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Your Guide to...
**Buying more shares
in your Shared
Ownership home**



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Contents

<u>An introduction to staircasing</u>	4
<u>Benefits to staircasing</u>	4
<u>Your staircasing journey at a glance</u>	4
<u>Step by step guide to staircasing</u>	4
Stage 1 Contacting us	6
Stage 2 Check your finances	7
Stage 3 Instruct the valuation	8
Stage 4 Sending us your valuation report	10
Stage 5 Conveyencing	12
Stage 6 Completion	14
<u>What are the costs involved in staircasing?</u>	4

An introduction to staircasing

If you are already a shared owner of a property with us, and you would like to own a greater proportion of your home, you can do this by purchasing additional shares.

This process is known as **staircasing**. You can either buy additional shares in tranches known as Interim Staircasing or you may decide to purchase the remaining shares in one transaction to take you straight up to 100% (Final Staircasing).

The value of an additional equity purchased will be based on the current market value of the property at the time of application to staircase. The greater share you buy in your home, the less rent you pay to us. The value of your home will be determined by an independent RICS-qualified valuer. Every time you staircase, you will have expenses to pay. As well as the initial valuation costs you will also be responsible to meet all legal fees, mortgage arrangements fees, stamp duty and additional valuations (if required). Therefore, it is important to consider all the costs involved before deciding if staircasing is right for you. It is advisable to staircase in one tranche if you can afford to, so you keep these costs to a minimum.

Most of our leases allow staircasing to 100% ownership; however, we have also granted leases with restrictions to a maximum of 80%. It is important that you refer to the Staircasing Provisions in your lease for a confirmation of any restrictions before proceeding.

The minimum share that you can purchase varies depending on your lease.

	Existing Shared Ownership For leases granted before 1st April 2021	New Shared Ownership For leases granted after 1st April 2021
Minimum Staircasing	10% per annum	1% per annum (for up to 15 years)

Need a copy of your Lease?

As a shared owner you will have been provided with a copy of your lease from your solicitor at the original sale. If you do not have a copy, please contact us. Fees apply.

Alternatively, you can obtain a copy of your Lease from Land Registry www.gov.uk/guidance/hm-land-registry-information-services-fees

Do I have to staircase?

There is no obligation for you to staircase. A lot of shared owners choose to staircase to reduce their rent and eventually own the property outright.

Benefits of staircasing

There are several benefits with increasing the share of your home that you own:

1. Pay less rent

By increasing the percentage of the property that you own, you will pay less rent to us. If for example if you decide staircase to 100% ownership, you will no longer pay the rent. It is important to remember that service charges as well as ground rent (if applicable) will still have to be paid and mortgage repayments also (if any)

2. Increase in house prices

When you decide to sell your home, the greater percentage you own, the more profit you will make, if the value of your home has increased

3. More mortgage choices

If you decide to staircase to 100% of your home, you'll be able to get a standard mortgage at a lower interest rate, rather than a shared ownership mortgage. This could mean that the additional monthly mortgage repayment is less than the amount of rent you were paying originally

4. Freedom to sell

If you own your property outright (i.e. 100%), and if you wish to sell the property in the future, you can sell it on the open market privately or using an estate agent of your choice. You will no longer be subject to a nomination period*, or buyer restrictions. If you own a flat, you will still be a leasehold owner*, and you may still have to offer it back to us first

5. Full benefit from home improvements

Becoming the outright owner allows you to maximise the profit from any major home improvements. Once you own 100% you will get back the full amount of any profit on the current market value when you come to sell your home

Nomination period

Leases can vary, but normally when you're looking to sell your Shared Ownership property they give a 'nomination period' to enable us to find a new buyer for your share of the home. If you decide to sell your property and have staircased to 100% ownership, you will no longer be subjected to a nominations period - you can sell freely on the open market.

Leaseholder

As a leaseholder you own the property but not the land on which it is built - that is owned by the freeholder. Ownership of your property is also for a set period, which can be a number of years, decades or centuries, depending on the length of your lease.



Step by step... Guide

Your journey at a glance

(please refer to the more detailed Staircase Guide from pages x for more information)

Step 1 Initial Enquiry to staircase

Step 2 Checking affordability with lender or broker

Step 4 Request a Valuation Instruct RICS qualified surveyor to provide market valuation of your home.

Step 4 Send your Valuation Report and Form to proceed to TCH

- > TCH will review the documents and send you a formal offer

Step 5 Instructing solicitors and conveyancing process

- > TCH will issue the Memorandum of Sale to confirm sale details.
- > Both parties will appoint solicitors – from this point solicitors will carry out conveyancing process.

Step 6 Completion

On completion date, your solicitor will arrange for the payment of your staircasing premium to be paid to us along with any arrears that are outstanding on your rent and service charge account at the time of staircasing. It is important that you keep your account up to date.



Step 1

Contact us to register your interest in purchasing additional shares

We will check your lease provisions and provide you with a confirmation that you can staircase, including any minimum and/or maximum share you can purchase.

You can register your interest for staircasing [here](#)

Step 2

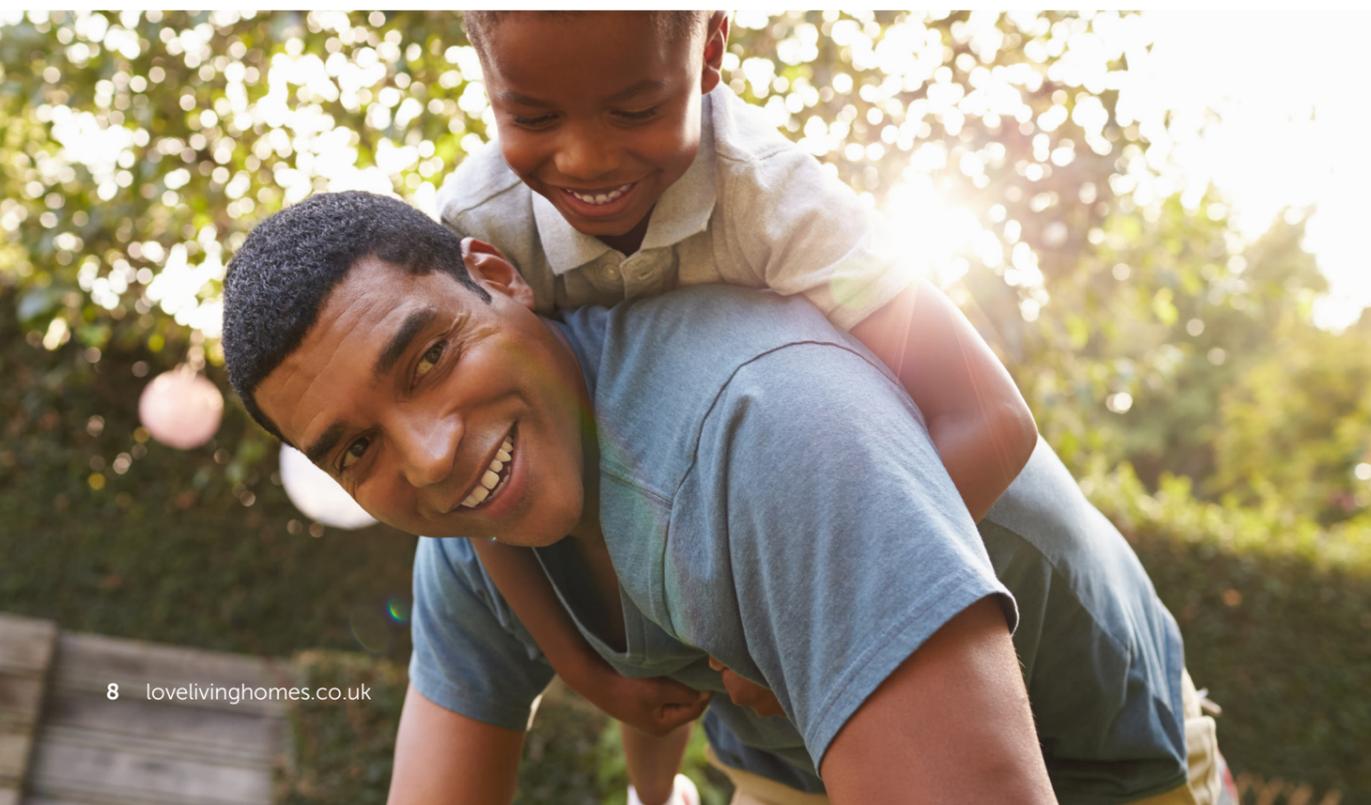
Check your finances

Before you make a formal application to staircase, it is a good idea to check your finances first, as securing the funds to purchase further share is often the lengthiest part of the staircasing process. You can do this by contacting your current or new lender to confirm they are willing to lend you the extra funds if you require further finance.

You may also wish to contact an Independent Financial Adviser (IFA) or a mortgage broker, who will assess your financial circumstances before searching across several lenders who specialise in shared ownership.

To get an idea of how much your home might be worth in the current market, check the property portals such as Zoopla and Rightmove to see how much similar properties in your area have sold for recently. You can also contact a few local estate agents to provide you with a free estimate value of your home. *

*Please note, we will not accept an estate agent's market appraisal in place of a valuation.



Step 3

Instruct the valuation

Once you are comfortable that you can afford to staircase, you will need to need to choose a RICS (Royal Institution of Chartered Surveyors) qualified surveyor to value your home. You can choose to instruct an independent surveyor from our panel of surveyors, or you can obtain your own valuation providing this is from a Fellow of Royal Institution of Chartered Surveyors (RICS).

Panel of registered surveyors

Below is a list of surveyors who are qualified and registered with Royal Institution of Chartered Surveyors (RICS). The surveyors are independent and we have no influence over the valuation figure provided by them. The surveyors listed are familiar with shared ownership schemes.

If you decide to choose your own surveyor, then please advise us (in accordance with your lease), as this must be an independent expert agreed between us and yourself.

Your valuation is valid for 3 months from the date of issue. It is your responsibility to ensure you have a valid valuation throughout the process until completion date.

Our panel of RICS (Royal Institution of Chartered Surveyors) & fees

Company	Contact Details	Valuation cost (prices include VAT)	Extension cost (after 3 months) (prices include VAT)	
			Extension Letter no change in Value	Extension Letter Change in Value
Jenner Jones	01689 820720	£354.00	No fee	£90.00
Copeland & Yussuf	01689 820720	£240.00	£120.00	£120.00



Made some home improvements?

If you have carried out improvements that have added to the value to your home (not all improvements do), please inform the valuer at the time of instruction, so they can take these into account. The valuation report must signify both the current price and price before works. Please note that you will only see the full benefit of all improvements if you staircase to 100% ownership.

Please remember that you need to request permission and written approval from us before carrying out any major improvements to your home. You will have had to provide us with estimates, quotations, plans and any required local authority planning approval for the permission to be granted. If you did not obtain approval from us for any home improvements, the valuer will need to disregard these from the final valuation figure.

- The valuer must be regulated by RICS (Royal Institution of Chartered Surveyors)
- The valuer is independent to an estate agent
- We will not accept an estate agent's market appraisal in place of a valuation as the estate agents are not RICS (Royal Institution of Chartered Surveyors) accredited
- The valuer must provide at least three comparable properties, sold within last 6 months, and provide sale prices of these properties
- The valuer must inspect the interior of the property and provide a full valuation report. We do not accept desktop valuations for staircasing purposes
- Please ensure your valuer is aware of the remaining lease term when you instruct them to carry out the valuation of your home
- The validity period of the valuation must be stated on the report and the report must state that we can use the contents of the report
- You must ensure you inform your valuer of any improvements made to the property so the valuer can take these into consideration when arriving with the valuation figure

Step 4

Send your valuation report to us

Once you have received your RICS valuation report, you will need to email a copy of the report, together with a completed [Confirmation to Proceed Form to us](#). Upon receipt of both documents we will review the valuation and will send you a formal offer letter and Memorandum of Sale*, confirming staircasing premium payable, details of new rent, service charges and ground rent (if still applicable for your property).

What is a Memorandum of Sale?*

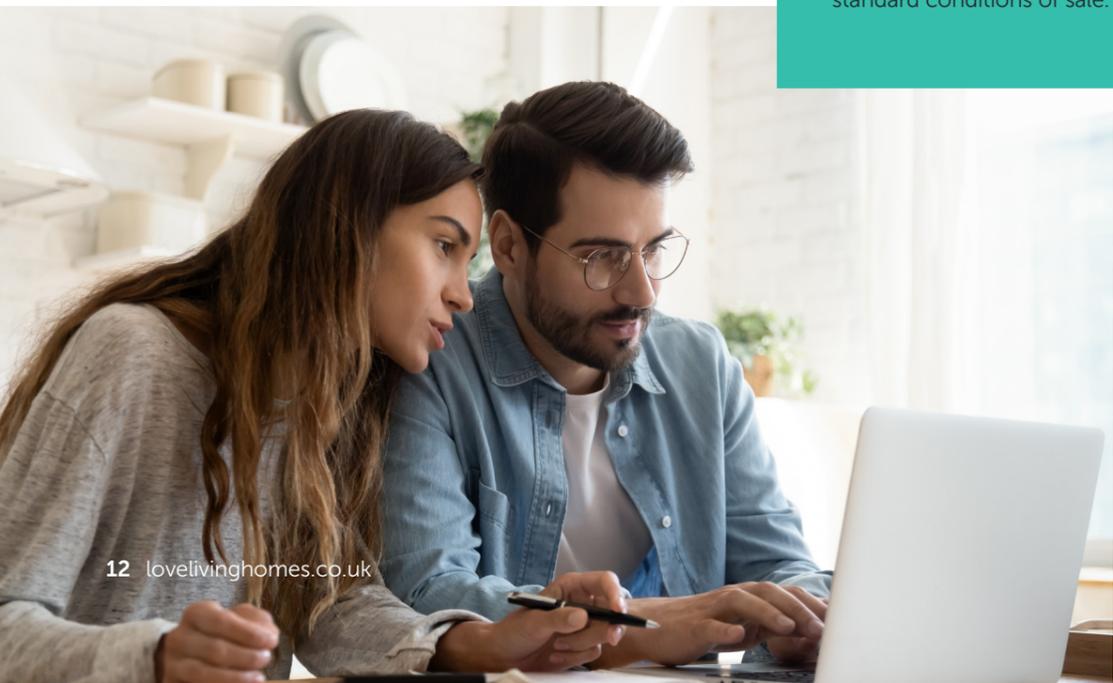
Memorandum of Sale (MOS) is a document recording the prospective buyer's interest in purchasing the property and the seller's terms of the sale. It relates to the 'sale agreed' step when purchasing a property. While it's not a legally binding contract, it acts as written confirmation that a price has been agreed and declares the intention of both parties to complete the sale. The document will include any special conditions or remarks that deviate from the standard conditions of sale.



Step 5

Conveyancing

Once you've received an offer letter and Memorandum of Sale from us you will need to appoint a solicitor to act on your behalf. Your solicitor will undertake a legal work and liaise with our solicitors to ensure legal documentation is signed and completed before agreeing a completion date. At this point you also need to make your full mortgage application to ensure you have finances in place available for completion.





Step 6 Completion

On completion date, your solicitor will arrange for the payment of your staircasing premium to be paid to us along with any arrears that are outstanding on your rent and service charge account at the time of staircasing. It is important that you keep your account up to date.

Please note we require **5 working days'** notice to arrange the completion of your staircasing transaction. Your solicitor will contact our solicitor to arrange this. This will allow us time to provide accurate figures and arrange for the completion statement to be finalised ahead of completion.

Following completion your solicitor is responsible for contacting the Land Registry* and making any necessary amendments to the legal documents held there.

Land Registry*

If you're buying or selling property in the UK, the change of ownership must be registered at the Land Registry, a government department that records ownership of land and property in England and Wales.

Land Registry provides property owners with a land title guaranteed by the government, as well as with a title plan that indicates the property boundaries.

Once a property is entered into the register, the Land Registry records any ownership changes, mortgages or leases affecting it.

Congratulations! Your staircasing has completed.

What are the costs associated with staircasing?

It is important you consider the costs associated with buying additional shares at the beginning of the staircasing process. Every time you staircase, you will have expenses to pay. These costs are outlined in more details below:

Cost	Fee
Independent Valuation	Variable between £240 - £420 plus VAT. Extension letters (after 3 months) from £90 to £150
You Appointed solicitor fees	Varies depending on the solicitors used. Your appointed solicitor will provide you with an exact quotation
TCH's solicitors' fees	Initially you will be asked to cover our solicitor's fees. This is in case you withdraw from transaction before completion. The costs will depend on the type of transaction: Interim staircasing - £350 plus VAT Final Staircasing £400 plus VAT (refunded to you by your solicitor after completion)
Mortgage administration fees	Varies depending on the lender
Independent Financial Adviser fees	Varies depending on the IFA used. When looking for the best mortgage broker fees, make sure brokers are not asking for a fee that is higher than 1% of your mortgage
Monthly mortgage payments. Mortgage costs, interest charges, interest rates and conditions will be outlined in your mortgage quote. It is important to read this carefully.	Refer to your lender for confirmation on any fees payable
Stamp Duty	You may need to pay a stamp duty. Please discuss this with your solicitor

FAQ's

Here are some of our more frequently asked questions on Staircasing. Got another question?

How do I pay for additional shares of my shared ownership property?

You can either extend your existing mortgage, re-mortgage or use your savings.

How and when can I staircase?

This really depends on the terms of your specific lease. Different rules apply depending on when the lease was drawn up and when you have bought your home. You can usually staircase up to 3 times, with the third transaction being the final staircasing. Your lease will stipulate the minimum share you must purchase in a single transaction, which is usually 10% of the market value of your home. There might also be a restriction on the maximum share you can purchase, if your home has been issued with a restricted lease.

Is there any reason I wouldn't be able to staircase?

You wouldn't be able to staircase if:

- You have arrears on your rent & service charge account
- There are restrictions on staircasing in your Lease
Some homes have been issued with restricted leases and there may be a cap on the maximum share you are able to own, usually around 80%. This restriction is more often found in rural areas and is because we agreed with your local authority when building the property that your home would always remain as affordable housing. This ensures the continued supply of shared ownership homes within the area for local people
- Your request to staircase is not signed and agreed by all leaseholders named on the lease
- If you are unable to provide a valid mortgage offer or proof of savings to cover the additional share being purchased

What happens to my rent and service charges after completion?

We will adjust your account to show the increased share you own in your home. We will refund any monies owed to you, send confirmation of your new charges and/or close your account if your staircasing transaction requires us to do so.

Will I still have to pay you for my building insurance after completion?

If you become the 100% owner of a house, you will no longer be covered under our block buildings insurance policy from the date your staircasing transaction completed. You must ensure that you have 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 insurance policy and contribute towards this with your monthly service charge. If we do not own the freehold of the block, you will then be covered under the freeholder's block building insurance policy.

How long does the staircasing process take?

The average staircasing transaction takes approximately 2-3 months. You should aim to complete on your staircasing transaction within the validity period of your valuation, which is 3 months from the date of issue, to avoid further costs in obtaining extension to the valuation. We would advise you to select your solicitor before instructing us and have finances in place, so that you are ready to act promptly when you receive the valuation and approval from us. You will need to make your solicitor aware of the timescales for your staircasing transaction to complete.

Do I need a solicitor to act on my behalf?

Yes. Staircasing is a legal process and you will need to appoint a solicitor to act on your behalf. It can be helpful to ensure you appoint a solicitor with previous experience in completing on Shared Ownership transactions. You may decide to use the same solicitors that acted on your behalf when you purchased your home, or you may decide to instruct a different firm. You should make sure you get a quotation of the likely costs before you appoint a solicitor, and we recommend doing this early in the process. You can find a solicitor near to you that is qualified to offer conveyancing, on [The Law Society's website](#)

What happens if I want to add or remove another person to/from the property ownership at the same time as staircasing?

If you wish to add or remove another person to/from the property ownership, you will need to advise us of this at the time of your enquiry to staircase so we can add these details to our instruction to our solicitors. This transaction will include a Transfer of Equity and there will be additional legal cost for our solicitor's fees that you will need to cover. If you are interim staircasing (i.e. not to 100% ownership) then the person being added will need to register and be approved by the local Help to Buy agent to confirm their eligibility for the shared ownership scheme. Once approval is received, forward the approval to our team and we will include their details to the instruction.

Once I own the property outright, can I rent it out?

Yes, you can but only once you have become 100% owner, and not before, as subletting is not permitted under the shared ownership lease.

Once I own the property outright, can I sell it on the open market?

Yes, your solicitor will contact our homeownership team with any enquiries from the buyer's solicitors and to inform us the property changed hands.

What about home improvements?

Home improvements can affect the value of your home. General maintenance, repair and redecoration are not treated as improvements, but any structural improvements, additions or alterations will. Please ensure you inform your valuer at the time of instruction of any improvements you've made. As per conditions of your lease, all improvements must be approved by us before you start work.

Got a question?
Contact us [here](#) today

Contact us

If you have any further questions about buying more shares of your Shared Ownership home, please contact us at:

sales.services@lovelivinghomes.co.uk

01892 501490



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Love Living Homes is
the trading name of

