Episode 57

Low Impact Living Affordable Community (LILAC)

The show notes: www.houseplanninghelp.com/57

Intro: Joe Atkinson lives in LILAC, which is an acronym we're going to explore in today's podcast. We've actually looked at cohousing once before. This was with Mark Westcombe, who is from Lancaster Cohousing, and if you haven't heard that episode it's a really good one to give you the basics of cohousing. They do crop up in this episode. So www.houseplanninghelp.com/28 to check out that episode.

What's particularly interesting about LILAC is their funding model so we'll dig into that. But I started by asking Joe when he became drawn to this area of green building and cohousing.

Joe: Probably around about 2005, I got quite interested in things like fossil fuel depletion and climate change. There was a lot of coverage about this stuff in the media. I just thought this is really serious stuff and we need to start thinking quite profoundly about how we live our lives and the decisions we make about our lifestyles and all the rest of it.

My life at that time wasn't massively fulfilling. You know, I was working in IT, had a nice job, getting paid well and all the rest of it. But it kind of felt like, well there's got to be a bit more to life. And so I think maybe in hindsight, I think I was perhaps looking for something that felt a little bit more like it was in line with some of my ethics as well.

Ben: How did you become involved in this area?

Joe: I went and did a Masters in architecture at the Centre for Alternative Technology in Wales, at Machynlleth, which was absolutely fascinating. I've always been a little bit of a techie anyway so I really like the technical side of things. You know, renewal energy, the physics of how buildings work. So I was just really interested in eco-building. And it just seems like there's so much common sense behind it. Why build buildings that are really thermally leaky when all the technology and the skills . . . The technology's there, there are skills there. I think we need to get the skills out there more in the industry, in the construction industry.

A lot of this stuff is actually really simple. So it's kind of like, yeah. We should be building like this.

Ben: I wanted to find out a bit more about LILAC in this session but particularly with a focus on affordability. So first up, how did you become involved in this cohousing project?

Joe: Okay, so I was aware that there was a project going on in Leeds. I'd been involved in some very, very early discussions when it was still called Leeds Eco Village and at the time I already had somewhere. I was already a home-owner and I think my domestic situation was such that I wasn't looking around for something. That all changed a couple of years later and so I was at an event where LILAC, some of the members at the time, they came and did a stall. They were trying to recruit members and my life was at a point where I was looking for somewhere to live or would be looking for somewhere to live. And so, it was just I was in the right place at the right time and it ticked all my boxes around, kind of, eco-building. And it's got this affordability model, which meant that it was financially accessible for me as well. So it seemed like a no-brainer from that perspective and that's really what kind of drew me in.

As I'm sure there are lots of people out there who watch Grand Designs and think 'oh yeah, it'd be great to build a wonderful eco-house' and live this wonderful lifestyle. And then this thing almost dropped in my lap. There was this community of people who were building eco-houses and I would be able to afford to live in one. So it was like, you know, what's not to like about it? Just get involved.

Ben: When you join a cohousing group, what is the next step? There's nothing that's actually been built. Can you put your feet up and leave it to everyone else?

Joe: [Joe laughs.] Well, when I joined I'd got the distinct impression from the group at the time that they were really keen to recruit people onto the board. There were less than half of the full membership at this point so there were probably about eight households of the twenty that we've now got. About eight of them had been filled. And I think some of the people who were on the board were starting to feel a little bit fatigued and felt they were perhaps doing a bit more than their fair share of work. So they were trying to recruit people onto the board. I'm the kind of person who, when I get into something new, I get really excited about it and just commit totally. So I was like, 'yeah, right, I'm going to join the board' and then find out . . . I really wanted to get right inside the project. So I did.

Ben: What does that mean, to be on the board?

Joe: Well essentially it means that you are taking legal and financial responsibility for the project - collectively with the other board members. But in this case, yeah obviously it was that but it also meant a lot more meetings and just getting an oversight of the whole project, what was going on. And basically lots of meetings! [Joe laughs.]

Ben: Do you play to your particular strengths?

Joe: As a person? As an individual?

Ben: For this project. Is that why they elect you to board or you join the board?

Joe: I think it was a bit more organic than, sort of, what are my personal qualities. I think they were just keen for anyone to join. I think also it was part of the rules that we needed to have a minimum number of people on the board and they were very borderline. So they were, like, 'we need people on the board'.

Once I joined then I just found my own little niche, which is I tend to be the sort of person who is good at supporting people, building relationships, that kind of team-builder type person. The board at the time was populated by lots of people who were really dynamic, engines of making stuff happen. And I think maybe my little place on the board was to be that person who'd just smooth things over a bit and, you know, help things along. So I felt like I was very much in a supportive role on the board and I think that's my strength, yes. So I was playing to my strength but like I say it happened organically because I think that's just how I tend to fit in, in teams. It wasn't a conscious 'I need to join the board because I'm a team-builder and they need a team-builder'. That's the way it worked out really.

Ben: What decisions did you need to make at that time when you joined?

Joe: So we needed to think about how the whole society functioned, how the whole community functioned because there was this dynamic of the board feeling like they were doing a lot of the work and the wider membership who weren't on the board probably felt like they weren't being included in decisions as much as they'd like to. We really needed to address that and make sure that we didn't have this two-tier or class system evolve within the community. So we needed to think about how we would address that and one of the things we did was to have an away weekend.

We got an external facilitator to come in and we did a whole group, whole community visioning exercise and a strategic planning exercise where we worked through what are the whole community's goals and looked at different options for how to get there. And then we set up lots of smaller task teams looking at particular aspects of the project. So there'd be one group who were looking at: what's our relationship like with the existing community that we were about to drop this cohousing development into? There was a group looking at just recruiting members. There was another group looking at publicity and the group I joined was the group who was going to do all the liaison with the professional team so, you know, our quantity surveyor, the project manager, the main contractors - all those kind of relationships. That's what I was really interested in having done the architecture masters.

The other big decision we had to make just after I joined was who was the main building contractor going to be? So we went through a tender process and appointed a contractor.

Ben: Did you have a plot at this stage?

Joe: We had an agreement from Leeds City Council that they would sell the land to us but we hadn't secured it at that point. We had been in discussions with their asset management team about various sites around the city. We looked at two that were very suitable. I think the one that we ended up building on in Bramley, we came and did a community consultation with the local residents and we started by saying: "Oh, we're looking at these two different sites. We're looking at this one here in Bramley and we're looking at another one in another suburb of Leeds."

And someone said: "Oh, don't go bother looking at that other one. Just build it here." So there was a lot of community support. They really liked the idea of what we were trying to do and that gave us a really good feeling about choosing this site.

It took us a while to develop that relationship with the council because when we first approached them, I think we probably came across as a bit of a rag-tag bunch of optimistic, well-meaning do-gooders who wanted to build some eco-topia. And it wasn't until we came back to them with some professionals like a project manager and a serious business plan that they started to really take us seriously and think, yeah this is a credible group who we could actually sell this asset to. So yeah, those negotiations were ongoing when I joined.

Ben: LILAC is an acronym so this could be a good point to bring in what that acronym is and then we'll focus on affordability.

Joe: Yeah, okay. LILAC stands for Low Impact Living, Affordable Community. So it's got these three main elements and the Low Impact Living bit is, you know, we've built using renewable materials. So it's timber, straw bale for the insulation and then it's lime render and lime plaster so that we've got this breathable fabric. Lime is, there's less carbon emitted when you produce it compared to ordinary Portland cement et cetera.

Also the buildings are built using this fabric first approach so they're very well insulated. We've got triple-glazed windows, it's an airtight construction with mechanical ventilation with heat recovery. It doesn't quite meet the Passivhaus standard but it's not too far off. So it's that kind of approach but we haven't spent the extra money to get the accreditation. Energy use per square metre is probably a little bit above 15 kilowatt-hours per year per metre square that you need for a Passivhaus. But it's not too far off. So that's the Low Impact Living side. I mean, there's a load of other stuff around - we've got less car parking spaces; there's half a car parking space per home and two secure bike parking spaces. There's other stuff around …

Ben: I'm going to interrupt there because that's an interesting philosophy, half a car parking space. When you all come in knowing that, does this work well? I can't remember who I was chatting to yesterday but they were talking about sharing their car with, perhaps, two or three other people.

Joe: Yeah, it's been an interesting process because we've set up community agreements for lots of other different aspects like sub-letting agreements and because we've got shared spare rooms, you know, how does that booking system work and all that? We spent quite a lot of time trying to work out what was the car policy going to be and were we going to get a fleet of cars that we could all use?

In the end or so far, it's been a very organic process where some people have just offered to put other people on their car insurance. Their patterns of car use have changed a little bit but what we've actually found is that people's existing patterns of car use slotted in quite nicely. So there'd be one person who needs their car Monday to Friday to get to work and there's somebody else who had their car which they used primarily on weekends. So one of them sold their car and they're just sharing one of the existing cars and, you know, one of them's gone onto the insurance for somebody else.

It's worked out really well and quite easily without having to put too much of a, kind of, top-heavy bureaucracy on it. And that might change going forwards. We're looking at installing some electric car charging points so that might then mean that we'll have to think about, well how's that all going to work? Who's going to want to use the electric cars and all the rest of it? But, you know, we'll worry about that down the line if and when it comes to it.

Ben: I did de-rail you. We were working our way through LILAC. [Ben laughs.]

Joe: That's right, yeah. So yeah, we've got this low impact stuff, which is fabric first, low energy. We've got lots of renewables. There's solar PV on the roof and solar thermal for the houses - not for the flats.

Then there's the affordability model, which is achieved through our legal and financial structure called The Mutual Home Ownership Society. Now this is essentially a co-operative, so it's a housing co-op, and it uses this new model which as far as we're aware no-one else in Britain has adopted yet. So we're the first ones. Essentially what it does is, we've got the whole, total project cost which we got a little bit of a grant for it, so the total cost to us was about two point seven million to build this thing. And then members put in their capital that they had up front and that was probably around about another nine hundred thousand. The rest is a mortgage from Triodos Bank so, you know, ethical lender. But of that project cost, that two point - sorry, it's about - I think it's actually more like two point six million - that's divided into twenty slices. So each - a slice for each home. If you imagine a sort of pie chart with twenty segments in it. And the starting point is the notional build cost for each unit. We've got one-bedroom flats, two-bedroom flats, three and four bedroom houses. So they all have a different notional build cost. The four-bedroom houses, obviously a lot more expensive to build than a one-bedroom flat.

What we then do is the amount that people pay to live here is actually related to their earnings. So we all pay thirty five percent of our net income. That determines the exact size of your slice of the pie. From a starting point, so that, you know, we're sitting in my one bedroom flat. The build cost that - our notional build cost from, you know, total project cost split down into these different sizes - sized sectors or slices, the size of the slice for this flat we reckon is about eighty thousand. So there then has to be this process like how do you reconcile this thirty five percent of my net income with the eighty thousand? Well the eighty thousand sets the centre point of the kind of band. So I need to be able to finance at least ninety percent of that eighty thousand or up to a hundred and ten percent. As long as thirty five percent of my net income and the additional capital I've put in at the beginning, as long as that's enough to finance an amount within that band then I can afford to live here.

Ben: You're slightly losing me here.

Joe: Okay, no that's fine.

Ben: Don't worry, this happens sometimes and I need to find another tack through here. But are you buying this house in the same way that you would buy another house? Or are you …?

Joe: No.

Ben: No.

Joe: I'm buying shares in LILAC Mutual Home Ownership Society Limited.

Ben: Okay, that's good. I understand that.

Joe: So the number of shares I get allocated fall within that band of between seventy two thousand and eighty eight thousand. So as long as I can finance enough shares to fit within that band, that's great. And, you know, if I'm at the top end of that, if I can finance over a hundred percent of the build cost of this flat, that means that somebody else somewhere else in the project doesn't have to finance the full allocation of shares. So it makes their housing more affordable.

Ben: You are allowed to do that if you got to that stage that you had bought a percentage of this flat- of this house, then you would be able to stop paying in? Have I got that right?

Joe: Yeah.

Ben: I'm not an expert. I have got that?

Joe: Yeah.

Ben: I do understand a little bit about financing.

Joe: Once the debt associated with your flat or house has been paid off, you drop down to just paying ten percent of your net income. So it's like you've paid off your mortgage if you like. And then at that point, you're just paying a small amount. And that's for service charge or ground rent, I guess. If you had a normal leasehold you'd always be paying a small amount, paying for things like insurance and management and fees and that kind of stuff.

Ben: Is that easy to bring people in on that model?

Joe: We have to take people through an induction process and explain how the model works and explain what the implications are as well because another aspect of the model is that the value of the shares over time is linked to the average earnings, average national earnings. So in ten years time, if earnings inflation has gone up at an average two percent every year, then the shares will have gone up at two percent every year. So we're decoupling the value of these homes from the housing market. And that's intended to keep these homes affordable in perpetuity. So they'll always be - they'll always have the same ratio to earnings whereas, you know, if the housing market accelerates away as it has done in the past, people who live here now won't have made a lot of money on their homes. So living at LILAC isn't about investing in property. It's about creating affordable housing as a bit of a legacy of the project and about buying the service of a home, if you like. It's about homes as shelter, not as a nest egg or an investment.

Ben: Going forwards, do you see this - having been through the process - as something that is very repeatable and works?

Joe: It's certainly worked here so far and we're keen to support other groups who are interested in this model. We see this as a way of lowering the bottom rung of the housing ladder. There are a lot of people who are excluded from home ownership. We're not creating social housing here but we're creating housing that's affordable to buy and it's really good quality housing. You know, it's really energy efficient. And you also get, because it's cohousing, you get the whole community aspect on top as well.

I can't imagine anywhere else where you can get to live in an eco-house with all this amazing community and it's affordable and you get to own it. Anyone who's excluded from home ownership because they can't raise a deposit or whatever, this is potentially a model for them.

Ben: Is there a case that now that all of these houses are full, that you're finding people are actually would like to go on a waiting list?

Joe: Yeah. And we've got an active waiting list and we are, yeah, receiving new applications all the time. So we're still having inductions and yeah, we've got quite a healthy waiting list which is great because that's an added level of security for living here.

If you were to lose your job and couldn't afford to live here anymore, there's a whole process that happens before you get kicked out. As an aside, I'll just bracket that off! But if at the end of that process you've got to move out, there's actually already a waiting list of people that want to buy your shares and move in. So it feels, you know, it's really secure. You're not going to find yourself in a position where you lose your job, you can't make your mortgage payments and the bank repossesses your home from you. Or you put your house up for sale and nobody buys it. There's already people waiting to buy.

Ben: Have you got a diverse community here?

Joe: It's diverse along certain lines. We're definitely age diverse. So I think our oldest member is in their late seventies and we've got a newborn who - yeah, has been around about three months I think. And we're diverse in terms of sexual orientation. We're largely white I'd say but not completely. So on ethnic lines we're not massively diverse. And I would say we're probably, on the whole, fairly well educated and probably fairly middle class.

Ben: Very interesting. Did we complete the LILAC acronym? I'm not sure whether we just had the final letter?

Joe: Yeah, the final letter was C for Community and that's really the cohousing stuff. The way it's physically laid out and designed is to promote that casual social interaction and create a really convivial space. There's all the additional soft stuff, if you like. There are shared meals in the common house three times a week. The common house is great for parties because if it's your birthday, you can have your party in the common house which means you don't have loads of people descending on your house and trashing it. And of course, that means that when you're having a party in the common house, well you just invite everyone at LILAC anyway.

So there's all this additional social stuff going on. So that's kind of how we promote community within LILAC but then there's also our edge with the existing community and our local neighbours who [are] across the road from LILAC. We've got things like, each home has an allotment. So there are twenty homes and we've got twenty five allotments. So we've got five allotments that are for local residents who were here before. And we have open days and we're often leafleting the local community saying: "Come to LILAC's first birthday party," or whatever. We're making efforts to extend the LILAC community out beyond the boundary and try and integrate ourselves into the local community.

Now the kids are going to local schools and local nurseries, that helps a lot and we go to Neighbourhood Watch meetings and that kind of thing. So one of our stated aims is to try and have a positive impact on the neighbourhood that we've moved into. So yeah, the Community bit is definitely - it's not just about who lives in LILAC as a community although that's obviously a really fundamental part of it. But it's broader than that for us.

Ben Joe, I'm also intrigued about your personal situation because your partner has moved in quite recently. So what is that like for her? Probably I should be asking her but since I can't . . .

Joe: Yes, well it's interesting because she also had to go through the membership process. Everyone who lives at LILAC has - apart from a couple of the very early founders - everyone's applied to join. That means that because we operate a consensus decision-making model, essentially everyone in LILAC has the right to veto someone applying. So it meant that when my partner moved in, she had to write an application and there was this period where [Joe laughs] potentially somebody at LILAC could've thought, oh no I don't want her moving in! That could've been, obviously, really difficult. So she sailed through with flying colours, I'm happy to say.

It was definitely interesting because you've got all the founder members who had been through the process of setting this whole thing up and getting it built. And then for her to move in, I guess she was a bit worried that people might think they were more entitled or that there'd be some kind of difference in terms of who was more deserving of status or whatever. But I think we've got a really quite aware culture within LILAC that all these kind of issues potentially can crop up. So people have been really at pains to make her feel welcome. And she's been great at really throwing herself into it and getting involved and joining some of the task teams to do some of the work that needs doing to run a community like this. So it's been pretty smooth so far, so yeah. It's been good.

Ben: I know we've only had a short time but has this given us a good overview? Are there any other challenges that you feel we should mention?

Joe: It's been quite interesting going through a process where you have to prove that you can afford to live here because the affordability model relies on us all declaring our financial situation. And so part of the application process - although we do now have a finance task team who look at all the finances, but previously, if somebody applied then they'd have to submit their application with their financial information. So that's quite uncomfortable and it's something that we're not . . . You know, you might share your financial information with your bank manager but you wouldn't be sharing it with all your neighbours. So that was a little bit of a culture shock or a shift in mentality to say: "Right, okay, I've got to declare to all these people how much I'm earning and how much I've got in the bank or how big my overdraft is."

I think there are lots of things about moving into a much more community-based way of living that are just changes and you adapt and you have to change the way you think. So for example, sitting out the front, in my front garden. It's right on the path so all the neighbours are walking past. If you want to sit outside in the sun and have a cup of tea in the morning and read a book, you have to be prepared to have a chat with everyone. On the surface of it, that's great, it's really nice and it's really sociable. When we first moved in I think we all actually got a bit overwhelmed with the amount of social interaction. Trying to go to the corner shop to get a pint of milk meant that you'd have to have about four conversations just to get off the site, which is great, it's lovely but it can be a bit much sometimes.

I think that's one of the real strengths of the cohousing design is that you have got your own place and you can retreat to and if you need just a bit of your own space, you've got it. But when you're ready to come out, you've got a whole community there waiting. And everyone's been so supportive and open-minded and everyone's got this real willingness to learn and to learn about themselves as well, I think. It does challenge you in ways that you might not expect. So it's great that everyone's been quite open minded about what it's like to live here and how it is a bit different to being a, sort of, owner-occupier in a traditional street in England or whatever. So yeah, I think there have been lots of challenges and I think there are probably going to be lots more in the future that we've still got to face but we, yeah, look forward to those.