

Your guide to
STAIRCASING

Southern
Home
Ownership



Part of Southern Housing Group

Introduction

WHAT'S STAIRCASING?



Staircasing is the term for buying further equity in your shared ownership home.

If you bought your home when it was new, you may need to have been a shared owner for at least a year before you can do this. However, if you have a more recent version of our shared ownership lease, you can buy more shares as set out in your lease.



How does it work?

WHAT'S INVOLVED?

The price you pay will be based on the current market value of your home. Because property values go up and down, the price of any further shares is unlikely to match the original purchase price.

Before you have to pay any costs, you should get an idea of how much extra you will have to borrow, based on local values. You should then speak to your mortgage lender or broker. You may want to increase your current mortgage or look for a new one.

In either case, you will need advice about the extra costs involved, which will include mortgage set-up costs, valuation and legal fees, and Stamp Duty Land Tax.

If you are re-mortgaging to finance the staircasing, we must give consent and will need to see a copy of your mortgage offer. We won't give consent if the lender is not a member of the Council of Mortgage Lenders, or terms are considered unreasonable.

If you owe us rent or service charges, you must pay these in full before we will allow you to complete your purchase.





What next?

VALUATION

To begin the Staircasing process, you will need to appoint a qualified member of the Royal Institution of Chartered Surveyors (RICS) to provide you with an independent valuation of your home. We will use this valuation to calculate your Staircasing premium and confirm how much you can afford to buy.

It is preferable that you use a Surveyor who is familiar with shared ownership and alongside this guide a panel of surveyors who can assist you with the process. We have negotiated a reduced fee on your behalf with these Surveyors, please ensure you quote “Southern Housing Group” when making your appointment. You're also able to appoint your own RICS qualified Surveyor.

Any valuation you provide us with must meet the following guidelines:

- You should directly pay your chosen Surveyor when confirming your appointment.
- The Surveyor must be registered with RICS and hold a recognised RICS qualification.
- The Surveyor must be independent to an estate agent as they do not hold a RICS qualification.
- The Surveyor should provide comparable evidence of at least three similar properties and sale prices, which must be dated from within the last six months.
- The Surveyor must not be related or known to you.
- We will not accept mortgage valuations carried out by a bank or building society as they cannot determine the value of your home for Staircasing purposes.
- The valuation report is valid for three months from the date shown on the final report.
- On the day of your appointment, you must confirm to the valuer the number of years remaining on your lease as this can affect the valuation figure. Please have a copy of your lease available.

- As the valuation is carried out for Staircasing purposes, it should also include a value discounting any significant improvements (e.g. structural works) the Surveyor feels have added value to the property. Cosmetic improvements will not be discounted as they are considered to be part of your responsibility of maintaining and repairing your home under the terms of your lease.
- Any works you have completed which have not been pre-approved by Southern Housing Group will not be included within your Staircasing valuation. We may consider providing retrospective consent; in this case, you will need to provide supporting evidence of the works you carried out.

It is your responsibility to liaise with your Surveyor to rectify any issues, therefore it is important that you adhere to the enclosed guidelines.

Once you have received your completed valuation report from your Surveyor, please complete the attached Confirmation of valuation form and return it to us with a copy of the report. You may send by post to the address listed at the back of this information pack, or send us a copy to **sales.servicesenquiries@shgroup.org.uk**

We will then assess the report, provide in writing your Staircasing premium and confirm the next steps.

How much can I own?

WHAT YOU CAN BUY

Your lease will tell you how much of your home you can eventually own and the percentage levels you need to buy in.

Some homes in rural areas do not allow Staircasing to 100% and some leases specify the minimum percentage you can purchase at any one time.

When deciding how much you want to purchase, bear in mind that each transaction will attract legal and other fees, so our advice would be to purchase as much equity as you can afford each time.



Who do I have to tell?

INSTRUCTING SOLICITORS

When you want to go ahead, return your Confirmation of valuation form.

We recommend using a Solicitor who has experience of Staircasing to make sure that the process goes through as smoothly and quickly as possible. If you were happy with the service you received from the Solicitor who acted for you when you bought your home, you may wish to appoint them to act on your Staircasing transaction.

You may also wish to obtain quotes from other firms, but be sure you check they are used to dealing with shared ownership leases.

We have a panel of Legal Advisers who have experience of Shared Ownership leases and may be able to assist you. Their contact information is included in our email to you.

TIMESCALE

You have three months from the valuation date to complete your purchase. If you don't meet this deadline, you may need to pay for a new valuation. It helps if you complete and return all documents to us quickly so the transaction can complete before the expiry date of the valuation.

You must pay any rent, service charges or ground rent you owe us either before or as part of the completion of your purchase.

What else do I need to know?

RENT AND SERVICE CHARGE

Partial Staircasing

On our website at www.shosales.co.uk, we have an interactive tool that illustrates how much your rent will decrease for the percentage purchased. This is designed to help you to decide what you can afford to purchase.

Final Staircasing

If you buy all the remaining equity, you will become the outright owner of your home. We will write to you to confirm your new service charge on completion of the transaction.

If the property is a house, we will normally transfer the freehold to you and you will become responsible for your building's insurance. If your house is on an estate, we may continue to charge for the upkeep of areas you share. If you sell your home later, you must tell the new owners about this.

If your home is a shared ownership flat that we developed, we will provide a Memorandum of Staircasing to attach to your lease, which confirms you have a 100% leasehold interest. You will have no rent to pay after completion, but you will still have to pay service charges for the upkeep of shared areas and to cover costs such as building insurance. Parts of your lease will no longer apply because you are no longer a shared owner. Other parts, such as whether you have to pay ground rent, may change. But some parts, such as whether you are allowed to keep pets, will stay the same.

If your home is in a building that we don't own and our lease with the building owner only relates to your flat we will transfer this lease to you when you staircase to 100%.

We will have no further involvement and there will be no rent to pay. Depending on your lease, you may still have to pay service charges and ground rent to your freeholder.

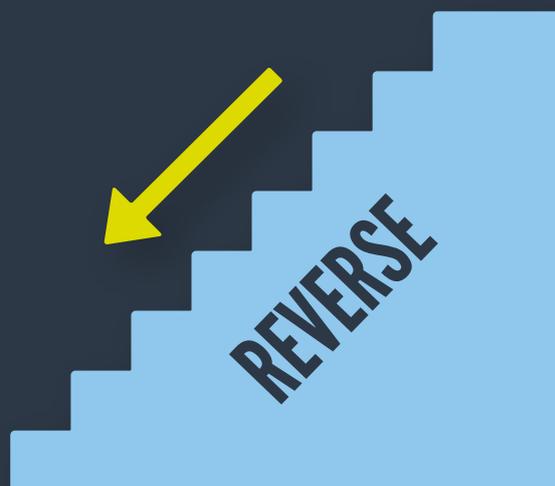
Anything else? STAMP DUTY LAND TAX

If you want to check whether you will have to pay Stamp Duty Land Tax if you buy further shares, ask your solicitor to contact the Stamp Duty Land Tax enquiry line on **0300 200 3510** or go online to www.hmrc.gov.uk



REVERSE STAIRCASING

In certain circumstances it may be possible for you to sell some equity back to us. We can only do this in cases of extreme financial hardship and where this option has been recommended by our independent debt advisors. For further advice, contact the **Sales Services Central** by email at sales.servicessenquiries@shgroup.org.uk or call **020 7553 6409**



What if I want to sell?

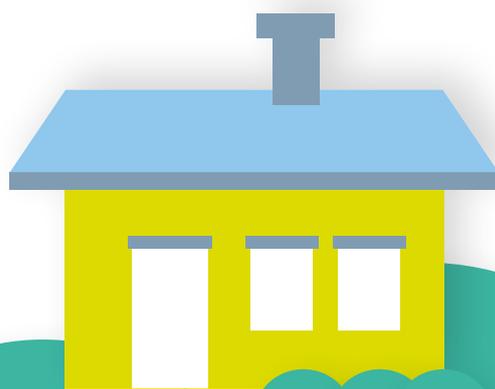
SELLING AFTER FINAL STAIRCASING

Some leases give us the right to claim back the difference if you sell your home at a higher price than your valuation.

In addition, your lease may require that you offer us the option of buying back your home or finding a purchaser for you. We won't buy back your home but will be able to provide a variation to your lease for this requirement to be removed.

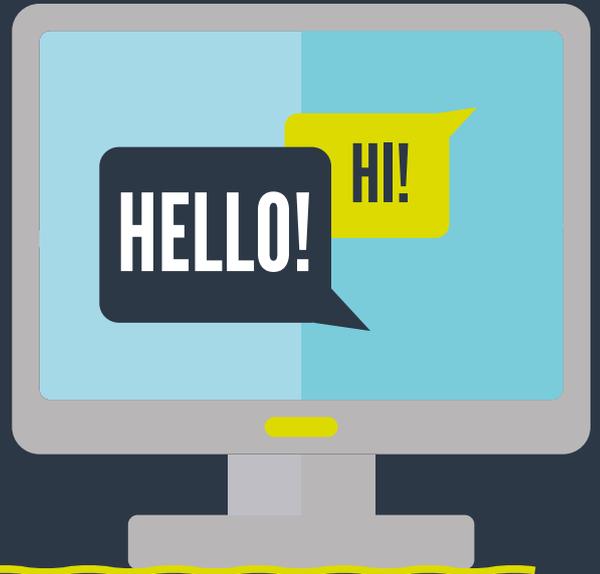
Contact the **Sales Services Team** by email at **sales.servicessenquiries@shgroup.org.uk** or call **020 7555 2171** if you are not sure whether this applies to you.

We will ask you to fill in a short survey after completion, so we can monitor our service and that of the solicitors, valuers and mortgage providers involved.



How do I get
in touch?

CONTACTING US



EMAIL US AT:

sales.servicesenquiries@shgroup.org.uk

WRITE TO US AT:

Sales Services Team
Southern Housing Group
Fleet House
59-61 Clerkenwell Road
London
EC1M 5LA

VISIT OUR WEBSITE:

shosales.co.uk/services/staircasing

TELEPHONE:

020 7553 6453



☎ 020 7553 6453

✉ sales.servicessquiries
@shgroup.org.uk

💻 www.shosales.co.uk

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