



Buy Back and Reverse Staircasing Policy

1.0 Purpose and scope

This policy sets out the circumstances where NHG will consider buying back the full equity owned by a leaseholder or undertake reverse staircasing of a portion of a shared ownership property. This document outlines the criteria the applicant is required to meet and how these decisions will be made.

This policy primarily applies to residents owning leasehold or freehold homes through Notting Hill Genesis (NHG), or one of its subsidiaries. It also applies to freehold homes previously owned by one of these entities.

2.0 Definitions

Compulsory Purchase Order (CPO)- A mechanism of buying back the lease without the leaseholder's consent.

3.0 Residents in financial hardship

We understand that the financial situation of our residents can change, impacting their ability to afford their home.

We are only able to buy back or reverse staircase properties in the limited circumstances prescribed within this policy.

We are committed to supporting our residents and protecting them from financial distress. Residents of properties which are not deemed suitable for a buy-back or reverse staircasing will be signposted by the Local Officer to appropriate support offered either internally or externally in line with our [Income Collection Policy](#).

Reverse staircasing is an option available to allow shared owners in financial difficulty to release equity in their property and reduce their mortgage payments. We acknowledge that, as there is a corresponding increase in rent, it is not often a practicable or sustainable solution.

4.0 Buy back process

Buy back is the process of buying back the lease at full equity from a resident or shared owner. We consider buying back a property in the following limited circumstances:

- Where there are immediate building health and safety concerns that cannot be sufficiently mitigated through on-site measures and require permanent or long-term decanting.
- Where we are undertaking regeneration or redevelopment.

Given the circumstances, in most cases determining if these criteria have been met will be decided by a project team. They will do so on the basis of professional advice and either seek the approval of our Executive Board or a delegated authority.

In cases where there is no project team, the Local Officer and their Manager (with the support of other teams as appropriate) will consider whether properties are deemed to meet the prescribed criteria in the first instance. If not, an explanation will be given to the resident.

If deemed eligible, a property will then be put forward to the relevant Director. If agreed, they may seek the approval required in accordance with our financial regulations to make an offer to buy-back. Any decision will be made carefully on a case by case and scheme by scheme basis as the decision-making process will be heavily circumstantial. No decision made will set precedent for any further decision on the same site or another.

If agreed, residents for any property identified as meeting the prescribed criteria for a buy back will be contacted and receive a formal buy back offer endorsed by independent professional advice.

5.0 Reverse Staircasing- Factors we consider

Reverse staircasing (also known as downward staircasing) is the repurchase of equity by a landlord from a shared owner. A proportion of the owned share is sold back to the landlord, with the rented share (and therefore the rent payable) increasing accordingly. There is no right to reverse staircase, and it will only be approved at our discretion in very limited circumstances.

We will only consider an application to reverse staircase if all the following conditions are met and evidenced:

- The shared owner owns less than 100% of their property but more than 10%

- The shared owner is in severe financial difficulty, has evidenced that they are at immediate risk of repossession and have exhausted all other options for avoiding repossession. These include, but are not limited to:
 - Contacting the lender to restructure the mortgage payment terms to make them more affordable
 - Seeking professional and independent qualified debt advice
 - Considering selling the share of the property to move home
 - Considering taking in a lodger or subletting the property subject to our approval in line with our [lodgers and subtenants policy](#)
- That they remain eligible for shared ownership under prevailing requirements
- That they can demonstrate that they will be able to afford the combined rent and service charge payments after reverse staircasing

We will therefore only consider reverse staircasing where the shared owner is in proven financial difficulty and not where building safety concerns are the issue, or a sale is prevented.

Any decision will be made on a case by case basis in accordance with these set criteria with the appropriate amount of equity repurchased decided by NHG at its sole discretion. We will only consider reverse staircasing where the resident will be left as owning at least 10% equity, unless there is a term in the lease which allows for further equity buyback. If approval is not given, an explanation of why the property presented was not considered suitable to be offered a buy back will be given to the resident.

6.0 Handling resident requests

6.1 Buy backs

Residents will not be able to make an application for a buy back as properties which meet the prescribed criteria (or form exceptions) will be identified and determined by us. However, residents are encouraged to discuss their circumstances with their Local Officer to support our understanding of their circumstances so the situation can be appraised properly.

6.2 Reverse staircasing

Residents can make applications for reverse staircasing if they can demonstrate they have met the above conditions. In the first instance, they should talk to their Local Officer to provide the appropriate evidence. If the above conditions are met and evidence has been received the application will be reviewed by the appropriate Director.

After completion, the resident will remain a shared owner and the rent will be increased to reflect the new level of equity. Service charges will not change, and other rights and responsibilities will remain the same.

7.0 Costs

We may consider a Compulsory Purchase Order (CPO) for buy backs. The rights of resident and non-resident leaseholders and freeholders are set out in legislation.

Any agreement to purchase resident equity will be done in line with financial regulations, based on a RICS accredited valuation and at our discretion. We reserve the right to deduct fees associated with the transaction from the purchase price.

Document control

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Version Control

The version number should increase by 0.1 if the changes are minor, or by 1.0 if there have been significant changes.

Date	Amendment	Version
21/04/2021	New Policy	1.0
16.02.2026	Added criteria that we will only reverse staircase when it will leave the resident with at least 10% equity other than when lease stipulates further flexibility	1.1