

# A guide to staircasing

Golding is efficient, local, visible and listening,  
providing sustainable homes and communities.

# An introduction to staircasing

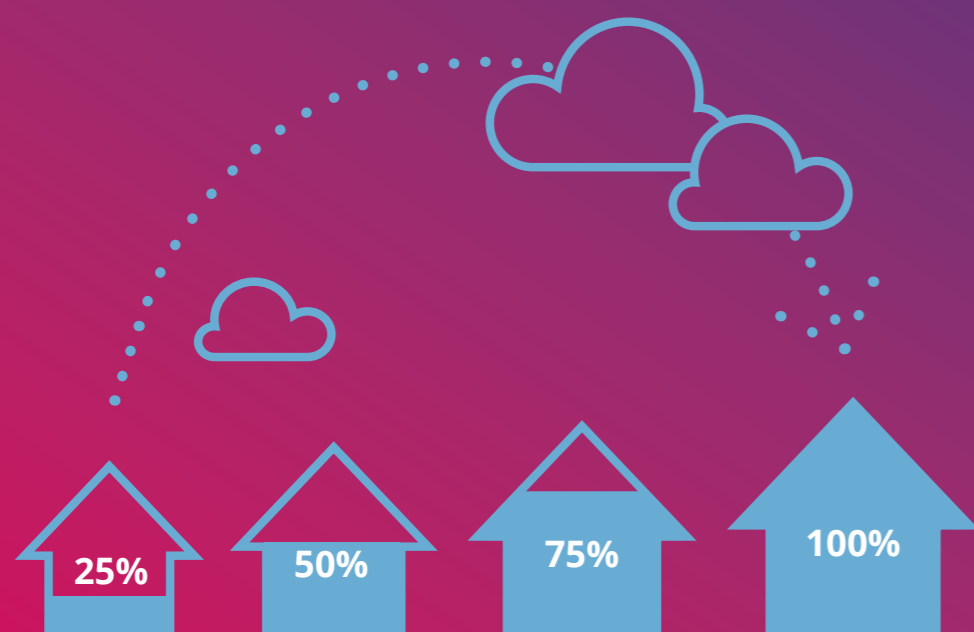
As a Shared Ownership customer, you're entitled to buy extra shares in your home to increase the overall equity you own. This process is called staircasing.

The more shares in your home you own, the less rent you will pay.

You can either buy shares in stages or purchase the remaining shares to take you up to 100%, dependent on your lease. This is known as final staircasing.

**If you own 100% of your home you'll no longer need to pay us rent.**

The minimum share you can purchase depends on the terms of your Shared Ownership lease. Please check your lease for further details.



Before you apply to staircase it's best to speak to your mortgage lender or a financial advisor to ensure you can afford to borrow extra money.

If you want to buy additional shares and partially staircase we'd also ask our Specialist Mortgage Advisor to carry out a free affordability assessment for you.

If you're a new model shared ownership customer wishing to buy a 1% share an affordability assessment isn't required. Payment can be made direct to us via Bank Transfer once the share value has been calculated and agreed. Speak to us about the process for buying a 1% share.

	Minimum share
<b>Standard model lease</b>	A minimum share of 10% can be purchased until you own 100%.
<b>New model lease</b>	A minimum of 5% can be purchased until you own 100%. You're also able to purchase a 1% share each year for 15 years. This right passes to new owners should you sell.

## The benefits to buying more shares

- **You'll pay less rent**

Owning more of your home means you'll pay less rent on the additional proportion, e.g., if you own 75% of your home, you'll only pay rent on the remaining 25%. If you own 100% of your home, you won't pay us any rent.

- **Increase in profit**

If you own more of your property and decide to sell, you'll make more profit if the value of your home has increased.

- **Flexibility when you sell**

If you own 100% of your home and decide to sell, you'll be able to sell this freely on the open market. If you own less, there is a nomination period where we market your home with our own Sales Agent. This can be up to a period of 8 weeks or 4 weeks depending on your lease, and is called the Landlord's nomination period.

- **Home improvements**

If you own 100% of your property you'll receive any extra profit on home improvements that you've made should you sell.

## Calculating the cost of extra shares

The price you pay for extra shares will be based on the current market value of your home at the time of your staircasing application. For example, if your home is now valued at £400,000 and you wish to buy an additional 10% share, this will cost £40,000.

To establish the value of your home, a valuation must be carried out by an independent RICS valuer (Royal Institution of Chartered Surveyors). We have a panel of valuers that we can refer to you or you can instruct your own RICS valuer.

If you have a new model Shared Ownership lease the cost of the 1% share is based on the original price of your home, increased or decreased in line with the Land Registry UK House Price Index (HPI). The HPI is a national statistic that shows changes in the value of residential properties. We'll provide you with an up-to-date HPI valuation each year or if you ask to buy a 1% share.



## The Staircasing process

Here is a helpful summary showing each stage of the staircasing process. If you're a new model shared ownership customer and wish to buy a 1% share, please get in touch and we can discuss the process.

- Contact our Property Sales team to let us know you're interested in buying extra shares
- We'll confirm your request along with information about valuing your home and the next steps
- Find a solicitor to act on your behalf and speak to your mortgage lender and/or a financial advisor to find out if you can afford to buy the extra shares
- Complete the 'staircasing valuation application form' and select from our approved RICS valuers or instruct your own RICS valuer. If using our approved RICS valuer, make payment to us for the valuation
- We'll instruct the valuer to obtain a current open market value of your home
- The valuer sends their report to us which is valid for three months
- We check the valuation report and issue an offer letter to you along with a 'Notice of Intention'
- You check the valuation offer and if happy return the 'Notice of Intention' to us together with details of your solicitor and mortgage provider
- If you're purchasing shares less than 100% you'll need to have an affordability check with our Specialist Mortgage Advisor. This is free and we arrange this for you
- Instruct your solicitor
- Contact your mortgage advisor/lender and apply for your mortgage
- We then ask our solicitor to send the legal packs to your solicitor
- You send a copy of your mortgage offer to your solicitor, who'll then share with our solicitor for approval
- Your solicitor completes the legal work and we agree a date for completion
- We'll issue the completion statement which provides details of the staircasing transaction and includes the new rent, service charges and ground rent applicable after completion
- The aim is to complete the staircasing transaction before the three-month expiry date of your valuation. If the application doesn't complete within three months you may have to pay for another valuation
- We confirm your new rent and service charge
- Application is complete!

### Next steps

If you'd like to go ahead with staircasing and buy additional shares in your home, or have any questions please contact us by email [property.sales@goldinghomes.org.uk](mailto:property.sales@goldinghomes.org.uk) or call 0300 777 2600.



## Staircasing FAQs

Here are some frequently asked questions which may help you to decide if staircasing is right for you.



### How do I pay for additional shares?

You can do this by adding onto your current mortgage, by remortgaging or using savings.

### What if I'm not happy with the valuation?

If you're unhappy with the valuation report you may request a valuation via the District Valuation Office, whose decision, be it higher or lower, is final. You'll have to pay for the District Valuer's report.

If you have a new model Shared Ownership lease and aren't happy with the 1% share calculation that we provide, you can pay for a RICS valuer to carry out a full valuation on your home.

### Can I purchase 100% of my property?

Yes, most leases will allow you to purchase 100% of your property. Please check your lease for details.

If you own a house, the freehold of the house will be transferred to you when you have staircased to 100%.

Owning your house or flat outright, means you'll be free to sell it on the open market.

### What costs will I be expected to pay for staircasing?

You'll need to pay the cost of the valuation, your legal costs and any fees charged by your mortgage company. We don't charge any fees for staircasing. Once the application has started, if you then decide not to go ahead you may be liable for any costs incurred by our solicitors.

If you have any rent or service charge arrears, you'll need to pay these before completing a staircasing application. Also, if you staircase to 100% and own a house you'll have to pay for buildings insurance.

It's important to think about all the costs involved in a staircasing application before you decide to go ahead.

### Will I still have to pay rent and service charges?

If you own anything less than 100% of your home, then rent still needs to be paid on the remaining portion.

If you own 100% to become the outright owner, you'll no longer need to pay us rent. However, service charges and management charges will still apply. Please check your lease.

### Will I continue to pay you for buildings insurance if I own 100% of my home?

If you live in a house, you won't be covered under our building insurance policy so you'll need to pay for this yourself. You'll need to ensure sufficient cover is in place at the time of completion.

For flats you'll still be covered by our policy which is paid for through your monthly service charge payment.

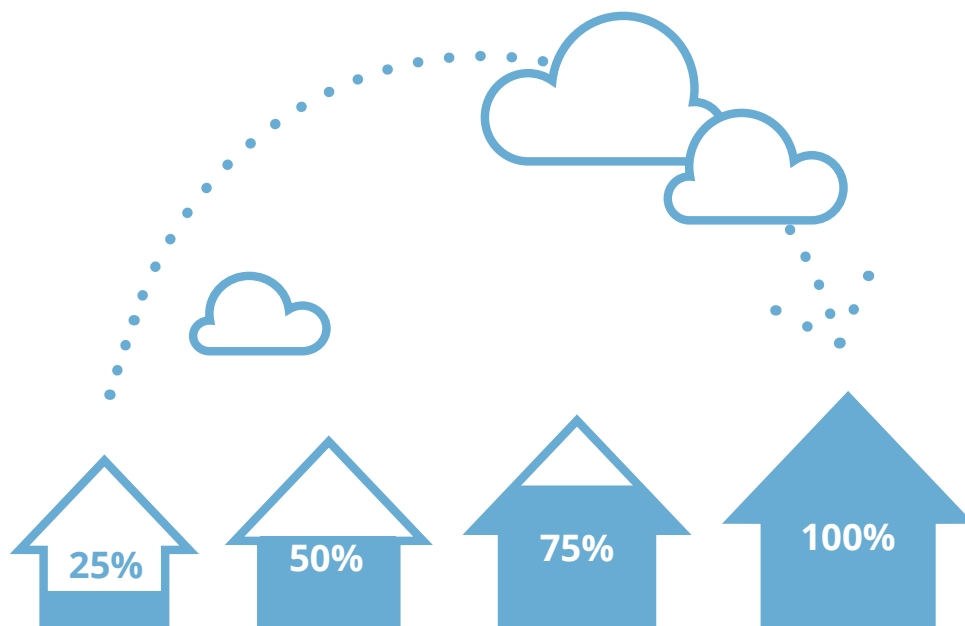
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## Staircasing FAQs (continued)



### Is there any reason that I wouldn't be able to buy extra shares?

- If you owe us any rent or services charges. Any arrears will need to be cleared before the completion of your staircasing application.
- If, following an affordability assessment, it is determined to be unaffordable for you or you're not able to provide evidence of savings to cover the cost of the extra shares.
- If your request to staircase is not signed by all those who originally bought the property.
- If you have a restricted lease, which limits how much of the property you can own. Check the terms of your lease for further information.



For further information contact the Property Sales Team on:

0300 777 2600

[property.sales@goldinghomes.org.uk](mailto:property.sales@goldinghomes.org.uk)

Golding Homes  
County Gate One  
Staceys Street  
Maidstone ME14 1ST

 **goldinghomes**