



Staircasing Guide

LLOYDS LIVING SHARED OWNERSHIP



What is Staircasing

Once you have bought your first shares in your home you can buy more shares in stages, this process is known as staircasing.

As you buy more shares your rent will go down. However, if you have a mortgage, these payments may increase.

Once you have bought all the shares, you will own your home outright and there will be no rent to pay.

There are two types of staircasing:

- Interim (gradual and standard) – when you buy more shares in the property but do not purchase all shares in full.
- Full – when all the shares in the home are purchased.

Depending on your lease you can buy shares either in increments of 1% or 5%. Please speak to a member of the Shared Ownership team if you are unsure of what type of lease you have.

Gradual staircasing allows you to buy shares of a minimum of 1% each year in your home. You can buy more than the minimum 1% in a year.

Standard staircasing allows you to buy shares of 5% or more in your home. You can staircase to increase your share in the home that you own at any time and there is no limit to how many times you can staircase until you own 100% of your home.

The value against which the increased share is calculated is the current market value of the property, rather than the value at which the original share was purchased.

Your Staircasing Journey

- 1** Once you have bought your first shares in your home you can start to staircase at any time, you can start this process by emailing the Shared Ownership team at sharedownership@lloydsliving.co.uk
- 2** Secondly, we will need an independent valuation by a RICS* valuer, which will be at your own expense. This will give you a current market value for your home. Once this is received the value needs to be agreed by both parties.
- 3** You will then need to speak with a independent financial advisor who will help you to find out how much more of your home you can comfortably afford to buy.
- 4** Once you are ready to begin the buying process, please complete the staircasing request form and ensure that it is signed by all leaseholders, send this and a copy of the valuation to the Shared Ownership team.
- 5** Once received and the property value has been agreed we will send you an offer letter confirming all the property details and purchase information.
- 6** The next steps will be to appoint a legal representative and make a mortgage application. We highly recommend using an independent solicitor and mortgage advisor who specialise in shared ownership. Your legal representative will guide you through the legal process and all necessary paperwork through to completion of your purchase.
- 7** Once all the legal paperwork has been completed and the completion monies have been sent then completion can take place.
- 8** When you have purchased all the shares in your home there will be no rent to pay.

*A HPI valuation can be used, where applicable, please speak with a member of the team for further information

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Home Improvements

If you have carried out home improvements such as an extension or a conservatory this could affect the value of your home. Please inform your surveyor so that any improvements can be included in the valuation report.

All home improvements must be agreed by Lloyds Living before they commence. Without this approval any improvements will be omitted from the final valuation.

Replacement of bathrooms and kitchens, redecoration and new flooring will not be classed as home improvements.

How much does it cost?

Valuation Fee - you required to instruct a RICS (Royal Institute of Chartered Surveyors)* to carry out a valuation of your home to determine the current market value. This can cost up to £450.

Legal Fees – as staircasing is a legal transaction, you will need to instruct and pay a solicitor to complete all of the legal paperwork on your behalf. Legal fees start from £400. One of our panel solicitors can provide you with a full cost estimate.

Engrossment Fee – We charge £150 +VAT for the creation of the contracts. This will be charged via your solicitor as part of the completion statement.

Mortgage Fees – your lender may charge you a product fee and or a valuation fee. Please consult your lender for details.

Stamp duty – you may be required to pay stamp duty. Please check with your solicitor.

What happens after Staircasing?

If you have chosen to purchase more shares in your home but have not bought all of them then your rent will reduce and your mortgage (if you have one) will go up.

If you have purchased all of the shares in your home, this is known as final staircasing and there is no rent to pay.

Upon final staircasing the freehold will be transferred to you, as this is a legal process they may be legal fees to pay, your solicitor will be able to advise you on this.

Upon final staircasing you become the freeholder and you are responsible for arranging your own buildings insurance, and you must have a valid policy in place upon completion of final staircasing.



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Frequently Asked Questions

What are the minimum and maximum shares I can buy

Subject to lease restrictions, the minimum share you can purchase is either 1% or 5%, and the maximum is up to 100%. Please speak to a member of the Shared Ownership team if you are unsure of what type of lease you have.

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Standard staircasing allows you to buy shares of 5% or more in your home. You can staircase to increase your share in the home that you own at any time and are not limited to the number of times you can staircase until you own 100% of your home.

How long does the process take?

The whole process should take between 6 to 12 weeks but in some cases it could be longer.

How often can I staircase?

This will all depend on your lease. Please speak with a member of the team for more information.

Can I sell my home before I buy all the shares in it?

Yes, if you wish to sell your share please speak with one of the team to start the process, we may repurchase the home or you can sell it on the open market.

Do I have to staircase?

No, staircasing is optional and while some choose to buy more shares in their home, others choose not to.

Will I need a new mortgage?

If you are using a mortgage to fund the purchase of more shares in your home then yes you will need to arrange a new mortgage, please speak with your lender or mortgage advisor.

Will I need to pay stamp duty?

Stamp duty may be payable when you buy more shares, please seek legal advice on this.

Do I still have to pay service charge?

Yes, you must continue paying service charges if applicable.

Once you staircase to 100% and own the freehold, you will no longer be required to pay the buildings insurance portion of the service charge, but estate management fees may still be applicable.

You will then be responsible for arranging your own buildings insurance.

Contact us

Contact our Shared Ownership team today to discuss your journey to home ownership.



sharedownership@lloydsliving.co.uk



0345 604 6617

For more information, please visit:

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