



Hyde
New Homes



A guide to **staircasing**

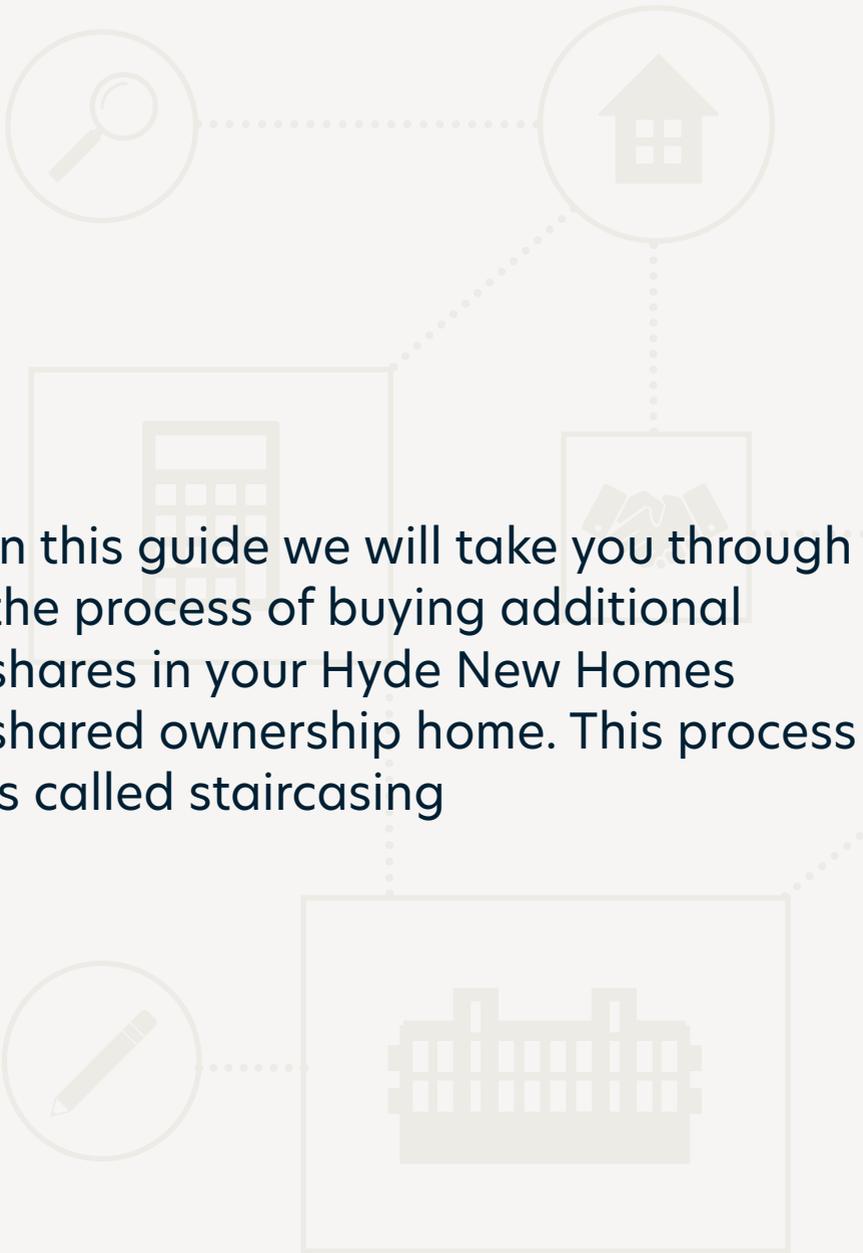
Great homes for everyone



"This is a big life change for me, so I wanted to find a figure I was comfortable with initially, knowing I might staircase and increase my share at a later stage."

Jennifer Marshall
The Waterfront





In this guide we will take you through the process of buying additional shares in your Hyde New Homes shared ownership home. This process is called staircasing

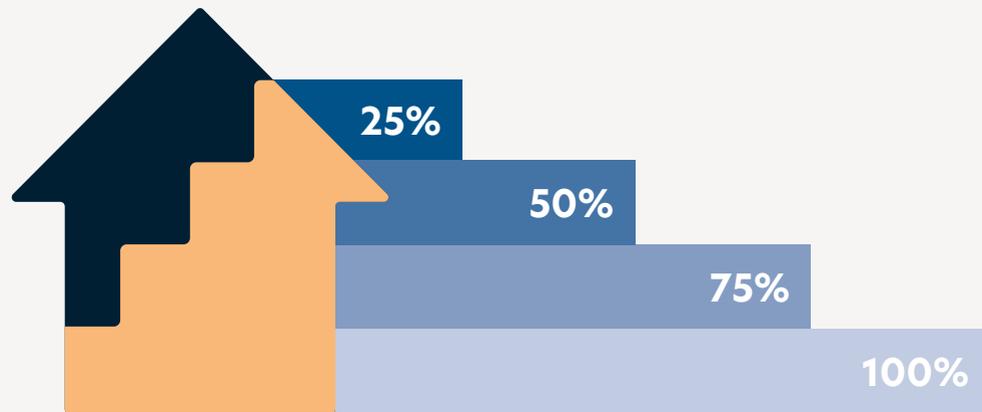


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Introduction

- Most shared ownership leases allow you to buy additional shares in your home to the point that you own it outright
- The price you pay for additional shares is based on the current market value of your home
- You can staircase in three separate stages, or in one stage to 100%
- The minimum additional share you can buy is 10%



- The greater the share of your property that you own, the lower the rent that you pay to us will be
- If you staircase to 100% ownership you will no longer pay us any rent and if your home is a house you will become the freeholder*
- If your home is a flat, you will still be a leaseholder and will continue to pay a service charge

*You may need to continue to pay an estate charge for some houses after you become the freeholder.

Valuation

- We will provide details of a panel of RICS Surveyors
- You can make arrangements for an open market valuation to be carried out to confirm your home's value, including any improvements you've made (see Home Improvements below)
- You are responsible for the cost of the valuation
- We will only accept valuations from surveyors on our panel



Our panel of independent surveyors provide valuations at preferential rates for our leaseholders and have experience of valuing homes in the areas in which we operate

- Under the terms of the shared ownership lease the surveyor's valuation is final and binding for both you as the leaseholder and for us
- Additional shares must be purchased at the price recommended by the RICS surveyor as this is a requirement of the lease
- Once we receive a copy of the valuation we will work out the price of your additional shares and write to you with full details of the next stage
- Valuations are valid for three months
- If the staircasing purchase is not complete within three months we will need an updated desktop valuation

Home Improvements

- If you've made significant improvements to your home these should be listed
- The surveyor will make two valuations; one that takes the improvements into consideration and one that does not
- The valuation without improvements will determine the cost of the additional share



Significant improvements include:

- New windows
- New fitted kitchen or bathroom
- Loft conversions
- Conservatories



Improvements not taken into account:

- General maintenance
 - New boilers
 - Repairs and redecoration
-
- If the valuation shows that your home has reduced in value because of lack of maintenance or repair, we will need a valuation that assumes your home is in good condition for its age. If this is the case, we will base the cost for additional shares on this
 - Valuations are valid for three months so the staircasing transaction should take place within this time to avoid the value of your home increasing. This would affect the cost of the share you are buying



How big a share can I buy in my home?

- Check your lease to find out how much of your home you can eventually buy
- Please note, some homes in rural areas do not allow staircasing to 100%
- When considering how large an additional share to buy, please bear in mind that each staircasing transaction comes with its own valuation and legal fees
- It's a good idea to buy as big a share as you can afford each time you staircase

The costs associated with staircasing

Each time you staircase you should take into account the following costs

- Valuation fee
- Your solicitors fee
- Mortgage arrangement fee (if applicable)
- Leasehold enquiry fee (if applicable)
- Stamp duty (if applicable)
- Staircasing admin fee



Stamp Duty

You may or may not have to pay Stamp Duty depending on the current stamp duty threshold and how much, if any, was paid when you bought your original share in your home. Your solicitor can advise you on Stamp Duty or you can find out more online at: www.gov.uk/stamp-duty-land-tax.

The staircasing process

1 Form of Instruction

- Once we have approved the valuation and the cost of the share has been confirmed, we will send you a 'Form of Instruction'
- The Form of Instruction gives us details of the share you own, the additional share you want to buy and the details of your solicitors
- Each legal owner of the property has to sign the 'Form of Instruction'
- At this stage, you will need to pay an administration fee of £225.00 to us

If you have any rent or service charge arrears, these will need to be settled in full before completion

2 Formal Offer

- Once we've got your Form of Instruction we will send you a formal offer letter confirming the share you are buying and the cost
- If you are buying a partial share we will let you know how much your reduced rent will be once you have completed



3 The Legal Process

Once you have the formal offer letter you should instruct your solicitor to act for you on the staircasing transaction. We will instruct our solicitors and both solicitors will liaise with each other.

- We will provide details of our independent panel of solicitors who are experienced in shared ownership and offer our buyers and sellers competitive rates
- The panel of solicitors have good working relationships with our solicitors and understand the legal process of buying more shares in a shared ownership home
- Instructing a solicitor who does not understand shared ownership can often cause delays
- Once you have received a formal mortgage offer from your lender our solicitors will produce a Memorandum of Staircasing. This is an important legal document that is inserted into the lease as evidence of staircasing



- The Memorandum of Staircasing confirms the share you have bought, the price you paid and the date of completion
- Your solicitor is responsible for inserting the Memorandum of Staircasing into the lease and ensuring that the Land Registry is updated



4 Completion

- Our solicitors will liaise with your solicitors to confirm that all the legal formalities are completed and all documentation is signed before agreeing a completion date
- Our solicitor will send your solicitor a Completion Statement showing the amount to be paid to us for the additional shares and any outstanding rent and service charge arrears that are owed



Partial Staircasing

- If you have bought an additional share but still do not own 100% of your home, this is called Partial Staircasing
- The rent you pay us for the share you don't own will go down but all other charges will stay the same

Final Staircasing

- If you buy the remaining equity in your home you will become the outright owner
- If your home is a house we will normally transfer the freehold to you and you will then be responsible for the buildings insurance
- If your house has an estate charge, you may need to continue to pay this for upkeep of communal areas
- If your home is a flat and we are the freeholder you will no longer need to pay us any rent. You will still have to pay service charges and ground rent if applicable
- If your home is a flat and we are not the freeholder, it may be the case that you no longer have to pay any service charges to us. Instead you may need to make arrangements with the Managing Agent to pay service charges directly to them
- Once you have staircased to 100% ownership you are free to sell your home on the open market
- Please note that some leases restrict you from selling your home for three months after final staircasing. Check your lease for details



About Hyde New Homes

Homes for the future

Hyde New Homes is part of the Hyde Group, one of England's largest housing associations. Hyde owns and manages about 50,000 homes in London and the South East, as well as East of England and East Midlands. We provide about 105,000 people with homes at prices they can afford, on long tenancies, enabling them to improve their life chances.

Hyde New Homes brings home ownership within reach of many more people than could otherwise afford one.

We work with local authorities, Homes England and the Greater London Authority, as well as institutional investors, private housebuilders and developers, to build homes for shared ownership and for purchase through the Government-backed Help to Buy scheme, enabling more people to afford a home of their own.

We are proud that the homes we build are generous in size, stylish and functional. We use quality fittings and long-lasting materials, and also make the most of heating and insulation technology to minimise customers' fuel bills and cut emissions.

All the profits generated from sales are ploughed back into what we do best: providing safe, decent and energy-efficient homes for everyone who needs one. Our objective is to build more of the right homes, in the right places, to help solve the nation's housing crisis - we plan to deliver 8,300 more homes in the next five years.

But we don't just build homes; we create thriving and sustainable neighbourhoods that regenerate local communities and improve residents' lives. Several of our major regeneration schemes, including Stonebridge in Brent, Remix Helix in Harlesden and Packington in Islington, have been held up as exemplars of how regeneration should be carried out.

Gold standard service

Our ambition is to become a truly customer-driven housing provider. That means communicating clearly and listening to you throughout your home-buying journey, from the initial viewing to when you move in. We also work hard to ensure you're settled comfortably in your new home and we will be regular touch with you over the first few months.

A recent survey of some of our new shared owners and home owners, by independent research company In-house, shows the success of our approach, with over 90% of customers saying they would recommend Hyde to friends and family. We are delighted that, as a result, we have been granted the In-house Gold Award for the seventh year running.



91.9% of our customers would recommend us to a friend





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