

Community Asset Building

What is Community Asset Building?



Community asset building is the process by which incorporated community groups and associations can acquire, own, and develop physical assets such as property (for example the premises from which they operate)



Ownership of physical assets can bring many advantages to an organisation, its constituents (the people whose interests the organisation serves) and the broader community.

Your Organisation – Sustainability and Resilience

- Secure stable premises to work from.
- Independent decision making about use and maintenance of property.
- Savings on rent go towards building a long term asset.
- Can help generate other income (eg sub tenants).
- Appreciating asset builds equity which can be borrowed against.
- Greater financial stability and independence.
- Enables resilience if funding changes occur.

Your Constituents – Service Extension and Capacity Building

- Gain stability to continue providing existing services.
- New or extended services provided to constituents.
- A home base to sponsor new organisations.
- Premises for a social enterprise.
- An independent base for advocacy and activist efforts.
- Provides possibilities to explore asset building for constituents.

Your Community – Revitalising Local Communities

- Renewal and redevelopment of underutilised or abandoned buildings.
- Builds local pride and sense of ownership.
- Income generating and employment creation opportunities.
- Surpluses remain in the community.
- Builds social capital.
- Stronger relationships between community groups and local businesses.

Getting Started

You will need:

- Accounting practices that distinguish the organisation's money separately from government grant money.
- Savings or independent income – eg donations, gifts, membership funds.
- Even a little bit helps you get started!
- Management – staff and board – skilled in financial management and planning.
- Access to credit and finance.

Help is available!

Contact - Foresters Community Finance Ltd
Phone - 07 3257 3166
Email - info@foresters.org.au
www.foresters.org.au

Case Study: Getting Started

Othila's Young Women's Housing and Support Service Inc

“It’s a huge goal but everyone is very committed. Eventually Othila’s will own this property and the more equity we accumulate the more of our operating funds will be freed up to provide our services.”

Clare Proberts Coordinator



What is Othila's?

Othila's is a community based organisation working with young women 16 - 25 years who are homeless or at risk of homelessness within the Brisbane metropolitan area.

This includes young women who do not have access to or are at risk of losing safe, affordable and appropriate accommodation.

What's your asset building story?

Othila's has occupied premises at Stones Corner since 2000, when a sympathetic landlord purchased the property specifically for Othila's as a tenant. In 2005, due to changing circumstances the landlord was forced to sell the property and Othila's had to make some hard decisions. With help from Foresters, we were able to acquire a 15% share in the property through a unit trust; with a plan in place to increase our equity by 5% per year.

What was the situation before you decided to buy into the property?

A huge percentage of our operating funds were going towards rent. We were constantly struggling and the burden on our funding made it hard to provide effective quality services to young women.

Relocating would be expensive in real costs and staff time and effort.

We may not have found a suitable property to rent that we could afford. We may have needed to move further out of the city and this would have implications for our clients.

What helped you start asset building?

- It was crunch time – we had to make a decision.
- The organisation had grown and we had some financial savings of our own.
- People were tired of moving and there was a strong commitment to staying in these premises.
- We wanted to free up some of our operating funds to direct towards providing a service rather than paying rent.
- Foresters worked closely with us to explore options and develop a plan.

What benefits has it brought?

- We didn't have to move!
- We continue to provide a centrally located, stable support service to our target group.
- We have a long term asset and we are building our ownership of it.
- Our focus on fundraising has increased and we have secured donations from local businesses, and also built our relationships in the local community.
- We now have some money of our own, we don't have to rely on anyone else. This has allowed us to extend our services.

Lessons learned

Buying a property takes foresight and planning, as well as talking to other organisations to understand what they're doing, and an understanding of the macro-environment, politically and economically.

We have a stronger fundraising focus now, which we have to balance against providing our services.

Future Goals

- To build our ownership of this property.
- To employ someone part time or full time to focus on the fundraising side.

Help is available!

Contact - Foresters Community Finance Ltd
Phone - 07 3257 3166
Email - info@foresters.org.au
www.foresters.org.au

“Foresters worked closely with us to explore options and develop a plan. So we didn't have to move, and we continue to provide a centrally located, stable support service to our target group.”

Clare Proberts Coordinator

Case Study: Stable and Resilient Women's Legal Service



“Go for it, if you can, if you have the opportunity. Owning property is generally a positive move for community organisations. For organisations that are stable and expect a long term future : if they can secure long term stable accommodation it will assist them in meeting their goals.”

Jude Clarkin Administrator



What is Women's Legal Service?

Women's Legal Service is a specialist community legal centre run by and for women. Our work is grounded in and informed by women's experiences. We recognise the extent to which violence impacts upon the lives of women, at all levels of the legal system. We seek to bring about change so that women's experiences are validated within and become an integral part of the framework of the justice system. Our services include free legal information, advice and referrals throughout Queensland: counselling, law reform and community legal education. We have 120 volunteers, five full time staff and a number of part time staff.

What is your asset building story?

We started a building fund in 1991 and in 1995, when it became obvious we would need to move yet again, we started looking for a suitable property to buy. It took us two years to find something and renovate it. We funded the purchase with our own savings, a loan from Foresters, and an interest-free loan from the Old Law Society. We've been here in our home for 10 years.

What was the situation before you decided to buy into the property?

- The rental market was becoming increasingly difficult and we had to move.
- We weren't able to mould the physical environment to suit our needs – we had to make do with whatever was there.
- We recognised that having our own premises gave us some independence from the vagaries of funding.
- Our rental premises were cramped and not very secure so our clients and volunteers didn't feel safe. We wanted people to feel valued and secure.

What helped you start asset building?

- Our management committee showed great foresight in setting up a building fund.
- We were making some money from donations and fundraising which we didn't have to account for to government. We decided to separate that out and start to build a deposit for a property.
- We got a big injection of funding in 1995 and around that time the landlord asked us to move on.
- Our funding body allowed us to use some of our funding to pay our mortgage (instead of using it to pay rent), which was unusual at the time. Right from the start the mortgage was lower than the rental we'd have had to pay.
- Foresters realised we were a stable community organisation and agreed to take a risk in lending us the money, even though we didn't have enough deposit. They also extended the loan later when we needed more money, as they saw that we were able to make the repayments.

What challenges did you face?

- It took us a long time to find a suitable property. We needed council approval to renovate, with parking and access; we needed to be close to public transport; and a building that would accommodate our work.
- When we found this property we had to do a lot of renovations – we lifted it up and built in underneath and we had to double glaze because the traffic noise was so intense.
- We had trouble getting finance – we only had 10-15% deposit money. The banks required us to take out a commercial loan and we couldn't afford the 20% deposit that was necessary.

What benefits has it brought?

- We have a stable, secure premises where our clients, volunteers and staff feel safe and valued.
- We have the facilities we need here and we can make changes when we need to. The meeting space is very important and external groups use it a lot; we have disability access downstairs; and we have a courtyard that was added in commemoration of our past President and her commitment to justice for women. It was built by her family and is a quiet space for clients and staff.
- We have been able to develop a presence here in Annerley.
- It has been an excellent choice for us because we haven't had to worry about moving premises every two or three years, so our energy could be put into other areas.
- There's a big social return in what we do. We have 120 volunteers - a lot of new young lawyers come through and many carry their experience with us throughout their careers. There's a common understanding of the issues women face, as our volunteers have seen it through the service here. I don't think that can be underestimated.

Lessons learned

- Some decisions had to be made very quickly.
- It was quite scary but exciting. We were being forced to embark on this journey because we were about to lose our rental premises, so we just had to race in hoping for the best.
- With our own premises we have more control over our future.

Help is available!

Contact - Foresters Community Finance Ltd
Phone - 07 3257 3166
Email - info@foresters.org.au
www.foresters.org.au

This case study was prepared based on interviews with staff from Women's Legal Service

Case Study: Building Local Communities

Community Living Association and the Nundah Community Enterprise Co-op



“Buying property has meant we were able to do things and provide support we could not otherwise have offered. We now have a very low loan to equity ratio and this means we have choices. There is potential to do things that government will not fund, to be more innovative and creative.”

Morrie O'Connor Coordinator



What is CLA and the Nundah Community Enterprise Co-op?

Community Living Association (CLA) is a community organisation which supports people with learning difficulties or intellectual disabilities to live in their local community. Since its establishment in 1989, CLA has initiated and auspiced four new community organisations that address the difficulties experienced by people with intellectual disabilities.

The Nundah Community Enterprises Co-operative (NCEC) was started by a group of CLA constituents in 1998 to create meaningful work opportunities for people with learning difficulties; and it now operates two significant businesses, the Espresso Train Café (opposite Nundah train Station) and a parks and gardens maintenance service which holds contracts with Brisbane City Council.

How did your asset building story start?

We have had three loans from Foresters. The first two were focused on building the strength of our organisation and the last one focused on directly improving the material situation of our constituency – helping them to build their assets.

CLA first bought a property in Woolloowin with help from Foresters. The property we were renting was to be re-developed. The only rental space we could find would have cost about three times what we were paying at the time. Instead, we found a residential property that had been on the market for some time. When we found out the price we realised that servicing a loan on it was actually less rent than we were paying, so we made our first property purchase with a loan from Foresters.

Growing and strengthening our Organisation

Sometime later, with help from Foresters and a benefactor who gave us a low interest loan for renovations, we were able to buy our second property at Nundah, which was our preferred location. The new property, a row of shopfronts, was within our price range because it was in very poor shape and needed a lot of work done. It was very tight financially for about three years while we paid off the low interest loan, but this property gave us plenty of space and the opportunity to modify the building to suit our needs.

Another community organisation that we had started remained in the Woolloowin premises, and later, we were able to secure guaranteed tenure for them when we sold that property to a private buyer.

Extending our services and asset building for our constituents

About four years ago, because unemployment was a big issue for our constituents, we decided to put some energy into establishing a social enterprise – the Nundah Community Enterprise Co-op (NCEC) - that would provide employment for people with intellectual disabilities. Another loan helped us buy a shed which became a base for the garden maintenance side of the new business, and we were able to provide space rent-free for the café.

NCEC provides part time employment for about 15 people with intellectual disabilities. Many of them describe their work at NCEC as the first time they have experienced meaningful employment, which also helps them meet new people and form new relationships, puts extra money in their pockets and gives them a purpose in their day.

What benefits has community asset building brought for your organisation, your constituents and your community?

- We started out as one service and now we operate four services that support our constituency in different ways.
- What allowed us to do this was having the space to operate the new services. They are all government funded but we could not have started them without having space to accommodate and grow them.
- Our presence and stability in Nundah and our ability to support the Co-op has meant a lot of very positive things for people.
- We put a lot of energy into our local community – for example, helping set up the Nundah Community Centre and a local community rent scheme housing program and other initiatives.
- Constituents like going to the café; it's a safe place where they feel valued. Other members of the community enjoy it too!
- Brisbane City Council sees NCEC as a good option for maintaining the local parks and gardens.
- There are opportunities for local people to volunteer in their local community – this has meaning for them.

Its not primarily about building financial equity for the organisation, its about being able to help the people we work with substantially change their life situation.

Help is available!

Contact - Foresters Community Finance Ltd
Phone - 07 3257 3166
Email - info@foresters.org.au
www.foresters.org.au