



Buying more shares of your home

A step by step guide to buying more equity in your shared ownership home

This guide tells you how you can buy further shares in 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 sometimes 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 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 are the steps I take to buy further shares in my home?

If you would like to buy further shares in your home you must send us a notice in writing of your intention to staircase. The sale price 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 improvements you have made to your home so that the valuer can take them into account when arriving at a figure. If you bought your home with someone else such as a partner, then both of you need to sign this form.

The 'Valuation Request Form' will also ask you to select an independent, qualified surveyor to value your home. Your home can be valued by our chosen surveyor or you can request that it is valued by an alternative as long as they are independent, appropriately qualified and can carry out the valuation in the appropriate time scales. In either case we will confirm what their current fee is and ask you to pay it in advance.

When we have received the 'Valuation Request Form' and valuation fee we will instruct the surveyor and arrange for the valuation to be carried out. We will contact you to let you know that the surveyor will be in touch to arrange an appointment with you to value your home. Having this valuation done does not mean that you have to go ahead and buy a further share.

When we receive the valuation report from the surveyor, we will tell you the current value of your home and how much it will cost to buy the rest of your home within 7 days. We will also send you an 'Acceptance Form' which you will need to complete and return if you would like to go ahead.

You do not have to buy all of our remaining share at once, but you can discuss this information with your mortgage advisor and decide what share you would like to buy, 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 overstressing yourself financially. When you buy an extra share, you can normally just extend your existing mortgage, however there may be some extra costs to pay to your lender. We are happy to put you in touch with an independent financial advisor if you do not have one already.

Once we have received your 'Acceptance Form' confirming the percentage of shares

you would like to buy, along with the name and address of your solicitor, we will contact our solicitor – they will then consult directly with your solicitor throughout your staircasing process.

Important things to remember:

- You do not have to buy all of our share at once, but the minimum share that you can buy is 10% of the share that we still own. Eventually you may want to own the home outright, so please remember that you can only take 3 steps after your initial purchase of a share to staircase to 100% and completely own your own home.
- It is important to remember that the valuation only lasts for 3 months. This means that all the legal documents need to be arranged in time otherwise a new valuation may need to be carried out and paid for. For this reason it may be worth consulting your mortgage advisor prior to requesting a valuation to see how much you are able to borrow and how much you can afford to borrow which 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 a share in your home. You should get advice from your solicitors about what their likely fees will be.
- You must pay us anything you owe, such as rent or service charge arrears before you complete your purchase of an additional share.
- If you need to take out a second mortgage, your lender will need our approval. Unless you are staircasing to 100%, we will not normally approve interest only mortgages.

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 new 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 went up 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 you 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. The Housing Corporation (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 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 are for sale or have been sold within the last 3 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 you for the cost of this valuation. If the value can still not be agreed we will ask the Royal Institution of Chartered Surveyors to help reach an agreement.

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

If you have nearly completed the staircasing we will contact the valuer who will usually extend the valuation to help you complete it. A new valuation may be required if you have passed the 3 month period and you are still far from completion. The staircasing value will then depend on the new valuation. This could mean that you have to pay a higher price.

Will I have to pay rent and service charges if I buy 100% of my property?

If you increase your share to 100%, you will no longer have to pay us rent. If you own a house, you will normally become the freeholder of your home. If you partly increase your share (known as interim staircasing) your rent will reduce, depending on the share you buy. You may still have to pay service charges even if you own 100% of the property and the freehold.

Can I buy 100% of my home immediately?

After you have bought your initial share, in theory you can staircase to 100% immediately and own the whole of your home. However, this would be unusual as we do not accept applicants for shared ownership if they could afford to buy a home on the open market without the help of the New Build HomeBuy scheme.

How to contact us

If you would like more information about anything in this leaflet or would like it in another format please contact the Home Ownership Team by:

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