



Connect Housing

Staircasing Policy

## **Responsible Staff**

Lettings and Leasehold Service Manager & Lettings and Leasehold Agents

## **Introduction**

This policy outlines Connect Housings approach to the purchase, by Shared Owners, of additional equity in their home. This is called staircasing.

This Policy is consistent with the Homes England guidance on shared ownership (the Capital Funding Guide).

## **What is staircasing?**

Staircasing enables you to buy further shares in your home when you can afford to.

## **Restrictions**

Your lease gives you this right to staircase but may state if there's a minimum percentage you must buy, or a maximum number of times you can staircase. Details of any restrictions can be found in your lease. If your lease does not state a minimum or maximum we will follow the model lease in the Capital Funding Guide.

Under certain circumstances, and as a responsible landlord, Connect may refuse to allow a staircasing request, examples of this may include;

- You have arrears with your service charge and/or rent.
- You cannot provide a valid mortgage offer or proof of savings for the additional shares being purchased.
- 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.

## **Valuing your home**

You'll need to pay for your home to be valued by a Royal Institution of Chartered Surveyors (RICS) qualified surveyor. Connect can organise this for you or you can select your own.

Your home will be valued in accordance with the terms of your lease. The valuation is usually valid for three months from the date of the report. If it expires before the staircasing completes, updating it will be at your own additional cost.

If you get an updated valuation and the value has changed we'll recalculate the staircasing premium (the amount you'll pay us for the additional shares). If you're not happy with the valuation, your lease may suggest your options. If your lease does not suggest a resolution, you should provide Connect and the valuer with three comparable values to consider. This could include you commissioning a further valuation to support your view. This will allow the original valuer to reconsider their opinion.

If you have completed any home improvements, you'll need to list them on your staircasing application, along with evidence that Connect has approved them. The surveyor will disregard the added value of those improvements (if any) when they value your home.

### **Staircasing Process**

Upon receipt of the valuation Connect will contact the leaseholder and advise of;

- The value of their share.
- The amount which the leaseholder will be required to pay to complete the purchase of the further tranche.
- The amount of the valuation fee and any outstanding rent or other charges which will be payable in addition to the purchase price
- The amount of the rent which the leaseholder will pay if the staircasing purchase is completed
- The procedure for completing the purchase of further equity
- Request details of their solicitor if they intend to proceed.
- The three month period within which the purchase must be completed
- Ask the Leaseholder for confirmation of their intention to proceed

### **Procedure and Completion**

Connect will confirm solicitor details for all parties and mortgage details where applicable. We will actively monitor the process from this stage and where applicable supply any information required by the solicitors acting on behalf of the leaseholder and Connect.

On completion the valuation must remain within 3 months of the valuation date, if this is likely to lapse then a new valuation will be required. If the valuation figure differs to the original figure then we will recalculate the staircasing premium. We will advise the leaseholder of the new rent figure (if applicable) and request any standing orders are altered to reflect the revised charge.

If the staircasing is 100% we will advise the leaseholder to cancel standing order and to arrange their own buildings insurance if appropriate.

### **Selling after final staircasing**

Once you've staircased to 100% ownership, you're usually free to sell the property on the open market without our consent.

You should check your lease or freehold transfer document, as you may need to wait for a period before selling. If you sell in this period you may be required to make an additional payment to us. This will be detailed in your lease.

### **Document Review**

Connect Housing will undertake to review this document every three years or amend before where there are any significant changes in legislation, regulation or Local Authority policy. Approval from the Board will be sought for any significant changes to this policy

## Appendix:

### A: Version History

Version	Date	Summary of Changes
V1	5 <sup>th</sup> Jan 2023	Staircasing Policy and Procedure replaced with Staircasing Policy, new document