



Staircasing – Your Guide

What is Staircasing?

Staircasing is the term given to buying extra shares in your shared ownership property.

Can any shared owner staircase?

In the majority of cases there are no restrictions on who can staircase, although we would recommend that, in the first instance, you refer to the terms of your lease. This may require assistance from your legal representative.

What are the benefits of Staircasing?

Buying a greater proportion of your home has a number of benefits:

- The amount of rent you pay will reduce
- When you sell your home, the greater the proportion you own, the greater the profit you will make if your home has increased in value
- If you own your property outright, you can sell your property on the open market using an estate agent of your choice

How many shares can I buy?

The number of shares you can buy is defined in your lease agreement. The minimum additional share purchase is 10%, the maximum is 25%.

What will I pay for the extra shares?

The shares will be sold to you at current market value, disregarding any improvements to your home that we have consented to. An assessment of current market value will be made by a Royal Institute of Chartered Surveyors (RICS) qualified Valuer by way of an open market valuation of your property.

What are the costs involved in Staircasing?

There will be certain expenses to pay every time you staircase, therefore you must consider these when making a decision to staircase.

The main expenses you will have to pay are:

- **Valuation Fee.** In accordance with your lease, the property must be independently valued to determine a current market value. Cheltenham Borough Homes can arrange for an independent RICS valuer to undertake the valuation on your behalf, or you can elect to appoint your own valuer, providing they are RICS qualified. Fees range from £150 - £350. Note that the valuation is valid for three months. If your staircasing does not complete within this period, you will be required to pay an additional fee.
- **Legal Fees.** Staircasing will require a change 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. Your legal representative will discuss this with you.
- **Mortgage Fees.** If you remortgage with a new lender, you will be required to pay the lenders valuation fee and you may be required to pay a mortgage arrangement fee. If you re-mortgage with your existing lender, there may be penalty charges. You should speak to your mortgage lender about charges before applying to staircase.
- **Rent & Service charge arrears.** Any arrears must be cleared before the staircasing transaction can complete.

What happens when I become the outright owner (own 100%)?

Once you own 100% of your property, you will no longer pay rent to Cheltenham Borough Homes.

If you own a house, the freehold of your home will be transferred to you on your request. Once this has taken place, you will no longer be charged for buildings insurance.

In some cases, you may still pay a service charge if you live on an estate with communal costs.

If you own a flat and staircase to 100%, you will own a long-lease on the property and Cheltenham Borough Homes will continue to own the freehold and be responsible for services and maintenance to the common parts of the block.

In both instances, you are free to sell the property on the open market under the provisions set out in the relevant land registry document.



Intention to Staircase

Please complete and return this form to the address below if you wish to start the staircasing process.

| | | |
|--|--|-----------------------------------|
| Your name (s) | | |
| Your Address | | |
| | | Please tick as appropriate |
| I wish to purchase an additional share in the above property. | | <input type="checkbox"/> |
| I currently own ___% and wish to purchase an additional ___% share. | | |
| I would like Cheltenham Borough Homes to appoint a valuer and I enclose a cheque for £150 made payable to Cheltenham Borough Homes as a deposit towards this valuation fee. I understand that this fee is non-refundable once the valuer has been instructed. The valuer can contact me on telephone number _____ to arrange a date and time for the valuation visit. | | <input type="checkbox"/> |
| I wish to instruct _____ (Independent RICS qualified valuers) to value my property. They can be contacted on telephone number _____. Please advise if this acceptable to Cheltenham Borough Homes. I agree to meet the valuation fee in full and ensure that the valuation is addressed and sent to Cheltenham Borough Homes. | | <input type="checkbox"/> |

Signed _____ Date _____

Signed _____ Date _____

Please return this form to the Finance Director
Cheltenham Borough Homes
Cheltenham House, Clarence Street, Cheltenham, GL50 3JR