

Policy checklist	
Policy owner	Park Properties Housing Association
Author	Wendy Pretten
Version No.	1.0
Date of last review	June 2023
Date of next review	June 2025

Park Properties Housing Association will provide this policy, on request at no cost, in large print, in Braille, in audio or other non-written format, and in a variety of languages.

1.0 Introduction

1.1 This Policy sets out PPHA's approach to shared ownership staircasing when a shared owner requests to buy more shares in their home.

1.2 This Policy has been developed in line with the Homes England Capital Funding Guide for shared ownership and any request for staircasing will be dealt with in line with the terms of the shared owner's lease.

2.0 Staircasing

2.1 Staircasing enables a shared owner to buy further shares in their home if they can afford to.

2.2 The lease may state if there's a minimum percentage the customer can buy, or a maximum number of times they can staircase. If the lease does not state a minimum or maximum, PPHA will follow the model lease in the Capital Funding Guide.

2.3 Most shared ownership leases allow customers to staircase to 100% ownership, but some specify a maximum percentage. When the staircase is to less than 100% ownership, PPHA will re-calculate the rent the customer needs to pay for the share they do not own.

3.0 Affordability

3.1 Before applying for staircasing a customer must have the following:

3.1.1 A clear rent account including service charges and any major works. A staircasing application cannot be progressed if these are not up to date.

3.1.2 Confirmation of affordability from the mortgage lender or an independent financial advisor.

3.1.3 Confirmation of affordability for other fees, including any legal and mortgage fees.

3.1.4 An up-to-date valuation by an RICS qualified surveyor with confirmation that their home has been valued in accordance with the terms of their lease. The valuation is usually valid for three months from the date of the report. If it expires before the staircasing completes, the customer will be required to provide an updated valuation and meet the additional cost. If the updated valuation shows the value has changed, the staircasing amount will be recalculated.

3.1.5 If the customer disputes the valuation, PPHA will refer to the customer's lease. If the lease does not provide a resolution, the customer will need to provide PPHA with three comparable values to consider, and to enable the original valuer to reconsider their valuation. If the customer remains unhappy with the outcome PPHA will refer the matter to the District Valuer for a final view.

4.0 Home Improvements

4.1 If the customer has carried out any home improvements, they must inform PPHA on their staircasing application, along with confirmation that PPHA has approved them.

4.2 PPHA will ask the surveyor to disregard the added value of those improvements when they value the customer's home. If the customer does not have consent for the changes they have made, they must apply for retrospective consent from PPHA.

4.3 If the customer has carried out works PPHA would not be able to grant consent for, this could delay the staircasing application, as the works will need to be inspected and approved before the application can progress. The costs of the inspection will need to be met by the customer.

5.0 Staircasing Offer

5.1 Once we receive the valuation, PPHA will write to the customer offering to sell them additional shares at the value determined by the surveyor.

5.2 If the customer accepts our offer, PPHA will charge a fee to cover our administration costs.

6.0 Customer Responsibilities

6.1 The customer will need to carry out the following:

6.1.1 Instruct solicitors to act on their behalf who will deal directly with PPHA's Legal Team.

6.1.2 Arrange their new mortgage, if applicable.

6.1.3 Sign an Interim or Final Staircasing Memorandum and register this with Land Registry after completion.

6.2 The customer is responsible for reasonable legal and admin fees and charges as detailed in the SO lease.

7.0 Final Staircasing

7.1 Flats and Apartments

7.1.1 Once the customer has staircased to 100% they will no longer pay rent. They must, however, continue to pay any service charge, management charge, and ground rent.

7.1.2 The customer will still be covered under the block buildings insurance.

7.1.3 If PPHA are not the freeholder of the block when the customer owns 100% of the equity, they may acquire our title. This will mean we will no longer be the landlord or have a relationship with the customer. The customer's solicitor should advise them about this when dealing with the staircasing.

7.2 Houses

7.2.1 When the customer has staircased to 100% they will no longer pay PPHA rent.

7.2.2 If PPHA own the freehold, the freehold will be transferred to the customer. If PPHA are not the freeholder, we may transfer the head lease or superior lease to the customer and the customer will be required to meet the legal costs of the transfer.

7.2.3 The customer will be required to arrange their own buildings insurance and should be advised to do so.

7.2.4 If the property is on an estate with an estate charge the customer will continue to pay this. The details will be in the freehold transfer document.