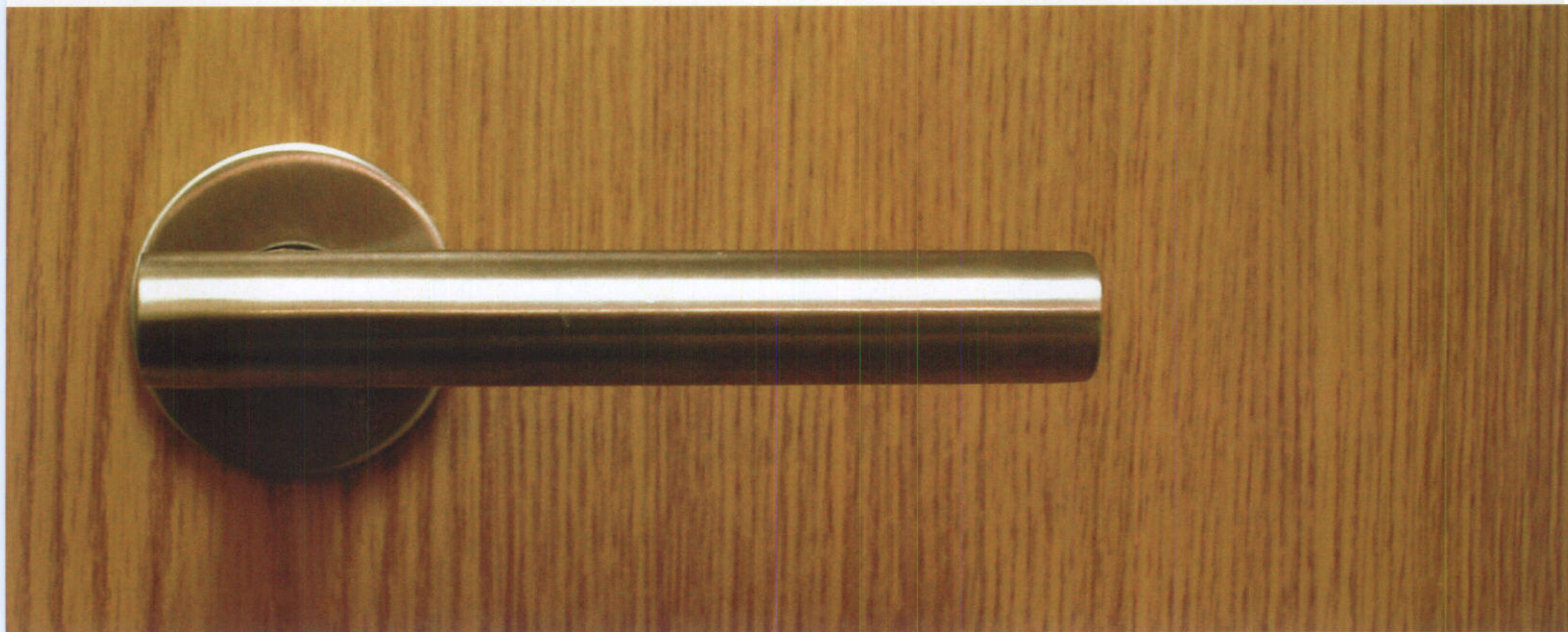


Guide to staircasing

How to buy further shares in your home



What is staircasing?

Once you have completed your purchase you can buy further shares in your property. This process, known as staircasing, enables you to own a greater proportion of your home.

Do I have to staircase?

You don't have to staircase-it is entirely up to you. Most people who live in Shared Ownership properties staircase to reduce the rent they are paying. As the rent is paid on the share that Peabody owns, by purchasing further shares the rent is reduced. When you come to sell your home, the greater percentage you own, the more profit you will make if the value of your home has increased.

How do I staircase?

If you would like to purchase further shares, you will need to notify Peabody Trust of your intention to staircase in *writing*.

This procedure can also be found in your lease. In order to determine the current market value, a surveyor will be instructed to carry out a valuation of your property. A list of approved valuers will be sent to you and Peabody will instruct one on your behalf. Under the terms of your lease, you are responsible for the cost of the valuation. The valuation will be carried out by a surveyor who is a member of the Royal Institute of Chartered Surveyors (RICS), or the Society of Independent Valuers and Auctioneers (ISVA). Please note that under the terms of

complete the transaction in this time, the property will have to be re-valued. This can normally be organised at a reduced fee as the surveyor who carried out the original inspection does not need to revisit the property, but remember that if the value has increased then you will have to proceed at a higher value.

Once you have completed the transaction your rent account, if applicable, will be adjusted accordingly. If you have taken out a mortgage for the share, you will pay an increased amount to your lender from the day of completion.

How many times can I staircase?

You can usually staircase up to three times, with the third time taking you to 100% ownership. The minimum share that you can purchase is specified in your lease but is usually a minimum of either 10% or 20%. This does not include the final share, which may be less than the minimum share, in order for you to staircase to 100% ownership.

Who else needs to be involved?

Mortgage lender: If you are increasing your mortgage to staircase, you will need to contact your lender direct to organise the additional amount, this is known as 'a further advance'. If you want to move your mortgage to a new lender, perhaps because of a better interest rate, this is known as 're-mortgaging'. The Trust can provide you with details of independent financial advisors who have knowledge of shared ownership and the lenders who



Solicitor: An increase in the share of your property will involve changes to your existing lease. This will mean that you will need to instruct a solicitor. The Trust can provide you with details of solicitors that have knowledge of the staircasing process.

What are the costs involved?

There will be a few costs involved in purchasing further shares in your property, including the valuation fees, legal fees, mortgage arrangement fees and stamp duty (if applicable). There may also be further costs, charged by your mortgage lender. You will need to ensure you have savings or access to funds to cover these costs.

Do I benefit from the improvements that I have made to the property?

If your improvements have added value to your home (and not all improvements will do this), they will be disregarded from the valuation. The purchase price of your additional share will therefore not include any increase in value caused by works you have carried out.

What happens if I staircase to 100%?

Once you have staircased to 100% you will no longer pay the Trust any rent. If you own a flat you will remain a leaseholder and you are still required to pay your service and management charges as well as ground rent. If you own a house, the freehold of your home can be transferred to you when you have staircased to 100%. You will need to serve notice to Peabody requesting the freehold of the property be transferred to you. There is no charge for this transfer, however, you will have to pay your legal costs. Once this has taken place, you will no longer be charged for buildings

are responsible for some of the communal cost.

Regardless of whether you live in a flat or a house, once you have staircased to 100%, you are free to sell the property on the open market. If you would prefer, Peabody can also sell your property for you. We charge competitive fees compared to many high street estate agents. Please note that your lease restricts you from selling your property for three months following final staircasing.

Is there any reason why I would not be able to staircase?

The Trust would not allow a leaseholder to complete on the purchase of further shares if they are in either service charge or rent arrears.

Some properties have a restriction on staircasing and should this affect your property, you will have a limit on what you are able to staircase up to. Details of any restrictions can be found in your lease.

Where can I get further information?

If you would like any further information or would like to have an informal chat about buying further shares then please feel free to contact the Sale and Marketing team on the numbers below.

Peabody Trust

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Contact the Sales and Marketing team:

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E sales@peabody.org.uk