Shared home ownership helps people with disability, researchers find

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New research by UNSW's Social Policy Research Centre has found that shared home ownership schemes for people with disability bring potential benefits but also expose people to debt risks.

Research conducted by the Social Policy Research Centre (SPRC) at the

University of New South Wales (UNSW) has found that shared home ownership schemes for people with disability bring potential benefits but also expose people to debt risks.

The research, commissioned by the Australian Housing and Urban Research Institute (AHURI), has been published in a new report, 'Shared home ownership by people with disability'.

The report investigated the most appropriate and beneficial shared home ownership models for people with disability.

Shared ownership covers housing models where ownership of a dwelling is divided between a person who lives in the house and an equity partner, such as a government department or community housing provider. It enables people on lower incomes to access and sustain home ownership and can enhance housing choice, security of tenure and sense of ownership.

The report highlights four shared ownership models – shared shared equity, restricted-resale shared equity, individual mixed equity and group mixed equity – that are most suitable for people with different income, asset levels and repayment abilities. It also suggests a range of government policy interventions if shared ownership for people with disability is to be scaled-up.

Report co-author Dr Ilan Wiesel, formerly from the SPRC and now with the University of Melbourne, said: "A shared ownership scheme for people with disability may help reduce the overall cost to government of providing housing assistance to those eligible for NDIS support. It could benefit governments by both reducing the demand for other forms of housing assistance and by participating consumers investing capital and taking on management and maintenance costs of their property."

However, shared ownership schemes can expose low-income households to risks such as becoming trapped with insufficient equity to move elsewhere (e.g. to follow employment and educational opportunities) if there are large changes in house prices.

There may also be risks associated with contractual obligations to both lenders and equity partners, such as having to pay for repairs required by the equity partner or not being able to rent the property to others if necessary. Some shared ownership schemes also require the householder to pay rent to the equity partner for the partner's share of the property.

The SPRC's Professor Karen Fisher said: "Shared ownership can work very well for some people in some areas, but be ineffective for others who will continue to require other forms of housing assistance such as social housing.

"Independent advocacy and financial planning for the people and families involved are critical for the success of shared ownership, as people with disability may be encouraged or even pressured to invest significant personal or family assets in such schemes, which may not be their optimal financial investment."

More information: Shared home ownership by people with disability, AHURI Final Report No. 277, Australian Housing and Urban Research Institute Limited, Melbourne. DOI: 10.18408/ahuri-7104001

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