



housing co-ops



what are they?

They're not-for-profit, democratic organisations run by and for their members. A housing co-op is a type of co-operative whose object is to provide accommodation for its members, but is not the bricks and mortar (or straw bales, cob etc.), it's the organisation itself. Housing co-ops are an antidote to the common, but rather antisocial idea that housing is for investment and speculation rather than for fulfilling a basic human need.

History: there are documents from ancient Babylon that describe shared ownership of houses, so co-operative housing of some sort has existed for thousands of years. In 1844 in England, the Rochdale Pioneers founded a consumer co-op that formed the basis of the modern co-operative movement. They started to provide co-operative housing in the 1860s, and the first housing co-ops independent of the consumer/retail co-op sector appeared in Germany in the 1880s. The concept has become global, with strong sectors in Scandinavia and Canada. The largest housing co-op project in the world (housing 250,000 people) is in Turkey.

Types of housing co-op: a housing co-op can involve people living together in one large property or in separate flats or houses. The co-op can be tenant managed (i.e. the co-op could rent a property or properties from a private landlord, local authority or housing association) or tenant owned, where the co-op owns the property itself. A 'fully-mutual' co-op is where all tenants are members and all members are tenants. Non-fully-mutual co-ops can have members / investors who are not tenants. Co-ownership involves members buying a share of the co-op, which increases with the value of the property, and which they sell on to someone else if they leave (in this case, new members would need capital to buy into the co-op, so some people would be excluded). 'Par value' means that everyone owns an equal share (usually a nominal £1). We think that the most democratic and equitable form is fully-mutual, run by a general meeting of all members, par value, and 'in common ownership' (can never be sold for the personal gain of the members). Legal structures and some terminology will be different in different countries.

There are set-ups that are similar to, or could involve, housing co-ops, such as community land trusts, 'Intentional communities' and co-housing - see our website for more info. Mutual home ownership is a new type of housing co-op where a portion of members' rents goes into a pot to build up equity that members can withdraw when they leave, making it easier to buy another property.



The landscaping committee at a housing co-op in Vancouver provides play areas for the kids.

what are the benefits?

Control: co-ops help address the democracy deficit in the housing sector – removing the influence and profits of landlords and reducing the enormous amounts of money and power that banks gain from the constant buying and selling of homes. They are a way of taking control of one of the essentials of life – housing – out of the hands of the corporate sector and into the hands of ordinary people.

Community: co-ops can provide housing security into the future. They represent one of the few ways to challenge gentrification. Screening and selection of members is good for harmony and longevity. This often spills over into the local area, as co-ops are often well-integrated into their communities.

Affordability: members can set their own rents, unlike the private sector and council housing; plus they are immune from 'right to buy'. Rental income goes towards improving the property or buying more properties, rather than to enrich private landlords. This helps prevent speculation in the housing market – housing becomes a resource for use, not a commercial commodity for profit. Foodstuffs can be bought in bulk, which is cheaper. Shared resources and internal 'recycling' can reduce costs (this is an environmental benefit too). Also, there are often tax breaks for housing co-ops.

Personal: people are sometimes trapped in jobs they don't like because they have to pay a mortgage; housing co-ops can allow people to find work that they enjoy, or have the breathing space to train or to start their own business. There's always company and support, including child-minding, lift-sharing etc. Housing co-ops can be formed by groups of people with similar interests; which can provide a supportive, understanding home environment.



what can I do?

Join a housing co-op: look at directories to find housing co-ops near you. Some may have vacancies. Find out whether new members just start paying rent or have to buy in. Visit first, meet people, get a feel for the place.

Start a housing co-op: get a group of people together – work out if you can live together, and what resources you have. Some background reading will be required, but there will be co-op development / support organisations in your country that can help you decide on the best type of co-op / legal structure to suit your needs. They will hold your hand through the whole process. You want your co-op to stay democratic and transparent, and to have worst-case-scenario processes in place (inc. evicting uncooperative members). It's a good idea (we think) to have something in the rules that prevents members from ever selling the property for personal gain.

Register and find a property: your support organisation will organise registration for you, and they will have 'model rules' to suit your circumstances, that are acceptable to the registration body. They will have years of experience, and will have thought of lots of things that might go wrong, and have amended their rules accordingly. Read them carefully to see if they will suit your needs. If not, you might want to find another housing co-op that you aspire to be like, and ask if you can use their rules. Registration is important because then the organisation rather than individuals owns or rents the property / takes out a mortgage etc. This makes it easy for members to join and leave without being personally entangled in ownership / debt etc. There could also be tax breaks for registered co-ops in your country. Register before you have a property, and then go house-hunting.



Roof garden of a New York co-op.

Finances: some lenders will be more aware of co-op structures than others. If some members of your group are selling homes, you may be able to buy your property outright. In this case, members with capital can provide money for 'loanstock' that is paid off – either from rents or from taking out a mortgage at some point in the future; or a property could be bought with a combination of mortgage and loanstock finance. As a registered co-op, you can issue loanstock to members and non-members, but it doesn't give those members more say (and it doesn't give non-members any say). Your support organisation can help with all of this.

Internal rules and living together: work out your 'internal rules' – not legally-binding, but about how you want to live as a group, and for the smooth running of the co-op. You may think that having formal rules and structure is not very collaborative or spontaneous, but we believe that they are essential for the smooth running of a co-operative. It's important not to allow any members to become dominant, by making sure all members are responsible, vigilant and fully part of the decision-making process. One of the main points of co-operatives of all sorts is joint responsibility.

Choose how often to have business meetings, and whether they will involve everybody, or an elected management committee. You also choose how decisions are arrived at – by voting for example, or possibly by consensus. The larger the group, the less likely will be consensus and a general meeting. For smaller groups though, consensus is an excellent way to build cohesion, and allow everyone to feel part of all decisions made.

Help housing co-ops: you could help the housing co-op sector by donating a property or leaving a property in your will. It does happen sometimes!

resources

- see lowimpact.org/housing-co-operatives/ for info, courses, links, books, inc.
- John Hands, *Housing Co-operatives*
- Malcolm Harris, *Share or Die*
- stirtoaction.com - co-ops. community. commons
- radicalroutes.org.uk - supporting housing co-ops in the UK
- cch.coop - Confed. of Co-operative Housing
- cds.coop - helping to start co-ops
- uk.coop/directory - find housing co-ops (put 'housing' into keywords)
- coopfinance.co.uk - lend to co-ops

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