



Guide to Staircasing

Large print



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What is staircasing?

Staircasing is the term used for buying additional shares in your Shared Ownership home. The amount of additional shares you can purchase each time varies on your lease, but increments are normally in multiples of 10% or you can purchase the full remaining share. If you purchase the full remaining share, some shared owners will progress to 100% ownership. However some properties have a staircasing restriction of 80%. Below are the 6 steps to staircasing.

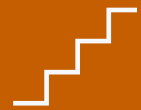
- Step 1** Staircasing Application form
- Step 2** RICS valuation
- Step 3** Proceed with Staircasing form
- Step 4** Appoint Solicitor
- Step 5** Approve Mortgage offer
- Step 6** Completion

Step 1 - Application Form



Notify Broadland Housing Association of your intention to purchase further shares by completing the Application to Staircase form. This can be found on our website or by contacting the sales team. You will also need to pay for a RICS valuation, which we can arrange for you.

Step 2 - Valuation



Upon receipt of the completed Application to Staircase form and payment for the RICS valuation, we will then instruct our nominated surveyor to conduct a valuation on your property. This is a current market valuation and cannot be carried out by an estate agent or mortgage lender.

Step 3 - Decision to proceed



Once the valuation has been carried out and we have been supplied with the report from the valuer, we will send you the report along with the Proceed to Staircasing Form. At this point we will confirm with you what further shares you wish to purchase so that we can calculate how much this will cost. We can give you two scenarios if you are undecided. Please complete the Proceed with Staircasing Form and return it to the sales team if you wish to proceed. You can also decide not to proceed. However the valuation fee is non-refundable.

Step 4 - Appoint Solicitor



You will need to confirm your solicitor's details on your Proceed with Staircasing form. You will be required to appoint a solicitor and are responsible for paying your own solicitor's fees. Once we receive this confirmation we will then issue a notification of sale to your solicitor and ours.

Step 5 - Approve Mortgage



If you are purchasing further shares with a mortgage, we will be required to approve your mortgage offer. Your solicitors are responsible for sending this to us. You are responsible for paying your own fees associated with setting up the mortgage.

Step 6 - Completion



Sale completion! At the end of the process you will either have partially staircased, in which case we will calculate the amount of rent payable based on the new share you own and will adjust your payments. Or you may have staircased to full 100% ownership. If this is the case you will no longer pay rent and may have obtained the freehold to the property. For some properties, such as flats, you may not be able to purchase the freehold, and you may still be required to pay a service charge for other services such as grounds maintenance.

Frequently asked questions:

Q: Why do I need a RICS valuation?

A: It is a term of your lease that the valuation must be undertaken by an Independent Royal Institute of Chartered Surveyors (RICS), qualified valuer to ensure a fair and independent valuation is carried out. An estate agent's valuation is not acceptable, nor is a valuation carried out by a bank or building society for mortgage purposes, as these are not classed as independent valuations.

Q: How long does the process take and how long is my RICS valuation valid for?

A: The RICS valuation is valid for a period of 3 months. This is generally enough time for the process of buying further shares to complete, but this varies depending on your mortgage lender and solicitor. If the process extends over 3 months and the RICS valuation expires, you may be required to pay for a new valuation. We will, however, ask if the valuation can be extended. As this is supplied by an external company we do not have any control over this.

Q: I've made improvements to my property. How are these valued?

A: You should notify us of any improvements at step 1. We will then instruct the surveyor to disregard these when considering the valuation figure. This is to ensure you are not paying for improvements you have carried out. Improvements include a new kitchen etc. General repairs, maintenance and decoration are not considered to be improvements. Please note the value of any improvements will not be the actual cost you paid for the works, but the perceived value these have added to the property.

Q: What other fees will I need to pay?

A: You will need to pay for your RICS valuation, solicitor's fees and any costs associated with arranging your mortgage, if applicable. You may also be liable for stamp duty. Please refer to your solicitor for advice on this.

Q: How will staircasing affect my rent and service charge payments?

A: If you are partially staircasing, your rent will be adjusted and reduced in line with the additional shares you purchase. If you staircase to 100% then you will no longer be liable for rent. Whether you partially or fully staircase, you may still be liable for service charges. The sales team will be able to advise on a service charge depending on your property.

Q: Who will be responsible for repairs / maintenance?

A: Please refer to your lease for clarification on your defects period, as responsibility for repairs and maintenance will vary depending on your lease. In general if you 100% staircase and own a house, you will become responsible for all repairs and maintenance. This rule does not always apply if you 100% staircase and own a flat as a leaseholder. With flats generally the freeholder will be responsible for repairs and maintenance to the building, but not inside individual flats.

Q: Will I need to insure my own property once I have staircased?

A: If you have purchased the property outright and own the freehold (usually in the case of houses), you will now be responsible for insuring your property. If you purchased a flat outright and own the property on a leasehold basis, in most cases we will continue to insure the property and collect this charge from you via your service charge. Your solicitor will be able to confirm this.

If you have partially staircased, Broadland will continue to insure your property, and collect this via your service charge payments.

In either case you will still continue to be responsible for insuring the contents of your property which is not covered by your buildings insurance.