

# Owning and operating the world's largest co-living community

**James Penfold says our message to the planning community is: to solve the housing crisis we need to innovate, and co-living is one of the answers**

Ten years ago, our founder Reza Merchant was a student sitting in the library at the London School of Economics and was struggling to rent a reasonably-priced room in the capital's highly competitive housing market.

As Reza grappled with finding a student flat the idea of The Collective formed in his mind: why wasn't there anything easy, sociable and affordable for people arriving in London who didn't want to live in a traditional Home in Multiple Occupation?

He launched The Collective, which has grown from offering small house shares to owning and operating the world's largest co-living community, with over 8,500 units operating or under development.

We employ 250 people operating from London to New York to Berlin and we have raised \$900 million to fund our growth.

Our mission is to enable human connection and our aspiration is to help people to lead more fulfilling lives. We want to support wellbeing, combat loneliness and also be at the heart of the communities in which we operate.

These are bold aims, but what does The Collective actually do on the ground?

The best example to offer is our flagship The Collective Old Oak development in West London, where the co-living development has operated at 98 per cent occupancy for 3.5 years and at the same time provides 25-30 events a week for the people living there.

Co living is a mindset and is for anyone who is looking for greater human connection and wants to be part of vibrant, inclusive and diverse communities. Consequently, we are seeing inter-generational living at The Collective Old Oak already, with ages ranging from 18-66, whilst more than 25 per cent of members are 35-plus.

Opportunities for social interaction within our buildings range from sessions on art and culture to music and mindfulness, delivered in high quality, shared spaces which are a fundamental building block of the co-living concept.

But it is important to stress that those co-living spaces don't just exist for the benefit for The Collective members living at Old Oak, some of whom have been in occupation for three years.

For example, our Old Oak development is fully integrated with the wider neighbourhood, and we strove for this from day one. Our members helped with a local canal clear-out, local people have access to our shared spaces and can take part in activities like our yoga classes.

We are also playing our part in solving the London housing crisis, through a range of affordable options at new developments we are planning in Wandsworth and Harrow.

At the riverside redevelopment of Garratt Mills in Trewint

and because for each location, if you've got your own idea or impulse, we're here to help you make it happen. Here's a peek into what we've got going on.

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Street, Earsfield specifically, we have secured planning consent for the transformation of a former scrap metal yard and will be starting on site in the first quarter of 2020.

The development will include 292 co-living rooms and, crucially, will include affordable accommodation for people earning £18,000 a year upwards, accommodation for foster care leavers, and community and employment incubation space free of charge for local people and businesses. For us, it is very important that our developments are tenure blind too and all members benefit from the same level of service and experience.

We are also proactively seeking partnerships with local public bodies, such as South Thames College and local hospitals, to secure first preference on homes for key workers and existing local residents.

This transpires through exclusively marketing our co living homes to local people and public sector workers for a period of three months prior to launching on the open market and local council's benefiting from nomination rights over 35 per cent of the co-living rooms provided at a discount market rent.

We are also moving into other forms of development, through London's first co-living destinations to be combined with workspace.

Hackney Wick and Harrow will be the focus for our efforts in this new arena, because we also want to drive job creation, economic growth and support the creative industries and local >>>



James Penfold is Global planning and communications Director at The Collective

>>> entrepreneurs – at the same time as giving out members a platform from which to work.

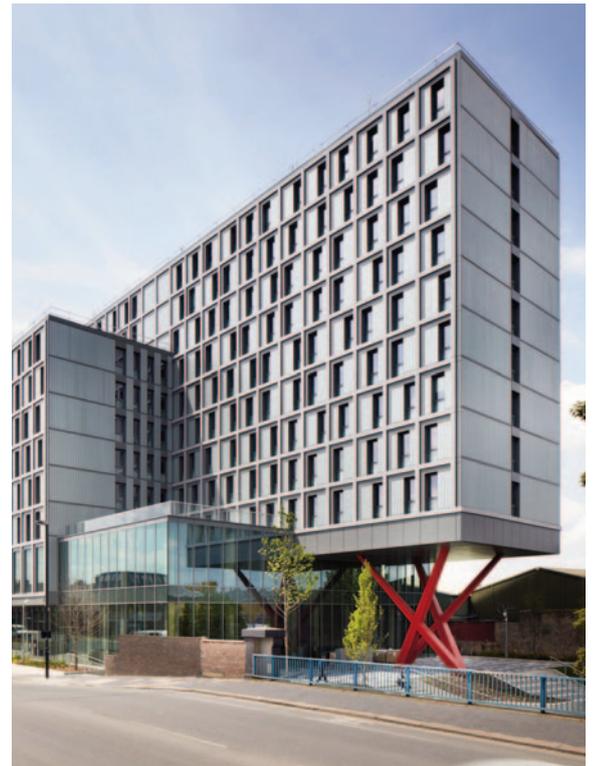
Our Wallis Road development in Hackney will include a double height ground floor incubator space which will be home to a 20,000 square foot ‘Market Yard’ focused on making, creating, music, arts and culture.

Adjacent to the Market Yard will be a 20,000 square foot ‘Makers Yard’ which will contain units available as artists’ studios. These will be aimed at small manufacturing and local creative businesses such as dress makers, fashion designers and microbrewers.

So how do we work with planners and local authorities in delivering these ideas?

Firstly, I want to stress that we love to work collaboratively with local stakeholders. We like to engage with communities very early, so that what we build has been designed from the grassroots up rather than through the top-down approach favoured by so many developers.

We want to hear what local authorities and local people want before embarking on design, because our ethos is not to create communities but to knit seamlessly into communities that are already there. Who are we, after all, to transform a part



of London that has grown up over centuries?

Next, we work with planning officers through two use classes – Sui Generis Shared Living and C1, depending on whether we are building a long-stay or short-stay co living destination.

Sui Generis Shared Living is the use class we created for long stay co living and is recognised in Draft Policy H18 in the draft London Plan. We have worked with City Hall for the past 6 years



*James Penfold is Global planning and communications Director at The Collective and oversees the planning strategy for the business and across its portfolio. James’ role involves working in partnership with local communities and the public sector to deliver innovative and community focused places. James is a specialist in the co-living sector having advised Welive, Realstar and The Student Hotel before he joined The Collective.*

to help create draft policy H18 because, as long term players and pioneers in our sector, it is critical to us that the co living sector is properly regulated and only the best players are able to enter the market and deliver projects in London.

Sui Generis Shared Living applies to co-living developments where people stay for more than 90 days – at our Old Oak development this is the minimum time that people can live as members with us.

We also progress under a C1 use, which traditionally governs hotel development. Our new Collective Canary Wharf development has a C1 consent, allowing shorter stays which we find are more popular in central business districts where people want to co-live for weeks or months rather than years. Our short stay projects are the focus of significant demand from corporate businesses for corporate memberships for work placements and graduates and we recently did a deal with JP Morgan at Canary Wharf for several hundred rooms. This is a real opportunity to drive talent and inward investment into an area.

We recently took the decision to switch from a Sui Generis Shared Living use to C1 use at a planned development in Stratford, again to provide short stay accommodation near to a growing business district in a move which the local London Legacy Development Company welcomed.

We are also looking in future at creating more developments which are a mix of Sui Generis Shared Living and C1 use because we see a future in providing the widest possible range of accommodation and maximum convenience for our members as we forge ahead and create a global brand with destinations across major urban centres.

Alongside our co-living development programme, we are also promoting three other initiatives: Pop Brixton, Peckham Levels under our Makeshift business, and The Collective Foundation.

Pop Brixton is a project that supports local jobs, training and enterprise. It is a community initiative that has transformed a disused plot of land into a pioneering space that showcases the most exciting independent businesses from Brixton and Lambeth, providing a new destination that supports them to set up shop and share space, skills and ideas.

Peckham Levels occupies the underused space inside a town centre car park, building a new creative workshop and cultural destination that showcases its members and connects them with the world outside. This is a grassroots project and over the coming months and years, working with our members and other local people, the space will continue to evolve, change and develop.

The Collective Foundation is the philanthropic arm of The Collective and has a series of missions, ranging from eradicating homelessness to bridging the skills gap, to connecting communities, breaking down social barriers and improving people's mental health. The Foundation's initiatives include The Collective Accelerators, which is a network of start-up accelerator pro-



grammes that support promising entrepreneurs around the world.

For example, at our Old Oak development we run The Collective Global Accelerator, a four-week residential programme that has supported 20 entrepreneurs operating worldwide. It all goes to the heart of our philosophy, which is based on the principles of the sharing economy.

Far from putting up barriers to our co-living spaces, we welcome the local community into our buildings free of charge.

Secondly one of the principles of the sharing economy is to share resources, and share energy. Our members don't drive, but they also conserve energy in other ways.

For example, 705 people would share 30 washer-driers at a Collective co-living development, whereas 705 people would probably share 350 washer-driers at a traditional apartment block or housing development.

Our message to the planning community is this:

To solve the housing crisis we need to innovate, and co-living is one of the answers. It will help to increase housing choice and optionality, and to create mixed and balanced communities. It will also help to resource equilibrium in a housing market which is under severe pressure ensuring that housing stock is used efficiently.

If you are a planning authority and you are evaluating your options in terms of housing delivery we would love to connect with you and share our experience in creating co living policy. We are proud to be a London born and raised company and to be at the forefront of the global challenge to solve the housing crisis. ■