

STAIRCASING FAQs

Q - What is the minimum share I can buy?

A - The minimum share you can buy depends on what lease you have. For a standard Shared Ownership lease you can buy a minimum share of 10%. For customers on a new model Shared Ownership lease the minimum share is 5%, although with an option to purchase 1% shares each year over 15 years. If you'd like to know what model lease you have, you can contact us or check the 'Staircasing Provisions' section in your lease.

Q - How is the price of the shares calculated?

A - 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're a new model customer who wishes to buy 1% share, 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.

Q – How long does the valuation last?

A – Staircasing valuations last for 3 months. There must be a valid valuation in place at the time of completing a staircasing application.

At Golding we try to ensure that staircasing applications complete within that 3-month time frame. However sometimes this isn't always possible, so an extension is required. If there is a charge from the valuer to extend the valuation, this is a cost to you. If you're using your own RICS valuer, we recommend finding out if there's a charge for an extension before you instruct them so you're fully aware of additional costs.

Q – Where can I find a rough value of my house without having to pay for a RICS valuation?

A – We recommend visiting property websites, such as Rightmove and Zoopla and searching for similar properties in your area. This will give you an indication of the price of your home so you can think about whether it's an affordable option. However please remember that these figures are normally 'higher' because the Estate Agent is trying to get the best price for the property as it's being sold on the open market.

When it comes to going ahead with a staircasing application, you will still need to pay for a RICS valuation.

Q - What if I have made improvements?

A - The current market value of your property is determined by the RICS valuer. They will provide us with a valuation which disregards any improvements you have made to your home, which means we're only calculating the cost of additional shares on this value.

Q - Can I buy 100% of my property?

A - Yes, most leases will allow you to purchase 100% of your property. 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

Q - What costs will I be expected to pay for staircasing?

A - 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.

Q - My fixed rate mortgage is coming to an end soon, and I want to staircase and remortgage. When should I start the process?

A - We'd suggest having initial conversations with your lender or Specialist Mortgage Advisor at least 5-6 months before your rate ends, or even earlier. This is so you can ensure it's an affordable option for you. Then closer to the time, you can start the actual staircasing process.

Q - Will I still have to pay rent and service charges?

A - If you own anything less than 100% of your home, then rent and service charges still needs to be paid on the remaining part. If you own 100% to become the outright owner, you'll no longer pay us rent, however service charges and management charges will still apply.

Q - My house is on a new-build development. Why would I have to continue to pay a service charge if I staircase and own 100% of my house?

A - Most new developments are managed by a Management Company. So regardless of whether you're a private sale customer or a shared ownership customer, you'd have to pay an element of service charges to the Management Company for the repairs, maintenance and facilities on the development.

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

A - 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

Q - If I want to buy 100% of my property does the household income still have to be under £80,000?

A – No. This eligibility criteria only applies to new customers buying a Shared Ownership home.

Q - Is there a separate fee to change the leasehold to freehold if I buy 100%?

A – No, there is no fee charged for this. In your lease under the 'Staircasing Provisions' section, it states that if a customer staircases to 100% then the freehold is transferred with no charge.

Q - If I bought 100% of my home does it still remain a shared ownership property or does it become mine and I can sell it on the open market?

A – If you staircase to 100% of your home, whether it's a flat or a house, then you'll own it outright. It is no longer a Shared Ownership home, and so there'll be no restrictions if you wanted to sell it.

Q - Do you recommend any solicitors to help with my legal work?

A – We can share some details of solicitors with you, but there's no obligation to use them and we don't receive any fees from them in doing so. Please get in touch if you'd like this information.

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If you'd like any other information relating to staircasing please get in touch with us by emailing property.sales@goldinghomes.org.uk