

## **Guide: Founding a Rental Shop**

Most people are all-too familiar with the feeling of discovering at the last, most inconvenient, minute, that you don't have the one crucial thing you need to complete your project, finish packing for a trip, or assembling a new piece of furniture. Maybe it's in the midst of assembling new kitchen cabinet, when you realize you don't have the right screws. Or maybe, you're about to leave on a camping trip and realize you don't have enough sleeping bags. Or, you're hosting a barbeque in the park, but don't have a speaker to play music from. We all know the feeling—the groan of frustration when you think everything has been perfectly planned, but something crucial is missing. In moments like this, a rental shop saves the day! The idea of a rental store is that it should be a “library” of objects— it eliminates the need to purchase expensive products for one-time use and offers a variety of equipment, tools, and objects to borrow for free.

Rental shops, such as [Heinerleih](#) in Darmstadt, hinge on the idea of transforming the resource-intensive classic consumption behavior into something more sustainable, thereby contributing to environmental protection. With careful planning, rental shops don't need to require large financial and personal resources. But what exactly does it take to start a successful rental shop? Here is a step-by-step guide to implementing such a project in your local community.

This guide is largely based on the experiences of Heinerleih in Darmstadt.

### **In a Nutshell:**

- A Rental Shop is a library of items that people can borrow for free, reducing single-use and unnecessary consumption.
- These shops can provide any variety of items—you and your team must decide what you wish to provide.
- The costs of running such a shop can be extremely low and are most successful in newly developing communities, in which people have not lived for a long time.

### **Step-by-Step: How the Rental Shop is Founded**

The following steps will help get your project off the ground and running. From brainstorming the name and logo to maintenance and bookkeeping, everything you need can be found here!

#### **1. Preparation**

It's important to think through some preparatory questions that will help bring structure to the beginning phases of the project.

- Why do you want to start a rental shop? Make sure to check in periodically with your “why” to ensure you are moving in the right direction.
- Who will help you? Find a group of people to start the rental shop with you. A good place to start is a sustainability group, or [TransitionTown Initiatives](#).
- Where will you meet? Look for rooms where you don't need to pay rent, such as church rooms, or town hall rooms.

## 1.1 Define Principles

Your answers to the following questions will determine and shape what your rental shop looks like and how it is run.

- Is the project commercial? (i.e. does someone earn a living from it?)
- Do users pay money to loan items?
- If yes, should there also be a free-to-borrow area in the same room?
- What are the loan terms? All borrowers must sign the terms of loan. To get some ideas, read other rental shops' terms.

There are pros and cons to everything, so there is no one right answer or recipe for success for a rental shop.

## 1.2 Creating Structures

- Come up with a name and create a logo to form a “corporate identity” and style in public relations and social media.
- Make yourself an official group by founding a non-profit association that can carry out legal transactions. This will allow you to rent a shop and have the items belong to the association, rather than to a person. By founding yourselves as non-profit, taxes do not have to be paid on income and donors receive a tax deduction.
- Use other existing loan shops as a template for your association’s statutes, such as [Heinerleh’s](#).
- One of the first action items that should be completed is setting up a bank account. This alleviates the need to be dependent on regular donations, and instead allows you to set up direct debits. In order to do this, you must apply for a “[creditor identification number](#)” from the Bundesbank.
- Establish working groups to distribute the work and allow them to work on tasks that interest them. Some working group ideas are: Public Relations, AG Room Search, AG Corporate Identity (Graphics Specialist).
- Create a website using Wordpress, for example, a Wiki to gather and store information, and social media accounts.

## 2. The Rental Shop

First and foremost, finding an affordable shop is key for success. If the owner is not willing to offer a space free of charge or for a symbolic price, rent will quickly become the highest costs of running the shop.

### 2.1 Finding an Ideal and Affordable Space

- Your primary clientele will live within a 1 km radius around the shop. Choosing a location that is in an industrial area will make it hard for customers to reach your shop.
- Consider neighborhoods with younger residents. In long-established residential areas, households already have nearly everything they need, and don’t have as much use for a rental shop as an area with younger, newly settled residents.
- Rental shops do not require a lot of space! Make use of the entire height of the wall with floor to ceiling shelving and eliminate the need for customers to enter the shop by placing a counter at the front door.

- Ask church congregations, foundations, or civic centers if there are any unused rooms, or consider collaborating with the city library, like the [Rental Shop in Frankfurt](#).

## 2.2 Financing

Due to numerous project funding and fundraising platforms, acquiring funds is relatively easy when the project is first starting out. However, raising funds becomes more difficult as the project enters later stages. Be careful when considering taking out loans, as this will automatically make your project commercial and as a result, require you to compete with much larger companies. Some ideas for raising and maintaining funds are:

- Finding regular donors—these are people who agree to pay a regular amount to the association
- Placing a donation box prominently and emphasizing you are dependent on donations
- Running fundraising campaigns regularly

## 2.3 Obtaining and Storing Loan Items

This is arguably the most important step in the process, but luckily not the most difficult. Think about what items you want to loan, communicate this clearly, and make it easy for donors to stop by at regular delivery times. Do not accept donations of items you already have, or items you do not need. When items are donated, it is important that the donor fills out a declaration of donation form to prove you are now the rightful owner. Here is an example [template](#).

Storing the items on shelving will likely be the biggest cost in setting up the shop. While receiving donated shelving is an option, it likely will not fit the space perfectly and will result in an inefficient use of space. Many rental shops use the IKEA Ivar System, which can also be found used on eBay. This system has corner units, drawers, cabinets, etc, and allows for a diverse set of items to be stored. To move easily around the room, you should maintain a corridor width of 90 cm and illuminate traffic areas and corridors with 100 lux lighting.

## 2.4 Opening and Staffing the Shop

Once the shop is ready to be open, it's a good idea to start looking for people who are interested in staffing the counter. Also be sure to spread the word via your social media accounts, press, and other channels!

## 3. Running the Shop

Yay! Your shop is officially open, but now what? There's a number of tasks you'll need to develop systems for and manage.

- **Manage Finances:** all income and expenses should be recorded in a cash book. You can find a [template here](#).
- **Test Devices:** If you choose to lend electrical devices, it is your responsibility that the devices are safe and functional. This requires an inspection, which if done properly, requires a device tester, which can cost upwards of 650 EUR.

- *Show the city you are serious and reachable: set up a landline telephone number that can take messages and have internet access in your shop.*
- *Look Professional: purchase a label printer and instantly elevate how professional your shop looks! Glue the labels to the packaging of the item, not the item itself, but apply a small rental shop label directly to each article.*
- *Take Inventory: Each article should be photographed and catalogued. You can consider taking additional steps, such as removing the background of the photo to make it look more professional. Along with this, it is important to think about how the warehouse is managed so that items are found as quickly as possible.*
- *Create flyers using a quality and environmentally friendly paper to hang in a weatherproof flyer box outside of the rental shop.*
- *Develop a system for storing deposit envelopes (if you borrow items against a deposit).*

### **3.1 Additional Things to Consider:**

*There are always finer details to consider, despite all of the important steps being completed. For example, do you want to provide a discount to certain age groups or groups of people? You can also leave a notebook for users to write a note about their experiences.*