

Pocket crowdfunds £1m for London housing schemes

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Housing developer Pocket has raised more than £1m from small and medium investors since launching a crowdfunded bond a month ago.



Pocket used crowdfunding platform Crowdcube to seek investors for the Pocket Bond, which provides a fixed rate of return of 7.5% gross interest per year over the course of an initial four-year term.

At the end of the term, and on subsequent four year anniversaries, investors can either hold the Pocket Bonds for another year on identical terms or they can redeem their investments.

The crowdfunded investment was secured in addition to more conventional funding including a £21.7m 10-year loan from the mayor of London in 2013. Lloyds Banking Group has also provided a £30m loan.

Pocket builds one bedroom apartments in London to sell at a discount of at least 20% below the local market rate.

Co-Founder and chief executive Marc Vlessing said: “This Bond is an exciting opportunity to support an alternative to London’s middle-market housing crisis and invest in a scheme that offers a great return on your capital.

“We are delighted the bond has proved so popular. This could be the start of a new trend in which ordinary people collaborate to fund major infrastructure projects.”