

What is staircasing?

Buying a shared ownership property, through the New Build Home Buy Scheme, is a great way of getting your foot on the property ladder. It allows you to purchase a share and pay a rent on the rest. You are free to sell your share but you may decide that you would like to stay in your home and buy more shares. Purchasing more shares is called 'staircasing'.

Can I staircase?

Most shared owners have the right to staircase but you should check your lease first to know when you can staircase. You will also need to check with a mortgage lender whether you can borrow the amount you need to buy an additional share. If you wish to staircase you will need to complete our "intention to staircase form" providing us with all appropriate details. The form will need to be signed by all owners of the share, so if you bought with someone else, they will need to sign it too.

Valuing your property to establish the share price

The value of your home fluctuates depending on housing market conditions. So the value of your home at the time you want to staircase is likely to be different to the value at the time you bought your initial share. The current value will be assessed by a qualified Surveyor (Royal Institute of Chartered Surveyors). Newlon will instruct a valuer on your behalf as we have approved Valuers who provide services at a reasonable price. Please note, you would be responsible for paying their fee.

Valuation report

The surveyors will send us a copy of the valuation, which we will then send to you.

The report may be based on two figures if you have made any improvements with permission from Newlon.

Staircasing figure – which will exclude any improvements made

Open market figure – which will include any improvements made

If you are staircasing, we will use the figure which excludes all improvements, this means you will not pay for the improvements in the percentage that you buy from Newlon.

How long is the valuation valid?

The valuation is valid for a period of three months, but there may be some circumstances when the process takes longer, and we have to apply to the valuer for an extension. We will however aim to complete the process within three months. If a delay occurs due to you not returning the relevant documentation promptly, extra costs may be incurred to request for a revised valuation. Newlon will only meet these costs if they have delayed the transaction.

What do I do once I have received the valuation?

If you decide to proceed, you will need to complete our "notice to proceed form" sent with your report which must include your solicitors contact details and the percentage you wish to staircase. We will instruct our solicitors, who will be responsible for all legal proceedings once we receive your form.

What happens to my rent and service charge payments?

Rent continues to be paid on the share you do not own until you have fully staircased to 100% ownership. You will receive the revised rent amount you will have to pay before the staircasing is completed if you do not fully staircase to 100%. We aim to keep the portion of rent you pay affordable and this is reviewed annually.

Service charges are unaffected by staircasing and are reviewed annually even if you own your home outright.

Costs associated with buying extra shares

When you staircase, you will be required to clear any rent and service charges arrears prior to completion. Other costs involved are:

- Your solicitors fees (variable)
- Property valuation currently £200
- Our administrative charges currently £100
- Notice of Charge currently £35.00

Further Notes:

- The minimum share you can purchase is 10%
- Shares are sold at the current market value
- If you are unhappy with the valuation and wish to have a second opinion we can instruct the District Valuers whose valuation will be final.

For further enquires contact our Resales and Staircasing Officer Olubukola Adedokun-Abiiba on 020 7613 7539 or email olubukola@newlon.org.uk