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Could Co-Buying with Friends Be the Key to Beating the UK Housing Crisis?

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With house prices in London continuing to climb well beyond the reach of many young professionals, a small but growing number of people are finding unconventional ways to get onto the property ladder. Among them are four long-time friends who chose to club together and purchase a home in the capital, a decision that may signal a broader trend in an increasingly challenging housing market.

Francesca, Graeme, Sonja, and Kieran, all 34, pooled their finances after facing skyrocketing rents and limited housing options. The two couples now live with their young children in a

three-bedroom flat in north-east London, which they purchased for £650,000 in 2022. They previously rented together during the COVID-19 pandemic until their landlord suddenly doubled the rent. It was then that they decided to take a more permanent step.

Speaking to the press, Francesca, a musician, explained that she and her partner, Graeme, couldn't have afforded a suitable home on their own. Graeme noted they would've been capped around the £350,000 to £400,000 range, but combining incomes gave them more substantial options. A floating deed of trust was put in place to legally define each person's share in the property, an essential move when co-owning outside a typical family setup.

Changing Norms

According to Lloyds Banking Group, nearly half of first-time buyers under 40 are now open to non-traditional routes to home ownership. Other lenders such as Barclays and NatWest have also reported rising interest in co-buying with friends, siblings, and parents. Lloyd Cochrane, head of mortgages at NatWest, acknowledged the shift, saying more buyers are looking for alternative ways to get a foot on the housing ladder.

For these four friends, the benefits go beyond the financial. Francesca and Sonja gave birth four months apart and found that shared maternity leave and childcare responsibilities brought unexpected comfort and connection. The families share groceries, split bills evenly, and describe their two young children as close as siblings. "It didn't feel like a big step," said Francesca. "If anything, moving in just the two of us felt like a bigger one."

Still, this type of arrangement is not without its challenges. Kieran, who has been with Sonja for over a decade, emphasised the need for openness about finances and future plans. Legal protections, such as a deed of trust, are vital in case anyone wants to move out or if circumstances change. Consumer expert Adam French from Money Facts said clear written agreements are key and warned buyers to consider potential pitfalls like bad credit scores, insurance costs, and stamp duty.

Elsewhere in London, two Italian friends, Mirko and Lorenzo, made a similar decision. Tired of throwing away rent money, they bought a two-bedroom flat in Woolwich for £450,000 after spending £160,000 on rent over nine years. Mirko said they had known each other for so long that trust came naturally. "We thought, why pay rent when we can pay a mortgage instead?" he said, adding that even the bank was more willing to approve a loan for friends than a couple.

This growing shift towards co-ownership may not suit everyone, but for those prepared to plan, communicate honestly, and share responsibility, it can be a smart and viable route to home ownership. Sonja summed up the appeal well: “There’s huge value in this kind of investment, even later in life. I’d love to keep some element of communal living going into retirement.”