

Staircasing

A guide



What is staircasing?

When you first purchased your shared ownership home, your intention may have been to own it outright one day. We have created this guide to explain the process and benefits of staircasing.

Staircasing is the process that enables shared owners to increase the percentage share they own in their home, with most being able to staircase to 100% ownership.

Some properties have 'restricted staircasing' which will be identified in your lease. For example, properties within a designated protected area may be limited to 80% ownership.

In addition, if you purchased your property between 2021-2026, your home may have been part of the Affordable Homes Programme 2021-2026 which allows homeowners to acquire shares from as little as 1%. To find out more, please contact staircasing@greensquareaccord.co.uk.





Benefits of staircasing

Pay less rent - Staircasing means you will own a larger share of your home, which in turn will reduce your monthly rent payments. If you staircase to 100%, rent will no longer be applicable. (you may still have to pay ground rent and service charges if you own a flat, or estate management charges if you own a house).

Benefit from any increase in house price - The larger the share you hold in your home, the greater you will benefit if it's value increases.

More mortgage choice - Owning the property outright gives you more freedom to source a mortgage, as you would no longer require a shared ownership specific product, which generally means taking advantage of lower rates.

More freedom when selling - If you own less than 100% of your home, the Housing Association will have a fixed period to find someone suitable to buy your share. However, when a shared owner becomes an outright owner, they can sell their property on the open market, subject to any restrictions in the lease.

Home Improvements - If you own less than 100%, certain home improvements are likely to be restricted by your lease. Outright ownership will provide the freedom to make home improvements as you see fit, including structural changes with the necessary planning consents. Please note that leasehold properties may still require permission from the Landlord.





Before you start

Before you make the decision to buy more shares, it is important to understand the costs related to the staircasing process. This will include paying for a RICS valuation, a solicitor, mortgage related costs and Stamp Duty Land Tax if applicable. Please note that your rent and service charge account must be up to date, and they must remain so throughout the process.

When you buy more shares, you will buy them at the current market value, and the current market value will be determined by a RICS valuation.

The staircasing process

Step 1 - Determining your affordability

Your first step is to determine your affordability. To do this, we will arrange for you to be financially assessed by an Independent Financial Advisor (IFA) recommended, not employed, by GreenSquareAccord.

We will ask that you complete a financial questionnaire for the IFA to carry out a financial assessment. This questionnaire will provide the IFA with your personal, employment, expenditure and credit details.

Step 2 - Getting your home valued

Once you have determined your affordability, you will need to get your home valued by a Royal Institution of Chartered Surveyors (RICS) qualified surveyor. You can find RICS qualified surveyors in your area on the RICS Firms website: www.ricsfirms.com.

If you have increased your homes energy performance through improvements to your property, please notify the surveyor who will then produce a figure with and without these upgrades. Your RICS valuation is valid for a period of three months. Please note that your valuation must be valid at the point of completion. Should your valuation expire during the transaction, you will be required to obtain a revised RICS valuation or an extension before the transaction can complete.

Step 3 - Staircasing Agreement

Upon receipt of your RICS valuation, you will need to email your valuation report to the Staircasing Team - staircasing@greensquareaccord.co.uk. Once received, a member of the team will send out our staircasing agreement for you to sign and return. The staircasing agreement form provides us with all the information we require to start the process, including your financial and solicitor details.

If required, we can recommend a solicitor who specialises in both shared ownership and staircasing transactions.

Step 4 - Buying additional shares

Once we have received your signed staircasing agreement, we will issue our Memorandum of Staircasing to both parties solicitors.

During the transaction, our solicitor will answer any enquires from your solicitor, await the mortgage offer (if applicable) and agree a target completion date.



Step 5 - Completion

Congratulations - you have successfully purchased additional shares in your home!

Frequently Asked Questions

Why do I need to get my home valued?

The terms in your shared ownership lease state that a valuation must be carried out by a RICS qualified surveyor. The valuation provided by the surveyor will be used to set the full market value of your home.

What is the maximum amount I can staircase?

Details on the minimum and maximum amounts you can staircase can be found in your lease. In most cases, the minimum additional share you can buy is 10%, or 1% if you are on the 2021-2026 model lease. There may also be a staircasing restriction and/or a limit on how many times you can staircase. Please email staircasing@greensquareaccord.co.uk for more information on your lease.

Do I need to put down a deposit?

Yes, however you may have enough equity in your property to act as a deposit.

Will my rent change?

Yes, your rent will reduce as you purchase additional shares in the property.

What costs will I be expected to pay?

You will need to pay for your RICS valuation fee upfront. You will be responsible for your solicitor's costs and any costs associated with your mortgage lender. You may also be liable for Stamp Duty Land Tax if you are purchasing more than 80%.

Will I have to pay Stamp Duty?

If at the time of the original purchase you chose to make a one-off Stamp Duty payment on the full value, you will not have to make any further payments. However, if you chose to pay in stages, charges will apply on any additional shares purchased above 80%.

How long does it take?

Due to the validity period of your RICS valuation, we do our utmost to complete within the three-month timeframe, although this is not always achievable due to legal delays.

Is there a limit on how many times I can staircase?

Yes. You can staircase a maximum of 3 times.

How do I start the process?

If you are interested in purchasing additional shares in your property and would like further information, please contact the Staircasing Team:

Email: staircasing@greensquareaccord.co.uk

Call: 01249 478910

