
Buying More Shares of Your Home



A guide to answer your initial queries on staircasing
and give you an understanding of the process



For example, if you have renovated your kitchen or built an extension onto your home, this would be taken into account when determining the market value. If you purchased your home with another person, then both of you will need to sign this form.

The following pages will tell you how you can buy further shares of your shared ownership home. As a shared owner you have the right to buy all, or part of your home from us if you can afford to do so but there is a special process to go through.

Buying further shares in your home is often called 'staircasing'. Usually, your lease will say that you have the right to 'staircase' until you own 100% of your home.

As you buy more shares of your home, your rent will go down in proportion. Your service charges will not be affected as they reflect the actual cost of the services that your lease says that we must provide.

What steps do I take to buy further shares in my home?

If you would like to buy further shares in your home you must let us know of your intentions to staircase in writing. This can be via email. The value of the share is worked out as a percentage of the current market value of your property, not as a percentage of the price you paid when you first bought your home, therefore, your home needs to be re-valued.

When we have received your notice to staircase we will ask you to fill out a Valuation Request Form and send it to us. This form asks you for information about any major improvements you have made to your home so that the surveyor can take them into account when arriving at a figure. Any improvements that have been made that the surveyor believes has affected the value of the home, would be deducted from the market value.

The Valuation Request Form will also ask you to select an independent, RICS qualified surveyor to value your home. Your home can be valued by Coastline's chosen surveyor or, you can select an alternative surveyor as long as they are independent, appropriately qualified and can carry out the valuation in the appropriate time scales. If you decide to instruct the surveyor via Coastline, we will confirm what their current fee is and ask you to pay it in advance. If you choose your own surveyor to carry out the valuation, you will need to instruct them to do this directly.

When we have received the Valuation Request Form along with valuation fee we will instruct the surveyor and arrange for the valuation to be carried out. If you have chosen your own surveyor, you will need to arrange an appointment with them directly and send a copy of the valuation report to us as soon as you can. Having this valuation carried out does not mean that you have to go ahead and buy a further share.

You will have three months from the date of the valuation in order to complete on your purchase. If you have chosen your own surveyor, it will be your responsibility to ensure the valuation is kept valid by getting an update from the surveyor every three months. If you decide to use Coastline's chosen surveyor, we will ensure the valuation is updated once every three months.

When we receive the valuation report, within five working days, we will tell you the current value of your home and how much it will cost to buy further shares of your home. We will also send you a Confirmation of Sale Form which you will need to complete and return if you would like to continue the staircasing process.

You do not have to buy all of the remaining shares at once, you can discuss this with your mortgage advisor, if you are using one, and decide what share you would like to purchase, based on how much you can afford and how much more you are allowed to borrow.

We strongly recommend that you obtain independent financial advice before going ahead to make sure you are not overstretching yourself financially. When you buy additional shares, you may be able to add this to your existing mortgage, however there may be some extra costs to pay to your lender. Once we have received your Confirmation of Sale Form, confirming the share you would like to buy, along with your solicitors' details and proof of funds that you will use to purchase the additional share, we will then produce a Memorandum of Sale to each solicitor so that they can begin the staircasing process.

Important things to remember

- You do not have to buy all of the remaining shares at once, but the minimum share that you can buy is 10%. Eventually, you may want to own your home outright, please remember that you can only staircase 3 times after your initial purchase to achieve 100% and completely own your own home.
- It is important to remember that the valuation is only valid for 3 months. If you have not completed on your purchase within 3 months, the valuation will need to be updated. For this reason, if you are obtaining a mortgage, it may be worth consulting your financial advisor, prior to requesting a valuation to see how much you are able to borrow and how much you can afford to borrow. This will allow yourself some more time to make your decision.
- Please remember that you will need to pay for your own legal costs as you did when you first purchased your home. You should get advice from your solicitors about what their fees are likely to be.
- You must pay us anything you owe, such as rent or service charge arrears before you complete your purchase of any additional shares.
- Before we instruct our solicitors, we will need to see proof of your funds or an agreement in principle to make sure it's affordable for you.





Frequently Asked Questions

What if I have made improvements which have increased the value of my home?

You should have already told us in writing about any improvements you have carried out to your home, as your lease says that you need our permission for these.

If you have made any improvements which you think may have increased the value of your home, for example an extension, double glazing or a new kitchen, the surveyor will assess how much these improvements have added to the value of your home. This amount will then be taken off the full market value, before we work out the cost of the share you are buying.

It is important to be aware that the value of your home will not always increase by the amount you spend – for example, putting in double-glazing is expensive but rarely increases the value of your home by the same amount.

What happens if my home has gone up or down in value since I bought it?

We will offer you the extra share based on the current valuation whether your home has gone up or down in price. For example, if your home originally cost £150,000 and you bought a 50% share for £75,000 if the value of your home then increased to £180,000, the remaining 50% share would cost £90,000.

This of course could work the other way. If your home went down in price to £120,000, the remaining 50% share would only cost £60,000.

Why do I need to instruct a surveyor to value my home?

When you decide you want to staircase, your home is likely to have changed value from when you bought your original share. Your lease says that we should instruct a surveyor to value your home. This is because public funds have been invested in your home and we own the share you want to buy. Homes England (our regulators and funders) check that we do this so that we receive the full value of the share we are selling. This money is then reinvested into more affordable housing so that more homes can be built for other people who want to own a home of their own.

What happens if my valuation runs out and I have not completed my staircasing purchase?

If you have progressed your purchase and are nearly ready to complete your purchase of additional shares, we will contact the surveyor who will usually extend the valuation. If you have instructed the surveyor directly, you will need to approach the surveyor to get an extension.

What can I do if I do not agree with the valuation?

Valuing properties is not an exact science. Surveyors base their valuations on similar properties and their knowledge of the area. If you do not agree with the valuation, you need to state this in writing and include evidence of at least three similar local properties that have been sold within the last 18 months. We will then forward this information on to the surveyor and ask them to justify their valuation. If you are not happy with their explanation, you can ask for another valuation which you will need to pay for. If there is a significant difference between the two values (more than 5%) we will pay for the costs of the additional valuation. If the value is still not agreed we will ask the Royal Institution of Chartered Surveyors to help reach an agreement.

What if I have a restricted lease?

Some shared ownership properties do have leases which restrict the share you are allowed to own. These properties are usually in rural areas where the prospect of further affordable housing development is limited, therefore, we restrict the ability to own the homes outright to ensure they are kept as affordable housing in perpetuity. If you have a restricted lease, you would take the same steps to staircase as any other shared ownership property, however, you would only be able to own a limited share, this is normally 80%.

Some restricted leases may include buy back provisions, which will allow to you staircase to 100%. However, we would retain the freehold. If you wish to sell your property once you have staircased past 80% Coastline, or another nominated housing association, will buy back the shares you own at the current market value.

What are the benefits of staircasing?

There are a number of reason why you may want to purchase more shares of your home, the main benefits are;

- **Pay less rent.** By increasing the share you own, you will decrease the amount of rent you pay to Coastline for the share that you don't own. However, this may mean your monthly mortgage payment goes up.
- **Benefit from increase house prices.** The more of your home you own, the more you will benefit if its value increases. This also means, if the value of your home decreases as will the value of your share.

We're here to help you

At Coastline Housing, we know a thing or two about shared ownership.

We are a charitable Housing Association that owns and manages over 5,000 homes in Cornwall.

We help people find the right homes at the right price for them through a range of different options and we're sure we'll be able to help you too.

Get in touch

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