

1 Background and objectives

- 1.1 The aim of this policy is to outline how Alliance Homes Group will enable existing qualifying shared owners to staircase in their homes in a fair and transparent way. The policy aims to provide a framework for accommodating any requirements which may be placed on the eligibility and assessment process by local authority partners, the regulator, and our funders.
- 1.2 Staircasing provides customers with the opportunity to buy more shares in their current shared ownership home and therefore reduce the amount of rent they pay to Alliance Homes.
- 1.3 This policy supports housing obligations relating to staircasing provisions in accordance with existing shared owners Leases, and with the Homes England capital funding guide.
- 1.4 The purpose of this policy is to establish a staircasing sales process that is non-discriminatory and responsive to demand, whilst ensuring we are only allowing final staircasing to commence where appropriate (i.e., Homes not in rural areas or designated areas of outstanding natural beauty as defined and restricted in the Lease).
- 1.5 This policy will establish an efficient, transparent, fair, and effectively controlled basis for acceptance and processing of staircasing applications.
- 1.6 Additionally, the policy provides a system for assessing applicants, ensuring staircasing is an affordable and sustainable option of home ownership for existing shared owners.
- 1.7 This policy will ensure that Alliance Homes complies with all financial and regulatory controls including those set out in the Homes England Capital funding guide, whilst also complying with all financial and regulatory controls that Alliance Homes must satisfy.

Compliance

- 1.8 The policy has regard to our status as a Community Benefit Society, registered and regulated by Homes England. We consider the guidance on the eligibility and affordability of our existing customers to staircase as set out in the Homes England Capital Funding Guide. For more information about this follow this link:

<https://www.gov.uk/guidance/capital-funding-guide/1-help-to-buy-shared-ownership>
- 1.9 Our regulatory obligations are to ensure that generic and older person shared ownership is allocated in line with capital funding guidance, overseen by Homes England and subject to the requirements of the Homes England Compliance Audit process.
- 1.10 Alliance Homes Group will also comply with any staircasing restrictions as detailed in the Lease or contained with Section 106 Agreements.

- 1.11 The Policy also sets out the use of data collection and storing for Money Laundering Regulations 2007 & 2017 as per our HMRC registration.
- 1.12 We abide to the Consumer Protection from Unfair Trading Regulations act 2008 and 2015 to ensure that we act in a commercially fair and transparent way toward individuals.
- 1.13 The policy sets out the process as guided through the Estate Agency act 1979, where interim staircasing and resales are dealt with in tandem.

Risks

- 1.14 Loss of affordable homes when applicant's staircase to 100% becoming freeholders.
- 1.15 The financial risk of applicants being unable to afford their new rent/service charges
- 1.16 Staircasing transactions are not progressed in line with the requirements of the Homes England Capital Funding Guide, Section 106 Agreements, model lease or other grant funding conditions or audit requirements.

2 Policy detail

Who does this policy apply to?

- 2.1 Applicants wishing to buy additional shares in their current Alliance Homes Group shared ownership homes to increase their equity stake up to a potential outright sale, where allowed.

Eligibility criteria

- 2.2 For applicants to qualify for staircasing, Alliance Homes Group must undertake eligibility checks in line with current Homes England guidelines and planning/Lease restrictions.
- 2.3 To qualify for staircasing, an applicant must:
 - Be over the age of 18 of age and reside in the UK
 - Not currently own any other property / be named on any other mortgage deeds (than the property they are looking to staircase in)
 - Be a current shared owner in an Alliance Homes Group property
 - Be named on their current Lease as a Leaseholder
 - Not be in any rent or service charge arrears
 - Have enough savings, or access to sufficient funds, to put towards the purchase of additional shares
 - Undertake a successful financial assessment with an IFA (if interim staircasing) in line with Homes England affordability criteria

- Meet any staircasing restrictions or conditions as detailed in their Lease/ Section 106 Agreement or any other funding condition
 - Satisfy internal/external Anti Money Laundry procedures.
- 2.4 Any applicant who wishes to buy additional shares with someone else, can only proceed on the condition that they jointly named on the Lease of their current shared ownership home.
- 2.5 Should an applicant wish to buy in sole name when the Lease is in joint names or wish to buy with another applicant not named on the Lease, then a legal process known as 'Transfer of Equity' will need to take place, and all relevant affordability and eligibility checks undertaken before the staircasing procedure can commence. For more information about this follow this link:
- <https://www.gov.uk/registering-land-or-property-with-land-registry/transfer-ownership-of-your-property>
- 2.6 Home valuations should be valued in accordance with the terms of the lease, usually on the basis it has been properly maintained and carried out by an RICS surveyor. A valuation is usually valid for three months from the date of the report.
- 2.7 Where a shared ownership lease allows for a 1% staircasing increment, Alliance will use HPI to calculate the current property value and will issue this information to each affected customer every year.
- 2.8 HPI valuations will also be provided at the point of staircasing application requests.

Affordability

Interim staircasing

- 2.9 If interim staircasing (additional shares but no full ownership), an affordability assessment will need to be carried out. Affordability will be measured on the criteria outlined in the Capital Funding Guide and have a disposable monthly income of £150 for a single applicant, £200 per couple, £250 per family.
- 2.10 All prospective applicants looking to staircase are subject to a financial assessment carried out by a qualified Independent Financial Advisor, in line with Homes England Capital Funding Guide guidance.
- 2.11 Customers will sign an Interim Staircasing Memorandum, and the buyer's solicitor will register this with Land Registry after completion.
- 2.12 Where a buyer is purchasing additional shares via our resale service, we will seek to maximise the share in line with affordability criteria.

Final staircasing

- 2.13 If final staircasing (100% ownership), a full affordability assessment will not need to be carried out. However, evidence of how the additional share is being purchased must be checked i.e., savings, borrowing of additional mortgage funds etc.
- 2.14 Customers will sign a Final Staircasing Memorandum, and the buyer's solicitor will register this with Land Registry after completion.
- 2.15 Once a staircase to 100% ownership completes, customers able to see their property on the open market without consent, but subject to any restrictions in the lease or freehold transfer documents.

Offers

- 2.16 All staircasing offer notices will be conducted in a transparent and honest way, in line with Consumer Rights Act 2008 & 2015.
- 2.17 All offers will be made available to all parties in line with the estate agency act of 1979, if applicable.
- 2.18 Customers proceeding with the offer of sale will be liable to cover their own legal costs as set out in the Lease.
- 2.19 Anti money laundering checks must be carried out as part of all staircasing transactions.

Information

- 2.20 Under the Data Protection Act 2018 and the Human Rights Act 1998, all personal and sensitive information supplied to Alliance Homes, however received, is treated as confidential. This includes anything of a personal nature that is not a matter of public record about a resident, client, or applicant. We are obliged to adhere to the Money Laundering Regulations 2017 to ensure that all personal information submitted to us is stored safely and securely for up to 5 years post staircasing sale completion.
- 2.21 We have a duty to keep information secure and confidential and held only for as long as necessary for the purpose it is intended for, in line with the requirements of GDPR.
- 2.22 Alliance Homes Group reserves the right to contact third parties to request information for the purposes of assessing eligibility of applicants looking to staircase.
- 2.23 Alliance Homes will ensure that they only involve other agencies and share information with the consent of the applicant, unless:
 - To help prevent fraud or if required to do so by law, to comply with this legislation, we must safely and securely store information on file for up to 5 years post sale completion.
- 2.24 For further information on how applicant's information is used, how we maintain the security of information, and rights to access information we hold on, is included on the Data Protection Policy.

3 Monitoring, consultation and review

- 3.1 The Board and our regulator will receive regular reports on the performance against agreed targets and indicators (where applicable).
- 3.2 The New Business Manager is responsible for the implementation and review of this policy.
- 3.3 This policy will be reviewed within two years of its approval date.

4 Complaints

- 4.1. If you would like to raise a complaint in relation to this policy, you can do this by calling us on **03000 120 120** or emailing us at **act@alliancehomes.org.uk**.
- 4.2. All complaints will be handled in line with the latest Alliance Homes Complaint Handling Policy.

5 Associated documents

- Data Protection Policy
- Counter Money Laundering Policy
- Shared ownership Policy
- Home Resale Policy

6 Version control and approval dates

Version no.	Name and date
1	Helen Napierski 2023
1.1	Minor amend made to insert standard complaints section and format for external publication (June 2025)

Approval stage	Date completed
SLT approval	May 2023
Board or Cttee approval	n/a
Review date before	May 2025