

Spend a little Own a lot more

YOUR GUIDE TO STAIRCASING
WITH SHARED OWNERSHIP

Shared
Ownership

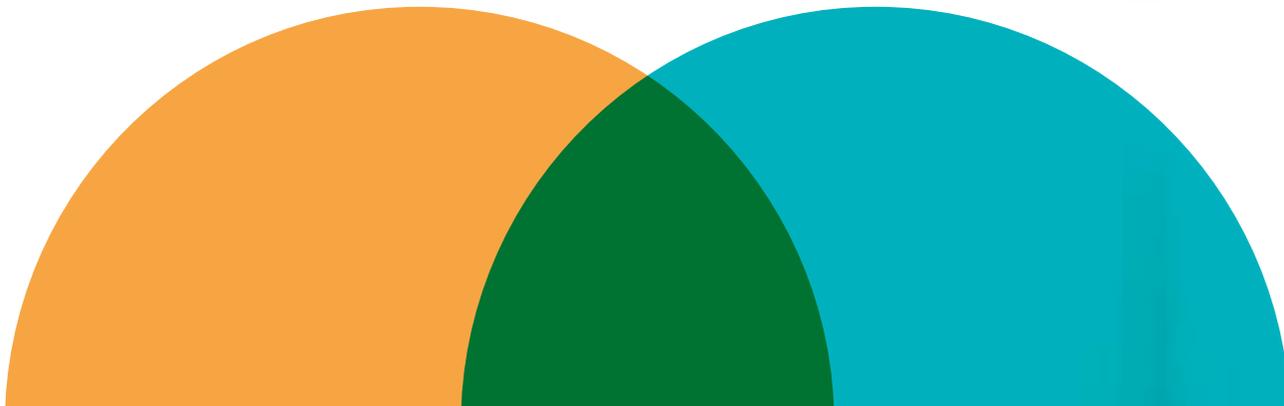




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Staircasing is how you increase the share you own in your Shared Ownership home. The greater the share you own, the less rent you pay to Peabody.



The journey to owning more of your Shared Ownership home starts here

We want as many people as possible to have a beautiful home to call their own and at Peabody, we've been helping people in London do this for over 150 years.

Now you're on the property ladder, you may wish to consider buying a greater share in your home as your savings increase over time. You can Staircase as many times as you wish, until you realise the dream of owning your home outright. If the value of your home increases over time, the value of your shares will too.

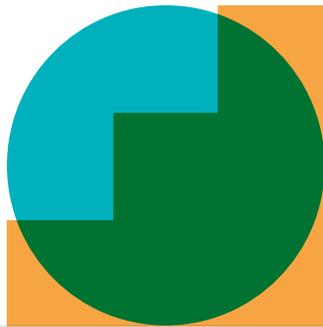


Anna
Shared Owner at The Reach,
Thamesmead SE28

Here's how it works...

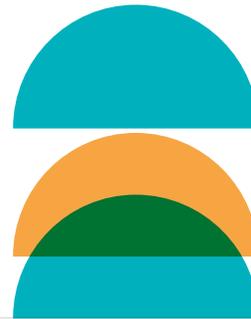
Staircasing

Buy more shares in your home as your savings increase



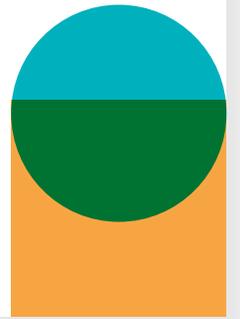
Benefits of Staircasing

Reduce your rent
The greater the share you own in your home, the less rent you pay to Peabody



Final Staircasing

Own 100%
Eventually buy all the remaining shares in your home, and become the outright owner, paying no rent



Realise the dream of owning your home outright through Staircasing

Staircasing will reduce the rent you pay to Peabody

The more shares you own in your home, the less rent you pay to Peabody.

The formula on this page will help you estimate how much you may save on rent when you Staircase.

Most people will Staircase two or three times before they own 100% of their home. Buying further shares, but not to 100%, is known as Interim Staircasing. There are costs involved every time you Staircase that you need to factor in. These can be found on [page 10](#) of this guide.

Finding out how much your home is worth

As the value of your property is likely to have changed since you first became a Shared Owner, one of the key elements

to Staircasing is obtaining a valuation to establish how much it is worth today. This will determine how much any new shares in your home will cost.

To give you an idea of your home's value before getting a formal valuation, you can use a home property website like Rightmove or Zoopla or ask a local estate agent to give you a free market estimate.

Make sure you are comfortable and you can afford to Staircase

If you are thinking about Staircasing, you should get in touch with an Independent Mortgage Advisor (IMA). They will take time to understand your finances and help to calculate how much you can comfortably afford to Staircase, based on the anticipated value of your home.



Buying more shares in your home will reduce the amount of rent you pay

To know how much rent you will pay after Staircasing, use the following example based on a Shared Owner increasing their share from 25% to 50% and paying £500 rent a month.

50	÷	75	x	£500	=	£333
The share percentage you will not own after Staircasing		The share percentage you currently do not own		Current rent		New rent

How and when you can Staircase will depend on your lease

How and when you can Staircase will depend on your lease

There are different rules on Staircasing, depending on when your lease was drawn up and when you bought your home.

For buyers of 'New Build' Shared Ownership Homes

	BEFORE 01 APRIL 2006	AFTER 01 APRIL 2006
How many times can I Staircase?	Max three times	As many times as you wish
How soon can I Staircase after my initial purchase?	After 12 months	At any time
How much of a share can I buy when I Staircase?	At least 20%, then in multiples of 5%*	At least 10%, then in multiples of 5%*

For buyers of 'Resale' Shared Ownership Homes†

	BEFORE 01 APRIL 2006	AFTER 01 APRIL 2006
How many times can I Staircase?	Max three times	As many times as you wish
How soon can I staircase after my initial purchase?	After 3 months	After 3 months
How much of a share can I buy when I Staircase?	At least 20%, then in multiples of 5%*	At least 10%, then in multiples of 5%*

GET A COPY OF YOUR LEASE →

†Resale properties are homes that a current owner bought through Shared Ownership and now wishes to sell on.

*Except in the third and final shares which would take the Shared Owner's equity up to 100%

There are some circumstances where you may not be able to Staircase

As a responsible Housing Association, Peabody may, in certain circumstances, not allow you to buy further shares in your property:

If you have arrears with your service charge and/or rent

If you cannot provide a valid mortgage offer or proof of savings for the additional shares being purchased

If your property has restrictions on Staircasing. If this applies, you will be limited to what you are able to Staircase up to. Details of any restrictions can be found in your lease

If your request to Staircase is not signed by all those who originally bought the property. If you are Staircasing and removing someone from the lease (known as a 'transfer of equity'), all current leaseholders must still sign the form



Home improvements can affect the value of your home

In addition to the location and size of your home, home improvements may also affect the value of your home. As a general rule, only structural improvements will affect the market value of your home. This includes extensions and conversions, but not replacement bathrooms, kitchens or flooring, unless structural works have also been undertaken. For example, extending the property to add an extra bathroom.

If you have undertaken any home improvements on the property, please include these on the valuation form, along with evidence of approval by Peabody, when instructing a valuer.

Make sure Peabody have given you consent

As per the conditions of your lease, all home improvements must be approved by Peabody before you start work. If you did not obtain approval from Peabody for any home improvements, the valuer will need to disregard these from the final valuation figure.

[FIND OUT ABOUT IMPROVEMENTS](#) →

To request consent for home improvements, please contact our Customer Care Line on 0300 123 3456 or email us at CustomerCareLine@peabody.org.uk



Martin
Shared Owner at
Wharf Road, Islington N1

Cost of Staircasing



VALUATION FEE

from **£216***

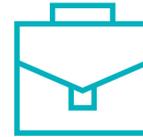
We have negotiated competitive fees with our panel of Royal Institute of Chartered Surveyors (RICS) qualified valuers to determine the current open market value of your home.



ADMIN FEE

£220

The Peabody team are here to support you on your journey through Staircasing. The administration fee enables the Peabody team to complete the administrative tasks associated with Staircasing.



LEGAL EXPENSES

from **£350**

Staircasing involves changes to your existing lease, which requires the professional services of a solicitor. The solicitor will charge disbursements and professional fees for acting on your behalf.

You are not responsible for Peabody's legal fees.



MORTGAGE FEES

If you are applying to change lenders (known as 're-mortgaging') to buy the additional share or to obtain a better interest rate, you may be required to pay the lender's valuation fee, and you may be required to pay a mortgage arrangement fee. Please discuss this with your mortgage advisor or lender.

If you choose one of our recommend IMA's, your mortgage arrangement fee will be free.



STAMP DUTY

In certain circumstances you may need to pay Stamp Duty. Please discuss this with your solicitor.



Every time you Staircase you will have expenses to pay. It is worth considering the costs involved with buying an additional shares in your home

Your journey through Staircasing



1

Get an idea of how much your home is worth in today's market

Check with Zoopla and Rightmove to see how much similar properties in your area are on the market or have recently sold for. You could also contact a local estate agent who may give you a free estimate of your home's value.

Once you have an idea how much your home may be worth, you should register your interest in Staircasing.

[REGISTER YOUR INTEREST](#)


2

Speak to one of our Independent Mortgage Advisors (IMA)

An Independent Mortgage Advisor (IMA) will support you to understand your current financial position and whether you are able to comfortably afford to buy more shares in your home.

This will be a free short pre-assessment which can be carried out over the phone and takes around 30 minutes to complete.

[FIND AN IMA](#)


3

Instruct a Valuation

You will also need to instruct an independent RICS/FRICS (Fellow of the Royal Institute of Chartered Surveyors) registered surveyor. We have an experienced panel of surveyors that can assist you who provide very competitive rates to Peabody residents.

Peabody will need to approve the valuation before you can proceed. If Peabody does dispute your initial valuation, you may be asked for another valuation which you may have to pay for.

[FIND A SURVEYOR](#)


4

Check your full valuation report

The surveyor will research in your area and carry out a valuation report with comparable evidence of at least two similar properties in your area that have been sold or are being marketed. The report should also detail if you have made any home improvements.

This report will be sent to you to review within five working days, if you have chosen a surveyor from our panel.

Your journey through Staircasing



4

Send your valuation report to Peabody for approval with a £220 admin fee

If you are happy with the valuation and wish to proceed with Staircasing, you need to contact the Peabody Staircasing Team and provide your valuation report for approval, along with your signed 'Intention to Proceed' form, which will be provided to you by email after your initial enquiry.

You must pay an administration fee of £220 by debit card when you intend to proceed with Staircasing. To pay the admin fee, contact the team on 0203 478 9875.



5

Receive an offer letter

Within 10 days of Peabody receiving the valuation report, we will issue an offer letter to you by email along with the 'Intention to Proceed' form attached.



6

Take a full financial assessment

You will need to contact the Independent Mortgage Advisor (IMA) who completed your pre-assessment and provide them with details of your home valuation.

They will then be able to complete a full financial assessment to understand the maximum additional shares you can buy.

At this meeting you will need your passport, latest P60 and your last three months' payslips and bank statements. You will also need to provide proof of any savings that you will be using towards your purchase.

If you are self-employed you will need audited accounts for the last two years from a certified accountant or your last two years' tax assessments from the HMRC.

If you bought your home with another person and are buying further shares together, you must both supply these documents to your mortgage advisor.



Your journey through Staircasing



8

Appoint a solicitor and make a mortgage application

We recommend using an independent solicitor and mortgage advisor who specialise in Shared Ownership, and we always recommend you select a solicitor who offers a fixed fee for their services.

You now need to make your mortgage application. The mortgage advisor will be able to assist you with your mortgage arrangements to buy the additional shares.

[FIND A SOLICITOR](#)



9

Your solicitor should arrange completion of the Staircasing transaction within three months of your valuation

Your solicitor will undertake the legal work on your behalf. They may need to arrange an appointment to go through the legal paperwork with you.

Your lender and solicitor should act quickly to achieve completion prior to expiry of the valuation in order to prevent you incurring additional costs. If you and your solicitor believe the transaction is unlikely to complete before the valuation expires, you will need to obtain an updated valuation report. If you contact the surveyor, they may be able to provide you with a valuation extension.



10

Congratulations your Staircasing has completed

Congratulations! Once your solicitor has completed all the necessary legal work, you will own either a greater share or the full 100% value of your home.



What happens when you own 100% of your home?

Congratulations, you are now the sole owner of your home

While you no longer pay Peabody any rent, there are still some ongoing costs you need to be aware of, depending on what type of home you own.

If your home is an apartment...

Like all owners of an apartment, you will still pay your service charge and management charges including the ground rent. You will still be covered under the block's buildings insurance policy.

In certain circumstances (an individual headlease or superior lease, where Peabody are not freeholders or managing agent) Peabody may transfer the headlease or superior lease to you. Your solicitor will deal with the transfer, which will take place alongside the Staircasing.

If your home is a house...

If you own a house, the freehold can be transferred to you when you have Staircased to 100%. Your solicitor will need to serve notice to Peabody requesting the freehold of the property be transferred to you. There is no charge for this transfer, but you will have to pay your legal costs.

On completion of the transfer, you will no longer be charged for buildings insurance by Peabody and you will need to have your own policy in place. In some cases, you may still have to pay an estate management charge if you live on an estate and are responsible for some of the communal costs. This will be stated in your lease if it is applicable.

Selling on the open market

Now you own 100% of your property outright, you can sell it on the open market using an estate agent of your choice. In some cases, your lease may restrict you from selling your property for three months following Final Staircasing.

Once you have found a buyer for your property, your solicitors will contact our leasehold team with any enquiries from the buyer's solicitor.



For more information please contact:

0203 478 9875

Resales&StaircasingTeam@peabody.org.uk

peabodysales.co.uk/Staircasing