

Older Persons Shared Ownership Sub-Letting Policy

This policy confirms our approach for Older Persons Shared Ownership (OPSO) customers when they wish to sublet the property to another person.

Customers should seek their own legal advice as required or appropriate before agreeing to any sub-letting arrangement. You will need to ensure that any sub-letting arrangement is in line with the legal obligations you will have in becoming a landlord. The Government has also made available some [guidance for shared owners](#) in relation to sub-letting.

The Shared Ownership leases prohibits a sub-letting arrangement being made by the shared owner. This is to protect the use of public funds and to ensure that applicants are not entering Shared Ownership potentially for commercial gain.

While sub-letting by a leaseholder is generally not permitted, the ability to take in a paying guest or lodger is allowed.

We do still require you to speak to us prior to beginning such an arrangement and our OPSO Team can guide you through the process to seek permission. For more information on renting a room to a lodger, read [‘Letting rooms in your home: A guide for resident landlords’](#)

A Shared Ownership home should not be used for commercial purposes such as a short-term rental or a form of bed-and-breakfast type accommodation. We will not grant permission for this type of arrangement.

Our shared owners can, however, under exceptional circumstances request to sublet where a genuine need for sub-letting has arisen.

Examples of exceptional circumstances are:

- you’re a member of the armed forces and are serving away from the area where you live for a fixed period

- If you have been marketing your property for sale for a long time, reduced the asking price, and been unable to secure a sale
- A prison term

We will consider any sub-letting requests on a case-by-case basis, on their individual merits, with any sub-letting arrangements reflective of the shared owner's particular circumstances.

You must use a PropertyMark approved Letting Agent for your sub-letting arrangement.

If we were to agree to your sublet request, then we would give you at least 6 months' notice should we wish to end the sub-letting permission. This timescale will allow you sufficient time to arrange for the correct notice to be served to your tenant. In providing this notice, we will also do this in line with the 12-month minimum period that your tenant is legally entitled to rent from you for.

The above applies for new sub-letting tenancies started on, or after, 1 May 2026. It also applies to any sub-letting tenancies entered into before 1 May 2026 where permission is set to end after 1 December 2026.

The minimum 6-month requirement for ending a sub-letting tenancy does not prevent us from taking appropriate action during that period (such as an injunction), or from you taking appropriate action (such as a section 8 notice with the appropriate grounds) in cases of anti-social behaviour, where the property may be being used for illegal use or criminal activity, or where it poses a safety risk.

If you issue the tenant with a section 8 notice and they do not vacate the property by the date specified in the notice, you will need to seek a possession order from the court. Going to court could prevent you from ending the sub-letting period on time, and the delay will be subject to court timescales and therefore we appreciate that this is situation would be outside your control. If this happens then we will always extend the sub-letting permission for as long as is necessary to allow for this.

A shared owner may request a sub-letting arrangement for a short-term period where the underlying reason for their request is for less than 12

months, for example because of a temporary place of work move. Given that legislation requires a minimum 12-month period for new tenancies, during which possession proceedings cannot be taken forward based on the moving in or selling grounds, then short-term sub-letting requests will generally not be approved. Depending on the individual circumstances, we will adopt our case-by-case basis consideration, and the usual process should be followed.

You must seek authorisation from us for each new sub-letting tenancy.

Considerations of a Sub-letting Request

- The proposed tenant must have a household income of less than £80,000 per year (£90,000 per annum in London) and not be in ownership of another property.
- The proposed tenant must live in the property as their main residence as one household.
- The proposed tenant must meet the eligibility requirements contained within the lease for the property.
- The rent you charge to your tenant can only cover your housing costs. This is the cost of covering your mortgage, rent and service charge, as well as any costs for mandatory electrical, gas, fire safety and other compliance checks.
- Additionally, if there are any letting management fees (or similar) associated with the sub-letting arrangement, then this would be a reasonable expense for you to have covered. (Where a subletting request is due to building safety issues, a rent up to market rent level can be charged).
- The rent to be charged to your tenant must be agreed between you and us, prior to the start of the sub-let.
- You'll continue to be responsible for paying the shared ownership rent and service charge directly to us.
- The relevant rent review mechanism must be agreed between you and us, prior to the start of the sub-let.
- We will require your new correspondence address and contact details.

Next steps if you would like permission to sublet:



To begin the process of sub-letting your property, please contact our dedicated Older Persons Shared Ownership (OPSO) team. They will explain the process and provide you with the form that you need to complete to formalise your request.



The form, along with any supporting information is to then be submitted to the OPSO Team, for consideration on a case-by-case basis.



Our OPSO Team will then process your request, which may result in additional information being required to support your sub-letting request.



Upon receipt of all required information, you will be provided with an outcome from our OPSO Team. If the outcome is that your sub-letting request is not approved, we will advise you of the reasons why. If the outcome is an approval, then we will advise you of any conditions that apply to your request being approved

Further information on sub-letting can be found in your lease and the Key Documents provided to you when you purchased the property. Further information can also be found in the [Capital Funding Guide](#).

Contact Us

Our Older Persons Shared Ownership (OPSO) Team can be contacted on 01202 508202 or OPSOteam@mccarthyandstone.co.uk

Version Control

Version	Status	Date	Name	Details of Changes
1.0	Draft	07/05/26	Emma Sherwood	Policy Production
1.0	Approved	08/05/26	Peter Barber	Policy Approval
1.0	Approved	08/05/26	Emma Sherwood	Implementation