

# Moral supporters

Many charities are burdened with high property prices. One ethical company is going public to help them with affordable rented offices, says David Spittles

**A**LTRUISM plus four per cent was the motto of Victorian philanthropist George Peabody, the famous American banker whose 19th century housing estates were the original model for key-worker housing in London. Peabody proved that it is possible to profit with a conscience, a belief that seems quaintly old-fashioned or naive in today's cut-and-thrust business world.

Property overheads are a financial burden for many companies, especially charities and socially responsible organisations, which see the pursuit of profit as secondary.

A grasping landlord out to maximise rent can make life tough, or impossible, for them. Those charities or voluntary groups that seek to control their own destinies by buying property usually find themselves up against developers willing to pay a premium for buildings that can be lucratively converted into flats.

The spiralling demand for suitable buildings that can be let to charities, campaign groups and the like, is being met by The Ethical Property Company (EPC), a plc that next week launches the biggest ever UK public-share issue for a social enterprise. The aim is to raise £8 million in order to purchase more properties, mainly in London and Brighton.

The EPC was established in 1999 and already operates several centres in London, Bristol and Sheffield. Its basic purpose is to offer affordable rents, flexible leases and provide an environment in which ethical organisations can flourish.

"It's about partnership rather than a traditional landlord/tenant relationship," says Jamie Hartzell, founding director.

And the formula is working, he stresses. "The stock market may be in free fall, but our shares have gone up over the past three years." (This is by about five per cent).

EPC's London properties include 86 Durham Road, Finsbury Park, and the Archway Resource Centre. Negotiations are under way to buy a Victorian fire station from Hackney council, and it hopes to acquire a building and conference centre close to Parliament to serve the increasing number of groups working on development and environment issues.

The Finsbury Park centre is a lightweight timber-framed building, a former neighbourhood office owned by Islington council. Tenants include a Citizens Advice Bureau, a refugee group, a learning

project for the disadvantaged and a training programme for Somali children.

Lucy Bell, the centre's co-ordinator, says: "Tenants and the EPC meet on a monthly basis to discuss all issues relating to the building. This means we can jointly resolve any issues swiftly and work together on ideas to develop the centre."

The Archway centre also provides services, office space and facilities for an eclectic group of organisations, including The Green Party and The Peace Tax Campaign.

Jon Nott is the latter's parliamentary officer. "It's great to have a landlord who cares about more than just getting the rent paid on time," he says.

Rents tend to be about 75 per cent of the market rate. In London, this means tenants pay about £12.50 a sq ft for what is serviced office accommodation with rates included.

Acme is another good-cause organisation, helping to meet the property needs of artists and craftworkers. It provides 380 studios in 10 industrial buildings in east and south-east London, with rent levels between £5.25 and £7 a sq ft per annum.

Live/work studios for resident artists typically cost less than £100 a week, including heating and lighting.

Because of its charitable status, Acme gets mandatory rate relief on its buildings, which helps to subsidise rents. However, it believes the lack of cheap workspace for artists should be on the same political agenda as the shortage of affordable housing for key workers.

The company has just acquired a lease on a building in Newham to provide 50 studios. Conversion will start this autumn and be ready for occupation in April 2004.

Acme is also developing studios for sale. At Orsman Road, Hackney, eight live/work duplexes were recently snapped up (from £210,000). The proceeds help to subsidise 48 rented studios on the same site.

Demand is so intense for studios run by Acme that there is a waiting list, but turnover is quite brisk. Call 020 8981 6811.

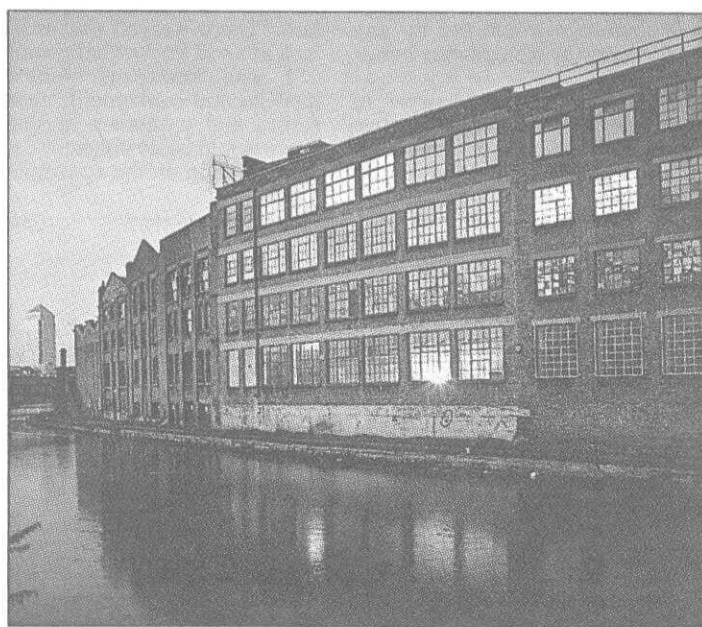
Also in Hackney, the Association for Cultural Advancement through Visual Art (ACAVA), another specialist organisation, has opened studios at 1-15 Cremer Street and has accommodation in west and north London. Call 020 8960 5015. Rents range from £6 to £18 a sq ft.

For a copy of the EPC share issue prospectus, call 0845 458 9526 or visit [www.ethicalproperty.co.uk](http://www.ethicalproperty.co.uk).



The Bristol HQ of the Ethical Property Company, extending help to social enterprises

*"It's great to have a landlord who cares about more than just getting the rent paid on time"*



Left: Lucy Bell, co-ordinator of the EPC's Finsbury Park centre, whose tenants include a Citizens Advice Bureau, a refugee group, a learning project for the disadvantaged and a training programme for Somali children

Above: ACME subsidises rents at its non-residential studios overlooking the Grand Union Canal at Copperfield Road, E3