











**Investor Pack and Business Plan
for early pledges v2**

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Kindling is a housing co-operative looking to purchase a house in Oxford or the surrounding area. The co-operative consists of a network of 15-20 individuals currently living, working and privately renting in Oxford who wish to take control of their housing situation and create a secure, affordable, low-impact, collectively owned and managed home together.

The group is currently made up of nine full members, including social entrepreneurs, campaigners and designers involved in a range of environmental and social justice causes. We wish to live in a non-hierarchical and ecologically sustainable way.

Kindling Housing Co-operative aims to provide a safe, stable and supportive environment for generations of politically and socially active individuals. We believe this is even more important at a time when other forms of housing are further out of reach. Oxford is now the least affordable city in the UK with rents and house prices continuing to escalate at unsustainable rates. In addition, cuts to housing support and the continued financialisation of housing, have all compounded the fact that many people like ourselves are struggling to find suitable accommodation. This house will provide a productive living space for a diverse group of individuals and help to ensure the continuation of vital social and ecological projects for a more equal society.

We hope to create a space that is low impact, consensually run, engaged with its local community, and actively working towards social change. In an urban location that has connection to a modest growing and green space, we want to demonstrate a different way of living: taking control of our infrastructure, connecting to the community and ecosystem, whilst being practical, empathic, active and egalitarian.

The House

We are currently looking for a five to eight-bedroom home within or near to the ring-road in Oxford. We are in discussion with the Ecology Building Society and Triodos for a mortgage, and are exploring the possibility of a loan with Radical Routes. We will raise the remaining funds by issuing loan stock.

We are currently exploring a number of houses on the market. The house we end up buying will include some or all of the following characteristics:

- Adequate bedroom sizes and communal spaces allowing for storage
- Good natural light
- Garden suitable for growing food
- Potential for extension and/or further development
- Highly energy efficient, or with potential to retrofit to reduce our energy bills and add renewable technologies, such as solar PV.

MEMBERS AND SKILLS



There are currently eight members of Kindling. The individual members bring skills in accounting, experience of running workers cooperatives, project management skills, design, architecture, property maintenance, low impact living, working in groups and collective decision making. These skills are spread across the group and will help ensure a healthy and sustainable living environment for everyone.

WHAT IS A HOUSING COOP?



Housing co-operatives are registered not-for-profit organisations, set up to allow people to collectively control their own housing without necessarily owning the property they live in.

All co-operatives are governed by their members - in the case of housing co-ops, all tenants are members and members need to be tenants, current or prospective. According to the co-operative principles each member then has an equal say in any decision-making process, and an equal responsibility in the management of their home. This model thus allows grassroots control over housing, providing rented homes where tenants are collectively their own landlord.

We want to set up Kindling as a fully mutual non-equity co-operative, which means that, should it ever cease to exist, its assets have to stay within the co-operative movement and cannot be passed to any of the members, or be used for any investment outside the movement. Coming together and acting co-operatively, we can that way ensure housing remains in common ownership.

By setting up a housing co-operative, we therefore not only aim to empower ourselves to take control over one of the most fundamental aspects of our lives, but also to contribute to a transfer of private property to common ownership. We believe this way we can provide a safe and secure environment for people.

INVESTING IN KINDLING



To buy the house we need to raise a large amount of money, and we would like the majority of this to come from loans from individuals. This is called 'loanstock', there are many more advantages to the community when using loanstock rather than a mortgage from a bank.

With a direct loan from an individual we can agree whatever amount, payback time and rate of interest that suits both parties. For example, if we agreed an interest rate of 3%, this would be lower than a mortgage for us, but higher than a savings account for the saver, a win-win situation because we have removed (or reduced) the role of the middle-man (the bank). Another advantage of investing money within your community means benefits beyond a return of interest. By avoiding investing at the bank, we can also choose where and how our money is used, and thus prevent investments to industries which cause us grief.

WHY INVEST?



In addition to the benefits to your community, investing in a housing coop makes good financial sense. You have the option of getting a higher return than you would from the bank, it's fixed so you know exactly how much you will receive and when, and that it is safe.

The safety of the investment stems from the fact that there is a dire need for affordable housing in most cities of the UK, and especially in Oxford. Dragonfly, the only fully mutual housing co-op currently set-up in Oxford, has a constant waiting list of prospective tenants. This means we know there would not be empty rooms for long at Kindling, if ever - even though we did factor this possibility out of precaution into our accounts. We can therefore be sure that repayments for investments will be made according to pre-agreed plans. In the unlikely case of financial issues, we have allowed for a safe amount of leeway in the possibility to raise rents by fixing them initially at 80% of the going market rate and planning to keep them fairly constant, independent of market fluctuations. In the unlikely event that the coop disbands, the house can be sold and creditors repaid.

How much do we need?

We are looking for houses around the mark of £75,000 per bedroom, we will likely alter the house to contain more bedrooms. Below is the income/expenditure for an 8 bedroom house for the first 10 years, (if you would like a full 40-year balance sheet we can send you one). The total purchase costs include all the mortgage fees, surveying and solicitor fees, and stamp duty that comes with buying a house. The rental income is based on 8 rooms at £477 a month inc. council tax.

PLEDGE



We have a chicken and egg situation in that we need loans to buy the house, but need to know which house we would like to live before we can really arrange loans. The way around this is to ask our community to make a pledge for a loan, to be redeemed when we need it in the following six months.

If you are interested in our project but still have questions you would like to ask us, please feel free to contact us at contact@kindlingcoop.org

If you would like to pledge a loan today, please fill in the form below and email it to us:

PLEDGE FORM



Name: _____

Contact Tel: _____

Email: _____

Address: _____

Comments: _____

TIME		AMOUNT (Eg £10,000)	PERCENTAGE (0-3%)
1	5 years		
2	10 years		
3	15 years		
4	20 years		
5	25 years		

BUSINESS PLAN



Year	1	2	3	4
INCOME				
Loanstock	£408,000.00	0	0	0
Mortgage + RR/other loans	£220,000.00	n/a	n/a	n/a
Other	£0.00		£0.00	£0.00
Rental income	£46,980.00	£41,760.00	£41,760.00	£41,760.00
Interest from bank	£0.00	£0.00	£0.00	£0.00
Total IN	£674,980.00	£41,760.00	£41,760.00	£41,760.00
EXPENDITURE				
Total Purchase Costs	£626,650.00	n/a	n/a	n/a
Extraordinary maintenance	n/a		£0.00	£0.00
Voids	£0.00	£2,088.00	£2,088.00	£2,088.00
Insurance	£600.00	£624.00	£648.96	£674.92
Maintenance	£1,248.00	£1,297.92	£1,349.84	£1,403.83
FSA fee	£197.60	£205.50	£213.72	£222.27
council tax	£2,080.00	£2,163.20	£2,249.73	£2,339.72
Other	£520.00	£540.80	£562.43	£584.93
Mortgage	£15,406.32	£15,406.32	£15,406.32	£15,406.32
TOTAL OUT	£644,846.32	£22,163.92	£22,350.71	£22,544.96
SURPLUS	£30,133.68	£19,596.08	£19,409.29	£19,215.04
Loanstock Repayments	£0.00	£0.00	£0.00	£0.00
BALANCE	£30,133.68	£49,729.75	£69,139.05	£88,354.08

	5	6	7	8	9	10
	0	0	0	0	0	0
	n/a	n/a	n/a	n/a	n/a	n/a
	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00
	£43,848.00	£43,848.00	£43,848.00	£43,848.00	£43,848.00	£45,936.00
	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00
	£43,848.00	£43,848.00	£43,848.00	£43,848.00	£43,848.00	£45,936.00
	n/a	n/a	n/a	n/a	n/a	n/a
	£0.00	£0.00	£0.00	£0.00	£0.00	£10,000.00
	£2,192.40	£2,192.40	£2,192.40	£2,192.40	£2,192.40	£2,296.80
	£701.92	£729.99	£759.19	£789.56	£821.14	£853.99
	£1,459.98	£1,518.38	£1,579.12	£1,642.28	£1,707.97	
	£231.16	£240.41	£250.03	£260.03	£270.43	
	£2,433.31	£2,530.64	£2,631.86	£2,737.14	£2,846.62	
	£608.33	£632.66	£657.97	£684.28	£711.66	
	£15,406.32	£15,406.32	£15,406.32	£15,406.32	£15,406.32	£15,406.32
	£22,851.39	£23,061.49	£23,280.01	£23,507.26	£23,743.60	£34,093.79
	£20,996.61	£20,786.51	£20,567.99	£20,340.74	£20,104.40	£11,842.21
	£78,389.52	£0.00	£0.00	£0.00	£0.00	£114,706.38
	£30,961.17	£51,747.68	£72,315.67	£92,656.42	£112,760.82	£9,896.65

A full 40-year breakdown is available on request

