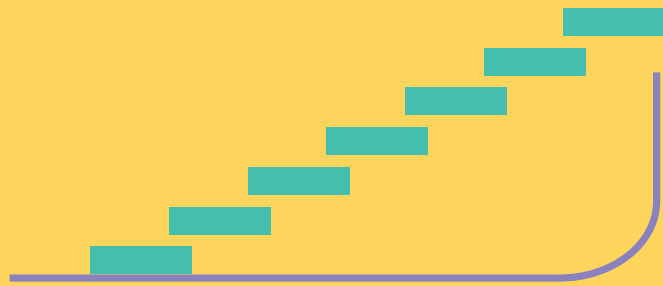




LODDON  
HOMES

# Shared Ownership and Staircasing



Increase the  
Percentage  
you own of your home %

A Wholly Owned Company of



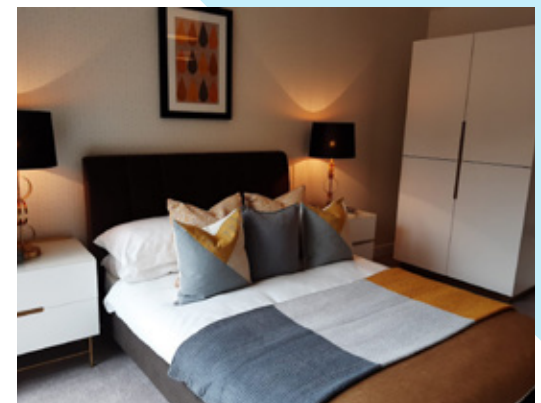
**WOKINGHAM**  
BOROUGH COUNCIL

# About us

Loddon Homes is part of a group of companies that are wholly owned by **Wokingham Borough Council** (WBC). We are a modern provider of social and affordable housing in Wokingham.

Registered with the Regulator of Social Housing in 2016 as a For-Profit Registered Provider, Loddon Homes generates a financial return for the Council which is invested back into communities and services throughout the Borough. We provide high quality housing for local people, built by partners that share our vision and values, and everything we do is aimed at delivering first class services for our residents.

Shared ownership apartment at Arnett Avenue, Finchampstead.



# What is staircasing?

Staircasing is the process that enables shared owners to **increase the percentage share they own in their home, with most being able to staircase all the way up to 100% ownership.**

Details of whether or not a property can be staircased to 100% can be found in the property lease.

Some properties are subject to restrictions such as a staircasing cap at 80% which is sometimes due to planning restrictions put in place to ensure that the property is retained for local people and does not become available as a second home.

Check your Property lease for eligibility for

# 100%

Ownership

Shared ownership apartments at Arnett Avenue, Finchampstead.

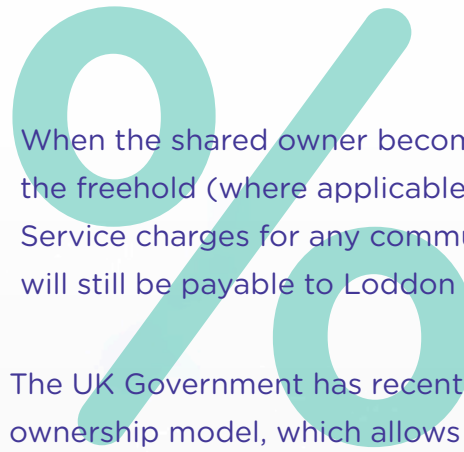


## Incremental staircasing

**The percentage of additional share that shared owners can purchase depends on when the property was bought.**

Details of the minimum and maximum share allowed are set out in the lease.

**Shared owners can staircase up to 100% ownership,** unless otherwise stated in the lease. This is called 'final staircasing' and the purchase of the remaining share must be at least 10%.



When the shared owner becomes the outright owner, the freehold (where applicable) will be transferred to them. Service charges for any communal maintenance or repairs will still be payable to Loddon Homes.

The UK Government has recently introduced a new shared ownership model, which allows purchasers to buy a share **from as little as 1%\*** from the former 10% model.

\*This only applies to some homes purchased after 2022.



Norton Road, Wokingham.

# How to staircase

When a shared owner wants to purchase an additional share in their property, they must make sure:

- ✓ There are no arrears on their account for rent and/or service charges
- ✓ They have sufficient finances in place to meet the costs of staircasing
- ✓ They can provide a valid mortgage offer or evidence of finances for the additional share being purchased.

Additional shares are purchased based on the market value of the property at the time of application. A valuation must be carried out by an independent RICS qualified valuer, which will remain valid for three months.

The shared owner pays for any costs relating to the staircasing purchase, including the valuation, mortgage fees and any legal fees. Rent and service charge must be up to date before completion of staircasing.

Shared owners have three months to complete their staircasing purchase, which begins once Loddon Homes receives the valuation. Loddon Homes has discretion to extend this period to six months in cases where the delay is outside the control of the shared owner and Loddon Homes.



## Estimated costs of staircasing:

Valuation fee: £250

Loddon Homes' admin fee: £250

Legal expenses: £350 - £750

Mortgage fees: Dependent on your mortgage provider

Stamp duty (if applicable)

The **Share to Buy** website has a handy **Staircasing Calculator** which will help you to calculate if you have enough equity in your home to buy an increased share, and will give you an estimate of the revised mortgage and rent payments:

[www.sharetobuy.com/staircasing-calculator/](http://www.sharetobuy.com/staircasing-calculator/)

SHARE

TO

BUY

## Benefits of staircasing

As the shared owner purchases more shares in the property, the rent they pay on the unsold share decreases, although mortgage payments will increase in line with the new amount borrowed.

When a shared owner becomes an outright owner, they can sell their property on the open market, subject to any restrictions contained in the lease. This enables the owner to take advantage of the current market value and benefit from a potential increased property price.

Owning the property outright also gives the owner the opportunity to shop around for mainstream mortgages as they would no longer require a shared ownership mortgage, taking advantage of any special offers available on the open market.

 Increase the  
Percentage  
you own of  
your home

Check your  
Property lease for  
eligibility for  
**100%**  
Ownership



# FAQs

## ● Do I need to put down a further deposit?

Yes, however, you may have enough equity in the property to act as a deposit.

## ● Will my rent change?

Yes. Your rent will reduce as you purchase more shares.

## ● What is the minimum amount I can staircase?

Details of the minimum and maximum amounts you can staircase will be set out in your lease.

## ● How long does it take?

We estimate the process to take approximately three months, although legal or survey delays may occur.

## ● Can I afford to buy more shares?

You need to speak to a financial adviser to discuss the best options for you, whether that is a new mortgage, re-mortgage or using your savings.

## ● How much will my new mortgage cost?

The new mortgage amount will be dependent on the interest rate the mortgage provider offers you and the new amount you are borrowing.

## ● Will I have to pay Stamp Duty?

If at the time of the original purchase you chose to make a one-off Stamp Duty payment, you will not have to make any further payments. However, if you chose to pay the Stamp Duty in stages, charges will apply on any additional share purchased.

## ● What are the legal fees?

Conveyancing fees vary from each solicitor, however, expect to pay in excess of £750.

## ● Does the property need a survey?

Yes, it will need to be surveyed and revalued. The shared owner will be responsible for the cost of this.

## LODDON HOMES Case Study

One of Loddon Homes' shared owners has recently staircased to 100% ownership within three years.

Nathan Cook bought his property in Wokingham from Loddon Homes through a shared ownership scheme in 2019. He bought a 50% share of the two-bedroom maisonette but always had it in his mind to staircase to 100% ownership.

“When I initially bought the maisonette through the shared ownership scheme, I hoped that I would eventually be able to purchase the remaining share and have 100% ownership,” Nathan explains.

Nathan's lease allowed him to purchase 100% (some leases have restrictions on the total share available) and with an increased income and a baby on the way, Nathan applied to staircase to 100% in October last year.

“Luckily, I had started my own accountancy practice which had increased my earnings enough to be able to buy the remaining share. I contacted Amy at Loddon Homes and she helped me to get the process started, offering full support from the very beginning.” The first step was to get the property valued to ensure there was enough equity available. Nathan then approached his existing mortgage provider, who gave him a mortgage in principle for the remaining share, which was only just slightly higher than the rent Nathan was already paying on it.

“To be honest, it was such a simple process to get the second mortgage, and it made more sense to me to be paying slightly more than the rental share and to actually own the property,” explains Nathan.

Once the valuation was approved by Loddon Homes and Nathan's second mortgage was in place and approved, the whole process took around four months, which was largely drawn out waiting for the solicitors to complete the conveyancing. “From the moment I approached Loddon Homes and had the valuation and mortgage in place, it was all in the hands of the solicitors. Loddon Homes did grant an extension on the valuation due to solicitor delays, for which I was very grateful. Amy was always so helpful and responded very quickly. I felt very encouraged and supported by the whole team.”

Just three months on from completing his staircasing to 100% ownership, Nathan recommends the process to others, if it's financially right for them. “For me, once I knew I could afford it, it was a natural evolution from shared ownership to full ownership. My top tips would be to ensure that you have the right finance in place and can afford the valuation fees, solicitor's costs and also the stamp duty, which I didn't have to pay when I bought the initial share as I was a first-time buyer. It's a great way to get on the property ladder. The only restriction now is that I need to notify Loddon Homes if I ever intend to sell, and they get first option to buy the property from me,” adds Nathan.





*“ For me, once I knew I could afford it, it was a natural evolution from shared ownership to full ownership.”*

Nathan  
& his family  
now enjoy

**100%**  
ownership



Nathan Cook and his family who recently staircased to 100% ownership.

# Example

If your property was worth £350,000 when you purchased it and you bought a 40% share, you will have paid £140,000 to Loddon Homes and will be paying rent of 1.5% per year on the remaining equity of £210,000.

Property value	Percentage owned by homeowner	Percentage owned by Loddon Homes	Yearly rent	Monthly rent
£350,000	40% (£140,000)	60%	£3,150	£262.50

If you were to buy an additional 10% share in your property and the value had remained the same, you would pay £35,000. You would then own 50% (£175,000) and pay rent on the remaining 50%, reducing your rent payments to £2,620 per year or £218.34 per month.

Property value	Percentage owned by homeowner	Percentage owned by Loddon Homes	Yearly rent	Monthly rent
£350,000	50% (£175,000)	50%	£2,620	£218.34*

It may be that at the time of purchasing your additional share the property has increased in value. If it had increased to, say, £375,000 the value of the additional share would be calculated using the new valuation and you would pay £37,500 for the additional 10%. However, the rent you pay on the remaining share still owned by Loddon Homes is not affected by the increase in value and it would still reduce to £2,620 per year / £218.34 per month.

Property value	Percentage owned by homeowner	Percentage owned by Loddon Homes	Yearly rent	Monthly rent
£375,000	50% (£187,500)	50%	£2,620	£218.34*

\* Don't forget to add your new mortgage payments to this figure to get your new total monthly cost.



SHARED OWNERSHIP AND STAIRCASING

Increase the  
Percentage  
you own of  
your home %



Shared ownership houses at South Lake Crescent, Woodley.

# How to get started



Amy Griffiths  
SERVICE & COMPLIANCE  
OFFICER

If you are interested in **Shared Ownership**, please get in touch with Amy Griffiths, Service & Compliance officer at Loddon Homes.

[Amy.Griffiths@wokingham.gov.uk](mailto:Amy.Griffiths@wokingham.gov.uk)

[www.loddonhomes.co.uk](http://www.loddonhomes.co.uk)

Increase the  
Percentage  
you own of  
your home %



Loddon Homes is registered with the Regulator of Social Housing (Reg No 4827).

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