



a place to
own more

A guide to Staircasing

More than just a place to live

 Peabody

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Staircasing

is how you increase the share you own in your Shared Ownership home. The greater the share you own, the less rent you pay to Peabody.



“

If it wasn't for Shared Ownership, I wouldn't be able to afford to buy a home this centrally located. Shared Ownership has really helped me feel much more financially secure.

Homeowner at New Mansion Square, SW8

Ekta

The journey to owning more of your home starts here

We have a proud legacy of helping generations of residents find their place in thriving neighbourhoods and communities. We've been doing it for over 160 years.

Now you're on the property ladder, you may want to consider buying a bigger share in your home as your savings increase over time.

That's where Staircasing comes in; you can Staircase as many times as you want, in increments of 5% starting from 10% (i.e. 10%, 15%, 20% etc.). And if the value of your home increases over time, the value of your shares will too.

“

The Peabody New Homes team were very supportive throughout the process. It felt like a very personal service.

Homeowner at Powell Road, E5



Here's how it works...

Step

One

Buy more shares

As your savings or equity in your property increases, you can buy a bigger share of your home

Step

Two

Reduce your rent

The greater the share you own in your home, the less rent you pay to Peabody

Step

Three

Own 100%

When you're ready, you can buy the remaining shares in your home and become the outright owner (paying no rent)

Realise the dream of owning your home outright through *Staircasing*

Reduce rent

The more shares you own in your home, the less rent you pay. The formula on this page will help you estimate how much you might save on rent when you Staircase.

Most people will Staircase two or three times before they own 100% of their home, known as final Staircasing. Buying further shares, but not to 100%, is known as Interim Staircasing. There are costs involved every time you Staircase that you need to factor in - you can find these on page 10 of this guide.

Home valuation

As the value of your property is likely to have changed over time, one of the key elements to Staircasing is obtaining a RICS valuation to establish how much it is worth today. This will determine how much any new shares in your home will cost.

To give you an idea of your home's value before getting a formal RICS valuation, you can use a home property website like Rightmove or Zoopla or ask a local estate agent to give you a free market estimate.

Check affordability

If you're thinking about Staircasing, you should get in touch with a Mortgage Advisor. They will take time to understand your finances and help to calculate how much you can comfortably afford to Staircase, based on the anticipated value of your home.

Photography of Shared Ownership apartment at City Angel, N1



Buy more shares and pay less rent

Use the example below to work out how much rent you'll pay after Staircasing. This example is based on a Shared Owner increasing their share from 25% to 50% and paying £500 rent a month:

| | | | | | | |
|---|----------|---|----------|--------------|----------|-------------|
| 50 | ÷ | 75 | x | £500 | = | £333 |
| The share percentage you will not own after Staircasing | | The share percentage you currently do not own | | Current rent | | New rent |

Home improvements can impact the value *of your home*

In addition to the location and size of your home, home improvements may also affect its value. As a general rule, only structural improvements will affect the market value of your home. This includes extensions and conversions, but not replacement bathrooms, kitchens or flooring.

If you have undertaken any home improvements on the property, you must inform your Surveyor so that they can include these within the valuation report. Please note, the amount spent on home improvements, may not necessarily increase your property value by the same amount.

Any improvements detailed on your valuation report must include the added value, not the amount paid for the improvement.

Check consent

As per the conditions of your lease, all home improvements must be approved by Peabody before you start work. If you did not obtain approval from Peabody for any home improvements, the valuer will need to disregard these from the final valuation figure.

[FIND OUT MORE >](#)



“

I took a five year fixed rate mortgage, so I have another 18 months or so to go before I will look at Staircasing, I will just have to see what the rates are doing when the time comes

Homeowner at Motion, E10

Frequently asked *questions*

How long does the Staircasing process take?

If all documents are sent in and correct, the whole process can be completed on average in 3/4 months. It may take longer depending on if the solicitor you instruct is familiar with the Staircasing process.

My valuation has expired can I still use it?

No, the valuation must remain in date until Staircasing has been completed, if the valuation has expired then you are responsible for contacting the surveyor to request an extension or desktop valuation.

Is the administration fee refundable?

No, all our administration fees are non-refundable.

Do I have to Staircase?

Absolutely not, the Staircasing process is completely optional. While some buyers choose to buy additional shares in their home as their financial circumstances change, many owners choose to stay at their currently owned shares.

Do I have to Staircase to 100% before I can sell?

No- you can choose to sell at any time, if you choose to sell while being a shared owner, you need to download the resales enquiry pack.

[DOWNLOAD PACK >](#)

Will we own the freehold once we own 100% of the property?

No, this will depend on if Peabody owns the freehold and if the freehold gets transferred to the you upon the final Staircase, your solicitors will be able to advise you of this.

Do I still have to pay service charge once I Staircase to 100%

This all depends on your particular property and the services provided, you will need to speak to the Service Charge team regarding this.

Once I own 100% can I sublet the property?

This will depend on the terms and clauses within your lease, once you own 100% you will have to request approval via the Subletting Team, please email - Homeownership.Approvals@peabody.org.uk

How much can I Staircase each time?

This will depend on your financial situation, the minimum amount you can Staircase is 10% and this can increase by 5%, for example you can purchase additional shares in these increments: 10% 15%, 20%, 25% etc.



Cost of Staircasing



VALUATION FEE FROM £216*

We have negotiated competitive fees with our panel of Royal Institute of Chartered Surveyors (RICS) qualified valuers to determine the current open market value of your home.



ADMIN FEE £220

The administration fee enables the Peabody team to complete the administrative tasks associated with Staircasing and are on hand to support you through your journey.



LEGAL EXPENSES FROM £350

Staircasing involves changes to your existing lease, which requires the professional services of a solicitor. The solicitor will charge disbursements and professional fees for acting on your behalf. You're not responsible for Peabody's legal fees.



MORTGAGE FEES

If you're applying to change lenders (known as 're-mortgaging') to buy the additional share or to obtain a better interest rate, you might be required to pay the lender's valuation fee and a mortgage arrangement fee. Please discuss this with your Mortgage Advisor or Lender.



STAMP DUTY

In certain circumstances you might need to pay Stamp Duty. Please discuss this with your solicitor.



Every time you Staircase you will have expenses to pay. It's worth considering the costs involved with buying additional shares in your home

Your Staircasing *journey*



1

Download the Staircasing Enquiry Pack

The Staircasing Enquiry pack includes useful information, forms and contacts for the initial part of your Staircasing journey. In addition to downloading the pack, we recommend that you look at how much similar properties in your area are on the market or have recently sold for. You can do this by visiting websites such as Zoopla and Rightmove or contacting a local Estate Agent who may give you a free estimate of your home's value.

[DOWNLOAD PACK >](#)

2

Speak to one of our Mortgage Advisors

A Mortgage Advisor will support you to understand your current financial position and whether you are able to comfortably afford to buy more shares in your home.

This will be a free short pre-assessment which can be carried out over the phone and takes around 30 minutes to complete.

[FIND AN IMA >](#)

3

Instruct a valuation

Once you are happy to proceed based on your affordability guidance, you will need to instruct an independent RICS registered surveyor to carry out a valuation of your home. The Surveyor will provide a full valuation report of the condition and value of your home.

If you have carried out any home improvements such as an Extension or Conversion and you have obtained Peabody's consent to do so then you will need to let the surveyor know. The surveyor will then determine the added value and this will be included in your valuation report.

[FIND A SURVEYOR >](#)

4

Send your documentation to Peabody

Once you are ready to begin the process, please return all documentation detailed on the checklist below to the Post Sales Team:

- A completed Staircasing Request Form signed by all Leaseholders.
- A copy of your full signed and dated lease.
- A copy of your Register of Title (Land Registry).
- If you have previously bought more shares of your property, a copy of your memorandum of Staircasing(s).
- A valuation from a RICS qualified surveyor.

[SEND DOCUMENTS >](#)

Your Staircasing *journey*



5

Receive an offer letter

Once we have received the required documents, your case will be assigned to one of our Post Sales Executives who will be in contact to talk through your next steps and to take payment of your initial admin fee of £220.

Your Post Sales Executive will process your valuation for approval and issue an offer letter to you once approved.



6

Attend a full financial assessment

If you are Interim Staircasing & will not own 100% of the property upon completion, you will need to contact the Independent Mortgage Advisor (IMA) who completed your pre-assessment and provide them with details of your home valuation.

The IMA will complete a full financial assessment to understand the maximum additional shares you can buy and send this information to the Post Sales Team to progress to the next stage of the process.

As part of the full financial assessment, you will need to provide documentation prove your income and outgoings such as payslips and bank statements. Further information can be found within the Staircasing Enquiry Pack.



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Appoint a solicitor and make a mortgage application

We recommend using an independent solicitor and mortgage advisor who specialise in Shared Ownership. Your mortgage advisor will be able to assist you with your mortgage arrangements to buy the additional shares.

Your solicitor will undertake the legal work on your behalf. They may need to arrange an appointment to go through the legal paperwork with you.

Your valuation is valid for three months and is required to be in date up until you complete the Staircasing transaction. If you are unable to complete your transaction within this time, you will need to request an extension from your surveyor.



8

Congratulations your Staircasing has completed

Congratulations! Once your solicitor has completed all the necessary legal work, you will own either a greater share or the full 100% value of your home.

Your solicitor will now register the memorandum of Staircasing with Land Registry and will provide you with the updated title register. You are advised to keep your copy of the landlord executed memorandum of Staircasing with your lease as proof of your increased ownership.

[FIND A SOLICITOR >](#)

What happens when you own 100%?

Congratulations, you're now the sole owner of your home

While you no longer pay Peabody any rent, there are still some ongoing costs you need to be aware of, depending on what type of home you own.

If your home is an apartment...

Like all owners of an apartment, you will still pay your service charge and management charges including the ground rent. You will still be covered under the block's buildings insurance policy.

In certain circumstances (an individual headlease or superior lease, where Peabody are not freeholders or managing agent), Peabody may transfer the headlease or superior lease to you. Your solicitor will deal with the transfer, which will take place alongside the Staircasing.

If your home is a house...

If you own a house, the freehold can be transferred to you when you have Staircased to 100%. Your solicitor will need to serve notice to Peabody requesting the freehold of the property be transferred to

you. There is no charge for this transfer, but you will have to pay your legal costs.

On completion of the transfer, you will no longer be charged for buildings insurance by Peabody and you will 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. This will be stated in your lease if it's applicable.

Selling on the open market

Now you own 100% of your property outright, you can sell it on the open market using an estate agent of your choice. In some cases, your lease may restrict you from selling your property for three months following final Staircasing.

Once you have found a buyer for your property, your solicitors will contact our Homeownership Approvals Team with any enquiries from the buyer's solicitor.

[EMAIL THE APPROVALS TEAM >](#)

“

My aim is now to Staircase to 70% next year, but ultimately, I want to own 100% of my property and have a plan in place to do that.

Homeowner at The Reach, SE28





For more information

please contact:

020 7021 4842

enquiries@peabodynewhomes.co.uk

peabodynewhomes.co.uk/Staircasing

More than just a place to live

Details correct as of September 2024