



SO
Living



A guide to staircasing

How to buy more shares of your home

What is staircasing?

‘Staircasing’ is a term that refers to increasing the share of the property you own. You can do it gradually over time, to eventually owning your home outright.

There are 2 types of staircasing, Interim and Final.

Interim staircasing means you buy more shares in your home but you don't purchase all remaining shares. That means you will still be a shared owner afterwards. Your rent would decrease when you buy more shares.

More recently 1% staircasing has been introduced. It is still classed as Interim Staircasing but is only available if you have purchased your home through the New Model Shared Ownership Lease.

Final staircasing means you purchase all the remaining shares and you are no longer a shared owner. You will no longer need to pay rent but you may still need to pay a service charge. If your property is a flat you will still be a leaseholder as PCH will own the building.

SO Living is part of Plymouth Community Homes (PCH). PCH is your landlord and we will refer to your landlord as PCH throughout this guide.



Can I staircase at any time?

Normally you can, but it does depend on your lease and any restrictions set out by the local authority's planning conditions, also known as a Section 106. We will have advised you about any restrictions on staircasing when you first purchased the home but they can also be detailed in your shared ownership lease. For most homes, however, there will be no restrictions and you will be free to staircase to own 100% of your home outright.

What happens to my rent and service charges?

Your rent is based upon the amount of shares you own in your property. If you staircase, your rent will decrease proportionately, and if you staircase to 100%, you will no longer pay rent.

You may still need to pay service charges even if you staircase to 100%, although the amount you pay may change. If you own a house you will then be responsible for your own buildings insurance policy.

How much of the house do I need to buy?

Standard Model Shared Ownership lease

If you purchased your home on the standard model shared ownership lease additional shares can be purchased from a minimum of 10%.

New Model Shared Ownership lease

If you purchased your home on the new model shared ownership lease additional shares can be purchased from a minimum of 5% or, you can purchase additional shares in 1% transactions per year for up to 15 years (or a combination of both).

For both leases all new shares can be purchased using cash or by increasing the amount you borrow from your mortgage lender. Your lender will check that you are able to afford to do this.

What price do I pay for the additional shares?

Additional shares of 5%, 10% or more

In order to buy more shares in your home, PCH will instruct a surveyor on your behalf to complete an open market valuation. This surveyor must be accredited by the Royal Institute of Chartered Surveyors (RICS) and the report they produce will determine the open market value of your home. This is then used to determine the price of the share you would like to purchase.

If you have made improvements to your home, these will be excluded in the open market valuation. You will need to pay for the report and it will usually be valid for three months unless otherwise specified. If you have not completed on the purchase of your shares within this time a desktop valuation will be needed and you will have to pay for this.

If your property is a house and you staircase to 100%, you do not pay any extra money for the freehold.

Additional shares of 1%

The valuation for the 1% staircasing is based on the Land Registry's House Price Index landregistry.data.gov.uk/app/ukhpi/ However, the option for a RICS valuation is available to both the shared owner and provider if the valuation arising from the Land Registry's House Price Index methodology is disputed. This valuation will remain valid for a period of three months from the date PCH advises you of the valuation figure. You may request an up-to-date calculation from PCH following this expiry date.



What are the benefits of staircasing?

There are a number of reasons that you might want to increase the share of your home that you own:

Pay less rent

By reducing the percentage of your property that you rent from us you will also reduce your monthly rent. Your mortgage repayments may go up but the mortgage payments are going towards paying for the part of the home you own.

Benefit from any increase in house prices

The more of your home that you own, the greater you'll benefit if its value increases. Remember though, if the value of your home has decreased, you may get back less than you have put in.

More mortgage choice

If you staircase your way to owning 100% of your home you'll be able to get a standard mortgage, rather than a shared ownership mortgage.

Freedom to sell

Own 100% of your property and when you want to move on you should be able to sell it on the open market. Make sure you check your lease, if you own less than 100% you will need to follow PCH's resale process.

Staircasing Process

1 In the first instance we recommend that you speak with a mortgage advisor if you intend to purchase the additional shares with a mortgage. You can find a mortgage advisor or mortgage advisor, near to you, on the Financial Services Register: www.register.fca.org.uk you can also find a list of mortgage advisors on our website www.so-living.co.uk/mortgage-advisors

2 Contact PCH to advise us of your intention to staircase. Call 0800 0778 748 or email so-living@plymouthcommunityhomes.co.uk

5% or more shares

We will send you a Notice to Staircase Form which will need to be filled out and returned to us to start the process

- Please also pay the valuation fee to PCH – details of how to do this will be on the Notice to Staircase Form

1% staircasing

- We will send you an Additional Percentage Valuation Request Form

3 **5% or more shares**

Once a valuation report is received we will then calculate the value of your existing share and how much it will cost to buy the additional shares. We will also calculate your new rent and service charge amount. This will all be completed and sent to you on the Instruction to Staircase Form.

1% staircasing

If you are purchasing 1% Staircasing shares we will send you an Additional Percentage Valuation Notice.

4 You will need to provide evidence of how you will be funding the purchase of the additional shares. If you wish to proceed with the valuation and want to buy more shares you will then need to:

- For 5% or more staircasing – Return your completed Instruction to Staircase form
- Pay the administration fee
- For 1% staircasing - Return your completed Instruction to Staircase form.

5 Once confirmation has been received that your staircasing is affordable solicitors can be instructed.

5% or more shares

You will need to inform us on the Instruction to Staircase Form which solicitor you are using. Once we receive this information, PCH will instruct their solicitor. You will need to instruct your solicitor also.

It is your responsibility to liaise with your solicitor throughout the staircasing process.

1% staircasing

There is no need to instruct a solicitor if you are purchasing through 1% staircasing, however you will be expected to liaise with PCH's solicitor throughout the process.



Who is involved in the conveyancing process?

There are two solicitors involved in the staircasing transaction. You will have a solicitor and PCH will have a solicitor if you are purchasing shares of 5% or more.

There is only PCH's solicitor involved in 1% staircasing.

How long will the conveyancing process take?

The legal process will need to be completed within 3 months from your valuation date as per your lease.

What happens on completion?

Your solicitor will arrange for completion money payable to PCH to be sent to our solicitor on the day of completion by same-day bank transfer (CHAPS).

For 1% staircasing you will need to send PCH's solicitor your funds prior to completion

When the completion has taken place, PCH will adjust your rent and service charge account accordingly.



Staircasing timeline - 5% or more shares



1 Purchasing more shares

Speak to a Mortgage advisor if you want to purchase more shares.¹



2 Notice to staircase form

Tell us you want to staircase and we'll provide you with a Notice to Staircase form.²

Within 3 working days



3 Return your form

Return your completed Notice to Staircase form and pay the valuation fee.

Within 20 working days



4 Instruct a surveyor

We'll instruct our nominated RICS surveyor to value your home.

Within 3 working days



5 Valuation report

The RICS valuer will liaise with you to value your home and the valuation report will be sent to PCH.

Within 20 working days



6 Instruction to staircase form

We'll send you an Instruction to staircase form, it will confirm the value of your home, how much it will cost to buy the additional shares, and your new rent and service charge amount.

Within 3 working days



7 Return your form

Return your completed Instruction to Staircase form and details of your solicitors, provide evidence of funds and pay the administration fee.

Within 10 working days



8 PCH will instruct their solicitor

PCH will instruct their solicitor. Instruct your solicitor and mortgage advisor. You'll need to liaise with them throughout the staircasing process.

Within 5 working days



9 Mortgage offer

If you are purchasing extra shares with a mortgage, our solicitors will send PCH your mortgage offer, which we will need to consent to.

Within 5 working days



10 Confirmation of completed staircasing

Your solicitor will confirm when the staircasing transaction is completed. This needs to happen within 3 months of the valuation report. PCH will adjust your rent account and Direct Debit.

Within 60 days

1 Find a Financial Advisor or Mortgage Advisor on the Financial Services Register: www.register.fca.org.uk or www.so-living.co.uk/mortgage-advisors

2 Contact us on 0800 0778 748 or email so-living@plymouthcommunityhomes.co.uk

Staircasing timeline - 1% Staircasing



1 Purchasing more shares

Speak to an Mortgage advisor if you want to purchase more shares.¹



2 Additional Percentage Valuation Request Form

Tell us you want to staircase and we'll provide you with an Additional Percentage Valuation Request Form.²

Within 3 working days



3 Return your form

Return your completed Additional Percentage Valuation Request Form

Within 20 working days



4 Additional Percentage Valuation Notice

We'll provide you with an Additional Percentage Valuation Notice and an Instruction to Staircase Form. This will confirm how much it will cost to buy an additional 1% share of your property and your new rent and service charge amount.

Within 5 days



5 Return your form

Return your completed Instruction to Staircase form and provide evidence of funds.

Within 10 working days



6 PCH will instruct their solicitor

PCH will instruct their solicitor. You will need to instruct your mortgage advisor if you are purchasing through a mortgage. You will also need to liaise with PCH solicitor throughout the staircasing process. Details of our solicitor will be on the Instruction to Staircase form

Within 5 working days



7 Mortgage offer

If you are purchasing extra shares with a mortgage, our solicitors will send PCH your mortgage offer, which we will need to consent to.

Within 5 working days



8 Confirmation of completed staircasing

PCH's solicitor will confirm when the staircasing transaction is completed. This needs to happen within 3 months of the Additional Percentage Valuation Notice. PCH will adjust your rent account and Direct Debit.

Within 60 days

¹ Find a Financial Advisor or Mortgage Advisor on the Financial Services Register: www.register.fca.org.uk or www.so-living.co.uk/mortgage-advisors

² Contact us on 0800 0778 748 or email so-living@plymouthcommunityhomes.co.uk





-  [so-living.co.uk](https://www.so-living.co.uk)
-  0800 0778 748
-  so-living@pch.co.uk
-  [facebook.com/solivingplym](https://www.facebook.com/solivingplym)
-  [x.com/solivingplym](https://www.x.com/solivingplym)
-  SO Living. Plumer House,
Crownhill, PL6 5DH
-  **Opening times**
Monday - Thursday 9am - 5pm
Friday - 9am - 4:30pm



Information correct at October 2024