



# Staircasing

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Buying more shares  
in your home

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## What is staircasing?

If you are a shared owner and want to buy more shares in your home, you can do so through a process called staircasing. The greater the share of your home that you own, the less rent you will pay to One Housing. You can even staircase to 100% and become an outright leaseholder. If you bought a resale property you can buy further shares too.

When you buy more shares in your property you will pay a price equal to the relevant proportion of the current full open market value. So, for example: if your property is valued at £200,000 and you want to buy an additional 25% share, the purchase price will be £50,000 (ie £200,000 x 25%).

There may be some restrictions on your lease, we recommend that you check your lease and get legal advice too.



## Staircasing and your lease

Your lease will set out specific staircasing terms that will vary from property to property and depending on when the original lease was issued.

Generally the requirements are:

- Shared owners have a right to a 100% share in their home and to become a full leaseholder. The lease will set out how this can be done.
- The additional equity you buy will be based on the current market value of the property at the time of applying to staircase.
- Your home must be valued by an independent Royal Institute of Chartered Surveyors (RICS) valuer and the valuation must include the value of at least two similar properties. Under the terms of your lease we must agree to your choice of surveyor. We have a list of pre-approved surveyors to help speed things up.
- The shared owner has to pay for the valuation and any other costs of staircasing such as legal fees, mortgage arrangement fees and additional valuations (which may be necessary if your first valuation expires – see page 8 for more information).
- You must settle any rent arrears, service charge or other charges that you owe before staircasing.
- Your lease will specify how many additional shares you can buy, and when, until you reach 100%.

## The benefits of staircasing

Some of the benefits of staircasing include:

- You will pay less rent on your home.
- If you decide to sell your home you will have more equity (ie more money from the sale) if your home has gone up in value.
- If you own your home outright you will have more flexibility in how you sell it (although your lease may still give One Housing first refusal to buy it from you).

## General information

### Costs of staircasing

Every time you staircase you will have expenses to pay. So it's important to understand what these costs are when you're deciding to go ahead. Some of the expenses you will have to pay are:

**The valuation fee.** We have a panel of RICS qualified surveyors who can value your home for a competitive fee. It's important to know that your valuation is only valid for three months. If you do not complete the staircasing process within three months of the valuation you will have to pay for another valuation if you still want to go ahead. If the second valuation says the price of your home should change, this could mean extra charges from your lender and solicitor.

**Legal expenses.** Staircasing will involve changes to your lease which will require the professional services of a solicitor.

**Stamp duty.** In some circumstances you may need to pay stamp duty. You should discuss this with your solicitor.

**Mortgage fees.** If you are re-mortgaging to buy the additional share, you may have to pay a mortgage arrangement fee or mortgage penalty charges to your existing lender. You must talk to your lender or financial advisor before you apply to staircase so that you understand the cost.

### Things to check

To be able to staircase, you will need to make sure that you have paid any outstanding rent or service charges, check the restrictions in your lease and make sure that your request to staircase is signed by everyone who owns the property with you.

## Staircasing and home improvements

When you have your home valued for staircasing, the value is based on the current market value.

Major improvements such as double-glazing, a new fitted kitchen or bathroom, installing central heating, loft conversions and conservatories are considered and may increase your home's value. But please remember that you need One Housing's permission before carrying out any alterations to your home. If you want any improvements to be disregarded, you will need to provide the license document which gave you permission to make the alterations.

General home maintenance, repairs and redecoration are not regarded as improvements and generally will not increase the value of your home.



## Getting started

### How to staircase

This booklet is your first step towards buying more shares in your property.

### Appoint a solicitor

You should appoint a solicitor before instructing us to start the staircasing process, so that you are ready to move things forward quickly and hopefully finish the process before your valuation expires in three months. We recommend using the solicitor who originally dealt with your purchase as they are most likely to still have a lot of your details from your initial purchase. We also have a list of recommended solicitors.

We always recommend that you choose a solicitor who offers the following:

- A fixed fee – make sure that you have a quotation before you instruct your solicitor.
- Specific knowledge and experience of shared ownership leases.

### Instruct us to value your home

You will now need to know how much it will cost to buy more shares in your home. To proceed, complete the instruction form which can be downloaded from the staircasing web page. The form requires you to select a valuer, who must be RICS registered. We have a list of surveyors which you can select from. Once you have selected a surveyor complete the form and return it to our property sales and income team.

We will contact you to collect a debit or credit card payment for the valuation fees. We will then instruct the valuer to go ahead. To help speed this up, please give us your contact details and be as flexible as possible around appointment times for the valuer to visit.

After viewing your home, the valuer will research your area and include information about similar properties in your area which have been sold or marketed in the valuation report. The valuer will send the report directly to us.

### The offer

When we get the valuation, we will make an offer to you and send it to you within seven days, along with a copy of the valuation report. You have to choose to accept or decline our offer. Don't forget that the valuation report is only valid for three months. You must act quickly to complete the staircasing transaction before the valuation report expires.

### Instructing solicitors

Once you have the mortgage offer, contact your solicitor to arrange completing the staircasing transaction. Your solicitor will advise us of the date you intend to complete the staircasing transaction. We will then send out a completion statement which will confirm the increased share in the property, along with the new rent payments if you are not staircasing to 100% ownership. Your service charges will stay the same and you must settle any service charge and rent arrears before completion.

## Staircasing completion date

Congratulations - you will now own either a greater share or the full 100% interest in your home.

We will adjust your account to show the increased share you own in your home and update any rent charges. If we owe you money, we will refund it. Please set up a direct debit for your new monthly payment (if you don't have one already).

If you become the 100% owner of a house or Do-It-Yourself Shared Ownership (DIYSO) property, the freeholder title might transfer to you if your lease specifies this. When this happens, your home will no longer be covered under our block buildings insurance policy from the date your staircasing transaction completed. You must ensure that you have a building insurance policy in place at completion. If however you become a 100% owner of a flat you will still be covered under our block buildings insurance policy.





## **One Housing**

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Please note that all information provided by One Housing is a guide only and will always be subject to the terms of your lease.