



**SRC MORTGAGE
SOLUTIONS**

STAIRCASING



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**A STEP-BY-STEP
GUIDE TO BUYING
MORE SHARES IN
YOUR HOME**
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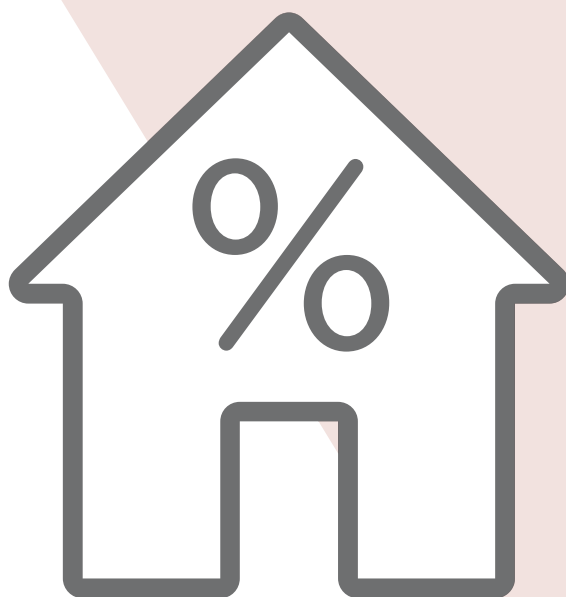


What is Staircasing?

Staircasing is the term used to describe buying more shares in a shared ownership property. Your lease will tell you the minimum percentage you can buy, but this is normally 10%.

Once you staircase to 100% ownership, you will not have to pay rent to the housing association but you may still need to pay ground rent, service charges, or estate maintenance charges if you own a house.

Some leases may limit the maximum share you can purchase e.g., 80%. This is to ensure that affordable housing is still available within your area.



The Process

The first step in the process is to work out whether staircasing is a viable option for you. This will depend on several factors including your financial circumstances and your property value.

We can provide an initial staircasing appraisal free of charge, which will confirm whether you can staircase and provide an estimate of costs.

STEP Initial Appraisal

1

Contact us for a free no obligation appraisal. We will confirm whether staircasing is possible and provide you with an estimate of the costs.



STEP

2

Notify the Housing Association

You will need to contact your housing association to inform them of your intentions. They will normally require you to complete a Staircasing Instruction Form and ask for the property to be valued.

The valuation will need to be conducted by a RICS qualified surveyor, which you will need to pay for. Please remember that if you decide not to proceed after the survey has been completed you will not receive a refund.



STEP

3

Buying More Shares

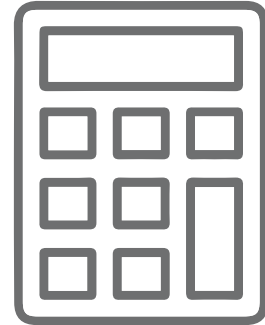
We will advise you on the additional share that you can afford to purchase. If you are not staircasing to 100%, your housing association may require you to complete a financial assessment to check that the additional share purchase is affordable (this is something we can help you with).

At this stage you will need to appoint a solicitor to act on your behalf. We would recommend you use a firm that is familiar with shared ownership and can provide details of firms that can assist you.

FAQs

How is the share price calculated?

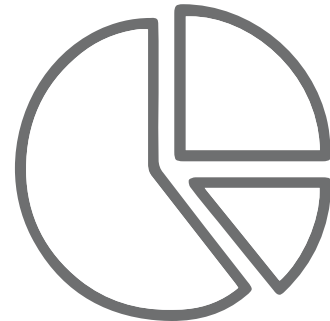
The share price is calculated on the current market value of the property. For example, if you wished to buy a further 20% and your property is valued at £500,000, the purchase price will be £100,000.



How can I purchase more shares?

Most people buy more shares by increasing their mortgage, but you can use cash if you have surplus money available. If your employment circumstances have improved, it is likely that you can increase the amount you can borrow.

We will calculate your maximum borrowing during the initial appraisal.



What about my rent?

As your share of the property increases then the rent you pay decreases. With interest rates at historic lows, you may find that buying more shares reduces your monthly housing payments.

Remember you may still need to pay ground rent and service charges if you own a flat.





What is the minimum share I can buy?

The minimum share you can purchase is normally 10% but you will need to refer to your lease to confirm this. The lease may also restrict the number of times you can staircase.

Alternatively, you can staircase to 100% if affordable and the lease permits this.

What costs will I have to pay?

The initial appraisal offered by us is free of charge and without obligation.

However, if you decide to staircase then you are likely to incur the costs itemised below. We will provide you with an estimate during the initial appraisal.

- Valuation fee (payable upfront and non-refundable)
- Housing association administration fee (normally payable on completion)
- Solicitor fees
- SRC Staircasing Fee
- Mortgage lender fees

Stamp Duty - you may be required to pay Stamp Duty Land Tax. You will need to speak with your solicitor to obtain further advice on this matter.

**FREE INITIAL
APPRAISAL**





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