

Have you thought
about **owning more**
of your home?



If you've ever considered increasing your investment
in your home, it's worth taking a look at **Staircasing**



How does it work?

‘Staircasing’ is a process that enables you to buy more shares in your shared ownership home.

There are two options available when staircasing:

Option 1

Buy a little bit more at a time

You can buy additional shares in your home in stages. The amount you pay us in rent will go down as the amount of the property you own goes up.

Option 2

Buy all the remaining shares in your home

You can buy the remaining shares in your home to reach 100% ownership, either in one single payment or after several smaller transactions. When you have bought all the shares in your home, you’ll own your home outright and will no longer be a shared owner. It also means you will no longer need to pay rent to Octavia.



What are the benefits?

Everyone's situation is different, but regardless of where you stand financially, or how much equity you already own, if and when you are able to staircase the benefits can be substantial.

Reduce your rent

As a shared owner, you can buy further shares in your home. The greater the share you buy, the less rent you will pay to Octavia. If you staircase to 100%, you become an outright owner and pay no rent.

Higher return

As you buy more equity, you will retain a higher share of the sale price and a greater percentage of profit from any increase in the value of your home.

Faster upward progress

Staircasing will enable you to climb the property ladder faster, whether to help you own your current home outright, or as a stepping stone to the next stage of your home ownership journey.

Greater control

When you reach 100% ownership of your home, you can sell your property to anyone on the open market through an estate agent of choice. With full ownership you can also sublet if you wish.



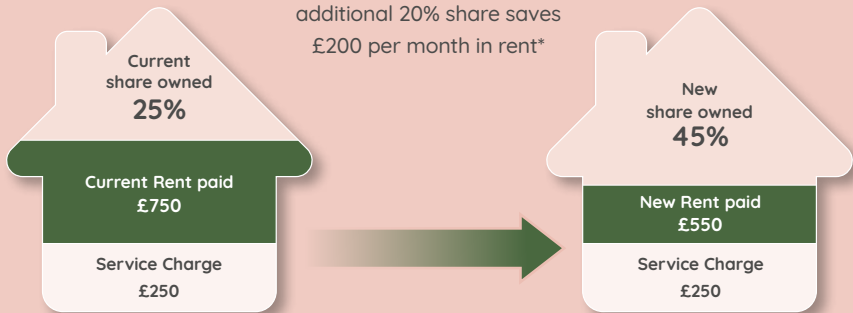
How much rent will I save?

The rent you save will depend on the additional shares you buy, but even shares bought in smaller chunks can bring significant rent savings. Remember, if you are funding your additional share purchase through your existing mortgage, the rent savings can substantially offset any increase in your new monthly mortgage payment.

To know how much rent you will pay after staircasing, use the following example based on a shared owner increasing their share from 25% to 45% and paying £750 rent a month.

Cost illustration

In this example, buying an additional 20% share saves £200 per month in rent*



Helpful tip: The formula for calculating estimated rent after staircasing is:

$$\text{New un-owned \% share} \div \text{Previous un-owned \% share} \times \text{£ Current Rent}$$
$$55\% \div 75\% \times \text{£}750 = \text{£}550$$

Try the above calculation and see how much you can save in rent!

* Savings indicated above are only an estimated projection. Actual rent savings may vary.



How much does it cost?

When you purchase more shares in your home, you can expect to incur additional costs. These costs include legal, administration and mortgage fees.

Legal

Solicitor's cost: Just like when you purchased your home, you will need a solicitor to act for you to complete your staircasing transaction.

Stamp duty: If you are buying additional shares that will take your ownership to over 80%, you will have to pay Stamp duty land tax.

Administration

Staircasing application fee: You will need to pay Octavia an application fee to process your staircasing and handle all case administration.

RICS valuation fee: To help assess the premium payable for new shares, you will need to get a most up to date RICS valuation of your property.

Mortgage

Arrangement fees: Unless you are using cash savings to staircase, it's more than likely that there are fees payable to the lender for the further advance and setting up your new mortgage. These are known as arrangement fees, however, depending on your lender you may be able to add these fees to your mortgage if required.

Mortgage advisor fees: If you are using an independent financial advisor (IFA) to find a suitable mortgage, you may have to meet their fees for advice and mortgage facilitation.

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|------------------------------|-----------------------------------|
| Solicitors' costs* | £750 + VAT |
| Stamp duty land tax* | To be confirmed by your solicitor |
| Staircasing application fee* | £250 + VAT |
| RICS valuation fee* | £300 + VAT |
| Lender arrangement fees* | £0 - £1,500 |
| Mortgage advisor fees* | £350 + VAT |

*Figures provided above should be used as a general guide only and where costs are payable to Octavia, these may be subject to change. You should seek independent advice before committing to staircasing.



FAQ's on staircasing

Do I need a deposit to buy a bigger share?

You don't need to wait to build up a deposit as you can use the equity in your share of your home to act as a deposit. Of course, if you do have savings then combining them with the equity in your home could help you to buy an even bigger share.

Is there a best time to staircase?

It's a good opportunity to staircase when your mortgage is due for renewal. If you're looking for a new mortgage deal, then you can factor in the changes to your share as part of the process.

Other than that, you can staircase whenever it works for you. It doesn't matter how long you've lived in your home, if you feel you are in a position to buy a bigger share then we're happy to talk to you about your options.

How do I check if staircasing is feasible for me?

To find out if staircasing is a viable option for you, please contact us and we will put you in touch with an independent qualified financial advisor (IFA) with staircasing experience. The IFA will assess your affordability and review your mortgage requirements including establishing the amount of equity you already own. To help them with their preliminary calculations, we can also provide the mortgage advisors with a rough estimate of the current value of your home.

This is a completely free and no obligation consultation service available to all Octavia shared owners.

I'm interested, how do I start the process?

To get the ball rolling, all you need to do is get in touch with our specialist Sales Services team who will provide you with all the information you need and guide you through the process.



Get in touch



Homeowner Sales Services Team

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