

Staircasing

A guide to buying a bigger share
of your home

What is staircasing?

Staircasing is the process of buying more of your shared ownership home.

You can buy more shares whenever it suits your situation and budget.

There are no restrictions on timing but there is a minimum step up of 10%.

By gradually increasing your share percentage you can eventually become the outright owner of your property by staircasing to 100%.

The benefits of staircasing:



Less rent

By increasing the proportion of the property you own you will pay less rent (although if you borrow more on your mortgage to buy a bigger share, your mortgage payments will go up).

If you choose to staircase to 100% you will no longer pay rent at all!



Investment

When you own a bigger proportion of your home you will make more in sale proceeds if you decide to sell.



Having the option to buy more shares in our home when it suits us, means we can be flexible with our finances as our family grows.

Emma S

How it works

Buying a bigger share of your home is a big step – we are here to help.

Step One Valuation

The first step is to have a market valuation on your home. This will set the price for you to buy more shares.


The valuation must be completed by a Chartered Surveyor to the RICS Red Book standard. You can choose one from our panel of approved valuers (see back pages) or appoint a RICS surveyor of your choice.

The Valuer/Surveyor must:

- be RICS accredited
- provide at least 3 comparable properties and prices within the last 6 months
- not be a relation to you

If you have made any home improvements, make sure you give the RICS surveyor details because they might affect the value.

Before instructing anyone, it's important that you read the relevant section of your shared ownership lease as this will outline any restrictions there may be.

 Bank and mortgage valuations are not valid and will not be accepted.

Step Two Calculations and percentages

The cost of your new shares will be based on the current market value of your home. Using the valuation report we will confirm the costs and calculate the changes to your rent charges too. We also look at any improvements you have made and decide whether to deduct these from the overall value.

Increasing the equity you own in your home will reduce the rent you pay.

For final staircasing (where you own 100% of the value) the rent will be set to zero. If you pay or are due to pay a service charge, estate fee or ground rent you will still be required to pay this once you own 100% of your home. House owners are also responsible for buildings insurance.

Step Three The legal bit

Once you have decided how much you want to staircase, we will agree terms and costs.

We will need to know who you have appointed as your solicitor, so we can issue a Memorandum of Sale and our solicitors can start working with each other to progress the sale of the shares.

Costs of Staircasing

Other than the price of the shares there are other costs involved in staircasing you should be aware of and budget for:

Your solicitors fee

(ReSI Housing/ Homes Ltd will meet our own legal costs.)

RICS valuation

You will be responsible for the valuer's fee – you appoint and pay the surveyor directly.

Mortgage fees (if applicable)

There may be a fee from your lender to arrange extra borrowing on your mortgage.

Stamp Duty (SDLT)

If you need to pay this your solicitor will let you know.

No admin fees to pay

To make it easier and accessible for our customers to buy more shares in their home. ReSI Housing/Homes Ltd do not charge administrative fees to shared owners for staircasing.





Deciding to staircase?

Our top tips...

1. Lease

The first step is to check your lease to ensure you understand what is involved and whether there are any restrictions.

2. What's my house worth?

Check websites like [rightmove.co.uk](https://www.rightmove.co.uk) or [Zoopla.co.uk](https://www.zoopla.co.uk) to get an idea of similar properties near you. Local estate agents often offer free valuations too.

Using this price you can get an idea of how much buying additional shares will cost.

Remember you will need to get a RICS valuation to set the actual price.

3. Finances

Speak to your mortgage advisor and assess your finances to see how much you can afford to staircase.

4. Solicitor

The staircasing process can be more complicated than a traditional sale so to ensure things run smoothly it is key to find a solicitor that is experienced with part buy – part rent staircasing. (See back pages for our recommendations).

FAQs

How many times can I staircase and is there a minimum amount?

You can staircase as many times as you want. Each step up must be a minimum of 10% of your homes full market value. You can buy bigger shares if you choose.

Do I have to staircase?

You are under no obligation to buy more shares in your property. However, the more equity you own, the lower your rent payments.

Will staircasing affect my mortgage?

Yes, if your staircasing share is being funded by additional mortgage lending, your monthly mortgage payments will increase.

What will happen to my rent when I staircase?

When you staircase, your rent will fall in line with your new share ownership, as you only pay rent on the share of the property you don't own. If you staircase to 100%, you will no longer need to pay rent. If you pay ground rent or a service charge on your lease, this will still be due.

Will the land registry be updated when I own more?

A memorandum of staircasing will be submitted to the land registry when you buy more shares in your property. Your solicitor will be responsible for updating the land registry after you have bought more shares in your property.

How long does the staircasing process take?

Once solicitors have been instructed, the process will take approximately 6-8 weeks*.

*Arranging a valuation and mortgage discussions (if applicable) are not included within this timeframe.

Do I need to sign a new lease?

No, your original lease will remain unchanged. You will be sent a memorandum of staircasing to certify the fact that you have bought more shares in your property. A memorandum of staircasing acts as a receipt alongside your lease, to demonstrate you are the legal owner of your shares.

Do I need a new EPC?

No, an EPC is not needed for staircasing.

How do home improvements impact share prices?

If you have made significant improvements to the property, two valuations will be given for your home as part of your RICS valuation, one which is reflective of the improvements you have made, and one which reflects the property's value when you moved in. Significant improvements are new windows, new kitchens or bathrooms, loft conversions, conservatories and extensions. General maintenance, repairs to appliances, and redecorations aren't considered improvements. In essence, the cost of buying new shares will be based on the value of your home before you made improvements. This means you'll avoid the drawback of paying twice for making home improvements.

Are there restrictions on staircasing?

Yes, there can be restrictions on staircasing. Check your lease, which will mention whether you are entitled to purchase 100%, or if the property has a restricted maximum share.

When you own 100% what happens?

You will no longer pay rent. However, there are still some ongoing costs you need to be aware of, depending on what type of home you own.

If your home is an apartment: you will continue to pay service and management charges, including ground rent. You will remain covered under the block's buildings insurance policy.

If your home is a house: it may be possible for the freehold to be transferred to you when you have staircased to 100%. This will depend on the title deeds held for your property and the staircasing provisions in your shared ownership lease.

In some cases, you may still have to pay an estate management charge if you live on an estate and are responsible for some of the communal upkeep costs.



Our recommended Independent Financial Advisors

Censeo Financial

Tel: 020 7090 7290

Email: info@censeo-financial.com

Web: censeo-financial.com

Metro Finance

Tel: 01142 701444

Email: advice@metrofinance.co.uk

Web: metrofinance.co.uk

Mortgage Light

Tel: 01908 597655

Web: mortgagelight.co.uk

Mortgage Store

Tel: 03450 306130

Email: info@the-mortgagestore.co.uk

Web: the-mortgagestore.co.uk

Our recommended RICS Surveyors

Connells Survey & Valuation

Tel: 01525 218 630

Web: connells-surveyors.co.uk

Areas covered: Nationwide.

Frazers Surveyors Ltd

Tel: 01483 730909

Web: frazers.co.uk

Areas covered: See website for details.

MAP Surveyors

Tel: 020 8300 1144

Web: mapsurveyors.co.uk

Areas covered: See website for details.

McDowalls Surveyors Ltd

Tel: 020 8472 4422

Web: mcdowalls.com

Areas covered: Nationwide.

Mirus Surveyors

Tel: 0333 9900007

Web: mirussurveyors.com

Areas covered: Nationwide.

Watsons

Tel: 01603 751 577

Web: watsons-property.co.uk

Areas covered: See website for details.

Please note:

We do not receive fees or commissions from advisors we list.

For a full list of approved Independent Financial Advisors in your area, visit www.fca.org.uk

Please note:

We do not receive fees or commissions from any referrals.

For a full list of approved RICS Surveyors in your area, visit www.rics.org.uk

Our recommended Solicitors for Shared Ownership

You are free to use any solicitor of your own choice but please see below our suggested selection.

Cook Taylor Woodhouse Dartford DA1 1BY

Tel: [01322 223223](tel:01322223223) Web: ctwsolicitors.co.uk

E J Winter & Son Solicitors Reading RG1 3EJ

Tel: [0118 952 2780](tel:01189522780) Web: ejwinter.co.uk

Herrington & Carmichael Camberley GU15 3YL

Tel: [01276 686222](tel:01276686222) Web: herrington-carmichael.com

Prince Evans Solicitors London W5 2BS

Tel: [020 8567 3477](tel:02085673477) Web: prince-evans.co.uk

Norman H Barnett & Co London E6 2JT

Tel: [020 8471 2112](tel:02084712112) Web: normanhbarnett.co.uk

Tinklin Springall Solicitors Bromley BR1 1TF

Tel: [020 8402 6222](tel:02084026222) Web: tinklinspringall.co.uk

Franklins Northampton NN1 1JX

Tel: [01604 828212](tel:01604828212) Web: franklins-sols.co.uk

Rowberry Morris Staines TW18 4SU

Tel: [01784 459955](tel:01784459955) Web: rowberrymorris.co.uk

Cavendish Legal Group London W1G 0PW

Tel: [020 7016 3012](tel:02070163012) Web: clglaw.co.uk

Tollers Northampton NN4 7XD

Tel: [01604 258558](tel:01604258558) Web: tollers.co.uk

Massers Nottingham NG1 2JZ

Tel: [0115 851 1666](tel:01158511666) Web: massers.co.uk

We recommend using a solicitor offering a fixed fee for their services and obtain a detailed quotation of total charges to ensure you are clear what the final fee will be.

Please note:

We do not endorse any particular solicitor or receive fees/commissions from any referrals. For a full list of approved solicitors in your area, visit www.sra.org.uk



Need to get in touch?

Call: 01823 793 422

Email: enquiries@yourresihome.co.uk

Post: First Floor, 2 Tangier Central, Castle Street, Taunton, TA1 4AS

Important Disclaimer

If you take out a mortgage or loan secured against your home, you will need to keep up your payments or your home may be repossessed.

Make sure you can afford all the payments before you agree to any increase. We recommend you talk to a solicitor or legal advisor before signing any contract or agreement.

Details in this brochure are correct at the time of printing but may change - they do not form any part of a contract or agreement.

Your ReSI Home, a trading name of ReSI Property Management Limited, a company registered in England with registered number 13074164 operating out of First Floor, 2 Tangier Central, Castle Street, Taunton, Somerset TA1 4AS.