



Buy a bigger part of your home

Your guide to staircasing



If you'd like to own a bigger part of your home...

Or even buy it outright – we can guide you through the process of buying more shares in your property, and help you decide if it's right for you.

Why would I want to buy more shares in my home?

Owning a bigger part of your shared ownership home – or even owning all of it – comes with many benefits:

- You'll reduce the amount of rent you pay to Sovereign.
- If you decide to sell your home the more shares you own will lead to more profit if the value of your home has increased.
- If you own 100% of your home, in most cases you can sell it on the open market using an estate agent of your choice, and you'll benefit from any profit made.
- Becoming the outright owner means you can maximise the profit from any major home improvements you carry out if you choose to sell.



How does it work?

The process of buying extra shares, and increasing how much you own of your home, is called 'staircasing'. There are two options available when staircasing:

Interim: Buy a little bit more at a time

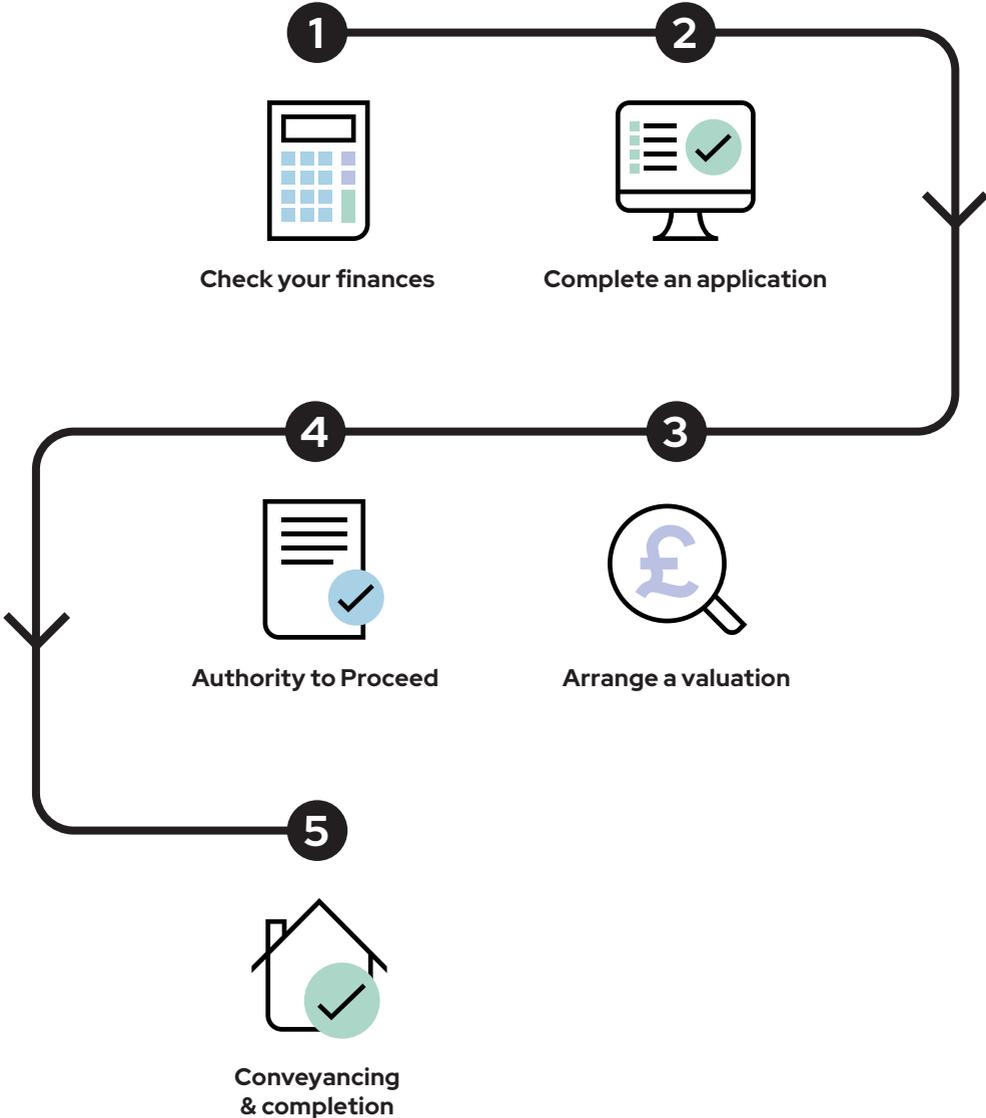
You can buy additional shares in your home in stages. The amount you pay us in rent will go down as the amount of the property you own goes up.

Final: Buy all the remaining shares in your home

In most cases, you can buy the remaining shares in your home to reach 100% ownership, either in one payment or after several interim transactions. When you have bought all the shares in your home, you'll own your home outright and will no longer be a shared owner. It also means you will no longer need to pay rent to Sovereign although service charges and ground rent may still apply. You'll now be classified as a leaseholder or a freeholder, depending on your lease.

There are five main steps to staircasing

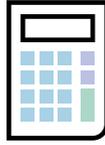
When you're ready to purchase more shares of your shared ownership home, there are a few simple steps you'll need to follow.





The five steps
in more detail...





1

Check your finances

Use our online staircasing calculator to work out how much the cost of buying more shares could be. The cost of the additional shares is based on the open market value of your home at the time that you wish to buy them. You can do the calculations online:
sovereignliving.org.uk/staircasing



2

Complete an application

If you're happy with the estimated costs and would like to proceed with buying the additional shares you can then complete an online application form online. Once we've received the form we'll do a few background checks to make sure there are no restrictions in place to purchase additional shares.



3 Arrange a valuation

Once we have confirmed in writing that you can buy the requested number of shares, you will need to arrange a valuation of your property. This must be done with an independent surveyor qualified through the Royal Institute of Chartered Surveyors (RICS) or Fellow of Royal Institute of Chartered Surveyor (FRICS).

Once the valuation has taken place, the staircasing transaction must be completed within three months of the valuation date. There are a few other requirements of the valuation report so at this point we'll send you our detailed valuation guidance document for you and your surveyor.



4 Authority to Proceed

As soon as we receive the property valuation report we will have a few checks to make in line with the valuation requirements. We'll also calculate the purchase price of the shares you wish to buy based on the valuation report and confirm this and all other details in writing to you along with an Authority to Proceed Form. This form confirms to us that you accept the price of the shares and wish us to commence the transaction - all leaseholders named on the lease must sign this form.





5 Conveyancing & completion

At this point, you will also need to confirm the name and address of the solicitors that will be acting on your behalf.

Once we receive your completed Authority to Proceed form we instruct our solicitors and pass on all relevant information to your solicitors. They then work together to agree a completion date with you. During this time, you will need to contact your solicitor for any progress updates.

If you have purchased additional shares but haven't staircased to 100% we will contact you after completion to reconfirm the revised rent and/or service charges that you will need to pay. If you have purchased 100% of your property then you will no longer have to pay Sovereign any rent but you may still need to pay ground rent and service charges, we will confirm this in writing following the completion.



Some other things for you to consider

How long will it take?

As a guide, we suggest that the transaction to buy more shares in your home should complete within three months.

You and your solicitor should work towards this timeframe, and by providing all the relevant information required you can help the process run smoothly.

Is staircasing always possible?

We are dedicated to making this process as easy as possible for you – and in most cases, there are no restrictions on buying more shares in your home. However, a small number of leases have staircasing restrictions in place which means you'll only be able to staircase up to 80% in your home. We'll check this for you when you submit your application, or you can check your lease before you apply.

How much will the shares in my home cost?

You can get an initial indication of the cost of additional shares using our online staircasing calculator, but to get an accurate cost of what they are worth, you'll need to get your home valued by a registered Independent Chartered Surveyor. You can read our guide to valuations online.



Will there be additional costs?

We are committed to creating affordable homes for our customers – and so it's important that you carefully consider all the costs involved in buying more shares in your home before you decide to apply.

Each time you purchase additional shares, you'll have expenses to pay such as legal fees, mortgage fees, and our administration charge for handling your application. We recommend that you seek advice from your mortgage lender or an independent financial adviser.

What happens once I've applied?

Once you've submitted your application to buy more shares in your home, we'll contact you to confirm we have all the information we need.

If there's anything missing from your application, we'll be in touch to ask you for further details.

We'll process the information you have provided, we'll check your rent and service charge account, and check your lease.

If you've carried out any home improvements, we'll ask you to provide details, including written evidence of Sovereign's consent.

We'll let you know within 15 working days whether you are eligible to proceed with your application. If so, we'll then ask you to pay our administration fee of £180 (including VAT) which covers the cost to process your application.

It's best that you don't start your part of the process until we've let you know that our checks are complete, as we don't want you to incur any unnecessary fees.

Will I need a solicitor?

Yes, it's important that all property transactions are handled professionally by a solicitor. If you need help finding a solicitor to act on your behalf, please let us know. Once you've instructed a solicitor to work with you, you'll need to give us their details.

We'll also instruct solicitors to act on our behalf, who will pass on all relevant information to your solicitors as soon as we receive your completed Authority to Proceed form.

Your solicitor and ours will then work together to agree a completion date – usually within three months of your application. You should keep in close contact with your solicitor for regular updates – it's best that you work with them, rather than contacting us directly.



As one of the UK's leading shared ownership providers, Sovereign is passionate about giving everyone the opportunity to own their own home.



Our highly dedicated sales team has already helped thousands of people step onto the property ladder and our profit with a purpose principle means we can continue to help thousands more. Established, experienced, and affordable, we are proud to help more people live where they love.

Get in touch

0300 330 0718

To find out more about buying more shares in your home you can contact our dedicated Staircasing team.

→ staircasing@sovereign.org.uk

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