

# INVESTING UPSIDE DOWN [narrative for slides]

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## 1. Intro slide

*Thank you for inviting me.* I've been an independent community activist and entrepreneur for 25 years. I want to talk about Upside Down Investing. Bottom up development that starts and ends with people in communities. Investing in people and reconnecting people with land and buildings.

## 2. Me pics

This is me, the things I care about

- People – I'm steeped in and committed to community organising
- Buildings that people love but are neglected
- Urban life and the way urban neighbourhoods change. This is 'now-transformed' Deptford before it was gentrified.
- Bidding for resources from the ground up – this was a bid for Single Regeneration Budget money (anyone remember that?). This was Round 6 and the bid was written over 18 months on the streets of Deptford and New Cross.

## 3. CADO Calendar

One of my special interests is in tackling delinquent ownership – bad owners mistreating buildings that people love and wasting precious resources. The dysfunction caused by council cuts has turned the idea of using their powers to deal with these abuses, which they always felt was too difficult, too expensive, too risky, into a sheer impossibility.

The interaction between delinquent private sector behaviour and the grinding austerity imposed by government over the last 8 years, is deeply unhealthy. But it is not unchallengeable... I want to argue against a Year Zero approach – many of us have been doing some amazing stuff in the face of the storm.

I've supported, and learnt from, community enterprises all over the country. But Jericho Road invests its profits and my spare time into projects in Hastings and today I'm going to focus on those.

#### **4. Pier**

First the pier – and we'll come back to it at the end.

This is a great story that I can't do justice to now (but will write the book one day!). The wonderful thing was that it was rescued against the odds by mass support and dogged persistence. The Friends of Hastings Pier started in 2006 when the pier was first closed for safety reasons. 3 years of being patronised followed by an intensive political campaign to achieve compulsory purchase and then the raising of £14M, despite a devastating fire in the middle of it. The pier was finally transferred into community ownership in August 2013 – owned by 5,000 community shareholders and with all the funds in place for renovation.

#### **5. Neighbourhood looking derelict**

Once the pier was going to be ok, for me it was time to think about the neighbourhood... and there was plenty to do

In 2013 we took a meanwhile lease on the basement of Rothermere House (now Rock House), looking out down this Alley and right next to the Observer newspaper building – empty and derelict for 40 years. In 2014 we were offered the opportunity to buy it.

#### **6. Rock House pics**

So we did – and we've transformed it from boarded up, via temporary uses, in stages, to pretty much finished.

#### **7. Rock House now, with logos**

This is an example of 'tethered' or 'rooted' capital. Here's the investors: MWS/JRS/P2C own it, with grant from P2C, CCF and a loan from BII.

Power to Change will be handing over their shares to a suitable local community group – hopefully the Rock House Tenants Coop, which has chosen an 'area of benefit' of 150m round the building – agenuinely local neighbourhood and a very special one.

[CLICK TWICE FOR PARTY] Fantastically, this is now a profitable community business and by this April it will have broken even across the life of the project. You're all invited to the 'Into The Black' party on 16<sup>th</sup> March!

## **8. Rock House achievements**

Over 100 people have jobs, including 10 people living there. Tenants in the commercial spaces include: a VR company; a Technology company; a Design Coop; 1066TV; a record label; an architect; a writer, photographer; events managers; designers; digital arts production; etc etc

The selection criteria for both commercial and residential tenants are – need, local connection, enthusiasm, contribution

The whole building is community self-managed – people contribute to the social and physical upkeep of the place they live and work.

We're currently working on the last floor – the basement

## **9. Basement**

I'll tell you how we're doing the basement so you can see what I mean about investing upside down.

A small group of men want to learn to build a CNC Cutter (a kind of computer controlled saw). So they are going to build it from scratch in our Basement, then do public workshops for children, families, people who want to have a go, and a local recruitment agency that gets asked for CNC experience

Then they'll use the Cutter to make the furniture for our long-term use which is a kind of Food Shop/Community Kitchen/Events Space. When they've finished they'll move to another site, leaving the furniture behind and taking the fledgling business with them.

This is an emerging business supported by WRNV (that's Rock House) and HoH (the CLT I'm about to tell you about)

## **10. HoH WR Renovators**

Rock House is pretty amazing, but it can't make all the difference. In the face of rising rents locally we asked ourselves – is gentrification happening, if it is, is it a problem, if it is, is there anything we can do about it? We decided yes, yes, maybe. We could buy property into community freehold and cap the rents forever.

Capitalism depends on the hills and valleys of investment and disinvestment, uneven development is not an accident. Mobile capital flows away from

places, leaving them to rot, and creating the rent gap that later allows for the massive profits of gentrification.

So we set up HoH CLT which has just bought the white building (on the right) using a 'war chest' raised through our Investors Collective – local people with spare cash investing £5k to £50k – 90% of it as a 3-year loan (3% pa interest), 10% of it as long-term community shares.

Now we're bidding for the building on the left as a community asset transfer from the county council. Partnering with a local arts project – the UK's leading arts organisation working with neuro-diverse people with complex needs.

### **11. Ore Valley (inc map)**

White Rock and Ore Valley are the two poorest parts of Hastings, but very different. Ore Valley grew up as a set of council estates around huge industrial premises – a power station and a vast factory. When they closed in the early 1980s the place was devastated. Ever since then the regeneration strategy has been that the derelict land would be solved by private development and the poverty of the people would be solved through social services. Neither has worked. We want to bring the land and the people back together, through a Bottom Up Development process so they not only choose what should be on the land but they make it happen.

### **12. OV masterplan**

We're going to build 77 eco-homes, built by a builders coop kick-started by a 12-week learning process called the Organisation Workshop which is based on the idea that for the poor to stop being poor they have to organise in order to create wealth and keep it local.

The OW is a rapid, intensive 'commoning' process that enables that to happen. The orange building is a factory where the components will be made and assembled for the build-out and will continue beyond that to supply components and pod-houses to developments across South East England.

### **13. Living Homes**

Six different types of tenure and price – all identical quality and management.

## 14. Solidarity and scaling

The most common criticism of community-led housing from all sides is that it is too small in scale and can't 'solve the housing crisis'. But that's a false proposition. The alternative idea that you just build thousands more houses is like saying growing more vegetables will create more vegetarians. Rather we need to demonstrate new ways – learning together how to make a delicious, nutritious and affordable meal without meat.

Rather than looking for single imposable solutions or scale for the sake of it, we can link up together at grassroots to build 'rhizomatically' – infiltrate like roots or fungus the ever-widening cracks in the dominant ownership models. I love to watch the dynamic inventiveness of urban community land trusts in the UK at the moment – each grappling for answers, absorbing and leap-frogging each other's innovations.

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### SLIDE 15: Pier again

I said I'd come back to the pier. It was beautifully renovated and reopened in May 2016. In October last year it won the Stirling Prize. But just a few weeks later the Hastings Pier Charity was put into administration by an unelected board without asking the 5,000 shareholders. So, just a month ago, a meeting of shareholders & supporters who want to be active and constructive in this second crisis decided to re-establish the Friends of Hastings Pier which already has over 400 members and is trying to protect the freehold of the pier in community ownership. Déjà vu – all the same arguments about private sector fairy godmothers and 'High Net Worth Egos'. Time we moved on!

### LAST SLIDE – nice OV pics

So I'll finish with 3 conclusions:

1. Invest in process, in growing people, and in connecting them to land and buildings, in helping projects and businesses to emerge, in building trust and making reciprocity normal, in connecting people at grassroots across the country.
2. Focus on community investment – community shares, collective loanstock, anything that can tap into the £10 trillion of UK household assets and make use of some of it for social purpose.

3. Take risks because nothing ever happens otherwise, but build a strong and distributed power-base of people who care enough to come back and fight the battle and make the investment all over again.

Thank you