



Islington & Shoreditch Housing Association

Staircasing guide for shared owners

Introduction

This leaflet is aimed at shared owners with ISHA and looking to buy more shares in their home or 'staircase'. This is a great chance for you to increase your level of ownership and move towards owning your property outright.

Buying further shares is called 'staircasing' and enables you to own more of your home. Most shared owners have this right, but your lease will detail any restrictions that may apply.

Topics in this guide

- What is staircasing?
- How does staircasing work?
- Can I staircase?
- Valuing your property to establish the share price.
- What if I've made improvements to my property?
- What are the timescales?
- What do I do once I have received the valuation?
- How long is the valuation valid?
- What happens to my rent and service charge payments?
- How does the legal process work?
- Costs involved.
- Terms used.
- How to contact us.

What is staircasing?

Buying a shared ownership property is a great way of getting your foot on the property ladder. It allows you to purchase a share and pay rent on the remainder. In time you may decide that you would like to buy more shares. Purchasing shares is called 'staircasing'.

How does staircasing work?

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 is 1%, but please be aware that some leases are limited to three tranches.** You will be responsible for the costs involved, including solicitors and valuers.

Can I staircase?

Firstly, you need to contact ISHA and inform us that you are interested in considering staircasing. There are no restrictions on how long you must wait to staircase; you can start the process as soon as you have signed your lease.

ISHA recommends that you seek independent financial advice (for more information look at www.unbiased.co.uk) before staircasing. You also need to know that you can secure extra borrowing and can afford the increased mortgage.

If you decide to apply you will need to complete a form and provide us with your solicitor's contact details. The form will need to be signed by all owners of the share, so if you bought with someone else, they would need to sign too.

Valuing your property to establish the share price

Shares are sold at current market value and not at the value you bought your initial share. You will select a surveyor from our recommended panel of independent surveyors who are all members of the Royal Institute of Chartered Surveyors (RICS) to conduct a valuation on your behalf. You will be liable to pay for the valuation, which ranges from £180 plus VAT for a desktop valuation* or from £300 plus VAT for a full inspection.

** Desktop valuations can only be done if no improvements have been made to the property since the original valuation.*

What if I've made improvements to my property?

If you have made improvements to your home, the added value of this will be considered. For example, if you have fitted a new kitchen, we will ask the valuer to value your property with and without a new kitchen. So, if your property is valued at £220,000 and the kitchen adds £1,000 to the value of the property, the current market value will be £219,000. This will only apply where you requested permission for the improvement as your lease requires.

What are the timescales?

The process usually takes about three months, depending on the legal process.

What do I do once I have received the valuation?

We will write to you to confirm how much the extra shares will cost. If you decide to proceed, you must confirm in writing that you agree to the valuation and the share amount you wish to purchase. You must also instruct a solicitor and provide us with their contact details.

How long is the valuation valid?

The valuation will usually remain valid for three months after receiving the valuation report. You must complete the purchase of further shares before the valuation expires. If you are unable to meet this deadline, it may be necessary for another valuation to be carried out at extra expense. We will only meet these costs if delays are due to us. You may find that the value of your home has changed, which means the price you pay will also change.

What happens to my rent and service charge payments?

Rent continues to be paid on the share you do not own until you have staircase to 100% ownership. You will be informed about how much rent you must pay before the share sale is completed. We aim to keep the portion of the rent you pay affordable, which is reviewed annually.

Service charge payments

Service charges are unaffected by staircasing. You will continue to pay even if you own your home outright. If you occupy a house and buy outright, making you a freeholder, you may still have to pay for some estate service charges, such as estate lighting. Ground rent, when applicable, is a specific requirement of the lease and must be paid on the due date, usually in advance each year.

How does the legal process work?

Once you have provided the details of your solicitor and confirmed in writing your wish to staircase together with the agreed value, we will instruct our solicitors. They will then start communicating with your solicitor for legal paperwork.

Costs involved

There are several costs involved in staircasing that you should take into account before making a decision to proceed:

- Property valuation fee.
- Solicitor's legal fees (Yours).
- Re-mortgage consent.

Terms used

Freeholder

The absolute owner of the property and the land on which it stands.

Improvements

Adding or providing something that may add value. For example, fitting double glazing.

Leaseholder

The person who has been granted a lease for a set period of time.

Service charge

A charge payable under your lease for the repair and maintenance of communal facilities or areas. It can include a sinking fund contribution and buildings insurance.

How to contact us

If you would like to discuss this option, please do not hesitate to contact a member of ISHA's Leasehold Team.

Email: homeownership@isha.co.uk

You can write to us, or visit us in person at:

ISHA
102 Blackstock Road
London N4 2DR

Switchboard: 0300 131 7300

General email enquiries: isha@isha.co.uk

Website: www.isha.co.uk/

Facebook: www.facebook.com/ISHAHousingAssociation

X (formerly Twitter): www.twitter.com/ISHA_London

Instagram: https://www.instagram.com/ishagram_london/

This guide is a summary of the information that can be found in your lease and must only be read as a guideline. Your lease is the overriding legal document which you must refer to.

If you have difficulty understanding this document because English is not your first language or because you have difficulty seeing the text, you can request a translation in your language or an audio version in English by ticking the appropriate box, completing your name and address, and returning this page of the document to address below.

<p>ইংরেজী আপনার প্রথম ভাষা নয় বলে আপনার যদি এই কাগজটা বুঝতে অসুবিধা হয় অথবা আপনার এটা দেখতে অসুবিধা হয়, তাহলে আপনি আপনার ভাষায় এর অনুবাদ কিংবা টেপ করা সংস্করণ চাইতে পারেন। সেজন্য আপনাকে সঠিক বাত্মে টিক্ চিহ্ন দিতে হবে এবং আপনার নাম ও ঠিকানা লিখে এই পাতাসহ পুরো কাগজটা নিচের ঠিকানায় পাঠিয়ে দিতে হবে।</p>	<p>Si vous avez des difficultés à comprendre ce document parce que l'anglais n'est pas votre langue maternelle ou parce que vous avez du mal à voir le texte, vous pouvez demander une traduction dans votre langue ou une version en anglais sur cassette en cochant la case qui convient, en indiquant votre nom et votre adresse et en renvoyant le document avec cette page à l'adresse indiquée ci-dessous.</p>
<p>W przypadku jakichkolwiek trudności ze zrozumieniem niniejszego dokumentu, spowodowanych barierą językową lub słabym wzrokiem, istnieje możliwość otrzymania tłumaczenia w języku polskim lub nagrania audio w języku angielskim. Proszę zaznaczyć jedną z poniższych kratek, wpisać swoje dane oraz adres i odesłać dokument wraz z niniejszą stroną na poniżej podany adres.</p>	<p>Haddii ay dhibaato kugu tahay fahamka dokumentigan sababtoo ah Ingiriiska ayaan ahayn luqaddaada kowaad, ama waxaad ah kaarin farta qoraalka, waxaad codsan kartaa in laguugu turjumo luqaddaada ama qaybta Ingiriiska oo cajalad ahaan u duuban, si aad u codsatid sax khaanadda ku habboon, adigoo ku buuxinaya magaca iyo cinwaankaaga kadibna dokumentiga oo uu boggani weheliyo ku soo celi cinwaanka hoos ku qoran</p>
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<p>اگر آپ کو اس دستاویز کو سمجھنے میں مشکل درپیش ہے کیونکہ انگریزی آپ کی پہلی زبان نہیں ہے، یا آپ کو لکھائی دیکھنے میں مشکل درپیش ہے، تو آپ مناسب خانے پر بک کا نشان لگا کر، اپنا نام اور پتہ لکھ کر، دستاویز کو اس ورق کے ساتھ نیچے ویسے گئے پتے پر واپس بھیج کر اپنی زبان میں اس کے ترجمے، یا انگریزی میں ٹیپ پر حاصل کرنے کی درخواست کر سکتے ہیں۔</p>	

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