



Buying more shares in your home or ‘staircasing’

This guide is to help you with the steps to follow if you want to buy more shares in your shared ownership property. This is known as staircasing. There are application forms enclosed.

How to buy more of your property

Firstly, you should get an idea of the market value of the property by searching the internet or getting an informal valuation. This will help you to work out the likely price of shares before incurring costs. You can also speak to a mortgage provider to get an agreement in principle for the amount you want to buy.

Please remember, although you can apply to staircase, if you have rent and service charge debt we will not allow the transaction to complete until the arrears have been cleared in full. You can apply to staircase as many times as you like but the same costs will be incurred on each staircasing application. If the property is in joint names, you both need to sign the application form.

To proceed, the property has to be formally valued. You can ask us to arrange a valuation for you (use the Valuation instruction form) or you can obtain your own valuation. If we arrange the valuation, the costs will

be approximately £250 to £350 plus VAT, which must be paid before the valuer can be instructed. If you provide your own valuation, there are conditions to be met, which are listed on page 3.

Once we have the valuation report, we will make you an offer which will be valid for three months. We will send the offer to you with a copy of the valuation report. We recommend you speak to an independent mortgage advisor or independent financial adviser to make sure that you are not overstressing yourself. You may need to pay for that advice and your mortgage company may charge you if you want to extend or make any changes to your existing mortgage.

You will need to decide how many shares you would like to buy. The minimum is 10% of the unsold share, and you cannot leave less than 20% outstanding. (You must buy a minimum of 20% as a final staircase to 100%).

When you are ready to go ahead, please return the staircasing confirmation form to us (enclosed with this leaflet on page 6). When we receive your completed application form we will instruct our solicitor. As part of the legal process, we will need to approve your mortgage offer (as we did when you first purchased the property).

You will have to pay your own legal costs and you may have to pay fees to your mortgage lender.

The valuation is valid for three months and must be in date when the transaction completes. If the transaction does not complete within three months of the valuation date, under the terms of your lease, there will need to be a re-valuation. You will have to pay for any subsequent valuations and if a new valuation is higher, the new premium will apply. It is important to be prepared in advance of the valuation and to keep in touch with your solicitors throughout the process.

If you have made improvements to the property, you should have already told us about them in writing. You should tell the valuer about the improvements and they will assess how much value the improvements have added to the property. We will take this amount off the full value before we work out the cost of the share you are buying. Be aware that the value of your home won't always increase by the amount you spent on the improvement.

We offer extra shares based on the current market price of the property, whether it is more or less than the original price.

If you disagree with the valuation, tell us in writing and provide comparable evidence of at least three similar (local) properties that are under offer or have sold within the past three months. We will send this information to the valuer and ask them to explain their valuation. If you are still not happy, you can ask for another valuation. You will be responsible for the costs of the valuation. Bear in mind that disputing the valuation will add to the time to progress the transaction.

Appointing your own valuation surveyor

If you wish to instruct your own surveyor, the following conditions apply:

- The valuer must not be related to you
- The valuer must not be employed by any bank or building society
- The valuer must be registered with the recognised qualification of FRICS or RICS
- Silva Homes will require a copy of the valuation report, and within the report it must state the valuation is valid for a period of three months (should the valuation expire you are responsible for ensuring an extension is obtained up to completion)
- The report must contain at least three comparable

properties which have sold or been under offer within the last three to six months to determine value

- The comparable properties used must be similar to your property and within the same area, for them to be classed as an acceptable comparable
- The valuer must assess any home improvements you have made to your home, not including general decoration and maintenance
- The report must also state Silva Homes can use the contents of the valuation report.

Silva Homes has an obligation to ensure that any valuation given is a true reflection of the property market value and if we require further information or evidence regarding your valuation we will contact you direct to get this information from your surveyor.

After staircasing

If your property is a house

If you increase your share to 100%, you will no longer have to pay rent from the date the transaction completes. You will normally become the freeholder of your home. You may still have to pay a service charge even if you own 100% of the property and the freehold. If you partly increase your share, your rent will reduce depending on the share you buy.

If your property is a flat

We will provide a Memorandum of Staircasing to attach to your lease, which confirms you have 100% ownership. After completion you will have to continue to pay ground rent and a service charge for the upkeep of the areas you share and to cover costs such as building insurance. Parts of your lease will no longer apply because you will no longer be a shared owner. However, the parts of your lease which cover use of the property and behaviour of residents

(such as whether you can keep pets and not causing a nuisance) will still apply. If you have not staircased to 100%, your rent will be reduced to reflect the changed share.

You may also want to speak to your solicitor about the implications of how Stamp Duty Land Tax is paid on the transaction.

If you sell your home within three months of staircasing, Silva Homes has 14 days to instruct a valuation to assess the full market value of your home. If the value has increased from the time you staircased, Silva Homes is entitled to any money you are making on the sale. It will be a legal condition of the sale and aims to protect government funding, which helps build new affordable housing. We would not agree to completion until the increase is paid and it is normally repaid from the sale proceeds. It is a condition of your lease and we advise you to take legal advice if you have any questions about this.

Contact us for more information

Call our Neighbourhood Services team for information about buying more shares in your property on 01344 382943.

www.silvahomes.co.uk

Silva Limited is a charitable registered society under the Co-operative and Community Benefit Societies Act 2014

Valuation instruction form

Please complete this form and send it to Silva Homes if you would like us to arrange the valuation survey for you. Please note, we will not instruct the valuer until the fee has been paid. We will telephone you on receipt of this form to take a credit or debit card payment.

Name(s) in full

1 _____

2 _____

Address _____

Email _____

Daytime telephone number to arrange valuation _____

It is my/our intention to

Purchase a further equity share of _____ %

Or purchase the remaining equity share being _____ %

Please list below any structural improvements made to the property that you believe have had a material effect on the value. Please note, the valuation will only reflect improvements that in the opinion of the valuer, make a marked difference to the market value:

Signed (1) _____

Signed (2) _____

Date _____



Please note, any incomplete information may cause delays in processing your application.

Please return to Neighbourhood Services, Silva Homes, Western Peninsula,
Western Road, Bracknell, Berkshire, RG12 1RF

Staircasing confirmation form

Purchaser's name(s) in full

(1) _____

(2) _____

Property address _____

I/we will be purchasing a further _____ % equity share for £ _____

The solicitors acting on my/our behalf are

Company _____

Address _____

Telephone _____

Yes I like to be contacted by email at _____

I/We confirm we have instructed our solicitors

I/We understand that this transaction must be completed on or before

(valuation expiry date _____ following which a re-valuation will be required if staircasing is to proceed.

Signed (1) _____

Signed (2) _____

Date _____



Please note, any incomplete information may cause delays in processing your application.

Please return to Neighbourhood Services, Silva Homes, Western Peninsula, Western Road, Bracknell, Berkshire, RG12 1RF