



A guide to 1% staircasing

This is a quick guide to shared ownership 1% gradual staircasing and gives you an outline of your options to consider with an indication of the costs and timescales involved.

The guide also includes a form for you to complete to begin the process.

Please read this information carefully.

What is staircasing?

Staircasing is the process of buying greater shares of your property, up to 100% ownership if your lease will allow.

As a shared owner you pay rent on the percentage of the home you do not yet own. So, if you own 25% of your home, you will pay rent on the other 75% of the property. By staircasing you increase the share percentage you own so your rent will go down.

There are two ways to do this:

- gradual staircasing - buying shares of 1% each year
- standard staircasing - buying shares of 5% or more - for further information on standard staircasing, see "A Guide to Staircasing"

Gradual staircasing - The staircasing offer and conditions

We will write to you with your 1% gradual staircasing offer as part of your rent review each year. You cannot buy shares of 2%, 3% or 4%.

Your lease gives you the option to buy a 1% share each year for up to 15 years.

The Additional Percentage Value Notice is valid for three months from the date of issue.

You can ask for another Additional Percentage Value Notice at any time.

There are no administration charges payable to FCHO if you are buying a share as gradual staircasing.

You mustn't have any outstanding debt owing to FCHO when you apply to staircase.

You will need to provide us with proof of funds for the share.

The price of a 1% share will be based on the original value of the property and the figure that is quoted in your lease. This figure will be increased or decreased in line with the House Price Index (HPI) at the time of the valuation.

You can choose to use a Royal Institution of Chartered Surveyors (RICS) valuation to revalue your property instead of the annual HPI. However, you would be responsible for the cost of the valuation. The most recent RICS valuation will be used as the basis for future HPI valuations.

You cannot roll over unused annual options to buy 1% shares to future years.

Do you need a solicitor for 1% staircasing transactions?

You would typically employ a conveyancing solicitor to handle standard (5% and above) staircasing transactions.

However, the intention of 1% staircasing is that there are limited additional costs to the shared owner, and that the transaction can be accomplished without using a solicitor.

It is for you to decide if you want to take legal advice, or to appoint a solicitor.

You must pay your own legal fees.

How long does staircasing take?

The process usually takes between one and three months for you to buy any additional share of your property.

The length of time it would take you to staircase your way to full 100% ownership would depend on your ability to raise funds to buy extra shares in your property.

Will you pay stamp duty on staircasing transactions?

If you buy additional shares in a shared ownership property after the initial transaction, you do not pay stamp duty until you have 80% or more ownership of the property.

Once you own 80% or more of the property, you will need to pay stamp duty on the transaction that took you over 80% ownership and any further transactions.

You are advised to take your own legal advice regarding stamp duty.

Six steps to 1% staircasing

Step one: You request an Additional Percentage Value Notice

You don't need to do this if you the notice that accompanied your rent review is still valid (ie less than 3 months old)

Step two: You tell us you are going ahead with 1% staircasing

You will need to complete the attached form and provide proof of funds to start the process.

You will need to provide your solicitor details if you have appointed one.

Step three: The paperwork is prepared

We will prepare the paperwork (Memorandum of Staircasing) ready for the transaction to go ahead.

Step four: the payment

You will transfer the funds for the purchase to FCHO. We will tell you how to do this.

Step five: completion

Once the funds are received, two copies of the Memorandum of Staircasing will be signed and sent to you.

Step six: post completion

You should sign both copies of the Memorandum of Staircasing, return one to FCHO and retain the other for your records.

Your rent will be amended with effect from the completion date. We will also amend your direct debit payment if you pay your rent by direct debit.

Intention of 1% Staircasing

Please send a scanned copy (or a photo) of this completed and signed form by email to Homeowners@fcho.co.uk

Please attach proof of funds for the purchase.

Names of all Leaseholders	1.	
	2.	
Full property address		
Contact Tel No		
Email		
Date of Additional Percentage Value Notice		
Value of 1% staircasing		
We have attached proof of funds.		

Solicitor details (if applicable)

Correspondence address

Contact Tel No

Email

Declaration and Signatures

I have/ we have been advised to consider independent professional/legal advice



I am/we are happy for First Choice Homes Oldham to share our contact information with a third party as relevant to the staircasing.

If there are joint leaseholders, all leaseholders must sign this form to confirm the above information is correct to the best of your knowledge

Signature of all leaseholdersSignature
Date

1.

Signature
Date

2.

