

# Your guide

## to buying the rest of your share

**If you're interested in buying the rest of the share in your home, this leaflet will help you understand the process.**

1. The first step is to work out how much it will cost to buy more shares in your home. You can do this through a qualified independent valuer, who must be registered with the Royal Institution of Chartered Surveyors (see the enclosed valuers' list). You are responsible for this cost which is currently between £117.50 and £176.50. To go ahead with the valuation, you need to fill in the enclosed valuation request form and return this to us. Remember, if you bought your home with someone else, you will both need to sign the form.
2. Once we receive your request, we will instruct your chosen surveyor, within five working days, to carry out the valuation. We will contact you by phone to confirm the day we send your request to the surveyor. They will then contact you direct by phone to arrange a suitable appointment and collect their fee.
3. Having the valuation carried out does not commit you to buying more shares. When your valuation has been carried out, the valuer will send us the report within five working days. We will work out how much it will be to buy the rest of the share and send you this information with your valuation report.

You decide how big a share you'd like to buy. The minimum is 10% of the unsold share, although sometimes your lease may give a specific percentage. You can't take more than three 'steps' (that is, you can only try three times) to own 100% of the share of your home.

4. After receiving your valuation report, you should contact your mortgage lender or financial advisor for financial advice on buying your extra share. We recommend that you get advice to make sure you are not overstretching yourself financially. When you buy an extra share, you can normally just extend your existing mortgage, though there may be some extra costs to pay your lender.
5. When you're ready to go ahead with buying the extra share, you will need to return the acceptance form (we will send this with your valuation report). This will confirm the percentage of shares you'd like to buy, along with the name and address of your solicitor. When we receive this information, we will contact our solicitor – they will then consult directly with each other through your staircasing process.
6. Please remember you will be responsible for paying your legal costs when you increase your share and you may also have to pay fees to your mortgage lender.

**Important: The valuation is only valid for three months.**

You will find the answers to some common questions over the page.

## **What if I have made improvements which have increased the value of my home?**

You should already have told us in writing about any improvements you have carried out.

You should also tell the valuer about these improvements and they will assess how much the improvements have added to the value of your home. We will take this amount off the full value before we work out the cost of the share you are buying.

However, it is important to be aware that the value of your home won't always increase by the amount you spend – for example, putting in double glazing is expensive but rarely increases the value of your home by the same amount.

## **What if my home has gone up or down in value since I bought it?**

We will offer you the extra share based on the new valuation, whether it is more or less than the original price (see the following example).

In 2000, your home cost £160,000. You bought a 50% share for £80,000. If the value in 2005 had gone up to £200,000, the other 50% share would cost £100,000. If the value in 2005 had gone down to £150,000, the other share would cost you £75,000.

## **Why do you tell the valuer to value my home?**

Your lease says that we should tell the valuer to value your home. This is because there are public funds invested in your home and we own the share you want to buy. The Homes and Communities Agency (our funders and regulators) check that we do this. All the valuers we use are fully qualified members of the Royal Institution of Chartered Surveyors and are completely independent from us.

## **What happens if I don't agree with the valuation?**

Valuing properties is not an exact science – valuers base their valuations on the actual sale price of similar properties and their experience of the area. If you do not agree with the valuation, you will need to put your concerns in writing, along with evidence of at least three similar (local) properties that are for sale or have sold within the last three months. We will send this information to the valuer and ask them to explain their valuation.

If you are still not happy, you can ask for another valuation. You will be responsible for the cost of this valuation and, if there is a great difference in the values (that is, more than 5%), we will refund you the cost of the original valuation. In extreme cases (if the value cannot be agreed), we will ask the Royal Institution of Chartered Surveyors to help reach an agreement.

## **What happens if my valuation runs out and I've not completed my staircasing application?**

Normally, if you have nearly completed the staircasing, we will contact the valuer, they will advise whether the valuation can be extended to help you complete it.

In extreme circumstances where you cannot complete the staircasing within three to six months, a new valuation may be needed. This means the staircasing value will depend on the new valuation. (In some circumstances, this has been known to increase. If this happens, you will need to pay the higher charge, if it reduces you will pay a lower charge.)

## Can I instruct my own independent surveyor?

You can select your own surveyor. However they must meet the following criteria:

- The valuer needs to be independent and can not be associated with any estate agents.
- The valuer must not be related to you.
- The valuer must not be employed by any bank/building society.
- The valuer must be registered with the recognised qualification of FRICS or RICS.
- L&Q will require a copy of the valuation report; this should be valid for a period of three months (and should be valid until completion takes place).
- The report must include at least three comparable properties used to determine the value.
- The report must also state that L&Q can use the contents of the valuation report.

On receipt of your own independent valuation please arrange for a copy of the report to be sent to the Conveyancing Team.

## Will I have to pay rent and service charges if I buy 100% of my property?

If you increase your share to 100%, you will no longer have to pay us rent. If you own a house, you will normally become the freeholder of your home. If you partly increase your share (known as interim staircasing), your rent will reduce depending on the share you buy. You may still have to pay service charges even if you own 100% of the property and the freehold. Please check with our financial services team on 0844 406 9000 ext 5077.

## Can I buy 100% of my home immediately?

Generally yes, unless your lease specifies otherwise.

### Contact us

L&Q  
Cray House  
3 Maidstone Road  
Sidcup  
Kent  
DA14 5HU

### Phone

0844 406 9000 ext 6955

### E-mail

tcst2@lqgroup.org.uk

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