

**TMG**  
The More Group

in association with

  
**mortgagewarehouse**  
corporation

your  
guide  
to  
staircasing

how to buy more shares in your home

Tel: 08456 21 22 00

E-mail: [broker@mwcl.co.uk](mailto:broker@mwcl.co.uk)

## INCREASING YOUR EQUITY SHARE

As a shared owner, you are entitled to increase your ownership by purchasing additional shares in your property. (Please refer to your lease for the applicable terms). The process of purchasing additional shares is called staircasing.

Your lease contains information that explains how to increase your ownership, but it is important to carefully consider all the costs related to the staircasing process before you proceed. When you apply to increase your ownership, your rent account must be up-to-date and must remain so throughout the staircasing process.

## STEPS TO STAIRCASING

### Step One

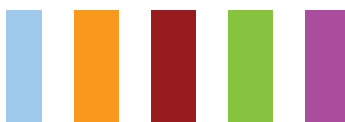
The first step is to complete and return an application form which is available from your Housing Association. Within this form you will be asked to provide details of any home improvements you have carried out with their written consent.

### Step Two

An independent surveyor (FRICS/MRICS registered) must now value your home. You will be responsible for the cost of this valuation. The valuation must not be more than 3 months old at the time of completion. If your staircasing purchase has not completed by this time, an updated valuation will be required (an additional charge may apply to up-date this valuation). If the property valuation changes when updated, then the purchase price will be recalculated, regardless of whether this is higher or lower than the original valuation.

### Step Three

As soon as the property valuation is received we will calculate the purchase price of the shares you wish to buy. Please refer to the 'your questions answered' section to see how this is calculated. Your Housing Association will confirm the purchase price and all the other details to you within seven working days. If the valuation of the property indicates that the value of the property is reduced due to a lack of maintenance and repair, they will request a valuation of the property assuming the property had been maintained to a good standard. This is within the requirements of your lease and the purchase price will be based on this figure.



## STEPS TO STAIRCASING

### Step Four

If you are considering 'staircasing' then you should find out from your building society or bank whether they are willing to lend you a further amount of mortgage. The additional amount you are able to borrow will help determine the size of the share which you may be able to buy. If you decide to change mortgage companies, you should beware of any penalties you may have to pay. Mortgage Warehouse will help you with this if you are unsure of what to do.

### Step Five

No further action will be taken until you confirm to in writing that you accept these figures and wish to proceed. When you do, you will need to tell your Housing Association the name and address of the solicitors that will be acting on your behalf. Mortgage Warehouse are able to recommend a suitable solicitor should you require assistance.

### Step Six

You will need to instruct your solicitor. Your solicitor and the Housing Associations solicitor then work together to agree a completion date.

### Step Seven

Completion. If you have purchased 100% of your property, you will no longer have to pay rent. If you do not pay your Housing Association a service charge you will have no further communication with them.

If you have purchased the full 100% of your property and you currently pay service charges, these will continue in the usual way.

If you are not purchasing the full 100%, your Housing Association will contact you after completion to re-confirm the revised rent and/or service charges that you pay from then on.

If you wish to sell your property once you own 100%, your Housing Association have the first right of refusal to buy back the property to keep within the affordable home sector.



## STEPS TO STAIRCASING

### YOUR QUESTIONS ANSWERED

**Q How is the purchase price of the shares calculated?**

A When you staircase, you buy the additional shares at the current market value of the property. For example if you wish to purchase an additional 25% share and your property is valued at £100,000, the purchase price will be £25,000. This means that if your home increases in value, you buy the new shares at the increased value.

**Q What is the minimum share I can purchase?**

A You may increase your ownership in separate stages or in one stage to 100% (depending on any restrictions in your lease). The minimum share you can purchase must be at least 10% of the unsold equity.

**Q What if I have made improvements to my property?**

A When you apply to staircase, please notify your Housing Association of any improvements you have carried out. Please remember that you need to request permission from them before carrying out any improvements to your home. After receiving your application form the Housing Association will write to you to confirm which agreed improvements will be taken into consideration when the property valuation is carried out.

**Q What improvements will be accepted?**

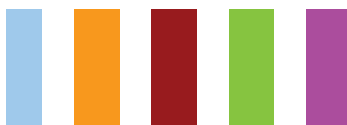
A Improvements such as double-glazing, new fitted kitchen/bathroom, central heating, loft conversions and conservatories are considered. If you wish to make an improvement to your property you must contact you Housing Association and ask for their permission prior to commencement of work. General maintenance, repair and redecoration are not regarded as improvements. If you were requested to carry out works when you originally purchased the property, these are also regarded as maintenance and repair.

**Q What costs will I be expected to pay for staircasing?**

A In addition to the valuation fee and valuation update (if required), you will also be responsible for your own solicitor's costs. You may also have to pay other mortgage-related costs and stamp duty.

**Q Will I still have to pay you for my buildings' insurance after completion?**

A If you own a house and have purchased the full 100% of your property, you will need to arrange your own buildings' insurance cover to commence from the date of completion. However, if you live in an apartment and pay service charges and have purchased the full 100% of your apartment, you will continue to pay your current monthly buildings' insurance premium within your service charge.



Telephone: 08456 21 22 00 or  
Email: [broker@mwcl.co.uk](mailto:broker@mwcl.co.uk)

