

Inclusive Business Models

How to build an inclusive business model
around your adaptive heritage reuse project?



| Project Full Title | Organizing, Promoting and Enabling Heritage Re-use through Inclusion, Technology, Access, Governance and Empowerment | |
|----------------------|---|----------|
| Project Acronym | OpenHeritage | |
| Grant Agreement No. | 776766 | |
| Coordinator | Metropolitan Research Institute (MRI) | |
| Project duration | June 2018 – Mai 2021 (48 months) | |
| Project website | www.openheritage.eu | |
| Work Package | 5 | |
| Deliverable | Deliverable 5.6 Inclusive business models for sustainable heritage re-use processes | |
| Delivery Date | M50 | |
| Author(s) | Joep de Roo, Eurodite Rolf Novy-Huy, Stiftung trias | |
| Contributor(s) | Christian Darr, Stiftung Trias | |
| Edited by | Joep de Roo (Eurodite) | |
| Dissemination level: | Public (PU) | X |
| | Confidential, only for members of the consortium (CO) | |



This document has been prepared in the framework of the European project OpenHeritage – Organizing, Promoting and Enabling Heritage Re-use through Inclusion, Technology, Access, Governance and Empowerment. This project has received funding from the European Union's Horizon 2020 research and innovation programme under grant agreement No 776766.

The sole responsibility for the content of this document lies with the authors. It does not necessarily represent the opinion of the European Union. Neither the EASME nor the European Commission is responsible for any use that may be made of the information contained therein.

Table of Contents

| | |
|---|----|
| Table of Contents | 3 |
| 1 Objectives..... | 5 |
| 2 Reading guide..... | 6 |
| 3 Civil society as projectmanager | 7 |
| 3.1 Organisational form..... | 7 |
| 3.2 Finance | 8 |
| 3.3 Management..... | 8 |
| 4 Creating a feasible project plan and structure | 10 |
| 4.1 Ownership: Security of long-term access | 12 |
| 4.2 Safeguarding original objectives..... | 12 |
| 5 Creating multidisciplinary project teams..... | 14 |
| 5.1 Different skills | 14 |
| 5.2 Core group | 14 |
| 5.3 Organise in teams..... | 15 |
| 6 Budget and financing structures | 17 |
| 6.1 Fixing the costs | 17 |
| 6.2 Fixing the financing | 17 |
| 6.3 External financing | 18 |
| 6.4 Financing instruments | 19 |
| 6.5 Circles of supporters | 20 |
| 6.6 Tips to find additional funds..... | 21 |
| 6.7 Tips to generate income..... | 21 |
| 7 Inclusive business model canvas..... | 23 |
| 7.1 Inclusive thinking | 23 |
| 7.2 The canvas as tool | 24 |
| 7.3 The people, organisation, context and value..... | 26 |
| 7.4 The adaptive reuse | 28 |
| 7.5 Costs and finance | 29 |
| 8 Basic models | 31 |
| 9 Basic models of the OpenHeritage labs and Observatory Cases | 32 |
| 9.1 Brandenburg, near Berlin - Hof Praedikow..... | 32 |

| | | |
|-----|---|----|
| 9.2 | Sunderland - High Street West 172-174 | 33 |
| 9.3 | Rome – ACT district | 34 |
| 9.4 | Warsaw - Praga district..... | 36 |
| 9.5 | Pomaz, a small village 35 km north of Budapest | 37 |
| 9.6 | Lisbon – a former palace as community centre and place for social housing | 39 |
| 9.7 | Basic models of observatory cases..... | 40 |
| 10 | Conclusions and recommendations | 43 |
| | Annex: Financial calculation tables | 45 |

1 Objectives

This document is a deliverable of the OpenHeritage project, funded under the EU's Horizon 2020 research and innovation programme (grant agreement 776766). OpenHeritage aims to identify and test the best practices of adaptive heritage re-use in Europe. In OpenHeritage, the scope is on an 'inclusive' way of adaptive heritage reuse (AHR) opposite to a more 'classical' way. The 'classical' way can be characterised as a rather linear process where the owner or the developer of an heritage asset are the sole responsible commissioners and main beneficiaries of the adaptive reuse. The largest part of contemporary heritage policies and support frameworks are still delineated around the classical concept of adaptive reuse since single ownership, financing and commissioning is easier to regulate and stimulate.

In the 'inclusive' way of adaptive reuse, individuals and communities are an active part of the transformation process. Groups act as initiators, commissioners, owners and beneficiaries of adaptive heritage reuse projects. Developing an inclusive adaptive reuse project is more complex due to the number of stakeholders in a project and different interests. The business model of an inclusive process looks different from a classical reuse business model.

Inclusive business models

Under inclusive business models we mean ways in which the costs of adaptive heritage reuse (AHR) relate to the benefits and the role of individuals and communities within that model. We define inclusivity as the extent to which local communities can cooperate with other groups within society; the private, third and the public sector.

In OpenHeritage the inclusive approach to adaptive reuse was researched, analysed and tested in several project over Europe. During the period 2018-2022 six *heritage labs* were supported and critically analysed in their efforts to make adaptive reuse process more inclusive. During this process they were guided on financial issues by the financial taskforce that consisted of Joep de Roo (Eurodite) and Rolf Novy-Huy (Stiftung trias). Both are active in management and financing of transition and community projects. This publication reflects the experiences, findings and ideas that came out of the process and is meant for practitioners, often non-professionals, involved in a process of revitalising an asset with heritage value. The second group for whom this publication could be interesting are local authorities. They play an essential role in AHR processes. The book may also be of interest to professional private and public organisations that are looking for ways to finance or make projects and policies more inclusive by involving the civil society and local communities not only as users but also as commissioners and co-owners.

2 Reading guide

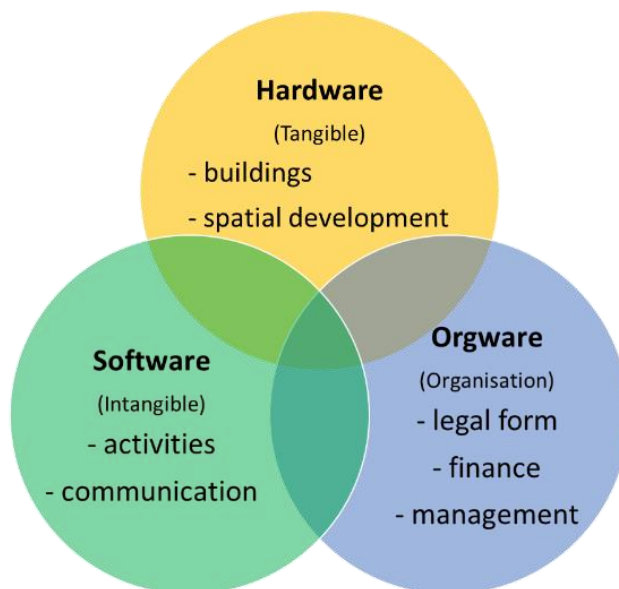
This document is written as a practical guide. It dives deeper into practical considerations that are relevant when setting up or managing a project. However, it also describes some background ideas and several models that may be useful to characterize and categorise your project.

- Chapter 3 starts with describing the main challenges of involving civil society in adaptive heritage reuse (AHR) projects.
- Chapter 4 describes how to create a project plan and structure.
- Chapter 5 dives deeper into creating multidisciplinary project teams.
- Chapter 6 is about creating a financial structure including tips to find additional funds and generate income.
- Chapter 7 presents the inclusive business model canvas that helps to articulate the role of communities and decompose all relevant elements into a coherent structure.
- Chapter 8 presents three basic models and its main elements.
- Chapter 9 presents the basic models of the OpenHeritage Labs and a selection of the observatory cases.
- Chapters 10 concludes with recommendations for practitioners and policymakers.

3 Civil society as projectmanager

One of the main questions that OpenHeritage addresses is if civil society can maintain and revitalize heritage reuse projects in a more successful and sustainable way than politicians and commercial actors can.

The main finding of OpenHeritage and its heritage labs is that each bottom-up AHR project operates within a different context and, in most cases, is initiated and run by people that are not trained as practitioners to manage AHR processes. This leads to many challenges, mostly on the organisation, financing and management, the 'orgware' of projects.



3.1 Organisational form

Most projects are started by engaged people with social professions. Very involved and concerned about the outcome of the project, they often show a lack of systematic planning of group abilities. The question of "Who is going to run the project in the future" has mostly not been considered sufficiently. Questions relating to whether there is a need to find a legal structure, e.g. an association or cooperative, and who is going to take over the responsibility for tasks related to finance, legal questions, group processes, organization, communication to partners etc. are not or insufficiently addressed at the start of a project.

3.2 Finance

Most projects find it difficult to determine their idea on what will be the income/value generating aspects in heritage redevelopment, who should be the investor and beneficiary of the investments and how to run a sustainable business case in the future? It is difficult to link the development objectives and results of a project to a business model. The interests and benefits of all the stakeholders are not always clear making it difficult to make the step from idea to actually doing it. Trying to find financiers for your project only makes sense if there is a clear business model under the idea. Even though it is not always explicitly mentioned, societal value (e.g. heritage restored for the public) is often a part of the business model. Sometimes local or national governments are willing to compensate for societal value created, e.g. via subsidies or contracts. If governments do not support the project financially, then more emphasis should be put on alternative income flows. This is a complex puzzle that many bottom-up initiatives cannot manage themselves simply because they lack the financial expertise and what that most professional developers do have.

3.3 Management

There is lack of experience in managing adaptive reuse projects. Reactivation of (heritage) buildings and areas is a complex process that needs experience and ability to work with many different stakeholders across various sectors such as urban planning, finance, architecture, cultural activities, communication and marketing. It is difficult for projects to strike the right balance between organising activities, raising community involvement and generating an income model. In most cases, a lot of energy is directed towards one aspect, leading to misbalanced projects that have difficulties to kick-off or to remain relevant.

ExRotaprint:

This former factory for printing machines became a seed of urban development. Now artists, non-profit organizations and craftsmen are in this building.



Before renovation



After renovation (photo: Daniela Brahm)

Building by architect Klaus Kirsten from 1958/9 on the ExRotaprint site, 2022



4 Creating a feasible project plan and structure

Each inclusive adaptive re-use process starts with determining the specific objectives that you want to accomplish and write it down in a project plan so you can share it with others.

1. First determine if the project is really a **project or a programme** (that means consisting of several sub-projects). If it is a programme, then define the projects within the programme. Is the project centred on the transformation of a physical building? More buildings or an entire area? Then detailed information about the state of the building(s) and area is required. If you do not have it, acquire it as part of the project.
2. Introduce yourselves. Who are you as a project group? Please write three lines about each person being in the core-group. Profession and experience in projects and, maybe, his/her role in the group will most likely be the most interesting points. Keep it short!
3. Very important is to create a good **name or brand** for the project. Having a name for your initiative helps newspapers, municipality and other partners and sharpens your contour. It helps to remind people to the project and spread the story.
4. It is advisable to work with a clear project approach that is written down in a concrete **project-concept**. Start to define your **main targets**. A description of your targets will concretise your approach. Ideally, a project is supported by a clear mission that will bring support along the way. A good example of a clear formulated mission was done by the American president Kennedy around 1962. ‘..to put a man on the moon and bring him safely back by the end of this decade’. This mission resulted into a major project with a clear goal and deadline. It aroused imagination of people and therefore awakened much public support. And...the mission was successful.

The discussion process within your group at the same time will initiate an internal process. Struggling for “perfect” expressions and wording is a learning platform how to interact within a group. Do not mind if it takes time. You work on your social platform. That will help you in the future.

It is nice to have an elaborated concept but it is also helpful to have a very short one for partners like a bank. Many people nowadays do not have time and patience to read 50 pages!

Is your concept concrete enough for you and others? What is your long-time aim?

It is advisable to make all actions and objectives as SMART (Specific, Measurable, Achievable, Relevant and Time-bound) as possible. When do

you consider the project a success? Try to formulate concrete Key Performance Indicators (KPI) with which you can monitor the progress and success of a project. A KPI can be anything, as long as it is verifiable: e.g. the m² of space renovated/rented out or the number of likes on your webpage. If you are not experienced in writing plans, train yourself of find a person that makes the plan for you. PRINCE2 (PRojects IN Controlled Environments) is a structured project management method and practitioner certification programme that helps a lot in structuring ideas into projects.

5. The fundament for support and engagement is the **legal form** of your project. Founding an association or other legal form shows your seriousness and enables you to sign contracts. A legal form is required for almost any kind of support, no matter informal or institutional. Supporters and partners need to understand how your project is structured regarding ownership structure, decision-making and liability. These things are defined within the legal form. Legal forms differ in the different European states regarding their availability and their abilities.

At this point, we want to get just a brief overview about the most important legal forms:

- partnership
- limited partnership
- limited liability company (LLC)
- corporation (for-profit)
- non-profit corporation (not-for-profit)
- cooperative
- association

Please consult an expert (lawyer) in order to determine the suitable legal form for your project or programme.

6. It is important to have good relationships with **institutions and stakeholders** that have direct and indirect influence on your business case. It is good to make a stakeholder-map to get a clearer image of stakeholders that you need to keep informed on a regular base. There are several tools available for making stakeholder-maps, like KUMU.

The most important stakeholders for the business case are

- The owner of the site(s).
- Financing and subsidising institutions, like banks, NGO's.
- The municipality.
- The 'neighbours'. Businesses and organisations that are based in or near the site of your project.
- Projects or organisation of a similar character.
- Moreover, off course the community.

4.1 Ownership: Security of long-term access

In order to have a durable impact it is imperative that initiatives secure the heritage site for a long-term access or use for civil society. This means that you should think, beside the future use, about the current and the desired ownership structure of the site. This relates directly to your planned investments. There are various models of ownership construction in which civil society, often only in an organised form, can participate. Within OpenHeritage several ownership models were identified that combine adaptive reuse with civil engagement. The following paragraph is based on the Transferability Matrix which is part of the OpenHeritage project. Read this document if you want a more detailed overview or descriptions.

- *Community Land Trust model*: local non-profit organisations hold land, develop, and manage homes and other assets important to their community.
- *Cooperative ownership model*: a cooperative is democratically owned by its members, autonomous and self-organised. Housing cooperatives have existed for over 120 years.
- *Non-profit organisation ownership model*: a non-profit organisation acquires a property and leases it on the condition that the project is used for non-profit purposes. This can be done for example by a heritable building right.
- *Private ownership model*: a private investor with a social agenda provides a property that they own or have acquired. Private ownership is the most common form of ownership in Europe today.
- *Regulation of the commons model*: In Italy, the ownership model of the commons is based on the constitutionally granted access to 'common goods' for 'civic use'. It refers to a collective and free use of (public and private) spaces and assets and allows communities to use these resources.
- *Municipal ownership model*: a very common model in the context of adaptive heritage reuse. Can be a part of municipal strategic land planning.

Depending on the legal context and the objectives of your project, it is wise to critically assess the current and desired ownership structure and make this an integrated part of the business model.

4.2 Safeguarding original objectives

Pioneers who are investing time, money and skills into "their" projects want to safeguard that the original objectives like "living with handicapped people", or, "culture and ateliers for artists" will stay in the project building. They fear a change into privatisation and a profane use, like offices for lawyers and tax advisers.

This aim cannot be secured by paragraphs in the status of the cooperative or association, as these specifications can be changed by the next membership-

assembly. In Germany the “heritage building right-model” of Stiftung trias or the “Mietshäuser-Syndikat”, working with a share-construction brings in a neutral third party who has exactly the task to care on that. This “third party” must of course be very independent, willing to fight and seeing itself in a duty to serve common good.

Summary

- **project or programme?**
- **introduce yourselves**
- **name or brand**
- **work out a project concept with concrete targets**
- **find the suitable legal form**
- **keep your stakeholders and partners well informed**
- **Secure the property by ownership or long-term contracts**
- **Safeguard original objective by including a share construction**

StadtGut Blankenfelde

A former manor in the outskirts of Berlin is now a vital community for living, working, gardening, school, kindergarten and many other activities



Photo by Markus Lau-Hintzenstern.

5 Creating multidisciplinary project teams

Adaptive re-use of heritage sites is a complex process, particularly if you want to make it inclusive and involve a wide range of stakeholders. Therefore, make sure your team reflects diverse people with different backgrounds.

5.1 Different skills

Inspired people that share an ambition and, as a group, have various skills to realise that ambition generate successful projects. A shared ambition alone is not enough. You need different skills. Just as monoculture in agriculture leads to degradation of soil, the same applies to projects and programmes. Having only one sort of skill or type of person in your team leads to degradation of ideas and one-sided approaches.

Engaged activists are not necessarily the managing type of people, even if they are driven by a strong will to work on their vision. Therefore, one of the main statements we can express right at the beginning: Look for different abilities in your group and value it: Men and women, reluctant and courageous ones, visionary and bookkeeping types. They are all of a certain value. Just accept the differences and take it as enrichment.

In addition: If you do not find it in your group please look for professionals outside, even if you have to pay for their expertise. You may collect knowledge, but you cannot replace experience.

You need managers, communication experts, and financial knowledge. Most of all, you need people that are actively doing stuff. The only way to bring projects further is by actively organising and doing things. Talking and thinking about it is an excuse not to actually do it! And...there is no such thing as doing the wrong thing. If actions fail, you can consider it as a pilot or a learning action that also contributed to the project. You became wiser.

5.2 Core group

Who is a responsible dialogue partner for others? People do not like changing persons in their dialogue with you. It helps to have fixed responsibilities for financing, architecture, subsidies, press work etc. Looking for this might be the time, you think of "buying" expertise from outside.

- Moderator, preferably with special background in your field.
- Economist, being able to understand the "unusual" financing of a civic group.

- Lawyer, thinking in solutions instead of problems.
- Tax advisor, with special abilities in non-profit organisations.
- Architect, being able to work with a group of people instead of one person.
- Specialist in your field, like heritage protection.

That induces charges, but sometimes a reasonable amount invested gives the push that is needed or saves a lot of time.

For the bank or municipality it is, in the first moment, irritating to have a civic initiative as an investor. To have as many supporters as possible will be your strength and biggest resource for you and others. Therefore, please show your power: Describe the core group and their abilities (3 lines per persons). Who else is there in the every-day work? Maybe another 12 persons. How many supporters can be address to help by gifts, abilities etc. Maybe another 100 people?

Very important aspect is the **durability** of the core group. After all consultants have been paid and went home, is there anybody or a group of people, trained during the realisation phase who is enabled and willing to lead the “business” into the next years?

5.3 Organise in teams

The key to success for each project is how you motivate and organise the team(s) working towards results. A first exercise could be to find out together what the motivation of the individual people is to get involved in the project and what is important for each of them to achieve. In this way, you will get an idea of their talents and abilities to solve tasks. The second step is to clarify the common goal. In most cases, the preservation and the adaptive re-use of the heritage site is the shared ambition that brings and keeps the project team members together.

When you have identified the skills, talents and the motivation of the individual people that are forming the project it can be a good idea to establish smaller units with specialized skills and tasks. You can call them “task forces”, “crews”, “special forces”, “units” or “work groups”. The advantage of this concept is to concentrate people with specialized knowledge and having clear responsibilities for certain tasks. In a practical sense, it could reduce the amount of time that is needed for information exchange within meetings. In other words: Not every person is interested into every detail of the actual problems with the water supply of the building. A “plumber crew” is clearly responsible, fixes the problem and reports within the next meeting “Water supply works! All water pipes wet on the inside, but dry on the outside!”

The size and the number of tasks of a unit depends highly on the project and the number of people behind the project or programme, therefore they should be evaluated from time to time. These units can be set up temporarily, with permanent character or with changing responsibilities. Example: A unit that collects information about possible legal forms could become obsolete after establishing the desired legal form, but it could also become the permanent unit responsible for legal affairs.

As already shown, it helps to reduce the economic risk for the overall project when specialized knowledge and tasks come together in certain units. However, the responsibility of a unit can also be defined for a certain area in order to reduce the economic risks. This can be compared to the "shop-in-shop"-concepts of big shopping malls or "crews", which are running certain stages on music festivals on their own. If a certain good, service or label gets into trouble it does not endanger the overall project and can be replaced easily. On the other hand the "neighbourhood" doesn't prevent solidarity with others, through complementary offers and the commonly used infrastructure every unit helps the overall project.

When forming these "crews" you should keep an eye on people with several skills and talents, because these people have the ability to explain something to others, they "speak more than one language". These people could be the speakers of their "crews" in the meetings of the whole project group. Example: A person who is an engineer and has business knowledge could support technical decisions with his business background.

This concept only works when duties and rights go along together. A specialized unit needs certain freedom to make decisions on their own, which means also financial decisions.

Of course, you have to find a democratic structure of decision-making between work groups and the plenum, like the "sociocracy model". Please do not underestimate the question of deciding by majority or by a consensus model.

Summary

- **Look for different skills and characters in your group**
- **Search for missing skills, if necessary pay for it!**
- **Be courageous in decision-making and realising things: "do it"!**
- **Look for external expertise – spend money, save time, get better results**
- **Who is going to run the business, once the consultants have left?**
- **Organize in work groups with clear mandates and find an inner democratic model of decision-making.**

6 Budget and financing structures

If you defined your targets and team, then you can start answering the question *What do I need money for?* In this chapter, we will explore the various aspects of budgeting and financing civil projects. We advise working with professionals or experienced team-members in budgeting to work out your calculations so that other professionals and lending institutions understand it easily. Structured financial calculations strengthen the convincing power that you need to raise support for your project. Most civil run projects need some sort of external financing therefore it is important that you make convincing and feasible cost-benefit calculations for your project.¹

6.1 Fixing the costs

All calculations start with fixing the costs. There is a difference between a **one-off** investment or **recurring or running costs** of the project. One-off investments are costs that you pay once to realise the project. E.g. buying or renovating a building. Recurring cost come back every period of time, e.g. maintenance or salaries. In addition, the rent and repayment that you pay for a loan is a recurring cost that you have to put on the exploitation sheet of your project.

All costs, even if you do not intend to buy your premises, like a renovation, an exhibition or other medium or long-term investments have to be calculated as thoroughly as possible. If you invest in buildings this calculation will, of course, be done by your architect/engineer.

Differ between “investment costs” and “running or annual costs”. Make two plans!

Investments costs with buildings are usually: purchasing price, transaction costs, like notary and tax, renovation costs, interest costs during the building process, consultants and expertise (like cost controlling).

Running costs result out of the investment, like interest, repayment and additionally things like maintenance of the building, personal cost, electricity, water supply etc. Ask similar projects for support and figures to compare.

6.2 Fixing the financing

In its simplest form, you have three forms of financial flows that can cover the costs within you project or legal form; by equity, by debt and by income.

¹ In the annex, calculation tables are presented that can help to make calculations. For the excel tables or assistance, please contact deroo@eurodite.eu or the website of OpenHeritage.

Equity means the amount of a project or enterprise that is owned by the project or legal form itself. It represents the amount of money that would be returned to a company's shareholders if all of the assets were liquidated and all of the company's debt was paid off. You can raise your equity by giving out shares (people give money in return for a percentage of the ownership of the company) Also donations and subsidies raise your equity because they do not have to be paid back. 25 % of the investment costs could be a first orientation.

Debt, like loans, also help to finance costs. However, loans have to be paid back, in most cases with interest, so this means lending money costs additional money. Up to a certain extent, banks may accept long-term loans, e.g. given by the members of an association, as equity.

Income is a recurring cash flow within your project. A recurring income can be generated by selling of products or services or by asking rent. Also barter trade, in-kind donations or volunteer work can be considered as a source of income for a project. In civic projects, these often form an important part of the financial puzzle. Income is one-on-one related to the **functions** that you foresee within your project. It is important that your project plan has one or more **income-generating** functions. If not, then consider to redevelop your plan.

Ideally, recurring costs are covered by **recurring income**. Even though there are a number of organizations throughout Europe that have been able to cover their running costs for decades from donations and subsidies and other more or less uncertain (often one-off) sources, you should try to avoid this high risk for the long-term security of your project. In addition, banks do not like to see this way of financing.

A project, built on secure and regular income, like rent, is the best way to secure the heritage asset and the projects within.

6.3 External financing

Most civic run projects cannot finance the costs by their own. Therefore, to finance their investments or recurring costs they require additional funding from external sources, like banks or subsidies. If you address banks or foundations, they will always ask you, how much your equity is going to be. 25 % is the average expected. Shares, gifts, subsidies have to cover this. The rest of the budget then needs to be covered by bank loans, private loans or generated

income. Financing civic group is no “routine” but mostly a “mosaic” of different financing sources. Clarify with your bank what is “equity” in their opinion. Like: Do they accept private loans as equity within an association?

6.4 Financing instruments

The following funding instruments have different characteristics, which should be known, at least with basic knowledge, in order to use them in a legally secure and economically sensible way. When dealing with other people on money and trust you should always take it very serious. (Keyword “unauthorized banking business”) Please be aware that some instruments are also regulated by law. Public authorities take it serious when people operating an illegal business, not matter if you do it for a good thing. Please consult a lawyer or a tax adviser if you are not sure about a certain instrument.

- Donations (part of equity):

Usage: Legally you are free to do what you want with the money within your organisation. However, in most cases, you get donations for a specific purpose and you should not disappoint your donators, even by felt misappropriation of funds.

Regulation: In some legal forms (e.g. foundations under German law), you have to spend this money within a limited time and you are not allowed to use it to build up wealth.

In most cases, donations are combined with a recognition as a non-profit organization. Recognized non-profit organisations are able to give the donators donation receipts. They are very welcome as they help to reduce the donor's tax burden.

Effort: high for raising, low for managing funds

- Private loans (debt):

Usage: Within the contract law of your country, you have many options about what you want to define within the loan contract with your lender. You should nevertheless make sure that contracts are as uniform as possible. Concluding fewer contracts with higher sums helps to keep the administrative burden low.

Effort: high for raising, medium for managing funds

- Bank loans (debt):

These guys take it serious. A bank wants to know you and your business in detail before they lend you any money. You, therefore always have to know what you are talking about, having your numbers ready when asked and you need to have

collaterals. Common collaterals are ownership titles, for example land or buildings, stocks and bonds, company shares, but also intellectual property rights, such as patents or licences.

Usage: The usage will be defined specifically within the loan contract. Do not get the idea of using the money for repairing the roof to buy a car instead!

Effort: high for raising, low for managing funds

- **Guarantee loans (debt):**

A special instrument, which is e. g. used by German GLS Bank, are so called guarantee loans. If you want to have a loan, but you do not have enough collateral, it is possible to get guarantees for a partial amount of money from supporters. Instead of managing, a number of private loan contracts yourself you get one contract with the bank. Your supporters don't need to give the money out of their hands, except in case, when you fail. In this case, the bank wants the money from your supporters.

Effort: medium for raising, medium for managing funds

6.5 Circles of supporters

When talking with a bank about your civic project, you will realise that your initiative is a "strange" customers for banks. You will experience many disadvantages. Your advantage, however, is the power of the community. They provide a source of financing, income, support and skills.

Circles of supporters reaches from people and institutions with strong and personal relationships to more formal relations and differing expectations. The estimated effort to get and to stay in touch with the different circles raises when relationships become less personal and more formal.

First of all: Friends and relatives, these people know you and your project very well, sometimes since you shared a sandbox as kids. These people know and trust you most. In most cases, they do not ask as many questions, they simply trust you and have less interest in profit from their support than others have. Keep in mind that a failure of your project and a loss of the support brought in or the money invested can put a great strain on your relationship with these people close to you.

Neighbours and the city community is the next supporter circle of your project. The estimated effort to come in touch with this people is much higher and they have an expectation to keep informed about your progress.

Formal institutions, like banks, companies, public authorities or even business angels are acting formally and have an economically driven interest; therefore, they expect a lot of information from you.

In terms of financing all these people are a chance in fundraising: gifts, loans, guarantees and at least spreading the idea to others with a new chance of fundraising potential.

Table of support

| Supporter circle | reasons to trust you | effort to get and stay in touch | expectations | regulation | instruments |
|---|---------------------------------------|---------------------------------|--|------------------------|---|
| friends and relatives | personal relationship | low | Idealistic, less economical | low | donations, private loans, hand work |
| neighbours and community | less personal, geographical proximity | medium | economical and idealistic | medium („grey market“) | donation, private loans, hand work |
| banks, companies, business angels, public authorities | strictly formal, e. g. Loan contract | high | economically driven, content orientation | high | loans, company shares, (non-refundable) subsidies |

6.6 Tips to find additional funds

- Find money in your circle of friends, relatives, supporters. Ask for donations, loans and gifts
- Make research in ministries on national and regional level if there are possibilities for subsidies, special loans for investments or consulting
- Adapt your project to fill the headlines of subsidy programmes
- Are there foundations that have targets parallel to your aims?
- Ask your banker if your banker is willing to have a first orientation meeting, just to present the idea. They know the system and give you tips and hints on how to support you. You could try social banks first.

6.7 Tips to generate income

- If you have a building, is it possible to mix commercial functions or renting out to partly cover the costs for the non-commercial activities
- You can generate income by saving costs. If you invest in a building, then try to get insulation windows of high quality in order to save heating costs.

- Try to make income stable, e.g. by introducing a small member fee. It is better to have a small regular income of e.g. 100 members that pay 10 Euro per year, then to apply for funds or bring in money via events.
- Be courageous asking for gifts/donations during events.
- Sponsors can become an important element in your income. Often (big) companies have special budgets for corporate social responsibility (CSR)
- Also banks have sponsor pots for CSR
- Selling products e.g. of local producers. Create a premium on top of the production price in order to support your initiative. Often are people to pay more if they can support something good for the neighbourhood
- You can ask people to help you as volunteer. Many people enjoy supporting a good project. The good feeling is the currency.

Summary

- **Fix the costs, if necessary by external support**
- **Work out the investment cost and running costs**
- **Analyse your financing tools**
- **Cover cost with reliable income**
- **Find your equity and external financing**
- **Your community is your advantage. Take care of it.**

Glockenhof eG, Bochum

For centuries, this building had been used for pupils. Now there is a multi-generation housing project in there, providing living space for young and old.



7 Inclusive business model canvas

There are many aspects that need to be taken into consideration when you decide to start an inclusive adaptive heritage reuse project; team, people, objectives, ownership, legal situation etc. Every project is unique and needs to make a custom-made plan. However, there are several elements that every project must consider: how to structure itself (the organisation), what it wants to do (the activities), what it aims to create (values) and how much everything costs and who pays for it (the financing). Each aspect is related to each other and, ideally, form a coherent plan. We realise that most bottom-up adaptive projects start with often only a few elements of a cohesive plan in place. The rest is not (yet) considered as relevant or simply not considered at all. In order to help projects to structure themselves, we have developed a canvas that places the most relevant elements of a inclusive business model in a cohesive structured overview.

7.1 Inclusive thinking

Before we go to the canvas, we must consider what inclusivity means. Inclusivity is defined by the oxford dictionary as *“the practice or policy of including people who might otherwise be excluded or marginalised, such as those who have physical or mental disabilities and members of minority groups”*. In the context of OpenHeritage, inclusivity not aiming at marginalised or excluded groups but is related to the extent in which individuals or organised communities are part of the organisation, implementation and financing of adaptive heritage reuse. Inclusivity is centred on the concept of involving local communities, a group that is normally excluded in process of adaptive heritage reuse.



As part of the inclusive business modelling, we define inclusivity as the extent to which local communities can cooperate with other groups within society, notably the private, the third and the public sector and is able to generate values for all groups and sectors involved. In that sense, it overlaps with the concept of 'integrated' or 'cross sectoral'. Civil groups working in a vacuum, like communes

are not considered within this project. If your project is able to create wider value beyond the core community and has links to private companies, NGO's and the public sector, the more 'inclusive' we consider it and the better chances it will have of finding sponsors and investors for the project.

7.2 The canvas as tool

The inclusive business model canvas is a tool that functions as a template for an overall project-plan and is developed to valorise the role of individuals and organised communities in adaptive heritage re-use projects. It helps to structure the project and thus critically assess its underlying structures and objectives. The canvas helps to clarify the different interests, practicalities, beneficiaries and its distribution over various groups. By this, an indication of the level of inclusivity can be given. It also helps to determine the feasibility and maturity of a project.

The canvas can also be used as a tool to facilitate the discussion between the various sectors in order to prepare, implement and finance the adaptive heritage reuse project.

In the canvas, you can describe how you see the activities, investments, financing, costs and income flows. The more details are provided, the better potential funders and supporters can assess the merits and risks of the project. The canvas consists of twelve elements divided over three blocks. It should be filled in as concrete and practical as possible. Political and policy concepts can be relevant as background information, but in the inclusive business-model canvas the aim is to get a clear picture of the practicalities of the project, its approach, its risks and its benefits.

The canvas is supplemented by calculation tables (in excel) We recommend to fill in simultaneously the excel tables in order to translate your plans into figures. This exercise helps to show possible lags in your financial approach or stakeholder involvement. For instance, if you have thought about your activities and investments, but not about what kind of income or financing source will cover these activities and investments, then you need to spend more time on investigating potential subsidies, income flows or possibilities to involve other organisations in your project.

Hereunder you find the canvas followed by three paragraphs describing the main blocks of the canvas.

The Inclusive Business Model Canvas

| | | | |
|--|--|--|--|
| | The people, organisation, context and value | | |
| | Community / individuals (grassroots) | Private and third sector (professional) | Public sector |
| 1) Who are you? | Describe your group and what people are in | Describe the professional organisations that are involved | Describe the relationship with the municipality/relevant administrations |
| 2) Legal structure | Is the community organized and committed by/to a legal structure (e.g. cooperative)? | Are private companies / NGO's involved via legal structure(s) (e.g. contracts)? | Are public organisation involved in a legal structure (e.g. via tenders)? |
| 3) Cross links and (legal) context | How do the three groups (community / private and NGO / public) cooperate? Indicate in which context your project works, i.e. is there a cooperative attitude to your project from the other groups? Mention legislative frameworks that directly affect your project | | |
| 4) Customers and channels | Who will use the adapted asset(s) and how will you reach them? | | |
| 5) What value are you creating and what are you doing for others? | What value will you deliver for the community? What need is fulfilled? Also, fill in any negative aspects you foresee. | What value will you deliver for private companies or NGOs? What need is fulfilled? Also, fill in any negative aspects you foresee. | What value will you deliver for the public sector? What need is fulfilled? Also, fill in any negative aspects you foresee. |
| | The adaptive reuse | | |
| 6) What is the current situation? | Describe each asset (that can be a building, an area, an immaterial asset or a digital environment) that will be adapted. Who is the owner of the asset? Describe its current characteristics, functions and level of maintenance. | | |
| 7) Planned adaptation in programme and functions | Describe the proposed adaptation to the heritage-asset(s) and programme/functions that you would like to have onsite, if possible describe the timeframe | | |
| | Costs and Finance | | |
| | Community / individuals (grassroots) | Private and third (professional) sector | Public sector |
| 8) Investment costs | Describe the investment costs of the adaptation in programme | Describe the investment costs of the adaptation in programme | Describe the investment costs of the adaptation in programme |
| 9) Equity/subsidies | Can the community raise own equity? (e.g. own money, crowdfunding, subsidies) | Is the private/third sector involved as equity partner? | Is the public sector involved as equity partner or provide subsidies/support? |
| 10) Debt | Is the community willing to get into debt finance | Will the private/third sector step in with debt financing? | Will the public sector step in with debt financing? |
| 11) Running costs | What running/returning costs you foresee? | What running/returning costs you foresee? | What running/returning costs you foresee? |
| 12) Income / Revenue | Can the community raise income to cover investments or daily activities (e.g. by selling products, volunteering)? | What are income flows for the private/third sector? (products, services) | What are income flows for public sector? (Taxes, fees?) |

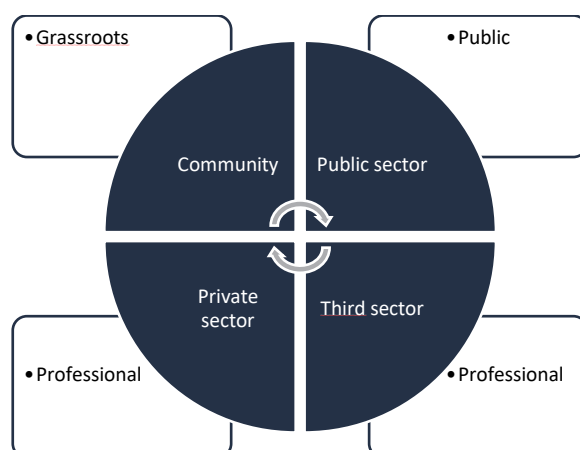


7.3 The people, organisation, context and value

| | The people, organisation, context and value | | |
|---|--|--|--|
| | Community / individuals (grassroots) | Private and third sector (professional) | Public sector |
| 1) Who are you? | Describe your group and what people are in | Describe the professional organisations that are involved | Describe the relationship with the municipality/relevant administrations |
| 2) Legal structure | Is the community organized and committed by/to a legal structure (e.g. cooperative)? | Are private companies / NGO's involved via legal structure(s) (e.g. contracts)? | Are public organisation involved in a legal structure (e.g. via tenders)? |
| 3) Cross links and (legal) context | How do the three groups (community / private and NGO / public) cooperate? Indicate in which context your project works, i.e. is there a cooperative attitude to your project from the other groups? Mention legislative frameworks that directly affect your project | | |
| 4) Customers and channels | Who will use the adapted asset(s) and how will you reach them? | | |
| 5) What value are you creating and what are you doing for others? | What value will you deliver for the community? What need is fulfilled? Also, fill in any negative aspects you foresee. | What value will you deliver for private companies or NGOs? What need is fulfilled? Also, fill in any negative aspects you foresee. | What value will you deliver for the public sector? What need is fulfilled? Also, fill in any negative aspects you foresee. |

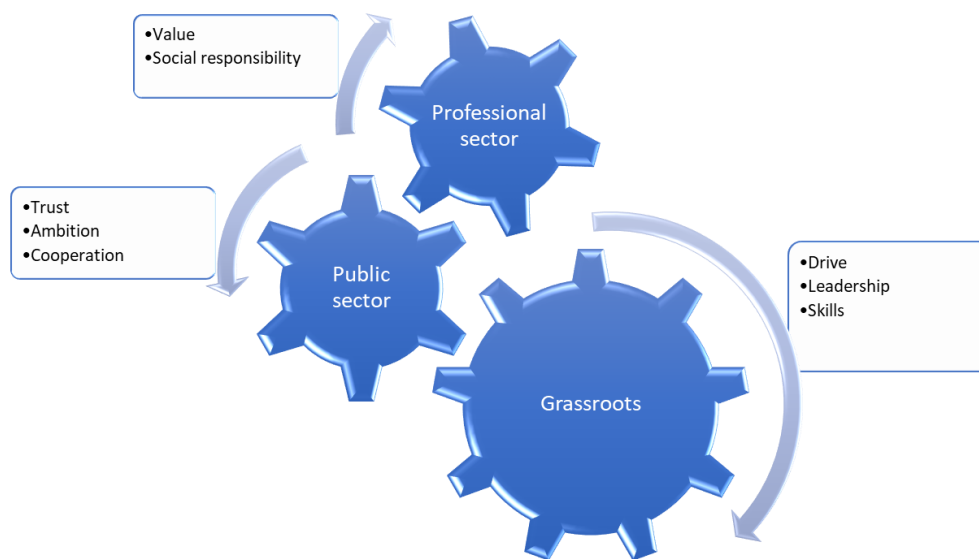
The first block deals with the people in the project, how they are organised and what value they are creating for themselves but also for others. We differentiate three groups in the canvas: grassroots, professionals and public.

The grassroots consists of individuals and community groups. They often are involved for personal, activist, non-professional reasons. The second group, 'the professionals', is a combination of the private sector (companies) and 'the third' sector (NGO's, universities, etc.). This group can be involved for activist reasons, as part of their 'mission', as well, but overall they are better structured and organised than the grassroots group. The last one is the public sector, mainly consisting of local and national authorities.



This distinction between these three groups is made in order to assess how much an initiative is really rooted in local communities or already embedded in more professional or public organisations. It needs to be indicated how organised each group is, in legal structures, and how they are committed to the initiative, e.g. via contracts or other legal commitments. Important is to indicate how the various groups are linked to each other. Cooperation is a crucial element in successful projects so it is helpful if connections already exist. If not, indicate this. Also, indicate how the context is in which the project develops; is it cooperative or non-cooperative. Mention legal frameworks and drivers that are relevant for your project.

Context/drivers



Indicate what customers you foresee to make use of the adapted assets, e.g. individuals as renters of apartments or companies to make use of office-spaces. Be clear what channels are used to reach these customers. (e. g. newspapers, local events, connections with corporate associations, etc.).

Important aspect is the value that you are creating. This element gives direction to the 'inclusive' part of your adaptive reuse project. The more value your project creates for several groups, the more inclusive it is. Consider the project not only from your own group's point of view but also for the other groups and the wider society. Think 'cross sectoral and out of the box'. Which value are you creating for the community? Is the project interesting for private companies or NGO's? What benefit is there for the wider society? This last question is also important if you apply for public subsidies. It is also important to consider negative aspects or values that your project may create. For instance an enormous increase in tourists or different sentiments a project could evoke with different target groups.

Values can be financial or societal. Financial values are measurable and quantifiable like increased value of buildings or more economic activity in a particular area of the city. Societal values are more indirect and have no direct economic return like improved public facilities or increased capacity or awareness on historic aspects.

Cooperation between the grassroots, public and professional sectors is essential to create successful projects. The more financial and societal value the project creates for all sectors, the more inclusive it is. The relevance of 'trust' within and between sectors cannot be underestimated.

7.4 The adaptive reuse

| | The adaptive reuse |
|--|--|
| 6) What is the current situation? | Describe each asset (that can be a building, an area, an immaterial asset or a digital environment) that will be adapted. Who is the owner of the asset? Describe its current characteristics, functions and level of maintenance. |
| 7) Planned adaptation in programme and functions | Describe the proposed adaptation to the heritage-asset(s) and programme/functions that you would like to have onsite, if possible describe the timeframe |

In the second block of the canvas, you describe the assets that will be adapted. Those can be material assets (like a building or a natural area) or immaterial assets, like a certain skill that can be found in a particular area. The asset should always be clearly confined to a particular parameter (like a building, area, neighbourhood or even city) otherwise it is difficult to manage as an adaptive reuse project. Indicate how the ownership structure is described as well as the current use and state of the asset.

Then, describe the proposed adaptation to the heritage-asset(s) and programme that you would like to have onsite, if possible describe the foreseen timeframe. The adaptation programme can be 'organic', meaning step-by-step, or more structurally planned on a clear timeframe. If you already have a project-plan, mention this as well.

7.5 Costs and finance

| | Costs and Finance | | |
|-----------------------------|---|--|---|
| | Community / individuals (grassroots) | Private and third (professional) sector | Public sector |
| 8) Investment costs | Describe the main costs associated with the investments | Describe the main costs associated with the investments | Describe the main costs associated with the investments |
| 9) Equity/subsidies | Can the community raise own equity? (e.g. own money, crowdfunding, subsidies) | Is the private/third sector involved as equity partner? | Is the public sector involved as equity partner or provide subsidies/support? |
| 10) Debt | Is the community willing to get into debt finance | Will the private/third sector step in with debt financing? | Will the public sector step in with debt financing? |
| 11) Running costs | What running/returning costs you foresee? | What running/returning costs you foresee? | What running/returning costs you foresee? |
| 12) Income / Revenue | Can the community raise income to cover investments or daily activities (e.g. by selling products, volunteering)? | What are income flows for the private/third sector? (products, services) | What are income flows for public sector? (Taxes, fees?) |

This block of the canvas functions as the balance and exploitation sheet of the project. Here you specify investments, equity/subsidies, debt, costs and income per group. Consider your project as a company that needs to have a healthy balance in order to tackle unforeseen events and a positive budget in order not to go -slowly- bankrupt. The same principles apply to your project. Financial whitt is a crucial element of every successful project; it is, therefore, important that you have clear ideas about costs and finance. By that, you can see how inclusive the financing of the project is. In our experience, successful inclusive projects have a mix of various financing and income flows.

In the first three elements, the 'balance' part of your project, you describe the investments that are needed to realise the foreseen adaptation programme. Then you indicate how you would like to cover the investments, with 'own' money (equity), subsidies (also considered as equity) or by debt money.

The last two elements are your 'profit and loss account'. Here you indicate the returning costs and income on project-level. If your annual costs are structurally higher than your foreseen income than you know that you have a problem and need to find a very good fundraiser.

You do not need to have a closed or balanced budget at the beginning of the project, as long as you know what you need and how you want to finance the gap between costs and income. Again, the better you are able to put your financial flows and ideas in words and in figures (the excel tables), the better your discussion with potential investors, banks and subsidy institutes will be and the higher the chance that you will be able to implement your project!

Summary

- **Develop your own “inclusive business model” by connecting your financial needs with the potential of your community.**
- **Fill in the inclusive business model canvas in order to clarify all relevant aspects of the project**
- **Fill in the inclusive business model sheets in order to put figures underpinning your business model.**
- **Constantly fine-tune your Business Model Canvas and financial tables with renewed insights.**

8 Basic models

The inclusive business model canvas helps to structure a project idea into concrete elements. In addition to the canvas, it can also be helpful if you can categorise the main elements of your project into a simplified model. Based on the canvas we categorise three basic models. The models are based on the group that takes the initiative for the adaptive heritage reuse: grassroots, professional or public. The grassroots model is initiated and rooted in the local community, the professional model consists of projects that are initiated by a professional organisation. Projects in the public model are initiated by a public authority.

Another element of each AHR model is the planned function or programme. In order to diversify risks and income most adaptive reuse projects consist of a programme with more than one planned function. In the table below, a shortlist of most common functions is mentioned. This list is indicative, in practice the list is unlimited.

Each model defines the values it creates. Ideally, an AHR project creates both financial and societal values.

The financing of the investments and running costs is, of course, an important element in each model.

| Elements of adaptive heritage reuse models | | | |
|---|----------------------------|---------------|------------------|
| Model/initiator | Programme/functions | Values | Financing |
| Grassroots | Residential | Financial | Equity |
| Professional | Education | Societal | Subsidies |
| Public | (Co)-working | | Debt |
| | Shopping | | Income |
| | Care | | |
| | Culture | | |
| | Hotel/restaurant/bar | | |
| | Public space | | |
| | Other | | |

The elements can be filled in on a simplified business model canvas in order to create the model that fits your project.

Simplified inclusive business model canvas

| | Grassroots | Professionals | Public |
|------------------------------|-------------------|----------------------|---------------|
| Organisation | | | |
| Programme/function | | | |
| Value(s) | | | |
| Finance investment | | | |
| Finance running costs | | | |

In the next chapter the simplified canvas is filled in for the heritage labs.

9 Basic models of the OpenHeritage labs and Observatory Cases

Part of the OpenHeritage project are the six heritage labs that are, one way or another, involved in adaptive reuse with involvement of the community. Unfortunately, the period of the labs (2018-2022) overlapped with the Covid pandemic in Europe, which caused many activities to be postponed or canceled. However, despite this setback, all the labs managed to initiate actions that contributed to consolidate and in some cases, even reach set objectives.

The labs consisted of two grassroots projects (Hof Praedikow and Pomaz), three projects that fit in the professional model (Sunderland, Warsaw and Rome) and one in the public model (Lisbon)

For each lab, we have filled in the simplified version of the canvas, indicating how the three groups are involved in the organisation, the programme and functions for the adaptive reuse, the values and the financial aspects of the project.

9.1 Brandenburg, near Berlin - Hof Praedikow

The abandoned former manor was bought by Stiftung trias. A heritable building right was given to Mietergenossenschaft SelbstBau e. G., a cooperative and the activists there are organised in Hof Prädikow e. V., an association. Therefore, each level has its purpose and the legal form that fits best.

A combination of a grass-root-initiative (association) with an experienced actor in building processes and financing (cooperative) as well as a partner safeguarding the objectives lead to success.

Rents for the apartments, a bit of solar energy revenues and membership fees give a stable income-frame to cover the costs of repayment of loans and maintenance of the site.

Hof Praedikow in Brandenburg Berlin



Hof Praedikow: grassroots model

| | Grassroots | Professionals | Public |
|------------------------------|--|---|--|
| Organisation | Initiators and future users organised in an association | Stiftung Trias and cooperative SelbstBau are involved from the start | Local authority supportive of the initiative |
| Programme / function | Heritage buildings transformed into collective housing, much work onsite done by community | Cooperative runs the programme for the adaptive reuse of the buildings | |
| Value(s) | Societal value: Creating residential and meetings places function | Financial value: stable income through landlease and rent, portfolio | Societal value: (re)vitalisation of rural area |
| Finance investment | Own contribution of community, donations, volunteer work | Shares of the cooperative, bank loans. Heritable building right by Trias foundation | State subsidies, LEADER programme (EU) |
| Finance running costs | Membership fees, rent for the barn | Rents, solar energy in development | |

9.2 Sunderland - High Street West 172-174

A former warehouse situated in an underdeveloped quarter of Sunderland stood empty for decades. The Tyne & Wear Building Preservation Trust – TWBPT, with a professional attitude and financial network, was asked by the municipality to take the lead to thoroughly renovate the buildings. A local initiative, PopRecs coming out of the music scene and engaged in social themes together with the municipality, have been partners since the beginning.

They could afford to run the building, dispensing the rent and being paid for running costs (water, electricity, insurance etc.) of the buildings only. On the long run, the economy must become more balanced – maybe by combining it with income from additional buildings the Trust would take over in the neighbourhood.

An improvement of the neighbourhood, by the way, can already be seen.

High street west 173-175



Sunderland: professional model

| | Grassroots | Professionals | Public |
|------------------------------|---|---|--|
| Organisation | Local support guided by PopRecs, an organisation strongly rooted in local community | TWBPT is in the lead for transforming the buildings and finding suitable programme. | Municipality hands over ownership of buildings, supports process |
| Programme / function | Community spaces, pop centre, non-profit functions | TWBPT in lead for renovation to new functions | Site located in Heritage Action Zone (active support) |
| Value(s) | Societal value: community spaces and functions in difficult neighbourhood | Societal value: part of mission of TWBTP, Financial value: expansion of portfolio | Societal value: urban regeneration |
| Finance investment | Crowdfunding, volunteer work | Sponsorships, building preservation trusts | The municipality provides the buildings for £1. Local and national subsidies |
| Finance running costs | Entrance fees, selling drinks | Rent | |

9.3 Rome – ACT district

A park with forgotten ancient Roman heritage objects at the edge of three districts: Alessandrino, Centocelle and Torre Spaccata, (ACT district) in the outskirts of Rome is the starting position. A group of engaged researchers of the

University LUISS started bicycle tours to get these heritage objects more into current consciousness. A platform for regional enterprises was aimed to enhance commercial enterprises, creating a local network within the districts and compensate deficits out of the COVID19-pandemy.

With the living memory exhibition, cultural aspects were fostered on a basic level, like being present on local food markets.

Long-term plans like a building as meeting place and community centre or purchasing a farmhouse for biological farming are not yet feasible.

Historic site in public parc in ACT district, photo by Joep de Roo



A new cooperative founded by local actors is meant to take over the activities, once the research program ends. Their challenge will be to cover the running costs of the described activities by membership fees, small commissions out of the platform and subsidies by the municipality and regional authorities.

ACT district: professional model

| | Grassroots | Professionals | Public |
|---------------------|--|--|---|
| Organisation | Local entrepreneurs are targeted to participate in local services platform | LUISS university sets up programme to activate grass root initiatives and solidarity in ACT district. A cooperative (Cooperactiva) is set up to guide the process. | The municipality and region are aware of the initiative |

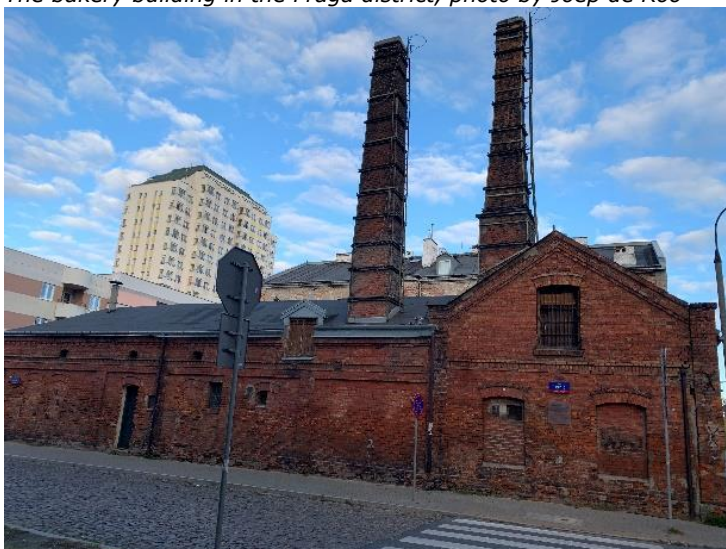
| | Grassroots | Professionals | Public |
|-----------------------|---|--|---|
| Programme / function | Activities to raise local awareness and solidarity | 'service-oriented' reuse. Not focussing on buildings | Parc in ACT district is public owned, plans for active management by community are in development |
| Value(s) | Societal value: Awareness and social cohesion | Societal value: knowledge/ research | Societal value: urban regeneration |
| Finance investment | n. a. | n. a. | n. a |
| Finance running costs | Cooperactiva is to function as grassroots platform. | Subsidies | Small contract from municipality to cooperactiva for public art event |

9.4 Warsaw - Praga district

A quarter being characterized by factories and living space for workers, later on, craftsmen and artists are in danger of being gentrified. The objective is to build a network in the district to protect old and valuable structures and enhance mutual support. Free space for meetings and exchange has always been a deficit point. An old bakery would give a chance to have free rooms giving development space to what activity so ever.

Who could be an investor? Who is willing and able to set up and run a network, let us say by founding an association?

The bakery building in the Praga district, photo by Joep de Roo



The old bakery failed so far by the inability of the municipality to grant a long-term contract, which would give a reliable basis to people, willing to take over the building as a common meeting centre and the mentioned free space to develop.

How can mainly low-income inhabitants of the district finance activities? Is it possible to convince the municipality that a take-over of costs for civic activities has its return in a lively community, which could induce further valuable developments for the whole district?

Praga district: professional model

| | Grassroots | Professionals | Public |
|------------------------------|--|--|--|
| Organisation | Grass root support is being developed through activities and exhibitions | SARP as initiator for a programme to set up local awareness and counter gentrification | The municipality is aware of the initiative. Reluctant to support actively |
| Programme / function | Community as audience. Not (yet) actively involved in adaptive reuse activities | Activity programme to raise awareness on local skills and values | Municipality is owner of bakery. Tender for reuse in development. |
| Value(s) | Societal value: counter gentrification, creation of awareness and community spaces | Societal value: knowledge/ research | Societal value: maintain (unknown) local heritage |
| Finance investment | No involvement yet | | No financial support |
| Finance running costs | No involvement yet | Subsidies | No financial support |

9.5 Pomaz, a small village 35 km north of Budapest

An excavation in the mountains of Piliz, near Budapest, as heritage site showed historical developments from Roman times and monasteries in the area. The activities are activated by members of the CEU University. A friendly owner of a biological goat farm allowed and supported the activities. An association called friends of Pomaz are supporters.

Excavation at Pomaz site, the Piliz Mountains, photos by Joep de Roo



To keep this interesting place in shape needed only limited investments for an exhibition room, a roof sheltering the excavation and toilets for the visitor. The every-day-costs probably will be covered by a basket of income sources; having the support of friendly organisations, membership fees, selling some products or getting gifts etc.

Pomaz: grassroots model

| | Grassroots | Professionals | Public |
|------------------------------|---|--|--|
| Organisation | Local citizen of Pomaz connected to CEU starts programme to maintain the site and turn into community space. Friends of Pomaz association set up. | CEU takes the lead in the process. Linkages with other organisation in the field of archaeology. | Support from the municipality is politically volatile |
| Programme / function | Community involved as volunteers, small scale facilities developed | CEU takes care of the historic excavation site | No role, besides urban planning |
| Value(s) | Societal value: Community space Financial value: (potential) more tourists, economic activities in the area | Societal value: excavation site with heritage values, learning place | Societal value: local heritage, local community development |
| Finance investment | Volunteer work, in-kind (materials) | | No financial support |
| Finance running costs | | Subsidies and in-kind support by CEU | No financial support |

9.6 Lisbon – a former palace as community centre and place for social housing

A former noble house, Marques de Abrantes Palace, in a meanwhile problematic neighbourhood that needs to be renovated and in the future being of service to civil society and people who need housing at reasonable prices.

The municipality of Lisbon is the main actor, with an attitude to look for participation with civic groups and own institutions like their library. Investing is a matter of the city's planning and budgets and will be the same for the running costs after completion of the building. An inspiring question could be, if civil society could be responsible for such a project itself, by taking over responsibility. The local authorities may use their enthusiasm supporting them with flexibility and financing.

Marques de Abrantes Palace, Photos by Joep de Roo



Lisbon: public model

| | Grassroots | Professionals | Public |
|-----------------------------|--|--|--|
| Organisation | Contacts with local community associations. No formal agreements | Architect firm, Ateliermob, gets protocol from municipality to activate the place for limited period | The municipality is owner of the palace |
| Programme / function | Local community involved in plan making | Small scale programme to involve citizens run by architect firm | Plan in development: mixed housing and community functions |

| | Grassroots | Professionals | Public |
|------------------------------|--|---|--|
| Value(s) | Societal value: affordable housing for current residents, community places | Financial value: contract(s) for companies that implement the plans | Society value: creating affordable housing |
| Finance investment | n.a. | n.a. | Out of municipal budget, support with EU funds is sought |
| Finance running costs | n.a. | n.a. | Municipal budget supplemented by (minor) rents from social housing, commercial functions |

9.7 Basic models of observatory cases

Within OpenHeritage, several observatory cases were analysed with the objective to better understand adaptive reuse projects within different contexts. In the following table, six observatory cases are categorised along the basic models with their most relevant characteristics.

Szimpla Kert in Budapest, photo by Joep de Roo



London CLT



Basic models of observatory cases

| | Grassroot | Professional | Public | Programme / function | Value(s) | Financial model |
|---|--|---|---|--|---|---|
| Grass root model | | | | | | |
| <i>Community Land Trust at St. Clement's - London</i> | CLT as pilot project in urban setting. Set up by citizens as community benefit society with 3000 members | Partnership with for-profit construction company and social housing developer | National legal framework on CLT's. This CLT gets support from municipality by allowing to make a bid | Affordable housing | Societal: against gentrification, corporate social responsibility Financial: RoI, rents | CLT owns houses, individual members can rent against affordable prices from CLT |
| <i>Stare Trznica - Bratislava</i> | Old market hall alliance makes a successful proposal to reuse the markethall | Support from local entrepreneurs and big cooperations | Support from municipality, which is owner of the site. Municipality grants exploitation to the alliance | Turning it (back) into public market place, events, shops and workspace | Societal: public hotspot Financial: Maintenance of building done through rent, increase value of building | Instead of paying rent, the alliance has to invest in the renovation of the building. |
| Professional model | | | | | | |
| <i>Szimpla Kert - Budapest</i> | Cooperation with civic initiatives in the neighbourhood. Also negative effects (gentrification and touristification) | Private entrepreneurs turn run down building into ruin bar | Role of municipality is minor. | Use of historic buildings as ruin bar. Brings much footfall to neighbourhood. — | Societal: maintaining and open up heritage sites Financial: tourists (too much tourists is also negative aspect) | Successful private enterprise |

| | Grassroot | Professional | Public | Programme / function | Value(s) | Financial model |
|----------------------------------|---|---|--|---|---|--|
| <i>Fargfabriken – Stockholm</i> | Mobilising the creative scene in Stockholm to support the project | Cultural entrepreneurs, initiative with support of private owner. Private sponsorships | Collaborative attitude of municipality and ministry. Subsidies | Renovation of industrial heritage building. Create a cultural space. Place for dialogue | Societal: place for culture and events Financial: Rent through events, value increase of buildings | Investments done by private owner. Daily exploitation as non-profit cultural venue. |
| Public model | | | | | | |
| <i>Navy Yard – Amsterdam</i> | Gradually opening up of former military area leads to more civil use of the site, as park, swimming, sports, events | Many companies are located on the site. They form a community of users and innovative cluster | Ministry of defence (owner) and municipality in the lead. They set up a professional team to run the project | Transform a former closed navy yard (13 HA) to an open and innovative city quarter | Societal: open up historic site, creation of innovative working and (future) living quarter Financial: development through use | Organic transformation. Initial investment out of public funds. Daily exploitation (rent) by 'Bureau Marineterrein' |
| <i>Cascina Roccafranca Turin</i> | Active involvement of neighbourhood organisations, informal groups | Foundation set up to arrange all daily matters. Sponsorships | Municipality is owner of site and takes initiative to establish cultural and social centre in deprived neighbourhood | Transforming former farmstead into multifunctional cultural and social space | Societal: cultural and social functions, urban hotspot Financial: maintenance of buildings | Public funds (EU, national and local) to set up the site (investments). Daily exploitation run by foundation (rent, subsidies, sponsors, etc.) |



10 Conclusions and recommendations

People. Places. Potential.

Four years of OpenHeritage and monitoring the six labs in their efforts to implement a bottom-up approach and involve the local communities has led to many useful insights and a deeper realisation that context and people matter. In places where there is a supportive context from the public sector, we see a much better functioning of inclusive approaches. Trust in society, the system and therefore the community and each other is a vital aspect in that. Also the people that are involved on a daily base with a project, their drive, skills and endurance have a crucial impact on its outcome.

In contexts where there is a higher trust towards the society, there are also more tools and financing mechanisms at the disposal of the level of citizens or community groups. In areas where there is less trust, those tools seem to be less available. It is beyond the objective of this book to prove the added value of community groups on economic performances of areas or regions in which they are active. In addition, the extent to which they contribute to the social fabric of areas and the benefits is not investigated nor supported by figures. We can only guess at the social-economic merits of strong community involvement in adaptive reuse. However, the results of projects all over Europe that were successful in activating a local community and successfully transforming heritage buildings and areas indicate that next to the direct gains of the groups involved, also many additional social-economic benefits were generated.

Overall, we can conclude that most civil-led initiatives have a huge (potential) benefit for civil society, however many initiatives find it difficult to get the 'orgware' (organisations, finance and management) in order. This is due to a lack of funds to acquire good support in the setting up of a structured project- and financing plan and lack of skills to manage the projects from an integrated point of view. Often there is too much stress on one aspect of the project leading to unbalanced results along the way.

Along with this, community initiatives find it difficult to get access to funding. Often community groups lack the ability to write a good project-plan and constructing a solid budget and are therefore not able to attract investors or subsidies. But it also has to do with the simple fact that there are little funds available for communities. Communities are not seen as partners in projects, let alone as responsible partners in financial obligations. Municipalities should see these potentials to a higher extent.

Many projects have shown that communities can be involved in adaptive reuse as responsible partners. Sometimes they can operate on their own and manage to create favourable financial conditions by themselves, but in most successful projects, civil society managed to cooperate with professionals and/or the public sector and create financial and societal values together.

If local, national and EU authorities find it important that more civil-led initiatives are started then they need to provide the context in which this three obvious needs (cooperation, equity and consultancy) are provided. This can be done by supporting the setting up of funds, providing subsidies, setting up of helpdesks, etc. Many tools and policy instruments that can lead towards the right direction of more civil involvement in adaptive reuse.

We hope that with the help of this book, initiators and supporters of bottom-up adaptive reuse, practitioners and authorities, get inspired to create better contexts and bring more of these fantastic projects to life!

Stimulate bottom-up adaptive (heritage) reuse by more cooperation, access to equity and consultancy.

Annex: Financial calculation tables

Investment table

| One-off investments | Description | Investment in € |
|------------------------------------|-------------|-----------------|
| Acquisition of building/area/asset | | |
| Renovation of building/area/asset | | |
| Other realisation costs | | |
| Taxes | | |
| | | |
| TOTAL INVESTMENTS SUM | | € - |

Financing sources

| Financing source | Equity | Debt | Subsidies | Other* | Total finance in € |
|---|--------|------|-----------|--------|--------------------|
| Community | | | | | |
| Own contribution | | | | | € - |
| Crowdfunding | | | | | € - |
| Volunteering | | | | | € - |
| | | | | | € - |
| Private / third sector | | | | | € - |
| Shares / Impact investors | | | | | € - |
| Sponsorships / philanthropic funding | | | | | € - |
| Lottery/funding | | | | | € - |
| Building preservation trusts | | | | | € - |
| Revolving funds | | | | | € - |
| | | | | | € - |
| Public sector | | | | | € - |
| subsidies | | | | | € - |
| Fiscal schemes/ tax relieves | | | | | € - |
| TOTAL FINANCING SUM | € - | € - | € - | € - | € - |
| *donations, sponsorships, patronage and risk mitigation/insurance/guarantee schemes | | | | | |

Saldo

| | |
|------------------------------|-----|
| TOTAL INVESTMENTS SUM | € - |
| TOTAL FINANCING SUM | € - |
| SALDO | € - |

Annual costs

Calculation is based on the situation
year:

2022 2023 2024 2025

| Annual costs | Description | Costs in € | Costs in € | Costs in € | Costs in € |
|---------------------------|--|---------------|---------------|---------------|---------------|
| | Rent of building(s) | | | | |
| | Maintenance of the building/area/asset | | | | |
| | Interest and repayment on debt | | | | |
| | Project management / administration | | | | |
| | Project communication | | | | |
| | Programming / community activities | | | | |
| | Taxes | | | | |
| | | | | | |
| TOTAL ANNUAL COSTS | | € - | € - | € - | € - |

Annual income

Calculation is based on the situation year:

2022 2023 2024 2025

| Annual income | Description | Income in € | Income in € | Income in € | Income in € |
|----------------------------|---|----------------|----------------|----------------|----------------|
| | Renting out of (parts) of spaces /areas | | | | |
| | Services provided | | | | |
| | Products sold/leased | | | | |
| | Volunteer work | | | | |
| | Other | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| TOTAL ANNUAL INCOME | | 0 | 0 | 0 | 0 |

Saldo

| | 2022 | 2023 | 2024 | 2025 |
|----------------------------|------|------|------|------|
| TOTAL ANNUAL COSTS | € - | € - | € - | € - |
| TOTAL ANNUAL INCOME | € - | € - | € - | € - |
| SALDO | € - | € - | € - | € - |

Publication developed by:



www.eurodite.eu



<https://www.stiftung-trias.de/home/>



This document has been prepared in the framework of the European project OpenHeritage – Organizing, Promoting and Enabling Heritage Re-use through Inclusion, Technology, Access, Governance and Empowerment. This project has received funding from the European Union's Horizon 2020 research and innovation programme under grant agreement No 776766.

The sole responsibility for the content of this document lies with the authors. It does not necessarily represent the opinion of the European Union. Neither the EASME nor the European Commission is responsible for any use that may be made of the information contained therein.