

Dear Resident

RE: Staircasing

Thank you for your enquiry about staircasing.

Staircasing is the legal process of buying additional shares in your home, which you can usually keep doing until you own your home outright (subject to any restrictions in your lease). As with all shared ownership homes, you only pay rent on the share that you do not own – so the larger the share you own, the less rent you have to pay. Staircasing does not normally affect any service charge payable, as these are the costs to provide services to you under the lease.

There are two different types of staircasing transaction:

- **Interim Staircasing:** where you buy additional shares, but not all of the remaining shares, so remain a shared owner with Housing Solutions.
- **Final Staircasing:** where you buy all of the remaining shares in the lease and own the property outright

We have outlined the staircasing process below; if you would like to proceed with getting a valuation please complete the attached Staircasing Application Form and return this to the Home Ownership Team – this will only commit you to paying for the valuation, but based on what you tell us in the form we will check your lease first to make sure that you can proceed.

1. You should review the staircasing provisions in your lease to make sure you can buy the additional shares that you want – some leases may have restrictions on the maximum amount that you can own; if you are unsure you may want to ask a solicitor to review the lease on your behalf, or you can ask a member of the Home Ownership Team.
2. Complete and return the Staircasing Application Form, and pay the Valuation Payment – once we have confirmed receipt of this we will ask the valuers to contact you to arrange a suitable appointment to inspect your home for their report.
 - ✓ It's usually good at this point to identify a solicitor to act on your behalf if you do proceed, but you don't need to instruct them yet; we recommend choosing a solicitor who is familiar with shared ownership staircasing transactions
3. Once the report has been returned to Housing Solutions we will review it and issue an Offer Notice, which will tell you how much the additional share that you want to purchase will cost; the Offer Notice will also have a copy of the Valuation Report attached.
4. You will then have 3 months from the date of the Offer Notice to accept the offer and complete your staircasing; if you are happy to proceed you'll need to instruct your solicitor and return the Offer Acceptance Form attached to your Offer Notice, we'll then instruct our solicitor to liaise with yours to complete the transaction.
5. If you are doing an Interim Staircasing Transaction then you'll need to complete a financial assessment with First Xtra, so that we can ensure you are able to continue to pay the ongoing rent

and service charge costs associated with your home; you do not need to do this if you are completing a Final Staircasing Transaction.

6. Our respective solicitors will liaise with each other to finalise your purchase and complete the Memorandum of Staircasing, and prior to completion your solicitor will issue you with a Completion Statement which will outline the total you'll need to pay, including any fees due to them or mortgage advance fees.
7. On the day of completion your solicitor will confirm when you have completed, we'll then update our records to show the new shares and rent amount, update your direct debit, and process any necessary adjustments to your rent account.

We have also attached some frequently asked questions to this letter, but if you have any other questions please do not hesitate to contact a member of the Home Ownership Team:

Email: homeownership@housingsolutions.co.uk

Telephone: 01628 543 101

Yours sincerely

Antony Matthews
Home Ownership Manager

Frequently Asked Questions

What is the minimum or maximum share I can buy?

This will depend on what your lease says, but normally the minimum share you can buy will be 5% or 10%. The maximum share will usually depend on how much you currently own, but the lease will often say that the final share has to be a minimum of 10% or 15%.

How is the price of the additional share calculated?

The price you pay will be based on the current market value of your home; to establish this a valuation will need to be carried out by an independent RICS Valuer, they will issue a report which tells us what the market value is compared to similar properties in the area. If you then want to buy another 25% of the property, the price of the share would be 25% of that current market valuation.

How long does the valuation last?

Staircasing valuations last for 3 months, and there must be a valid valuation in place when you complete. We will always try to support applications completing within 3 months of the Offer Notice, but if this isn't possible you may need to ask the valuer to provide an extension – they will often extend the valuation for minimal cost if this is required to allow your application to complete.

How can I find out the rough value of my house without paying for a RICS valuation?

We'd recommend looking at property websites such as Rightmove and Zoopla for similar properties in your local area – try to find properties which are similar in size, style and condition; if you want to proceed though you will have to pay for a full RICS valuation.

What happens if I have made improvements to my home?

If you have made any improvements and you obtained consent from us the valuer can usually take these into consideration when calculating the current market value. We'll ask you to outline the details of any improvements that you wish to claim and provide a copy of the consent when you first apply to staircase.

If you cannot demonstrate that you obtained consent for any improvements we may not be able to consider them when calculating the current market value of your property; once you have applied to staircase, whilst we will still process any retrospective application for consent under your lease, we will not consider those alterations when calculating the current market value.

Can I buy 100% of my home?

Occasionally your lease may restrict the total amount you can own, such as Older Persons Shared Ownership leases, but if not you can usually staircase to 100%. If you are seeking to purchase the whole of the remaining share your Offer Notice will tell you what kind of title you will own to the property on completion.

What costs will I be expected to pay for staircasing?

In addition to the premium for the additional share, you need to pay for the valuation report, your own legal fees, and a Staircasing Administration Fee to Housing Solutions, which covers our costs to provide any additional information required and receipting any notices as required. You may also need to pay a mortgage arrangement fee and stamp duty – you should consult with your mortgage lender or solicitor regarding both of these.

Will I still have to pay rent and service charges?

This depends on whether you own a house or a flat, whether you will still be a shared owner, and whether you live in a flat managed by Housing Solutions or an external managing agent. Your Offer Notice will outline if there will be any ongoing service or estate charge costs.

Broadly speaking:

- **Rent:** you will need to continue to pay rent to us if you remain a shared owner.
- **Ground Rent:** if you own a flat and complete a Final Staircasing you may need to pay us or a superior landlord Ground Rent.
- **Service Charge:** if you live in a flat you will need to continue paying a service charge; depending on who manages the building you may continue paying directly to Housing Solutions, or you may need to set up an account with an external managing agent.
- **Estate Charge:** if you live in a house on a private estate you may need to continue paying an estate charge; depending on who manages the private areas you may need to pay Housing Solutions, or you may need to set up an account with an external managing agent.

Any charges due under your shared ownership lease will continue to be due until your staircasing transaction completes, and you will need to ensure that your account is kept up to date whilst the transaction is ongoing. If your account is in arrears on the proposed completion date you will need to arrange for those arrears to be cleared before you complete.

Do I have to continue paying Housing Solutions for buildings insurance once I own 100% of my home?

If you live in a house then no – you'll need to arrange your own buildings insurance policy in line with any requirements of your mortgage lender and the advice of your solicitor.

If you live in a flat the buildings insurance will continue to be arranged by the freeholder or management company responsible for it – this may be Housing Solutions or it may be an external managing agent.

Staircasing Application Form

Please complete this form in BLOCK CAPITALS and return it to us via email with a copy of all of your supporting documents.

Once you have completed this form and paid your valuation fee we will instruct a RICS valuation of your property; the valuer will contact you to arrange an inspection for their report. When the report is returned to us we will send an Offer Notice and a copy of the valuation for you to consider.

If your property was purchased in joint names you will both need to sign the form at...

1. Property Details			
Property address			
Postcode			
Share percentage currently owned		Date you purchased your home	
Additional share you wish to buy		Do you wish to claim any improvements	Yes No
Do you intend to make any changes to the ownership?	Yes No <i>Please outline the changes in Section 7</i>	How do you intend to fund your staircasing transaction	Savings Mortgage
2. Leaseholders			
	Applicant 1	Applicant 2	
First name			
Surname			
Telephone No.			
Email address			
Preferred contact method			
Applicant on current mortgage (Yes/No)			

3. Current Mortgage Details

You can omit this section if you are intending to do a Final Staircasing transaction

Current Lender			
Current mortgage		Are you borrowing more to buy extra shares?	Yes No
Monthly payment		Additional borrowing	

If you are completing an Interim Staircasing you will need to send us a copy of your new mortgage offer when this is ready, and we'll need you to complete a financial assessment as part of your application. We will liaise with your solicitor to provide the necessary Mortgage Approval you will need under the terms of your shared ownership lease.

4. Staircasing Valuation Payment

To enable us to provide you with an Offer Notice your home must be valued by an independent surveyor qualified through the Royal Institute of Chartered Surveyors; a mortgage valuation is not sufficient. We will instruct a valuer on your behalf, the cost of which is outlined below. The cost is non-refundable.

Valuations are valid for 3 months from the date of the Offer Notice; if your staircasing does not complete within this timeframe you may need to extend or obtain a new valuation report, which may result in the premium payable changing.

Total Amount now due: £240.00 (Unit Cost: £200.00, VAT: 20%)

Please pay this amount via BACS, and send your remittance advice to homeownership@housingsolutions.co.uk

Bank Name: NatWest Bank

Account Name: Housing Solutions

Sort Code: 60-13-35

Account Number: 6701 5476

Reference No.: [property address and "S-VAL"]

Please note that we cannot instruct your valuation until we have received your payment

5. Improvements

Please outline the details of any improvements you made that you would like to be considered when calculating the value of your home, including the date the works were completed, the total cost, and a copy of the consent provided by your landlord at the time. If you cannot provide a copy of the consent we may not be able to consider those improvements when valuing your home.

Changes to your heating system	
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Replacement bathroom	
Replacement kitchen	
Loft conversion	
Extension	
Double glazing	
Addition of a conservatory	
Addition of a garage or car port	
Other	

6. Solicitor Details

Company Name	
Address	
Postcode	
Email	
Telephone No.	
Case handler	
Your reference	

7. Additional Information

Please use this space to give us any additional information in support of your application or that you think we should know, or any changes to the ownership of the lease that you would like to make

8. Declaration

I/We understand that, on the basis of the information provided, Housing Solutions will review my/our staircasing application and instruct a RICS valuation report from their surveyor. I/We understand that Housing Solutions are not committing to my staircasing request, and that my request may be declined.

I/We acknowledge that the information provided on this form is accurate, and any false information may result in this application being delayed or cancelled.

I/We are aware that we need to pay legal fees and associated administration costs agreed during this process. I/We acknowledge that we will be liable for any fees incurred from this point, including any abortive fees, whether or not this transaction completes.

I/We understand that our rent and service charge account must be kept up to date during the staircasing process, and failure to do so may result in my/our application being delayed

	Applicant 1	Applicant 2
Signature		
Full legal name		
Date		

If your property was purchased in joint names you must ensure that both leaseholders sign this form

9. Authority to Disclose Information

Applicants are requested to sign the authorisation which will be used by Housing Solutions to obtain verification of the information given in your application. Evidence will be photocopied and kept on file. All information will be dealt with in the strictest confidence and held in compliance with the Data Protection Act.

	Applicant 1	Applicant 2
Signature		
Date		

Data Protection Act 1998: Housing Solutions requires this information to process your application; it may be passed to an independent financial advisor for the purpose of carrying out a financial assessment. If you would like to know more about our Data Protection Policy please see our website

10. Supporting Documentation

	Attached	To Follow	N/A
Proof of identity for each applicant			
Proof of address for each applicant			
Proof of savings or mortgage offer			
Your solicitor's details			