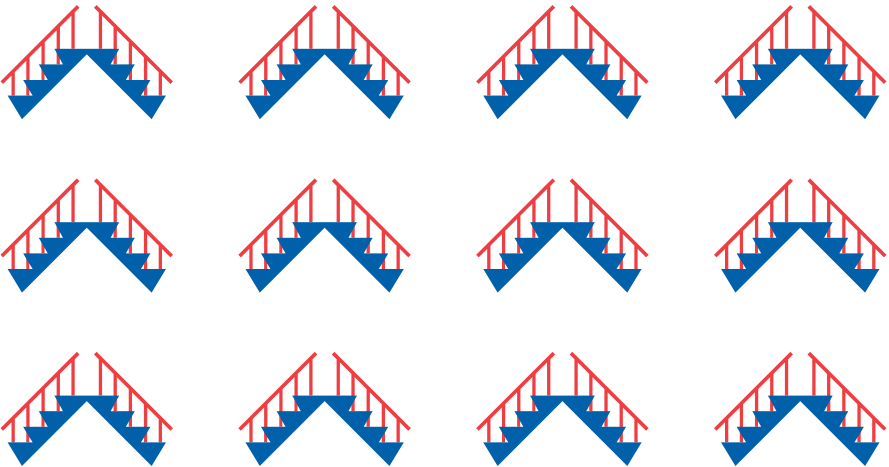


# Staircasing

How to buy further shares in your shared ownership home



# Staircasing



When you buy further shares in your property, this is known as staircasing.

In most cases, if you bought your home from new, you will need to have been a shared owner for at least a year before you can do this.

However, if you bought your home from another shared owner, or if you have a more recent version of our shared ownership lease, you can either buy more shares after three months or straight away.

## *What's involved*

The price you pay will be based on the current market value of your home. Because, over time, property values go up and down, the price of any further shares is unlikely to match the original purchase price.

Before you run up any costs, you should get an idea of how much extra you will have to borrow, based on local prices for your type of property, and then speak to your mortgage lender or broker. You may want to increase your present mortgage or look for a new mortgage. In either case, you will need advice about the extra costs involved, which will include set-up costs, valuation and legal fees, as well as stamp duty. You may also need to provide a deposit, if your lender will not allow a loan of more than 95% of the current value of your home.



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If you are remortgaging to finance the staircasing, be aware that we must give consent and will need to see a copy of your remortgage offer. We will not consent if the new loan exceeds 80% of the current open market value of your new equity share once the staircasing is completed, or if the lender does not meet our criteria, or if the mortgage rate is more than Base Rate plus 2%.

If you owe us rent or service charges, you must pay these in full before we will allow you to complete your purchase.

## *Valuation*

To take things further, begin by contacting the Service Centre. We will need to arrange for an independent valuer to inspect your home and provide an open market valuation. If you bought your home with someone else, both of you need to sign the request. You will need to meet the cost of this valuation (between £100 and £200) before we instruct the solicitor.

As well as sending you the valuation of your home, the valuer, a qualified member of the Royal Institution of Chartered Surveyors, will include information about comparable properties sold locally, which were used to help set the price.

If you have made improvements, for example put in double-glazing, you will be given a second valuation, excluding the improvements. Your purchase price will be based on this second valuation. You will need to give the valuer evidence of the cost of improvements if you can, but please be aware that any change to the value of your home may bear little relationship to the cost of the improvements.

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If you disagree with the valuation, we will provide you with a form so that you can record your reasons. We will refer this back to the valuer and ask them to reconsider.

Your mortgage lender will also need a property valuation. They may accept our valuation or insist on making their own, charging you an additional fee.

## *What you can buy*

The lease for your property will set out the additional percentage of shares you can buy. Usually, you can buy in multiples (or 'tranches') of 25%, but you may be able to increase your share by as little as 10%. However, you should bear in mind that you will have to pay the same legal and other costs each time you staircase, so our advice would be to purchase as much equity as you can afford.

You are usually allowed up to three staircasings to get you to full ownership, although with newer properties there are no restrictions on the number. Some schemes, particularly in rural areas, don't allow owners to buy their homes outright, so that they remain in use for low-cost home ownership. If you are unsure, call the Service Centre.

## *Instructing solicitors*

When you are sure you want to go ahead, return the form sent with the valuation report, confirming the percentage you wish to buy and giving the name and address of the solicitor you will be using.



If you were happy with the service you got from the solicitor who acted for you when you bought your original share, it would be sensible to use them again. Otherwise, get quotes from other firms, but be sure you check they are used to dealing with shared ownership leases.

We will also instruct solicitors to act for us.

## *Timescale*

You have three months from the valuation date to complete your purchase. If you don't meet this deadline, you may need to pay for a new valuation.

You must pay any rent, service charges or ground rent you owe us before you complete your purchase.

## *Rent and service charges*

### **Partial staircasing**

When you buy a further share, your rent will reduce from the date of completion. We will write to you to confirm your new charges.

# Staircasing



## Final staircasing

If you buy all the remaining equity, you will become the outright owner of your home.

If the property is a **house**, we will normally transfer the freehold to you and you will become responsible for your buildings insurance. If your house is on an estate, we may continue to make a service charge for the upkeep of areas you share. If you later sell your home, you must tell the new owners about this.

If your home is a **shared ownership flat** that we developed, we will provide a memorandum of staircasing to attach to your lease, which confirms you have a 100% leasehold interest. You will have no rent to pay after completion, but you will still have to pay service charges for the upkeep of areas you share and to cover costs such as buildings insurance. Parts of your lease will no longer apply because you are no longer a shared owner. Other parts, such as whether you have to pay ground rent, may change. But some parts, such as whether you are allowed to keep pets, will stay the same.

If you purchased your home under the **DIYSO** scheme (Do it Yourself Shared Ownership) on the open market, you will now have a 100% leasehold interest. We will have no further involvement and there will be no rent to pay. Depending on your lease, you may still have to pay service charges and ground rent to your freeholder.

## *Stamp Duty Land Tax*

If you want to check whether Stamp Duty Land Tax (SDLT) will be payable if you buy further shares, ask your solicitor or contact the SDLT enquiry line on **08456 030 135**.

## *Reverse staircasing*

In certain circumstances it may be possible for you to sell some equity back to us. We can only do this in cases of extreme financial hardship and where this option has been recommended by our independent debt advisors. For further advice, call the Service Centre.

## *Selling after final staircasing*

Some leases give us the right to claim back the difference if you sell your home at a higher price than our valuation within three months of the final staircasing.

In addition, if you bought your flat from Southern Housing Group after 2006, your lease may require that you offer us the option of buying back your home or finding a purchaser for you. Contact the Service Centre if you are not sure whether this applies to you.

We may ask you to complete a short survey after completion, so we can monitor our service and that of the solicitors, valuers and mortgage providers involved.

## Contact us

Service Centre opening hours, 8am to 8pm, Monday to Friday

If you live anywhere except the Isle of Wight phone **0300 303 1771**

If you live on the Isle of Wight phone **0300 303 1772**

Email us at [servicecentre@shgroup.org.uk](mailto:servicecentre@shgroup.org.uk)

Write to us at **Service Centre, Southern Housing Group,  
PO Box 643, Horsham RH12 1XJ**

Visit our website at [www.shgroup.org.uk](http://www.shgroup.org.uk)

For help with translations, or if a large type, Braille or taped summary would be useful, please contact the Service Centre.

لمساعدتك في الترجمة يرجى الاتصال بمركز الخدمة على هاتف 0300 303 1771.

### **Bengali**

অনুবাদ সাহায্য পেতে হলে সার্ভিস সেন্টারে 0300 303 1682 নম্বরে ফোন করুন।

### **French**

Si vous souhaitez recevoir de l'aide avec vos traductions, appelez le 0300 303 1771.

### **Somali**

Wixii ah caawimo turjumaan ka soo wac Xarunta Adeegga telefoonka 0300 303 1771.

### **Spanish**

Si necesita que le ayudemos con alguna traducción, llámenos al 0300 303 1771.

### **Turkish**

Tercüme konusunda yardım için 0300 303 1683 'den Hizmet Merkezi'ni arayın.