

# Consumers in 2030 resources: Crowd House Mortgages

 Which?

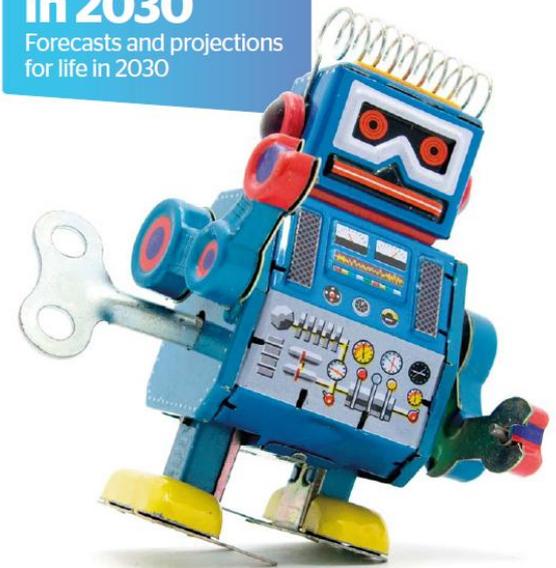
This document accompanies the Which? Consumers in 2030 report.

It contains creative resources to help you step-in to the shoes of someone with a Crowd House mortgage and explore the implications. They are most effective when used in a small group, allowing you to bounce off one another's suggestions, questions and ideas.

The next slide explains how you can use these resources.

 Consumers  
in 2030

Forecasts and projections  
for life in 2030



# How to use these resources

**Step 1:** take a look at the **Consumers in 2030** report to find out how economic, social and environmental trends could shape consumers' world in 2030.

**Step 2:** read and digest the contents of this document. It contains:

1. A future consumer need (that doesn't exist today)
2. An imaginary family's experience of that need in 2030
3. An illustration of a product or service that answers that need – in this the Crowd House mortgage
4. 'Weak signals' that are the seeds of a Crowd House mortgage in today's world

**Step 3:** as a group, put yourselves in that family's shoes:

- What is life like for this 2030 family?
- Why is this product or service attractive for them in this 2030 world?
- How does the product or service work in practice?

**Step 4:** as a group, analyse:

- What are the pros and cons for consumers?
- What issues and areas of detriment might arise?
- What might consumers need from a consumer champion in 2030?

**Step 5:** as a group, and individually, consider:

- What are the implications for us today?

# Crowd House Mortgage

## > Consumers in 2030

The Crowd House Mortgage is one of five products and services we might find at home in the UK in 2030.

Crowd House Mortgages enable teams of home-buyers to take out a loan and support one another to make repayments. It is a product offered by Crowd Houses; a virtual service that gives people the confidence, facilities and insurance to invest in, and borrow from one another on a long-term basis.

In today's world the Crowd House Mortgage is either not feasible or not desirable, or both. This is what makes it useful. It is a practical expression of the changes we might see in society at large, in our life-styles, our household budgets and in the innovations that could hit the mainstream.

These resources give us insight into the motivations for new consumer markets and enables Which? and others to explore the positive and negative sides of consumers' experience, to inform their work.

# Consumer experience in 2030: Chloe Taylor



Chloe Taylor is desperate to buy her own flat. She doesn't see much point in holding cash savings as they get quickly eroded by inflation and thinks rising house prices and rental incomes make bricks and mortar a good investment.

Chloe has no qualms about 'team investing' with her friends to buy a home. She trusts them far more than she trusts financial institutions, and her friends' higher salaries will give her access to a more affordable interest rate on a loan. Redundancy is common and temporary contracts can be suddenly withdrawn. Teaming up with friends means you can support one another to make repayments when times get tough.



## **Collaborative investments**

Traditional mortgages are inaccessible for many people. As trust in governments and financial institutions goes down; as consumers get accustomed to job insecurity and lower incomes; as housing costs rise; and as ‘the bank of Mum and Dad’ runs low on funds, consumers are seeking new routes to affordable credit.

At the same time, investors want to find ways of beating inflation and reducing their exposure to risk. As consumers’ online and physical lives become blurred, all sorts of collaborations are springing up that match borrowers and investors in novel ways.

# Weak signals

## SHARE TO BUY

**Sharetobuy.com** is an affinity partner of Britannia offering exclusive 90% fee-free mortgages that are restricted to joint applications by graduates and professionals. It takes up to four incomes into account to enable young professionals to buy in groups of three or four instead of renting.



**National Family Mortgage** is an online peer-to-peer lending company that has developed a safe and easy way for families to structure real estate loans with their relatives at interest rates that are typically lower than rates charged by a bank. The company 'formalises' the loaning of money from one family to another.

**Kiva** is a peer-to-peer microcredit service (based in the US) that operates as a non-profit social enterprise. Lenders can make micro-loans directly to borrowers all over the world. Loans reach borrowers via Kiva's field partners who vet, distribute and administer each loan. Investors receive periodic updates about the progress of their loan, including repayments as they become available.



# Weak signals

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**London Rebuilding Society** is a social enterprise that specialises in creating innovative forms of finance which benefit local communities and the environment.

Its Home Improvement Scheme, for example, helps vulnerable, low or no-income homeowners by renovating their house in return for a percentage of the equity in the property. Its funds come from individuals, companies, charitable sources, and local and central government, as well as from interest earned on the loans they make.



Money > Property

## Housing co-ops: one way to find an affordable home

Co-operative living offers a not-for-profit way to avoid the property casino – here's how one group did it



**Rupert Jones**

The Guardian, Friday 29 July 2011 23.02 BST

 Jump to comments (21)



Left to right: Tom, Andy, Tricia, Charles, Robert, Catherine and Melissa have teamed together to buy their house. Photograph: Martin Godwin for the Guardian

Housing co-operatives are common in many parts of the world but have never really taken off in the UK. But is that about to change? Community co-operatives have rescued pubs, shops and other vital amenities. Now, with sky-high property prices in many parts of the UK, groups of like-minded people are coming together to form co-ops to buy a property to live in – something they would never be able to do individually.

# Weak signals

# Crowd House Mortgage

Buy your first home as a team and support one another to make repayments.  
Save for your retirement by investing in others.



A global, virtual service that gives individuals the confidence, online facilities and insurance to invest in and borrow from one another, on a long-term basis.

