

# Dragons

## **Assumptions and background for Dragons Co-op**

*Steven Jones, Ty Cornel, Llanrhaeadr Ym Mochnant, SY10 0JW April 29<sup>th</sup> 2015*

**This new venture ties together our interest in housing co-operatives, community enterprise, social economy, and permaculture education.** It will provide affordable housing for three of our members, a space from which to run projects, as well as a shop which can act as a window on our work and as an outlet for local crafts and produce, something that several of our members are also involved in.

We are a group of friends who share similar values and objectives and have known and worked with each other for 20+ years. Projects we have successfully worked on together include several other co-operative and community projects including:

- Chickenshack Housing Co-op,
- Permanent Housing Co-op,
- Llanfyllin Workhouse
- Workhouse festival.

We have also collaborated on developing and delivering permaculture design courses and tuition which, led by Steve Jones we have run under the banner of **Sector39**.

Sector39 are now ready to launch *the Permaculture Academy*, a network to bring together the teaching and co-operative experience that links the teachers/ practitioners/ venues/ farms/ projects from the area who we have worked with historically. Sector39 hope to be able to base the academy's office at Dragons, creating a centre for learning about co-operatives and permaculture.

## **The property**

- The property is opposite where I currently live and comprises of 3 bedrooms, 3 living rooms, a kitchen, bathroom, a small yard, Ty bach (outside toilet) and a shed in the yard.
- It also comprises of a shop unit, storeroom and a large, high ceilinged office space.
- It is located on the central crossroads in the middle of the village of Llanrhaeadr Ym Mochnant, opposite the village's busy corner shop.
- It was on the market for £180,000 and we have had an offer accepted for £170,000

## **Basic assumption**

If we raise a £105k mortgage and put that together with the £54k capital we have invested plus the £25k loanstock pledged then we can secure the property with sufficient funds left over to establish ourselves there. This would enable us to service the loans and be able to let out the rooms to our members at a competitive and affordable rent.

With 3 tenants and assuming no income from shop/ office, a rent of £350 pcm would cover all outgoings including rates and standing charges. We have a range of options here, as the shop and

# DRAGONS

office space could easily work as accommodation creating more living space as used currently or be developed as a commercial let.

Our plan is to develop a Worker co-operative, also called Dragons to act as the tenant that would develop a shop-based business around selling crafts and produce from the local area. This would also act as means to develop interest in the wider, longer term education work and co-operative development work we are interested and involved in as a group.

On our calculation's repayments, interest, standing charges plus allowances come to £1000 pcm and rental income from 3 tenants at £350 generates £1050 pcm so we have secure financial footing to begin with from the tenancies of the housing co-op.

**Shop:** This will act as a shop window for our crafts and other produce, but more importantly on our courses, and consultancy services. It could serve as a workshop space and has potentials for many more uses. Located on the corner of market street and waterfall street, any tourist on their way to visit the extremely popular Pistyl Rhaeadr (highest water fall in England and Wales) will have to pass our window. Essentially whatever is in the shop must in some way embody and reflect the values of the co-op and serve as a lead into our courses and consultancy services, offered by Sector39/ Permaculture Academy.

Over time, this picture will change: the office and shop both have the potential to generate enough income to cover basic outgoings and any surplus resulting from this would allow us to build up savings for further co-operative investments. Ultimately, we dream of buying land/ small holding as part of our co-op mix and we believe this set up creates ample opportunity for future growth.

To keep the proposal simple, we are basing assumptions on 3 tenants @ £350 pcm to cover costs, and we have those people lined up

1. Steven Jones, co-op founder, and a current resident in the village
2. Grace Maycock, returned graduate with an interest in permaculture, community development and co-operatives
3. Andrea Proffitt, Andrea works part time of Powys CC support adult learning. She is a social entrepreneur and keen to take an active role in the Permaculture Academy and other relate projects.

## Worker Co-op

This is still to evolve but will ultimately be the tenant of the shop and will comprise of Sue Dolman, Mark Burnett, Richard Stephenson, Myself, Andrea and potentially others as the project develops.

With three tenants and the Shop/ office occupied we will run at a surplus, which will be either reinvested in the property or used to help develop new related ventures.



### **ROCB loan**

Of the £30k loanstock pledged we only expect to have £9,000 in hand at completion. this is due to one of our investors being in Germany and there being a time lag in withdrawing the money and likewise support from my Family which will take a little while to extract form savings accounts etc.

Therefore we have elected to take out a £20k business start-up loan with the Robert Owen Community Bank (Newtown) as we can pay this off as soon as the capital funds become available to us. We are reluctant to delay completion of the sale and are keen to proceed as soon as we can, therefore we have elected to follow this route.

Steven Jones, Andrea Proffitt, Grace Maycock  
08/05/2015

For Dragons Housing Co-op limited