

# Staircasing and Resales Policy

## 1 Purpose

This policy sets out Metropolitan Thames Valley Housings (MTVH's) approach to Resales, Simultaneous Staircasing Sales (SIM), traditional staircasing, and 1% staircasing. Resales apply when a shared owner wishes to sell their home. A SIM sale takes place when a shared owner sells their property for 100% of the full market value. Traditional staircasing refers to the process of purchasing additional shares in a home to increase ownership, while 1% staircasing allows eligible shared owners to purchase an additional 1% share each year for a fixed period. Through this policy, MTVH ensures that all forms of resale and staircasing are managed consistently, fairly, and transparently.

## 2 Scope

This policy and associated procedures apply to:

- All shared owners of MTVH or other third-party landlords to whom MTVH (via its SO Resi brand) is providing a resale, SIM sale or staircasing service.
- The Resales and Staircasing Teams within the Residential Investment Team (Development Directorate) who manage transactions.
- MTVH colleagues within the business who may provide information for the purposes of Resales and Staircasing, such as the After Sales, Revenues, Home Ownership and Service Charges Teams.

## 3 Our Approach

### 3.1 Terms and Definitions

The table below shows the definitions of the terms used throughout the document.

Term	Definition
<b>Staircasing</b>	When a Shared owner who owns a share of their home, purchases further shares in their home.
<b>Resale</b>	When a shared owner sells their shared ownership home.
<b>RICS</b>	Royal Institution of Chartered Surveyors.
<b>SIM</b>	This refers to the process of simultaneous sale and staircasing.
<b>Third Party Landlords</b>	Other housing associations, councils or for-profit registered providers to whom MTVH (via its SO Resi brand) is providing a resales service.
<b>SO Resi</b>	The customer facing brand which MTVH and other third-party landlords use to facilitate staircasing transactions.

<b>EWS1 Form and Process</b>	An EWS1 (External Wall Systems) form is a safety certificate that confirms whether the external wall system of a block of flats such as cladding, insulation or balconies has been professionally assessed for fire risk. The form is arranged by the building owner or managing agent for properties of 11metres or higher. The form can only be completed by a qualified fire engineer, in line with government guidance (Bsigroup.com).
<b>Nomination Period</b>	A nomination period is the time a landlord or housing provider has first right to offer a property to another shared owner.
<b>Open Market</b>	This is when a lease holder is selling their home via an external estate agent
<b>Leaseholder/Shared Owner</b>	A person who lives in a property under a lease, owning it fully or party and who must follow the lease terms.

### 3.2 Our Customers

SO Resi aims to provide a consistent and supportive customer service to all Shared Owners. To assist with this, all Shared Owners will be advised to read the Shared Ownership Guides available on the SO Resi website. Clear and concise communication between SO Resi, the Shared Owner, the buyer, MTVH or the third-party landlord (where relevant), the solicitors and other third-party advisers is essential throughout the process.

## 4 Standard Staircasing and Simultaneous Staircasing

A shared owner may increase the percentage share of the equity owned in their home at any time during the term of the shared ownership lease, assuming they have owned their share for a minimum of 3 months. This is known as 'staircasing' and is a fundamental clause of the lease. The shared owner may also sell the property and simultaneously staircase to 100%.

A shared owner may also need to staircase if they are trying to sell their property and their landlord has been unable to find a new shared owner buyer for their property within the nomination period (typically 4-8 weeks). In this instance, once the nomination period has expired, the shared owner can choose to sell on the open market to a 100% buyer. When doing this, it is referred to as a SIM sale and staircase where the outgoing seller must staircase to 100% ownership and sell the property outright simultaneously. Further information can be found in the guide on the SO Resi website.

When a shared owner initially contacts the staircasing team to initiate a standard staircasing transaction (rather than a SIM sale), the team will ensure the shared owner is alerted to the EWS process and the implications for staircasing, including any challenges that the shared owner may incur when trying to acquire a mortgage without an EWS1 form. If a shared owner is likely to struggle to acquire a mortgage due to a lack of an EWS1 form, the staircasing team will discourage them from progressing with the transaction. More details are provided to shared owners in the EWS Guidance which the Aftersales Team sends to them alongside the "Buying a Bigger Share" guide.

## 4.1 Pricing

The price paid for further shares (standard staircasing) is based on the full 'open market' value of the property, and the shared owner has 3 months to complete their 'staircasing' purchase from the date of the valuation report received from a RICS qualified surveyor. For SIM sales, the price paid on completion is based on the full "open market" value of the property and the shared owner has 6 months to complete their "SIM Sale" purchase from the date MTVH receive the valuation from the customer.

## 5 Staircasing Valuations

Where a 'staircasing' transaction does not complete within the 3-month period, a revaluation (desktop report) will be required, this will be up to the shared owner to arrange at their own cost (usually reduced, if with the same surveyor) and for SIM Sales the transaction completion period is 6 months.

In normal circumstances the valuation can be extended informally by the After Sales Manager for a maximum of 10 working days before a desktop valuation is required. A desktop valuation will have to be approved by the After Sales Manager.

In exceptional circumstances the original valuation period may be extended by a maximum period of 3 months at the discretion of SO Resi, but only where there has been a delay which is outside the control of the shared owner and SO Resi. Evidence is required to ensure we are compliant and demonstrate any delays. This requires approval of the After Sales Manager.

Valuations must be carried out by a RICS qualified surveyor. SO Resi will expect the shared owner to independently arrange for the valuation. The shared owner is responsible for the cost of the valuation.

### 5.1 Structural Improvements

To ensure that shared owners are not disadvantaged if they make significant structural improvements to their property, the increased value associated with these improvements is not included in the market value that is used to calculate the cost of the share to be purchased. It should be noted that it is the value associated with the improvements, rather than the cost of the improvements, that is subtracted from the value of the property.

The surveyor will then provide two valuations to establish the value relating to structural improvements, the current market value of the property and the value of the property excluding the value of any work pre-approved by MTVH. The amount the shared owner will pay us will be calculated on the value excluding the works. If the shared owner did not receive approval for any works carried out, we will not deduct the increase in value. Retrospective approval cannot be given at the time of sale or purchasing further shares. We will not take into consideration any money spent on cosmetic works or works classed as repairs or maintenance. Only structural works will be considered.

### 5.2 Purchasing of Shares

The minimum additional shares that can be purchased is 5% or 10% (depending on the terms of the lease) and then in multiples of 1%. If the customer has signed a Shared Ownership Plus (SOP) contract or their lease includes provisions for 1% staircasing, the minimum additional share that can be purchased is 1% in accordance with the contract / lease terms. For SIM sales, the current unowned share will be staircased on the day of completion and 100% of the property will be sold to the incoming buyer.

In most cases it will be possible to purchase 100% of the shares and own all the equity in the property. However not all leases allow staircasing up to 100%. SO Resi will check the lease to ensure the shared owner can purchase the amount of shares requested.

If a shared owner buys outright (100%) then the shared owner will no longer be required to pay monthly rent. However, there may still be ground rent and service charges to pay. If the property is a house, the freehold will be transferred to the owner (dependent on the lease). Estate charges could still apply if the house benefits from communal estate services.

If within 3 months of staircasing, the property is sold for a higher price than the RICS valuation, MTVH or the third-party landlord (where applicable) may consider claiming back some of the additional profits made. This does not apply to SIM sales.

Some leases give the landlord the right of 'first refusal' when the shared owner wishes to sell after they have staircased to 100%. The Registered Provider (RP) used to have the right to buy the property back before the shared owner sells on the open market. This is known as a 'pre-emption clause'. Homes England have now removed this from new leases, and this is no longer a requirement for existing shared ownership properties.

MTVH or the relevant third-party landlord may restrict the purchase of additional shares if the shared owner has rent or service charge arrears.

The responsibility of updating the Land Registry lies with the leaseholder and their appointed lawyer.

### 5.3 Anti-Money Laundering

To achieve compliance with Anti-Money Laundering (AML), it is essential that the appropriate verification of shared owners is carried out and with regard to the raising of funds to purchase additional equity or purchase outright. In most instances additional funding will be raised via a remortgage / new mortgage. However, it is possible that cash could be used.

For more information refer to our **Anti-Money Laundering (AML) Policy** and **Anti-Money Laundering Guidance**.

## 6 Selling a Shared Ownership Home

Shared Owners of MTVH or third-party landlord properties can sell the share of their home. All the costs associated with selling a Shared Ownership property will be paid by the Shared Owner (seller). The Shared Owner is obliged in the first instance, to sell the property via its landlord, as specified in the standard terms of the lease and referred to as the 'nomination period'. MTVH and other third-party landlords will facilitate the sale through So Resi's specialist Resales Team. However, for those properties which require an EWS1 inspection and/or remedial works, the Resales Team may decide to waive the nomination period and give the seller the option to sell directly on the open market.

## 7 Shared Ownership Property Valuations

MTVH and So Resi do not carry out property valuations. In line with Government Capital Funding Guidelines, all shared ownership homes must be valued by a qualified RICS surveyor. Valuations are typically valid for three months and must remain current at the point of sale agreed.

## 8 Selling During the Nomination Period

The target is to find a buyer within the nomination period (typically 4-8 weeks). Thereafter, the Shared Owner can choose to sell the property on the 'Open Market', alternatively they can engage with MTVH to assist with selling 100% of their home.

SO Resi charges a fee for the Resale service, payable only upon completion of a successful sale. The sales fee is confirmed either within your MTVH lease, or for third party clients within the Instruction to Sell Form provided by the Resales Team. The cost is typically below a high street estate agent fee.

Where MTVH is the property manager, the sales fee includes the management pack fee and MTVH's legal fees (additional fees may be applied for external estate managers). Other landlords may have different pricing arrangements which will be made clear to the customer by the SO Resi Resales Team.

Some MTVH leases (typically pre-2010) detail an administration fee that can be charged, commonly 1% of the share price, as explained within the guides available on the So Resi website. The Resales Team can offer a reduced service (with fewer marketing options and would require the Shared Owner to pay for MTVH legal fees and the leasehold management pack).

The shared ownership property is marketed as a 'Shared Ownership Resale' and the percentage share that is available to purchase is the share currently owned by the seller. The incoming buyer must buy the share being sold however, if affordable the buyer can buy a higher share, up to the maximum of 75%. The financial advisor will advise of the share that is affordable when they are carrying out the affordability checks. The financial guidance followed, will depend on the properties location, adhering to either Homes England or Greater London Authority (GLA) guidance. Buying a higher share than advertised is known as a Resale Interim Staircasing sale. The value of the share is determined by a RICS valuation.

If the nomination period has lapsed and the Shared Owner decides to sell on the 'Open Market' via an estate agent, the options are:

- Sell their share and pass on the lease to the buyer. The buyer must also complete a MTVH Apply to Buy Form (provided that MTVH is the landlord &/or the property manager).
- Sell 100% of the property to an 'Open Market' buyer. This transaction is known as a simultaneous Staircasing and Sale and would be processed as a Staircasing transaction via the After Sales Team (provided that MTVH is the landlord &/or the property manager). Further information can be found in our **Staircasing and SIM Procedure**.

## 9 Selling on The Open Market

If the Shared Owner decides to sell on the 'Open Market', they can sell it for more or less than the RICS valuation if selling to a 100% buyer. However, if they accept a 100% offer for an amount that is less than the RICS valuation, the outgoing buyer will still need to simultaneously staircase to 100% based on the RICS valuation figure, meaning that the seller/buyer would need to make up the deficit. If selling for more than the RICS valuation, the Shared Owner will be required to pay MTVH for their share based on the RICS valuation price. The Shared Owner will also be responsible for any other associated costs incurred in the selling process including estate agency fees, all legal fees, the management pack and the valuation fee. In open market cases, SO Resi will charge an administration fee that is significantly lower than the full 1% fee.

SO Resi has a partnership in place with an established estate agent who can provide open market services to leaseholders if SO Resi is unable to sell their share of the home within the nomination period. If the leaseholder chooses to instruct this estate agent, SO Resi will receive a proportion of the sales fee if the estate agent is successful in finding a buyer and completing the sale. The sharing of this fee is declared transparently to leaseholders through the estate agent's terms and conditions.

## 10 Background Legislation

- General Data Protection Regulation (2018).
- Money Laundering Regulations (2017)
- Consumer Protection Regulations
- Housing Act (1996)

## 11 Our commitment to Equality, Diversity, and Inclusion

In implementing this policy MTVH will not discriminate against any colleague, customer, or stakeholder on the grounds of their sex, sexual orientation, gender reassignment status, ethnic origin, age, religious belief, disability, marital status, and pregnancy/maternity.

An Equality Impact Assessment has been completed for this Policy and is retained by the Policy Team.

## 12 Key Policy Information

Policy Owner	Director of SO Resi
Author	Head Of Aftersales
Approved by	Director of SO Resi
Effective from	September 2025
Approach to review	This Policy & associated Procedures will be reviewed as required by the owner for changes in legislation, regulation, and operational need. Any amendments will be appropriately consulted on and signed off before being clearly communicated to customers and colleagues. Next expected review is 5 years from the 'Effective date' of this document.
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