process.

4.2 Methodological foundations

A broad research question was pre-defined for this CASE studentship by the sponsor housing association and academic supervisors at Durham University. Initially, the research sought to explore the role that shared ownership could play as a 'flexible tenure' in sharing the risks of owner occupation through the unique 'staircasing' feature. A mechanism that theoretically allows households to purchase further equity in their home in good times, or to sell back shares to their housing association if they encounter financial difficulties. This research question was expanded following a review of the existing literature and early findings from the field indicating that upward and downward staircasing may not be viable for many households or housing association providers (Wallace, 2008; McKee, 2010; Clarke, 2010). In light of this evidence the study sought to explore the reasons behind and implications of this lack of flexibility through an exploration of the three research questions set out in Box 4.1 below.

Box 4.1. Research questions

1. How are the apparent tensions in meeting social housing needs with a market-based product negotiated by housing associations?

2. How do shared owners and others perceive and rework normative views of housing tenure?

The questions identified in Box 4.1 seek to understand shared ownership as a 'dual' tenure from the multiple perspectives of shared owners and housing staff. The exploratory and interpretative nature of these questions demand a primarily qualitative approach to data collection, supported by contextualising data sources looking at regional demographics and housing markets. This project sits within a broadly interpretivist tradition seeing value in multiple interpretations, in examining the constraints of everyday life in particular places and in seeking to develop 'thick descriptions'[1] of the social world through interviews and observation (Denzin and Lincoln, 2005). In order to achieve this, a case study approach has been adopted as a way to locate shared ownership within housing estates with their own particular social, economic and political geographies. Two case study areas and multiple case study sites have been selected for two main reasons. Firstly, the selection of cases that offer contrasting situations may draw attention to the influence of contextual conditions that 'might be highly pertinent to [the] phenomenon of study' (Yin, 2003: 13). Secondly, comparisons may be drawn between one case and another, based on interpretive rather than scientific analysis, arrived at by recognising 'the similarities [and differences] of objects and issues in and out of context' (Stake, 2000: 22). The cases selected for this study are based on purposeful rather than statistical sampling logics (Yin, 2003; Stake, 2005). Cases have been chosen because they are likely to generate rich information on shared ownership as a dual tenure (Curtis *et al.* 2000). At the start of the research cases were not wholly pre-specified in order to allow for the discovery of new information during data collection, which would lead to the selection of richer more interesting sites that offered greater opportunities to learn (Curtis *et al.* 2000; Yin, 2003; Stake, 2005).

One of the distinguishing features of case studies is the fact that it is possible to draw on multiple sources of evidence and methods of data collection in their design. As Yin (2003) argues, if the 'distinctive need' of case study research 'arises out of the desire to understand complex social phenomena' it follows that a number of methods of data collection and analysis can be used (p14). As a result case

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1. Geertz (1973) used the term 'thick description 'to describe the ethnographic method employed by social anthropologist who seek to understand the meaning of social actions within and through specific cultural contexts and interpretations.

studies can be based on a mixture of research methods in order to 'get access to different facets of the same social phenomenon' from different perspectives (Olsen, 2004; Bryman, 2006). A review of documentary evidence produced by central government agencies, national level housing organisations and lender's trade bodies locate local provision of shared ownership within broader financial, legal and political constraints. The study also draws on national and local data sets relating shared ownership, in order to 'locate a group of subjects within a larger population' and to provide a context for primary data collection in case study areas (Denzin and Lincoln, 2005: 11; Brannen, 2005). The combination of participant observation and semi-structured interviewing within case study areas have been adopted in order to develop an understanding of how 'events or behaviours naturally arise, as well as reconstructed perspectives on their occurrence' (Ritchie and Lewis, 2003: 38). The reason for adopting a multi-method approach is not to test the validity of different research conclusions through triangulation, but to enrich the research through the 'addition of other, very different techniques,' to extend understanding or add breadth and depth to the analysis through the use of multiple perspectives or different types of 'readings' (Ritchie and Lewis, 2003: 44; Olsen, 2004). From this perspective, the 'security' that mixed methods bring, is through giving a 'fuller picture of phenomena, not necessarily a more certain one' (ibid: 44).

The development of a pragmatic mixed method research design is consistent with strategies adopted by other academics who address both theoretical and practical problems through 'applied geography.'[2] As a CASE studentship, sponsored by the Economic and Social Research Council (ESRC) and a housing association, this study is one of a 'growing number of PhD projects in human geography co-funded by public, private or voluntary sector agencies' which explore the potential for the 'close[r] integration of theory, policy' and practice (Brennan, 2005: 253). As a result, this research addresses the needs of 'research funders and users' who have a stake in the research, as well as contributing to academic theory (ibid: 6). One of the benefits of the collaborative nature of the PhD has been the close working relationship with the partner housing association. This relationship has been invaluable in opening up access to the field at various points in the project. During the first year the researcher spent one day a week working within the housing association's research and policy team to produce policy briefings and research summaries. This experience allowed the researcher to gain some oversight of the

2. Applied geography as defined by Pacione (1999) is concerned with the 'application of geographical knowledge and skills to the resolution of real-world social, economic and environmental problems' (p1),

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housing association from a strategic perspective, access internal data and intelligence regarding shared ownership properties, as well as key local contacts within and outside the organisation. The project also benefited from a very active supervisor at the CASE partner housing association, who participated in every supervision meeting from the outset and demonstrated a real commitment to the research.

There are risks and opportunities associated with these 'new' funding arrangements and it is important to recognise 'restrictions imposed by research sponsors' and to be aware of the 'ways in which … research results may be used' (Pacione, 1990: 8). For example, the research aims and questions were already established before the researcher came to the project and there was less freedom to redefine these objectives compared to a traditionally funded PhD. Whilst keen to ensure that the research remained practically relevant and that it did not divulge too far into abstract academic theory, the CASE partner was open to findings even when they were critical of housing association practice. The researcher has been asked to write an accessible summary report so that findings and practical recommendations can be shared with staff and the wider sector.

As Pain (2006) argues, it is important not to caste geographers as 'victims or villains' of new funding streams and 'powerful policy-markers' (p254). Social scientists have been proactive in seeking applications of their research for a long time, particularly through action research strategies (Greenwood and Levin, 2005). Indeed, one of the personal motivations behind the researcher's application for the PhD project was the closer ties between academic research and practice that CASE studentships allow. Further, the move towards more reflexive research practice[3] in human geography highlights the fact that researchers never operate in a political vacuum, and that mainstream funding structures are not value free either (Pain, 2003). Applied research can and should be critical of official discourse and normative judgements rather than simply accepting them (Pain, 2006). The use of qualitative interviews and observations with households and housing staff were employed as core research methods in this tradition - to give 'voice to the experiences, views and values of local actors' (McKee, 2010: 12) in order to

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3. Reflexive research practice means that the researcher is aware of and makes explicit the effect of their gender, class and race position on data collection and knowledge production (Denzin and Linoln, 2005: 18).

illuminate and amplify 'the perspectives of those at the sharp end of policies' (Pain, 2003: 655).

4.3 Case study selection

The first step in the research project was to find a suitable methodology to define the broad case study areas in which to focus primary data collection. Case selection began by mapping out the regional spread of shared ownership units managed by the sponsor housing association in England. This mapping was limited to England with guidance from supervisors. The housing association do not have any shared ownership properties in Wales or Northern Island. Although they do manage shared ownership properties in Scotland, a different regulatory framework is in operation as a result of devolution and a different set of low cost home ownership (LCHO) schemes are available (Scottish Housing Regulator, 2012).

Initially three broad areas London, Cumbria and Newcastle were identified for the following reasons:

1. There are a large number of shared ownership units located within these areas and as a result likely to generate rich information (Stake, 2005).
2. They are three very different geographical areas likely to offer contrasting situations drawing attention to the influence of contextual conditions on shared ownership (Yin, 2003).
3. The sponsor housing association wanted to find out more about how shared ownership works in these particular localities.

Towards the end of the fieldwork period, the bulk of which was completed between November 2011 and December 2012, regrettably the third case study area, Newcastle, was dropped due to constraints on time and money. Having completed extensive research in London and Cumbria it became clear that a large amount of time and effort was required to identify suitable estates, set up interviews with staff and households and to organise periods of observation. Research in the first two areas had already generated a large amount of rich and varied empirical data which required and deserved in-depth analysis and attention. Further investigation was also warranted, particularly in London, as new avenues emerged during the research process that had not been exhausted (see Section 4.4 below).

Identifying suitable housing developments in London

During the summer of 2011 contact was made with key housing association staff in the London case study area in order to organise scoping interviews and field visits. This was facilitated by an email introduction sent out by a member of the senior management team at the sponsor housing association who was able to lend a certain amount of credibility to the research. The aim of these early interviews was to get a sense of the broader housing issues in the area, to gain support for the research from key gatekeepers[4] and to identify suitable estates as well as staff for interview on a 'snowballing'[5] basis. An interview with the Head of Leasehold for the South of England and a Regeneration Manager led to the identification of case study 1 - a housing estate located in the London Borough of Harrow which had recently undergone regeneration involving extensive demolition and reconstruction and the inclusion of units for sale, including shared ownership (See Box 4.3 below). A two-week period of scoping fieldwork working with housing staff on the estate was also arranged.

This initial period of research, working with members of staff who were directly responsible for managing shared ownership units, provided a fuller picture of the different shared ownership schemes in the area. Taking this local knowledge into consideration, two further housing developments were identified for the research in order to capture the experiences of households living in older developments who were more likely to have experience of shared ownership's unique 'staircasing[6]' feature. A stand-alone shared ownership development and a mixed tenure scheme built by a private developer.

All three cases selected are located in the London Borough of Harrow and therefore share some of the same economic and social contexts, as well as local housing issues. They are also all managed from the same housing office which made access to the sites easier to negotiate. However, there are some interesting

4. Gatekeepers are defined as people in an organisation or community who have the power to grant [and withhold] access to people and research sites (Valentine, 1997: 116).

5. Snowballing refers to the use of one contact to help recruit another, through a friend, relative or neighbour 'recruiting gains momentum, or 'snowballs' as the researcher builds up layers of contacts' (Valentine, 1997: 116).

6. 'Staircasing' refers to the process through which shared ownership households can either purchase a greater proportion of their property and eventually become outright owners, or in difficult financial times 'staircase down' so they own a smaller share and pay a greater proportion of rent on the property (Clarke, 2010)

differences; they were built at different times, vary in property type and scale of development, are located in contrasting neighbourhoods, include different configurations of tenure mix and were delivered by different developers through different shared ownership schemes (see Table 4.1 and Figure 4.1 below). Boxes 4.3 to 4.5 below provide some context for each case study site. The exact locations and photographs of the case study sites have not been included in order to protect the anonymity of participating households.

Table 4.1 Research cases in Harrow

Name	Developer	Year	No. /type Units	Tenure mix	Scheme
1	Housing association	2002-ongoing	605 mixture of houses and flats	Social rent(474), shared equity (72), outright sale (37), shared ownership (17), market rent (5)	Conventional shared ownership
2	Housing association	1982	12 flats	shared ownership (2), some residents have staircased up to full ownership (10)	Conventional shared ownership
3	Private developer	2008	20 flats	Owner occupied (10), shared ownership (5), social rent (5)	S106 development, New build Home Buy

Box 4.2 Case study sites in the context, London

The London Borough of Harrow

Harrow is an Outer London Borough, covering 20 square miles, in North West London. The area, which is located 10 miles from central London, developed as a dormitory commuter suburb in the late 19th century when the Metropolitan Railway, London's first underground line, connected the area to the inner city (Bowlt, 2000). Although Harrow is classified as a Metropolitan Centre in the London Plan and has a vibrant shopping and office centre (ibid: 7), only a small proportion of land is devoted to employment and industry and 60 per cent of workers who live in Harrow commute out of the borough to work (ibid). An estimated 239,056 people live in Harrow, and the population has been rising steadily over the past 25 years (ONS, 2011a; Harrow Council, 2012).

Harrow's reputation as a 'prosperous, green and leafy suburb' is supported by the fact that the Green Belt covers nearly a fifth of the borough's total area, and that at the borough level Harrow appears to be very affluent (Harrow Council, 2012: 4). At the last census unemployment levels were 4.5 per cent compared to 5.2 per cent across London (ONS, 2011a). The population is well qualified with 37 per cent of residents aged 16 and over holding a degree level qualification or equivalent[7] and 35 per cent of employed residents working in managerial and professional jobs (ONS, 2013f; 2013g). At ward level things are more stratified, the North and West of the Borough are least deprived (DCLG, 2011b). In the South West and South Central part of the borough there are 'areas of significant poverty, deprivation and acute housing need' (Harrow Council, 2012: 4).

Housing issues

Harrow's popularity as a residential suburb combined with limited scope for development has meant that housing availability and affordability across all tenures is a pressing issue (Harrow 2007: 3). According to the most recent Census only 6.1 per cent of Harrow's dwellings are council properties, 4.5 per cent are housing association, 33.3 per cent are rented privately and 65.3 per cent are privately owned (ONS, 2011b).

Levels of home ownership are higher than the national (63.3 per cent) and

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7. Level 4 and above qualifications cover: Degree (BA, BSc), Higher Degree (MA, PhD, PGCE), NVQ Level 4-5, HNC, HND, RSA Higher Diploma, BTEC Higher level, Professional Qualifications (Teaching, Nursing, Accountancy) (Office for National Statistics, 2011f).

London rates (48.3 per cent) (ONS, 2011b). However, between 2001 and 2011 home ownership rates fell by 9.9 per cent in the Borough and there was a 13.6 per cent fall in households buying without a mortgage (ONS, 2004b; 2011b). According to Land Registry data house prices rose from a median of £165,000 in 2001 to £293,500 in 2011 (DCLG, 2014a). Whilst shared ownership rose by 15.3 per cent this only represents the addition of 109 units (ONS, 2011b). Harrow's largest tenure change was in the private rented sector - the number of households living in private rented accommodation more than doubled in ten years. In 2011 18324 households rented privately in the Borough (33.3 per cent) compared with 9179 (15.4 per cent) in 2001 (ONS, 2004b; 2011b). Between 2001 and 2011 only 125 more households rented from the council and housing associations and the sector declined overall by 1 per cent (ONS, 2004b; 2011b). Over the years council stock numbers have declined in Harrow, partly due to stock-transfers to registered social landlords, but also due to Right to Buy sales which according to Harrow Council have also had detrimental effect on the supply of family homes (Harrow, 2007: 12).

According to Harrow council in 2007, 12.1 per cent of the households lived in unsuitable housing primarily due to overcrowding, mobility or health problems (Harrow, 2007: 14). In recent years there has also been an increase in homelessness, and as of 31 March 2007 there were 1058 households in temporary accommodation (Harrow Council 2008: 13). According to Harrow Council, there is a lack of resources to meet the demands of vulnerable households, let alone those deemed as non-vulnerable households but who are nonetheless unable to buy a home and are unhappy with the insecurity and highly inflated prices in the private rented sector (ibid). In 2008, the minimum weekly rent for a one-bedroom property in the private sector was 58 per cent higher than the same sized property in the social sector (ibid: 25).

Low cost home ownership initiatives

The first Low Cost Home Ownership schemes were developed in the Borough during the 1980s. At this time, the Conservative-run Council committed to making 'opportunities available for tenants to transfer to the private sector particularly on shared or other low-cost ownership terms' (Harrow Council, 1989: 5). The most successful of all the Low Cost Home Ownership initiatives was Right-to-Buy sales and as early as 1987 1541 properties had been sold this

way (ibid). In the 1980s the Council provided several sites for shared ownership schemes and funded Do-it-Yourself Shared Ownership.[8] However, the scheme was discontinued in April 1990 due to the 'declining capital programme' combined with poor economic conditions in 1992/3 which meant that housing associations were not able to make full use of the Housing Corporation allocations for shared ownership (Harrow Council, 1994: 3-4). Despite these setbacks shared ownership continued to be part of the Council's strategy to provide affordable homes to people in the borough, 'whether or not they are in priority need, as part of a balanced programme of provision' (ibid: 4). According to their most recent Housing Strategy shared ownership sits alongside other intermediate housing products as a way to help people who cannot afford to buy on the open market, with a particular focus on public sector tenants and key workers (Harrow Council, 2007). Despite this, sales to priority groups have remained low with only 3 public sector tenants and 4 key workers completing sales in 2010/11 (Harrow Council, 2011). Although there is considerable interest for shared ownership from key worker and non-key worker groups the translation into actual sales remains low.[9]

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8. Do-it-Yourself Shared Ownership worked in the same way as shared ownership except that applicants found themselves a home to buy on the open market which they purchase alongside a housing association. See Chapter 3, Section 3.4 for a fuller discussion of this scheme.

9. It is interesting to note how few applications transfer into completions. In 2010/11 2091 applications were logged for the *New Build HomeBuy* scheme, 1555 were approved but only 34 completed (Harrow Council, 2011).

Box 4.3 Case study 1

Case study 1 is located in the South of Harrow and is a large social housing estate owned and managed by a national housing association. The estate is covered by a Lower Super Output Area[10] in the top 5 per cent of income deprived local authorities' in the country (Harrow Council, 2012). In 2007 15 per cent of households had an annual gross income of under £15,000 and 18 per cent of residents of working age received income support (ibid). The estate was developed in the late 1960s to replace prefabricated houses that had been built after the Second World War to house families who had been bombed out of central London during the Blitz. The development comprised 90 per cent flatted accommodation and included 689 rented units. By the late 1980s 100 had been bought through the Right-to-Buy (Harrow Council, 1989). During the 1980s the estate fell into decline and had developed a very poor reputation. Harrow Council recognized the decline in the social and physical environment of the estate and the need for major works to improve the external and internal environment. Three failed bids were made to central government in 1987, 1994 and 1997 to regenerate the estate (Harrow Council, 1997). First mention of the possibility 'for a privately financed mixed tenure redevelopment of part of the estate' and the introduction of integrated local management was made in official Council documents in the late 1980's (Harrow Council, 1989). By 1994 Council policy regarded housing associations as the main providers of new housing in Harrow (Harrow Council, 1994). In January 1994 consultative panels were set up to develop a housing transfer strategy to transfer the management of the estate to a housing association (ibid). In 2002 the estate was finally transferred after a successful tenant ballot in which 75 per cent of residents voted in favour on the condition that the estate would be redeveloped.

Since the transfer, the estate has undergone phased regeneration; flatted blocks have been demolished in phases and replaced with new blocks of flats and houses. All social tenants who had secured tenancies on the estate have been re-housed. Those leaseholders that had bought under the Right to Buy were given the option to purchase a new flat on the estate on an equity share basis (Harrow Council, 2010). Provision has been made for family homes as well as flats and

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[10] Lower Super Output Areas are a sub-ward geography designed to improve the reporting of small area statistics. There are 890 of these areas, each with a population of between 1,300 and 2,800 which were created from whole or split wards (ONS, 2011e)

shared ownership, shared equity and outright sale properties have been developed. The tenure mix has changed at various times during the 10-year project reflecting fluctuations in the economy. At the time of research 474 rented units, 37 outright sale units, 72 shared equity units, 5 market rent units and 17 shared ownership units had been completed. Two final phases began in 2012 to develop 187 units for outright sale.

Most (15) of the shared ownership units are located in a standalone block on the edge of the estate. The other 2, which were developed earlier, are located in a mixed tenure block close to the estate's centre. On-going maintenance and repairs are managed by the housing association, and paid for through a service charge. The shared ownership properties are managed by housing officers and administrators based in an on-site housing office.

Box 4.4 Case study 2

Case study 2 is located on a quiet residential street in the ward of Harrow on the Hill. This small stand-alone housing block was developed in 1982 by a local housing association (which was later subsumed by a larger housing group) and comprises 12 shared ownership flats, with a small shared garden and car park. The housing association owns the freehold for the building and is responsible for managing the repairs and day-to-day maintenance of all external and shared parts of the development on behalf of residents who pay a monthly service charge. The external structure of the building is in a bad state of repair and over the last 5 years the roof, windows and retaining wall at the back of the site have all been replaced. There is no housing office located onsite. Instead, one housing officer and an assistant manage the property alongside other local leasehold and social rented properties.

Box 4.5 Case study 3

Case study 3 is a small mixed tenure development located in the West of Harrow. The area and development are considered upmarket. This mixed tenure scheme was built in 2008 by a private developer. The development comprises two blocks; one consists of 10 owner occupied flats with their own entrance, the other includes a mixture of 5 social rented and 5 shared ownership flats. The social rented and shared ownership properties were included as part of a Section 106 agreement as a condition of planning permission. There is car parking space at street level for social tenants and shared owners, and an underground car park beneath the development for private owners. Each block has its own shared garden. In 2010 the residents formed a management company so that they could employ a company direct to carry out maintenance and repairs. Rent collection, arrears and voids are all handled by one housing officer and an assistant who manage the development alongside other housing association properties in the area.

Case study 1

Case study 3

Case study 2

1km

London Borough of Harrow

Greater London
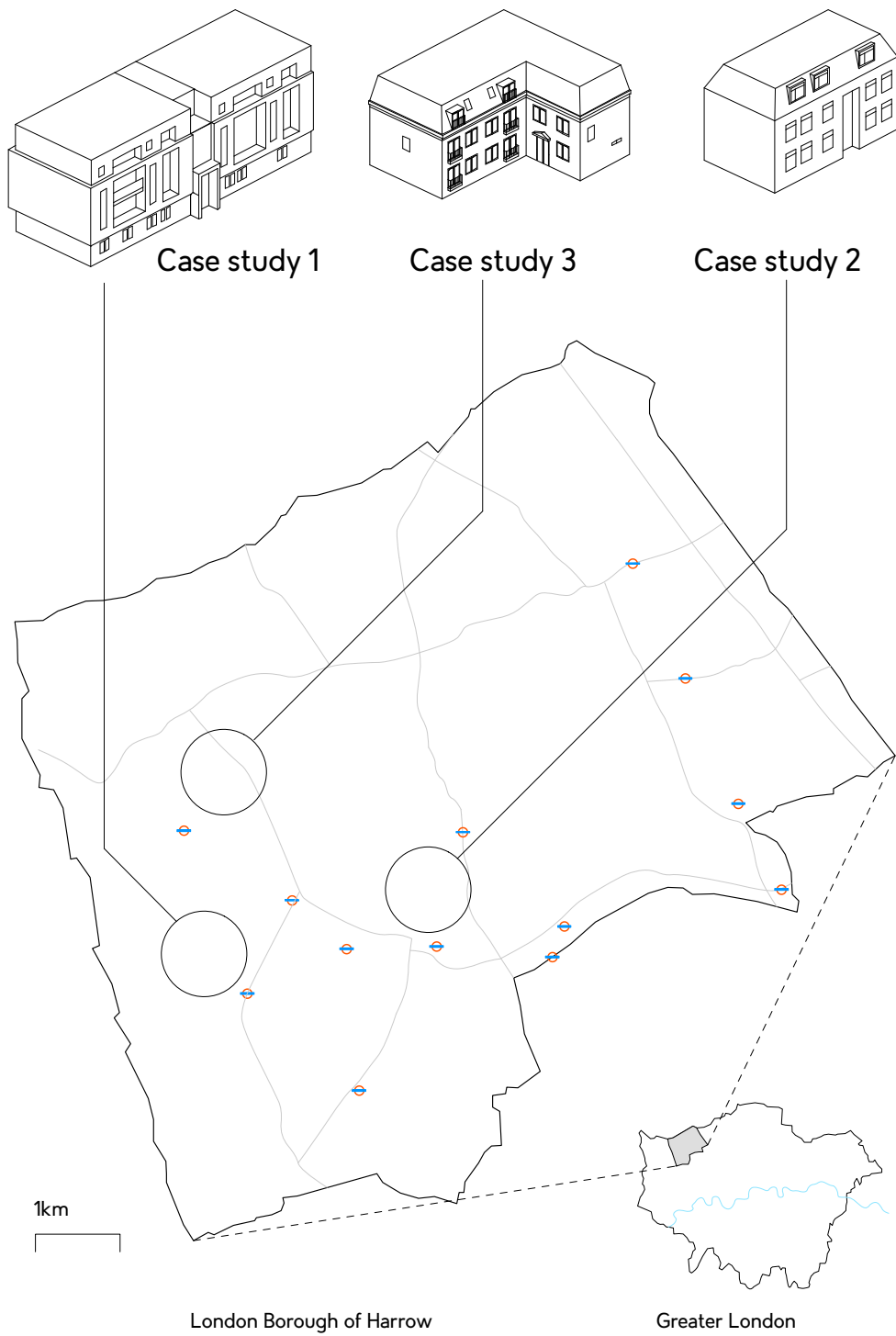
Figure 4.1

Map and illustrations of case study sites, London

Identifying suitable housing developments in Cumbria

During autumn of 2011 a scoping visit and interview was arranged with the housing association's senior staff operating in Cumbria. A tour around the association's stock in the area, personal introductions and informal discussions with staff managing shared ownership units paved the way for the organisation of in-depth field work during the summer of 2012.

In common with the first case study area, it was through interviews with housing staff with local knowledge of shared ownership that led to the selection of three suitable housing developments as research cases in the region. The cases are located in different parts of the County, with varying socio-economic contexts and housing issues (see Box 4.6). Research cases were selected on the basis that they vary in age, location, housing type and scale, tenure mix and shared ownership scheme (see Table 4.2 and Figure 4.2 below). Boxes 4.7 to 4.9 below provide some context for each case study site.

Table 4.2 Research cases in Cumbria

Name	Developer	Year	No. / type Units	Tenure mix	Scheme
4	Housing association	2001	10 bungalows	Shared ownership	Shared ownership for over 55s
5	Local authority	1994	159 houses	General needs (137), shared ownership (22)	Conventional shared ownership
6	Private developer	Various	21 houses across 3 villages	Shared ownership	S106, New build Home Buy

Box 4.6 Case study sites in the context, Cumbria

Cumbria

Cumbria is the most north-westerly county in England, and with an area of 2,613 square miles is also the second largest after North Yorkshire (Cumbria Observatory, 2010: 1). The area is made up of six local authority areas, Allerdale, Barrow-in-Furness, Carlisle, Copeland, Eden and South Lakeland, and also includes the Lake District National Park as well as part of the Yorkshire Dales National Park. The County is well known for its picturesque landscapes which attract a large number of domestic and international visitors every year (ibid). Whilst predominantly rural, there are also a number of urban settlements, including the city of Carlisle located in the North and a number of post-industrial towns including Whitehaven, Workington and Barrow in the West and South.

At the time of the 2011 census Cumbria had a resident population of 499,858 (ONS, 2011c). At less than 1 resident per hector in Eden, South Lakeland and Allerdale, the county has some of the lowest population densities in the country (ONS, 2013h). Cumbria also has an older population profile as the proportion of residents over 60 has increased from 24 per cent in 2001 to 28 per cent in 2011, compared to 21 per cent and 22 per cent in England (ONS, 2004a, 2013b). Employment figures amongst residents aged between 16 and 74 (including part and full time workers and full time students) are 66 per cent, the same as for England (ONS, 2013c). Unemployment levels are also low, accounting for just 3.4 per cent of working age adults (ibid).

According to the English Indices of Deprivation 2010, in terms of relative overall deprivation Cumbria comes close to the middle of rankings of counties in England (85th place out of 149 where 1 is the most deprived) (DCLG, 2011b). At the district level things are more stratified. Barrow-in-Furness is in the 32nd most deprived district in England for health, 5th in terms of housing quality and 14th in terms of employment (ibid). Whilst rural districts such as Eden and South Lakeland have relatively low levels of overall deprivation, they are affected by poor access to services and amenities (ibid). Relatively high levels of employment also disguise low pay in the region. For example in 2011 average weekly earnings were lower across all 6 districts compared to figure for the rest

of Great Britain (ONS, 2011d). There are also a high percentage of part-time workers. At the 2011 census, 19 per cent of employees were part-time workers in Cumbria compared to 17 per cent for England (ONS, 2013c).

These figures reflect the relatively high number of residents working as casual or seasonal workers in agriculture and forestry (3 per cent compared to 0.8 per cent in England) and in sectors related to the tourist industry (9 per cent of workers are employed in the accommodation and food services industry compared to 6 per cent in England) (ONS, 2013c).

Housing issues

The major housing issue faced is a lack of affordable housing across all tenures, particularly within rural communities. Rates of social rented housing are low, accounting for 14 per cent of total stock across the County and just 10 per cent of stock in the rural districts of South Lakeland and Eden (ONS, 2013d). At the same time the increase in affluent households either moving in to the area on retirement or buying second homes for weekend and holiday use have impacted on house prices, making it unaffordable for people living on local wages to get onto the property ladder (Cumbria Housing Group, 2011). Between 2001 and 2011 house prices rose from a median of £60,000 to £137,000 across Cumbria (DCLG, 2014). The ratio of lower quartile house prices to lower quartile earnings also increased from 2.95 in 2001 to 5.38 in 2011 (DCLG, 2012c). These problems, combined with the current and projected increases in residents over 65, point to key challenges faced in the region particularly around the detrimental impact of younger households moving out of rural areas on local business, services and communities, and a lack of suitable housing and care for older people (Cumbria Housing Group, 2011).

Low cost home ownership initiatives

The development of shared ownership and other low cost home ownership units in Cumbria fits in with local authority housing strategies to address issues of affordability for first time buyers who live and work in the area. The influence of local planning authorities over the supply of shared ownership begins at the planning stage where affordable housing numbers are negotiated with housing associations or private developers. The number, or proportion, of affordable

units provided on housing developments is defined by Housing Needs Surveys, completed by each Local Authority at the parish level. Both Allerdale and South Lakeland include a Local Occupancy Clause within Section 106 or similar agreements for development of affordable housing in rural areas (South Lakeland District Council, 2010; Allerdale Borough Council, 2012). Local Occupancy Clauses stipulate that applications have to live and/or work within a certain distance of the development. If the property does not sell within a set period then this distance cascades to cover a wider area.

The provision of suitable housing for Cumbria's aging population is a key priority for Cumbria local authorities. The implications of an increase in older people within Cumbria are made 'more acute' when seen in the context of a 'predicted decline in the provision of traditional forms of elderly accommodation' (Allerdale Borough Council 2012: 111). In this context the need is recognised to invest in 'alternative types of provision' by building housing that is 'suitable, or easily adaptable, for occupation of the elderly and infirm,' by increasing choice, independence and longevity of tenure' and ensuring locations are appropriate and 'well served by public transport and local services' (South Lakeland District Council 2010: 78). The development of shared ownership schemes for over 55 year olds fits in with Council strategies to help older people stay in their homes and remain independent for as long as possible.

Box 4.7 Case study 4

Case study 4 is small estate of 10 shared ownership bungalows built in 2001. The development was built for older people and there is a covenant in the lease which means the properties can only be sold to purchasers over 55 years old. Households can only purchase up to 85 per cent of equity to ensure that the properties are never lost to the open market and therefore remain available for older people in perpetuity. The development is based around a cul-de-sac and includes shared grounds and parking. The exterior of the bungalows and grounds are paid for through a service charge and managed by a housing association. The estate is managed by one housing officer, a leasehold specialist responsible for all shared ownership and shared equity schemes in the area. The development is

located within walking distance of the centre of small and increasingly prosperous town on the edge of the Lake District National Park. Compared to other areas of the North Western Lakes, including Whitehaven and Maryport, house prices are high in the area. In 2009 the town experienced severe flooding. Like many properties in the centre of town the estate was flooded out, the residents had to be rehoused temporarily and the bungalows were extensively refurbished.

Box 4.8 Case study 5

Case study 5 is located on the south-eastern side of Cumbria in a large town which is an important gateway into the Lake District National Park. 22 shared ownership houses are located within a larger estate of 159 social rented properties built in 1994. Although the estate has a low level of reported crime, it suffers from a bad reputation and suffers from anti-social behaviour and high levels of rent arrears. Despite its reputation there is a strong sense of community on the estate which centres around a well-used community hall. In recent years the housing association who manage the estate have begun to develop more community engagement initiatives to build upon what is an already vibrant community.

The design of the development is tenure blind, although shared ownership units are clustered together at one side of the estate. Shared ownership customers own between 50% and 75% of their properties. Others have staircased up to 100% and own outright. Shared ownership households are responsible for the exterior and interior upkeep of their home.

Box 4.9 Case study 6

Case study 6 consists of a 21 shared ownership houses located across three villages in the Lake District National Park. The properties were developed at varying times since the 1980s, as one off developments by housing associations, local authorities and, more recently, as part of s106 agreements negotiated with

private developers. The houses were built in order to cater for local people, who live or work within a certain distance of the developments, and could not afford to buy a property on the open market in the area. Property within the Lake District national park is desirable and therefore expensive. The growth of holiday lets as well as the second homeowner market has meant the households living off local wages, which are predominately in tourism and agriculture are unable to afford property in the area.

Case study 4   Case study 6   Case study 5
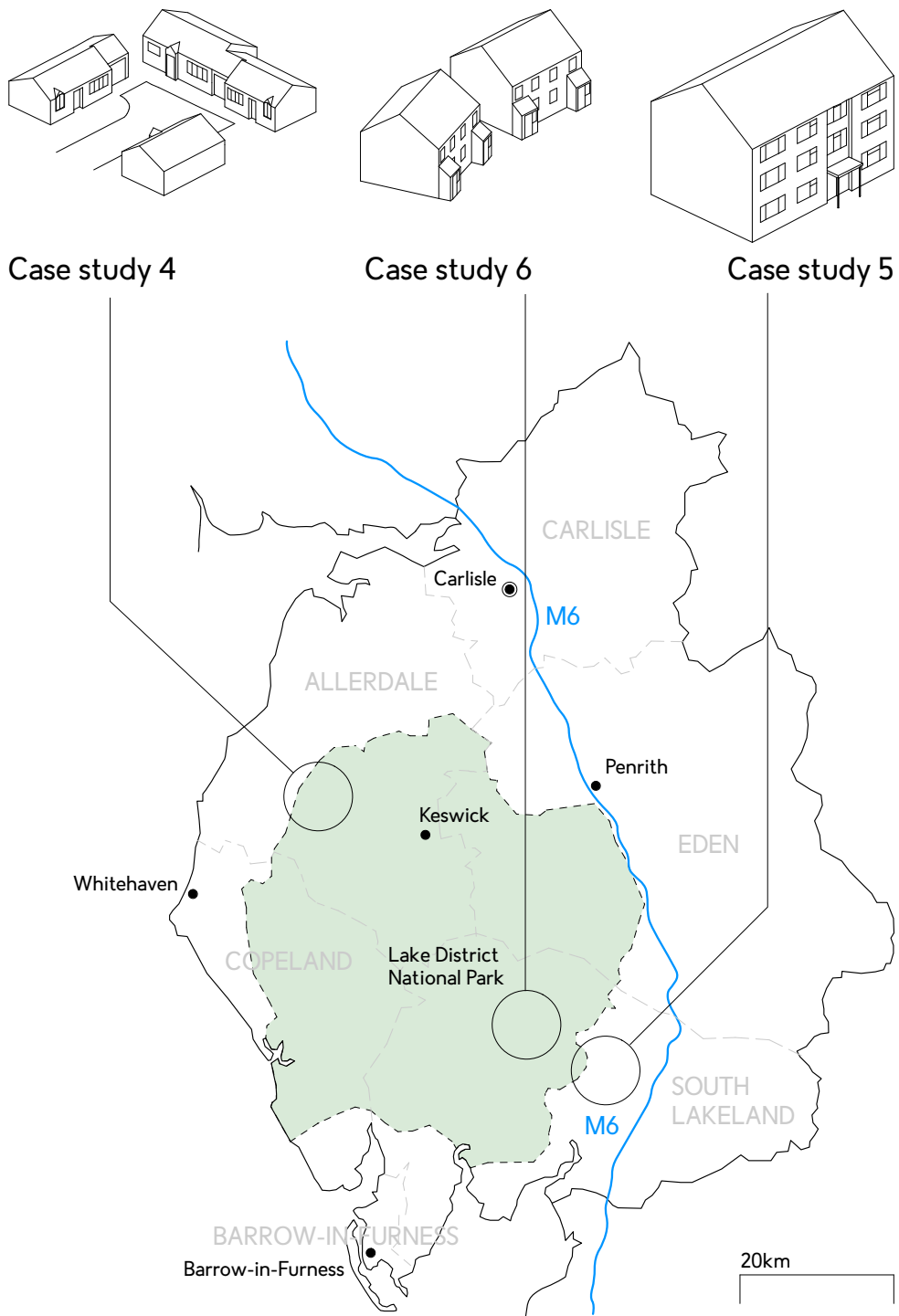
Cumbria with Local Authority and National Park areas shown

Figure 4.2

Map and illustrations of case study sites, Cumbria

4.4 Gaining access to the field

London

Having identified broad case study areas and individual shared ownership developments, the next stage in the research was to negotiate access to the field for a more sustained period of fieldwork. Despite the fact that early contacts had been made through scoping interviews and site visits, a number of barriers had to be overcome before the research began. An organisational restructure that had taken place across the housing association meant that management structures and front-line personnel had changed significantly in both case study areas. In London, key staff who had facilitated the initial period of scoping fieldwork had already moved on, or were phasing out their involvement in the management of shared ownership units in the area. As a result work needed to be done to get new staff on board with the research project. Contact was made with senior managers in the area on the assumption that they would be key gatekeepers into the field. However, after a number attempts to make contact through emails and phone calls this approach failed to achieve results. In February 2012, direct contact was made with a housing assistant who had been working in the area during the initial scoping period of the research. She was more than happy to help with the project and an interview and site visit was arranged. This proved to be extremely useful and she became a pivotal gatekeeper who was able to provide introductions to a number of shared ownership households, as well as colleagues responsible for managing shared ownership. She also arranged a meeting with the housing manager who subsequently agreed that the researcher could spend Feb-April 2012 working on the management patch with front-line housing staff.

In order that the presence of a researcher would not be an added burden to staff, a period of voluntary work was arranged in which administrative tasks were carried out to support housing officers working in case study 1. This period of participation and observation provided a window onto the day-to-day practical and wider social issues faced in managing a mixed tenure estate. It also provided privileged access to events, activities and experiences that would have been missing from the analysis otherwise. These included working shifts with the estate's cleaner who has also lived on the estate for a number of years; volunteering at a community breakfast that provides free food once a week for older people living in the area; participating in sales visits, eligibility and affordability checks for newly developed shared ownership units; and carrying out post-sales home visits with new shared

ownership households to make sure they were happy with and knew how to use the equipment in their new homes.

Gaining access to case study 2 and 3 required a different strategy. Having made contact with housing staff in the region it was straightforward to arrange tours of the housing blocks and shadow staff on estate inspections. However, it proved much more difficult to meet residents and get them involved in the study. In the first case study site, where shared ownership units were located within a larger estate of housing association owned stock which included a housing office on site, it had been relatively easy to arrange interviews with residents. The stand-alone nature of case study 2 and 3 meant that making contact with households was more of a challenge. Neither site had a housing office or community space on site, and due to the small number of housing association units housing officers spent far less time working on these developments. As a result staff were less able to provide introductions to households who they did not know personally, and there was less opportunity to meet people on an ad-hoc basis.

In order to recruit more shared owners, formal letters were sent out to tell them about the research and to invite them to participate in an interview (see Appendix 2). This letter was followed up by a phone call to see if they would be interested in participating in the study. Unfortunately, it proved to be difficult to involve these households in the research, and the take up remained low. The credibility of qualitative research is not threatened by a low sample size and the research was never predicated on the involvement of a large number of informants. However, as Baxter and Eyles (1997) argue in qualitative studies sample size is determined along the way by the need to involve 'as many experiences as possible' until 'saturation' that is until 'no new themes or constructs emerge' (1996: 513). At this point it seemed that there was still a lot to learn from shared ownership households. As a result the fieldwork period was extended to June 2012 in the first case study area.

The contacts made during the fieldwork in the first three case study sites had opened up some new lines of enquiry that, as a result of the extended time, could be pursued. Existing contacts were able to facilitate the recruitment of additional shared ownership households who were their relatives, friends and colleagues. Although these households lived outside of the developments that had been identified during the scoping exercise, with steer from supervisors they were recruited in order to address the imbalance in the research in line with the

'purposeful' sampling logic employed. Although researched less intensively and without a sustained period of time working with housing officers responsible for the management of the shared ownership units, these interviews proved crucial in developing a picture of the varied views and experiences of shared ownership from the perspective of different households in London.

Table 4.3 Case study 7, 8 and 9

Name	Location	Developer	Year	No. /type Units	Tenure mix	Scheme
7	Islington	Private developer	1999	16 flats	Shared ownership (8), outright sale (8)	S106 development, conventional shared ownership
8	Camden	Local authority	1998	16 flats	Shared ownership (2), general needs (14)	Do-it-yourself shared ownership
9	Southwark	Housing association	2001	8 flats	Shared ownership	Conventional shared ownership

Cumbria

During the winter of 2011 a scoping interview and site visit had been carried out with the help of the sponsor housing association Head of Customer Services for Cumbria. The visit proved fruitful and as a result a period of fieldwork was arranged initially for the spring of 2012 but pushed back to the summer as a result of an extended period in the first case study area. Although an organisational restructure had also taken place in the area, housing staff were more settled in post. The fieldwork began with a period of time working in the housing association regional headquarters in Whitehaven, a town on the West Coast of the County. The

head of customer services provided introductions to key members of staff involved in the development, sale and post-sale of shared ownership services, and in-depth interviews were carried out as a result. Taking the same approach as that adopted in the first case study area, the researcher spent a number of weeks working with the front-line housing officer responsible for the management of shared ownership units in the area. Interestingly, and in contrast to the first case study area, the bulk of her time was spent managing shared ownership which were developed specifically for households over 55 years of age, including case study 4. The housing officer was well known on the development, and had a good relationship with the older shared ownership households who lived there. As a result the researcher was able to spend time attending estate inspections, sitting in on meetings with individual households to address their issues and problems, and observing resident association meetings. Following this sustained period of fieldwork, the majority of shared ownership households were happy to participate in semi-structured interviews.

The researcher then moved to an office located close to case study 5 in order to shadow another housing officer who was responsible for managing shared ownership units located in case study 5 and 6. These sites proved to be more challenging to research. The dispersed nature of the rural developments in case study 5 meant that the housing officer rarely visited these sites, and did not know the households living in them. Whilst the units in case study 6 were more concentrated and were located within a larger estate of social rented units, the shared ownership units were on the edge of the site and managed by a different housing officer than the rest of the estate. Informal or ad-hoc introductions could not be relied upon to gain access to households on either site. As a result formal letters were sent out to shared ownership households, telling them about the research and asking them to participate. This approach proved to be more successful than in the London case study area and as a result a number of semi-structured telephone interviews were undertaken with shared ownership households in the area.

4.5. Methods of data collection

Semi-structured interviews

Table 4.4 Summary of interviews undertaken by case study area

Case study area	No. Housing professionals	No. Shared owners	Total no.
Cumbria	18	10	28
London	17	15	32
Total no.	35	25	60

As summarised in Table 4.4 above, a total of 60 semi-structured one-to-one interviews were used to gather in depth information from housing professionals and shared owners about their homes, neighbourhoods and experience of shared ownership (see Appendix 3 for full details of interviews completed). Semi-structured interviews were chosen because they allow for 'a certain degree of openness of response' (Wengraf 2001: 62). Although semi-structured interviews are less controlled than structured or survey interviews, they still require a high level of preparation, as well as more time for analysis and interpretation after the session (Wengraf 2001). With this in mind a set of key questions were developed on which to hang a series of follow up ideas (Valentine 1997). These included 'descriptive questions' asking for information on activities and experiences, 'structural questions' focusing on how and when events occurred, and 'thoughtful questions' which explore 'meanings, feelings and opinions' (Valentine 1997: 119) (see Appendix 4 and 5 for interview guides).

All interviews with housing professionals where carried out face-to–face. Social tenants and shared ownership households were provided with an option to be interviewed over the phone or in person. Around half opted to be interviewed over the phone. Face-to-face interviews are the precedent for in-depth qualitative interviews and typically telephone interviews are used for short or structured interviews (Sturges and Hanrahan 2004). However as Sturges and Hanrahan (2004)

argue there are a number of circumstances where phone interviews may be preferable. Firstly, where sensitive topics are being discussed respondents may prefer 'the relative anonymity of telephone versus face-face interaction with the research' (p108) including the personal and financial circumstances touched upon in relation to housing and home. Secondly, to ensure researcher safety, a topic which is 'seldom discussed in the methodology literature', when in truth 'many research settings present some danger to the researcher' including interviews that take place in people's homes (p109). This was an issue when interviews were carried out of office-hours and so without the support of housing staff working in the area, or in properties with only one-male occupant. In these circumstances the researcher felt more comfortable carrying out interviews by telephone.

There were some downsides however, firstly without face-to-face contact you lose important visual clues, for example nods and smiles when the researcher wants to 'avoid directing the narrative with interjections' but needs to let the participant know that they are still 'present and listening' (Holt 2010: 118). Secondly, and most importantly, you lose the richness of context that you get when interviewing people about their homes, in their homes. More often than not, during interviews that took place in people's properties informants were keen to elaborate on points they brought up during the discussion. For example, if they were particularly proud of an element of their home or neighbourhood, or if there was something wrong that they wanted to point out. As Smith (2001) argues the practice of interviewing may be just as valuable as the text that is produced when they are transcribed, they are also an event and an experience in which the interviewer can engage closely in the lives of their respondents in context through which what is learnt is 'as much about what is done as about what is said' (Smith, 2001: 35).

Most interviews were recorded, with permission from the respondent, with an Olympus digital recorder, and were transcribed by the researcher using Express Scribe software. Once transcribed a copy of the transcript was sent to each respondent to provide them with an opportunity to review, change and approve their contribution, along with a letter thanking them for participating in the study.

As a qualitative researcher it is important to recognize the position of the researcher and the impact this may have on informants and research findings. Reflexive research practice means that the researcher is aware of and makes explicit

the effect of their gender, class and race position on data collection and knowledge production (Denzin and Lincoln, 2005: 18) As Jackson (2001) argues:

'Identifying the range of positions that participants might take in relation to us as researcher encourages us to see ourselves as part of the analysis rather than as standing somehow 'outside' or 'above' the project' (p.205)

When interviewing households, particularly those living in social rented housing, the researcher was aware that as Holt (2010) argues 'the interview experience may not be dissimilar from other experiences where professionals have come into the participants' homes and asked a series of questions about their lives' (2005: 115). Certainly many of the respondents had been subject to such 'interviewing' experiences from social workers and housing officers 'where their communities, homes and lifestyles were made available for judgment (ibid). To some extent this is difficult to avoid, as Fontana and Frey (2005) argue, we are part of an 'interview society,' there is a reliance on interviewing as a source of information and 'the interview has become a routine and nearly unnoticed part of everyday life' (p699). This points to the power dynamics involved in the research process, which often involves 'those with more economic and cultural capital studying those with less' (Davies *et al.* 2002: 261). Steps were made to mitigate against this by ensuring that interviewees felt as comfortable as possible, allowing them to chose the venue and time of the interview, keeping questions open in order to allow them to direct the conversation, giving assurances of anonymity and confidentiality, and by giving them control over the transcript produced at the end of the interview. Spending time in the field also enabled the researcher to gain the trust and establish a rapport (Elwood and Martin, 2000). When carrying out interviews, the interviewer emphasised different parts of their identity depending on the respondent (Hertz and Imber, 1995). For example, when interviewing households their identity as a student was emphasised, open to learning and valuing participant expertise and viewpoints rather than imposing a professional judgement on their lives. During interviews with younger shared ownership households, and particularly those living in the London case study area, the researcher was able to relate to their position because of a shared experience of high living costs and insecurity associated with living in the Capital. In contrast, when interviewing senior housing staff and other 'elite' groups the professional researcher role was emphasised as well as affiliations with Durham University, the Economic and Social Research Council and the sponsor housing association (Harvey, 2010).

Participant observation

Periods of participant observation working alongside housing officers within the two case study areas proved to be a vital part of the research. The method not only allowed the researcher to develop an understanding of shared ownership in an everyday context, but also opened up avenues for further exploration that would not have been so forthcoming if the project had relied on in-depth interviewing alone. For example, walking around with housing officers led to ad-hoc meetings and introductions to colleagues and residents, in Cumbria the time spent travelling to and from different housing developments allowed for informal conversations with housing staff, shadowing staff also revealed the difficult and often challenging parts of the job when faced with households with complex issues, or neglected buildings in a state of disrepair. In Cumbria, the research also benefited from a temporary move to the area for the period of the fieldwork, enabling the researcher to get a wider sense of the social, economic and housing issues through explorations and informal discussions with local people living and/or working in the area. Whilst attempts were made to become a 'temporary insider' (Mullings, 1999), the position of the researcher was always made overt to respondents. This was an approach that recognised the position of the researcher as a 'marginal native' (Walsh 2004: 225). As such whilst the researcher became partially embedded in the field through active participation, the observer role was always explicit (ibid). Further, the view of the field was recognised as being partial, and informed by the non-negotiable characteristics such as gender, age and ethnicity of the researcher (Rose, 1997). In both case study areas, at the end of each day, observations, reflections and further questions for exploration were noted in a field diary (Emerson, Fretz and Shaw, 2011). A discipline that allowed the researcher to record events in detail, record observations and reflections, question preconceptions and make tentative interpretations along the way (Davies *et al.* 2002).

4.6 Ethical considerations

As Ali and Kelly (2012) argue, social researchers have a set of obligations and responsibilities around the effects of the research process on respondents (p59). A number of ethical issues were identified as part of the ethics and data protection review carried out by the Department of Geography at Durham University. These include the power relationship between the researcher and researched (see Section 4.5 above). This applies to semi-structured interviews with social tenants who may come from disadvantaged or vulnerable groups, as well as housing staff operating at

the front line of housing provision who have subordinate positions within the housing association. It was important that participants felt comfortable, safe and fully informed before participating in the research. This was particularly important considering that the research was partly funded by the housing association who was their landlord or employer. Prior to carrying out formal in-depth interviews, information about the research was sent to participants in written form and was explained verbally, they were also assured that no personally attributed information would be passed on to a third party including the sponsor housing association, and that they could withdraw from the research at any point (see Appendix 6 for informed consent form). Although access to regional senior management was facilitated through the CASE partner housing association supervisor, staff were under no obligation to participate in the research by their employer. In order to ensure that participants had a sense of ownership and control they were sent a copy of their interview transcript to change and edit as they saw fit. A number of participating staff asked that particular elements be left unreported in the final thesis. In order to ensure anonymity, pseudonyms were used in interview transcripts and in the analysis of interviews and the field diary. The names and locations of individual housing developments were also left out of the published thesis, as well as the name of the sponsor housing association. Consideration was also given to the impact of sensitive discussions relating to financial and personal problems related to housing and home. As part of the pack of information sent out to participants prior to interviews, the details of appropriate organisations offering help and advice related to debt and/or housing problems were sign-posted. An area that had not been considered fully before undertaking the research was the emotional response of housing staff as a result of the stresses and insecurities experienced in their job. Throughout the fieldwork project the researcher tried to adopt the principles of active listening as set out by Wengraf (2001), including being open, responsive, emphatic and non-judgemental (p129). Managing participant expectations regarding the potential impact of the research was also important in these contexts. Particularly as many households and staff participated with the explicit aim of contributing to a positive change in the design and on-going management of shared ownership housing. Whilst the researcher hopes that the findings of this study will lead to some improvements, it is important to acknowledge the limits of the research project in effecting change (Ritchie and Spencer, 2002).

4.7. Approach to analysis

The fieldwork carried out for this study generated a large amount of textual material in the form of transcribed interviews, field notes and sources of grey literature including pictures and images collected in both case study areas. Before the fieldwork was undertaken a 'grounded theory' approach to data analysis was identified for two main reasons. Firstly, because it offered a way to develop a picture of shared ownership as defined by the perspectives and experiences of research participants, rather than imposed by a set of predefined measures or theoretical frameworks (Charmaz, 2006). Secondly, the systematic approach appeared to offer a clear path through the too often opaque process of data analysis (Jackson, 2001). The system of coding advocated by Bailey, White and Pain (1999) was adopted including:

1. **Open coding** to break up data into concepts 'suggested by the data' rather than 'imposed from outside'
2. **Axial coding** to organize recurring themes into a set of 'stable and common categories linking associated concepts' and 'guiding sampling decisions' and
3. **Selective coding** to identify core findings at the point when fresh insights become minimal 'as the research uncovers the same phenomena again and again' (p176).

Intrepretation and analysis started as soon as the fieldwork began rather than at the end of the data collection period (Stake, 2000). The transcription process itself, which was undertaken by the researcher as soon after interviews as possible, proved to be an important first step in a long-journey to 'make sense' of the material (Hannam, 2002: 190). As did the production of a field diary at the end of each day of research, providing space to note down significant events, important conversations, to identify problems and their potential causes. These early findings helped to re-define research avenues as part of a cyclical research process which involved the development of tentative explanations that were 'tested and revised' through further data collection (Bailey *et al.* 1999: 179). As the research progressed this process of sorting and interpretation was formalised through the use of qualitative data analysis software. HyperRESEARCH enabled interview transcripts, field notes and images to be coded and organised by theme. The software did not do the work of analysis but proved to be a useful tool in organising data, encouraged rigour in clearly defining codes and enabled the visual grouping of codes into broader themes through tables and spider diagrams. It also enabled the process of interpretation to be shared more easily with research supervisors. In response to further fieldwork, critical reading of the

existing literature and following discussions with research supervisors, themes and codes constantly evolved. Towards the end of the second year, three key themes emerged from this process, which came to dictate the structure of the final thesis. The challenges of managing shared ownership on the front-line, the norms and values attached to shared ownership housing, and the risks and securities associated with the tenure.

It is tempting to present this process of analysis as a straightforward and linear one. However, the reality of making sense of such a large quantity of material was at times daunting (Hannam, 2002: 190). Whilst Bailey, White and Pains' (1999) coding system provided a useful guide, the reality of interpretation was far more subjective and uncertain (Hannam, 2002). The process of analysis also revealed a tension in the grounded theory approach between whether research should be driven by existing analytical frameworks or drawn directly from the data (Crang, 2003: 133). It is important to recognise that in practice it was 'almost impossible to read a transcript without simultaneously reflecting on the theoretical premises or conceptual issues that led one to undertake the research in the first place' (Jackson, 2001: 202). As such, like Crang (2003), interpretation was experienced as a subjective and creative process of 'producing order out of materials' in a 'progression from 'data' through informal notes to more and more formal outputs' conceptualised as 'a dialogue' with both participant interpretations, ideas, theoretical ideas and contextual readings (p129).

4.8. Conclusion

This chapter has set out the methodological approach taken to the study of shared ownership housing in England, through an exploration of the research questions and the approach taken to data collection and analysis. The chapter explores the strengths of using the case-study method based on qualitative interviewing and observation to locate the study of shared ownership in the context of particular housing developments in two geographically distinct parts of England, London and Cumbria. The chapter also considers the impact of the way the PhD project has been funded through a CASE studentship in ways that are consistent with other action research projects which seek to deal with 'real-life problems in context' (Greenwood and Levin, 2005: 60). As such there is an expectation that the research will contribute to the development of academic knowledge, whilst also addressing the concerns of research sponsors and participants. In particular, the project seeks to illuminate the experiences of shared ownership households and front-line housing staff whose voices have been inadequately heard in the research

surrounding shared ownership housing to date. Having set out the methodological foundations, the chapter moves on to address the 'messy' real world reality of undertaking qualitative research (Rose 1997: 315). A messiness that required the researcher to be flexible through the adoption of different strategies to gain access to field sites, as well as responsiveness to the individual needs of research participants. The sheer quantity of research material produced at the end of this process also evaded the researcher's drive to find a linear approach to data analysis, demanding instead an iterative and creative interpretive process.

5. Managing shared ownership: complexity, contradiction and conflict on the front line

5.1 Introduction

Chapter four set out the research questions and methodology employed to explore them. The chapter also introduced the two contrasting case study areas, as well as the specific housing developments in which primary data collection was undertaken. This opening empirical chapter draws on this material in order to address the first research question identified for the study:

> How are the apparent tensions in meeting social housing needs with a market-based product negotiated in practice by housing associations?

The purpose is to add to the existing body of literature, introduced in Chapter one and explored in greater detail below, by considering how these tensions are manifest at the local level in Cumbria and London. Drawing on the experience and perspectives of housing staff responsible for the delivery of shared ownership, the chapter seeks to illuminate the complexity, contradiction and at times conflict that emerge at various points in development, sales, and on-going management which, it is argued, stem from the tenure's 'dual' nature as both a 'social' and 'market-based' product.

The 'dual' nature of shared ownership as the 'point at which sale and social housing mix' has long been recognised in the housing studies literature (Bramley and Dunmore, 1996: 123). As has the unique combination of development risk and long-term social commitment needed to successfully deliver the tenure (ibid). On the one hand shared ownership is clearly a form of social housing. It is funded by central government in order to address a gap in affordability and supply for households whose needs are not met by the private market. As such the tenure is subject to a host of rules and regulation in place to ensure that public money is put to best use (HCA, 2011b). Although developed, sold and managed by third-sector housing associations, government agencies maintain a high level of control (see Appendix 7). In order to ensure units are targeted fairly and effectively housing

associations must perform eligibility and affordability checks and support purchasers with advice and guidance during the sales process. After-sale they remain part-owners and have an on-going relationship to customers as their landlords (Clarke, 2010).

At the same time, shared ownership is also a form of privatised housing, depending on sources of private capital for its development and sale. Housing associations deliver units through a combination of public subsidy and private loans raised against existing assets. Indeed, the move towards a greater proportion of private finance has been actively encouraged with reductions in public grant and changes to the regulatory regime (Mullins, 2010). As have the development of market-based products like shared ownership which generate surpluses (ibid: 22). These drivers mean that the development of shared ownership must not only be viable but profitable, raising enough equity for housing associations to service debts and plough back into further provision. Whilst there are significant financial benefits from the tenure's successful development and sale (Mullins and Murie, 2006), there are also risks involved in developing units speculatively (Burgess, 2010). Shared ownership stock must be developed in response to imprecise judgements about local demand, rather than to meet clearly defined needs based on housing waiting lists. Shared ownership units are not simply allocated on the basis of need, but must be marketed as attractive homes and safe investment vehicles (see Chapter six, section 6.2 below). Whilst there are revenue implications for empty rented units, the equity tied up in shared ownership units means that they must be sold as quickly as possible (Crook and Whitehead, 2010). Unlike income streams from rented stock which are relatively stable and predictable, receipts generated by sales are subject to the buoyancy of housing markets and the wider economy (Burgess, Grant and Whitehead, 2009). The very different set of conditions and risks involved in the development of housing for sale are likely to require a different set of skill and expertise compared to the management of 'traditional' social rented units (Bramley and Dunmore, 1996: 124).

As illustrated in Figure 5.1 below, the different funding, regulatory and delivery structures drawn from the private, public and voluntary sectors have led to a highly complex organisational landscape surrounding the development and on-going management of shared ownership housing.

Influence groups

NHF
(National
Housing
Federation)

CML
(Council of
Mortgage
Lenders)

CIH
(Chartered
Institute for
Housing)

Government
Departments

HM Treasury

DCLG
(Department of Communities and
Local Government)

Arms-length
Government Bodies

FSA
(Financial Services
Authority)

HCA
(Home and Communities Agency)

HBA
(Home Buy
Agents)

Local Bodies

LA
(Local
Authorities)

Private Sector

ML
(Mortgage
Lenders)

PD
(Private
Developers)

Voluntary Sector

HA
(Housing Associations)

Individuals

SOHH
Shared
Ownership
House Holds

○ ○ ○ ○ ○ ○ Soft Influence

⟶ Regulatory powers

◁▮▮▮▮▮▮▮ Financial flow

Figure 5.1

Diagram showing structure of funding and regulation relationships within shared ownership

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As highlighted in Chapter one, a number of questions have been raised in the academic literature, regarding the extent to which the social aims of housing associations and the needs of households are met by expansion into private markets through the development and sale of shared ownership (Malpass, 2000). As Wallace (2008) argues housing associations may be faced with a number of questions in providing a product that appears to have some confused aims. Is shared ownership private or social housing? Is it developed primarily to meet housing needs, or to provide sources of revenue to fund associations' 'core' activities? Do housing associations have a long-term responsibility to households beyond their legal commitment post-sales? (p74-77).

These emergent tensions chime with questions asked in the wider scholarship looking at the housing association sector in the context of increased marketization (Ginsburg, 2005; Mullins, 2006; Pawson, 2006; Walker, 2000).[1] In particular, the difficulties that associations face in trying to reconcile different identities as socially orientated not for profits, bodies that are accountable for delivering public housing policies, and competitive businesses (McDermont, 2010). Whilst in the policy literature the marriage of these different roles is presented as a 'super-blend,' for many the reality is more of a 'balancing act' (Blessing, 2012: 205). As Blessing (2012) argues 'the different, and sometimes incompatible sets of rules that apply to social and commercial pursuits' may require compromises to be made. On the one hand 'grounds must be negotiated' for organisations in receipt of state support to operate in the private market, on the other 'public accountability for their work' must be ensured 'without diminishing their capacity for entrepreneurship' (p205). The remainder of this chapter will address how competing tensions are negotiated by housing staff working on the front line of shared ownership provision in Cumbria and London.

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[1] A significant body of scholarship has built up in the housing studies field focusing on the impact of regulatory changes which has seen larger housing associations move from quasi-public to 'quasi-private' organisations (Mullins, 2006; Ginsburg, 2005: 124). The work of Ginsburg (2005) exemplifies the 're-privatisation' thesis that is critical of the large-scale transfer of local authority stock to housing associations underpinned by private loans. In an operating environment of increased financial risk, Ginsburg (2005) argues that housing associations are encouraged to introduce private sector management styles and practices' with implications for residents including exposure to rent increases and a 'democratic deficit' (p124) (see also Walker, 2000). Counter to this view, Pawson (2006) finds that the approach to housing management by larger associations is not more 'hard nosed' (p775) arguing that 'there are no shareholders' and that as a result surpluses 'benefit the organization and its tenants, not the funder' (p775).

The structure of this chapter falls into two main sections. Section 5.2 explores the difficulties encountered by staff seeking to address housing need with a product that is closely tied to private supply across the two case study areas. In addition, the section examines the effects of restrictions imposed by local and national government on the financial viability of shared ownership schemes. Section 5.3 focuses on the complexities and at times conflicts that arise for staff responsible for shared ownership properties and customers in a post-sale environment. The section explores the complications in geographic, legal and social terms that are faced in managing a tenure that straddles the divide between private owner occupation and social renting.

5.2 Developing shared ownership: addressing needs amid market fundamentalism?

Chapters three and four set out the ways in which shared ownership schemes have been funded centrally, and re-orientated at the local level to address a set of defined housing needs. At the national level the primary driver has been to spread the ownership of housing assets through the extension of (part) ownership to households who are unable to access conventional owner occupied housing. At the regional level this primary agenda takes on a local flavour. In London the increased pressure on housing as a result of the unequal distribution of housing stock, a lack of supply across all tenures and high house prices, mean that shared ownership is one of a set of policy tools used to help a growing cohort of first-time-buyers to purchase a home (GLA, 2011a). In Cumbria, high house prices have also had an effect on affordability, particularly for those living on local wages, but for a set of different reasons (Cumbria Housing Group, 2011). These include the impact of second home-owners who have higher incomes and/or levels of equity to invest in house purchases (ibid). As such, at the national and local level shared ownership schemes seek to fill a gap left by the private market to provide affordable and secure homes: homes which can be supplied at lower subsidy levels than social rented accommodation, and without recourse to regulation of the private rented sector.

House prices and incomes

In both case study areas staff reported difficulties in meeting the housing needs of target groups through shared ownership housing. In London, as house prices have risen shared ownership has become less affordable (see Figure 5.2 below). In 2001 a 50 per cent share of a home worth the median value for London of £160,000 was £80,000, by 2011 this had risen to £295,000 and £147,500 (DCLG, 2014a). House price inflation has not been matched by an increase in earnings. In 2001 full time workers earned a median of £25,215 per annum in London, rising to £34,396 in 2011 (ONS, 2011d). This is an increase of 35 per cent compared to the 85 per cent increase in house prices across the same period. As a result, the ratio of lower quartile house prices to lower quartile earnings increased from 7.98 in 2004 to 9.58 in 2011 in Inner London[2], and from 9.13 to 9.52 across the same period in Outer London[3] (DCLG, 2012c).

Housing staff reported that in this climate households originally intended to benefit from shared ownership schemes, were finding it more difficult to access the tenure. Whilst social tenants remain at the top of priority lists, very few could afford the scheme. Instead, an increasing number of young professional households were reported to have been purchasing units (see also Cho and Whitehead, 2010). This shift in affordability is also reflected in changes in the eligibility requirements which have expanded from a focus on social tenants, 'key workers' and most recently all first-time buyers with an income of between £18,100 - £61,400, and £74,000 for families moving into homes with three or more bedrooms (GLA, 2011a: 9).

> *"The priority banding for shared ownership has evolved as things have got more expensive in the housing market. Whilst in the past shared ownership was for key workers the definition of key worker has changed. I mean locally it's you know everyone in that middle sort of banded income. Well its everyone really because so many can no longer afford their own home."*

[Housing enabling officer, London]

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[2] For statistical purposes Inner London includes Camden, City of London, Hackney, Hammersmith and Fulham, Haringey, Islington, Kensington and Chelsea, Lambeth, Lewisham, newham, Southwark, Tower Hamlets, Wandsworth and Westminser (ONS, 2015).

[3] Outer London includes Barking and Dagenham, Barnet, Bexley, Brent, Bromley, Croydon, Ealing, Enfield, Greenwich, Harrow, Havering, Hilingdon, Hounslow, Kingston upon Thames, Merton, Redbridge, Richmond upon Thames, Sutton, Waltham Forest (ONS, 2015).

£295,000:
Median house price

£160,000:
Median house price

£147,500: mortgage

£80,000: mortgage

Median annual
sallary
£25,215

Median annual
sallary
£34,346

£16,000: deposit

£29,500: deposit
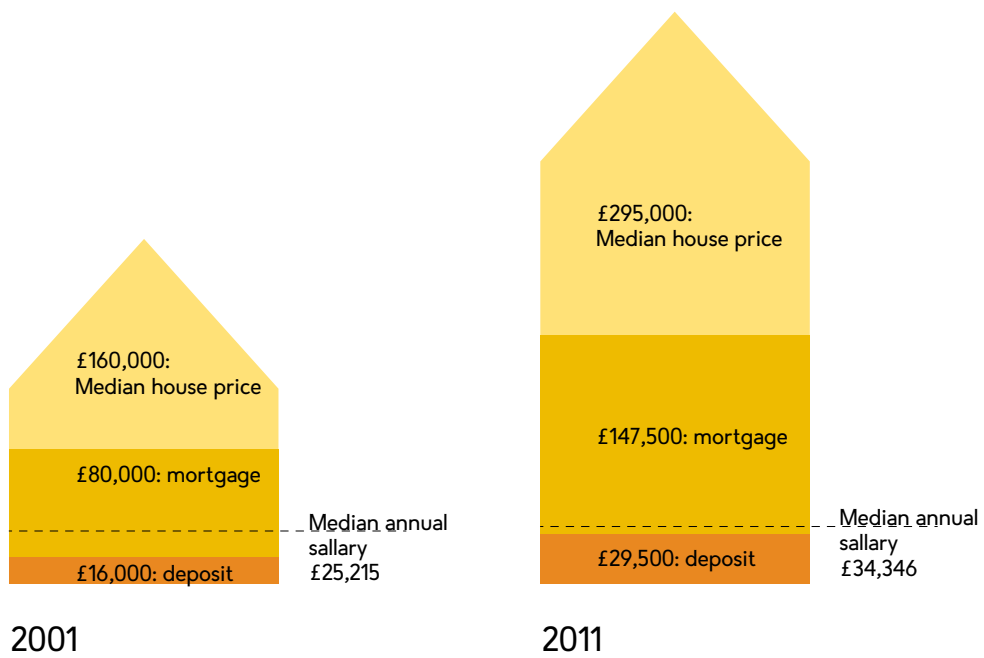
2001

2011

Figure 5.2

Proportional changes in house prices and incomes in London; 2001 and 2011

Source: DCLG (2014a) and ONS (2011d)

£60,000: Median house price

£30,000: mortgage

£6,000: deposit

Median annual
sallary
£18,559

£137,000:
Median house price

£68,500:
mortgage

Median annual
sallary
£23,950

£13,700: deposit
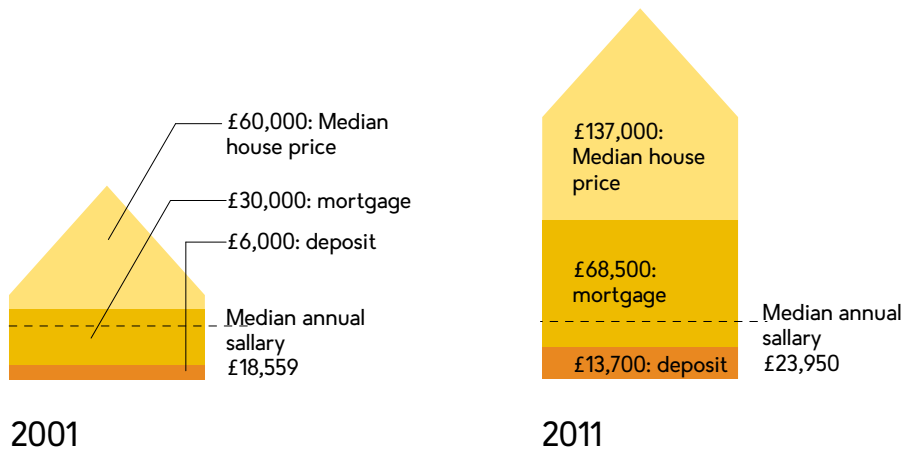
2001

2011

Figure 5.3

Proportional changes in house prices and incomes in Cumbria; 2001 and 2011

Source: DCLG (2014a) and ONS (2011d)

Whilst the allocation of shared ownership to better-off households was not seen as a problem in and of itself, in the context of decreased spending on all affordable housing (see Wilcox, Perry and Williams, 2015) the diversion of grant funding away from those in the greatest housing need was a matter of concern. With local authorities and housing associations facing increased demands on their depleted stock of social rented accommodation[4], many felt that the provision of low cost home ownership (LCHO) schemes should not be the priority - "quite often those schemes will be for low cost home ownership, sometimes shared ownership or affordable rent, but they won't be social rent which is what's needed" [Housing manager, London].[5] Particularly as social tenants were not benefiting, and social units were not being freed up as a result of moves from the social sector – "we've only had one transfer into shared ownership from the housing list" [Housing enabling officer, London]. The fact that most shared ownership households have a right to staircase up to 100 per cent ownership, also meant that unlike rented stock affordable housing moved out of the social sector and was therefore no longer available to help further households in need - "you effectively loose them to the open market" [Housing officer, London] (see also Clarke *et al.* 2008).

As shared ownership had moved out of the reach of many of the low to middle income households it had originally been designed to help, some felt that the whole premise of the scheme was undermined – "it's supposed to be an affordable product for … mid-market people in the low to mid salary but it's not providing for them" [Leasehold manager, London]. In this context, housing staff felt that the real gap in housing need was for social rented homes, rather than additional home ownership units.

> *"In terms of housing issues we have got a very small stock of social rented*
> *properties. The waiting lists are through the roof with 4000 people on it*
> *with almost 3000 in priority need. In terms of relets and voids I think its*

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[4] Census data shows that the percentage of social rented stock fell between 2001 and 2011 from 26 to 24 per cent in London (ONS, 2013d). Between 2001-2 and 2011-12 54,740 social rented units were sold under the *Right to Buy*. 76,580 additional units were developed in the same period providing a net increase of 21840 units (DCLG, 2014c, 2014d). Between 2001 and 2011 the number of households on local authority waiting lists increased from 211,469 to 354,401 (DCLG, 2014e).

[5] This is supported by England-wide data that shows that an increasing proportion of grant allocations have been targeted at LCHO schemes as opposed to rented units. This is reflected in an increasing number of LCHO unit completions as a percentage of overall affordable housing production. Rising from 19 per cent in 2001-2002 to a high of 45 per cent in 2005-2006, dropping slightly following the financial crisis to 30 per cent in 2011-2012 (DCLG, 2015c).

about 300 a year, so we are no-where near making enough churn to
actually meet the need.”

<div align="right">[Housing enabling officer, London]</div>

In rural parts of Cumbria within and surrounding the National Parks house price increases have also been steep, rising from a median of £89,500 in 2001 to £192,000 in South Lakeland (DCLG, 2014a). Shared ownership housing has been developed to address affordability constraints for households living on local wages who have been priced out of the private market (Cumbria Housing Group, 2011).

“There isn't enough houses. The second homeowners have driven up
values so local people are priced out of the market. The little villages have
suffered and there are communities being lost, pubs are closing and
facilities are closing, schools are closing because families aren't staying in
the area. It's sad. It's really having a big impact. We are committed to
keeping rural communities alive … that's the driver for us.”

<div align="right">[Property contracts supervisor, Cumbria]</div>

However, as Figure 5.3 above illustrates, problems of affordability in the wider housing market have also impacted on shared ownership housing. In 2001 a 50 per cent share of a home worth the median value for Cumbria of £60,000 was £30,000, by 2011 this had risen to £137,000 and £68,500 (DCLG, 2014a). In common with London, house price inflation has not been matched by an increase in median earnings. In 2001 full time workers earned a median of £18,559 per annum in Cumbria, rising to just £23,940 in 2011 (ONS, 2011d). This is an increase of 29 per cent compared to the 128 per cent increase in house prices across the same period. The ratio of lower quartile house prices to lower quartile earnings increased from 2.95 in 2001 to 5.38 in 2011 (DCLG, 2012c).

Although many shared ownership units are capped at 80 per cent of market value in rural areas to ensure they remain within the affordable sector in perpetuity, percentage shares reflect broader market trends so are no longer "affordable" to those on local wages.

“A lot of people are either on low wages, working in tourism or
agriculture, their wages are low, they may have very little savings … we
are finding that there is fewer and fewer people who are able to afford it.”

"Although they fixed the price at 80 per cent of market value which worked in the beginning, now it's too much for people to afford."

[Community land trust officer, Cumbria]

Even in poorer, post-industrial areas on the West Coast of the County where house prices were lower[6], shared ownership housing was still not seen as a financially viable option for many households. Staff reported that the combined mortgage and rent levels for shared ownership housing was often more expensive than a mortgage on other properties available on the open market (see also Munro, 2007). This was seen to be a particular problem for households purchasing low percentage shares.

In a context where the finances of shared ownership did not stack up for households on local wages, a depleted stock of social rented units as a result of *Right to Buy* sales[7], and insecurity in the private rented sector, staff felt that housing needs could only effectively be met with additional social rented supply.

"Looking at the people in housing need they are actually needing rented accommodation, they haven't got the incomes to be able to do shared ownership."

[Housing manager, Cumbria]

The fact that shared ownership does not offer an affordable alternative to owner occupied housing in Cumbria, means that fewer units are developed in the area compared to the London case study area. In 2011-12 there were only 140 LCHO and intermediate rent units developed in the County compared to 5,710 in the Capital (DCLG, 2015). Housing staff bemoaned the fact that shared ownership schemes seemed to have been designed for a London market but as one housing manager put it "simply do not fit" in other parts of the country. The concentration of development and therefore subsidy in London at the expense of other regions

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[6] In 2011 median house prices in Copeland were £112,195 and just £95,000 in Barrow-in-Furnace (DCLG, 2014a).

[7] Census data shows that the percentage of social rented stock fell between 2001 and 2011 from 16 to 14 percent in Cumbria (ONS, 2013d). Additional supply has not kept up with *Right to Buy* sales in the County, between 2001-2 to 2011-12 1,988 social rented dwellings were sold but only 1,980 additional units were developed in the same period (DCLG, 2014c, 2014d). Between 2001 and 2011 the number of households on local authority waiting lists increased from 6,463 to 12,430 (DCLG, 2014e).

was highlighted as a key concern (see Appendix nine). Particularly as development of affordable housing for rent and for sale has come to rely on an increasing proportion of private sources of financing through planning gain negotiations, cross-subsidy and loans (Burgess, 2009). Resources that were more readily available in areas where more private development takes place, where demand is high and housing assets for sale and rent are more profitable (ibid). In this context housing staff found development increasingly dictated by market pressures rather than housing needs and that areas with low levels of development like Cumbria suffered as a result.

Mortgage availability

In London and Cumbria staff found that for households who were eligible and could afford shared ownership, the lack of available mortgage finance was a significant barrier to purchase – a problem that has long been recognised in the academic and policy literature (Allen, 1982; House of Commons Committee of Public Accounts, 2007; Whitehead and Yates, 2010). This was in part seen to be symptomatic of the small market share for shared ownership as a proportion of all mortgage lending – "what puts them off is that it is a small market really that's the thing, it's a tiny piece of the mortgage market 1 per cent last time I looked" [Leasehold manager, London]. As well as the impact of the complexity of the tenure, making the administration of loans more burdensome and costly compared to conventional mortgages - "for lenders it involves extra work because it doesn't fit their standard software so they don't bother" [Community land trust officer, Cumbria]. The fact that a rent is charged on the un-owned portion of the property was also seen as detrimental – "lenders very often don't like that because they will subtract that from your net income so therefore you need to have a higher income in order to be a buyer" (Community land trust officer, Cumbria).

In Cumbria the availability of mortgage finance was also affected by the imposition of restrictive clauses on shared ownership leases at the planning stage. Local occupancy clauses limit the sale of shared ownership to households who live or work within geographically defined areas. Clauses include a "cascade" which mean for example that "for the first 60 days the property could only be allocated to people within an area, so a small village, the next 30 days it could be widened out farther and the next 30 days widened out farther than that. It never went national, it was always just a small area." [Property contracts supervisor, Cumbria]. Shared

ownership developed in designated Protected Areas[8] or rural exception sites[9] also include provision in the lease to either i) restrict staircasing to no more that 80 per cent of the properties equity or ii) impose an obligation on the housing association to repurchase a property when the leaseholder wishes to sell (HCA, 2009). This is to ensure that shared ownership is not "lost" to the private market – "it will always be an affordable home ownership unit" [Development manager, Cumbria].

> *"You will find conditions attached to schemes particularly in the National Park so that you make sure you are developing a site for local need. These conditions exist in perpetuity. It's not something standard because it has to be right for the local area, you are developing with local people in mind based on the evidence."*
>
> [Strategic housing manager, Cumbria]

Whilst these restrictions seem like sensible ways to address locally defined housing need, they also impacted negatively on the ability of households to secure mortgage finance. Although central government have recognised this, and in consultation with mortgage lenders developed a standard model agreement (DCLG, 2006b), evidence drawn from this study suggests that planning restrictions continue to impact on mortgage availability for shared ownership properties. Indeed, housing association staff faced considerable difficulties in selling properties once they had been developed, as lenders were not prepared to take on the risks involved in providing loans on properties that they were restricted from selling-on in the event of possession.

> *"Mortgage companies were reluctant to lend because they think about resale, could that property be sold when there isn't enough people in the area to buy the properties … restrictions on staircasing have [also] caused problems because the mortgage companies don't want to restrict the*

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[8] The Housing and Regeneration Act 2008 gave the Secretary of State power to designate Protected Areas in order to ensure the retention of affordable stock in areas where it would be difficult to replace. Predominantly located in rural areas, Protected Areas are characterized by limited land availability, tight planning controls, a lack of housing supply and high house prices (HCA *et al.* 2011: 24)

[9] Rural exception sites are small areas of land which would not normally be used for housing but have been identified as part of local authority planning policy as areas which may be used for affordable housing (HCA *et al.* 2011: 26).

market. You can understand why the local authority put it in, but no one
could get a mortgage."

<div align="right">[Property contracts manager, Cumbria]</div>

Impact of economic downturn

Following the financial crisis in 2008 as lending tightened in the broader market the availability of mortgage finance was further limited. In the context of risk-aversion amongst lenders, unconventional mortgage products including shared ownership were hit particularly hard (Burgess, 2009, 2010). This was in part fuelled by the way in which shared ownership customers came to be categorised by the Financial Services Authority (FSA) as 'high risk' because of the high loan-to-value ratios required on purchases (Communities and Local Government Committee, 2012: 76). Despite long-running discussions between the FSA, the Council of Mortgage Lenders and the National Housing Federation, and the introduction of the Mortgagee Protection Clause[10] as a mandatory part of the shared ownership lease which in effect protects lenders from borrower defaults, mortgages for shared ownership remained scarce (Burgess, 2009, 2010). According to Burgess, Grant and Whitehead (2009) this was in part because lenders did not understand the Mortgagee Protection Clause, and continued to see shared ownership as risky even though it was housing associations, backed up by the public sector, who took on the bulk of the risk (p41).

For those working on the ground the designation of shared owners as risky was perceived to be based on a misunderstanding of shared ownership rather than any inherent risks attached to the tenure.

"... they define borrowers of shared ownership as higher risk and almost
sub-prime. What they don't see is the fact that there is a huge amount of
equity which the mortgage company could draw on ... so in actual fact it's
a much more secure product than it would be in the open market ... they
have a huge chunk of mortgage equity through the mortgage protection
clauses that they can draw on. ... Instead of looking at it that the buyer is

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[10] To ensure that mortgage finance is available for shared ownership housing, the Mortgagee Protection Clause gives lenders the right to recover losses in the event of forefeiture proceedings (HCA, 2011a)

buying 40 per cent of the property and taking out a 90 per cent loan,
effectively that 90 per cent is still only on 40 per cent of the property."

<div align="right">[Leasehold manager, London]</div>

"… one of the consequence of the recession was that lenders went from
being reckless to over cautious. They demand deposits which are very big
which meant that there were few people who could actually afford it. They
weren't using evidence based practice to appraise shared ownership … the
repossession rate for shared ownership is tiny so the risk for lenders is
actually very slight so therefore they don't really need to ask for big
deposits … it's laziness really. It's portrayed as being associated with risk
that doesn't exist."

<div align="right">[Community land trust officer, Cumbria]</div>

Exposure to marketised risk

The lack of mortgage finance not only prevented households from purchasing
shared ownership units, but also impacted on housing association development
models which had increasingly come to rely on sources of cross-subsidy from
shared ownership and other sales units (CECODHAS, 2012). Whilst developing
associations had made significant gains in buoyant times, the financial crisis
exposed the sector's vulnerability to the vagaries of the private market (Burgess,
2009; Communities and Local Government Committee, 2009). Tightened lending,
falling house prices and a lack of confidence in the wider housing market impacted
on the sectors' ability to deliver pipeline developments of affordable stock
(Burgess, 2009). In addition, a small number of associations heavily dependent on
low-cost home ownership sales were identified as being at risk of exposure to less
preferable lending terms on future loans and, in the worse case scenario, defaults
on their existing debts (Dowler, 2008).

In both case study areas the sale and further development of shared ownership were
affected considerably by these wider economic conditions. In the months
immediately following the crisis staff reported that it had been difficult to sell
shared ownership units.

"I don't know if it's the nature of buying houses and the housing market
… but I was quite shocked to see how long it took to sell … I think it took

almost a year to sell 6 units. I've not known anywhere they have all been
snapped up really quickly."

[Development manager, Cumbria]

"...but of course because the market has slowed ... there were 700 unsold
properties still on the market ... instead of sell[ing] before the buildings
complete, a year after they were completed they still weren't sold."

[Leasehold manager, London]

In London, this had implications for the completion of housing developments that
had been predicated on the sale of shared ownership and other market units. In
research case one, a regeneration scheme in Outer London (see Chapter four, Box
4.3), construction work had stalled as a result of the downturn. Housing staff faced
significant political pressures to ensure development plans continued – "people
were upset because there was a collapse in the market, existing tenants in later
phases of the development who had not be rehoused were thinking, is it all going to
work, is it going to stop" [Development manager, London]. In this context staff
applied for additional grant funding to convert units that had been earmarked for
sale into social rented homes – "it became really political because our programme
had slipped quite considerably, basically we came under a lot of pressure to convert
sale units to rent" [Development manager, London]. At the same time, other market
units that could not be sold were converted to the Government's newly launched
Rent to Buy scheme which was seen as the "best way of getting people into
properties" [Housing enabling officer, London].

" ... we had Rent to Buy – basically a bail out operation ... the idea was
that they would rent them for a while and then buy ... there were so many
unsold properties it was causing a lot of problems."

[Leasehold manager, London]

Although in this context staff were, with the support of central government
funding, able to skilfully adapt and change development plans in response to market
conditions, they also recognised the inherent risks in a dependence upon cross-
subsidy and the possible negative consequences on existing and future residents –
"relying on sales and the market collapses then all your regeneration schemes are
going to go under really which is bad for us and bad for our customers"
[Development manager, London]. Further, staff reported that whilst in the past
housing associations could act as a counter to cyclical ups and downs in the

economy, the ever closer ties between the market and housing association finances meant that they were likely to pull back on development activity and investment just when it was needed most.

At the time of research although sales had picked up in London leading to the development of additional shared ownership units (Burgess, Grant and Whitehead, 2009), in Cumbria housing association staff were not confident in their ability to sell units in a market that was considerably less buoyant.[11] As a result, they were pulling back considerably on development activity in the region.

> *"We are orientating to do more home ownership down in the South rather than the North. That's partly because it's seen as more, just overall more beneficial from a cost point of view, viability viewpoint."*
>
> [Leasehold manager, Cumbria]

As such, the geographically uneven pattern of affordable housing distribution that had prevailed prior to 2008, continued after the financial crisis (see also Burgess, Grant and Whitehead, 2009; Morrison and Burgess, 2014).

Adapting to the market

The extent to which housing associations were able to adapt to these changes in market conditions were inhibited by local and national government constraints. In Cumbria, although housing associations were not confident in their ability to sell new units, the Homes and Communities Agency (HCA) insisted that shared ownership be included as part of the tenure mix on housing redevelopment sites.

> *"The other estate we are doing we're just on site building now and when we got the HCA grant they insisted that the time was right to build the shared ownership properties back in …. we are really tested the market to see if we can get them sold."*
>
> [Customer service manager, Cumbria]

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[11] In 2007 11,636 properties were sold in Cumbria, dropping to a low of 5,840 in 2009 rising slightly to 6,137 in 2011. In London 163,514 properties were sold in 2007, falling to 74,977 in 2009 and rising to 89,988 in 2011 (DCLG, 2014f). Although both areas saw a drop in sales of around 55 per cent after the financial crisis, in 2011 there continued to be just under 15 times more property sales In London compared to Cumbria.

"There is another instance of a mixed scheme down in South Copeland, we have 5 shared ownership units out of a 41 houses. We didn't want to do the shared ownership down there, we applied to do a full rental scheme. It was actually the HCA who said, we can't really justify a full rental scheme of that size, we want you to include an element of sale."

[Development manager, Cumbria]

This is revealing in terms of the centralised orchestration of the governance of shared ownership by central Government, as well as the fundamentalist devotion to marketised home ownership even when it doesn't make sense financially (see also Chapter 6, section 6.2).

In London, having secured additional grant funding to convert units from shared ownership to social rent, housing staff found that local authorities were either not prepared or reluctant, to change the tenure mix on developments as set out as a condition of planning permission.

"We have had a quite a few development sites with existing planning which we attempted to provide as 100 per cent affordable. Planning had a real problem with that as they believe that you can't change a market unit into social rented without getting planning permission for it. We had some running battles over the last while."

[Development officer, London]

In this context, in common with national government agencies, local authorities were wedded to the inclusion of market housing within developments of social stock, even in areas which were already dominated by high value market housing – "they actually prescribe the number of market units, as well as the number of affordable units and they won't let us change it " [Development officer, London].

The introduction of a number of shared equity schemes by central government following the financial crisis (see Chapter 3, section 3.6), was seen to introduce a level of competition that undermined the appeal of shared ownership schemes (Burgess, 2009). In this market housing staff felt they were unable to compete on a level playing field with products that had more preferable terms attached, were

open to a wider cohort of purchasers, and sold by private developers with larger marketing budgets and more freedoms to offer incentives to push through sales (see also Burgess, Grant and Whitehead, 2009).

"So when we first started it was really busy but you can imagine other products have come out and private developers … have got a share of the market so it is increasingly more difficult to sell shared ownership than it was initially I would say."

[Sales executive, Cumbria and London]

Limiting the market

The lack of freedoms to respond and adapt to market conditions was a difficulty faced in the sale of shared ownership units even in more buoyant times. As the development of sales units have become an increasingly important part of housing association finance models to deliver more units for less public subsidy and to cross-subsidise additional supply (see Chapter three, section 3.5), so has the need to ensure that shared ownership units are sold quickly and efficiently. However, the drive to sell was not easily compatible with the restrictions placed on the allocation of shared ownership units by national and local governments. For staff facing significant pressures to meet sales targets, the imposition of eligibility requirements was perceived to restrict an already limited market for shared ownership homes.

"The whole idea of when you're selling is that you will sell to anybody. It doesn't work like that … on the rental side because it's an allocative system … you're deciding whose going to get housing … on the sales side, you want the customers to come as quickly as possible."

[Leasehold manager, London]

"If you designate shared ownership too narrowly then you're in trouble because the shared ownership market is quite a small market anyway, if you narrow it further you are limiting your potential customer base quite a lot."

[Housing manager, London]

The bureaucratic nature of the application process was also identified as a significant barrier to sales. Despite the establishment of the *HomeBuy* agent network to standardise the marketing, allocation and sales of shared ownership,[12] staff reported inconsistencies in approach and the replication of functions amongst organisations involved. This was a particular problem in Cumbria where the local *HomeBuy* agent did not have much presence in the area due to the small number of units developed and the fact that their responsibilities extended across the whole of the North West of England. In this context housing association staff acted as intermediaries between purchasers and the *HomeBuy* agent. Again this was seen to reflect the fact that the scheme had been designed with a London market in mind, at the expense of other parts of the country.

> *"In other regions that HomeBuy agents are very well advertised so people know about it and register their applications … But the HomeBuy Agent for this area are based in Liverpool and they are never advertised here. I don't think it was ever really promoted enough up here because there wasn't enough properties."*
>
> [Housing manager, Cumbria]

> *"The HomeBuy agent is just another layer of paperwork … I didn't even go through the administration because I found it easier. People were just confused if I would say you will need to go to the HomeBuy agent, no one knew who it was … I found it was easier to do it myself."*
>
> [Property contracts supervisor, Cumbria]

In London, HomeBuy agents had a higher profile due to the large number of LCHO units developed and sold, all within a clearly defined geographical area.

> *"The whole point of the HomeBuy agent is sort of the administration of a particular area. It's a kind of one point of call kind of system. So you don't have to have somebody who is calling each site individuals, enquiring about what schemes or properties are available and how do I apply and what's the criteria. Its just a lot easier for customers coming in*

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[12] In April 2006 *HomeBuy* agents were introduced in areas across England as a 'one stop shop' for potential buyers looking to access LCHO units as a way to streamline the application process and to ensure people are treated more consistently and fairly. The agents are responsible for promoting LCHO schemes and developments and accessing applicants against eligibility and affordability criteria as set out by central and local government (House of Commons Public Accounts Committee, 2007).

from the outside to access all these kind of things it is sort of like a one stop shop."

However, housing staff still reported an element of confusion amongst purchasers in part due to the ever-changing goalposts regarding the individual agent's scheme and area responsibilities.[13] The fact that *HomeBuy* agent roles were predominantly taken on by housing associations who were also responsible for the development and sale of LCHO units, led housing staff in both case study areas to question whether agents were more likely to market and push through sales developed by their parent housing association, rather than a competitor operating in the same area.

In both case study areas local government control over allocations added another layer of bureaucracy to the sales process. In London, staff reported that some local authorities took a proactive role, requiring households to register their interest for shared ownership so they could be added to housing waiting lists. Others insisted that housing associations consult them in order to ensure that those in the greatest need were prioritised for provision.

"They go to the HomeBuy agent who will do the deeper analysis in terms of affordability and private checks and all that kind of stuff ... When a housing association wants to offer some of their properties they come to us and ask us what priority we want to give these applicants so we have some control that way ... We will look at do you live and work in the area, tick, are you a key worker, tick, its more of an allocation point of view."

[Housing enabling officer, London]

In Cumbria, a number of local authorities imposed nomination rights over properties as a condition of planning permission. In one local authority, affordability checks were carried out to ensure that potential purchasers could not afford to purchase a similar property on the open market.

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[13] At the time the research was undertaken *HomeBuy* agents who had previously been responsible for different geographic areas of London, where then contracted to work on a developer basis to market and carry out eligibility checks for the *HomeBuy* and *Help to Buy* schemes

"Local authorities with nomination rights over our properties is an added complication. One of our local authorities do their own financial assessments on people. If they thought people were able to afford to buy an open market property in the area. They were coming up with 2 bed flats that someone could buy so they wouldn't be eligible for the shared ownership properties, that was really difficult."

[Property contracts supervisor, Cumbria]

This was a source of difficulty for housing associations operating in the area where sales of shared ownership were difficult to secure, even without additional restrictions imposed by local authorities.

5.3 Dealing with complexity and conflict: post-sale management of shared ownership

As explored in Chapter three above, the national LCHO policy landscape has, to say the least, become rather cluttered over the last three decades. The core set of initial schemes introduced in the 1980s have been followed in subsequent decades with a large number of initiatives. Initiatives which not only vary in name, but also in the fine detail of their design, funding and policy aims (see Appendix one). Although efforts have been made to simplify LCHO policy (see Chapter 3, section 3.5), these measures have been little more than a re-branding exercise rather than a sustained attempt to limit the number of products available. This variation reflects the lack of long-term strategic policies that, as Whitehead and Yates (2010) argue, have been implemented reactively in response to immediate changes in the political-economic environment (see Appendix eight). At the local level, the picture is complicated even further with the development of tailored LCHO schemes funded directly by local authorities, housing associations and private developers, to address specific locally defined housing issues.

"Quite a lot of schemes have been merged or changed or they change their name or change slightly the way that they work. Some just have a 1 to 2 year lifespan then something else comes to replace it with a similar name. Since I have worked here I have seen about 10 to 12 schemes available at one point, this has slimmed down, but there are still about 6 main schemes that people normally apply for."

[Leasehold consultant, London]

In comparison to other LCHO schemes and in particular the numerous shared equity arrangements introduced since the late 1990s, shared ownership has been seen as relatively stable product (Whitehead and Yates, 2010). This view is supported by the fact that the basic structure of shared ownership has not altered significantly since its introduction in 1980 (ibid). Shared ownership does not rely on discrete or time-limited pots of money but has, since its inception, been developed as part of regular rounds of grant funding alongside affordable rented supply (ibid). There have also been more shared ownership units developed, and more remain in use in the second-hand market as a result.[14]

However, beneath this surface stability lies considerable diversity in the fine details of individual schemes, including funding, development routes and allocation rules. At the time the research was undertaken these included generic new-build and rehabilitated shared ownership units developed for social tenants and first-time buyers as part of s106 sites, regeneration schemes and stand-alone developments; as well as more specific and targeted schemes for older people, people with long-term disabilities, self-builders and households who live and/or work in rural areas (HCA, 2011a). Historic stock also includes the remnants of older discontinued schemes, including *Do It Yourself Shared Ownership* and the *Right to Shared Ownership*, which converted existing properties to shared ownership from the owner occupied or social rented sector.

Dispersed and disparate stock

In both case study areas the historic variety of funding and development routes resulted in "bits and pieces" of shared ownership stock [Leasehold consultant, London] located in "all sorts of different sites" often spread across wide geographical areas [Housing officer, Cumbria] – "our traveling is immense because the properties are dotted all over the place" [Leasehold manager, London]. As reflected in the individual case study developments identified in Chapter four, housing staff were also responsible for managing a range of shared ownership properties, varying in housing type, scale and tenure mix. These included small concentrations of shared ownership flats and houses built as part regeneration schemes; units which had been built as a result of s106 negotiations on private development sites; clusters of accessible purpose-built shared ownership bungalows

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[14] Between 2003 and 2012 82,890 shared ownership units were developed through HCA grant funding in England, compared to 47,250 shared equity units (DCLG, 2014f).

and flats for over 55 year olds; small standalone housing association shared ownership developments; and individual shared ownership units pepper potted amongst social and private housing stock.

> *"There are roughly around 400 properties and they are scattered because of the different shared ownership schemes we have done in the past."*
>
> [Customer service manager, Cumbria]

> *"I have blocks which are all shared ownership. I have estates where I might have one shared ownership property in an estate that the housing association have no other properties within … then there are those that are managed alongside general needs on larger estates."*
>
> [Leasehold customer service manager, London and Cumbria]

The geographical locations of shared ownership properties were also wide-ranging. In Cumbria developments were spread across more affluent and rural parts of the Lake District National Park, as well as poorer, post-industrial towns to the West and South of the County – "we have properties scattered everywhere … in every village and every town right throughout Cumbria" [Customer service manager, Cumbria]. In London, units were located in a range of suburban and urban areas with different characteristics, including very poor and very wealthy neighbourhoods. In addition, in both areas the households occupying shared ownership units were diverse, reflecting the different allocation rules attached to individual schemes. These include older people, single households and families with young children, all with an accompanying variety of personal, social and financial circumstances.

Variations in the physical characteristics, social and economic contexts as well as the needs of individual households meant that there was not, as one leasehold officer stated, "a one size fits all approach to shared ownership management."

As will be explored below, the complexity of the scheme meant that housing staff faced significant challenges in effectively managing shared ownership, including the provision of maintenance and repairs services, the enforcement of contractual conditions contained within the shared ownership lease, as well as meeting the needs and expectations of shared ownership households.

Maintenance and repairs

The division of maintenance and repairs responsibilities in shared ownership has been recognised in previous studies as a point of contention between shared owners and their landlords (McKee, 2010; Wallace, 2008). This stems from the fact that although shared ownership households do not own all the equity in their home, they are responsible for 100 per cent of upkeep costs (see also Chapter seven, section 7.3). Confusion over maintenance responsibilities are exacerbated further in developments which have shared internal and external areas. These include flatted blocks and some houses where routine maintenance (cleaning, decorating and gardening) and major repairs (to roofs, walls and windows) are paid for by shared ownership households through a service charge but managed on their behalf by a housing association (HCA, 2011a). The fact that nationally more shared ownership flats have been developed in recent years than stand-alone houses (Cho and Whitehead, 2010; Clarke, 2008) indicates that more complex maintenance arrangements are not unusual. This is backed up by the experience of housing staff working on the front line of provision, particularly in London where the development of houses was not deemed financially viable.[15]

> *"I think it's very difficult in terms of like what we have developed through the noughties … was a lot of flats in London … I mean it's just all that you can do. I mean houses are gold dust aren't they in London."*
>
> [Leasehold manager, London]

> *"The situation [when] shared ownership … works best of course is houses. If you buy a house, especially if that's a one-off house rather than on an off road development then the responsibilities are more clear cut … that's the logical model for shared ownership but it's not what we are doing because it's not what's being build."*
>
> [Leasehold consultant, London]

Whilst staff managed more houses in Cumbria – "we have got quite a lot of houses … if you can go to much cheaper areas it becomes much more viable" [Leasehold

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[15] The strong connection between shared ownership and the housing market as explored in Section 5.2, is also reflected in the types of dwellings developed with smaller units built in London and the South East, and larger family homes constructed in the Midlands and North (Cho and Whitehead, 2006, 2010; Clarke, 2008). This has implications for the supply of family homes, particularly in London, as well as the long-term suitability of units for households changing needs (a point that is also addressed in Chapter seven, section 7.3 below)

customer services manager, Cumbria and London], a significant number of these catered for older people on off-road developments. As a result staff were involved in the day-to-day maintenance and repair of the external envelope of houses, as well as communal hard and soft landscaping.

According to housing staff, effective property management relies on surveys of the fabric of buildings in order to establish the stock condition and identify elements that need to be repaired or replaced in the future. This approach makes it possible to plan in advance for future work in a way that is transparent to current and future householders. This plan forms the basis for the collection of an appropriate level of funds to be kept in reserve to pay for major maintenance works over the life of a building. Housing staff identified a number of factors impacting on the ability of housing associations to provide an effective maintenance service in this way. Crucially, in both case study areas, staff reported that information about the construction, development and stock condition of shared ownership properties was missing.

> *"Finding out the information is just horrendous. Development when they build things they would pass the files up to head office but head office haven't got any files, they haven't got any records, there is no stock condition information there at all. So it's starting from scratch really."*
>
> [Property contracts supervisor, Cumbria]

This in part was seen as a legacy of the way in which the historic stock of shared ownership had been accumulated. Institutional knowledge about individual developments had been lost as a result of transfers from local authorities, and the incorporation of locally based housing associations into larger, national organisations (Mullins, 2010).

> *"The management of shared ownership in this region was done by a retirement leasehold team. The reason that had happened was that this part of the business in the South was another housing association which started here in 1965, amalgamated with us in 1996 and was finally absorbed into the business in 2005. Both [housing associations] made the mistake of not understanding the need to assimilate the structural*

information about the properties efficiently in order to set up a means of
management from that point forward."

[Leasehold consultant, London]

These gaps in information were seen as symptomatic of broader problems concerning leasehold management across the housing association sector. Staff felt that leasehold management had been historically under-resourced, and that the organisational focus was on short-term pressures to develop and sell shared ownership units as opposed to its post-sales management.

The emphasis is understandable considering the high stakes involved in the development and sale of shared ownership units. As explored in section 5.2 above, when shared ownership housing is developed at the right time and in the right place significant returns can be generated from its sale. When brought to market during periods of economic downturn the losses can be equally high with potentially crippling effects. Whilst the quality of the post-sales management service may impact on the relationship between housing associations and their customers, as well as the long-term condition of the stock in which they have a stake, these factors clearly have less immediate impact on the wider housing association business. Particularly, as shared ownership units only make up a very small proportion of overall housing association stock - "10 per cent of the stock is leasehold in one form or another … that's been a problem on the managerial side because it's never had prominence" [Leasehold manager, London].

From a maintenance perspective, the lack of resources invested in on-going management, had resulted in a lack of personnel to carry out stock condition surveys, and to implement long-term maintenance plans – "there has never been planned schemes in place … it had always been done on an ad-hoc basis by a team of three who weren't even based in the region" [Property contracts supervisor, Cumbria]. At the time of research new staff had recently come into post to address some of these problems. However, many felt that the scale of work had not been recognised and that as a result appropriate resources had not been dedicated to improving the maintenance service provided to shared owners and other leaseholders.

"A big part of my job is making sure that we maintain the structure of the
property and we have had quite a lot of backlog of work. I took over from

January and I'm still picking up things that maybe should have been done a couple of years ago."

[Leasehold customer service manager, Cumbria and London]

"It's just having time to go round and visit every development and get the information ... The [housing association] is working on a planned maintenance model on our system so hopefully we will feed the shared ownership information into that but it's getting the time to gather all the information together really with limited resourced, it's a big job."

[Property contracts supervisor, Cumbria]

Overstretched staff instead focused on solving immediate problems in a reactive way, rather than developing long-term management strategies for each shared ownership property. In particular, they spent a lot of time dealing with complaints from shared ownership households. In Cumbria, where shared owners had not seen any "feet on the ground" [Housing officer, Cumbria] for some years new leasehold officers found they were faced with a barrage of issues.

"...we are just bombarded ... we are picking up things because [the housing officer] is on the estate now meeting customers and the customers are saying it's 10 years since this house has been painted, or my windows have been in since the house was built 20 years ago, so it's only really now that we are looking at things because we have staff on the ground."

[Housing manager, Cumbria]

The legal obligation to carry out Section 20 consultations[16] with shared owners to agree what work should be carried out and by whom, also meant that maintenance could not be completed by the same contractors used to service general needs properties.

"I think because rationally if we want to use one contract we would have to go through the whole consultation with all the leaseholders ... when

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[16] The Common hold and Leasehold Reform Act 2002 introduced new requirements for the statutory consultation of leaseholders to agree major works and the appointment of contractors to carry them out. Notice must be sent to individual leaseholders as well as recognised tenant's associations, providing two separate 30-day periods for leaseholders to make observations. If these procedures are not followed, leaseholders can withhold service charges above the level of the statutory minimum of £100 per leaseholder per year for long-term contracts, or £250 per leasehold for works to the building (Leasehold Advisory Service, 2002a).

properties change hands and new customers come in they have got to go through the consultation again.”

<div align="right">[Property contracts supervisor, Cumbria]</div>

In both case study areas shared ownership and other long-leaseholders could not be included as part of wider maintenance and repairs contracts. As a result, households did not benefit from the efficiencies of accessing the economies of scale achieved through the large-scale procurement of sub-contractors for rented units (Mullins, 2010).

“There is an added complication because we have a new contract for the whole of the region. Leasehold is excluded from the contract so my job is doubly hard because I have got my general needs properties which I use [the contractor] for any repairs, for leasehold I can't use them so I'm having to find all these different contractors to use.”

<div align="right">[Housing officer, London]</div>

“We have a contractor on our mixed tenure block so they can do the responsive work to our rented units, but anything in communal areas is classed as an exclusion, so it’s not included in the contract so we have to pay extra for it so it’s a nightmare. Leasehold is a nightmare it really is.”

<div align="right">[Property contracts supervisor, Cumbria]</div>

The maintenance relationship was complicated further still on sites which had been built by private developers. Housing staff reported that they did not have a sufficient level of control over the quality of design and construction in these contexts leading to higher service charges.

“You aren’t in control of the build … so you’re not in control of what is going into the schemes … the more complicated the scheme the higher the service charge”

<div align="right">[Leasehold manager, London].</div>

"What you find with a lot of section 106 is that the housing association haven't got much control … so you get a lot of problems in the first 5 to 10 years of the development, a lot of leakages and electrical problems."

[Housing enabling officer, London]

These problems were made more difficult tor resolve as a result of third party contractors that are often in place to manage properties.

"We don't even manage those sites … we have an external manager who manage our customers. It's complicated because effectively we become the leaseholder then to the developer because the developer grants a lease to us for our unit … in turn we grant our own lease to our leasees … again it's another complication of managing leasehold. It's not unusual to have that. But it's a much more complicated way of doing things."

[Leasehold manager, London].

These layers of ownership were seen to be complex and inefficient to manage - "you have a two-tier management system that means that you have got two tiers of costs and two tiers of negotiations" [Leasehold consultant London]. Housing staff found they had limited power to ensure that the service provided to shared owners was sufficient. Although households logged complaints with their landlord if they were unhappy, housing association staff reported that they could not guarantee the service would improve and were according to one leasehold manager "little more than a post box" in these situations.

"They are our customer so they tend to come to us when in actual fact there isn't a lot of point … in some situations we might say well look just ring up the managing agency yourself. There isn't much point ringing us up if there is a light missing in a communal area or something. Again it becomes a complicated factor really."

[Leasehold manager, London]

Faced with finite resources staff felt they could not hold third-party contractors to account to ensure that they were delivering the service that they were being paid for.

*"They can add all sorts of bits to the charges ... because obviously if you
are managing 10,000 leaseholders and just put £10 extra on that is quite a
lot of money straight off... we should be scrutinising the service charge
demands if that management agent is billing us in the way they
shouldn't."*

[Leasehold manager, London]

The confusing division of responsibilities in shared ownership chime with the
management problems faced by English long-leaseholders in organising repairs and
maintenance (Bailey *et al.* 1997; Cole and Robinson, 2000). In particular, the uneven
power relationship that mean freeholders are able to determine charges whilst also
holding a monopoly over the provision of services (Blandy and Robinson, 2001).
And the articulation of similar concerns about 'escalating and unreasonably high
service chargers' as a way to 'obtain excess profit' (ibid: 389; see also Chapter
seven, section 7.3 below).

A lack of understanding of relative rights and responsibilities, combined with
insufficient resources to ensure that maintenance and repairs services were managed
properly led to tension and at times conflict between shared owners and their
landlords (see also Chapter six and seven below). In both case study areas front-line
staff found their work-life was often stressful as a result - "consultations with
shared owners are often volatile and difficult to manage, I'll be challenged"
[Leasehold officer, Cumbria]. A sense of this volatility can be seen in two research
diary extracts completed during the fieldwork.

*"The meeting was fractious, two dominant men in the residents group
kept attacking [the leasehold officer]. She handled it well but it was
obviously quite stressful – they basically questioned her on every point. I
felt that there was also a lot of disrespect for her. The householders
wanted to see the "chiefs with the real power."*

[Extract from research diary, Cumbria]

*"The second to last stop was a women who was quite upset. She was very
angry and frustrated due to a broken window that hadn't been replaced.
She had been expecting [the housing officer] at 9.30am and was cross
because she was "always the last on the list ... always had to suffer." By*

the end of the conversation [the housing officer] did seem to have calmed
her down but I did feel sorry for them both. The lady obviously felt really
distressed that the repairs hadn't been done and took her frustration out
on the housing officer even though it wasn't her fault. [The housing
officer] had planned to see one more customer but didn't pop by because
she knew he would have some complaints and she just couldn't handle it.
That was a morning's work – before she had even got anything done she
had a long list of complaints. The jobs just stack up."

[Extract from research diary, London]

It is important to recognise that these tensions are not necessarily unique to the management of shared ownership but affect the wider leasehold stock where housing associations are responsible for managing maintenance and repairs on behalf of leaseholders. As will be explored in more detail in Chapter seven below, these issues are compounded in shared ownership due to confusion surrounding the division of maintenance and repairs responsibilities, and a sense of unfairness experienced by households who are responsible for 100 per cent of maintenance costs even if they only hold a small equity stake in their home.

Legal complexity

Variations in the legal terms and conditions attached to the shared ownership lease added a further aspect of complication to the management of shared ownership post-sale. Although the HCA attempted to introduce a level of standardisation through the provision of model leases and the inclusion of a number of fundamental clauses as a condition of grant funding (HCA, 2011a), there is still a diversity of terms and conditions attached to individual leases that remain in use in the second-hand market (Martin, 2001). These include differences in the level of equity households are allowed to purchase in their home, variations in the calculation of rent on the un-owned equity share and rules regarding exactly to whom properties can be sold. Additional complexity exists at the unit level; different properties within the same development move between different percentage shares and out of the affordable sector as a result of 'staircasing' or re-sales.

"I think that differs from scheme to scheme to some degree. There are
some core elements that are the same but I think there are slight

differences. It very much depends on what was in the leasehold document of sale."

All these different aspects were not only difficult to understand but complex to administer. This was a particular problem for housing staff who were responsible for managing shared ownership alongside social rented units but with no specialist knowledge of the tenure.

"In fairness to the housing officers to know everything that they need to know about letting and to know all that they have to know about leasehold they are two totally different jobs."

[Development manager, Cumbria]

"It can also be very complex to manage. Generally staff do know about what to do with tenancies, but when it comes to shared ownership we aren't, we are not so sure what we do when and how. It's just we don't have to handle shared ownership very often and each scheme is a little bit different on top of that so we don't automatically know the process. It is far more complex than rented accommodation. There seems to be lots of ambiguities involved."

[Housing officer, Cumbria]

Housing staff reported that there were two fundamental misunderstandings about the nature of shared ownership that meant that appropriate management was not in place. Firstly, that shared ownership could be integrated into existing structures for social rented stock.

"Some people think that you can manage both. A housing officer can manage both rental and leasehold properties. I think leasehold is a much more specialist operation because it is a completely different legal entity."

[Leasehold manager, London]

"The management of shared ownership properties is very different from the management of tenanted property. In the past management hasn't worked because the systems and approach to management didn't reflect enough of these differences ... We have collected groups of places at

different times for different reasons. But they are different kinds of functioning business units, and they have attempted to squidge them all together. It's like old plasticine, you have loads of balls of plasticine and you try to push them together into a cohesive unit and it doesn't really work ... They have brought them together and said function like this and of course most of the satellites are saying that doesn't work for us it just doesn't fit, we are not the same size as you, we are not the same shape, we are not the same animal.'

[Leasehold consultant, London]

Secondly, that as form of 'private' ownership shared ownership would not need much management at all – "the shared owners have almost been left to one side to just get on with it" [Leasehold customer service manager, Cumbria and London].

"I think from [the housing association] perspective we've had a bit of bravado around home ownership in the belief that they don't want the level of service from us because they perceived themselves to be owner occupiers"

[Customer service manager, Cumbria].

Both assumptions were recognised as flawed. The evidence presented in the previous sub-section illustrates how even from a narrow property perspective shared ownership can be intensive to maintain, and cannot be easily integrated into existing management structures designed for social rented stock. Whilst staff found that there were less social and financial issues amongst shared owners,[17] in terms of the service received they and other long-leaseholders were seen to be more and not less demanding than social tenants.

"The leaseholders are much more demanding I guess, they feel they have paid for the services ... so they want everything spick and span and its different levels of tolerance isn't it ... we do have complaints from the social side ... but with leaseholder's its I want the response now ... it's a

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[17] As Franklin (1998) argues the work of front line housing officers has changed as the nature of tenants, housing stock and the wider social-economic and policy environment has altered. As social rented housing became increasingly reserved for the poorest, and most vulnerable households housing associations have come to provide a greater range of services on top of allocations, lettings, rent collection and the enforcement of tenancy conditions (ibid). These include a range of 'housing plus' such as community development, tenant participation, debt advice, employment programmes, crime prevention and liaison with other social services (ibid: 210; Mullins, 2010).

slightly different relationship because we have got be more
accommodating and go in out of hours and on the weekend."

[Housing assistant, London]

"Its totally different and I find that because I've got both in may patch ...
they are a lot more demanding."

[Property Contracts Supervisor, Cumbria]

The complexity of the relationship between shared owners and their landlords as a result of an entangled set of rights and responsibilities was also revealed during the re-sales process. The restrictions on sales and allocations explored in section 5.2 above resurfaced as households tried to re-sell their properties on the open market. As highlighted by Wallace (2008) and McKee (2010) and explored in more depth in Chapter six section 6.3 below, households found they were restricted in their ability to sell their property on the second-hand market. In both case study areas staff were in a difficult position because they had a responsibility to ensure that allocation rules were upheld.

"We had one just recently where an estate agent ... he ignored everything
that we said and gave it to this little old dear who was a cash buyer ... we
said no, you can't do that, she doesn't live in the area, she is not classed as
being in housing need ... we had someone in housing need who actually
lived in the village who was a fireman who needed to be close to the
station. So we had a right battle with MP's and all sorts on that one ... it
does get very stressful."

[Sales executive, Cumbria and London]

"It gets really piggy in the middle that's all I can describe it as, because we
are sitting at the end of the phone saying, I'm really sorry but you have
got to abide by this criteria, you have got to abide by the rules, we are a
charitable housing association, anybody we approve has got to be a
charitable beneficiary."

[Sales assistant, Cumbria and London]

This final quote is illustrative of the difficult position that housing staff found themselves in managing a tenure that straddles the divide between social and private housing. They have a responsibility to police shared ownership allocation and enforce the social aims of the institution. On the one hand they are attempting

to enable people to access the equity stored up in housing wealth, on the other they have to restrict them from taking the property out of the affordable sector and into the general market. These factors illustrate the confused aims and objectives of shared ownership policy and the difficulties in meeting social objectives and private interests embodied in shared ownership housing.

5.4 Conclusion

In conclusion, the evidence explored in the first half of this chapter points to a number of tensions in using a market-based product to meet social housing needs. As shared ownership has become ever closely tied to local, national and international markets for its development and sale, provision has come to replicate rather than counter inequities in the broader housing market (Dorling, 2014). This is manifest in the geographically uneven nature of supply, with development concentrated in high value parts of London, at the expense of low demand areas in the North like Cumbria (Cho and Whitehead, 2010). It can be seen in the declining affordability of the tenure over a decade, echoing the steep increases in house prices in the wider housing market which have pushed the tenure out of reach for many target low to middle income households (Clarke *et al.* 2008). It was also exposed following the financial crisis which had a detrimental affect on development, sales and the value of shared ownership stock, with stark consequences for housing associations operating at the local level (Burgess, 2009; 2010). The 'dual' nature of shared ownership has at the same time compromised the tenure's competitiveness as part of the private market for housing. The imposition of complex delivery structures, regulation and bureaucratic controls have all been identified as barriers to sales. They are also seen as a key stumbling block in ensuring the availability of mortgage finance to households purchasing shared ownership properties.

The approach taken to the management of shared ownership post sale explored in Section 5.3 also indicates that an operational environment that emphasises the need to sell shared ownership units may not be consistent with an effective post-sales services. The complexity of shared ownership in geographic, legal and social terms, also presents significant management challenges. These include variations in the

location, housing type, scale and tenure mix of shared ownership developments; the specific terms and conditions attached to shared ownership leases; as well as the demands and expectations of the households occupying them. As a result of these varying aspects, housing associations may not be equipped to manage a product that does not fit neatly into existing social rented management structures nor approached in the same way as conventional owner occupied dwellings. These aspects not only affect front line housing staff who face situations of conflict as a result, but as will be explored in more detail in Chapter six and seven also impact negatively upon shared ownership households.

6. Norms and values

6.1 Introduction

Chapter five explored the different challenges faced by housing staff responsible for the development, sale and on-going management of shared ownership in London and Cumbria. Challenges which stem from the betwixt and between nature of shared ownership as a tenure that straddles the renting/ownership divide. The practical issues faced in trying to meet a set of locally defined housing needs, with a product that is so closely tied to the private market were illuminated. As well as the problems that emerged in the on-going management of a shared ownership, a tenure that is shaped by a different set of legal rights and obligations compared to social rented or conventional owner occupied dwellings. The chapter also touched upon the divergent views amongst housing staff regarding how the tenure should be managed. Views that were influenced in part by differing perceptions of shared ownership households as homeowners and tenants. The purpose of this chapter is to open up this final point further, with a focus on the second research question identified for this study:

> How do shared ownership households and others perceive and rework normative views of housing tenure?

Within the literature to date on shared ownership the focus has tended to be on the more tangible benefits and costs of the tenure including issues of affordability and access, as well as quantitative analysis looking at the geographical spread and types of households entering the sector (Bramley and Dunmore, 1996; Burgess, 2010; Cho and Whitehead, 2010; Elsinga, 2005). The scholarship addressing the less tangible aspects of 'home' in relation to shared ownership, including its role in creating personal identity and defining social status, is less well developed (Bright and Hopkins, 2011; McKee, 2011; Wallace, 2012).[1] As Wallace (2012) argues, there is a need for the research community to explore these aspects further, not least

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[1] Following Blunt and Dowling (2006) 'home' is understood as both a 'site in which we live' and an 'imaginary that is imbued with feelings' (p3). As Massey (1994) argues, dwellings like other places are not static, fixed or bounded but rather 'open and provisional' (p168). Homes are understood to be complex and multilayered, and the personal relations that constitute them are seen to 'extend beyond those of the household' (Blunt and Dowling, 2006: 3).

because in the UK housing tenure has become an important social delineator, is used as a shorthand for an assumed set of benefits and disadvantages, as well as the social and economic characteristics of households (Flint and Rowlands, 2003; Ronald, 2008). Owner occupation has a high status, is associated with autonomy, choice and freedom, active citizenship, family life, investment and the 'ideal home' (Ronald, 2008). Private renting is associated with insecurity, transience, a lack of control and poor value for money (Gurney, 1999b). Social renting has a low status, is seen as paternalistic and generic and is characterised by a lack of choice and control: indeed it is deemed the 'tenure of last resort' (ibid). As such, as Hanley (2012) argues, the UK is divided not just by 'income and occupation' but also by 'the types of homes in which we live' (p18).

In the context of turbulent economic times which have led to widening issues of affordability of access to home ownership and changing tenure patterns in England (see Chapters two and three) more research is needed to examine how and if the norms and values attached to different housing tenures are changing. A focus on the meanings associated with shared ownership has a lot to add to this analysis for a number of reasons. Firstly, as part-buy part-rent properties, which are often located within housing estates that were previously dominated by social stock, shared ownership potentially questions, or at least reworks, the sharp distinction made between social rented and owner occupied housing (McKee, 2010). Secondly, the allocation of shared ownership has recently widened to include a broader range of low to middle income households, and is no longer restricted to social tenants or key workers (Burgess, 2010: 256). This is significant because shared ownership has become an increasingly important part of overall social housing provision (see Chapter three). The fact that a wider range of households are benefiting potentially questions the stigma attached to 'affordable' housing provision (Cowans, 1999: 5). Thirdly, although designed as a first step to full ownership shared ownership has become a long-term tenure in its own right, rather than a temporary stop gap, for an increasing number of households (Wallace, 2008; Clarke, 2010). The 'dual' nature of shared ownership which sits somewhere between owner occupation and social rented housing potentially questions the normative elevation of home ownership as the ideal form of housing consumption over other tenure types. The purpose of this chapter is to explore the ways that official discourses deal with this dual nature, and how households perceive and interpret their status as shared owners across the two case study areas: Cumbria and London.

The structure of this chapter falls into three main section. The first explores the ways in which shared ownership has been presented in public policy documents and marketing material produced at the national and local level. Following Gurney (1999a) the section begins with a wider view of the ways in which housing tenure have been presented in policy literature in recent years. It goes on to examine the extent to which public sector bodies and housing associations utilise positive imagery associated with home ownership as a way to sell the virtues of shared ownership to potential purchasers and the wider public. The second focuses on the extent to which household's experience of shared ownership as a form of owner occupation live up to their expectations. The section considers the impact of restrictions placed on shared ownership in use, as well as the implications of the tenure's increasingly long-term nature on household's perception of the tenure. The final section examines the rationales articulated by households who entered shared ownership, including issues of security and affordability, which challenge pre-conceived assumptions about the need or desire to enter full ownership.

6.2 Presenting shared ownership as home ownership: an analysis of marketing and policy literature

As explored in Chapter three, since its introduction at the national level in 1980 shared ownership has been used as part of a tool kit of measures to promote owner occupation in England. The presentation of shared ownership and other low cost home ownership (LCHO) schemes as a form of owner occupation is politically expedient in the context of continued consumer demand and political commitment to the extension of the tenure as a way to reduce public expenditure on social housing, to promote accumulation through investment in housing assets and to transfer other welfare responsibilities from the state to the individual (Clarke, 2010). Despite cracks appearing in this policy including declining affordability, falling owner occupation rates, an accompanying increase in private renting and the exposed risks of lower income home ownership, policy makers continue to promote the [perceived] moral, social and economic virtues of owner occupation. These include the role of an owned home in personal wealth creation, in encouraging hard work, and in giving households a stake in their homes and neighbourhoods (Ronald, 2008). As well as the importance of ownership in providing the less tangible benefits associated with a stable and loving 'home' including establishing people's

'sense of self and cultural identity' and as a bedrock of 'ontological security'[2] (Saunders, 1989: 177).

Whilst the roles of the private and social rented sectors are recognised, there is a persistent assumption that owner occupation is the preferred and most suitable tenure type for the majority. The private rented sector is reserved for younger households with more transient lifestyles whose 'future plans and career expectations' mean that being tied to one property through owner occupation may not be appropriate (DCLG, 2006: 13). The sector 'offers flexibility' and 'choice' but it is not tied in a meaningful way to the evocative and familial imagery of home (DCLG, 2011a: 33). Although the sector has seen resurgence in recent years, it is still associated with temporary accommodation and is not considered appropriate in the long-term (ibid).

Far from being a space of sanctuary, pride or choice the social rented sector is seen as a 'trap' that 'lock[s] people into dependence' (DCLG, 2011a: 23). It is strongly associated with and often causally linked to poverty, a lack of social mobility and worklessness (Slater, 2013). The sector is seen as an increasingly marginal tenure to help those in 'genuine' housing need over the short rather than long term (DCLG, 2011a: 22). The sense of 'homelessness' felt by households in insecure and temporary accommodation points to the importance of stability and security in making home (Blunt and Dowling, 2006), in policy discourses neither the social or private rented sector are seen to offer this capacity (Gurney, 1999a).

In public discourses the relative social and moral values attached to different types of housing tenure are often taken for granted. Indeed, even within the academic literature some assume that the perceived benefits of home ownership are inherent, and that the demand for owner occupation is fuelled by 'natural human dispositions' (Saunders, 1990: 83). This viewpoint has largely been discredited by scholars who have highlighted the historic and geographic variety of tenure patterns and meanings, as well as the fact that tenure preferences are shaped by government policies impacting upon affordability, quality and supply (Barlow and Duncan, 1988; Hulse, 2008; see also Chapter two above). More recently, there has been a

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[2] Giddens (1991) uses the term ontological security, to refer to the sense of stability, control and trust in the world which come from a shared sense of reality, a high level of reliability in day-to-day of social interactions, daily routines and habits which keeps 'chaos' of an 'infinite range of possibilities open to the individual' at bay – 'chaos is not just disorganization, but a loss of a sense of the very reality of things and other persons' (p.36)

focus on how tenure discourses have been utilized in powerful ways in order to justify neoliberal social and economic reforms.[3] As such, the valorisation of owner occupation and the accompanying stigmatization of social rented homes are seen to be central to reforms to the welfare state which have sought to transfer responsibility from government to the individual through the private market (Ronald, 2008: Beland, 2007). In this context ideologies[4] of 'privatism and individualism' have become particularly important, with those able to meet their housing needs on the private market differentiated from those who rely on [direct] state support (Beland, 2007: 64). In the housing field this is manifest in the powerful distinction made between homeowners who are "normal" consumer-citizens, and social tenants who are "abnormal" 'flawed consumers' (Flint and Rowland, 2003: 226; Bauman, 1998).[5] Seen in this light, norms and values do not simply or benignly reflect the inherent characteristics of housing tenures, but shape people's behavior, attitudes and social status in powerful ways.[6]

Shared ownership as 'home' ownership

Despite the fact that shared ownership is a 'dual' tenure that sits somewhere between subsidised social rented housing and owner occupation, it is presented and marketed as home ownership in policy literature and marketing materials, and is often counted as such in official data sets produced by central and local government (Bright and Hopkins, 2011). The lexicon surrounding the tenure illustrates this - shared ownership is a *Low Cost Home Ownership* product that is

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[3] Kemeny (1998, 1992) has been particularly influential in showing how home ownership is promoted through common sense assumptions. He argues that the association of owner occupation with stability, accumulation and moral value come to conceal the unequal distribution of housing wealth, as well as debt and risk (Hamnett, 1999; Ronald, 2008).

[4] Following Purvis and Hunt (1993) and Ronald (2008) the concepts of 'ideology' and 'discourse' are used interchangeably in this chapter. Whilst ideology is useful in understanding a world view or system of 'integrated values through which subjects make sense of the world' discourse mandates a complementary focus on how networks of power relate to and constitute objects, subjects and relations through every day subjective experience (Ronald, 2008: 9).

[5] Bauman (1998) argues that as more aspects of social life have become commoditized, citizenship status is defined through acts of consumption. As a result the 'roads to self identity, to a place in society, to life lived in a form recognizable as that of meaningful living, all require daily visits to the market place' (ibid). In this context there is a clear divide between those who are able to make the 'right' consumption choices and those who rely on the state and are defined as 'flawed consumers' (ibid: 26).

[6] From this perspective, ideas are seen as constructive and powerful that *'makes a difference'* rather than 'unambiguously identifiable feature of an external reality' (Purvis and Hunt, 1993: 474). 'The way in which people comprehend and make sense of the social world has consequences for the direction and character of their action and inaction' (ibid).

marketed and administered by *HomeBuy* agents including *Riverside Home Ownership*, *Time 2 Buy* and *Help to Buy*. The standardisation of branding reflects a practical concern regarding the complexity of LCHO schemes which has led to a lack of understanding amongst potential purchasers and mortgage lenders (CML and HCA, 2011; see Chapter 5). [7] From a sales perspective the simple presentation of shared ownership as a form of home ownership rather than the more complex concept of a 'part buy, part rent' product is more likely to increase 'sales opportunities' (CIH and HCA, 2011). This is justified by the assumption that the majority of households will 'move to full independent home ownership over time,' by purchasing further shares, or by selling up and moving on to a property available on the open market (ODPM, 2005: 9). Shared ownership is presented as a 'foot on the ladder' (NAO, 2006), offering households the chance to 'gaze up, grip hold and plant firm steps towards a great future as a home owner' (My 4 Walls, 2013). This view of the tenure perpetuates, despite the emergence of evidence that shared ownership has become a permanent rather than intermediate option for many with implications for households who are unable to afford the move from part to full ownership (Wallace, 2008; McKee, 2010; see also section 6.3 below).

Shared ownership is closely tied to the positive moral and social values attached to 'home' ownership. Marketing and policy materials promoting the tenure refer to the emotional and evocative imagery of 'home.' Figure 6.1 below illustrates this point well. Taken from the National Audit Office (NAO) 2006 report on LCHO schemes the image evokes ideas of love, family life, comfort, warmth as well as the permanence and security provided by 'a place to call your own' where you can 'put down some roots' (First Steps, 2013). The 'sold' sign at the centre of the image is particularly telling - signaling that 'home' can best be achieved through (part) ownership.

Shared ownership is also tied to the freedom and autonomy associated with home ownership. As Figure 6.2 illustrates, shared ownership is presented as a tenure that enables households greater freedom to use their homes as a form of self expression - shared owners are house proud, investing time, money and labour on decoration and home improvements.[8] Marketing material also taps into aspirational

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[7] In 2011 the HCA introduced brand guidance to ensure that a consistent approach in how *HomeBuy* agents and housing associations describe LCHO schemes (HCA, 2011g).

[8] DIY hs been recognised as being crucial to both 'home-making' practices, as an important contributor to the economy, and as a way in which householders define their identity through practices of consumption (Gram-Hanssen and Bech-Danielsen, 2004). The freedom to decorate and 'make

consumption values, utilising imagery used in the private sector, with flats in inner city locations offering 'great urban lifestyles … restaurants, café bars, entertainment and an eclectic collection of shops' (First Steps, 2012). As well as images of the 'ideal' detached or semi-detached home, set against the tower block or terrace which have come to be symbols of the 'decline and decay' associated with social rented housing (Jacobs and Manzi, 1996: 548; see also Chapter two, section 2.5 above).

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home' in these ways is often associated with owner occupation. Saunders (1989) directly juxtaposes the freedom of *Right to Buy* owners to make alterations to their houses and to invest a 'greater degree of self and identity within them,' with tenants frustrated with inadequate council repairs services and with little incentive to invest time and labour in their dwellings (p187-188).

Figure 6.1

Emotional and evocative imagery of 'home' ownership

Source: NAO (2006: 28)

Figure 6.2

Making a house a 'home'

Source: HomeBuy (2012)

Investment and accumulation

Shared ownership is also presented as a way to access the benefits of home ownership as an investment vehicle and a route to personal wealth creation and security. Once 'on the ladder' households are seen to benefit from house price rises, 'increasing their net wealth by paying off a mortgage' and gaining 'security in retirement' by enjoying 'rent free accommodation' and through the accumulation of a significant asset which can be used (DCLG, 2006: 8-11) or passed on to the next generation by 'helping children with their education or into home ownership in their own right' (DCLG, 2011a: 12). Despite the risks associated with boom and bust cycles, home ownership continues to be seen as a safe option offering 'greater windfall gains than other investment vehicles' (ibid: 11). As such, investment in housing, even if it is only a part-share, is seen as an important way to promote social mobility by bridging the gap 'between those who own and those who rent, or, expressed financially, between those who are building up a substantial capital asset through their working lives and those who are not' (ibid).

As discussed in more detail in Chapter two, in a context in which individual asset-building through investment in housing has been promoted by government so that households can meet housing and other welfare needs through the private market, the reorientation of housing as an asset rather than just a place to live has become all the more important (Quilgars and Jones, 2010). The notion of the 'saver-investor' has become central to individuals' economic identity and an ordinary part of everyday domestic life (Langley, 2006; 2008; Lee, 2006). As Doling and Ronald (2010) argue 'home purchase is normally considered the most appropriate investment vehicle' and is seen to be central in provided 'opportunities for individuals to build up their wealth,' 'through the trade in homes and … investment in properties to rent out' (ibid).

The promotion of shared ownership often deploys negative ideas and metaphors about (social and private) renting which is commonly seen as 'dead money' (Gurney, 1999a: 1715). As Gurney (1999) argues, the imagery of bank-notes being 'eliminated' is the antithesis of the positive images of 'husbandry,' 'stewardship' and good sense associated with owner occupation (p1715). As well as the increasingly important notion that individuals should be 'active saver-investors' through canny investments in the housing market (Watson, 2009: 41). Concepts of the 'housing ladder,' 'staircasing' and 'housing careers' are readily used in discourses surrounding

shared ownership and point to the positive, moral association of the tenure with investment and accumulation. As Figure 6.3 illustrates shared ownership is sold as a solution to the 'rent trap' which is commonly seen as 'money down the drain,' offering a way out and a 'helping hand to pull you out of a rent rut' (My 4 Walls, 2013).

Shared ownership as social housing?

Presented firmly as a form of home ownership shared ownership is also distanced from the stigma attached to the social housing sector - 'Recent LCHO buyers … resemble first time buyers much more than social tenants' (DCLG, 2006: 53). As opposed to social tenants, who are at best perceived to be powerless and in desperate housing need and at worst work-shy and 'unlawful' (DCLG, 2011: 2), shared owners are presented as "active citizens[9]" who have exercised choice and acted upon their aspirations. In a re-working of earlier debates about the un/deserving poor (Mooney and Neil, 2010: see also Chapter two, section 2.2 above), an important part of this discourse has been the association of LCHO with 'hard working families[10]', and the idea that considerable assistance is given to people at the bottom and upper end 'of the continuum' but 'relatively little' is provided to those in the 'squeezed middle' (DCLG, 2006: 54). In the context of rising house prices there is a concern that the prospect of owning a home has been 'slipping even further out of the reach of millions of hard-working people' (Boles, 2013). Although shared ownership is a form of social housing, there is no shame or

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[9] The concept of 'active citizenship' gained traction during the 1980s driven by concerns about the economy and the 'creation of a dependency culture' seen to be the result of the 'nanny' welfare state (Oliver and Pitt 2013: 78). This emphasis continued in the New Labour era with an increased focus on the active role citizens should play in shaping their own lives through work and education (Olive and Pitt, 2013; Lister, 2002). To 'support' people into work there was to be a 'new ethic of rights and responsibilities' between the 'active citizen-consumer' and government (Lister, 2002: 127) and an 'end of a something-for-nothing welfare state' (Blair, 1999 cited in Lister, 2002: 141).

[10] As Clarke (2005) argues, the active 'worker-citizen' came to be imagined in the collective identity of the 'hard working family' (p448). An idea that became central to policy debates relating to the family and as Sclater (2008) argues, invoked certain values and ideas about what families *should* be like - 'families *should* be 'hardworking;' families *should* contribute to the economy; they *should* pay their own way [and] *should* not live on state benefits' (p122)
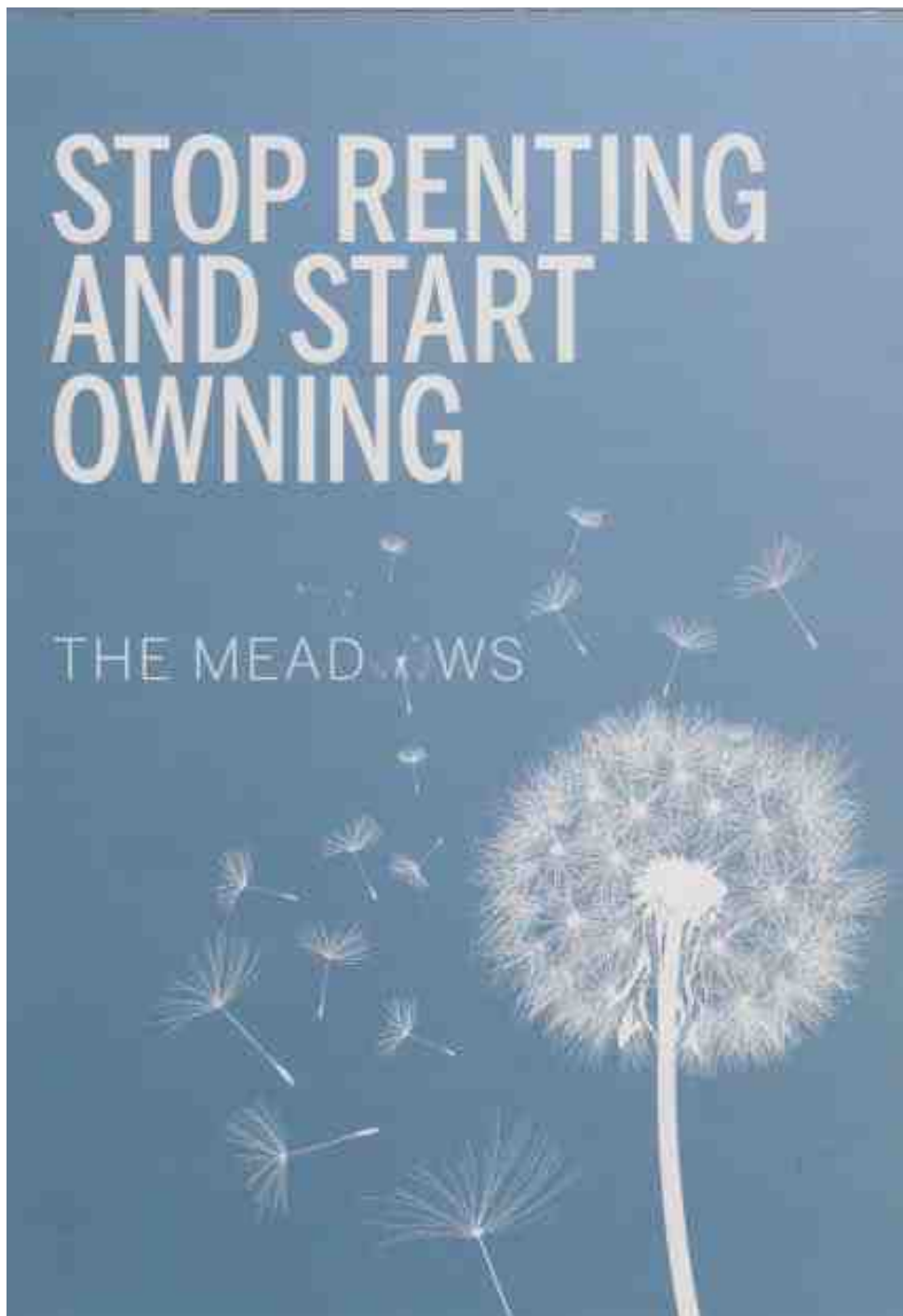
Figure 6.3

Shared ownership as a solution to the rent trap.

Source: First Steps (2011)

danger of welfare 'dependency' in helping households who 'work hard and play by the rules,' who have been 'locked out of homeownership' and 'stuck' in the rented sector due to factors beyond their personal control (DCLG, 2011a).

> *"We get behind people who want to get on in life, the young people who dream of their first pay-cheque, their first car, their first home - and are ready and willing to work hard to get those things."*
>
> (Cameron, 2012)

The presentation of shared ownership as home ownership does not simply benignly reflect established tenure values and prejudices but actively contributes to their construction. As explored in Chapter three, in the context of declining government spending on social housing, a long term policy goal of shared ownership has been to free up social housing units and 'stretch' public resources by encouraging better-off tenants into housing that requires shallower subsidy levels (see also Clark, 2010). Although allocation rules have widened in recent years, social tenants are still identified as a key priority group. In order to achieve this aim and persuade tenants to move out of the social rented sector and into shared ownership, policy and marketing materials perpetuate rather than question established discourses surrounding relative tenure benefits in problematic ways. As McIntyre and McKee (2012) argue, policies that seek to encourage low income groups into home ownership and out of the social sector are based on the simplistic assumption that owner occupation will simultaneously empower citizens and make them 'responsible for their own life outcomes and future wellbeing' (p243). In the policy literature those tenants who are reluctant to move out of social housing into shared ownership are presented as either flawed consumers who are 'tentative about coming into home ownership even though it is a good thing' (House of Commons Committee of Public Accounts, 2007), or underserving burdens on the state who 'continue to enjoy low rents, subsidised by the taxpayer, even if they enjoy an income well in excess of the national average and can comfortably look after themselves' (DCLG, 2011: 2).

This first section clearly illustrates how shared ownership has come to be associated with 'home' ownership. Despite the fact that the tenure is a "part-rent part-buy" product and a form of subsidized housing, it is distanced from the negative imagery associated with social and private renting. In particular, the discourses surrounding the tenure play into existing stereotypes surrounding the deficiencies in the

behavior of social tenants who are portrayed as 'feckless,' 'morally deficient' and dependent (Flint and Rowlands, 2003: 222), as opposed to the ideal home-owner investors who are seen as 'better parents, better caretakers and good citizens' (Gurney, 1999b). In dominant tenure discourses home ownership is presented as the panacea of 'choice,' demonstrating the 'economic capacity of individuals to enterprise their own lives' as well as naturalised 'aesthetic and moral values' (ibid: 60-61). In this context it is perhaps not surprising that shared ownership is more closely tied to home ownership in policy and marketed material than to renting despite the fact that it is by its very nature a dual tenure sitting somewhere between the two.

6.3 Achieving the dream of an owned home?

Having explored the discourses surrounding shared ownership in policy and marketing materials which strongly tie the tenure to normative positive aspects of home ownership, this and the following sections consider how these discourses are used, understood and reworked by housing staff and shared ownership households in London and Cumbria.

Aspirations to own

In common with marketing and policy discourses participants defined shared ownership as a form of home ownership. Housing staff and households were well aware of the social significance of owning a home and recognised the relative status of the tenure compared to renting in the private or social sector. Although some questioned and rejected these tenure norms (as explored in section 6.5 below), many entered the tenure as a way to access the social and economic benefits of home ownership. For many owning a property was seen as a 'badge of success' (Rowlands and Gurney, 2000: 126) conferring pride and respectability on the owner who had made the 'right' housing consumption 'choice' (Flint and Rowlands, 2003: 217).

> *"It's just that decision of whether you want to rent or whether you want to have that sort of pride or whatever it may be that you own your home."*
>
> [Leasehold customer service manager, Cumbria and London].

Ownership of property was seen as an important right of passage and a symbol of adulthood, responsibility and independence – "owning makes you feel like you are responsible and a bit more … like a proper adult" [Female, 28, shared owner, London]. This was linked to the association of home ownership with family life. Indeed a number of households interviewed had begun to look at purchasing a property because they were either expecting a child, had recently had children, or were thinking of starting a family – "we wanted the stability of owning because we had a new baby" [Male, 29, shared owner, London]. This was tied to perceptions about what homeownership meant in terms of establishing connections within a settled community which was seen as a stimulus 'to participation in organizational life beyond the garden gate' (Saunders, 1990: 287).

> *"… when you actually buy your house and you put roots down there, you are making a commitment into a community."*
>
> [Customer service manager, Cumbria]

Ownership was also associated with the ability to gain an element of autonomy, free from the interference of landlords and allowing households to exercise greater control (King, 2006). Restrictions on decorating or making alterations to rented accommodation were seen as a particular downside. Making a mark on a property was seen as an important part of transforming a house into a home, a process that was considered to be inhibited within rented accommodation. This is linked to the importance of an owned home as an 'arena of consumption' (Clapham *et al.* 1990: 47), as 'containers of goods purchased on the market place' (Blunt and Dowling, 2006: 90), and as central to the 'aesthetic claim' to 'normal' middle class culture and lifestyle choices (McIntyre and McKee, 2012: 237).

> *"… we wanted somewhere we could put our own stamp on - you know make our own"*
>
> [Female, 28, shared owner, London].

The fact that, as a result of dramatic house price rises out of line with local wages, households in both case study areas were unable to access these perceived benefits was a particular concern (see Chapter five, section 5.2). Housing staff and households themselves identified with public, policy discourses surrounding the concept of 'hard working families' and the 'squeezed middle' (DCLG, 2006: 54). Many households felt aggrieved that despite the fact that they had worked hard in

education and in employment, had paid their taxes, and acting sensibly and responsibly to save for a deposit they were still unable to purchase a property on the open market. Having internalized the powerful home ownership discourse, they expressed a considerable amount of resentment when they have been unable to achieve what is considered to be the 'norm' and felt cut off from what society defines as the 'happy life' (Bauman, 1998: 37). For individuals who had grown up in the 1980s and 1990s when owner occupation rates had risen dramatically and appeared to be within reach of the majority of households (see Chapter two, section 2.5) this was particularly difficult to accept. Rather than a privilege for the few, home ownership was seen by some as an entitlement or reward that had been promised from an early age.

> *"It was always drummed into me as a kid, you have got to be a homeowner and get on the ladder."*
>
> [Female, 50, shared owner, Cumbria]

Household's who would have reasonably expected to own their homes 20 or 30 years ago, felt frustrated that they were unable to afford to buy in the current market. They also expressed a sense of injustice that previous generations and particularly the 'baby boomers[11]' had benefited so much from owner-occupation and continued to do so (see also Figure 3.3, p81).

In common with policy discourses, helping people to gain access to the accumulative potential of investment in property was perceived as an equity issue (DCLG, 2011a). The spreading of housing assets, as opposed to the redistribution of resources through taxation, were seen to be the best way to address economic inequalities.

> *"Well the principal benefit really is clearly it's the only way they are going to get into home ownership and if you think about it, its transformational really to have an asset class because up until relatively recently in human history hardly anybody had anything other than the landed gentry. So 95 per cent of us owned nothing. In a sense in terms of your own wealth and ability to create wealth it's the only way you can do it."*

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[11] The narrative around the supposed generational divide between 'baby boomers' who were born between 1945 and 1965, and their children has also been actively debated in public discourses (see Willets, 2010).

Participants in both case study areas expressed a general concern that young couples without family support were increasingly unable to purchase a home, and worried that their own children would never be able to afford to "get a handle on the property ladder" [Housing manager, London**].**

> *"If I was in their position there is just no way I could do it either. It's terrible really."*

[Female, 50, shared owner, Cumbria]

> *"I find it scary even for my kids. I think how will they ever afford to buy a house you know?"*

[Housing strategy manager, Cumbria].

In an era where housing wealth has become an important part of household's welfare and a source of equity to pay for care in older age, for education and as a buffer against a loss of income, these anxieties are understandable (Quilgars and Jones, 2010). If, as Searle and Smith (2010b) argue, housing assets have come to provide people with a 'sense of social and financial security that we formerly lodged in the institutions of the welfare state,' (p358) the implications of being left behind are potentially grave.

Building up a housing asset

Those households who had aspirations to own but were unable to afford to do so on the open market, purchased shared ownership because they felt it provided them with a "leg up" to the "first rung of the [housing] ladder" [Male, 29, shared owner, London]. Of all the normative public discourses explored in the previous section, this metaphor was the most commonly used by households and housing staff. When participants were asked what the main benefit of shared ownership was from their perspective the majority reproduced the view of the tenure as presented in policy literature and marketing material. Shared ownership was seen to offer households a "'first step on the ladder" [Female, 25, shared owner, London] at an affordable equity level and the flexibility "to staircase [up] and buy the property over time," [Development manager, London] or purchase a property on the open market as circumstances improved.

"It gives you some flexibility in that you don't have to make the initial jump to 100 percent, you see how your life goes, this is all thanks to staircasing which is a good option. It means you don't have to rent forever."

[Housing officer, Cumbria]

Despite the recent recession and a downward shift in house prices, house purchase was still perceived by many as a good investment in the long term compared to renting. Households held faith in housing market recovery and were keen to get on the "housing ladder" as soon as possible – "we just don't want to be left out in the cold" [Female, 31, shared owner, London]. Some participants in the London case study area had aspirations to move from smaller cheaper properties to larger more expensive ones over an idealised housing career facilitated by house price rises.

"The classic example is going from a small one bed flat to a 3-bed terrace, getting married, moving to a semi-detached house, start a family and then to a detached house. You know, starting off living in a tiny house and then a 5-bed house on the edge of a village."

[Female, 31, shared owner, London]

As such, purchasing a shared ownership property picks up on the long-standing associations of home ownership with wealth accumulation and investment – "you can win and get a substantial amount of equity on the way" [Leasehold manager, London]. Showing that some households saw themselves as 'enterprising home-buyers' and active investors (Smith, 2005: 15) 'engaging in asset management with the prospect and promise of greater gains through the market' (Van Gent, 2010: 750).

For some households the way in which shared ownership was seen to help them onto the housing ladder was through the access to mortgage finance that it facilitated – "it allowed me to start financial planning and paying off a mortgage earlier than I otherwise would have been able to" [Female, 29, shared owner, London]. This view is supported by the policy literature which often presents access to mortgage finance rather than rising house prices, low wages or a lack of supply as the main barrier to home ownership (DCLG, 2011a).[12] On purchase

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[12] This is linked to a change in perceptions of debt finance, which is now viewed positively. As Bauman (1998) argues whilst savings are seen to be good if they are for future spending, too much

households felt that by enabling them to access financing from a private lender shared ownership had increased their chances of being able to secure a conventional mortgage in the future. As such shared ownership was seen as enabling access not just to an owner occupied dwelling, but more importantly the ability to build up equity through a mortgage.

> *"Now we have got the first rung, it should in theory be easier to get a proper mortgage, which is the whole point of it."*
>
> [Female, shared owner, 28, London]

As opposed to the 'dead' money associated with renting (Gurney, 1999a: 1715), paying off a mortgage was seen as a progressive investment – "because you're paying a mortgage every year you're effectively gaining that asset, you are paying your mortgage off, so in a sense you are not standing still" [Leasehold manager, London]. Access to mortgage finance did not just represent a means to access private ownership, but was an indicator of adulthood, credibility and trustworthiness in and of itself.

> *"When we got the mortgage it was simple and professional … we want to be treated like adults you know - we are nearly 30!"*
>
> [Male, shared owner, 29, London]

As such, even owning a small proportion of a house and gaining access to a mortgage was a claim to the ideal of responsible, active citizenship and a marker of "normal" adulthood (Cook, Smith and Searle, 2009). In a society that continues to see home ownership as the 'norm' shared ownership was seen as a way to 'enter the mainstream' (Bright and Hopkins, 2011: 390).

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saving is seen negatively - 'a consumer society is a society of credit cards, not savings book. It is a 'now' society. A wanting society, not a waiting society' (p31).

A step on the ladder?

Although the majority had aspirations to staircase up, or move on from shared ownership, only one household interviewed had been able to staircase up to 100 per cent ownership as a result of a substantial increase in household income. Housing staff in both case study areas reported that staircasing upwards does happen but not very frequently – "there is maybe 4 or 5 on each quarter for the whole of the housing association" [Development manager, Cumbria] and not for "the majority [of customers]" [Leasehold consultant, London]. These findings concur with previous studies that highlight households' inability to 'staircase' up (Clarke, 2010; Wallace, 2008). In both case study areas rising house prices in comparison to income levels were identified as major barriers to affordability – "it's difficult to go up and purchase another rung because they need another 10K salary to be able to do that" [Leasehold manager, London] (see Chapter five section 5.2). Not only are wages and house prices going up at different rates, but higher paid jobs are also in scarce supply – "they have to really step up into another salary bracket … and of course there just aren't that many jobs out there that pay that amount of money" [Leasehold manager, London].[13]

Another key barrier identified was the additional expense and bureaucracy associated with the mechanism – "It is expensive and time consuming to staircase incrementally, which seems to go against the whole purpose of it" [Female, 29, shared owner, London]. The costs of the initial purchase are replicated when further shares are bought including valuation and legal fees and associated transaction costs – "every time they staircase the property is re-valued … they pay the current market value of the next chunk … and they have got all the legal fees as well as increased mortgage costs" [Customer service manager, Cumbria]. This means that staircasing up in small tranches becomes relatively expensive and prohibitive. As a result staircasing is less of an incremental process, and something that is more likely to be completed (if at all) in one go – "If households can afford to staircase most will go from 25 per cent right to 100 per cent if they can. You don't get much movement in between" [Customer service manager, Cumbria].

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[13] This is linked to increasing insecurity experienced in the context of de-regulation and the introduction of flexible labour markets which have produced an increasing number of low paid, part-time and insecure jobs (Fenton and Dermott, 2006).

These issues were extenuated for the majority of households interviewed for this study who had purchased low percentage levels (below 50 per cent) in the first place (see Appendix 3, table 2), and had already stretched themselves in order to make their initial purchase. As Box 6.1 below illustrates, what is described as a 'step on the ladder' or staircase to full ownership implying flexibility and an upward scale of manageable increments (NAO, 2006), is in fact an unattainable jump for households on the margins of affordability, who purchased low initial shares and are unlikely to see a significant rise in household incomes.

Box 6.1 Linda and Dave

Linda (28) and Dave (29) bought a 25 per cent share in their flat in an outer London borough in 2009. The couple entered shared ownership in order to access better quality accommodation in a desirable area - 'there is a really nice community feel to it, nice shops, good schools, low crime rates which is a big reason that we moved here.' They also felt that shared ownership offered them a way to get on the housing ladder and had aspirations to become full owners in the long term.

> *"When we bought our home our aim, and our aim still is, to eventually get into full ownership or enough to increase our mortgage and eventually afford a fully mortgaged place."*
>
> [Linda]

Despite these aspirations the couple have not been able to purchase further shares in their home - 'that hasn't happened yet because we can't afford it' [Dave]. The couple felt that due to a restrictive job market, increasing house prices and tightening mortgage availability their prospects of financing a property on the open market had worsened since their initial purchase:

> *"We haven't been able to afford it unfortunately. We only have a 25 per cent share and I just can't see my income raising enough to be able to get a mortgage to purchase anymore."*
>
> [Dave]

> *"I think its going to be even more difficult to get a mortgage today than it was when we bought … The worrying thing is that I'm not sure we will ever be able to move onto a place that we own 100 per cent."*
>
> [Linda]

The fact that the couple had bought a low percentage share, means that they pay a large amount of rent to their housing association for the remaining equity in the property. The combined costs of the rent and mortgage repayments have made saving up difficult and the couple feel that the costs are higher than if they had been able to get a full mortgage.

> *"We pay more with the rent and mortgage than what we would do if we only had the mortgage, even though the rent is subsidised."*
>
> [Linda]

This is a source of frustration for the couple who perceive this rent as 'money down the drain' and something they had hoped to avoid to a certain degree by moving into a shared ownership property.

Although the couple are happy that they have been given access to a form of home ownership, a good quality property in a good location through shared ownership, they are "worried that it will be difficult to move out" [Linda]. The current property met their needs over the short and medium term but they were concerned that if they had more children, or had to relocate for work, it may not be suitable in the long term. As a result the couple were concerned that "we will be stuck and unable to move on" [Linda] and that the dream of home ownership was "truly out of reach" [Dave].

In London, where the majority of shared ownership flats developed are one or two bedroom flats,[14] households' inability to staircase up meant that many were unable to bridge the gap between current equity levels and open market values:

> *"We can't even afford to buy the other half of this one. It's ridiculous. The prices have gone up incredibly since we first bought our share ... when we bought the flat it was 84 thousand for the whole so we paid half ... right now, looking at comparable places you are looking at 350 thousand. It's mad! Who can afford that?"*
>
> [Male, 45, shared owner, London]

As a result households worried that "although we will still have a roof over our heads we will find it difficult to move on as our circumstances and needs change" [Female, 31, shared owner, London]. Indeed a number of households had already found themselves in unsuitable, overcrowded accommodation as a result of their changing needs.

> *"We are now expecting a baby so the property will be too small once the baby gets a little bigger, although we would like to buy on the open market I'm not sure this will be possible."*
>
> [Female, 32, shared owner, London]

> *"We had enough [space] initially but ... my son is ... 12 and my daughter is 14 ... She has moved into our bedroom, we have moved the double bed into what was their shared room ... and my son has to sleep on the sofa in the front room."*
>
> [Male, 45, shared owner, London]

Having made the first 'step' towards full ownerships, households in this situation did not want to move into rented accommodation which they felt would be a "step back" [Female, 28, shared owner, London]. In a society that continues to valorize home ownership, a move back into rented accommodation was seen as a denigrate step. Further, because they had already benefited from one LCHO scheme, they were skeptical as to whether they would be accepted for another more suitable

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14. According to Cho and Whitehead (2006) between 1995 and 2004 a higher proportion of households purchased smaller accommodation (20 per cent were one bedroom) than in any other region (p19). This trend continued after the recession and in 2009 London housing associations continued to report that they were predominantly offering one and two bedroom flats in the capital (Burgess, Grunt and Whitehead, 2009: 18).

shared ownership property in the future. As a result, and contrary to policy and marketing discourses which present shared ownership as a 'foot on the ladder' (NAO, 2006), evidence drawn from household experiences illustrate how some have come to perceive and experience shared ownership as a trap. As McKee (2010) and Wallace (2008, 2012) argue the fact that many households are unable to staircase up and move on to full ownership from shared ownership, raises important questions regarding the extent to which it is appropriate for governments to sell people the 'dream' of home ownership, when in reality for many full ownership is out of reach.

Autonomy and control

Many households interviewed, but particularly those who had come from the private rented sector, valued the fact that shared ownership had enabled them to redecorate their homes – "I've been able to extensively redecorate and re-carpet which was important to me having rented for 10 years in places where I wasn't even allowed to put up a single picture frame" [Female, 31, shared owner, London]. However, although responsible for 100 per cent of maintenance costs shared owners do not have the right to make alterations or extensions to their property, including changes to bathrooms or kitchens, without written consent from their housing association (HCA, 2011a). These conditions meant that shared owners were more restricted than if they were in conventional owner occupation. As one housing manager put it:

> "We need to approve major alterations or extensions, there is an extra person involved. If you are independent, you do want to just get on with it but you can't ... even if you want to put down wooden flooring you have to ask permission"
>
> [Housing manager, Cumbria].

Those households who had carried out additional works were frustrated by delays because they had to go through their housing association for permission – "that was an absolute nightmare because … they had that extra loop to jump through, it took about 6 months" [Female, 42, shared owner, London]. The feeling of having a lack of control or autonomy over their home was a particular problem for

households living in flatted accommodation or houses with external and common parts maintained by their landlord or external management agents (see also Chapter five, section 5.3). Many felt they had insufficient control over the quality, cost or speed of works completed on common parts – "dealing with the property management is the only down-side, they drag their feet over every maintenance issue" [Female, 31, shared owner, London]. For example, a number of households living in case study 4, a developments for over 55s in the Cumbria case study area, complained about the poor quality workmanship and expense incurred by work contracted on their behalf by their housing association.

> *"So there is a problem with people phoning in about work being done and when the workers come … sometimes the work has not been done properly"*
>
> [Male, 77, shared owner, Cumbria].

Households felt frustrated that the housing association did not use local contractors to complete the work – "we insisted to get down local people to do the work rather than getting them from outside, but they didn't listen" [Male, 77, shared owner, Cumbria] and complained that having to go through the housing association to get repairs completed was a layer of unnecessary bureaucracy.

> *"You are fighting with the organisation who runs it"*
>
> [Female, 78, shared owner, Cumbria]

> *"Sometimes when you ring up [you get passed from] person to person … you can't always find that person and hit the nail on the head and get the problem resolved"*
>
> [Female, 82, shared owner, Cumbria].

For some these problems were a source of considerable stress and frustration which they felt would have been avoided if they were full owners – "if it had been our own property we would have made sure that it had been done right in the first place" [Male, 81, shared owner, Cumbria]. On one development, where significant flood damage had led to major refurbishment work to properties, households felt that they did not have enough control over final finishes and materials:

"I'm not picking no kitchen and you aren't going to dictate to me what cupboards I have got to have. I had already put extra cupboards in my kitchen when I first bought the place so therefore I want every cupboard I had replaced. Its new for old."

[Female, 78, shared owner, Cumbria]

"they dictated what I had to have on my kitchen floor .. I chose my flooring in the kitchen and she said you can't have that you have got to have this and that in the kitchen and the bathroom. To me it was all wrong."

[Female, 76, shared owner, Cumbria]

In a society that prizes consumption choice (Bauman, 1998), these restrictions were particularly frustrating for shared ownership households. As such, shared owners experienced some of the same limitations placed on making changes to their properties as renters in the private and social sector (Miller, 1988; Saunders, 1989).

There are also a number of restrictions placed on shared owners if they want to sell their property. Housing associations have an 8-week period in which to nominate a suitable purchaser from a list of qualifying applicants before a shared ownership property is sold on the open market. If a purchaser wants to buy a share of the property they also need the housing association's permission, which will only be given if the proposed purchaser meets eligibility criteria (HCA, 2011a). Whilst these measures are in place for good reason to ensure the property remains in the ownership of people in housing need, the restrictions were problematic because they ran counter to household perceptions that as housing investors they should be free to buy and sell their property on the open market.

"I expect the selling process might be quite slow and if I needed to move quickly this would be frustrating, the housing association have the right to market the property for eight weeks before I can use an estate agent on the open market"

[Female, shared owner, 31, London].

Households were concerned that in a slow housing market the requirement to have approval of eligibility for potential purchasers was a particular downside of the scheme. As explored in Chapter five section 5.3, despite the fact that housing

associations were only fulfilling their obligations to police allocations as set out by the HCA, some households resented their landlord as a result – "I own three quarters and I'm not going to be dictated to … I said if you get a buyer and they don't think they are suitable what is it to them? … They decide who has got to have it" [Female, 78, shared owner, Cumbria]. Restrictions imposed on sub-letting, which is only permitted under exceptional circumstances, were also a bone of contention and seen as a significant disadvantage of shared compared to full ownership

"…we don't have the flexibility … we're not allowed to rent it out if we want."

[Female, 31, shared owner, London].

"…what I need to do if I want to rent it to a tenant in the future it is quite complicated so I think that the best option is if I had more money or more income I would buy definitely a whole flat."

[Male, 38, shared owner, London]

Households in both case study areas felt that as a result of these restrictions to use, alter, let and sell their property as they wished, their freedom to exercise choice, agency and responsibility was undermined and contradicted the notion of control and autonomy associated with home ownership.

"I suppose with shared ownership you still have obligations to the housing association, whereas in your own property you are pretty autonomous."

[Female, 50, shared owner, Cumbria]

"For me the major downside is having to work with a housing association and not just being responsible for stuff yourself … having to go through a middle man is extremely annoying … I think its working with the housing association and it not really being yours."

[Female, 31, shared owner, London]

As a result, and counter to the presentation of the tenure in policy and marketing materials, shared owners experience 'a much more restricted sense of ownership than is provided by traditional owner-occupation' (Bright and Hopkins, 2011: 389). Many felt that they were powerless and excluded from 'the norms of control and responsibility associated with home ownership' (Blandy and Robinson, 2001: 396). In common with long-leaseholders interviewed by Cole *et al.* (1998) and analysed by

Blandy and Robinson (2001), shared owners experience a mismatch between dominant discourses, which present shared ownership as a form of home ownership, and the reality of the tenure. This in part stems from the 'dual' nature of the shared ownership as both a form of social and private housing. Whilst clearly 'sold' as a form of home ownership, and distanced from the negative connotations of social housing, as a form of subsidized housing it is still subject to a range of restrictions to ensure properties are targeted effectively. In common with the experience of housing association staff explored in Chapter five, many households found that these two aspects of the tenure do not always sit comfortably together.

A badge of success?

Although households entered shared ownership as a way to access the owner occupied sector, many felt that shared ownership had a lower status than conventional home-ownership. This is exemplified in the common perception of shared ownership as a "second best" to full ownership [Female, 32, shared owner, London].

> *"I didn't want to use shared ownership but in these circumstances I need to [although] I think that is not the best thing."*
>
> [Male, 38, shared owner, London]

Indeed this view of the tenure is supported by policy and marketing discourses which by presenting shared ownership as a 'foot on the ladder' (NAO, 2006) or as an intermediate tenure' (Housing Corporation, 2003) imply that full owner occupation is the desirable end point. In fact in the early days of shared ownership the inclusion of a rented element was designed to act as an incentive to encourage households to 'staircase up' to full ownership (NAO, 2006). As explored above, the fact that many households are unable to purchase more shares or afford another property on the open market was a cause for concern. The presentation of shared ownership as a way to escape the 'rent trap' (My 4 Walls, 2013) in marketing material is therefore questionable.

Housing staff and households also reported that shared ownership carried some of the stigma attached to social renting. In both case study areas, staff found that shared ownership developments had attracted local opposition at the planning stage. Rather than seeing shared ownership as a form of home ownership, members

of the local community labeled the tenure negatively as 'affordable housing' – "I think because it's under the affordable term people don't necessarily understand what it is … its perceived as for layabouts" [Housing enabling officer, London]. According to housing staff, those who opposed development were concerned that the development of homes by housing associations would attract "the riff raff" [Housing strategy manager, Cumbria] to their neighbourhood, have a negative impact on the value of their property, quality of life and desirability of the area.

> *"I mean we've had people ring us up about, they have bought privately on a mixed tenure scheme and they are saying that no one told us that there was going to be affordable [low cost home ownership] housing on there, it's going to devalue my property isn't it?"*
>
> [Housing enabling officer, London]

> *"Some people say when we built … next to a private estate, they are all private home owners, they didn't want shared ownership development next to them. They didn't want it because they see it as housing association property, they don't see it as a private sale … they think it will impact on the values … We do consultations with the parish council and the home owners around there but there is always problems whenever we need to develop whether it be shared ownership or general needs … they do no want housing association properties there, there is a stigma definitely."*
>
> [Property contracts supervisor, Cumbria]

Shared owners themselves articulated the same tenure prejudices against social tenants living in or close to their properties. In common with home owners interviewed by Gurney (1999b) they felt that renters "don't have a sense of ownership and don't look after the place" and "don't care enough about their place or feel like a member of the community if you like" [Female, 28, shared owner, London]. Those who had experienced issues around anti-social behaviour felt aggrieved that they were not fully informed that they were buying into a mixed tenure development.

> *"Basically we weren't told at the time, I know this sounds bad, but we weren't told that we would be mixed in with social tenants and I'm sure you know that they can come with their own problems"*

According to staff this was a fairly common attitude amongst shared ownership customers – "we have had a number of complaints from shared owners … I was sold this place under false pretenses, I was told there would be no social housing close to me" [Housing assistant, London]. In the 'mirror image' of homeowners, social tenants were perceived as 'feckless 'untidy' and 'dependent' (Rowlands and Gurney, 2001: 122). Housing staff reported that shared owners felt that tenants "don't pay rent … get it off the State … see them as lazy" and 'so more or less they have no rights' [Leasehold officer, Cumbria]. As explored in Chapter five, the negative stereotypes of social tenants often lead owner-occupiers and shared owners to make unfounded accusations of tenants if they encountered any difficulties or disruption in their homes or neighbourhoods. As such they ran counter to the aims of mixed tenure policies even when taken on their own terms, to promote "positive" interactions between owners and tenants (Cole and Goodchild, 2001).

Home-owners or tenants?

Some shared owners were keen to distance themselves from the stigma associated with renting. This included the rejection of reference to their properties as 'flats' a term which is more closely associated with renting in the British context and in particular modernist housing developments and estates (Hanley, 2012) – "they won't even allow me to call them flats, they are 'apartments'" [Leasehold officer, Cumbria]. In common with long-leaseholders, shared owners also rejected the description tenant despite the fact that this is how they would be described in property and housing law (Blandy and Robinson, 2001: 395).

> *"… the person [the housing officer] … used to say tenants and some chap over there, he bounced he said we are not tenants sorry and don't ever say tenants again."*
>
> [Female, 78, shared owner, Cumbria]

Those households who saw home ownership as a 'badge of success' (Rowlands and Gurney, 2001: 126) and a right of passage felt patronised by the eligibility and affordability checks that they had to go through in order to secure their shared ownership property. As one housing manager put it, "they don't want to be

mollycoddled or 'condescended they are adults … not kids" [Leasehold manager, London].

> *"We were asked so many times whether our parents could act as guarantors and pay if we were ever in a situation that we couldn't. I really think that was over the top really … for the rental part we felt more like children than with the mortgage side … we just don't want to be talked down to and condescended which is what it felt like from the housing association"*

[Female, 28, shared owner, London]

As Bauman (1998) argues objects that are 'freely chosen … bestow distinction' that those which objects 'just allotted' obviously do not possess' (p58-59). From this perspective, the experience of housing allocated on the basis of need runs counter to the value imbued in making the right consumption choices, and having the power to do so, in contemporary British society. The tension in shared ownership between its status as 'home ownership' and a form of affordable housing mean that many shared owners struggle to escape the social differentiation made between those who exercise choice and meet their consumption needs through the private owner occupation market, and those 'flawed consumers' who rely on the State for help (Bauman, 1998; Flint and Rowlands; 2003). As Bright and Hopkins (2011) argue, by packaging shared ownership together with traditional forms of owner occupation as a way to 'join the mainstream', there is a danger that we are not only perpetuating established tenure norms in powerful ways, but also 'selling the Emperor's New Clothes' (p391).

6.4 Questioning established tenure norms

This final section focuses on shared owners who rejected the norms attached to owner occupation and the stigma associated with renting from private and social landlords.

Escaping the 'rent trap'?

In both case study areas the decision to move into shared ownership was often juxtaposed with participants' perceptions and attitudes towards renting. The majority had lived in the private sector prior to moving into shared ownership and only two had lived in social rented housing. As such their views of home

ownership were on the whole drawn in contrast to private rather than social rented housing. Participants regularly used the same common housing tenure aphorisms identified by Gurney (1999b) amongst working-class owner occupiers in Bristol including "renting it's … just money going down the drain" [Female, 30, shared owner, London] and "it's dead money clearly if you're paying rent" [Leasehold manager, London]. As well as tapping into these established tenure discourses, participants also utilised newer ones that have circulated in public discourses and particularly through the media in recent years. These include the negative connotations associated with 'generation rent' (Shelter, 2013; Mail Online, 2013; Collinson, 2013) and the perception that young people are "struggling to own", [Male, 38, shared owner, London] "stuck in rented" [Development manager, London] and exploited by "profiteering buy-to-let landlords" [Female, 42, shared owner, London]. However, rather than presenting renters as flawed consumers, or blaming their position on personal failures (as is regularly the case for social renters), 'generation rent' are presented as victims of an unjust system. Unlike those home-owners interviewed for Gurney's (1999b) study, perceptions were based on personal experience rather than on 'stereotypical observations' and tenure prejudices (p1716). Although the normative meanings attached to home ownership were undoubtedly a driver for households, so were real experiences of renting in the private sector.

In London households were fed up of house sharing, but could not afford to live on their own in the private rented sector:

> *"I was sharing with four other girls and I've always kind of hated it. I like having my own space and I just got to the point where I just wanted to have something of my own."*
>
> <div align="right">[Female, 30, shared owner, London]</div>

> *"Renting on your own is very expensive and I just wanted my own place."*
>
> <div align="right">[Female, 42, shared owner, London]</div>

In both case study areas the rising costs of private renting and insecurity made the tenure untenable in the long term.

> *"Each year we were spending a larger proportion of our income on private renting, our previous rent was going up 5 per cent a year while our*

incomes flat lined. I've lived in flats before where the landlord put rent up 20 or 30 per cent and I've had to move out as a result, so this was always a worry."

[Female, 30, shared owner, London]

"I think it was just that I wanted something secure … you know when you sit down and realise you've lived in 15 places in the last 10 years or something!"

[Female, 42, shared owner, London]

"Private rented prices … shooting up right across the region. So if you have got a family, you would be constantly worried that you would be moved on. Six months lease and then you might have to move on, there is no continuity at all."

[Property contracts supervisor, Cumbria].

Households were not naive about the relative benefits of owner occupation or private renting. For example one shared owner was well aware that in other countries the private rented sector is far more secure.[15]

"'f you were in Berlin you would privately rent quite happily because a) you can do stuff to your flats and the flats are amazing and the rent is quite cheap. It's almost like an assured tenancy or something."

[Female, 42, shared owner, London]

Counter to dominant discourses, some participants compared renting in the social sector as preferable to renting privately – "I've heard some nightmares about private landlords as well. It could be quite daunting I mean I certainly wouldn't want to go through private landlords, I'd rather stick with a Local Authority" [Female, 50, shared owner, Cumbria].

In parts of Cumbria where there is a high percentage of social housing overall, there was a sense that tenure prejudice was less pronounced, pointing to the geographic variations in tenure patterns and meanings even within the UK context.

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[15] The large and viable private rental markets in other parts of Europe has also been recognized in the housing studies literature. For example, in Germany where rent regulation has been in place since 1971, tenants have security of tenure and better conditions compared to the English context (Kemp and Kofner, 2010).

> *"... it's .. thought of as ... being the norm ... people grow up in the area
> and grow up accepting it. There isn't a stigma around living in a social
> landlord property."*

<div align="right">[Housing manager, Cumbria]</div>

The two households interviewed who had previously lived in social rented
accommodation rejected what they perceived as negative stereotypical views of the
tenure. In particular they were keen to show that it was just as viable to make a
'home' in rented accommodation than it was as an owner-occupied dwelling.

> *"Sorry it's just always people make assumptions don't they ... people took
> pride in their blocks ... they have got flowers outside and everything else.
> In a block of flats you don't necessarily see that ... but they can actually
> be really lovely inside that's the thing"*

<div align="right">[Female, 25, shared owner, London].</div>

They felt that renting in the social sector had provided them with stable housing -
"I was quite secure in my rented property" [Female, 76, shared owner, Cumbria]
and a normal family home - "my mum's always lived in council housing and I
haven't lived anywhere else, its just normal" [Female, 25, shared owner, London].
Both households emphasised practical reasons for moving out of the social rented
sector into shared ownership. One shared owner in London had lived with her
mother in her council house and wasn't eligible for social housing so looked at
shared ownership as an affordable and secure alternative to renting. The other
wanted to move to more suitable and accessible property in her older age that was
closer to her family than her previous rented home.

> *"My daughter lives about 2 or 3 miles from here. I'd had two knee
> operations so I was in a house with 3 bedrooms and stairs so I came into a
> bungalow'"*

<div align="right">[Female, 76, shared owner, Cumbria].</div>

She also valued the fact that by enabling her to invest her savings in a part-share of
a property, she was able to reduce her monthly housing costs substantially.

> *"When I left [the housing association] I was paying £60 a week ... but now
> with owning a quarter I pay £130 a month. So you know that's a big*

difference isn't it … you are talking 13 years ago … it would be more like £100 now."

[Female, 76, shared owner, Cumbria]

A further two households had looked into renting in the social sector prior to moving into shared ownership, but found they were ineligible – "I was told that there would be no chance that I would be able to rent" [Male, 38, shared owner, London]. Far from accepting the idealised view of owner occupation, these households justified their decision to move into shared ownership housing because of a shortage in supply and a lack of political support for affordable rented housing – "If there was affordable council housing for everybody it would be fantastic but that's not the case, they have cut funding, there is no chance we would have got a council flat" [Male, 45, shared owner, London]. In fact one household in the London case study area actively rejected the ideal of home ownership, "I mean I'm not into the whole Maggie Thatcher property owning democracy" [Male, 45, shared owner, London], another emphasised the use value of his shared ownership dwelling and its proximity to family rather than its status as a commodity or a symbol of social status:

"I just wanted somewhere to live, something local and affordable, close to my boys. There is nothing else to achieve is there? The only thing you achieve is getting a roof over your head!"

[Male, 38, shared owner, London].

Although housing has increasingly become an investment, and wealth accumulation mechanisms, particular where Governments see this as helping to reduce their own expenditure, for households the practical use-value and family ties associated with housing as home were more important. In common with those interviewed for Allen's (2008) study of housing market renewal in Liverpool, some households expressed a resistance to the dominant view of housing as an investment by highlighting its 'basic necessity' as a 'thing' 'shelter' 'bricks and mortar' and a 'lived space' that was 'there for them' (p73-78).

Accessing good quality, secure and affordable housing

Many households valued access to the affordable, good quality, well located and secure housing that shared ownership provided, rather than home ownership *per se* (McKee, 2010). In London shared ownership facilitated access to city-centre

properties, with good transport links, schools and local amenities, "shared ownership is fantastic in that it allows people like us to be able to live in central London" [Male, 45, shared owner, London], "we wanted to be closer to our family … to the tube station and close to the shops" [Female, 32, shared owner, London], "having rented all over London I knew the importance of good transport links almost above any other consideration" [Female, 31, shared owner, London]. As explored in Chapter five, whilst government policy emphasized a lack of supply and affordability of owner occupied homes as the central housing problem (DCLG, 2011a), housing staff identified a "shortage of affordable … properties" [Property contracts supervisor, Cumbria] whatever the tenure rather than a lack of homes for sale as the real problem – "the housing need for affordable has gone really really high" [Housing strategy manager, Cumbria].

Although households in London and Cumbria were unable to bridge the gap between their part share and open market values, the implications of this were varied across the two case study areas. In Cumbria households and staff were less concerned because the majority of shared ownership properties developed in the area are larger, family houses rather than flats – "the ones we have dealt with have been houses, usually 2 bedroom and 3 bedroom. I haven't heard of many shared ownership flats, that would probably be in the bigger urban areas, ours have usually been the classic sort of … terraced development?" [Housing manager, Cumbria]. As a result shared ownership units were seen as suitable long-term rather than intermediate housing option – "it's not just a stop-gap until they can afford somewhere else. We build family houses for people to stay in" [Property contracts supervisor, Cumbria]. This also reflected "cultural difference[s]" [Strategic housing manager, Cumbria] which were seen to have an effect on housing choices in the region. One housing manager reported that households in Cumbria tend to:

> *"… buy in their 20s and stay there for a long time. There is a local shop. The house is occupied by three generations of the same family. The kids have stayed. It's quite different. Literally three generations, their grandparents, children and grandchildren."*
>
> [Strategic housing manager, Cumbria]

Particularly in the rural Lake District, young and older households were looking for housing in locations where they had strong local family and community ties, and

once this housing was secured they were not looking for their next property, or the next rung on the housing ladder.

> *"There seems to be a bit of an assumption that people move into this shared ownership house and then immediately start thinking how can I staircase out or where can I go to next, but maybe people move and they are happy, kids are at school, why would they want to leave? They are brand new houses and nicely done and in nice areas so why would you move?"*

[Housing policy officer, Cumbria]

Participants in this situation rejected the idea that shared ownership was the first step on the housing ladder and therefore a short term option. For them shared ownership offered the long-term security they needed and they had no aspirations to sell their property or purchase further shares to become full owners. To some extent then, access to a suitable and affordable homes was valued higher than the accumulative potential of housing as an asset and investment. In these ways, and in common with low-cost home-owners interviewed by McKee (2010), a number of participants 'questioned and challenged dominant policy norms' which construct 'homeownership as superior to renting' (p8).

6.5. Conclusion

In conclusion, it is clear that shared ownership is simplistically sold as home ownership in public policy discourses and marketing materials. In particular the tenure is presented as a way to access the taken for granted benefits of owner occupation. As such shared ownership is seen to provide access not only to the practical utility of a house, but also a stable and secure 'home' to put down roots and bring up a family (Gurney, 1999a), where households are free to express their individuality and identity through (the right) consumption choices (Flint and Rowlands, 2003). Primarily though, the tenure is presented as a route through which households can access an appreciating housing asset. An asset that can be exchanged and traded up to meet the changing needs of households, but also utilized as a source of wealth and well-being for households and their families (Searle, Smith and Cook, 2009). Counter to this positive discourse, shared ownership is also presented in opposition to the 'flawed' consuming practices of renting in the private and in particular the social sector (Bauman, 1998). Despite

the fact that it is a 'dual' tenure that sits between public renting and private ownership, it is distanced from the stigma attached to housing that is provided by the state and the shame that has come to be associated with 'welfare dependency' (ibid). A dependency that has been characterized by a lack of choice, as opposed to the market place which is seen to provide the opportunity for agency and the freedom to choose (ibid).

Whilst the presentation of shared ownership in these ways is politically expedient, the experiences of housing staff and households call into the question the extent to which shared owners enjoy the (perceived) social and economic benefits of home ownership. The restrictions placed on shared ownership mean that many households do not experience the freedom and autonomy they expected to enjoy having accessed what they thought to be a form of owner occupied housing (McKee, 2010). In particular, the limitations of shared ownership as a market commodity or asset that can be freely traded on the private market ran against household expectations that they could operate in the same way as 'normal' home owners as economic agents and 'active investors' in the housing market (Langley, 2008). Further, the fact that many households were unable to purchase further shares in their property undermines the assumption that households would benefit from gains in a rising housing market. The inability of many to make the leap to fully mortgaged owner occupation, and the perception that a move to rented accommodation would be a step back, meant that for some even the practical use-value of their homes fell below their needs and expectations. Although making a claim to the status of a home-owner, shared owners found that they were often tarred with the same brush as social tenants because they lived in properties which shared the stigma attached to 'affordable' housing.

However, and in common with low cost home owners interviewed by McKee (2010), far from 'positively embracing the 'ideal of homeownership' (p8) many participants rejected the norms attached to owner occupation and the stigma associated with rented housing. Whilst in public tenure discourses home ownership is clearly presented as the 'tenure of choice', many households entered shared ownership because of a lack of choice, quality and stability in the rented sector. Participants entered shared ownership as a way to access secure, better quality and affordable accommodation in good locations whatever the tenure, rather than home ownership *per se*. Many of these households were ineligible for social rented housing, could not afford the costs of rising rents in the private market, and no

longer wanted to deal with the insecurity of assured short-term tenancies. Particularly in Cumbria, where shared ownership accommodation tends to be larger family homes, participants rejected the idea that shared ownership was the first step on the housing ladder and therefore a short term option. For them shared ownership offered the long-term security they needed and they had no aspirations to sell their property or purchase further shares to become full owners. In common with low-income home owners interviewed by Allen (2008) these households emphasized housings role as places to live over its status as a profitable asset to be exchanged on the market.

These findings present a challenge to dominant policy discourses which continue to present renters as flawed and a demonised out group and owner occupiers as 'better parents, better caretakers and good citizens' (Gurney, 1999b). The presentation of housing tenures in this polarised way is not only damaging, but also inaccurate, as it denies the diversity of experience within conventional housing tenure categories and fails to account for 'dual' tenures like shared ownership which straddle the ownership/renting divide in challenging ways (Blandy and Robinson 2001). As explored in the second chapter of this thesis home ownership grew in the context of stable employment, expansion of social security and mortgage-based home-purchase which are now, as Ronald (2008) argues, conditions that have been 'fundamentally destabilised' by insecure labour and a declining safety net (p249). In the context of changing tenure patterns in the UK which have seen a recent resurgence in the private rented sector combined with the individual and institutional risks of marginal home ownership as exposed during the credit crunch and sub-prime mortgage crisis, there is a need to question rather than perpetuate the culturally embedded 'ideal' of 'home' ownership.

7. Security and risk

7.1 Introduction

Chapter six analysed the ways in which public and private discourses surrounding shared ownership have come to rework normative views of housing tenure. The chapter highlighted some of the implications of shared ownership's increasingly permanent nature and the fact that for many the tenure cannot be seen as a stepping-stone to full ownership (Wallace, 2008). Whilst for some their inability to purchase further shares was a source of frustration for others access to a secure and affordable home whatever the tenure was their main concern. This evidence not only questions the effectiveness of shared ownership as a tool to expand owner occupation, but also raises questions about the extent to which the tenure is able to meet the long-term needs of shared ownership households (Wallace, 2008). The purpose of this chapter is to explore this aspect further, with a focus on the third research question identified for this study:

> To what extent are housing associations and households able to manage the risks associated with owner occupation through shared ownership?

Whilst governments in the UK have tended to see shared ownership as a short-term tenure and a temporary step on the way to full ownership, housing providers and academics have come to recognise the long-term role shared ownership could play in sharing the risks (as well as the benefits) of owner occupation (Bramley and Dunmore, 1996; JRF, 2007; Monk and Whitehead, 2010a). The flexibility built into shared ownership through the 'staircasing' feature, allowing households to purchase further shares in their home if their circumstances improve or to sell back equity to their housing association in difficult times, makes shared ownership the best known and most widespread example of 'flexible tenure' in England (CIH, 2009: 1). In theory, shared ownership offers a way to break the link between 'tenure and individual properties' in order to provide suitable housing with the tenure and costs agreed 'on the basis of income and personal circumstances' (Santry, 2012). This means that as circumstances change a household's 'costs and responsibilities could also change,' so that tenants could become shared owners or outright owners and shared owners could become general needs tenants (ibid).

Housing associations have taken the lead in offering tenure flexibility to shared owners as a way to help households with financial problems, but also to alleviate 'other non-housing difficulties' including loss of employment, general debt problems, relationship changes and health related issues (Joseph Rowntree Foundation, 2007: 2-3). As a flexible tenure shared ownership has the potential to share the risks households face in the context of market volatility and economic instability characteristic of the 'risk society' (Aalbers, 2005) while also responding to changing household circumstances over the life course (Whitehead and Yates, 2010). This is particularly important for shared owners who are, by definition, on the margins of affordability. As Bramley and Dunmore (1996: 122) argue, for households moving into shared ownership on low incomes downward staircasing could provide a form of 'security and cushion for buyers' in the event of drops in household incomes. In a policy context that has seen a reduction in support for owner occupiers (Burrows, 2003), shared ownership could contribute to the creation of a more equitable safety net helping meet householders housing costs regardless of tenure.

The research that has been completed to date on tenure flexibility within shared ownership has focused on the ability of households to staircase up and move on from shared ownership to owner occupation (Wallace, 2008). This focus reflects the fact that the main policy driver behind government support for shared ownership has been to extend home ownership in a market that is increasingly unaffordable for low to middle income households (DCLG, 2011a). The right to staircase up and purchase more shares has been a central feature of shared ownership since it was introduced in the UK in the 1980s and there is an assumption built into the tenure that the majority of households will 'move to full independent home ownership over time' (ODPM, 2005: 9). The extent to which shared ownership meets this primary aim is questioned by studies that highlight the fact that for many households their ability to buy additional shares in their home, or to sell up and purchase another property on the open market is severely restricted (Wallace, 2008; Clarke, 2010; McKee, 2010; see also Chapter six section 6.2 above). As explored in greater depth in Chapter six, the barriers to staircasing up have been identified as a lack of affordability particularly amongst lower income households with low equity shares, as well as the costs of administering the purchase of additional equity which can make staircasing prohibitively expensive for some households. Although many shared owners have benefited from rising asset values, they are often unable to bridge the gap between part and full ownership (Wallace, 2008).

Whilst a significant body of evidence has been built up to enhance our understanding of the movement from shared to full ownership, there has only been a limited amount of work examining how and the extent to which housing associations are able to assist households in financial difficulty to stay in their homes. In a study of shared owners who had moved into the tenure from the social rented sector, McKee (2010) highlights the stress and anxiety felt by households as a result of taking on the financial burden of a mortgage. Households were concerned that if they encountered a drop in income due to unemployment they would not be able to cope and did not have a safety net to rely on in order to manage the risks of entering low-paid or insecure employment (ibid). In a study looking at mobility in the shared ownership market, Wallace (2008) found that households moving out of shared ownership did not always move into the owner occupied sector but into private or social rented accommodation or as concealed households within family or friends' homes. The reasons for these moves included relationship breakdown and the inability of households to keep up with housing payments. These findings beg the question whether the safety nets in place for shared owners in financial difficulty, including downward staircasing, are sufficient and whether they can mitigate against the negative impact of arrears and possessions. The purpose of this chapter is to go some way to answer this question by drawing on the experiences and perceptions of risk and security in shared ownership from the perspectives of housing staff and shared ownership households in London and Cumbria.

The structure of this chapter falls into four sections. The first illustrates how many households are aware of the risks of owner occupation and use shared ownership as a way to mitigate against them in a number of ways. The second draws out the risks of shared ownership as identified by housing staff and household's which are not widely acknowledged in the policy or academic literature. The third argues that there needs to be a shift in emphasis in policy away from ensuring affordability of access into shared ownership to a more robust consideration of affordability in use. The chapter goes on to question the extent to which housing associations are able to offer a sufficient safety net for shared ownership households who encounter financial difficulties.

7.2. Shared ownership as a way to manage the risks of owner occupation

Shared ownership households in both case study areas were aware of the risks of owner occupation and the fact that in a turbulent housing market house prices can go up as well as down. Indeed, the risks of house price peaks and troughs were felt acutely in both case study areas over the last financial cycle. In Inner London, median-average house prices had risen dramatically from £100,000 in 1997 to £314,000 in 2008, rising from £80,000 to £248,000 in Outer London across the same period (DCLG, 2014a). In Cumbria, house prices rises had also been steep rising from a median of £50,000 in 1997 to a high of £142,000 in 2008 (ibid). In both case study areas participants were concerned about the risks of exclusion from the housing market for themselves but also other lower-income groups, including key workers and newly formed households. In this context participants were keen to start investing in housing having been unable to afford to buy a property on the open market.

> *'It allowed me to start financial planning and paying off a mortgage earlier … [in] an affordable way.'*
>
> [Female, 29, shared owner, London]

This is unsurprising in a cultural context in which it has become the norm to invest in housing markets (Langley, 2008; see also Chapter six section 6.3). Considering that in the UK housing has become the primary wealth-holding asset of the majority (Smith, Searle and Cook, 2008), households are acutely aware of the potential implications of being left behind. Whilst home ownership is no guarantee of affluence (Burrows, 2003), those households who have purchased property in the right place and at the right time have benefited significantly from rising house prices (Thomas and Dorling, 2004). Indeed many households appear to draw on housing wealth to help their own children purchase a home (ibid) as well as increasingly to pay for welfare needs (Smith and Searle, 2010b). Despite recent drops in house prices after the 2008 financial crisis participants in both case study areas retained long-term confidence in the housing market. In London this confidence is perhaps explained by the fact that whilst house prices dropped as a result of the global financial crisis they soon recovered from a median of £249,999 at Q4 of 2008 to £280,000 in Q1 of 2010 (DCLG, 2014g). In 2012 house prices in Cumbria had not regained their 2008 value, however they stabilised just below the

level they had been from 2004-2007 whilst the significant climb in house prices occurred prior to 2004 in this area (ibid).

Householders who emphasised the investment potential of shared ownership saw the upward staircasing mechanism, which allows households to purchase further equity shares if their financial circumstances improve, as a particular benefit.

> "*When my income increased jointly with my new partner it gave me the flexibility to change my financial arrangements.*"
>
> [Female, 29, shared owner, London]

Shared ownership allowed them to start paying off a mortgage and investing in a housing asset at an earlier point in their lives than they would otherwise have been able to afford. This was seen as an important way to start planning financially for the future whilst on a lower income, with less exposure to the risks of full ownership. One household in London who had been in a relatively low public sector wage had seen their household income nearly double due to career progression and relationship formation. As a result they were able to purchase further shares in their property and become full owners without having to move out of their home.

Households also used shared ownership as a way to reduce their exposure to the risks of house price falls. Participants in Cumbria and London were attuned to the risks of drops in housing values as a result of the effects of the 2008 financial crisis and subsequent recession. In Cumbria house prices had declined from a median of £145,000 in Q2 of 2008 to £130,000 in Q1 of 2009, losing 10 per cent of their value (DCLG, 2014g). In London they dropped by around £15,000, losing 10 per cent of their value between Q3 of 2008 and Q4 of 2008 (ibid). Shared owners in both case study areas who had purchased their property prior to 2008 had experienced a drop in the value of their home in line with other properties in the same area. In Cumbria this was not an immediate concern amongst older households and first time buyers with families who had no intention of moving on from their homes in the near future and were confident that the market would improve (see Chapter six section 6.4). In London, households had experienced a small drop in the value of their homes but the market had soon picked up and house prices had begun to rise. In both areas households and housing staff felt that shared owners were less exposed to the full consequences of drops in house prices

or sharp increases in interest rates because they did not own 100 per cent of the equity in their home (Battye *et al.* 2006). Exposure to increases in mortgage payments or losses were minimised as a result.

Although negative equity had not been a problem in the two case study areas, housing staff did report that some shared owners had got into considerable difficulty in other parts of the country where housing markets had been more depressed, including parts of the North of England and the Midlands (see also Cho Whitehead, 2010). Households who had bought at the top of the market suffered from the impacts of negative equity and in the event of possession still owed money to their mortgage lender. These findings provide further evidence that the geographically uneven distribution of gains and losses from owner occupation (Dorling *et al.* 2007) are replicated in the shared ownership market (see also Chapter three section 3.2 above).

For households with an awareness of the risks of housing investments shared ownership offered a way to keep money aside to invest in assets other than property and to maximise liquidity.

> *"... you don't have to sink all your money in the property."*
>
> [Female, 32, shared owner, London]

Despite the fact that, in accordance with HCA guidance, households should be sold the maximum level of equity they can sustain (HCA, 2011a), a number of shared owners bought a lower percentage share than they could afford. Two households interviewed in the London case study area had been put under substantial pressure from their housing association and independent financial advisor to purchase a larger share in the property during the sales process. This is consistent with government policy that seeks to reduce the amount of public subsidy required to develop shared ownership units (House of Commons Committee of Public Accounts, 2007: 134; NAO, 2006: 21). The households resisted this pressure and purchased smaller percentage shares. By not having to sink all of their assets into housing, money was left over to invest in more liquid assets (a savings account and ISA) that could be accessed quickly if required. Although the amount of money kept aside by both households was modest, it was an important safeguard to pay for unexpected costs and to manage potential periods of unemployment or drops in income without risking their home. As such there appears to be divergent

aspirations between the goals of central government to ensure that units are provided with the minimum necessary assistance (ibid) and households purchasing shared ownership homes who seek to spread the risks of holding all there assets in housing. These findings indicate an awareness amongst some households of the risks of 'having all their eggs in one financial basket' (Searle, Smith and Cook, 2009: 116).

Liquidity was also a key concern for older households. In Cumbria households living in shared ownership schemes for over 55s entered the tenure to access a smaller, more suitable property while also releasing the equity locked in their previous owner-occupied home. If they were able to afford 75 per cent of the property they did not have to pay rent on the remaining share and therefore reduced their monthly outgoings to a minimum, whilst releasing a large amount of equity from their previous property. Households used this equity to make improvements to their new homes. These where not ' irrationally exuberant' acts of consumption (Smith, 2007: 27), but rather necessary adaptations to make them more suitable for their needs, for example replacing a bath with a shower and fitting an electric garage door. Amongst those households interviewed there was a feeling that shared ownership was a safer and easier way to transform housing equity into liquid assets compared to other equity release options which they did not trust or, in common with homeowners interviewed by Searle, Smith and Cook's (2009), would only use as a last resort.

> *"You got money left over. You are coming into something [that is] less expensive and you've got no banks holding your money have you? You can borrow money off the value of a property [but] that money is going to drain away and you would probably be in debt with the bank."*
>
> [Male, 77, shared owner, Cumbria]

Shared ownership was also seen as a way to reduce the risks of exposure to a full mortgage.[1] Shared owners in both case study areas felt reassured tht the part owner in their shared ownership development was a housing association. In fact for many this was a key factor that attracted them to shared ownership and gave them trust in

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[1] Particularly as for many, depending on the time they purchased their property, the only other option would have been to purchase a property with an interest-only mortgage, which as Scanlon, Lunde and Whitehead (2008) argue do not enable households to accumulate equity, and expose borrowers to interest-rate fluctuations and shocks in the wider economy.

the scheme. Households felt that because housing associations were motivated by social as well as financial concerns they would not simply seek to exploit shared owners, would have sufficient affordability checks in place on purchase, and would be there to help them if they encountered any financial difficulties or a change in personal circumstances.

> *"…you are not really in it on your own … you know if things did take a turn for the worse there is that other body there to … fall back on … You could say that the housing association has a softer side, unlike the mortgage company."*
>
> [Female, 44, shared owner, Cumbria]

There was a perception that housing associations would have more forbearance in the face of arrears than a mortgage lender, and so they would be better protected from the risks of possession than if they were full owners.[2]

> *"In the private market you raise a mortgage from a lender and your property is pretty much their property until you pay off your mortgage. If you can't pay your bills then … you can be thrown out on the street. There is a bit more security … in an affordable housing property."*
>
> [Male, 45, shared owner, London]

Households felt that because their housing association had a financial interest in their property they would want to take measures to protect that asset and prevent possessions at all costs. Indeed, as part of the standard shared ownership lease housing associations are required to include a Mortgagee Protection Clause which gives lenders the right to claim reasonable losses in the event of repossession from the housing association's share of property (CIH and HCA, 2010). Households took comfort from the fact that housing associations have more steps in place to deal with rent arrears, and that eviction would be the last resort. Households felt that if they defaulted on their mortgage, it would not take long for their lender to take action, and they would be less inclined to offer payment plans to ease their financial difficulties. Although households were well aware of their responsibility to pay their rent, they felt there were more measures in place and help available to cover these

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[2] This concern is understandable considering the significant turbulence experienced in the housing market over the last 40 years, and the impact of that turbulence on mortgage arrears and possessions during periods of recessions during the early 1980s, the early 1990s and most recently following the financial crisis in 2007 (Stephens, 2011).

costs if they hit financial difficulties, for example through access to housing benefit. In light of these findings it is not surprising that for some households staircasing up to full ownership is not an immediate priority (see also Chapter six section 6.4).

Older householders in Cumbria living in shared ownership properties for the over 55s were attracted to the scheme because they were able to buy into a building fund and hand over the responsibility for external maintenance to a housing association.

> *"… it's a positive to have someone else dealing with repairs particularly if you are a single person, or elderly or a single mum."*
>
> [Housing officer, Cumbria]

As discussed in Chapter five section 5.3, households pay a regular service charge which covers the costs of on-going maintenance services including grounds maintenance. They also contribute to a building fund which pays for all major building works including external painting and the repair or replacement of windows and roofs. For older households who had previously lived in owner occupied housing these arrangements potentially reduce the burden and stress of having to deal with maintenance issues on their own. This was particularly important for those who had been recently widowed, or had suffered ill health. Households bought into the scheme with the assurance that housing associations have extensive experience of managing property on a large scale. The regular presence of a housing officer on site to look after their needs was of central importance to these households. They also valued the insurance provided by their housing association. For example in case study four, a shared ownership development for over 55s in Cumbria, where households had been badly affected by flooding and were forced to move out of their homes, the housing associations insurance covered the repairs and continued to insure the properties at a low premium following the floods. Whilst other properties in the same area had not been able to secure affordable buildings insurance after the floods, shared owners benefited from being part of the housing association's stock-wide insurance. Considering that flooding is likely to worsen as a result of climate change, and that many floodplain residents experience difficulties when seeking insurance for their homes (Lamond, Proverbs and Hammond, 2009), shared insurance arrangements are a considerable benefit.

7.3. Rethinking the risks of shared ownership

Precarious legal status

A number of housing staff pointed to the precarious legal status of shared ownership and questioned its sustainability as a result.

> *"[Shared ownership leases] are almost treat[ed] like a general needs property, even though they had put £30,000 investment into their house, they could potentially lose all of that."*
>
> [Leasehold customer service manager, Cumbria and London]

They cited the Richardson v Midland Heart Ltd case in which a shared owner lost her home because she was unable pay her rent on the share owned by the housing association. Although discussed elsewhere (see Fox 2007 and Bright and Hopkins, 2009) the details of this case are worth reviewing because they highlight how shared ownership leases do not deliver the rights attached to owner occupation despite the fact that the tenure is marketed as a low cost home-ownership scheme (see Chapter six section 6.2). Miss Richardson entered a 99 year shared ownership lease with a housing association in 1995, purchased a 50 per cent share without a mortgage and paid rent for the un-purchased equity. Due to personal difficulties Miss Richardson left her home to stay in a woman's refuge following threats to her personal safety from her husband. During this time Miss Richardson was no longer entitled to housing benefit as she was no longer resident in the property, and was as a result unable to pay her rent. In 2005 Miss Richardson put her property on the market but was unable to sell. Midland Heart sought possession for non-payment of rent on the basis of Ground 8 of the Housing Act 1988 for assured tenancies.

Miss Richardson took the matter to the County Court and sought a declaration of her interest in the property and an order for sale (Bright and Hopkins, 2009: 1-2). The Judge ruled against the two arguments put forward. Firstly, that Miss Richardson had a long lease and an assured tenancy, and that only the assured tenancy had been terminated. Secondly, that the freehold of the property was held in trust for Miss Richardson by the housing association (ibid). The Judge noted that he "struggled with the concept that a single lease had created two different but concurrent tenancies of the same premises" and that "the relationship of the housing association and Miss Richardson was that of landlord and tenant, not that of trustee and beneficiary" (ibid: 2). The Judge had no choice but to define the

lease as an assured tenancy which can be possessed in accordance with the Housing Act 1988 with no judicial interference. As a result Miss Richardson lost her home and any rights to the uplift in value of the property since her initial purchase. Although the housing association did pay her back the initial equity she had invested in the property, Miss Richardson had no legal entitlement to this money. As Bright and Hopkins (2009) argue, the very title 'shared ownership' is misleading. It is clear that a shared ownership lease is quite different from the co-ownership of a property, there is 'no sharing of ownership as this would be understood by lawyers' and 'no legal estate or interests are shared' (p1). As a result it is perhaps misleading to present shared ownership as a halfway house between renting and ownership at all, when in the eyes of the law households are seen as tenants and have no legal entitlement to the equity they have invested in their home.

In the light of this case it is questionable whether Miss Richardson or other purchasers fully appreciate the extent and nature of the risks they are taking on or may encounter when they enter into a shared ownership lease.

> *"They are seeing that they can buy a part share in a house, it's the first rung on the ladder isn't it and I don't know if they really understand the implications."*

> [Leasehold manager, Cumbria]

As explored in the previous section households seem well aware of the risks associated with the non-payment of their mortgage, but are less concerned about the action a housing association may take in the event of rent arrears and the full consequences of non-payment. According to housing association staff interviewed in both case study areas the lack of understanding of the implications of rent arrears leads households in financial difficulties to prioritise payments to their mortgage lender over the housing association. This leaves households vulnerable to the housing association's approach to rent arrears.

> *"There's no mortgage protection from the exposure to the housing association's approach on the subject of your arrears ... if you happen to have a housing association who is very definite about collecting money and not being in the business of protecting somebody then you might well loose the whole of the property."*

> [Leasehold consultant, London]

As will be discussed in more detail below, although some housing associations are able to offer payment plans and a certain amount of tolerance in the face of arrears this is not guaranteed. A housing association has no legal obligation to help households in rent arrears and may not have the resources to do so. If a housing association is very resolute about collecting money and does not have procedures in place to protect a shared owner in financial difficulty, households are at risk of losing their initial investment and their home. As a result households are faced with a postcode lottery in relation to housing association management, rather than a systematic and universal policy in regard to handling arrears.

As explored in the Chapter six section 6.2, shared ownership is clearly sold as owner occupation and marketing material emotively taps into the dream and norm of "home" ownership. The legal status of the shared ownership questions how far the tenure can meet the expectations of shared owners and points to the need for greater transparency regarding the responsibilities and risks households take on when they enter into a shared ownership lease. Indeed, housing association staff in both case study areas recognise the need to ensure households understand their risks and responsibilities before they purchase a shared ownership property. Many highlight the fact that the sector has been responsible in their sales of shared ownership compared to reckless lending behaviour on the open market. Rigorous affordability checks carried out on application go through households' financial circumstances in detail (HCA, 2011f) and have, according to staff, kept possession rates low amongst shared owners in the two case study areas. However, housing staff still perceived an underlying tension between needing to sell shared ownership properties and the responsibility to ensure purchasers fully understand what is a very complex product.

> "I think it's very important that our sales pitch is ... open and honest and that we are not trying to ... make people have rose tinted glasses."
>
> [Leasehold manager, London]

> "I'm not sure how it has been sold to customers ... I don't know if customers really grasp it."
>
> [Leasehold manager, Cumbria]

As explored in Chapter 5 section 5.2, the fact that housing associations depend on the sale of shared ownership units to ensure that particular housing developments

are financially viable means that housing staff have to drive the sale of shared ownership properties. There is a financial imperative to ensure that sales go through as quickly as possible and preferably 'off-plan' before properties have been built. The implications of not meeting sales targets are grave as was exposed as a result of the financial crisis when thousands of shared ownership properties were left unsold (Inside Housing, 2009).

Even in buoyant times the lack of understanding of shared ownership stemming from the schemes complexity and variation has been a barrier to sales (see Chapter five section 5.2). In response a number of marketing strategies have been implemented to make shared ownership easier to understand. As explored in more detail in Chapter six section 6.2, these have relied on simplifying the presentation of the scheme as a 'part buy part rent' product and a 'step on the way to home ownership' (HCA, 2011g). These marketing materials are crucial to enable potential customers to understand shared ownership, and to allow housing associations to drive sales. However, they also reduce what is a complex product to a taken-for-granted set of meanings and responsibilities. These include the freedoms and investment potential offered by owner occupation but also the security and maintenance benefits attached to renting from a housing association. Housing staff worried that customers were not informed sufficiently about the rights and responsibilities attached to shared ownership. This lack of understanding is not restricted to purchasers but also housing professionals. Most worryingly, a number of households questioned whether their solicitors had enough knowledge of shared ownership to advise and inform them sufficiently prior to purchase.

> *'There's one or two clauses in the agreement that we weren't told enough*
> *about, but the solicitor should have told us more because they went*
> *through the do's and don'ts''*

> [Male, 77, shared owner, Cumbria]

Restrictions on shared ownership in use

The lack of understanding of the complexity of shared ownership not only leaves households exposed to the risks of rent and mortgage arrears, but also unaware of other restrictions imposed on shared ownership which would not apply if they lived in an owner occupied dwellings. Two restrictions were highlighted as particular risks for shared owners, giving them fewer ways of dealing with changes in their

financial circumstances. The first stems from the fact that shared owners are prevented from sub-letting their shared ownership property.

> *"In my view they are treated as a home buyer in every other respect, they pay all their charges and everything so I don't understand why they shouldn't be able to sublet."*
>
> [Leasehold manager, London]

In exceptional circumstance a shared owner may be granted special dispensation from their housing association who in turn must get permission from the HCA. The subletting clause is included in the shared ownership lease to ensure units meet a genuine housing need, and that households entering the tenure benefit directly rather than profiting by exploiting the subsidy available and then letting the property out on a private rented basis (HCA, 2011a). The implications of this restriction was felt by households experiencing difficulties meeting their mortgage or rent payments. In an owner occupied property, the householders would have the freedom to temporarily move out of their home and let it out on the private rental market to help meet housing costs until their circumstances improved. Shared owners do not have the same flexibility. One shared owner in the London case study area, who had recently lost her job, took the risk of breaching the terms of her tenancy by subletting her shared ownership property for temporary holiday lets in order to cover her housing payments. According to staff, for those households who had suffered from negative equity after the financial crisis, and struggled to meet their housing payments, their inability to sub-let was particularly damaging. These households had no choice but to give up their homes. In these circumstances being able to let out their property and wait until the market improved may have been an important safeguard against these losses. Restrictions on the re-sale of shared ownership as explored in depth in Chapter five and six, including nomination rights and local occupancy clauses, also meant that even in a buoyant market households were restricted in their ability to sell their shared ownership property as a way to ease financial difficulties.

The costs of maintenance and repairs

The final risk identified, and the subject that most participants wanted to talk about in some depth, was the unexpected and often burdensome costs arising from the maintenance and major repairs. This factor has also been highlighted in other

studies looking at the on-going costs and affordability of home ownership for people on low incomes (Ford, Burrows and Nettleton, 2001; Jones and Murie, 2008).

"I don't think its fair that [we] pay for all the repairs. What is the share? There is no share."

[Female, 51, shared owner, London]

Although many participants, particularly older households, had been attracted to shared ownership because of the benefits of having a housing association to look after external maintenance issues, the reality of these services did not always live up to expectations. For a number of households the burden of maintenance costs had become a financial strain and a cost that had not been considered as part of initial affordability checks carried out on purchase. Although all households were aware of the fact that they took on 100 per cent maintenance responsibilities as part of the terms of their shared ownership lease, the reality of this responsibility only became apparent when they came to pay for major works.

One of the key factors leading to unaffordable maintenance charges, is a lack of sufficient management structures in place to spread the costs of major works over time and amongst the different households that are resident in a property over the life of a building (these aspects are explored from the perspective of housing staff in Chapter five, section 5.3 above). This can be achieved through a building fund paid for by shared owners either as part of their service charges or collected on re-sale as a percentage of the purchase value of the shared ownership property multiplied by the number of years the household has occupied the property. If a building fund is not set up and major works have to be completed the costs are split between the households occupying the building. Whilst newer shared ownership developments in both case study areas studied had building funds in place, a number of older developments built in the 1980s and 1990s did not. This was a particular problem for developments where the ownership had been transferred from one housing association to another, or from a local authority to a housing association.

Box 7.1 below illustrates how the costs of major works can be a major strain for households with low percentage shares, on relatively low incomes. The lack of flexibility in shared ownership mortgages also mean that households are unable to

benefit from being able to release equity in their home to pay for major works, even when they have seen a significant rise in the value of their part share since their initial purchase. This evidence indicates that the assets locked up in a shared ownership home are considerably less liquid than in other owner occupied dwellings. As a result, shared owners may not have the freedom to 'spend the home' in the same way as other homeowners (Smith, Cook and Searle, 2007).

Box 7.1 Steve

Steve (45) purchased a 50 per cent equity share with his partner in a two bedroomed shared ownership flat located in a central London Borough in 1998. The property is located in a block of 16 flats with a mixture of housing tenures including social rented and owner occupied properties. Steve and his family occupy the only shared ownership flat in the block. The previous owner had bought the flat as part of the Do-It-Yourself Shared Ownership scheme which enabled households to identify a property on the open market and purchase it on a shared ownership basis alongside a housing association. The freehold of the building is owned by the local authority which carries out all management and maintenance services for the block. Steve's landlord is the housing association who own the remaining 50 per cent of his property. Steve had no grievances with the service charge which pays for all routine communal maintenance including the cleaning of internal corridors and external grounds maintenance. However, there was no building fund put in place to pay for the costs of major works to the building. As a result Steve was billed for £8000 to pay for repairs to the roof.

> *"Eight grand when you've got two babies? It's just not right."*
>
> [Steve]

Steve and his wife had already had to stretch themselves financially in order to move into shared ownership and did not expect a large increase in their salaries. In order to cover the costs of the maintenance work Steve and his partner had to take out a private loan. As a result of the restrictions on shared ownership mortgages, they had been unable to consolidate the loan:

> *"…they won't let me put the loan onto the mortgage because I don't own all the property."*

Although Steve's repayment mortgage has steadily reduced over the years, the private loan is a fixed monthly payment over a 25 year period. This has affected the household's long term financial planning and has had an impact on their capacity to purchase further shares in their property. Steve is not only worried about these payments but frustrated that the housing association had not ensured that sufficient management procedures were in place to prevent unaffordable costs. The ties of management involved means that the local authority carried out the works, bill the housing association who then pass on the costs to the shared owner without scrutinising the price charged or quality of the work completed:

> *"[The housing association] in all their wisdom pay it without ever coming back and saying, are you satisfied with the works? They just paid the bill, and passed it on, no questions asked."*
>
> [Steve]

Steve felt vulnerable to further costs if more works needed to be completed on the property and was not confident that he would be able to pay for them in the long-term.

> *"If you are a normal family who are living in the property and they are getting whacked by these bills every 12 years … it's just not affordable."*
>
> [Steve]

Box 7.2 below illustrates the ways in which shared owners are exposed to significant risks and liabilities which they may not be aware of if appropriate management structures are not in place. It also highlights the significant emotional impact of the costs of major works, as well as a sense of powerlessness and frustration felt in the face of poor maintenance services.

Box 7.2 Anne-Marie

Anne-Marie (51) bought a 75 per cent share in a two bed shared ownership flat in 1990 in an outer London Borough. The block was originally built as a stand-alone shared ownership development in the 1980s by a housing association, and has since then been taken over by another housing association when the two companies merged in the early 2000s. There are two shared ownership flats left in the block as the rest have been bought outright and sold on to new households in subsequent years. Although Anne-Marie was very happy with her flat on purchase things started to go wrong with the property a couple of years after she had moved into the flat;

1. The windows in the whole block needed to be replaced because they were single glazed, rotten and caused condensation in the flats
2. The roof needed to be repaired
3. The party wall at the back of the property needed to be replaced

These combined works added up to a substantial amount of money, and because no building fund was in place, all households in the block had to pay a proportion of the costs. Although the housing association agreed to spread payments over a monthly service charge rather than demanding an upfront payment this had still been a substantial financial burden. Anne-Marie incurred a further £220 a month charge on top of her rent which had doubled her monthly outgoings. Anne-Marie was not only aggrieved because of the financial costs associated with these works, but also felt that the housing association had neglected their duties and delayed carrying out works which had exacerbated the maintenance problems and subsequent costs.

> *"…back then it would have cost £2000 to replace but now it will cost £10,000 because of the dampness."*

> [Anne-Marie]

She was also frustrated that despite taking on the responsibility for maintenance costs, she had little control over when works would be carried out and to what standard.

> *"I feel powerless in the face of the housing association who have all the power."*
>
> [Anne-Marie]
>
> The various issues she experienced over a number of years had not just led to financial costs, but a number of personal and emotional problems. Her elderly mother had come to live with her for a time but, because of the damp conditions in the flat, had ended up moving out. Her inability to persuade the housing association to fix the problem had led to significant stresses on her part:
>
> *"I have spent too many nights crying about this. There is just nowhere else for me to turn."*
>
> [Anne-Marie]

Even when building funds are in place households are often confused over where maintenance responsibilities lie. For example, one household living in shared ownership bungalow in Cumbria had not been aware on purchase that they would not be covered by the building fund for repairs to their conservatory because it had been added to the building by the previous owner. After the house had been hit by severe flooding in 2010 the conservatory had been replaced and paid for through the building insurance provided by the housing association. A year and a half after the works had been completed the conservatory started to leak and green mould started to grow on the roof of the structure. The maintenance agreement in place for the properties on the development meant that the housing association had responsibility for managing and carrying out external works to the properties through a building fund paid for by the residents. As a result the households thought they would be able to simply report the problem to the housing association and get it fixed using money from the building fund. The housing association refused, and as a result the household were liable to pay £1500 to pay for the repair. This amount was more than they could afford and as a result the problem caused a considerable amount of stress for the couple, stress that they had hoped to avoid by moving into a shared ownership property in the first place:

> *"The last thing we wanted was a fight. We shouldn't have to, we can't cope with it … this is one thing that we were moving here for because we*

thought once we had spent our money and had it right that was it, but it
wasn't as simple as that."

<div align="right">[Female, 82, shared owner, Cumbria]</div>

Taking the stress out of owner occupation was of particular importance for the household because one partner had recently been diagnosed with Multiple Sclerosis and was unable to deal with maintenance works himself:

"These are things that perhaps [the housing association] could have saved
us worry over. This is just my own feeling about it because my husband
isn't well, so it's the last thing that the doctors want for my husband, it's a
worry free situation which we hoped was happening."

<div align="right">[Female, 82, shared owner, Cumbria]</div>

The fact that this household only owned a 25 per cent share in the property, made the maintenance costs even harder to accept. Indeed, the majority of households interviewed did not feel that it was fair that they were responsible for 100 per cent of maintenance costs, even though they only owned a part share in the property. Households felt that the very title 'shared ownership' was a misnomer because the responsibilities of owner occupation were not shared equally between the two parties. Participants felt that although housing association would benefit from any uplift in the value of their asset, they do not have to take on any financial responsibility for managing it. This is perceived to be particularly unfair and unsustainable for households who own low percentage shares and have little prospect of purchasing further equity or staircasing up to full ownership:

"We are responsible for 25 per cent, who is responsible for the other 75 per
cent? They are saying, well you better look after this and you say well
what about the other 75 per cent, they are the major stakeholders in it.
What are they going to do about it?"

<div align="right">[Male, shared owner, 81, Cumbria]</div>

These findings point to a notable contradiction in the dual status of shared ownership. Previous studies point to the fact that for some shared ownership appears to be the worst rather than the 'best of both worlds' offering 'neither the security of social renting nor freedom and independence of owner occupation' (Clarke, 2008: 10). This perspective is to some degree born out by the evidence

presented here. On the one hand households lack the autonomy they may have as a freeholder in an owner occupied dwelling, on the other they have the additional burden of repairs that renters do not confront.

7.4. Handling arrears and possessions

Whilst a central motivation for entering shared ownership is affordability of access, the on-going costs of mortgage payments, rent and maintenance charges can be a financial burden for households (McKee, 2010). Those households on the margins of affordability with low percentage shares may be unable to deal with drops in household income as a result of unemployment, ill health or relationship breakdown (Burrows and Wilcox, 2001). In these circumstances households can and do look to their housing association for help and advice. Housing associations are able to help households in financial difficulties by arranging payment plans to clear rent arrears, or by buying back shares in the shared ownership property in a process known as 'downward staircasing.' According to housing staff interviewed for this study, arrears are frequent and a significant amount of staff time spent is dedicated to recovering rent arrears. Although common, housing staff reported that arrears tend to be a recurring problem for the same pool of customers, rather than a widespread occurrence across shared ownership properties. In the face of arrears front line housing staff will, if they can, help households to avoid eviction or possession.

> *"We are not here to evict people ... I would always go down that route with an air of caution that we have actually tried absolutely everything before we asked someone to ... leave."*
>
> [Leasehold customer service manager, Cumbria and London]

Payment plans are the main mechanism through which housing associations are able to help. This means that an arrangement can be made so that households can pay off their arrears through small monthly or weekly payments over a mutually agreed time period. Payment plans are particularly useful for households who have encountered a temporary drop in income and need a short period of time to recover:

> *"If we knew genuinely that someone was suffering financially and would have the commitment to pay us back, then we would come up with a*

payment plan to support them living in their home. That's what [the housing association] is all about, making sure that we sustain communities and that we allow people to live in their home."

[Leasehold customer service manager, Cumbria and London]

Housing associations also have the option to buy back shares from households in financial difficulty through the downward staircasing mechanism. In Cumbria two households had sold back equity in their shared ownership property to their housing association. The first had been unable to sell their home on the second-hand market. The household were struggling to keep up with their housing costs as a result of a period of unemployment and had been unable to sell their home on the second-hand market. The housing association agreed to buy back the property entirely to relieve these problems and prevent the household from getting into further arrears or being repossessed. In this case the household did not stay in the property as a social rented tenant, but moved out to live with family in order to reduce their housing costs to the very minimum. Relationship breakdown was also cited as a common reason for downward staircasing. For example, one partner of a couple who had recently separated wanted to buy out their co-owner so they could stay in the property with their children. This person did not want to move away from the local area, was not in a position to purchase another property and did not have enough equity to buy the other partner out. In these circumstances the housing association agreed to buy back a proportion of equity in the property. The money released was used to buy out the co-owner without having to sell the entire property.

Although housing associations have been able to help households in financial difficulties, housing staff identified a number of barriers preventing them from handling arrears and possessions effectively. The first relates to the often ineffective arrears process in place for shared owners. Although front line housing staff are committed to helping households suffering from arrears if they can, many do not have the time to offer help and support to shared owners (this discussion relates to problems of staff resourcing discussed in Chapter five).

"We are going through some arrears work at the moment that hasn't been done for a while. We just haven't had the staff."

[Leasehold customer service manager, Cumbria and London]

Whilst households who approach their housing association for help may be able to arrange payment plans to ease their circumstances, many households do not ask for help and the housing association are under no obligation to approach households to see if they need assistance. In fact in both case study areas the default approach to arrears recovery is carried out with no direct contact being made with shared ownership households at all.

> *"They are easy to manage in terms of arrears compared to rental tenants. It's a very simple process. You have to write once, and then twice, then to the mortgage company who tend to cover the arrears and add it to the households mortgage."*
>
> [Housing officer, Cumbria]

The standard arrears process involves writing to the shared owner once, and if there is no reply contact is attempted again either by telephone or by a letter to inform the household that the housing association will be pursuing the arrears further. If there is still no reply the housing association then contact the household's mortgage company to ask if they will cover the rent arrears. According to staff in the majority of cases the mortgage company will pay the housing association to secure their interest in the property by ensuring that the housing association has no grounds for eviction. The arrears are then added to the household's mortgage. In the long term this may put households in a worse financial position by prolonging the re-payment period as well as accruing additional interest on top of their original mortgage. According to staff, households with rent arrears are likely to have other debts and many go through the arrears process more than once. For households in this situation there comes a point when they have overstretched themselves to such a degree that they cannot make their mortgage payments or their rent payments and they risk losing their home altogether.

Housing staff also identified a number of barriers to the successful operation of downward staircasing policies. Downward staircasing can be funded through housing associations' own resources or through the use of the Recycled Capital Grant Fund (RCGF). RCGF is made up of receipts from upward staircasing and statutory sales on properties that had been paid for using social housing grant. The fund is used to recycle grants to develop new housing provision in line with the HCA targets, and can also be used to fund downward staircasing. RCGF is tied to

particular geographic areas where sales were made, so the pot of money available varies from area to area. RCGF can be used to fund a buyback of 70 per cent of the total share; the rest has to be funded by the housing association. For many associations the fact that they have to make up 30 per cent of the total cost of repurchase has limited their ability to buy back shares (HCA, 2010).

> *'"I don't think there is massive money reserved for it to be honest."*
>
> [Sales manager, London]

This has been exacerbated since the financial crisis as sales slowed, and in a depressed economic climate housing associations have been more risk averse and less likely to develop for-sale units (Burgess, 2010; see also Chapter five section 5.2).

Unsurprisingly, considering the lack of government funding available, shared owners do not have 'a right or entitlement to staircase down' (HCA, 2010: 35). In the context of ever declining public subsidy levels, housing associations may not prioritise downward staircasing and instead use sales receipts for other housing activities; for example to cross-subsidise the development of new affordable housing units, to pay for upgrading of existing properties or 'simply to give the organisation greater financial security' (JRF, 2007: 5).

> *"It doesn't seem to make sense for us to use our valuable resources to bail somebody else out, when we want to use it to develop new houses. Whether that is rental or more shared ownership. So it is very difficult really."*
>
> [Leasehold manager, London]

As discussed in Chapter five, although shared ownership is orientated to meet particularsocial goals, the primary driver is sales and financial concerns. Shared ownership has been used as a vehicle through which to develop more units for less, through shallower subsidy levels and cross-subsidy. This is reflected in the very different set of responsibilities housing associations have towards shared owners compared to social tenants. Whereas tenants receive support services from their landlord, the relationship between shared ownership and their housing association is defined primarily as a financial one.

"The relationship really is highly financial really. It's all about money."

[Leasehold manager, London]

In both case study areas, participants reported that they had very little contact with their landlord, and when they did it was limited to correspondence about bills and service charges. Whilst many households felt they had been "cut adrift" post-sale [Female, 51, shared owner, London] there is a perception amongst some housing staff that as owner occupiers shared owners need less support and contact than general needs tenants.

"I think from [the housing association's] perspective we've had a bit of bravado around home owners in the belief that they don't want that level of service from us because they perceive themselves to be owner occupiers."

[Customer service manager, Cumbria]

Even when downward staircasing is an option, for households in particularly dire financial straits it may not provide a viable solution to ease their problems.

'The problem with down staircasing is that although you might reduce your mortgage, your rent goes up ... so it is not like you will better off by down staircasing.'

[Leasehold consultant, London]

This is due to the fact that shared owners not only make monthly mortgage payments, but are also responsible for paying a rent to their housing association for the portion of the property that they do not own. For some households, there may not be enough of a drop in monthly outgoings when they exchange mortgage payments for a higher rent to make downward staircasing viable. For example, one householder who had accumulated significant debts applied to the housing association to buy back shares in her property. She hoped that the equity released as a result would allow her to pay off her secured loan. However, when the housing association calculated her housing costs they found that the increased repayments and mortgage combined added up to a greater amount than the loan repayments, worsening rather than easing her financial difficulties. In this case the household sold her 75 per cent share on the second-hand market in order to help herself get on an even keel. According to housing staff, for households in particularly desperate financial circumstances, it is often better to sell or even give up their home, rather than to try and stay in a property through downward staircasing. In

these circumstances housing associations are unable to rehouse households. In most cases this means the household has to move out of the home and find alternative accommodation, including staying with friends or family or registering as homeless with the local authority:

> *"They have got to go back on the [housing] list and there is no guarantee that we can put them into a rented property so it is really, really sad given that a lot of them just have to walk away."*
>
> [Sales assistant, Cumbria and London]

7.5 Conclusion

In conclusion, shared ownership was originally introduced as a means of helping people into owner occupation, and as way of sharing the financial risks and benefits of the tenure. This chapter has shown how shared owners use this option to mitigate against some of the risks of full owner occupation. However, it also illustrates that there are many negative aspects, and that risks may vary according to individual housing association practice.

It is clear that many households are well aware of the risks of owner occupation and use shared ownership as a way to mitigate against them. For those households who prioritise housing as an investment, shared ownership provides them with a way to avoid complete exclusion from the housing market. In a culture where investment in housing is part of 'everyday life' (Langley, 2008) and in a context in which housing assets have become more and more important part of inter-generational wealth transfer (Thomas and Dorling, 2004) and household welfare (Smith and Searle, 2010a) it is unsurprising that households look for ways to get on the ladder. However, households are not blind to the risks of investment in housing and the impact of market volatility on house prices and household incomes. Shared owners use the tenure as a way to reduce their exposure to house price drops, negative equity and interest rate increases in turbulent economic times. These findings concur with studies that question the assumption that homeowners are unaware of housing market risks and purchase a home blindly or irrationally (Smith, Searle and Cook, 2008). On the contrary, shared owners actively resist the pressure to become full homeowners by purchasing lower shares in their property than they can afford. Although this action runs counter to government guidance because it increases the amount of subsidy required for each unit, it makes sense for

households who are aware of the risks of having all their 'financial eggs' in a 'single housing basket' (Smith, Searle and Cook, 2008: 91). In a mortgage context in which there is even less flexibility for equity withdrawal, having savings aside for unexpected costs or drops in income may be an important safeguard for households. The requirement for a lower mortgage not only makes access to shared ownership affordable, but also gave households some reassurance that they were less exposed to the risks of possession, and that their housing association would have greater safety nets in place and forbearance in the face of arrears. Participants, and particularly older shared owners, were also attracted to shared ownership because of the shared maintenance responsibilities involved.

Although in some circumstances housing associations have been able to share some of the risks of owner occupation with shared owners through payment plans and downward staircasing, housing staff and households felt that there were a number of barriers that limited their ability to help shared owners in need. Fundamentally, the precarious legal status of shared ownership means that households are vulnerable to the risks of eviction as a tenant, and possession as a homeowner. Legally if a shared owner breaches the terms of their tenancy and does not pay their rent they can be evicted from their home and lose any entitlement to the equity they initially invested in the property. Rather than there being a formal approach backed up by law, the outcome of rent arrears depends upon the goodwill of the housing association and housing staff. As such exposure risk is as much about being a post-code lottery where it depends on the policy or principles of the housing association involved. Whilst many front line staff are committed to helping households in financial difficulty if they can, many do not have the resources to do so effectively. As a result the standard arrears process is often systematic and unresponsive to an individual's personal circumstances. Unfortunately, many households are unaware of this risk as evidenced by their prioritisation of other housing payments over rent arrears if they are suffering from financial difficulties. There is clearly a need for greater transparency to ensure that households fully understand the responsibilities and risks they take on when entering into a shared ownership lease. Whilst the sector has been responsible in the sale of shared ownership and does carry out rigorous affordability checks on purchase, there is still an underlying tension between the need to drive the sale of shared ownership units to make a particular development stack up financially, and ensuring that households fully understand what is a very complex product.

The lack of shared responsibility for the costs of maintenance also leave households exposed to the risk of major works. These risks are accentuated by the fact that housing associations do not always have the management structures in place or resources available to manage shared ownership development effectively. The confusion of maintenance responsibilities and costs of major works when things go wrong leads to considerable financial problems and anxiety for households. For those older households who enter shared ownership as a way to pass on the stress of maintenance responsibilities this can be particularly damaging. Whilst it makes some sense for households to take on 100 per cent of maintenance costs if they are able to staircase up to full ownership, it is questionable how sustainable these costs are for households on lower incomes with no prospect of purchasing further shares in their home. The fact that there are an increasing number of permanent shared owners (Wallace, 2008) many of whom own very low percentage shares points to the in-equability of maintenance arrangements in the long-term. The difficulties many households face in meeting maintenance costs highlights the need to extend the policy focus beyond affordability of access to include the on-going costs of shared ownership in use.

There has been a considerable amount of attention paid to the potential role shared ownership could play as a 'flexible' tenure offering flexibility in response to changing household circumstances through the 'downward staircasing' feature (JRF, 2007; Monk and Whitehead, 2010a; Santry, 2012). Although housing associations have been able to buy-back shares from shared owners in exceptional circumstances the impact of 'flexible tenure' policies has been limited. Housing associations simply do not have the funding in place to offer this kind of financial support to all their shared ownership households. For households in severe financial difficulty, downward staircasing may not be a viable option because the difference between rent levels and mortgage repayments may not be enough to reduce their monthly outgoings sufficiently. The inability of shared ownership to fulfil a role as a truly 'flexible tenure' and as a risk sharing device is also undermined by the fact that downward staircasing was always a 'bolt on' reactive addition to the shared ownership lease, and not core to the creation of shared ownership policy. For central government the key aspect of shared ownership is to help people access home ownership, not to share the risks the tenure. For housing associations, the drivers behind the development of shared ownership are often financially rather than socially motivated. In the context of declining public subsidy housing associations are increasingly reliant on the development of for-sale units to cross-

subsidise rented units on mixed tenure developments. As a result the emphasis is placed on the development and sale of shared ownership, rather than its long-term management. This is reflected in the very different set of responsibilities housing associations have towards their shared owners compared to their general needs customers. Defined as owner-occupiers there is an assumption that shared owners will want and need less help and support. Because downward staircasing is not a right, shared owners do not have any more protection against mortgage possession and arrears than outright owners. Most worryingly the *Richardson v Midland Heart Ltd* case explored above points to the additional risks that shared owners may take on but more than likely do not understand when they buy into a shared ownership property.

8. Conclusion

8.1 Introduction

This thesis has explored the 'dual' status of shared ownership and its impact on the tenure's social and financial viability from the perspective of households and front-line housing staff. Empirically the thesis has involved a mixed-method case study approach based on qualitative interviews and participant observations. Primary data collection was carried out within housing developments located within two contrasting areas: Cumbria and London. As such the thesis offers new insight into the ways in which national shared ownership schemes are manifest in the particular social and economic geographies of two distinct areas of England. By drawing on the experiences and perspectives of local actors, the thesis illuminates a number of tensions that run through the veins of shared ownership as a form of social and market-based housing. These can be seen in the close links between supply and the private market, the geographically uneven nature of provision, problems with short and long-term affordability for target groups, differing social perceptions of shared ownership, and questions regarding the competing demands placed on housing associations as both speculative developers and social landlords.

The thesis explored these tensions by addressing the following research questions:

1. How are the apparent tensions in meeting social housing needs with a market based product negotiated in practice by housing associations?

2. How do shared owners and others perceive and rework normative views of housing tenure?

3. To what extent are housing associations and households able to manage the risks associated with owner occupation through shared ownership?

This concluding chapter will revisit these questions in light of the existing scholarship and empirical material analyzed through the thesis. The chapter falls into four main sections. Section 8.2 revisits the historical chapters (Chapters two and three) and draws out a set of key themes that emerged over the last century which continue to inform contemporary housing policy and practice in Britain.

Section 8.3 revisits the research questions identified for the study and reflects upon them in light of the empirical findings. Section 8.4 discusses the policy implications, and suggests new avenues for investigation that have emerged from the research. The concluding section draws together the conceptual and empirical parts of the thesis by placing shared ownership within the broader context of wider neoliberal housing reforms that continue to drive the replacement of social housing with market-based options.

8.2 Understanding the roots of LCHO schemes

In order to set the empirical chapters in context the thesis began by taking a historic view of changes in housing policy and practice in Britain. Through five historic periods Chapter two developed an understanding of the nature of tenure restructuring in Britain, and in particular how and why the country became a homeowner society towards the end of the 20th century. Chapter three set the emergence of LCHO schemes within this wider context. This approach was driven by a historical institutionalist perspective and the idea that an understanding of shared ownership, or indeed any contemporary housing policy, cannot be developed fully without a recognition of existing socio-political constraints (Lowe, 2004). Taking the long view illuminated material contexts and ideological frameworks that continue to shape housing policy decisions in the new century (Malpass, 1999). The purpose of this section is not to revisit the details of the historic chapters, but to draw out three key themes that are of relevance to contemporary housing debates surrounding shared ownership schemes.

The State versus the Market

The extent to which the State should intervene in the housing market has been central to welfare and housing policy debates since the late 1880's. In the Victorian era it was only as problems of overcrowding and disease hit crisis point in Britain's industrial cities that public interventions came to be justified. After the Second World War state intervention was extended further with an unprecedented level of local authority housing construction. However, housing was not de-commodified to the same degree as other welfare services such as health and education (Malpass, 2003). Although a programme of housing construction continued on pragmatic grounds in the post-war decades, as shortages decreased state housing came to take on an increasingly targeted role. A concern to reduce the burden of state subsidy by transferring general needs provision to the private market, with a particular

emphasis on the expanding owner occupied sector, came to characterize the debate (Lowe, 2011).

After 1979 the private sector took on a more dominant role in housing provision. LCHO schemes, most notably the *Right to Buy*, took on a central role in driving the push for the extension of home ownership, whilst simultaneously reducing the role of the local state in direct housing provision (Forrest and Murie, 1997). Regulatory changes and favourable tax conditions also facilitated the growth of the owner occupied sector in this period. Although presented in the language of cuts, the shift from public renting to the owner occupation was based on a diversion rather than a reduction in public subsidies (Mullins and Murie, 2006: 53). Indeed, the costs of tax relief and subsidies for homeowners were substantial, far outweighing spending on public housing (Forrest and Murie, 2006). In this context the stark line placed between "state" and "market" housing seems inaccurate; clearly both depend upon government regulation and subsidy (Peck, 2010).

Despite problems that emerged in the context of boom and bust cycles which affected affordability and access to home ownership and exposed the risks of the tenure for poorer households (Ford and Burrows, 1999), governments continued to pursue the dual agenda of private sector expansion and public sector retrenchment. It was in this context that LCHO schemes, including shared ownership and shared equity arrangements, took on new prominence. Indeed they became an increasingly important part of overall affordable provision and were introduced with two primary aims; to tackle problems of affordability into the owner occupied sector; and as a way to 'stretch' public subsidies in line with the 'mixed economy' approach to public service provision (Johnson, 1999). Again the lines between state and market housing seemed to blur as private enterprise came implicated more and more in the funding and delivery of "affordable" housing supply. Interestingly, following the financial crisis in 2008, the government sought to intervene in the housing market yet again, but not to improve standards, affordability or supply; but rather to support the private market through a range of LCHO initiatives to help struggling house builders to sell newly built homes.

The 'deserving' and the 'underserving poor'

Long running debates about the extent to which the State could justifiably intervene in the private housing market have been underlined by conceptions about the

'deserving' and the 'underserving' poor (Welshman, 2006: 4). This distinction emerged during the Victorian era, and was related to questions about the extent to which impoverished housing conditions should be blamed on the behavior of the poor, or on wider structural failings (Holes, 1866). The draconian conditions imposed through the Poor Laws illustrate how entrenched was the view that the poor should be self-sufficient and that poor-relief would only work to demoralize rather than reform (Chadwick and Nassau, 1834). Similar views informed the targeting of help by philanthropic housing trusts on the 'labour aristocracy' who had fallen on hard times through no fault of their own (Merret, 1979), as opposed to the poorest underclass who were seen to be inherently 'lazy and feckless' (Malpass, 1999: 45).

During the post-war years this distinction appeared to fall away, as State help with housing met the needs of a wider cohort of households drawn from working and middle class groups (Hanley, 2012: 80). In subsequent decades, as public housing came to be closely targeted to those in greatest need, the distinction re-emerged in a new guise. During the 1980s as the state housing came to be starved of funds and the best stock moved out of the sector as a result of statutory sales, council housing came to be stigmatized and increasingly distinguished from the home ownership 'norm' (Gurney, 1999a). Re-conceptualised as a 'poverty trap' council housing came to be seen as the place where the welfare dependent 'underclass' were located (James *et al.* 1992; Murray, 1996). Themes that informed regeneration programmes into the new century and underlying policies seeking to promote ' social balance' through 'tenure diversification' and the integration of LCHO schemes within previous 'mono-tenure' estates (Kearns, 2004; Goodchild and Cole, 2001)

In the context of house prices rises out of line with earnings through the 2000s, and an increasing cohort of households unable to access the owner occupied sector as a result, the provision of government support to 'hard working families' through LCHO schemes came to be justified. As explored in Chapter six, section 6.2 although in receipt of direct state support, part-owners were perceived as responsible 'active citizens' (Oliver and Pitt, 2013); as opposed to social tenants who were at best seen as powerless and in desperate need or at worst work-shy and unlawful (DCLG, 2006). The line drawn between 'deserving' and 'underserving' poor was more sharply drawn in the context of policies of welfare retrenchment following the global financial crisis in 2008. In this context housing policies have increasingly focused on providing help for those 'hard working people' who have

'played by the rules' but have been 'locked out of homeownership' due to factors beyond their personal control (DCLG, 2011a), whilst simultaneously withdrawing state support for those living in the "affordable" rented sector.

Housing as dwelling versus housing as asset

In the Victorian era the role of housing as assets was clearly an important one as landlords made significant profits through investment in housing for the private rental market (Merret, 1979). Indeed, the attack on freedoms to operate in this market were at the heart of oppositions to state intervention in the housing market (Tarn, 1973). However, as governments progressively supported the extension of owner occupation through the course of the 20th century, the role of housing as an asset rather than just a dwelling place became all the more important. Indeed the ideological drive to create a 'property owning democracy' (Eden, 1946 cited in Jackson, 2012: 39), was predicated on the idea that the spreading of assets would convert unionized, working class voters into 'small-scale capitalists,' therefore diminishing the legitimacy of state interference in private property rights (Jackson, 2012: 47).

During the 1980s these ideas were developed, and the potential of housing as source of wealth came to the fore (Smith, 2008). Whilst in the past home-owners had accumulated wealth as a 'by-product of providing themselves with a home; now the idea of homes as assets [became] altogether more active' (Malpass, 2008: 12; De Decker and Teller, 2007: 3). In this context the spreading of assets as opposed to the redistribution of resources through taxation, came to be re-conceptualised as the best way to bridge the divide between the rich and the poor (Heseltine, 1979). This idea was taken further through asset-based welfare policies that sought to transfer responsibilities for welfare costs from the state to the individual 'investor' to be paid for through the wealth tied up in their homes (Langley, 2008; Searle and Smith, 2010). At the same time, owner occupied housing became an increasingly important part of national and international economies. The trade in housing gained global dimensions following the financial liberalization of mortgage markets during the 1980s (Smith, 2008).

Although the housing market experienced a period of sustained growth during the 2000s, rising house prices were not accompanied by an equivalent increase in household earnings. As such an inherent contradiction in home ownership policies

was revealed. The house price rises in which asset-based welfare policies had been predicated were simultaneously locking out a growing cohort of households from the owner occupied sector. LCHO schemes were introduced in an attempt to bridge this gap. At the same time the New Labour Government also introduced new funding regimes in the social housing sector in order to benefit from the appreciating value of housing assets. This was achieved through the transfer of housing to semi-autonomous housing associations who could raise private finance against stock, the sale of LCHO units that could be used to cross-subsidise additional provision, and by capitalizing on value uplifts as a result of planning permission on private development sites. However, following the financial crisis in 2008 the risks to individual households, as well as the nation, in holding all their 'eggs in one housing basket' were revealed (Searle, Smith and Cook, 2009: 116). Despite this, the financial crisis saw LCHO take on a new role as a kick-starter for the house building industry, marking the extension of the idea that housing is primarily an asset and investment, rather than just a place to live.

8.3 Revisiting the research questions

The title of this thesis questions whether as a "half-way house" between renting and owner occupation, shared ownership is experienced as the best or 'worst of both worlds' (Clarke, 2008: 10). By drawing on the empirical material gathered across the two case study areas (as explored in Chapter four), Chapters five, six and seven open up the betwixt and between status of shared ownership from the perspective of households and housing staff through a focus on the three research questions set out in section 8.1 above. The purpose of this section is to revisit these research questions in light of the existing literature and primary data analyzed throughout these empirical chapters.

Managing the tension between social and market concerns

The first research question asked – how are the apparent tensions in meeting social housing needs with a market-based product negotiated in practice by housing associations? This question was addressed directly in Chapter five through an exploration of the difficulties faced by front line housing staff in the development, sales and on-going managing of shared ownership. The chapter explored the implications of shared ownership's 'dual' nature on both its effectiveness in meeting social housing needs; and on its commercial competitiveness as a housing product that is tied to private supply. Building on previous scholarship that

highlights the sometimes competing accountabilities that housing associations face in an environment characterized by increased marketization (Mullins, 2006), the chapter suggests that housing staff face significant challenges in reconciling social and economic pursuits in the delivery of shared ownership homes.

This was most clearly manifest in the geographically uneven distribution of shared ownership units across the two case study areas. As a result of the impact of local housing and employment markets, shared ownership proved to be more financially viable for purchasing households and developing associations in London than in the Cumbrian case study area. This was reflected in the small number of units developed historically and in the pipeline in Cumbria when compared to London. A situation that perpetuated after the financial crisis in 2008 as housing associations pulled back on development activity in the North and focused on London where the market remained buoyant (Burgess, 2009). The fact that housing associations have to respond to market pressures in these ways, raise important questions regarding the extent to which shared ownership has come to be dictated to by the private market rather than directed at the addressing of emergent housing needs. This factor not only affects the supply of shared ownership homes, but also the wider provision of "affordable" housing which has come to increasingly rely on cross-subsidy models for its development both on housing association and private development sites through planning gain negotiations (Morrison and Burgess, 2014).

Whilst staff were keen to emphasize the North/South divide, the fact that many of the households who had originally been targeted to benefit from shared ownership could no longer afford the tenure, indicates uneven social effects even in areas where the scheme appears to be more viable (Cho and Whitehead, 2010). In a context of decreased spending on social rented housing combined with rising costs in the expanding private rented sector, staff expressed a concern that shared ownership and other LCHO initiatives were simply not adequately addressing underlying problems in the housing market.

At the same time, the fact that shared ownership is not a 'pure' market tenure also impacted development and sales. The restrictions placed on shared ownership in order to ensure affective targeting have long been recognized as key inhibitors to the availability of mortgage finance that is crucial to the viability of the scheme. In Cumbria, the additional restrictions placed on allocations further impeded sales in

an already limited market. In this context in particular, attempts to temper market forces by placing restrictions on shared ownership schemes appeared to be a very blunt instrument. As explored in Chapter three section 5.2, the restrictions placed on shared ownership by national and local government also inhibited housing associations to adapt flexibly to changes in market conditions following the financial crisis in 2008.

The 'dual' nature of shared ownership also posed management challenges after units had been sold (see Chapter five section 5.2). Housing staff in both case study areas reported that appropriate management structures were simply not in place to manage the tenure effectively. Attempts to consolidate management within existing organizational structures in place to manage rented stock simply did not fit with the geographic and legal complexities of the scheme. As a result front line housing staff often found they were in situations of conflict with shared ownership households, particularly around the maintenance of shared ownership dwellings. Tensions were also apparent when households attempted to re-sell their property on the open market - housing association staff found that they were placed in an awkward position having to police restrictions that prevented households from moving their properties out of the affordable sector and into the general market. This final point yet again illustrates the difficulties in meeting social objectives and private interests that are embodied in shared ownership housing.

Questioning established tenure norms

The second research question asked – How do shared ownership households and others perceive and rework normative views of housing tenure? This question was addressed directly in Chapter six through an analysis of the way shared ownership has been presented in policy discourses, and how it was perceived by shared ownership households and housing staff in the two case study areas. The chapter explored the extent to which public and private discourses came to re-work normative views of housing tenure in light of the increasingly permanent nature of shared ownership. The chapter builds upon previous scholarship highlighting a gap between household expectations and experience of shared ownership as a form of 'home' ownership (McKee, 2010; Wallace, 2012; as well as studies that illuminate the ways in which households have come to question rather than perpetuate established tenure prejudices (Gurney, 1999b; McKee, 2011).

Through an analysis of housing policy documents and marketing material section 6.2 illustrates that shared ownership has been firmly presented as a form of 'home' ownership (Gurney, 1999a). The tenure is presented as a way to access the social, economic and familial benefits that have come to be associated with owner occupation. These include access to a stable and loving 'home', a sense of freedom and autonomy, as a vehicle for self-expression, and increasingly, as an investment and route to wealth accumulation (Saunders, 1989; 1990). Despite the ambiguities of the tenure, and not least its increasingly permanent rather than transitory nature (Wallace, 2008), it is clearly politically expedient, and perhaps necessary from a marketing perspective, to present shared ownership in this way and to distance the tenure from the current stigma that is attached to social housing.

Through interviews with shared ownership households, it became clear that many hoped to gain the [perceived] benefits of home ownership (see Chapter six section 6.3). Entry into the sector was for some a source of pride, a route to a settled community and a symbol of responsibility, independence and entry into the mainstream (Bright and Hopkins, 2011). For others, shared ownership offered them a way to bridge the equity gap between themselves and other home-owners who had already benefited from house price appreciation. In common with households interviewed by Wallace (2012) and McKee (2010), some of these households felt shared ownership did not live up to their expectations. Although the majority had experienced uplift in the value of their part-share, many found they could not afford the 'leap' to full ownership either through 'staircasing' or by purchasing a property on the open market. For some this was a source of disappointment and even shame as shared ownership was seen as a 'second best' to conventional owner occupation. This was a particular problem for those who felt that the tenure carried the stigma of "affordable" housing.

As explore in section 6.4, other households emphasized other reasons for entering shared ownership that contravened the dominant view of housing tenure. They highlighted push rather than pull factors, including experiences of living with tenure insecurity and high costs in the private rented sector. Others claimed that they would have preferred to enter the social rented sector if stock was available and they would have been eligible. Those who had previously lived in social rented accommodation actively rejected the stigma attached to social housing. In common with households interviewed for Allen's (2008) study of housing market renewal in Liverpool, some expressed a resistance to the dominant view of housing as an

investment by highlighting its 'basic necessity' as a 'thing' 'shelter' 'bricks and mortar' and a 'lived space' that was 'there for them' (p73-78).

Sharing the risks of marginal home ownership

The final research question asked – to what extent are housing associations and households able to manage the risks associated with owner occupation through shared ownership? This question was addressed directly in Chapter seven with a focus on perceptions and experience of security and risk amongst housing staff and households across the two case study areas. The chapter builds upon previous scholarship that has recognized the role shared ownership could play in sharing the risks, as well as the benefits of home ownership (Bramley and Dunmore, 1996; Monk and Whithead, 2010). This is a particularly important question considering that by definition shared ownership households are on the margins of affordability. Further, as Wallace (2008) argues, the permanent nature of the tenure for many suggests that policy needs to be designed to address household needs over the long term. The chapter explored whether, as a part-buy part-rent product, shared ownership can offer the financial benefits of owner occupation and the security that has traditionally been associated with renting in the social sector.

Section 7.2 explored the extent to which shared owners entered the tenure as a way to manage the risks associated with marginal home ownership. Although the risks of home ownership are recognized by many, including the impact of highs and lows in the housing market, in the context of long-term appreciating house prices households still had confidence in the housing market. Some households entered the tenure as a way to start planning financially for the future, but at a lower risk than if they entered into full owner occupation. They perceived benefits in the cushioning that shared ownership provides from house price drops and rising interest rates, and that housing associations would have forbearance in the face of financial difficulties as opposed to mortgage companies. Counter to government agendas, other households used shared ownership as a way to keep money aside to invest in other, more liquid investment vehicles. For older shared ownership households, the tenure was seen as a way to access more suitable accommodation, whilst also releasing equity in previous owner occupied dwellings. For more vulnerable households the sharing of maintenance responsibilities was seen as a significant benefit, running counter to the view that households always want full control over their dwellings (Saunders, 1990).

Although some households entered the tenure as a way to manage some of the risks and liabilities associated with owner occupation, the experience drawn from housing staff and households in both case study areas questioned the extent to which the tenure offered these securities. In particular, the precarious legal status of the tenure which defines households as tenants not owners, calls into question whether shared ownership should be 'sold' as a form of owner occupation at all (Bright and Hopkins, 2009). The *Richardson vs Midland Heart Ltd* case illustrates that if shared owners breach the terms of their tenancy, they may be evicted from their homes with no claim to the equity they invested in their part share. Further, the restrictions to sub-letting and re-sales placed on the shared ownership lease meant that households had less flexibility than conventional owner occupation to manage periods of financial difficulty. The terms of shared ownership mortgages may also mean that households cannot release the wealth stored up in their home using equity release products.

At the same time shared owners did not have the benefits of rented accommodation. In particular, their sole responsibility to pay for maintenance and repairs was a significant burden. Further, some households found they were exposed to the risks of poor management services that had led to the deterioration of their properties. Poor maintenance services, combined with a lack of understanding of relative/rights and responsibilities caused a great deal of stress, but particularly among older shared ownership households.

Finally, the extent to which housing associations were able to offer security to households in financial difficulty was also limited. Staff reported that the approach to handling arrears and possessions was often inconsistent and impersonal. Although front line staff wanted to help shared owners in need, many found that they did not have the time or funding in place to offer support. Whilst households who approach their housing association for help may be able to arrange payment plans to ease their circumstances, many households do not ask for help and the housing association are under no obligation to approach households to see if they need assistance. Staff reported that 'downward staircasing' rarely happened because funding was not in place to buy back shares, and because for some households there may not be enough of a drop in monthly outgoings when they exchange mortgage payments for a higher rent to make downward staircasing viable.

8.4 Policy implications

As explored in Chapter four, as a CASE studentship, sponsored by the Economic and Social Research Council and a housing association, this study is one of a growing number of PhD projects in human geography co-funded with an industry partner which seek to explore the potential for the closer integration of theory, policy and practice (Brannan, 2005). As a result, this research must contribute to the development of academic knowledge, whilst also addressing the needs of research funders and users who have a stake in the research (ibid: 6). The purpose of this section is to address this final point with a consideration of the implications of the thesis findings on housing policy makers who design and fund shared ownership schemes, and housing associations who are responsible for their delivery and on-going management.

Policy makers

For policy makers the evidence presented in this study indicates that there are a number of inherent tensions that stem from using market based housing policies to address social housing needs. Whilst shared ownership and other LCHO schemes were an option for some households, many housing professionals interviewed for this study felt that did not adequately cater for many. Particularly those low to middle income households whose needs were not met in the insecure and expensive private rented accommodation, nor in the depleted social housing sector. It is doubtful whether these needs will be met in the context of further retrenchment in social housing, a renewed emphasis on extending LCHO schemes and in light of recent proposals to revive the *Right to Buy* (Cabinet Office, 2015).

It is likely that further cuts in government subsidies and the undermining of existing assets through statutory sales, will draw housing associations further into the commercial arena with the expectation that they will develop a greater number of sales units as a way to cross-subsidise affordable supply (Gardiner, 2014). These moves are likely to exacerbate problems highlighted in this thesis that housing associations face in balancing commercial risks with social aims. They may also further undermine their ability to address gaps and inequities in the housing market which have not only resulting in the uneven geographic and social distribution of housing assets but also access to decent and secure homes.

Consistency in the design and funding of LCHO has long been called for (Merrick, 2006). Stability in the LCHO schemes available including the terms and conditions attached to individual schemes may go some way in resolving problems that households and housing associations have encountered surrounding the availability of mortgage finance for shared ownership. This action could also make the schemes easier to understand from the perspective of purchasing households, and easier to manage for housing association staff.

The fact that shared ownership has become an increasingly long-term tenure should also be recognized. Government have begun to tackle some of the problems encountered as a result of restrictions on re-sale which have inhibited households from moving up and on from shared ownership (Wallace, 2008; DCLG and HCA, 2015). However, the fairness and affordability of shared ownership for the growing number who cannot afford to purchase a property outright have not been considered. In particular, the viability and fairness of existing maintenance arrangements that leave households exposed to the full costs of repairs, even if they only own very low percentage shares, needs to be reviewed.

As governments have been keen to help marginal home-owners into the owner occupied sector through shared ownership, they should also take some responsibility for helping those who get into financial difficulties. By putting money in place so that 'downward staircasing' is a genuine option, and is sold as a central feature of the scheme, would go a long way to alleviate these problems. This would depend upon policy and legal recognition that houses are not just assets, but also homes, and that the implications of losing them have personal, social implications as well as financial ones (Fox, 2007; Ford and Burrows, 1999).

Clearly work needs to be done to clarify the legal position of shared ownership households. As 'tenants' rather than 'owners' households do not have any claim to the equity they have invested in their part share, or the uplift in value as a result of house price rises. The precarious legal status of shared ownership clearly undermines the intensions of the scheme. Purchasing households need to be informed about their legal position so that they are aware that if they breach the terms of their tenancy they could face eviction.

This final point links to the way in which shared ownership has been presented and marketed as a form of owner occupation. The tenures legal status, the restrictions placed on shared ownership and its increasingly long-term nature calls into question whether the tenure should be sold as a form of 'home' ownership at all. This also relates to the need, in the context of changing tenure patterns in the UK, to question rather than perpetuate the static presentation of the relative values of housing tenures in England. In an era when a large number of households are now renting over the long term, the continued valoration of home-owners over other tenure options not only appears outdated, but may also be damaging if households unable to access to tenure feel they have not achieved something that society has come to expect.

Housing associations

The evidence drawn from this research indicates that front line housing staff face considerable challenges in effectively managing shared ownership properties. There is clearly a need to ensure that maintenance and management structures are in place that reflect the legal and financial differences of the tenure in comparison to rented stock. This could be achieved by harnessing the considerable skill and knowledge of staff at all levels to ensure that restructures are effective and that sufficient resources are dedicated to improving services.

There is also a need to ensure that services are tailored to the needs of individual households. Although some shared owners interviewed for this study were happy not to have much contact with their landlord, others felt that they needed more support. There are considerable benefits in having front-line housing staff in place, particularly on those developments that cater for older and more vulnerable households. More generally though, there appears to be a need for housing associations to have systems in place that are more responsive to the needs of shared ownership households who may be in financial difficulties. The findings of this study indicate that the arrears process in place is often counter-productive in helping households who are at risk of eviction or possession.

Finally, there is a need to ensure that households are aware of their full rights and responsibilities when entering into shared ownership, as well as the risks associated with the tenure. Whilst households interviewed for this study were well aware of the consequences of mortgage arrears, they were less informed about the risks

associated with the non-payment of rent. The tensions that emerged between households and staff often stemmed from a lack of understanding of maintenance responsibilities as well as restrictions imposed on shared ownership in use and on sale. A greater level of join up between sales and post-sale management may go some way in ensuring continuity in message and care, so that households are well informed about the terms and conditions in place that are unique to shared ownership housing.

8.5 Research avenues

The findings of this research throw up a number of research avenues that could be fruitfully explored.

Firstly, the diverse experience of shared ownership drawn upon in this study highlights that the legal, financial and social characteristics of housing tenures are not static, but rather fluid and changeable (Barlow and Duncan, 1988). There is a need to further explore the consequences of emergent changes, including the recent revival of the private rented sector, changes to the security that had traditionally been associated with "social" and now "affordable" rented homes, and the growing prominence of shared ownership and shared equity schemes on how traditional tenure categories are used and perceived in public, private and academic contexts.

Secondly, in the course of the interviews with housing practitioners and households there was a clear appetite to understand how other models of shared and co-ownership work in other parts of the world. Although there has been scholarship completed in this area (Elsinga, 2005), there is space for further studies taking a cross-national and comparative approach.

Thirdly, in the course of the thesis the impact of the integration of shared ownership as part of mixed tenure housing developments was touched upon, but not analysed fully (see Chapter 2 section 2.5 and Chapter 6 section 6.3). Although this aspect was beyond the scope of the research, the theme emerged in reviews of the existing literature and during data collection (Cole and Goodchild, 2001; McIntyre and McKee, 2012; McKee, 2011). In particular, there is space to consider the ways in which shared ownership has been used as part of government-led regeneration efforts to address the negative consequences of "residualisation" through the creation of 'mixed tenure communities' (Turnstall, 2003). The act of

'mixing' involves a number of strategies of which shared ownership plays an important part. These include the transfer of existing residents from rented to LCHO units, the attraction of other more affluent households into previously 'mono-tenure' estates through the integration of units for sale, and most worryingly the displacement of existing tenants and other low-income home owners out of their previous homes (Lees, 2008). Additional research is also needed to understand the ways in which shared ownership and other LCHO schemes have been used as a 'rebranding' exercise, as housing associations try to distance themselves and their residents from the negative imagery associated with "affordable" housing (Flint and Rowlands, 2003: 228).

8.6 Conclusion

This final concluding section takes a step back from the detailed empirical findings in order to place them within the context of the wider processes that have driven the move from social renting to private ownership in Britain. As we have seen, housing reforms that were pursued in the 1980s not only changed the tenure structure of the British housing system, but formed the basis of broader neoliberal reforms that sought to reduce the role of the state in people's lives in favour of the private market. The celebration of home ownership as a source of pride, self-esteem and independence came to the forefront of debates around the benefits of private as opposed to public ownership, as did the potential role owner occupation could play in meeting needs that had previously been provided for by the welfare state. Housing assets came to be seen as a way to pay for higher education and care, to be used as a buffer in difficult economic times, and as a way to bridge the equity gap between the rich and poor.

LCHO schemes have been central to these reforms both in material and ideological terms. The Right to Buy had the most impact, but was time limited as once sold there was less stock available to transfer from the public to the private sector. In the twenty first century, as affordability into the owner occupied sector has been constrained, smaller part-ownership arrangements have become more prominent, taking up an increasing proportion of subsidy for affordable housing, as well as being heavily promoted by successive administrations. Reliance on more complex schemes such as shared ownership exemplifies some of the difficulties faced in the pursuance of neoliberal reforms, not least of which being the inherent contradiction of a system that depends upon appreciating housing wealth for existing home owners, whilst also seeking to ensure that the majority can access the tenure. Shared ownership schemes have been designed to provide a bridge between those who are priced out of the conventional market. However, as this thesis explores, the market-based element

of the scheme mean that shared ownership has also become unaffordable for target groups and existing shared ownership households.

In contemporary housing policy debates, there is a growing sense of urgency around the lack of genuinely affordable housing that is simply not being filled by the private market. This is a particular issue in London and the South East, but also in other parts of the country including rural areas where prices have increased and supply has been depleted as a result of historic policy decisions. In the current political environment, which has seen the continuation of neoliberal reforms to reduce the social rented sector to the very minimum in favour of private provision, these pressing issues have little prospect of resolution. In this context it appears likely that the roll out of LCHO schemes, including shared ownership, will continue. However, in light of the evidence presented in this thesis it seems fair to view this strategy as little more than a sticking plaster rather than an effective contribution to affordable housing provision, which would more likely take the shape of both comprehensive reform including investment in genuinely affordable, publicly built, rented housing stock coupled with a more closely regulated private rental market.

Appendix 1

Low cost home ownership initiatives

Pre 1980

Scheme name	Year introduced	Type	Description
Birmingham 'half and half' scheme	1975	Shared ownership	Allowed households to purchase a 99 year lease with a council mortgage on half the property, with rent payable on the remaining equity. Similar initiatives were introduced on a smaller scale by 24 local authorities including Exeter, Southend, Gravesend, Wellingborough, Charnwood, Wandsworth, Southampton, Sutton and Enfield during the mid to late 1970s.
Birmingham Purchase and Improvement Movement scheme	1978	Improvement for sale	The council offered 100 per cent mortgages on improved properties as part of its Inner City Partnership programme, with the aim of improving housing stock with minimum cost to the local authority, and to stabilise, and attract back population to run-down parts of the city (Edwards, 1982 cited in Crook, 1986b: 650). A number of housing associations also implemented similar schemes by using home-improvement grants from central government funds to rehabilitate properties for sale at below market value in areas where households found it difficult to secure private loans, including the Joseph Rowntree Housing Trust in York, and Merseyside Improved Houses in Liverpool.
Greater London Council Homesteading Scheme	1978	Homesteading	Drawing on experience of homesteading in the USA, this scheme aimed to restore poor quality and abandoned property to households who had the labour and/or capital to invest in improvements.

Scheme name	Year introduced	Type	Description
Co-ownership societies	c1964	Co-ownership	Co-ownership was focused on two groups, young professional and skilled households including the self employed, and older people who were unable to access a mortgage. Co-ownership allowed members to make regular payments towards a collective mortgage and gain an interest in the freehold as a result. Entry into co-ownership didn't require a large deposit, tax relief could be claimed on mortgages which reduced ongoing payments, and members were entitled to a share in any increase in equity value on exit.

Sources: Allen, 1982; Birchall, 1988; Booth and Crook, 1986b; Crook, 1986a; Crookes and Greenhalgh, 2011; Filkin and McMorran,1979.

Post 1980

Scheme name	Year introduced	Type	Description
Right to Buy	1980	Statutory purchase	Gave sitting tenants the right to purchase their council properties at a substantial discount depending on their length of tenancy. In 1999 discounts were reduced by the New Labour government. In 2011 the Coalition government increased the maximum cap on discounts to £75, 000 which increased to £100,000 in London in 2013.
Conventional shared ownership	1980	Shared ownership	Applied to new build and newly renovated properties. Allowed households to purchase between 25 and 75 per cent of a property through conventional means, whilst paying a rent to a housing association who owned the remaining share. Most purchasers had a right to increase their shares incrementally over time to 100 per cent in a process known as 'staircasing.'

Scheme name	Year introduced	Type	Description
Right to shared ownership	1983	Shared ownership	Enabled eligible housing association tenants to purchase their homes on a shared ownership basis.
Do-it-Yourself Shared Ownership	1986	Shared ownership	Enabled households to identify a property on the open market and purchase it on a shared ownership basis with a participating housing association.
Right to Acquire	1996	Statutory purchase	Gave housing association tenants living in homes built or acquired with public subsidy since April 1997 the right to purchase their home at a discount. In 2014 discounts were capped at between £9,000 and £16,000 depending on the price of the property and where it was located.
Starter Homes Initiative	2001	Equity loan	Provided an equity loan to key workers including teachers, police and health workers to access home ownership with a particular focus on London and the South East of England.
Key worker living	2004	Shared equity and shared ownership	Provided shared ownership on new build housing association units, and equity loans on open market dwellings to 'key workers' including police, nurses and teachers.
New Build HomeBuy	2005	Shared ownership	Rebranding of conventional shared ownership (see above)
Social HomeBuy	2005	Shared ownership	Enabled housing association tenants to buy a minimum share of 25 per cent of the value of their home. In addition households were entitled to discounts under the Right to Acquire (see above). Since 2008 new applicants have also been entitled to receive a discount on the purchase of further shares. In common with other shared ownership schemes, rent is payable on the un-owned share.
The First Time Buyers	2006	Shared	Enabled eligible first time buyers to access a loan of up to 50 per

Scheme name	Year introduced	Type	Description
Initiative		equity	cent of the price of a new build property, paid directly to participating developers, to be repaid on sale. The first three years of the loan were free, with a fee being paid of 1 per cent per annum from the fourth year of ownership rising to a maximum of 3 per cent after 5 years.
Open Market HomeBuy	2006	Shared equity	Enabled eligible first time buyers to identify a property on the open market, purchase a minimum share of 75 per cent of equity in a property financed through conventional means, with the remaining 25 per cent covered by a loan funded by housing associations with grant from the Housing Corporation.
Open Market HomeBuy: MyChoiceHomeBuy	2006	Shared equity	Offered eligible first time buyers an equity loan of between 15 and 50 per cent of the purchase price provided by a consortium of eight housing associations. The loan could be used in conjunction with any conventional mortgage. Up to 1.75 per cent interest was charged on loan in the first year, increasing annually by the Retail Price Index plus 1 per cent.
Open Market HomeBuy: Ownhome	2008		Offered eligible first time buyers a loan of between 20 and 40 per cent of a purchase price provided in partnership with a housing association and Co-operative Financial Services, which could be used in conjunction with any conventional mortgage from the Co-operative Bank. There were no interest charges on the Ownhome loan for the first five years. There was a charge of 1.75 per cent per year in years six to 10 and from year 11 onwards an interest charge of 3.75 per cent per year applied.
Rent to HomeBuy	2008	Intermediate rent, shared ownership	A scheme that enabled households to rent a property at less than market rent for a pre-defined amount of time, with the option to buy a share of the property through the *New Build HomeBuy* shared ownership scheme.

Scheme name	Year introduced	Type	Description
HomeBuy Direct	2008	Shared equity	Offered eligible first time buyers a 5 year interest free equity loan of up to 30 per cent of the value of a new build property on the open market. Co-funded by the Homes and Communities Agency and individual developers.
FirstBuy	2011	Shared equity	Provided a 5-year interest free equity loan of up to 20 per cent of the purchase price of an existing new-build property co-funded by the Homes and Communities Agency and individual developers.
NewBuy Guarantee	2012	Mortgage indemnity scheme	High street lenders and housing developers jointly offered up to a 95 per cent mortgage to purchasers of new build properties worth less than £500,000. The Government and housebuilders provided security for the loans in the form of an indemnity fund.
Help to Buy	2013	Shared equity	Provided an equity loan of up to 20 per cent to first time buyers and existing home-owners on new build homes with a maximum value of £600,000.
Help to Buy: mortgage guarantee	2014	Mortgage guarantee	Enables first time buyers and existing purchasers to buy a new build or second-hand property with a deposit of 5 per cent of the purchase price up to £600,000.
Help to Buy: ISA	2015	Deposit saving scheme	Enabled first time buyers to save through an Individual Savings Account (ISA) which receive a maximum contribution from Government of £3000 for £12000 of savings.

Sources: Wilson (2014), Wilson and Blow (2015), Monk and Whitehead (2010c)

Appendix 2

Letter of invitation

See following page.

[insert name]
[insert address]

Dear

Research interview: Shared Ownership study

I am a researcher from Durham University working on a study funded by the Economic and Social Research Council about Shared Ownership homes. As a Shared Ownership customer I am contacting you to invite you to take part in the study.

The study aims to find out what's good about Shared Ownership, what's bad and how Shared Ownership can be improved from the point of view of customers.

I was wondering if you would be willing to be interviewed as part of the research over the phone. The interview should take no longer than 40 minutes. You will receive a £10 voucher as a thank you for your time and input.

If you are interested in participating in the research, or if you have any queries about it, please contact me by email [insert email here] or phone [insert phone number here].

I will contact you over the phone in the very near future to set up a suitable time for the interview.

Thank you for taking the time to consider my request and I look forward to speaking to you soon.

Yours sincerely,

Rowena Hay

Appendix 3

Tables of semi-structured interviews undertaken

Table 1 Housing professionals

Role	Organisation	Case study area
HomeBuy agent	Housing association	Cumbria
Customer service manager	Housing association	Cumbria
Housing officer	Housing association	Cumbria
Housing manager	Housing association	Cumbria
Property contracts supervisor	Housing association	Cumbria
Development manager	Housing association	Cumbria
Leasehold officer	Housing association	Cumbria
Housing strategy manager	Local authority	Cumbria
Housing policy officer	Local authority	Cumbria
Housing strategy officer	Local authority	Cumbria
Strategic housing manager	Local authority	Cumbria
Housing manager	Rural housing trust	Cumbria
Community land trust officer	Rural housing trust	Cumbria
Housing needs officer	Rural housing trust	Cumbria
Finance officer	Housing association	Cumbria and London
Sales assistant	Housing association	Cumbria and London

Sales executive	Housing association	Cumbria and London
Leasehold customer service manager	Housing association	Cumbria and London
New schemes coordinator	Housing association	London
Leasehold manager	Housing association	London
Housing assistant	Housing association	London
Administrative assistant	Housing association	London
Sales manager	Housing association	London
Housing manager	Housing association	London
Development manager	Housing association	London
Development officer	Housing association	London
Cleaner and social tenant	Housing association	London
Housing officer	Housing association	London
Leasehold consultant	Housing association	London
Outreach officer	Housing association	London
Resident association member and social tenant	Housing association	London
Housing officer	Housing association	London
Sales administrator	Housing association	London
Sales negotiator	Housing association	London
Housing enabling officer	Local authority	London

Table 2 Shared ownership households

Gender	Case study area	Case study develo-pment	Age	Household composition	Previous housing tenure	Perecentage of property owned
Male	Cumbria	4	81	Two adults	Outright ownership	25 per cent
Female	Cumbria	4	82	Two adults	Outright ownership	25 per cent
Male	Cumbria	4	77	One adult	Outright ownership	25 per cent
Female	Cumbria	4	76	One adult	Social rented	25 per cent
Female	Cumbria	4	78	One adult	Outright ownership	75 per cent
Female	Cumbria	5	50	Two adults, one child	Private rented	50 per cent
Male	Cumbria	5	45	Two adults, two child	Private rented	75 per cent
Female	Cumbria	6	44	Two adults	Private rented	50 per cent
Female	Cumbria	6	48	One adult, one child	Private rented	50 per cent
Male	Cumbria	6	68	Two adults	Outright ownership	75 per cent
Female	London	1	25	Two adults	Social rented (in mothers house)	60 per cent

Male	London	1	39	One adult	Private rent	40 per cent
Male	London	1	38	One adult	Shared ownership	40 per cent
Female	London	2	51	One adult	Private rent	75 per cent
Male	London	2	61	One adult	Private rented	75 per cent
Female	London	3	28	Two adults, one child	Private rent	25 per cent
Male	London	3	29	Two adults, one child	Private rent	25 per cent
Male	London	3	42	One adult	Private rent	25 per cent
Female	London	7	42	One adult	Private rent	70 per cent
Female	London	7	29	Two adults	Private rented	100 per cent
Male	London	8	45	Two adults, two children	Private rented	50 per cent
Female	London	9	40	Two adults, one child	Shared ownership	25 per cent
Female	London	9	30	One adult	Private rented	25 per cent
Female	London	9	32	Two adults	Private rented	25 per cent
Female	London	9	31	Two adults	Private rented	30 per cent

Appendix 4

Interview guide for households

See following page.

Interview guide
Shared owners

Sections

1. Choosing shared ownership

2. Your home and neighbourhood

3. Changing household circumstances

4. Moving on from shared ownership

5. Your view of shared ownership

About the research

- Looking at how shared ownership works for households and providers

- Funded by a housing association and the ESRC

- Interview will take maximum 40 minutes

- All information provided is confidential and will be reported anonymously

- If you can't or don't want to answer any of the questions that's fine

- The transcribed interview will be sent to you so you can make changes

1. Choosing shared ownership

Discussion to include:

A. How long ago did you purchase your home?

B. What percentage did you buy?

C. What sort of property did you live in before? Tenure/type/location

D. How did you find out about shared ownership?

E. Did you consider any other options?

F. What were the main reasons that you chose shared ownership?

G. Can you explain the process you went through to purchase your home?

H. Do you feel that you were given all the information you needed?

2. Your home and neighbourhood

Discussion to include:

A. What sort of property have you purchased?

B. Are you happy with the property and its location?

C. Why did you decide to buy a shared ownership property in this area?

D. What do you like most about your area and what would you change?

3. Changing household circumstances

Discussion to include:

A. Are you a couple, single, with / without children, age etc?

B. What is your approximate household income?

C. Where do you work?

D. Have your personal or financial circumstances changed since you bought your home? For example new children, partners, changing income, health issues etc.

E. Have you staircased up since your initial purchase?

F. If so why and in what circumstances?

G. Can you explain the process you went through?

H. Have you staircased down since your initial purchase?

I. If so why and in what circumstances?

J. Can you explain the process you went through?

K. Do you feel that shared ownership offers you more security than buying on the open market?

L. Do you feel that shared ownership provides you with the flexibility to respond to changing personal/financial circumstances?

4. Moving on from shared ownership

Discussion to include:

A. Have you or would you consider selling your property?

B. If so why? Including changing personal or financial circumstances, the neighbourhood, the rent or service charge, the structure of shared ownership itself.

C. If you did move what sort of property would you move into and why? Including tenure, type and location.

D. If you have tried to sell can you explain the process that you went through?

5. Your view of shared ownership

Discussion to include:

A. From your point of view what are the benefits of shared ownership

B. From your point of view what are the downsides of shared ownership

C. What would you change about shared ownership if you could?

D. Is there anything else that you would like to say about your experience of shared ownership?

Appendix 5

Interview guide for housing staff

See following page.

Interview guide
Staff

Sections

1. You and your organisation

2. Local LCHO market

3. Moving into shared ownership

4. Managing SO

5. Moving on from shared ownership

6. Security and risk

7. Final questions

About the research

- Looking at how shared ownership works for households and providers

- Funded by a housing association and the ESRC

- Interview will take maximum 40 minutes

- All information provided is confidential and will be reported anonymously

- If you can't or don't want to answer any of the questions that's fine

- The transcribed interview will be sent to you so you can make changes

1.   You and your organisation

Discussion to include:

A.   What is your / your teams role in the organization?

B.   What services do you offer and to who?

C.   Why do you provide / manage SO?

2.   Local housing market and LCHO

Discussion to include:

A.   Can you describe the local housing market, what is it like in terms of stock/tenure/location of properties?

B.   What are the main housing issues, challenges and opportunities in the local area?

C.   What is demand like for LCHO locally?

D.   Is demand different for re-sales?

E.   Are certain types of LCHO more popular than others?

F.   What are the most popular locations and types of LCHO properties?

3.   Moving into shared ownership

Discussion to include:

A.   Are there distinct types of people moving into SO?

B.   Do you have a sense of the circumstances in which people move into the SO?

C.   If I was interested in buying a SO property locally where would I look, who would I approach? (talk about HomeBuy agents here)

D.   Can you tell me about the nomination period and process?

E.   Can you tell me about how your re-sales are managed and organized?

F.   Can you tell me about the administration of staircasing, the process, why households do it and how often?

1. You and your organisation

Discussion to include:

A. What is your / your teams role in the organization?

B. What services do you offer and to who?

C. Why do you provide / manage SO?

2. Local housing market and LCHO

Discussion to include:

A. Can you describe the local housing market, what is it like in terms of stock/tenure/location of properties?

B. What are the main housing issues, challenges and opportunities in the local area?

C. What is demand like for LCHO locally?

D. Is demand different for re-sales?

E. Are certain types of LCHO more popular than others?

F. What are the most popular locations and types of LCHO properties?

3. Moving into shared ownership

Discussion to include:

A. Are there distinct types of people moving into SO?

B. Do you have a sense of the circumstances in which people move into the SO?

C. If I was interested in buying a SO property locally where would I look, who would I approach? (talk about HomeBuy agents here)

D. Can you tell me about the nomination period and process?

E. Can you tell me about how your re-sales are managed and organized?

F. Can you tell me about the administration of staircasing, the process, why households do it and how often?

G.   Do you feel that shared ownership provides households with the flexibility to respond to changing personal/financial circumstances?

F.   Final questions

Discussion to include:

A.   From your point of view what the benefits of shared ownership, for households and providers?

B.   From your point of view what are the downsides of shared ownership, for households and providers?

C.   What would you change about shared ownership if you could?

D.   Is there anything else that you would like to say about your experience of shared ownership?

Shared ownership as a long-term flexible tenure: Participant Consent Form

Researcher: Rowena Hay **Organisation:** Durham University and [sponsor housing association]

About the research
Shared ownership schemes were introduced in the 1970s by governments in the UK as a way to help households onto the housing ladder. However, there has been relatively little research done to date on how Shared Ownership works for households and front line housing staff. This research aims to explore these issues.

How you could help
Your experience of using shared ownership products will help us to understand how this type of affordable housing policy works, and how it may be improved. Your participation is entirely voluntary and you can withdraw from the research at any point in the process.

Confidentiality
All personal information collected will be kept private. No personal information will be passed onto [the sponsor housing association]. Any information you provide will have a number on it instead of your name. Only the researcher will know what your number is and will keep that information secure. All personal information will be destroyed 3 years after the project has been completed.

Sharing the results
All information collected will be reported anonymously. The knowledge gained from the research will be shared with you before it is made publicly available. Findings will be published so that other interested people may learn from the research.

Who to contact
If there is anything you don't understand, or if you have any questions about the project, please feel free to contact me by email: hay.misty@gmail.com or phone: 07961 974 581

Certificate of Consent
I have been invited to participate in the 'Shared ownership as a long term flexible tenure' research project.

I have read the above information, or it has been read to me. I have had the opportunity to ask questions about it and any questions I have been asked have been answered to my satisfaction. I consent voluntarily to be a participant in this study.

Participant Signature: _____
Name: _____
Date:_____

Appendix 7: Organisations involved in the delivery of shared ownership

National organisations

Department of Communities and Local Government: setting the national policy agenda

At the national level the Department of Communities and Local Government (DCLG) are responsible for setting policy on housing, including low cost home ownership schemes. The broad remit of the Department, which includes local government, public safety and emergencies, economic growth and planning, points to the fact that housing does not, and historically has not, fit neatly within the structure of government (Clapham et al. 1990). The overall strategic direction of the Department is the responsibility of the Secretary of State who is also a cabinet member and accountable to parliament for the effectiveness and efficiency of the department. There is also a Minster for Housing attached to DCLG, who leads on a diverse range of issues alongside housing including local growth, regeneration, climate change and sustainable development. As explored in more detail in Chapter x above, since the introduction of the first national scheme in 1980 the policy aims behind shared ownership have remained fairly constant. At the time of writing these include:

1. The expansion of owner occupation to social tenants and other low to medium income first time buyers;
2. The reduction of public expenditure on housing by freeing up social tenancies and providing cross-subsidy through sales; and
3. The promotion of "sustainable" mixed-tenure communities in regeneration areas.

The Homes and Communities Agency: funding and regulating affordable housing provision

DCLG is the sponsor department to the Homes and Communities Agency (HCA) – the national housing and regeneration agency for England. The statutory objectives of the HCA as listed in the Housing and Regeneration Act 2008 include specific powers in relation to the provision, facilitation and acquisition of housing, including development, compulsory purchase, regeneration and the effective use of land. DCLG approves and sets the HCAs strategic objectives, sets levels of public resources available, agrees the agencies corporate plan and targets, secures parliamentary approval, appoints the board, and approves the appointment of Chief Executive officers. They also scrutinise and monitor financial management controls to ensure public funds are safeguarded, that projects are on track and that compliant procedures are in place for procurement, performance and risk management. The relationship between the HCA and DCLG is underpinned by a framework agreement which sets out the purpose of the HCA to:

1. Improve supply and quality of housing in England;
2. Improve efficiency and effectiveness of housing regeneration delivery; and
3. Build capacity and pioneer new ways of working amongst partners in the public, private and voluntary sectors.

The HCA fulfils these objectives as the regulator of Registered Providers (RPs) of affordable housing in England and as the agency responsible for capital investment in new build affordable housing including shared ownership in England, outside of London. The regulator function was handed over to the HCA from the now defunct Housing Corporation as part Localism Act 2011. Their powers focus on the risk-based economic regulation which is applied to RPs in the private and social sector. The regulator maintains a list of RPs which at the time of writing stands at 1785 organisations (DCLG, 2013), and enforce the regulatory framework in which they must operate. Within this framework, providers must meet two sorts of regulatory standards - economic and consumer:

Economic standards are the focus of the regulators activity and governance frameworks, financial viability, value for money and rent standards are proactively monitored by the agency.

Consumer standards on the other hand are not closely regulated and monitored. Although standards are set including tenant involvement and empowerment, quality of accommodation and maintenance, allocation and lettings policies as well as neighbourhood and community management, the Localism Act 2011 restricts the power of the Agency to intervene. There is an expectation that providers will identify problems and take action to resolve them.

The HCA does not directly procure or manage the construction of shared ownership or other LCHO schemes, but provide funding to Registered Providers (RPs) who are predominantly housing associations (HA) but also local authorities (LA), private house builders and community land trusts to enable them to build (HCA, 2013c). Investment provided through the Affordable Homes Programme includes subsidy for the development of new affordable housing including affordable rent, low cost home ownership, traveller pitch funding, specialist supported housing and the Decent Homes Programme. The current programme will invest £4.5bn in affordable housing between 2011-15 (HCA, 2013). In calling for bids from RPs the Agency emphasises the need to maximise private financing by making best use of RPs existing assets to reduce the burden on the public purse. The introduction of Affordable Rent by the Coalition, allowing landlords the freedom to set rents up to a maximum of 80 per cent of market rent, was intended to boost RPs borrowing capacity alongside other sources of cross-subsidy from surpluses, income from the development of properties for outright sale and S106 planning gain negotiations. Due to their increased borrowing capacity, the bias for grant allocation is with larger RPs. In 2011-12 91 per cent of social housing stock was owned by 20 per cent of RPs (HCA, 2012). The level of funding is therefore expected to be the minimum necessary to make delivery viable, and payment is funded at completion to ensure maximum efficiency.

The rules and procedures for RPs who have secured grant funding under the Affordable Homes Programme are set out in the Capital Funding Guide (HCA, 2013). The development of affordable home ownership is funded on the basis that it is part of a 'suitable tenure mix' in response to local housing needs as defined by the relevant LA, it provides good value for public money and that it contributes to an increase in overall housing supply. In response to calls for the development of a range of 'consistent, stable and simple' LCHO products, the branding of LCHO has been unified under two standard *HomeBuy* options, shared ownership and equity loans (HCA, 2011). Outside of these two options, no other home ownership models

are considered for grant funding by the HCA. Of these two options shared ownership is identified as the main element of affordable home ownership because of the low equity shares available for purchase (25 per cent) which makes the tenure accessible to a broader range of households, including those on lower incomes. As a result shared ownership is intended to be targeted at existing social tenants and those on the waiting list to 'generate relets at lower cost than new rented provision.' This focus is consistent with previous LCHO outputs and as Table ? below illustrates, with the exception of 2003-4 and 2009-10 more shared ownership units were produced every year between 2003 −2012 than any other LHCO scheme. Of the total number of units produced during this time, 82,890 were built for shared ownership which is 55 per cent of total LCHO output.

The HCA has powers to define national priority groups for the allocation of shared ownership units and currently allocation priority goes to 'existing social tenants and serving military personnel'; 'those that will address housing problems in local and regional housing markets as defined by the local authority'; and 'other first time buyers' with a maximum household income of £60,000 (HCA, 2012: 56). In common with affordable rented stock, properties developed for sale using HCA grant must meet the same design and quality standards as affordable rented stock (Housing Corporation, 2007). During the planning, design and construction process the HCA monitor progress through review meeting and programme milestone data collected on the Agency's investment management system. For LCHO schemes the HCA also record and publish data related to applications, sales and transactions (HCA, 2011).

As part of the Capital Funding Guide the HCA defines the details of shared ownership schemes funded by the Agency. The current guidance includes funding for generic new-build and rehabilitated shared ownership units developed for social tenants and first-time-buyers as part of S106 sites, regeneration schemes and stand-alone developments; as well as more specific and targeted schemes for older people, people with long-term disabilities, self-builders and properties located in rural areas. Although steps have been made to simplify the products available, it is clear that beneath the two generic types identified under the HomeBuy brand there remain a diversity of shared ownership schemes which vary in policy focus and terms attached. This variation is not necessarily a problem in itself, but does add to the historic legacy of existing shared ownership units developed under a variety of different schemes over the last three decades. In particular, their are a large

variation of shared ownership leases which remain in use in the second-hand shared ownership market (Clarke and Heywood, 2012: 2). A fact that has challenging implications for the management of shared ownership on the ground (as will be explored in the second half of this chapter). The HCA has tried to introduce standardisation by providing model leases for shared ownership properties. Since 2006/7 model leases have been published by the Agency, with the most current version applying to shared ownership properties built from May 2013. Although there is no obligation to use the model lease, RPs are strongly advised to do so, and there are a number of fundamental clauses which have to be included as a condition of grant funding. These include provisions for:

Alienation: to prevent the leaseholder from sub-letting, selling without going through the proper procedure, or transferring the property to another party before they have purchased a 100 per cent equity share.

Staircasing: to allow the leaseholder to buy further shares in the property up to 100 percent in minimum 10 per cent tranches, with the exception of specified rural protected areas and shared ownership for the elderly programmes.

Protected areas: to restrict staircasing to 80 per cent and to oblige the RP to repurchase the property when the leaseholder chooses to sell on properties within designated protected rural areas.

Rent review: to define when rents will be reviewed by the RP on the unowned equity share and how the rent is recalculated at RPI plus 0.5 per cent

Pre-emption: to ensure that within a period of 21 years from the date the leaseholder purchases a 100 per cent share in the property, that on sale the leaseholder gives the RPs the Right of First Refusal to purchase the property back

Mortgagee protection: to cover lender losses in the event of property possession the mortgagee has first claim on any sum due to it from the leaseholder

To improve legibility and consumer understanding, all leases must also include an appendix setting out key information, in plain English, to purchasers of shared ownership properties.

Regional organisations

Greater London Authority: setting the housing agenda for London

In London the responsibility for capital investment in housing has recently been delegated to the Greater London Authority (GLA) (GLA, 2011). From the 1st April 2012 the Mayor became directly responsible for housing through the Localism Act 'in effect turning off the Homes and Communities Agency's powers in the capital' and 'removing the legal restrictions on the Mayor to spend money on housing' (GLA, 2011: 8). The London Housing Board, which includes equal membership of Mayoral appointees and Borough representatives oversees housing investment, delivery and monitoring to ensure that RPs conform with the GLAs housing strategy and meet local housing needs as defined at the Borough level (ibid, p9). In December 2011 the GLA published a revised London Housing Strategy for consultation in light of new devolved powers. The strategy emphasises the role housing investment plays in the economic health of the economy through job creation in the construction industry, but also in the availability of affordable homes to the workforce which is identified as a considerable constraint on business in London (ibid,p10). The priority is placed on easing restrictions on housing supply in private sector and making better use of existing affordable housing through:

1. The use of public land holding to free up development opportunities and provide housing at a lower cost,
2. The better use of assets locked in existing homes, in both the housing association and council sector,
3. Encouraging institutional investment in the private rented sector and the extension of landlord accreditation,
4. Making better use of social housing by encouraging mobility within and out of the sector; and
5. Helping households in the private rented and social housing sector, with aspirations to own, into home ownership.

LCHO schemes are used to address goals 4 and 5 in two main ways. Firstly, by prioritising social tenants 'who aspire to, and can afford subsidised home ownership' as a way to promote social mobility and free-up 'much-needed homes of people in need' and reduce overcrowding (ibid). Secondly, by addressing the affordability constraints for many first-time-buyers which have remained a central issue, particularly as house prices are more expensive than elsewhere and have remained buoyant despite the recession. Although it is recognised that many Londoners rent privately, often in the relatively long term, the tenure is considered to be 'lost money' and, as a result the Mayor is keen to explore schemes that enable people access to equity in a home (ibid, p16). LCHO schemes are an important part of this agenda as a way to give low to middle income Londoners 'who would otherwise be unable to get on the housing ladder a step up' (ibid). Reflecting the higher house prices in the Capital, the income levels for eligibility to purchase a LCHO home is higher, lying between £18,100 and £61,400 per households and £74,000 for families moving into homes with three or more bedrooms.

In common with the national scheme the strategy highlights the need to ensure that first time buyers are not faced with a 'confusing plethora of products' (ibid). However, while DCLG will not consider funding any new products, the Mayor will consider them if they fill a gap in the market, and better fit the housing strategy than existing products (ibid, p16-17). All LCHO products should fit into shared ownership alongside shared equity and intermediate rent categories. The Mayor has committed to providing 17,000 units representing 31 per cent of 55,000 total affordable units to be constructed between 2011-2015.

Cumbria sub-regional partnerships: defining housing and investment priorities

In Cumbria, sub-regional housing and investment strategies have been produced by partnership organisations made up of representatives from the County council, six local authorities, two national park authorities as well as local private and voluntary sector stakeholders. Although a number of partnership bodies have formed and dissolved over the last 10 years, their purpose and membership have remained fairly

constant.[1] Current incarnations, the Cumbria Partnership Forum and Cumbria Local Enterprise Partnership, seek to:

1. maximise value for money by avoiding duplication in public service provision, and to
2. develop a louder, unified voice for Cumbria in order to encourage inward private and public investment.

Investment in housing is identified as particularly important to Cumbria's future prosperity. Not least because rising housing costs, combined with low wages in agriculture and tourism, have pushed young, economically active households out of the area with a knock on affect on the viability of local services and businesses. The provision of affordable housing of the right type, in the right place and at the right price for Cumbria's younger and skilled households, is seen as having a vital part to play in sustaining business and growth - 'progress with jobs and housing supply must proceed hand in hand' (Cumbria Coordination Group, 2010: 3). Interestingly, and counter to national policy, emphasis is placed on the need for social rented accommodation to meet this need. In the context of limited land supply, high demand and with median house prices at 5.5 times median household incomes across the County and up to 11.7 times median incomes in the National Park, the provision of more owner occupied dwellings is not deemed to be appropriate. Although the private rented sector has experienced growth, there is a concern that rented stock which is occupied by vulnerable housing is in poor condition (32). The 'immense pressure on existing housing stock' of all tenures is seen to make it 'extremely difficult for people relying on local wages to compete for housing in an open market' (Cumbria Housing Group, 2011: 19-21). Interventions in the market include planning policies which restrict new housing to those with a local connection and those taking up employment in the area, planning gain negotiations with private developers to cross-subsidise affordable housing, as well as the provision of social rented units with a limited role for 'intermediate' options including shared ownership (ibid, p22).

The decline in younger households has been accompanied by an increase in older, more affluent households, including retirees and second home-owners. Particularly within the Lake District National Park, but increasingly towns and villages on the

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[1] For example, the Cumbria Strategic Partnership, which was formed in 2005 in response to the HCA's 'Single Conversation' was dissolved in 2012 as the new Government abolished the previous administrations Local Area Agreements. The same year they reformed as the Cumbria Partnership Forum, working to the same community strategy as before.

fringes, demand for housing from in-migration has compounded problems of affordability (Cumbria Housing Group, 2011). There has also been a significant change in demographics as the proportion of residents over 60 has increased - a trend that is projected to continue over the next two decades (ibid). In this context the need is recognised to invest in 'alternative types of provision' by building houses that are 'suitable, or easily adaptable, for occupation of the elderly,' by increasing 'choice, independence and longevity of tenure' and ensuring locations are appropriate and 'well served by public transport and local services' (South Lakeland District Council 2010: 78). The development of purpose built shared ownership schemes for over 55 year olds, built to Lifetime Homes standard, form part of a strategy to help older people stay in their homes and remain independent for as long as possible.

Although house prices are relatively high, and access to affordable housing increasingly strained in most parts of the County, there are pockets of 'housing market failure' with low housing prices and limited demand for social rented housing in areas suffering from long-term industrial decline along the west coast (Cumbria Housing Group, 2011: 17). Regeneration strategies include the major development of areas or low quality and low value terraced housing in Barrow, Workington and Whitehaven through stock refurbishment, clearance and replacement (ibid). The aim is to:

1. upgrade or replace existing stock which falls short of modern expectations through remodelling or demolition (20)
2. create the conditions which will 'attract developers to provide new housing' by freeing up land and providing infrastructure
3. Cater for households at the 'higher end of the market' in these areas who are currently 'underrepresented' but are 'crucial to the development of the … economy' (18)

Local organisations

HomeBuy agents: marketing and administration of low cost home ownership schemes

In April 2006 a network of HomeBuy agents were established in order to standardise the marketing, allocation and sale of LCHO units, including shared ownership. The network was introduced in areas across England as a 'one stop shop' for potential buyers looking to access LCHO units as a way to streamline the application process and to ensure people are treated more consistently and fairly. The role of Local HomeBuy Agents is to:

1. Promote LCHO schemes and developments to priority groups and in the broader housing market (HCA, 2011);
2. Assess applicants for HCA funded LCHO units against eligibility and affordability criteria set out by the HCA and local authorities (HCA, 2008: 5);
3. Carry out affordability checks to ascertain the maximum share than an applicant can afford and sustain (HCA, 2013);
4. Administer applications and provide the appropriate authority on behalf of the HCA to proceed with the sale (HCA, 2008: 8);
5. Provide RPs with lists of eligible applicants interested in their schemes;
6. Build effective local relationships with housing providers, including local authorities; and
7. Provide monitoring information on LCHO applications, sales and performance to the HCA and other stakeholders (HCA, 2008: 5).

HomeBuy Agents are recruited as part of a competitive bidding process administered by the HCA. Whilst in 2006-2008 invitations to bid were restricted to registered social landlords, in the 2008-2011 bidding round competition was opened up to a wider group of providers including local authorities and private sector organisations (HCA, 2008: 10). Despite this change at the time of writing HomeBuy agents are still predominantly subsidiaries of existing Registered Social Landlords, bar one which is made up of a consortia of RSLs working in conjunction with a local authority.

First steps

In the Capital, LCHO schemes are marketed under the First Steps banner, rather than the *HomeBuy* brand. Until the end of March 2013, the First Steps programme was the responsibility of two First Steps Agents, who fulfilled the same function as HomeBuy Agents in the rest of England. The London First Steps Agents provided marketing of LCHO products in designated parts of London, carried out initial applicant eligibility checks and collected monitoring data.[2]

Local authorities

Local authorities (LA) are involved at varying stages of delivery. HAs bidding for funding under the Affordable Housing Programme have to demonstrate how LA priorities are met and the HCA ask LAs to comment on funding proposals to ensure that local housing needs are addressed (DCLG and HCA, 2011). During the planning process LAs have a significant influence over where new development can take place, the tenure mix and housing types provided. They also play a crucial role in S106 negotiations with developers which had, until the credit crunch, taken on an increasingly prominent role in the provision of social rented and low cost home ownership units as part of larger developments (Cook and Whitehead 2010: 103). LAs also have a role to play in defining allocation of shared ownership after national priorities are met and in rural areas can impose local allocation clauses to ensure units address local needs.

Housing associations

HAs apply for funding to the HCA through the Affordable Homes Programme and as part of their funding requirements must meet a set design and quality standards. Their programme of delivery is monitored through regular reporting, review meetings and programme milestones with the HCA (HCA, 2012). HAs are responsible for the construction of shared ownership at the local level, but also purchase shared ownership units built by private developers as negotiated by LAs through S106 negotiations. HAs market shared ownership developments to potential purchasers locally and through the local HomeBuy Agent. They also carry
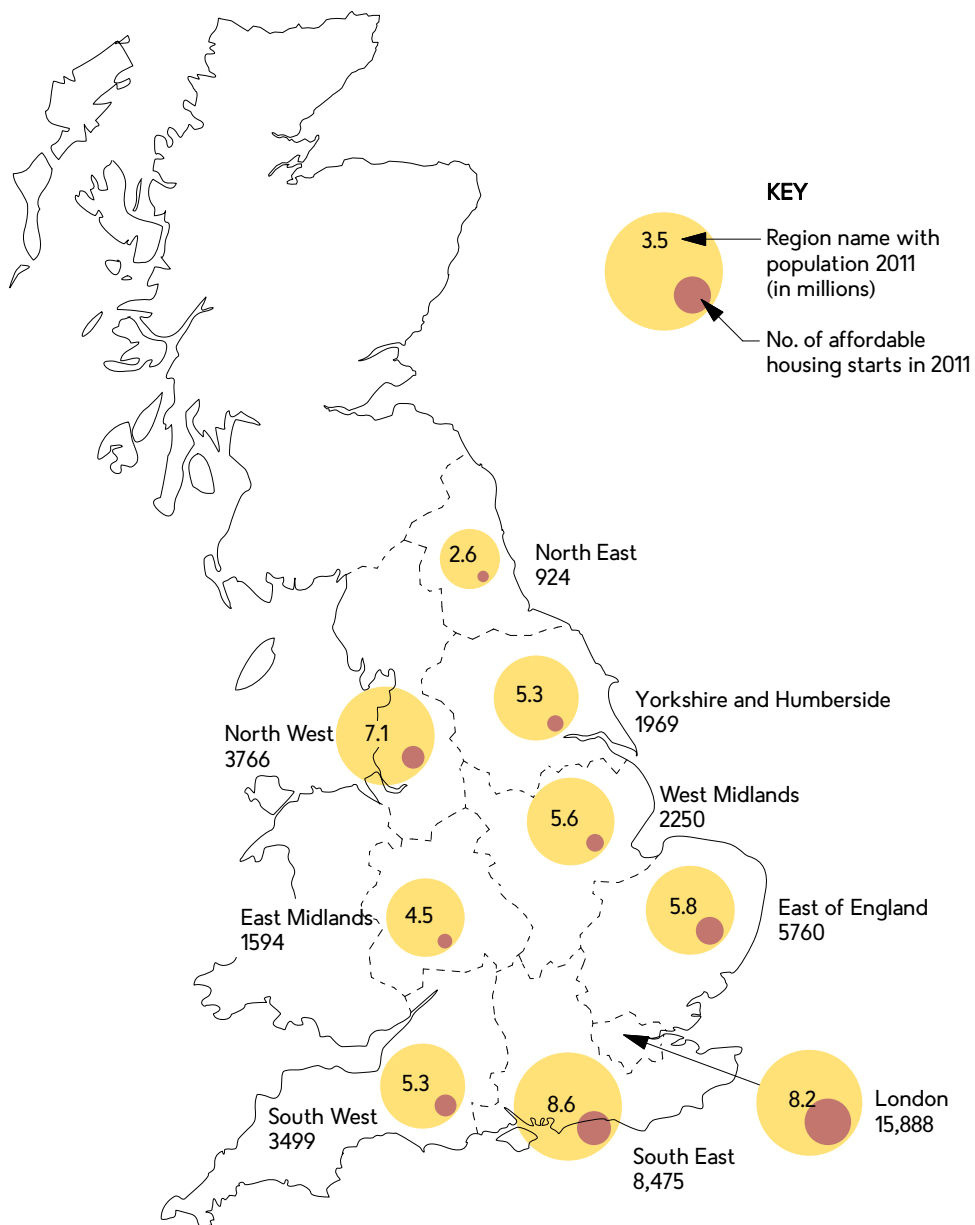
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[2] As of the 31 March 2013, the contracts with these two providers expired and a single web portal for First Steps called Share to Buy was set up to advertise all First Steps properties in the Capital (GLA, 2013). The aim is to cut the £1.7 million budget spent on First Steps Agents by streamlining their functions and cutting out the initial eligibility checks that were imposed on all purchasers before they could start searching for properties (ibid, p2). Instead eligibility checks will be carried out by the RP once a customer has found a home they wish to purchase (ibid).

out more detailed affordability checks in addition to initial headline assessments completed by the HomeBuy Agent including rigorous checks to saving and outgoings to 'ascertain the maximum share that applicants can afford a sustain' (HCA 2012: 59). The HCA have in recent years wanted to ensure that households who are eligible purchase the maximum share that they are able to afford, thereby limiting subsidy requirements to the absolute minimum level. RPs then carry out more rigorous checks into savings and outgoings. HAs also have the discretion to set the rent level on the unsold equity of shared ownership properties. Rents are not subject to rent control, but the initial rent 'must not exceed 3 per cent capital value of unsold equity at the point of sale' and annual increases are limited to Retail Price Index plus 0.5 per cent (ibid: 59). For most shared ownership flats and some houses HAs manage the building maintenance, repairs and insurance that is paid for by shared ownership households through a service charge. On S106 developments maintenance is often undertaken by a private management companies who charge HA's who then pass on service charges to households.

Appendix 8

Affordable housing starts by region in 2011.

See following page.

KEY

3.5 ← Region name with population 2011 (in millions)

← No. of affordable housing starts in 2011

North East
924

Yorkshire and Humberside
1969

North West
3766

West Midlands
2250

East Midlands
1594

East of England
5760

South West
3499

London
15,888

South East
8,475

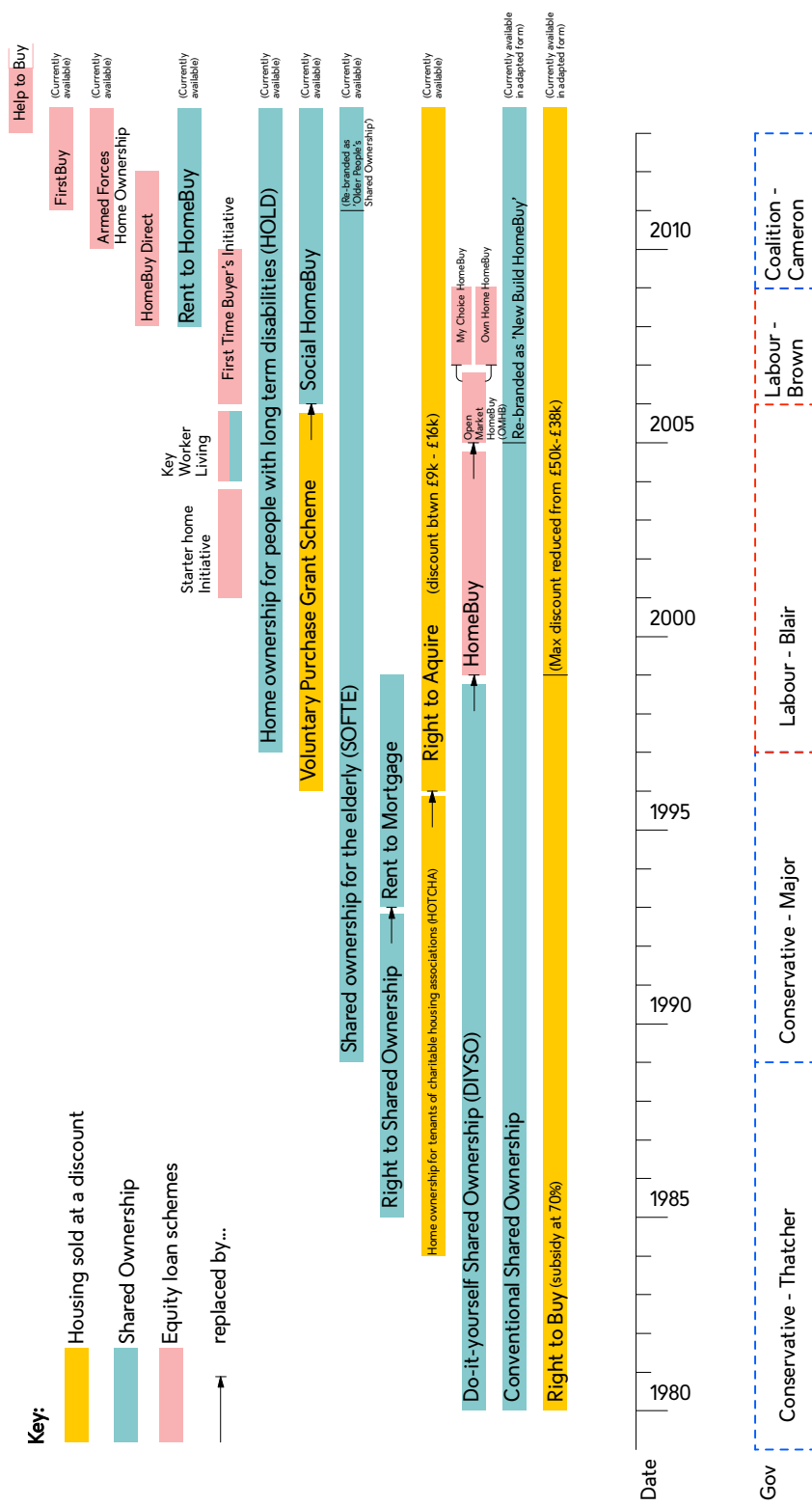# Affordable housing starts by English region

Area of circles are proportional to number of housing starts and regional populations.

Source: DCLG (2011c)

Appendix 9

Timeline showing introductions of shared ownership products in relation to political cycle.

See following page.

Timeline showing introductions of shared ownership products in relation to political cycle

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