Shared ownership

Staircasing

**What is staircasing**

If you are a Shared Owner and you can afford to, you can buy further shares in your property at any time when it’s convenient for you, this is called staircasing. For example, if you initially purchased 25% share in your property and went on to buy an additional 25% you would then own 50% of the property. This process allows you to build the percentage share that you own in your home and able to staircase all the way up to 100% ownership.

After you have staircased to own more of your home, the rent you pay will decrease as you are only required to pay rent on the share that you don’t own.

When you buy additional shares the cost of these shares will be determined on the valuation at that time. The valuation will be carried out by an independent RICS Chartered Surveyor. For example, if the property was valued at £100,000 and you wanted to by a further 25% then the purchase price for the additional share would be £25,000. The valuation lasts 3 months so you will need to complete your staircasing during this time, otherwise another valuation ***may*** be required.

**How much will it cost?**

Before staircasing it is important to remember the related costs involved with purchasing further shares in the property, the amount can vary and will be dependent on various factors for example:

* You may need to re-mortgage your property to include the additional share price therefore mortgage repayments would increase plus the cost of mortgage arrangement fees, which vary from lender to lender
* You will be required to pay for the RICS Valuation report
* You will need to appoint your own solicitor or conveyancer to act on your behalf during this process
* Administration fee – approximately £150 + Vat

**What are the benefits?**

The main benefits of staircasing are:

* that you pay less rent
* the greater the share you own, the more you will benefit from increased property prices (subject to market conditions)
* once you have staircased up to 100% you have purchased your own home outright
* you are also likely to benefit from a greater choice of mortgage options, and not limited to shared ownership mortgages
* you will be able to sell on the open market

**What about any home improvements?**

The value of your property will be determined at the time of valuation. General home maintenance, repairs and decoration are not regarded as home improvements and generally will not increase the value of your property.

Newly fitted kitchens and bathroom which in the valuers opinion have added value to the property will be considered in the valuation figure.

**Do I have to staircase?**

The staircasing process is completely optional. Whilst some buyers choose to buy additional shares in their home as their financial circumstances change, many owners choose to stay at their currently owned share.

**How do I staircase?**

If you choose to buy additional shares in your own home, you will need to contact the Home Ownership Co-Ordinator and give notice that you intend to staircase.

Arrangements will then be made for an independent surveyor to visit the property and work out the current value of the property. You will be provided with a copy of the valuation and be asked to confirm that you would like to proceed with the process

**For further information please contact the Homes Ownership Coordinator on 01492 563287 / 07976 829 252**