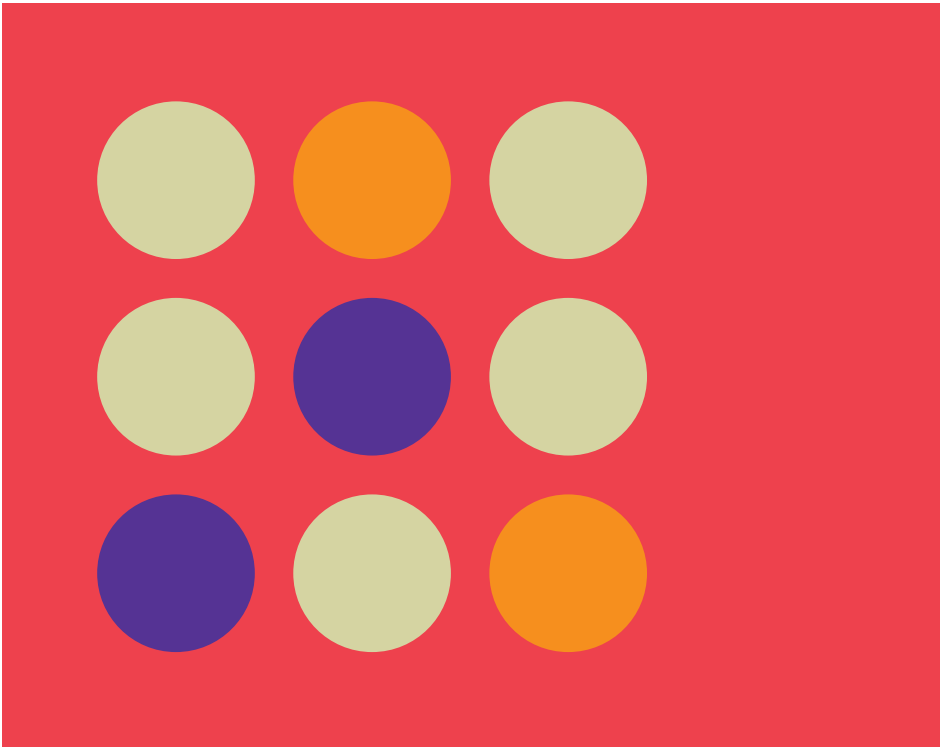


Staircasing

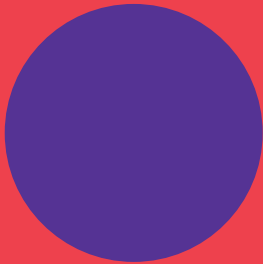
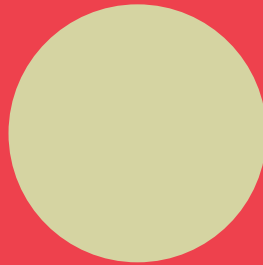
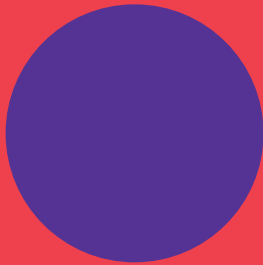
Buying more shares in your home





Staircasing

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Staircasing

As a Shared Owner, you can buy further shares in your home. This process is known as Staircasing. The greater share you own in your home, the less rent you'll pay to Longhurst Group.

Subject to your lease, you may be able to staircase to 100 percent and own your home outright.

Staircasing allows you to buy more shares in your home at a time that's affordable to you. It's a simple process and our experienced Asset Sales Team will help you through the purchase each step of the way.

The benefits of Staircasing

Staircasing increases the share you own, in turn reducing your rent payments and helping you build up more equity in your home.

You may be able to utilise existing equity in your home to help purchase more shares, and, in some cases, this can be a more affordable option with the additional mortgage payment being less than your monthly rent payment.

Staircasing to 100 percent ownership (subject to lease terms) has many advantages. For example, you'd no longer be required to pay rent to Longhurst Group and you'd be able to carry out improvements and enhancements of your choice to your home, which may be restricted within your lease. When the time comes, you can sell your home outright on the open market benefiting from the full sales profits.

How Staircasing works

The first step is to contact us. We'll then check your lease and confirm the maximum share you can buy. Most of our leases allow you to staircase to 100 percent ownership, although this depends on the property and its location. The minimum share that you can staircase is 10 percent.

You can either buy an additional share – 'part staircase' – or buy the remaining shares in your home – '100 percent staircasing'.

Your lease may limit the number of times you can staircase to three times. If this is the case, buying larger shares or, if possible, the remaining shares in your home would be recommended as this limits the costs involved with each Staircasing transaction.

The cost of the share is based on the current open market value of your property, which'll be determined by a Royal Institute of Chartered Surveyors (RICS) Open Market Valuation report.

Staircasing example, if your property was valued at £200,000 and you owned a 50% share.

Additional share	Cost	Your new share	You'll pay rent on
10%	£20,000.00	60%	40%
25%	£50,000.00	75%	25%
50%	£100,000.00	100%	*0%

**service charges may be payable.*



Valuing your home

The cost of buying more shares is based on your home's market value at the time you apply to staircase. We can help you arrange for the property to be valued by a RICS Chartered Surveyor. You'll be liable for the cost of the report, which is a requirement of the lease. We're unable to accept an estate agent's market appraisal.

The Open Market Valuation report is valid for a period of three months and will need to be valid at the time your purchase completes. If the sale doesn't complete within the three month period an extension letter will be needed from the original surveyor or a new valuation report may be required. This could affect the costs of buying more shares if your property has risen in value.

The valuation must state:

- The current percentage you own.
- The market value of the property with **any improvements** you may have carried out since you initially purchased (Please note: decorating, flooring, landscaping etc. will not be taken into consideration. Any improvements that have been undertaken without our consent will not be taken into consideration. We may provide retrospective consent, at our discretion, but you'd need to provide full evidence of improvements and costs).
- The market value **without improvements**.

The cost of purchasing the additional share will be determined using the lower value 'without improvements'.

Funding the cost of buying additional shares

You can fund the cost of buying additional shares either by buying them outright, ie, if you have adequate savings to cover the cost of the share, or by adding the cost of the share onto your existing mortgage.

The ideal time to do this would be at the point of renewing your mortgage deal. You'd need to contact your mortgage lender to discuss if this is an option for you. This is known as a 'further advance', or if you were moving your mortgage to a new mortgage lender to benefit from a better interest rate, this is called 'remortgaging'.

You'll need to speak to your suitably qualified and regulated mortgage advisor or financial advisor before committing to Staircasing. You can check the valuation of your home, prior to proceeding with the RICS valuation report using a number of different sites such as **rightmove.com** or **zoopla.co.uk**

The cost of Staircasing

Along with the price you pay for the additional share, you'll also need to cover the cost of the Open Market Valuation report and your own legal and mortgage arrangement costs.

Staircasing to 100 percent ownership

If you own a house and staircase to 100 percent ownership, you'd no longer be a leaseholder and would become the 'freeholder' and own the home outright.

You wouldn't need to pay a rent to us, but you may still have to pay a service charge. If applicable, this could be to cover the costs and upkeep of external shared communal areas. Any ongoing costs would be confirmed to you prior to you deciding to proceed. As you'd be the freeholder, all restrictions of the lease would fall away and you can carry out any improvements to the property and when the time comes, sell your home on the open market to a purchaser of your choice, benefiting from the full sales proceeds. You'd also be responsible for providing both buildings and contents insurance for your home.

If you own an apartment and staircase to 100 percent ownership, you'd be purchasing the full leasehold interest. However, the terms and conditions relating to the Shared Ownership lease would no longer be applicable.



You'd still be liable to pay a service charge to us for the upkeep of internal and external communal areas and we'd continue to arrange buildings insurance cover for your home. You'd need to arrange your own contents insurance.

If you live in a rural location and your lease is a 'Designated Protected Area lease', you're able to buy the 100 percent leasehold interest in your home, but not the freehold, which is retained by us. Under the terms of your lease, there's a 'Buy Back Clause'. This means that once you staircase above 80 percent ownership in your home, and wish to sell in the future, we'll have to buy the property back from you. We'll then sell this on a Shared Ownership basis, ensuring affordable homes remain available in rural areas. If you hold a 'Designated Protected Area lease' we'll provide further information to you to help you through the process.

Restricted leases

Some leases will restrict the maximum percentage you can own, normally 75 or 80 percent, and don't allow for 100 percent Staircasing. These restrictions are put in place at the time planning is granted by the local authority and are for a number of reasons including protecting the provision of affordable housing in rural areas, or in cases of properties built for specific use i.e. for the over 55s. These properties have to remain as affordable housing in perpetuity.

Instructing solicitors

Staircasing is a legal process, meaning that everything needs to be checked and completed by a solicitor. This includes the Memorandum of Staircasing and the legal documents that confirm the increase in shares owned by you. Your solicitor will also register your new ownership with the Land Registry on completion.

If you're 'part Staircasing' and buying your additional share with a mortgage, your mortgage lender will require a solicitor to be involved and we'll be required to consent to your new mortgage offer.

We'll also be required to instruct our own solicitor and we'll pay our own legal fees.

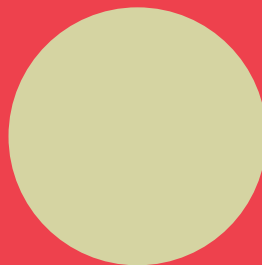
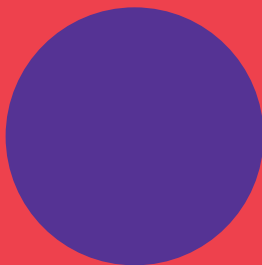
The process

- S Start the process**
Email staircasing@longhurst-group.org.uk and a colleague will contact you with more information.
- T Talk to us**
We can talk you through any queries you may have and explain the Terms & Conditions and the benefits of staircasing to you.
- A Apply**
When you're ready, we'll give you an application form to complete.
- I Independent financial advice**
Speak to an IFA about your personal circumstances.
- R RICS Open Market Valuation report**
We'll help you arrange an RICS Open Market Valuation report.
- C Cost of additional share**
We'll then confirm the current value of your home and costs of additional shares so you can make a decision on how to proceed.
- A Accept the offer**
Complete a simple form to accept our staircasing offer. Get IFA and Mortgage Approval (if required) prior to acceptance.
- S Solicitors**
Solicitors can be instructed to take care of the legal requirements. This process usually takes 8–10 weeks.
- E Enjoy**
Enjoy the benefits of owning your home, whether that be outright or with an increased share.



Frequently asked questions

Everything to know about Staircasing





Do I have to staircase?

The option to staircase is at your discretion as and when you're in a position to do so. However, Staircasing has many benefits for Shared Ownership customers who aspire to eventually own their own home.

How long is the valuation valid for?

The valuation is valid for three months. If the process has not been completed within this period, then either a revaluation or an extension will be required.

If I've made improvements to my home will these be disregarded in the price?

If you've made improvements to your home, such as an extension and we've consented to these improvements, The cost of the additional share will be determined using the lower value 'without improvements' figure of the Open Market Valuation report.

For example: If your home is valued at £250,000 with the extension, but would be valued at £200,000 without, then the lower figure will be used to work out the value of the extra share.

What happens if I'm not happy with the valuation figure?

If you don't agree with the value provided by the RICS valuer, you have the opportunity to challenge this by providing

written reasons directly to the chosen valuer. This must be based on current market conditions and recent comparable sales.

You should provide evidence of the sales prices of at least three similar properties in your area. You may then ask the valuer to reconsider their valuation.

If you're still not satisfied with the outcome, you may instruct another RICS qualified valuer to revalue the property at your expense.

Can you recommend which solicitor to use?

You're free to use a solicitor of your choice, however, if required, we'll be happy to recommend solicitors that regularly act for Longhurst Group shared owners when staircasing and who have extensive knowledge on the legal requirements involved in the process.

Will my property become freehold when I Staircase to full ownership?

This depends on the type of property and what is contained in the lease.

If you live in a flat, the property will remain leasehold. If you live in a house, it's likely that the freehold will transfer to you on completion, unless we don't own the freehold or your lease doesn't allow us to transfer the freehold, for example, your lease is a 'Designated Protected Area lease'.



Will I need to pay stamp duty?

This depends on if you paid any stamp duty when you first bought your home and this'll also be subject to the current stamp duty thresholds. Your solicitors will be able to confirm this to you.

Can I change the ownership of the property?

If you're 'part Staircasing' and would like to add someone onto the lease and mortgage, they'd need to be approved by us that they meet the criteria for Shared Ownership. Their income would also need to be taken into consideration for the purpose of ongoing affordability and also for confirming what additional share is affordable for Staircasing.

If you're buying the 100 percent ownership in the property and becoming the freeholder, then you'd need to confirm the full name/s of any additional buyers to us and your solicitor so they can be included on the legal papers and registered on the Title Deeds at Land Registry once the sale completes.

For removing an existing leaseholder from the property, we'd require written authority from both leaseholders. This is to be provided by your own acting solicitors.

Can I rent out my home?

If you buy your home outright, you're free to do whatever you choose with it.

However, If there's an ongoing service charge, you'd still be liable to pay the service charge and your name would remain on our systems.

If your home is an apartment and you buy the 100 percent leasehold interest, you can rent out your home but you'll still remain the 'responsible person' on our system for paying the ongoing service charge. We'd also ask for contact details of your tenants in case of any emergencies (ie, fire, theft or flooding).

If you purchase an additional share and your home is still owned on a Shared Ownership basis, you'll be unable to sub-let as this is not permitted under the terms of the Shared Ownership lease.

How long does the process of buying more shares take?

The Open Market Valuation report is valid for three months, so the process is normally completed within a three month period. This can sometimes be longer if there are any unforeseen issues arising, such as delays with your mortgage offer, however we to aim to complete all Staircasing sales within three months.

What if I have rent arrears?

You'll be required to clear any rent or service charge arrears on your account when you complete your Staircasing purchase. Any arrears will be collected on the completion statement along with the cost of the additional/final share.

What is the Staircasing process?

1. Contact us on **staircasing@longhurst-group.org.uk** and we'll provide you with further help and information.
2. Do your own research on the potential current value of your home and speak to your mortgage lender and an Independent Financial Advisor (IFA).
3. Advise us that you'd like to proceed. We'll help arrange for a RICS valuation to be undertaken on the property to determine the property's current open market value. The valuation will be valid for three months.
4. Once the valuation has been undertaken, we'll provide you with confirmation of the property's value along with the costs of additional shares and the rent/service charge amount that you'd be required to pay after your Staircasing purchase, if applicable.
5. Complete and return the signed Notice to Proceed form, confirming the amount of shares you'd like to purchase and provide your solicitor's full contact details.
6. We'll then instruct our solicitor. The solicitors will work together to produce the legal paperwork which'll be signed by both parties and a date set for completion.
7. Keep in regular contact with your solicitor and respond to any requests for information quickly.
8. The sale completes and we'll update your rent account and direct debit amount to reflect the new rent payable (if you've purchased an additional share) or close your account (if you've staircased to be the outright owner and no on-going service charges are payable). Any overpayment in rent will be returned to you via our Homeownership/Leasehold Services Team after completion.
9. If you've staircased to 100 percent and own your home outright, remember to:
 - Cancel your rent direct debit.
 - Arrange your own buildings insurance.



Contact details

For sales enquiries:



For staircasing enquiries:

☎ 0345 601 9095

✉ staircasing@longhurst-group.org.uk

Further information relating to Longhurst Group can be accessed via our website:
longhurst-group.org.uk

The information contained within this booklet is offered in good faith and is believed to be correct.

However, accuracy is not guaranteed. No liability will be attached to Longhurst Group, their representatives or agents in respect of any statement contained here.

