

Your guide to...

Staircasing

How to buy further shares in
your Shared Ownership home



hastoesales.com

Your guide to Staircasing

Welcome

What is staircasing?

Once you have purchased the initial share of your home, you can usually buy further shares in your property. This process is known as staircasing, and enables you to own a greater proportion of your home.

The greater the share you buy in your home the less rent you will pay to Hastoe. If you staircase to 100% you become an outright owner and pay no rent.

You may purchase additional shares in your property at a price based on the current market value of the property.

FOR EXAMPLE: If your property is valued at **£200,000** and you want to buy an **additional 25% share**, the purchase price will be **£200,000 x £25% = £50,000**.

What are the benefits of staircasing?

- You reduce the amount of rent you pay to Hastoe
- If you own your property outright, you can sell your property on the open market using an estate agent of your choice, to anyone interested in buying it. You will not have to sell to those that meet the criteria of the lease.
- As the outright owner, you can maximise the value of any major improvements you have carried out. Once you own 100%, you will get back the full amount of any profit of the current market value when you come to sell your home.



How do I staircase?

Contact us

You will need to email your full address and contact details to sales@hastoe.com. We will then reply confirming if you have the ability to staircase and the maximum share you can purchase.



Request valuation

The first stage of this process is for you to obtain a valuation of your home from a Registered Institute Chartered Surveyor (RICS), for which you pay the fee. You can arrange this by emailing us the details of your selected surveyor from the panel provided, along with your contact telephone number so the surveyor can arrange an appointment with you directly. We will then provide you with instructions to make payment via the Hastoe Hub.

NOTE: The valuation report is valid for a three month period. If your staircasing transaction does not complete within this period, and you still wish to proceed, you will be required to pay an additional valuation fee. This can normally be organised at a reduced fee as the surveyor who carried out the original inspection does not need to revisit the property. Remember, that if the value has increased, you will have to proceed at a higher value.

We send you the offer

When you apply to staircase you will have to indicate the additional share you wish to purchase. We will write to you confirming the price at which any additional shares can be purchased, based on your request and the valuation.

Appoint a solicitor

If you are happy to proceed after receiving your valuation report, you will need to complete our Staircasing Authorisation Form and appoint a solicitor. We recommend using the solicitor who originally dealt with your purchase as they are most likely to have your property details. If this is not possible we can provide you with a list of solicitors.

We always recommend you select a solicitor who offers a fixed fee for their services and you obtain a quotation before using them. It is important to choose a solicitor with specific knowledge and experience of shared ownership leases.

Remember that you pay for your solicitor's time, so the more you engage with your solicitor, the higher the charge is likely to be.

If applicable, once you have your mortgage offer, contact your solicitor to arrange to complete the staircasing transaction. If you are not staircasing to 100% you will also need to provide a copy of your mortgage offer to Hastoe for approval.

Completion

Congratulations - you will now own either a greater share or the full 100% value of your home.

We will adjust your account on our systems to show the increased share you own in your home, we will refund any paid rent owed, send confirmation of your new rent and service charge amounts, and/or close your account if your staircasing transaction requires us to do so.

If you become the 100% owner of your house you will no longer be covered under our buildings insurance policy from the date your staircasing transaction completed. You must ensure that you have a building insurance policy in place at completion. If you become a 100% owner of a flat or apartment you will still be covered under our block buildings insurance policy.



What are the costs involved?

Every time you staircase you will have expenses to pay. Some of the expenses you will need to pay are:

Valuation fee

Hastoe will provide you with our panel of local surveyors for you to choose from. These usually cost in excess of £200. You may select another surveyor not on our list, provided they are RICS qualified.

Legal expenses

Staircasing will involve changes to your existing lease which will require the professional services of a solicitor.

Stamp duty

In certain circumstances you may need to pay stamp duty. This will need to be discussed with your solicitor.

Mortgage fees

If you are applying to re-mortgage in order to buy the additional shares, or to obtain a better interest rate, you will be required to pay the lenders' valuation fee and you may be required to pay a mortgage arrangement fee. You may also have to pay penalty charges to your existing lender if you re-mortgage before the end of the product end date or any fixed rate period. You must discuss this with your lender or financial advisor prior to applying to staircase,

Independent Financial Advisor (IFA)

We strongly recommend that you undertake an independent financial assessment through an IFA to determine your financial situation and ensure you are eligible to obtain a mortgage. Hastoe can provide you with a panel of IFAs who have experience in sourcing mortgages for shared ownership properties. If this assessment determines that you are unlikely to be approved for a mortgage, this will prevent you paying for a valuation and save you money.

What if I have made home improvements to my home?

When you have your home valued for staircasing, the value is based on the current market value of your home excluding any home improvements you have done which have been approved by Hastoe.

General home maintenance, repairs and redecoration are not regarded as improvements and generally will not increase the value of your home.

Double glazing, new fitted kitchen/bathroom, installing central heating and conservatories are considered to be home improvements and may increase the value of your home but not always for as much as you originally paid for the work.

Please remember that you need to request permission and written approval from Hastoe before carrying out any major improvements to your home. This permission will need to be present on your housing file if you wish major home improvements to be disregarded from your staircasing valuation.

What happens when I become the outright owner?

Once you have staircased to 100% you will no longer pay Hastoe any rent. However, if you are the leaseholder of a flat, you are still required to pay your service charge and management charges, including the ground rent, as Hastoe will remain the freeholder of the apartment block.

If you own a house, the freehold of your home will be transferred to you when you have staircased to 100%. You will need to serve notice to Hastoe, via your solicitor, requesting the freehold of the property be transferred to you. There is no charge for this transfer: however you will have to pay your legal costs. Once this has taken place, you will no longer be charged for buildings insurance. In some cases you may still have to pay a service charge or estate management charge if you live on an estate and are responsible for some of the communal costs.

Regardless of whether you live in a flat or a house, once you have staircased to 100%, you are free to sell the property on the open market with the services of an estate agent.

Please note that your lease may restrict you from selling your property for three months following final staircasing.

Is there any reason why I would not be able to staircase?

Hastoe will not allow a leaseholder to complete on the purchase of further shares if they are in either service charge or rent arrears.

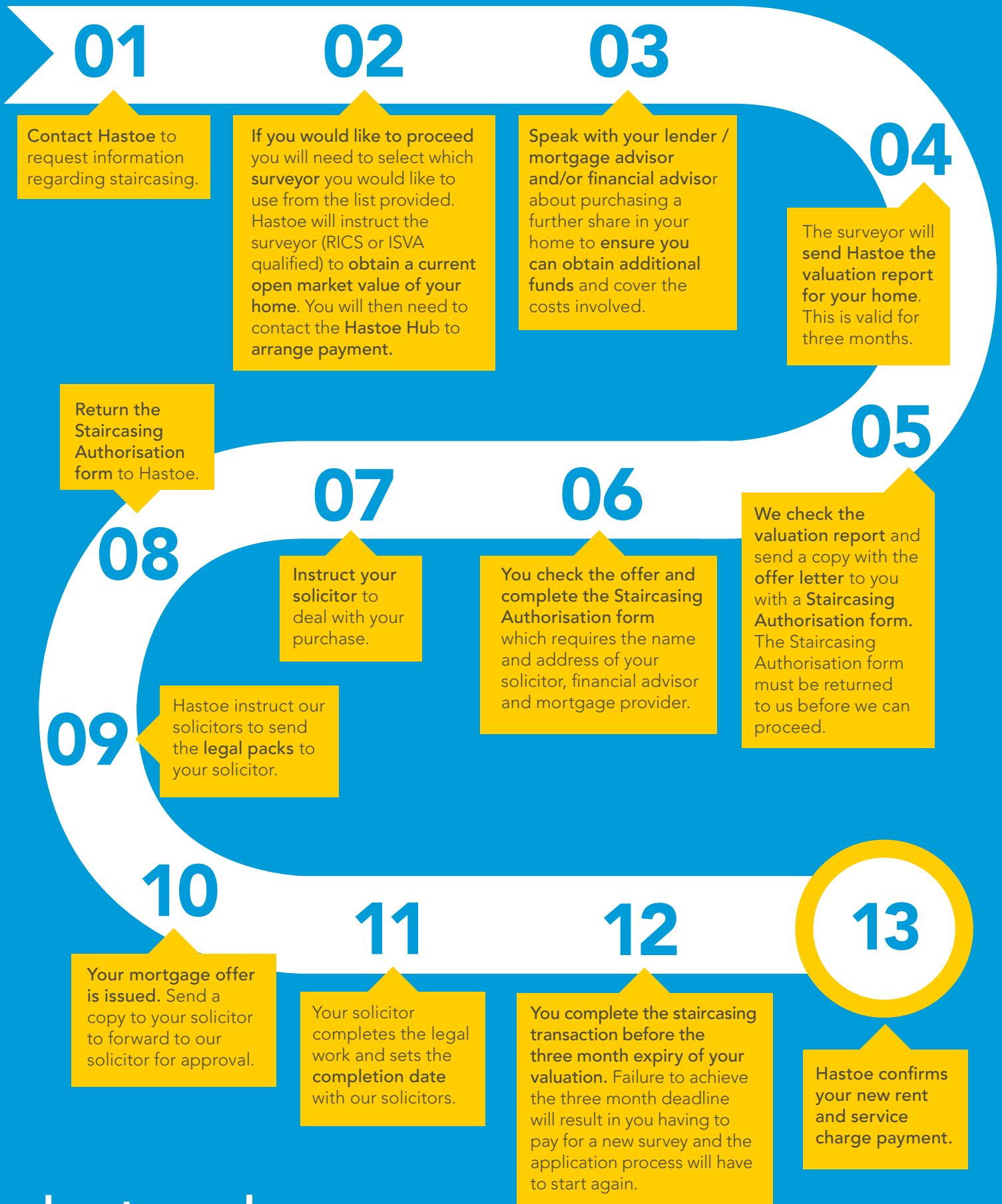
Some properties have a restriction on staircasing. Should this affect your property you will have a limit on what you are able to staircase up to. Details of any restrictions can be found in your lease.



Where can I get further information?

If you would like any further information please contact the sales team: **0800 783 3097** or **sales@hastoe.com**

The stages of staircasing...



Sustainable homes,
sustainable communities

Hastoe

 Group

For further details of how shared ownership works, eligibility criteria or properties available please contact sales@hastoe.com or call **0800 783 3097**.

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