

Shared Ownership

Staircasing Guide

What is Staircasing?

Staircasing is when you buy additional shares in your property. The greater the share you buy in your home the less rent you will pay to Bolton at Home. If you staircase to 100% you become an outright owner and pay no rent.

The cost of your new share will depend on how much your home is worth when you want to buy the share.

This guide will give you some basic information on staircasing, however in the first instance you should always refer to your lease.

Do I have to staircase?

No, you don't have to increase your shares if you don't want to.

What are the benefits of staircasing?

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

- The amount of rent you pay to Bolton at Home will reduce.
- If you decide to sell your home, the greater percentage you own, the more profit you will make if the value of your home has increased.
- If you own 100% of the property you can sell your property on the open market using an estate agent of your choice and to anyone interested in buying. You are not restricted to those registered and approved by Bolton at Home.
- Becoming the outright owner allows you to maximise the profit from any major home improvements. Once you own 100% you will get back the full profit for the current market value when you come to sell your home.
- More mortgage choice.

What are the costs involved in staircasing?

Every time you staircase you will have expenses to pay therefore before deciding to staircase it is worth investigating the full costs involved and consider carefully the additional share you wish to buy.

Bear in mind you will foot the bill for all the legal fees, they won't be shared with Bolton at Home.

Some of the expenses you will have to pay are:

Valuation fee:	Bolton at Home will instruct an independent valuer on your behalf
Legal expenses:	Staircasing will involve changes to your existing lease which will require the professional services of a solicitor. You will also be liable for any fees/charges incurred by Bolton at Home
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 change lenders (re-mortgage) to buy the additional share, 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.

How would it affect my rent?

Your rent will be reduced according to the amount of shares you increase. Any service charges will not change.

If you end up owning 100% of your home, you won't pay any more rent for your property. But, you could still have to pay service charges.

What is the Process?

1. Complete initial Form

Contact Bolton at Home for an application form. Forms are available from freandleaseholdenquiries@boltonathome.org.uk or call us on 02014 328000

Bolton at Home won't let you staircase unless you've paid off any outstanding debt you owe us, whether this is for rent or service charges.

2. Instruct a solicitor

Appoint a solicitor to act on your behalf, so that once the valuation report is received you can act quickly. We always recommend you select a solicitor who offers:

- a fixed fee for their services
- specific knowledge and experience of shared ownership leases.

3. Valuation

Bolton at Home will instruct an independent valuer to establish the current market value, which in turn determines the value of the shares you're looking to purchase.

Once the valuation is complete we will send you a copy of the valuation and ask you to confirm if you wish to proceed. The valuation will be valid for three months.

4. Request of any further necessary information

Once all necessary checks are completed, a memorandum of staircasing will be drafted and sent to your solicitor.

5. What happens next?

Once the memo of staircasing is approved and signed it is sent back to Bolton at Home for signature. A copy of this will be provided to you

Your solicitor should also register the memorandum of staircasing with the Land Registry and confirm with you that this has been done.

Once your funds are in place, a completion date will be agreed and you progress to staircasing completion.

Frequently Asked Questions

WHAT HAPPENS WHEN I BECOME THE OUTRIGHT OWNER (OWN THE PROPERTY 100%)?

Once you have staircased to 100% you will no longer pay Bolton at Home any rent and the freehold of your home can be transferred to you. This also means no ground rent will be paid.

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 and you will have to arrange your own.

In some cases you may still have to pay a service charge or estate management charge to Bolton at Home.

Please note there may be restrictions in your lease that prevent you from selling your property for a certain amount of months following final staircasing.

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 which will include the home improvements you may have done. Please note improvements may increase the value of your home but not always for as much as you paid.

Please remember that you need to request permission and written approval from Bolton at Home before carrying out any major improvements to your home.

WHEN CAN I STAIRCASE?

You can buy further shares in your home after 12 months but please note that any rent and/or service charge arrears will need to be cleared.

HOW MUCH WILL THE SHARE COST?

Your home will be valued by an independent expert.

The valuation is valid for three months, so you need to proceed quickly. If the staircasing is not completed within three months, the property will need to be re-valued.

CAN I USE MY OWN VALUER?

The valuer needs to be RICS qualified and subject to agreement by Bolton at Home. If you require, Bolton at Home will use one of their independent valuers.

HOW LONG DOES THE PROCESS TAKE?

You will need to complete the transaction within three months of the date of your valuation. If not, you may have to get your property re-valued at a cost to you.

WHAT IF I DON'T AGREE WITH THE VALUE?

If the valuation is disputed, a valuation will be carried out by the district valuation office at a charge to you. The district valuers opinion is to be accepted as the final word on valuation disputes. Don't forget the valuers report is only valid for three months. You must act quickly to complete the staircasing transaction before the valuation report expires.

HOW MANY TIMES CAN I STAIRCASE?

This varies depending on the terms of your lease. Given that you'll pay admin fees every time you staircase it makes sense to buy as big a chunk as you can each time.

A Summary of the requirements for staircasing

The requirements are:

- The additional equity purchased will be based on the current market value of the property at the time of application to staircase.
- The valuation to be carried out by an independent RICS (Royal Institute of Chartered Surveyors) qualified valuer.
- The shared owner is required to meet the valuation costs and any other costs incurred in connection with the staircasing transaction, i.e. legal fees, mortgage arrangement fees, additional valuations in the case of valuer disputes or expired valuation reports.
- The shared owner must pay any arrears of rent, service charge or other charges incurred prior to completion of the staircasing transaction.

