



# Your guide to staircasing

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# Buying more shares in your home

## What is staircasing?

You can buy a greater share of your Shared Ownership home.

This process is known as staircasing. The greater the share you buy of your home, the less rent you'll pay to Sage Homes. If you staircase to 100%, you'll become an outright owner and pay no rent (just service charge if applicable).

## Interim staircasing

Buying a greater share of your home to a total of less than 100% is known as interim staircasing.

When you interim staircase, your rent will reduce in proportion to the share you own after completion.

**Service charge will be unaffected.**

## Final staircasing

If you staircase to 100% (either in one transaction or after one or two interim staircasings) the share taking you to 100% ownership is known as final staircasing.

When this happens, you own the property outright and are no longer a Shared Ownership customer. You won't have to pay rent to Sage Homes, but you will still pay service charge (if applicable).

## How much does staircasing cost?

We'll give you a free estimate of your home's value. This will help you understand how much staircasing will cost you - before you do anything. These are the typical costs associated with staircasing:

- The RICS valuation fee. This varies but is usually between about £250 and £350
- Mortgage arrangement fees to your lender, if this applies
- Your lender's valuation fee, if this applies
- Your legal fees and transfer of freehold costs (if staircasing to 100%)
- Our staircasing administration fee, which is £185
- Stamp duty - If you didn't pay stamp duty on the full value of your home, you may need to pay extra stamp duty. Your solicitor will be able to advise you
- The cost of the extra share. This is set by the RICS valuation.

# How long does it take?

Staircasing usually takes between four weeks and three months.  
Your case may vary.

## You'll need to consider the following:

- 1** We'll give you a free estimate of your home's value. We can usually do this in five working days.

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- 2** Start preparing all your documentation before starting the valuation process. This will make sure you're ready to go and stop unnecessary delays later on.

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- 3** Get your home valued as soon as possible. When we instruct a surveyor to value your home, we'll ask them to book your appointment as soon as possible. Busy surveyors can take up to three weeks to value your home and provide their report.

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- 4** Valuations are usually only valid for three months from the report's date. If you haven't completed buying the share by this time, you'll need to get an updated valuation.

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- 5** Delays in completing the purchase are normally due to problems arranging the finance or gathering legal documents. Three months is usually enough time to complete a staircasing transaction. Please send us all the documents and your application form promptly to avoid the need to get a new valuation.

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- 6** If you've told us the size of the share you want to buy and then change your mind after we've instructed solicitors, you may need to update your valuation. It'll take up to five working days to process your request to change the share that you will be buying and provide the updated memorandum and the new instruction to our solicitor.



# Five simple steps to staircasing



## Step one: Contact Sage Homes for your free estimate

Contact us to ask for a free estimate of your home's value. This isn't the valuation that will be used to calculate the cost of buying additional shares.

This free estimate will give you an idea of your home's value and help you decide if staircasing is right for you. You can use this estimate as a guide when speaking to your mortgage advisor or mortgage lender.

The staircasing value can only be based on a valuation provided by a RICS qualified surveyor and this may differ from the estimate we provide.

Get your free estimate by emailing [staircasing@sagehomes.co.uk](mailto:staircasing@sagehomes.co.uk)

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## Step two: Speak to an independent financial advisor

We recommend that you speak to your current mortgage lender or an independent financial advisor to decide what you can afford. You should do this before you start the formal staircasing process to avoid unnecessary fees.

### Customer diligence and anti-money laundering

Sage Homes must carry out basic customer diligence, identification and money laundering checks. We reserve the right to ask for further documentation and information from you to meet our legal responsibilities.

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## Step three: Contact Sage Homes to request a RICS valuation

After you've checked with your mortgage lender or independent financial advisor, contact Sage Homes and ask for a RICS valuation. You'll need to pay us for arranging the valuation and this will cost between about £250 and £350 but can vary depending on size and type of property. We'll contact a RICS qualified surveyor and confirm the cost before you pay. Once instructed the surveyor will contact you and arrange to visit your home.



## Step four: Valuation received - submit your application and pay your administration fee

When we receive the RICS valuation, we will share this with you within two working days. You should check with your mortgage advisor or mortgage lender that they are happy with the actual valuation. You will then need to pay our administration fee and provide us with the documents we need.

We'll then instruct our solicitors and the legal work will begin. This is when you should also instruct your solicitors.

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You should double check your finances, discussing the valuation with any mortgage advisor or lender. Your valuation is valid for three months so you may need to move fast.

You'll then need to email your application (including your ID and address verification checks) to [staircasing@sagehomes.co.uk](mailto:staircasing@sagehomes.co.uk). You'll also need to pay our administration fee\* of £185 via bank transfer.

We'll give you our bank details when you're ready to pay.

Wait for confirmation of your application and administration fee. We'll then instruct our solicitor and pass on all relevant information to them. They'll work with your solicitor to agree a completion date.

We advise you to keep in regular contact with your solicitor during this time.

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## Step five: Completion

Congratulations! You now own either a greater share or the full 100% value of your home. Your solicitor should now register your transaction with the Land Registry.

\*Sage Homes charge a £185 administration fee for our services when a customer wishes to staircase. The fee covers the running costs of the team enabling us to provide a service to our customers and carry out administration duties.

Please also note: Sage Homes' administration fee is non-refundable so please make sure you're confident that you can proceed with your staircasing application before committing. Please note that any rent or service charge arrears will need to be cleared before completion.



## After staircasing

Sage Homes will adjust your account to show the increased share you own in your home. We'll also refund any rent monies owed, send confirmation of your new charges and/or close your account depending on your circumstances.

Your service charge will remain unchanged if you have bought less than 100% of your home, but if you have bought all the remaining shares in your property your service charge may change. If you live in a house and become the full owner you'll no longer be covered under Sage Homes' building insurance. From the date your staircasing transaction completes, you'll need to arrange your own building insurance.

### Your solicitor should:

- Provide you with a copy of the memorandum of staircasing signed by Sage Homes
- Register the memorandum of staircasing with the Land Registry and confirm this with you and your managing agent if you pay service charges directly.

### You should:

- Make sure you've received the signed memorandum of staircasing from your solicitors. Keep this safe together with your lease
- Contact our homeownership services team if you have any questions regarding direct debits and refunds.



## Final staircasing: what's next?

### Live in a house?

Once you've staircased to 100% ownership, the freehold can be transferred to you.

Your solicitor will need to serve notice to Sage Homes requesting the freehold of the property be transferred to you. There's a charge for this transfer which is outlined in our administration fee breakdown.

On completion of the transfer, you'll no longer be charged for building insurance by Sage Homes. You'll 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 (please refer to your lease, or ask your solicitor).

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### Live in an apartment?

Once you've staircased to 100% you will no longer pay Sage Homes rent, however you are still required to pay service charges and management charges.

You'll still be covered under the block building insurance policy. Once you own 100% of your home, you're free to sell it on the open market.

If you choose to sell and find a buyer, your solicitor will contact Sage Homes with any enquiries from your buyer's solicitor (please note there is a charge for this service). Some leases restrict you from selling for three months following final staircasing.

## Frequently asked questions

### How is the purchase price of the shares calculated?

When you staircase, you buy the additional share of your home at the current market value. For example, if you wish to purchase an additional 25% share and your property is valued at £100,000, the purchase price will be £25,000. This means if your home has increased in value, you buy the new share at the increased value.

### What is the minimum share I can purchase?

You can increase your ownership in stages or jump to 100% ownership in one stage. You may also be able to staircase in 1% increments. Check your lease to see if you are eligible for these options. The minimum share you can purchase is 10% of the unsold equity. You may only be able to staircase a maximum of three times. If you partially staircase we will also need to see and approve your new mortgage offer (if applicable).

### What if I disagree with the valuation?

The RICS valuer will use recently sold similar homes to work out valuation. They're required to act independently. Both you and Sage Homes can query the valuation but would need to provide evidence based on comparable sold properties. The valuer may accept further evidence but their opinion on the value is final.

### Will I still pay Sage Homes for my building's insurance after completion?

If you have purchased the full 100% of your home, and your property is a house, you will need to arrange your own building insurance cover to commence from the date of completion.

However, if you have purchased the full 100% of your apartment, it's possible that you'll continue to pay your monthly building insurance premium to us as part of the service charge. Alternatively, you may have to pay this directly to a managing agent.



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