



Collective. A New Housing and Employment Solution.

## Introduction

The Collective project was originally conceived to tackle the challenges facing Camden and London directly. These included rising unemployment, vacant retail units on Camden High Street and a lack of affordable employment space for start-up businesses.

We did this by providing co-working space, pop up shops and business support courses to young entrepreneurs.

## The Current Situation

The project has relied on public funding, grants and raising its own revenue to support its activities up to this point.

Tackling the challenges facing Camden and London by direct intervention can be successful, but can only ever provide a short term solution.

The biggest challenge we face delivering the project is acquiring properties to carry out the project within.

It isn't sustainable, or good use of resources to continue to rely on public subsidies to carry out the project.

## The Challenge

We are going to use long term structural changes occurring in London to be able to create a sustainable business model. These include the effects of a changing demographic and growing population, specifically rising land values.

## The Proposal

We are going to identify and purchase our own site and develop a mixed-use building that combines employment and co-working space on the lower floors with residential space and PRS housing on the upper floors.

## How does it work?

To pay for the development we are going to have to borrow money, like a typical mortgage.

The difference is that this money is going to be a social finance loan, rather than a mortgage. (Social finance is an approach to managing money which delivers a social dividend and an economic return). This means the lender is interested in creating employment benefits, as well as an income, via the interest we'll pay them.

The residential space on the upper floors will generate an income that subsidises the employment and co-working space provided on the lower floors, as well as paying the interest on the social finance loan.

## Why Now?

The demographic challenges and pressure on land values in London and Camden are not going to change soon.

Our previous grant funded interventions were designed in response to issues arising from macroeconomic factors such as vacant retail units and unemployment during the 2008 recession. These effects are still being felt now with a major change in policy and massive reduction in public sector funding. Camden Council is not exempt from this challenge. Its budget has been halved from 2010 to 2017 creating a £430m funding gap.

This means the Council are pursuing innovative ways to make the best use of buildings and land to improve community facilities and is part way through its 15-year Community Investment Programme.

Camden's programme will sell or redevelop properties that are out of date, expensive to maintain, or underused and difficult to access. We want to make use of this 'opportunity' and target a Camden Council owned site to carry out the development.

As a leading Business Improvement District, CTU is leading the way in city centre management. We believe we are well placed to start exercising a leadership role to enhance the speed, scale and quality of housing delivery and implement an overarching vision for the local area.

The risks of doing nothing include a loss of the accumulated knowledge and capability to deliver the project, alongside a continuing rise in asset values which would make it unfeasible in the future.



**Above:** Image of the proposed mixed-use development.

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