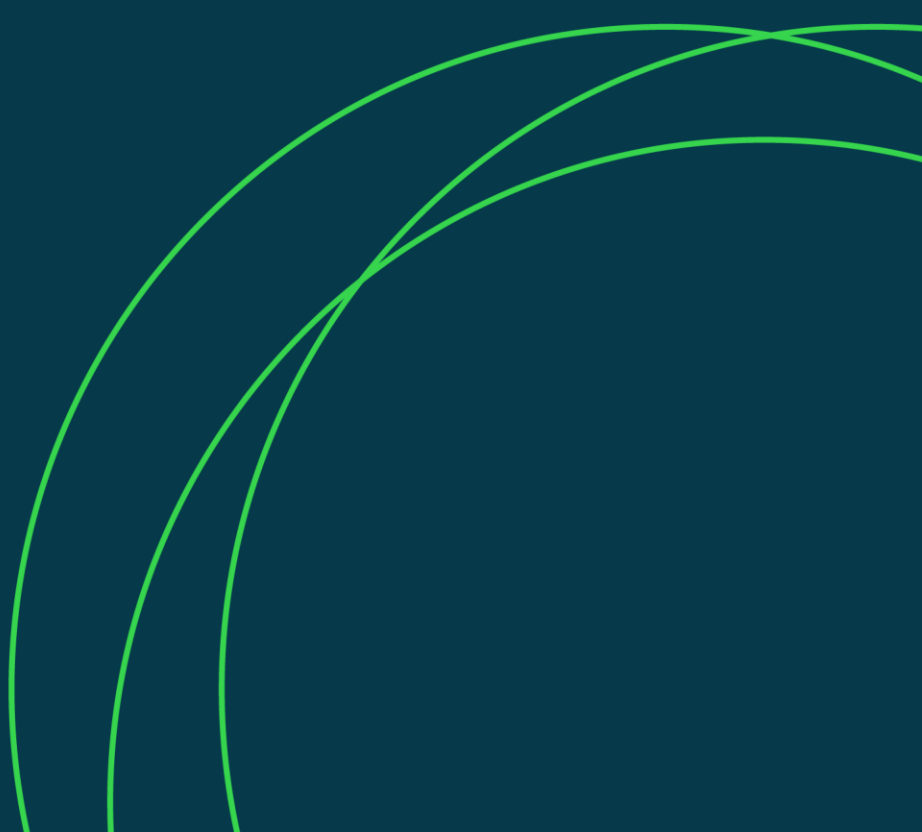




**Sparrow**  
Shared Ownership

# Staircasing Policy

CODE: CSH0 15.0  
VERSION: 1.0  
CREATED: November 2024  
REVIEW: November 2027  
AUTHOR(S): Homeownership Services Manager



# Staircasing Policy

## 1. Our policy statement

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- 1.1. This policy sets out Sparrow Shared Ownership Limited's (Sparrow) approach to shared owners buying additional shares in their homes, which is known as staircasing.
- 1.2. This policy includes information on how we will approach shared owners who want to staircase.
- 1.3. It sets out how we will meet our statutory, regulatory, and contractual obligations, while ensuring we meet our objectives of providing high quality affordable housing.
- 1.4. Shared owners can buy additional shares in their property, this is known as 'staircasing'. On some schemes the maximum share that can be bought in a home is limited to a proportion below 100%. This will be set out in each shared owners' shared ownership lease.
- 1.5. Shared owners can buy additional shares as set out in their lease and under any guidance in the Capital Funding Guide. It is noted that the model lease for the affordable homes programme 2021 to 2026 introduced 1% staircasing increments and reduced the minimum purchase of larger shares from 10% to 5%.
- 1.6. To undertake staircasing a shared owner must have no outstanding arrears on the property (either rent arrears, service charge or ground rent) and must not be in a legal dispute with Sparrow.
- 1.7. Sparrow will charge any customer requesting to proceed with a staircasing transaction an administration fee . This fee will be set at a reasonable level to cover Sparrow's costs in undertaking the staircasing process. This administration fee will be due regardless of whether the staircasing process results in the purchase of an additional share or not.
- 1.8. Sparrow will appoint third party solicitors to act for them to complete any staircasing transaction. The legal costs associated with Sparrow appointing solicitors will be paid by the customer.
- 1.8. When a shared owner wishes to staircase, they must first contact Sparrow to request a free estimate. Sparrow provides this to the customer as a guide to assist the customer to arrange financing. If the customer wants to proceed to staircase, they must formally request Sparrow to instruct a valuation and pay the costs.
- 1.9. Sparrow will instruct the valuer and an appointment will be made subject to the valuers and the customers availability. Sparrow request that the valuer returns their valuation report within 10 working days. When received, Sparrow will provide to the customer.
- 1.10. If the staircasing is not completed while the valuation report is valid (three months from the date of issue) the shared owner will be required to obtain a new valuation report, and the cost of the share will be based on this new report.
- 1.11. The cost of the share to be purchased will be the proportion of the full market value of the property (eg for a 10% share in a property with a net value of £200,000 the shared owner will pay £20,000).
- 1.12. When a shared owner purchases an additional share in their property the amount of rent that they are required to pay reduces proportionally. Sparrow will send a notice updating

the shared owner on the new rent that is due and will update the rent account within 10 days of a staircasing event. More information about how rent is set for shared owners is set out in Sparrow's Shared Ownership Rent Policy.

- 1.13. When a shared owner staircases to 100% it is known as their final staircase, and they will no longer be required to pay rent.
- 1.14. Sparrow will adhere to all relevant legislation, regulatory requirements and best practice when setting and collecting rents.
- 1.15. Sparrow will communicate clearly with shared owners throughout the process in relation to:
  - The options available to them to purchase a greater proportion of their home
  - The costs associated with staircasing
  - Their rights and obligations.
- 1.16. Sparrow will consider downwards staircasing but only in extreme circumstances. Requests to downwards staircase are often due to financial difficulty. As a responsible registered Sparrow must consider the long-term affordability of our customer's homes and cannot agree to any arrangement that would not be affordable. Whilst Sparrow will consider any requests to downward staircase on their own individual merit, in cases where it is requested to clear debt Sparrow will require clear evidence that the circumstances surrounding the accumulation of the debt have changed.
- 1.17. Sparrow will consider best practice published by the Regulator of Social Housing, National Federation of Housing, and the Council of Mortgage Lenders, including:
  - The options available to them to purchase a greater proportion of their home
  - The costs associated with staircasing
  - Their rights and obligations.

## 2. The scope of this policy

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- 2.1. This policy applies to all shared ownership residents, and shared ownership properties owned by Sparrow.
- 2.2. All staff, and partner agencies are expected to comply with this policy when working with shared owners.

## 3. Equality and diversity

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- 3.1. Sparrow is committed to making sure all services are accessible to all our residents. Our staff will be trained to make sure they are communicating appropriately with our customers, and they have the relevant information.
- 3.2. This policy will be applied in a way which makes sure we treat all customers with fairness and respect. We recognise our duty to advance equality of opportunity and prevent discrimination or victimisation on the grounds of age, sex, sexual orientation, disability, race, religion or belief, gender re-assignment, pregnancy and maternity, marriage and civil partnership and any other protected characteristic defined within the Equality Act 2010.
- 3.3. On request we will provide translations of all our documents, policies and procedures in various languages and formats including braille and large print.

## 4. Delivery of this policy

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- 4.1. This policy should be read alongside:
- Resale Policy.
- 4.2. The effective delivery of this policy including training, guidance and support required by staff for implementation of this policy will be provided by the Homeowner Services Team.

## 5. Policy review

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- 5.1. We will review this policy at least once every three years to make sure it remains relevant and accurate unless:
- Legislation/regulation or industry changes require otherwise, making sure that it continues to meet our aims and industry best practice
  - We identify any problems or failures in this procedure as a result of customer and stakeholder feedback, complaints or findings from any independent organisations.

VERSION	CHECKED BY	AMENDMENTS	APPROVED AT/BY	DATE OF APPROVAL	PUBLISHED BY	DATE OF REVIEW
1.0	Homeowner Services Manager	New Policy	Board	Nov 2024	Office Management	Nov 2027