

KEY LEARNING FROM OUR SHARE OFFER

Our share offer journey happened from April 2019 to December 2021. It was a long journey which saw us starting with an ambitious vision of a multi-project raise, reshaped (after launch and during COVID) around a specific project to buy a property that we would lease to SEASALT, a student housing co-operative.

We initially launched the offer at the end of February 2020, relaunched and extended end of August 2020 and ended at the end of the year, with a raise of £332,900.

ANSWERING THE QUESTIONS

There are a myriad of different elements, questions and things that need to be in place before you ask people to trust you with their money. For example:

– Share equity or bond/loan stock debt?
– What interest to charge?
– What should the minimum and maximum for investments be?
– What type of share is it?
– How do people withdraw it?
– What happens in probate cases?

These questions also have an impact on whether your share offer is eligible for programmes such as the Power to Change Booster Fund. We started from our rules, which govern our issuing of share capital.

We found expert support vital – working with Jess Steele from Jericho Road Solutions to explore the wider idea and different options of an investment raise and Dave Boyle from the Community Shares Company whose knowledge of and enthusiasm about community shares is exhaustive.

COMMUNITY SHARES OR LOAN STOCK/ BOND DEBT?

Loan stock and bonds as debt finance attract higher investment. Equity in the form of community shares attracts people who are in and alongside you, they become part of your membership.

As a CLT and CBS we were able to issue both. We decided on community shares because it supported our modelling and we wanted to grow our movement.

LEARN FROM OTHER CLH SHARE OFFERS

There's more and more successful community led housing share offers out there. We found reading other share offer documents and business plans helpful to see how people presented their offer, the levels of interest they offered, the different things we needed to think about.

We probably could have learnt more to start with about what was possible. Our initial maximum target was 1.5 million and while community energy offers are often successful in reaching these levels, the highest community led housing share offer to date is £420,000.

THINK ABOUT THE PLATFORM

We used Ethex, which has hosted a lot of the CLH share offers but there are other platforms, and we considered just working through our own networks.

In the end, Ethex was vital to our offer: 40% of our actual investment came directly through their networks and they helped us achieve wider press coverage – as well as providing match funding that triggered the last push to reach our goal.

HAVE EVERYTHING DONE BEFORE YOU LAUNCH

Don't launch until you are ready, and everything is in place. Share offer, business plan, modelling, Standard Mark (if you are going for it) and the campaign itself. We started with the first, had a long offer time and thought we would build our comms during this time. We lost momentum and this made it much harder to regain it.

Our Power to Change initial application commented that it felt like our offer was rushed to launch, without the adequate infrastructure behind it.

IT TAKES A COMMUNITY

Our share offer became successful once we got everyone involved. Directors, team members, CLT members talked directly to their family, friends, contacts, networks, organisations and it was this personal connection that had the single most powerful impact on our success – over 40% of people who invested said they had found out about us from a friend.

PEOPLE MOBILISE AROUND A STORY

We started off thinking that it was enough for people to know that the housing market was a problem in Brighton and Hove and that community-led housing was a good thing, and that this of itself would be enough to motivate them to invest. It wasn't. We had to build a much stronger story and think about how we were going to tell it. Our story – that of student housing – wasn't the easiest to tell in a city in which this is often seen as part of the problem. We had different messages for different audiences – that balanced a specific focus on student housing but also a more general picture of what our CLT was trying to achieve in terms of housing and land ownership.

SUCCESS BREEDS SUCCESS

People are much more likely to invest in an offer that looks like it's doing well and is going to succeed. For us this was not until November/December – when we'd been running the offer for 8 months! Have people at the core of the organisation who are going to invest from the very first day. Have a series of milestones that you can celebrate as you go along. Make your first milestone as low as possible so you can change your messaging and tell a success story.

KEEP GENERATING CONTENT, REACHING NEW AUDIENCES

Marketing and media are essential. It's useful to have a video that is the main anchor of the campaign but find ways to generate new content. Ethex were useful at providing opportunities to reach their investors and for press coverage. We were able to use other campaigns that we were involved in (like our #PUSHBACKBRIGHTON campaign) to point people towards the share offer as a call to action. For Good Money week we ran a photo story of investors for each day of the week – this proved especially successful when the people photographed got involved in sharing on their own social media as it increased reach to people that we weren't in touch with.

IT'S A SNOWBALL & A WAVE

As you build momentum, the offer gathers momentum itself. Ideally this would happen early, for us it happened late in the campaign. It also comes in waves – we would do something (an online event, get press coverage) and it would generate a spike in investment, and then it would dip down again... until the next spike.

IT'S EXHILARATING... AND EXHAUSTING!

When it's going well, it's really exciting. For the duration of the share offer, you find yourself checking the raise total constantly. You have to keep the energy high to just keeping putting it out there, telling people about it, even if and when it's not going so well. This is also really tiring. Consider this when you're planning the campaign and how you can share the load and the joy!

Good luck! – BHCLT

admin@bhclt.org.uk