

1. Background and objectives

- 1.1. This policy outlines Alliance Home Groups' approach to enabling existing qualifying shared owners to staircase (buy additional shares in their home) in a fair and transparent way.
- 1.2. Staircasing provides customers with the opportunity to buy more shares in their home which will then reduce the amount of rent customers pay to Alliance Homes.
- 1.3. This 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 of Social Housing and our funders. This may include covenant restrictions preventing some shared owners fully staircasing to 100% ownership of their home.
- 1.4. Staircasing provisions can differ depending on shared ownership lease type, and the rules governing these are specified in the Homes England Capital Funding Guide. This policy covers staircasing for:
 - Shared Owners with leases that pre-date the New Model Lease
 - Shared Owners who have a New Model Lease – this allows the purchase of micro-shares of 1% a year over a period of 15 years without the need for a valuation or legal and administration costs
- 1.5. This policy aims to establish a staircasing sales process that is efficient, transparent, fair and allows a system for assessing applications to ensure that additional purchases are assessed for affordability for shared owners.

2. Compliance

- 2.1. This policy has regard to our status as a Community Benefit Society, registered and regulated by Homes England. We will consider applications for purchasing additional shares in line with the eligibility and affordability criteria as outlined in the Homes England Capital Funding Guide. For more information follow this link:
[Shared ownership homes: buying, improving and selling: Buying more shares \('staircasing'\) - GOV.UK](https://www.gov.uk/government/publications/shared-ownership-homes-buying-improving-and-selling-buying-more-shares-staircasing)
- 2.2. We have a regulatory obligation to ensure that our shared ownership homes are allocated in line with capital funding guidance and this also applies to the sale of additional shares.
- 2.3. Applications for the purchase of additional shares must be considered in line with the terms of the applicant's lease in case there are any restrictions or legal considerations.

In addition, it must be established if the property is covered by a Section 106 agreement¹ in case there are any staircasing restrictions.

- 2.4. This policy also sets out the use of data collection and data storage in line with Money Laundering Regulations 2017 as per our HMRC registration.
- 2.5. We abide by the Consumer Protection from Unfair Trading Regulations Act 2008 and 2015 to ensure that we act in a commercially fair and transparent way.
- 2.6. This policy sets out the process as guided through the Estate Agency Act 1979 where interim staircasing sales and re-sales are dealt with in tandem.
- 2.7. The Capital Funding Guide states that we are required to maintain accurate and complete records of sales transactions for both reporting and audit purposes.

3. Policy Detail

- 3.1. This policy applies to all shared ownership applicants wishing to buy additional shares in their home to increase their equity stake up to potential outright ownership (if their lease permits).
- 3.2. The shared ownership lease will determine the level of additional shares that can be purchased, some older leases only permit a minimum purchase of a 10% share or above. Some newer leases will allow the purchase of shares of 5% or more. The new model lease may allow the annual purchase of 1% shares up to a maximum of 15 years.
- 3.3. For most shared ownership homes the maximum share that a shared owner can own is 100%. There are exceptions to this as the home may be in a 'designated protected area' which restricts the maximum equity at 80% or even lower. This may also apply to shared ownership homes in extra care schemes. The lease should make clear any restrictions on the maximum equity share of the property that can be owned. These restrictions are typically in place to ensure that affordable homes are retained and not lost to outright sale.

Staircasing Process

- 3.4. If a customer wishes to purchase additional shares, they must complete an Intention to Staircase form stating the percentage share they wish to purchase. In some cases, the shared owner may wish to staircase to full ownership (lease permitting).
- 3.5. Upon receipt of the completed Intention to Staircase form the lease must be reviewed to establish what the lease specifies in relation to the purchase of additional shares. The lease will determine the minimum additional share that can be purchased – a shared owner is able to buy more shares than the minimum but is not permitted to

¹ A legal agreement between a local planning authority and a developer – and the areas covered by the S106 will depend on the nature of the development and the needs of the local area.

purchase less than the minimum. Typically, this will be a 10% or 5% minimum share unless a shared owner has a new model lease, as detailed in 1.4 and 3.6.

- 3.6. For shared owners who purchased their home after 1 April 2021 and who have signed a new model lease may be able to buy shares of 1% each year, termed as micro staircasing, for the first 15 years of their lease. In these circumstances it is not possible to buy shares of 2%, 3% or 4%. The Key Information Document issued as part of the sales process will also specify if a shared owner can purchase 1% shares.
- 3.7. A shared owner with a new model lease may be able to purchase additional 1% shares each year up to a maximum of 15 years. The 1% additional share can only be purchased within each year only and cannot be rolled over to the following year if a shared owner does not use their annual 1% purchase entitlement. If the property is sold the new shared owner will be able to purchase 1% shares every year up to the 15-year maximum.
- 3.8. Any purchase of additional equity, regardless of the percentage purchased will result in a reduced rent for the shared owner.

Valuation of Additional Shares

- 3.9. For purchases of 5% or over the value of the share must be determined by a RICS valuer. The cost of the valuation must be paid by the shared owner wishing to staircase and the valuation will only be valid for 3 months from the date of the valuation. Typically, Alliance will instruct the valuer once the shared owner has paid the valuation fee. The shared owner must also appoint a solicitor to oversee the legal process of purchasing the additional equity in their home. In addition, Alliance will also charge an administration fee.
- 3.10. If the purchase of the additional equity does not complete within the 3-month period, a desktop valuation will be required which the instructing party will be responsible for arranging.
- 3.11. For purchases of 1% shares, the value of the share will be based on the original purchase price of the home, or the most recent RICS valuation (if applicable) and increased or decreased in line with House Price Index (HPI). There are no administration or valuation fees applied to 1% share purchases. Alternatively, either Alliance or the shared ownership applicant can decide to have [Royal Institution of Chartered Surveyors \(RICS\)](#) valuation. Whoever decides the need for an alternative valuation must pay for it. If a valuation is completed it will then be used as the basis for future HPI valuations.
- 3.12. If the shared owner has made home improvements that will affect the value of their home, the valuation must show the value of the property ignoring any home improvements and the current market value with the improvements. If the shared owner has our written permission for the improvements, then any additional share will be based on the value of the home without improvements.

Completing the purchase of additional shares (equity)

- 3.13. Once the valuation is received, a formal staircasing offer notice will be sent to the customer stating the full cost of the additional shares (equity) the shared owner wishes to purchase. To proceed the shared owner is required to formally accept the offer, by completing the acceptance slip and then the purchase process can continue.
- 3.14. Alternatively, the customer can withdraw their request or if they do not agree with the valuation, they can ask for a re-determination.

Interim Staircasing

- 3.15. As part of the staircasing offer the shared owner must be informed of what their new rent would be following the purchase of additional equity. If the shared owner accepts the staircasing offer and wishes to proceed with the purchase of a 5% share or above, they must return the acceptance slip and provide details of their appointed solicitors.
- 3.16. An affordability assessment must be undertaken at this stage, for purchases of 1% no affordability assessment is necessary. If the shared owner passes the affordability assessment the staircasing process can continue.
- 3.17. If the shared owner requires a mortgage to purchase the additional equity, their mortgage offer must be approved by Alliance before the purchase can complete.
- 3.18. We will instruct our solicitors and provide a memorandum of staircasing sale to the shared owners solicitors who will then both liaise until completion of the sale of the additional equity.
- 3.19. Upon completion of the purchase of interim shares the new rent will be updated on Cx and the new percentage owned must also be updated. In addition, the Treasury Team must be informed of the purchase.

Staircasing to Outright Ownership

- 3.20. If a shared owner accepts the staircasing offer they must return the acceptance slip and provide details of their appointed solicitors. At this stage we will instruct our solicitors and provide a memorandum of staircasing sale to the shared owners solicitors who will then both liaise to finalise completion of the sale and the completion date.
- 3.21. If a shared owner is staircasing to 100% then any mortgage offer does not need to be approved by Alliance.
- 3.22. Any changes in terms of service charges and management charges will be calculated and clearly stated as part of the staircasing process before the buyer proceeds with the purchase.

- 3.23. Upon staircasing to outright ownership, the shared owner will no longer be required to pay rent after the completion date. The management and asset systems must be updated to show the change; in addition, the Treasury team must be informed of the change.
- 3.24. The buyer's solicitor will register the purchase with the Land Registry after completion.
- 3.25. When a staircase to outright ownership completes customers are permitted to sell their property on the open market without consent, subject to any restrictions in the lease or transfer documents.

4. Legislation and regulations

The following legislation and regulations are applicable to the operation of this Policy:

- Homes England - Capital Funding Guide
- Money Laundering Regulations 2017
- Estate Agency Act 1979
- Royal Institute of Chartered Surveyors (RICS) Code of Practice
- Equalities Act 2010

5. Monitoring, consultation, and review

- 5.1. The Service Delivery Manager - Home Ownership and Service Charges is responsible for the implementation and review of this policy.
- 5.2. This policy will be reviewed within three years of its approval date.

6. Equality and diversity

- 6.1. This policy is subject to a periodic Equality Impact Assessment (EIA).
- 6.2. The purpose of such an assessment is to consider the effect of the policy regarding the recognised protected characteristics of equality and ensure that it does not unfairly impact any individual or group. The protected characteristics are age, disability, gender reassignment, race, religion or belief, sex, sexual orientation, marriage and civil partnership, pregnancy and maternity or other grounds set out in our Equality and Diversity Strategy. Remedial action will be undertaken if a detrimental effect is identified.
- 6.3. The EIA also requires the policy author to consider whether the policy is likely to negatively impact on a person's Human Rights.

- 6.4. This policy and any other related Alliance Homes publications can be provided in other formats for those with visual, literacy or language difficulties.
- 6.5. Alliance Homes has a Reasonable Adjustments policy, this applies to Alliance Homes residents, leasehold homeowners, licensees, shared owners, and customers receiving support services who may not be tenants. The policy explains how we will support customers, and it provides guidance for colleagues and contractors on how we define vulnerability. Some customers experience vulnerability and may, temporarily or permanently, need support or adjustments made to the way we deliver our services to them to enable them to have fair access to our services. We are committed to identifying these customers to make sure our working practices and services meet their needs.

7. Complaints

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

8. Associated documents

- 8.1. The following documents should be referenced in conjunction with delivery of this Policy:
 - Shared Ownership Sales Policy
 - Alliance Homes Financial Regulations
 - Reasonable Adjustments Policy
 - Data Protection Policy

9. Information

- 9.1. Under the Data Protection Act 2018 and the Human Rights Act 1998, all personal and sensitive information supplied to Alliance, however received, is treated as confidential. 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 sales completion.
- 9.2. 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.
- 9.3. Alliance reserves the right to contact third parties to request information for the purposes of assessing eligibility of applicants looking to staircase.

9.4. For further information on how applicant's information is used, how we maintain the security of information, and rights to access information we hold is included in the Data Protection Policy.

10. Version control and approval dates

Approval stage	Date completed
Equality Impact Assessment completed	December 2025
EIA reviewed by specialist colleague within HR	6 January 2026
SLT review / approval	30 January 2026
Next review date	31 January 2028

11. Appendices

Appendix 1 - Equality Impact Assessment

Appendix 1

Equality Impact Assessment

An Equalities Impact Assessment must be conducted alongside the review of an existing policy or the creation of a new one.

1. Name the Strategy, Policy, Procedure or Function (SPPF) being assessed and name of author.

Staircasing Policy - Elaine Hargate, Service Delivery Manager – Home Ownership and Service Charges

2. Aims of the SPPF being assessed.

The aim of this policy is to ensure that Alliance Home Groups' approach to the management of the staircasing process for applicants is clear, open, fair and transparent.

3. Who has been consulted in developing the SPPF?

Cath Stenson – Service Director – Customer Operations

Sarah McQuatt – Service Director – New Homes

Caren Pearce – Leasehold Officer

Kristal Shaw – Service Delivery Manager – Shared Ownership Sales

Andy Copeland – Leasehold Manager

Helen Napierski – New Business Manager

Kati Luotonen-Russell – New Homes Programme Manager

Toni Simmonds – Rents Business Partner

Rob Staplin – Service Director - Finance

Chris Pullin – Head of Treasury and Financial Planning

4. Does the SPPF promote equality of opportunity?

This policy promotes equality by ensuring that AHG deliver the management of staircasing applications in a fair, open and transparent way.

5. Identify potential impact on each of the diversity “groups” by considering the following questions (the list is not exhaustive, but an indication of the sort of questions assessors should think about):

Protected Characteristic	No impact	Negative impact	Positive impact	Information source/s **	Comments/evidence
Race			x		We make reasonable adjustments in line with our Reasonable Adjustments Policy including the provision of information in different languages. We can use interpretation and translation services to further enable communication and understanding.
Disability			x		We make reasonable adjustments in line with our Reasonable Adjustments Policy to provide information to meet communication needs for example, producing staircasing information in

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					braille or other alternative formats.
Gender	x				We have no evidence to support a positive or negative impact.
Transgender	x				We have no evidence to support a positive or negative impact.
Sexual orientation	x				We have no evidence to support a positive or negative impact.
Religion or belief	x				We have no evidence to support a positive or negative impact.
Age	x				We have no evidence to support a positive or negative impact.
Marriage & Civil Partnership	x				We have no evidence to support a positive or negative impact.
Pregnancy and Maternity	x				We have no evidence to support a positive or negative impact.

Rural issue	x				We have no evidence to support a positive or negative impact.
Social mobility	x				We will ensure that a variety of methods for communication is available to ensure those who may not have access to the internet still have an opportunity to respond.

Was there a negative impact identified in question 5? If yes go to question 6. if not go to question 7.

6. If “negative impact” identified in table (4) above is it? Not applicable

Legal -

YES	NO
HIGH	LOW

If it is not legal and/or high impact – (i.e.: if you have highlighted NO to legal and HIGH to impact, then the document should be referred to Head of HR)

7. If positive impact has been identified in table 4 above, how can it be improved upon or maximised, either in this SPPF or others?

Where possible Alliance will make reasonable adjustments to ensure accessibility to services for our customers. We routinely check with customers what their preferred access and communication requirements are and record this on our housing management system and refer to these requirements when we send information to our customers.

8. Full EIA (or if you decide full EIA is not necessary but some changes should be considered)

No

9. Does this proposal have any potential Human Rights implications?

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If yes, please describe (if necessary, please refer to the Alliance Homes Group Human Rights Policy)

This policy supports Alliance's approach to Human Rights which is detailed in our Human Rights Policy.