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CO-OPERATIVE HOUSING

What is happening in
the rest of the world?

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INTRODUCTION

This is the latest in a series of pamphlets promoting co-operative housing. Wales and the rest of Great Britain has not shown the same enthusiasm for Co-operative housing as the rest of the world. In this short pamphlet I explore housing co-operatives in western Europe, Scandinavia and North America and look at the barriers to co-operative housing in Wales and how they can be overcome. Why is co-operative housing so popular in places as diverse as New York City and Scandinavia, but has failed to become a standard form of accommodation in Wales and the rest of Great Britain?

Housing Co-operatives

Housing Co-operatives are groups of people who collectively own/rent and manage their accommodation this varies between shared houses, to blocks of flats and to entire housing estates. Collectively they take responsibility for arranging repairs, making decisions about rent and who joins or leaves the Co-operative. There are many different forms of co-operative housing. However, in all forms of co-operative housing there is a democratic community membership of a housing organisation where all members have an equal nominal share giving them the right to vote on matters affecting the co-operative. Around the world, the Co-operative housing model is flexible and takes many different forms.

Housing Associations

Housing associations are not-for-profit social landlords that provide homes and support for around six million people in Britain. Housing associations think that everyone should be able to live in a good quality home that they can afford. They do not make profits for shareholders.

In the United Kingdom, housing associations are private, non-profit making organisations that provide low-cost “social housing” for people in need of a home. Any budget surplus is used to maintain existing housing and to help finance new homes and it cannot be used for personal benefit of directors or shareholders. Although independent, they are regulated by the state and commonly receive public funding. They are now the United Kingdom’s major providers of new housing for rent, while many also

run shared ownership schemes to help those who cannot afford to buy a home outright.

Housing associations provide a wide range of housing, some managing large estates of housing for families, while the smallest may manage a single scheme of housing for older people.

Housing associations’ day-to-day activities are funded by rent and service charges payments made by, or on behalf of, those living in its properties. In this sense, housing associations are run as commercial entities.

The number of housing associations and the stock they held increased dramatically on housing stock transfer where council houses were transferred to housing associations.

Pobl is the largest housing association in Wales with over 17,000 homes under management located in and around South Wales.

CO-OPERATIVE HOUSING IN CANADA

Housing Co-ops in Canada, like elsewhere, are owned and controlled by the people who live there, and the rents are set by the members to cover the costs of maintaining the Co-op today and for future generations.

Canada has developed Housing Co-ops to provide cost recovery housing controlled by their members with no outside property owner. More than 2,200 non-profit housing Co-ops varying in size between buildings with four units to complexes with hundreds of apartments exist in Canada. These non-profit housing Co-ops are home to about a quarter of a million people in over 90,000 households.



*Pictured: 57 unit in Halifax, Nova Scotia
(Credit: Compass NS)*

Canada developed housing Co-operatives because the federal and provincial governments developed legislation in the 1970s that assisted new housing Co-ops by providing start-up funding and financing through mortgages insured by a federal government agency. The government also encouraged the development of Co-operative development resource groups to contract with the start-up boards of directors of housing Co-ops to develop Co-operatives in existing multi-residential properties and buildings.

Supervised by the board, the resource groups marketed the units to suitable members, educated them about their rights and obligations as co-operators, and established a management structure which often included Co-op employees or property management companies. Resource groups

helped in forming initial policies and holding the organization together as the Co-operative was developed and occupied.

Each housing Co-operative is a legal association, incorporated as a Co-operative. Housing Co-ops are guided by international Co-operative principles, adapted for housing Co-ops.

In Canada, most housing Co-ops are rental Co-ops developed during the 1970s and '80s under the government social housing programs targeted at people with low to moderate incomes.

Housing Co-ops in Canada have many different organizational forms due to the different legislation in each province.

For example, in Ontario, there are co-ownership, equity and occupant-run Co-ops. In Alberta, housing Co-ops are either non-equity (continuing Co-ops) and ownership (strata-title Co-ops).

In Alberta, ownership Co-ops were introduced in 1987 with the building of a twin high-rise tower development in Edmonton, subsequently, ownership Co-ops have been developed and built in other urban centres in Canada.

Non-equity continuing housing Co-operatives exist in all provinces and territories and share common features. They can be any housing form: single-detached, duplex, town-home, and apartment. Once built and occupied, the Co-op continues to own 100% of the units and each member/shareholder is entitled to occupy a home via some form of contract or housing agreement. Members pay a monthly fee which covers the Co-op's costs including mortgage payments, taxes, operating costs and building replacement reserve fund allocations.

CO-OPERATIVE HOUSING IN THE USA

Co-operatives have a long history in Metropolitan New York , in 1882, Harper's Magazine describes several co-operative apartment buildings already in existence, with plans to build more.

Apartment buildings and multiple-family housing make up a more significant share of the housing stock in the New York City area than in most other U.S. cities, and the co-operative form of ownership has become a very popular form of housing. Reasons suggested to explain why co-operatives provide a relatively large proportion of the housing in the New York City area include:

The co-operative form can be financially advantageous as the mortgage can be carried by the co-operative corporation, leaving less financing to be obtained by each Co-op owner.

When interest rates are high, a conversion sponsor may find unit buyers more easily under the co-operative arrangement as buyers will have less financing to arrange on their own; the apparent purchase price of a unit in a co-operative building holding an underlying mortgage is lower than a traditional flat or house purchase .

Later in a building's life after conversion, major new investments required to repair or replace building systems can be raised via a new central mortgage by the co-operative,

The 1974 creation of the Urban Homesteading Assistance Board enabled the conversion of over 1,600 foreclosed, city-held rentals into limited-equity, resident-controlled Co-ops.



Pictured: Dakota Building (Credit: Wikimedia)



*Pictured: Maple North Consumer Housing Co-operative, Wixom, Michigan
(Credit: Co-operative Housing International)*

A Co-op building's board can exercise its own business discretion to impose restrictions on shareholders and reject prospective purchasers without explanation, but the board must not break discrimination laws.

Most of the housing co-operatives in the Greater New York area were converted to Co-ops during the 1980s. Many were large buildings built between the 1920s and 1950s that a single landlord or corporation owned and rented out, that became unprofitable as rental properties.

Many of these buildings, especially in Manhattan, are actually quite luxurious and exclusive; many celebrities live in them. In the 1990s and 2000s some rental buildings in the Chicago, Washington, D.C., and Miami-Fort Lauderdale-West Palm Beach areas went through a similar conversion process.

In 1977, New York city passed a local law which allowed the city to begin foreclosure proceedings

after just one year of non-payment of taxes, resulting in the takeover of thousands of buildings.

Working with the city's housing agency, its existing loan programs and the power to dispose of abandoned property to non-profit organizations, as well as the state laws governing the establishment of Co-operatives it was possible to provide low-income people with the tools such as seed money, legal advice, architectural plans, bookkeeping training in order to build and run housing Co-operatives.

CO-OPERATIVE HOUSING IN SCANDINAVIA

Co-operative housing is a highly popular and highly promoted housing model in the Scandinavian countries with Co-op housing representing a very high proportion of the total housing stock 22.8% in Sweden, 14% in Norway and over 7% in Denmark. Both Sweden and Norway experienced high levels of direct government support immediately after the end of the Second World War. The high prevalence of Co-op tenure in the Scandinavian countries reflects this considerable post-war Government subsidy.

Governments implemented policies of providing direct support via funding or the provision of land or other incentives to promote the development and growth of Co-operative housing.

Co-operative housing began in Sweden at the end of 19th century which were rental housing Co-ops formed to try and deal with the acute housing shortages. In 1947, in response to the need for post-war housing, the government legislated to support all new housing construction with state subsidies. Although government support of Co-operative housing has been gradually phased out, many years of such support has resulted in a significant Co-operative housing sector. Over half of Sweden's housing sector is multi-family dwellings, and Co-operative housing is the largest part of this sector. In 2013, 37% of multi-family dwellings were connected to tenant-owned Co-operatives.

Housing Co-operatives vary in size but typically have between 20 and 100 units. Ten percent of housing Co-operatives have more than 100 units and some have as many as 500 units. These large Co-ops were built mainly in the decade of large scale housing construction from 1965 to 1975. Today new luxury-amenity Co-operatives of over 200 units are found in urban areas such as Stockholm.

As Sweden's Co-op housing sector formalized in the 1920s and 1930s, regional and national organizations formed to pool and share Co-operative housing resources and to represent the needs of the sector to government. Secondary (large co-operative) association functioned as a parent or umbrella organization to primary Co-operative housing associations. The secondary organization built and sold housing to the primary

Co-operative and then sold property management services to the primary Co-operative. The primary co-operatives were considered "attached" to their parent organization. Compulsory attachment ended in 1992, and today, primary Co-operative organizations are free to buy property management services from anyone they choose although many still retain the services of their parent organization.

Co-operative housing is considered an important part of Sweden's housing policy, which was geared to improving the housing situation for everyone after the Second World War. The government poured financial support housing with easy access to credit for housing construction and favourable lending and financing terms. Municipal housing companies, however, received the best terms to support the building of rental housing, seen as an affordable alternative to Co-operative housing. They were also given the power over subsidy distribution, building quota and allocation for a portion of newly-established Co-operative housing.

To avoid speculation, price controls on Co-operative shares and on public rental units were introduced in 1942. Sweden underwent a 'modernization' of housing policy in the late 1960s with the most relevant to Co-operative housing being the lifting of price controls on Co-op shares in 1968 so that shares could be sold at market value. The price on Co-op shares increased moderately into the mid-1970s, but then started to climb considerably from the late 1970s through the 1980s.

The 1980s saw, in nominal terms, share prices increase 180% from 1983 to 1990. The Co-operative boom was also fuelled by the liberalization of Sweden's credit market in the 1970s and 1980s.

Municipal rental housing and Co-operative housing were the two forms of tenure that expanded the most in Sweden. From 1945 to 2015, the Co-operative market's share of housing went from 4% to 23%; municipal public rental from 2% to 19%; private rental fell from 51% to 18%, while owner occupied housing levels have remained stable increasing from 38% to 40%.

Part of the co-operative and public rental expansion was due to the boom of housing construction between 1965 and 1974, when one million homes were constructed with approximately 160,000

Co-operative housing units were built in that time. Another explanation of co-operative housing's increased share is the conversion of public rented housing to Co-operative housing since the 1990s when it became legal.

In the 1990s, the government began withdrawing financial support and diminishing direct government involvement with public rented housing. Measures were taken by the government to further the policy goals of privatizing the housing market increasing home ownership.

It has been estimated that 90% of all housing built in Sweden between 1956 and 1985 was financed either wholly or in part by government-subsidized credit. Currently, there is no national funding of Co-operatives so every tenant-owner finance their own home. The price paid for a Co-operative share consists of the dwelling's purchase sum and a portion of the Co-operative's mutual debt with Banks willing to provide financing for up to 85% of the value of the property.

Monthly fees are set by the Co-operative's Board of Directors to cover the operational expenses of the Co-operative. The costs include loan amortization and interest, utilities, property tax, insurance, management/administration fees, and a reserve fund for future maintenance. It is up to the primary Co-operative to make sure that monthly service charges to its members are sufficient to cover all operational expenses and for a reserve fund to be kept for future repairs. If insufficient funds are kept in reserve, a financial loan might need to be arranged or an increase in monthly fees for the current tenant-owners. Co-operatives are encouraged to run on the at-cost principle where, long term, the association sees neither a profit nor loss.

Sweden's Co-operative housing sector use off-site construction techniques for housing which they started developing in the 1970s. For multi-family building applications uses a modular construction method with reduced assembly-line time. Finished units, built in a factory, are delivered to a building site ready to be assembled which increases on-site construction efficiency, speed of construction and minimizes disruption to those living near to the building site.

In Sweden they have also developed a successful social care Co-op to help many older members remain in their own homes.

In Denmark, co-operative housing tenure appears to have furthered or at least sustained the remarkable

expansion of cohousing communities during the 1970s and 1980s. A calculation based on the legal and economic conditions of the early 1980s suggests that housing costs in owner-occupied cohousing in the first year was 34–85 % above the costs for comparable cohousing based on co-operative tenure. Whilst this difference would slowly decrease after the establishment of a community, but this clearly suggests that co-operative tenure could significantly lower the financial barriers to cohousing.

Co-operative tenure was highly attractive to cohousing communities. This tenure form was more affordable and simpler to apply than owner occupation and in contrast to the highly regulated public housing sector, co-operative tenure also provided members with the autonomy to develop and run cohousing projects. New cohousing communities would probably have been established without the introduction of state support for housing co-operatives, but it is reasonable to assume that state support facilitated the significant growth of cohousing communities during the 1980s.

According to Henrik Larsen, co-operative tenure is not a panacea, but particularly due to the mounting lack of affordable housing in Europe and elsewhere, the diversifying effect of co-operative tenure in Danish cohousing should be noted.

From its foundation in the 1930s, the Co-op housing movement was used as a way to implement Norway's social housing policy. One crucial strategy for implementing the Norwegian housing model was the clear division of responsibilities between the "state, the municipalities and the private sector and the Co-op housing movement was the largest single stakeholder. Financing mechanisms including low cost building sites, subsidised loans and grants were put in place to meet the housing needs of all. The Co-op housing sector built houses on the principle of selling at the cost of building.

Over the years, the collaboration between the Government and the Co-op housing movement grew. The state and the municipalities opted to support the development of housing Co-operatives instead of, encouraging a large public housing sector. Such political support contributed to the creation of one of the largest and most successful housing Co-operative movements in the world.

In Finland, the first housing co-operatives were built around 1900, and initially many Co-ops were set up by the future members themselves. After World

War II nationwide non-profit developer organizations were formed and government provided loans was introduced. The sale of shares in housing companies with state loans were restricted for 50 years and the price of the shares was limited by an index.



Pictured: Co-op Strandparken in Kalmar, Sweden (Credit: Co-operative Housing International)

CO-OPERATIVE HOUSING IN WESTERN EUROPE

France

The housing Co-operative movement in France took off in the early 20th century with the adoption of a set of legislative measures.

Before the Second World War, 10,000 Co-operative housing units were built, mainly focused on access to affordable ownership. The housing situation at the end of World War II was in a disastrous position following bombing and battles on French soil. There were two Co-operative approaches in existence at the time. The Castors movement, which made it possible for people on a modest income to build their own houses under a non-HLM system based on individual efforts and community work during construction, built more than 12,100 housing units between 1948 and 1952. Parallel to this, the HBM

(HLM) Co-operatives were reactivated and an act was passed in 1947 to re-launch their development. The HBM Co-operatives developed using the rent-to-own approach, which allowed gradual ownership of the property.

The focus was on the construction of cottages, which were better suited to the lease-to-purchase formula, with 35-year 2% mortgages, 140 HLM Co-operatives were established, representing some 130,000 units. The Co-operatives also developed rental projects where the tenant-Co-operative member subscribes to shares equivalent to at least 15% of the cost of the unit that give a transferable right to occupy the unit, along with monthly rent to cover operating expenses.

Germany

Housing Co-operatives were first established in Germany in the 19th century. The first homeownership housing Co-operative was founded in 1862 in Hamburg and the first rental housing Co-operative in 1885. The adoption of the Co-operative Act in 1889, limiting member's liabilities, saw a breakthrough in Co-op housing development. The bulk of Co-op housing development happened after the Second World War when Germany, as all European countries, faced a severe housing shortage. 58% of the current housing Co-operatives portfolio in Western Germany was developed between 1949 and 1970 the majority of this financed through the social housing system.

In Eastern Germany, there were two types of housing Co-operatives. Some were founded before World War 2 as not-for-profit housing Co-operatives, but the majority were built after the adoption of the Law of Workers' Housing Co-operatives in 1953. These housing Co-operatives were subsidized significantly by the government. The political change and reunification brought major state financial investment to the Eastern Germany housing Co-operative portfolio. Financial assistance was directed mainly toward refurbishment and

maintenance. However, investment dropped after 1999 as the housing Co-operatives were, and still are, facing high vacancy rates associated with continuing migration to the former West Germany. 1986 marked the beginning of the decline of state involvement in housing Co-operative development with the withdrawal of financial support.

This was followed by the abolition of the non-profit law in 1990 and the reduction of the social housing stock due to the requirement for reimbursement of previous state subsidies. Subsequently, the social housing reform in 2000 simplified the legal framework and put emphasis on the people most in need. In 2002, the Federal Government set up an Expert Commission with the objective to develop and strengthen housing Co-operatives as a third alternative to rental housing and ownership.

The main characteristics of the German housing Co-operatives are that members buy shares and the amount varies from one Co-op to another. When leaving the Co-op, the initial amount is reimbursed to the members at nominal value by the Co-operative. Members enjoy security of tenure through a perpetual lease. Rents are regulated and can

increase only within prescribed limits. Some housing Co-operatives have developed wider social services such as kindergartens, services for the elderly and other activities that benefit the members. Co-op by-laws must follow the non-profit principle and the use of any surpluses must be decided by the General Assembly. Almost every housing Co-operative has non-resident members both individuals and legal entities. These non-resident members are promoting members, which mean that they support the housing Co-operative by investing money into it. Co-operatives pay limited dividends on their

Belgium

The first housing Co-operatives in Belgium were established in the aftermath of the First World War, at a time of severe housing shortage and need for the construction of new affordable homes. Several groups of people coming from different social and professional backgrounds decided to join forces in a common effort to create mutual housing solutions. Their joint effort resulted in the creation of housing with collective ownership, in the form of Co-operatives whose members were guaranteed a dwelling for life while remaining tenants. There was an urgent need to build at least 200,000 new dwellings to ensure people lived in sanitary and acceptable housing.

In 1919 a law sponsored by the ministry of employment resulted in the creation in 1920 of the Société Nationale des Habitations et Logements à Bon Marché (National Agency for Affordable Housing, SNHLBM). The newly created public agency's mission was to bring together existing initiatives and to coordinate the development of housing for workers, by providing legal recognition and finance, through long term loans at reduced rates, to social housing companies, including Co-operatives.

In Brussels, where the Co-operative housing model became most widespread about half a dozen Co-operative social housing estates were established in 1921–22, based on the model of British garden cities. Most dwellings were let to members of the Co-operatives and a smaller part of the stock was available for sale but only to members of the Co-operative. Garden cities were developed on low priced building land on the outskirts of the capital, using construction techniques which were relatively cheap and innovative.

shares. The non-resident members are invited to the General Assembly, but they have no voting power. In Western Germany, 72% of the 1,120 housing Co-operatives have less than 1,000 units per Co-op whilst the remainder of the Co-operatives have a larger number of properties, with 25 Co-ops in the West manage over 5,000 dwellings. In East Germany, the housing co-operatives tend to be larger; 61% of the 740 housing Co-operatives have less than 1,000 units per Co-op and 48 Co-ops manage over 5,000.

The cités included collective facilities, such as schools, health centres, shops as well as cultural premises, aimed at reinforcing social cohesion and solidarity such as sport centres, conference halls and libraries. Garden cities marked the start of the process of urbanisation of the suburbs around Brussels. Therefore, significant investment was necessary to provide the required infrastructures and transports. Changes in the political leadership, coupled with the interruption in payment of war reparations by Germany, part of which had been allocated to support the development of such estates, led to abandoning this model in 1925. Nevertheless, several garden cities still exist today in Brussels and are listed as of historical architectural heritage. They are managed by housing Co-operatives, the majority of which are affiliated to the Fédération des sociétés Co-opératives de logement à Bruxelles (Federation of housing Co-operatives of Brussels, FESOCOLAB, see). A new 'wave' of Co-operative housing construction occurred immediately after the end of World War Two, but on a more limited scale. In 1959, SNHLBM was turned into Société Nationale du Logement (National Housing Agency). Rather than on developing workers housing, policy now shifted towards 'social housing' and public assistance.

Revenue generated by economic growth allowed the state to provide support to a wide share of citizens in need and led to the adoption of extensive welfare state programmes including in the housing sector, with a significant investment in social housing. During the 1980s limited availability of public resources meant a drastic reduction in construction programmes, particularly for Co-operatives.

Ireland

The formation of Co-operative housing societies in Ireland dates to the 1950s. These were local, self-help, home ownership building Co-operatives providing affordable homes for their members. In the 1960s and early 1970s, the growing number of young couples seeking access to homeownership in the expanding rural towns and new suburban areas resulted in more Co-operatives of this type being built.

Some 3,000 homes were built in the 1970s and 1980s by these types of Co-operatives in throughout the country and these projects generally comprised 10 to 60 houses. Home-ownership building Co-operatives continue to be an aspect of Co-operative housing development in Ireland. NABCO, the National Association of Building Co-operatives, was formed in 1973 by representatives of local housing Co-operatives.

The allocation of some state financial assistance in 1979 enabled the Association to open an office and to expand its promotion, information, and other support services for housing Co-operatives. In Ireland housing policy has traditionally placed a strong emphasis on encouraging access to individual home-ownership with 70% of Irish households being private homeowners.

Voluntary housing organisations continued to play a small-scale role in pioneering housing for the elderly and in response to the needs of homeless people, using mainly private funding and charitable donations. Changing or emerging housing needs and the identification of gaps in housing service responses resulted in government policy adjustments in the 1980s. A diversification of public spending to support the provision of rented housing by not-for-profit approved housing bodies was made in 1984 with the introduction of a new capital assistance scheme. This enabled NABCO to commence the promotion of the first rental housing Co-operatives in Ireland.

In the early 1990s a Capital Loan and Subsidy Scheme for the Co-operative and the voluntary housing sectors allowed them to expand their roles. Since the start of the global economic downturn, government funding for new housing developments has decreased dramatically. NABCO has led the development of more than thirty-five new rental housing developments with affiliated Co-operative housing societies and the support of the local government. The Co-operative members are represented on the management boards as the users of the housing services provided.

Pictured: Halliday Mills, Dundalk, Co. Louth (Credit: Co-operative Housing Ireland)



Italy

Italian Co-operatives date back to the middle of the 19th century. As in other European countries, Co-operatives were founded on the principle of solidarity with the objective to respond to immediate needs, such as unemployment and high costs of living. One of the first housing Co-operatives was founded in 1884 by the workers of a tobacco factory in Bologna, a region well known for its remarkable Co-operative successes. From the late 1800s to the 1920s, several thousands of housing Co-operative units were developed. These developments were made possible by the support of several political leaders who saw the Co-operative ideology in line with their political and ideological ideas. Many houses including co-operative developments were destroyed during the World Wars and the Fascist regime brought the end of self-help democratically run housing Co-operatives. The end of the Second World War however saw the rebirth of the Italian Co-operative movement.

After the second world war legislative changes were brought in to facilitate the development of Co-operatives. In 1947, a general law on Co-operatives, the “Basevi” Law, was adopted to regulate the affairs of Co-operatives. This law can also be seen as a key contributor to the successes of housing Co-operatives, as it recognised the implementation of the indivisible reserves concept. This concept allowed Co-operatives to transfer the totality of their surpluses to a reserve. Completely exempt of corporate tax, these reserves have been the main source of capital and have contributed to the development of the movement.

In 1992, the adoption of the Law number 59 provided the co-operative movement with another major financial development mechanism, the setting up of a ‘Solidarity Fund’. COOPFOND was created as a national fund. Every Co-operative, including housing, is required to invest 3% of its annual profit in the fund. In 12 years of operation, COOPFOND has accumulated over 240 million Euros. Only Italian Co-operatives have access to this finance. In general, Co-operatives have been experiencing growth since the 1970s. After a difficult period between 1980 and 1985, housing Co-operatives went through a strong period of expansion in the 1990s with a real housing development boom until middle of 2007, since then, housing has seen a slowing down of construction.

The 1998 housing reform was a turning point in Italian housing policy as it redefines the

responsibilities and Housing became a regional function. Since then, the development priorities and the allocation of finances towards housing are set by the regional governments.

Housing Co-operatives did not appear in Spain until 1911 and were regulated by the Ley de Asociaciones and from 1920 by the Ley de Casas Baratas y Economicas (law on low-cost and affordable housing). Following this, several neighbourhoods of single-family homes were built in urban areas and particularly around the capital and large cities. The Spanish Civil War meant a reduction by more than half of all Co-operatives compared with 1924. Co-operatives then spent the next 36 years of dictatorial rule under political control, dominated by state institutions with minimal participation from members.

The growth of housing Co-operatives was supported by the Plan de Estabilizacion Economica (Economic Stabilisation Plan) in 1959. Subsidised housing was supported by the state to stimulate the construction sector by helping private developers and home buyers. Owner-occupancy was the preferred tenure in Spain and promoted by the direct and fiscal financial measures set up by the state. Furthermore, disincentives such as privatisation of public rental housing and strict rental regulation were put in place to discourage the development of other forms of tenure.

Rapid population growth during the 1970s and 1980s resulted in the industrialisation of major cities and led to a serious shortage of housing. Housing Co-operatives started to grow again. By 1976, the housing Co-operative sector was second only to agriculture in terms of Co-op numbers and had 596,470. These Co-operatives concentrated mainly on the production of subsidised housing, with an extra 300,000 units sold at cost price. In 1993, all subsidised owner-occupancy dwellings built before 1978 were deregulated and released from protection agreement.

CO-OPERATIVE HOUSING IN BRITAIN

Housing Co-operatives are uncommon in the UK, compared to Europe. Most are based in urban areas and consist of affordable shared accommodation where the members look after the property themselves. Waiting lists can be very long due to the rarity of housing Co-operatives. In some areas the application procedure is integrated into the council housing application system.

One of the earliest developments of Co-operative housing came with the tenant co-partnership movement in the early 1900s. Starting in 1901 with the founding of Ealing Tenants Ltd, the first tenant co-partnership Co-operative was built at Brentham Garden, Ealing; the name showing the close alliance to the garden city movement.

Other examples of co-partnership housing are at Hampstead Garden Suburb, now one of the most expensive parts of London, and Letchworth Garden City. The development of co-partnership housing was interrupted by the First World War. After the war legislation gave the co-partnership movement the same access to government aid as council housing, but in the post war world, most councils chose to build for themselves by developing council housing.

The co-partnership movement slowly failed because it was funded by a mix of funding from tenants and other investors, the involvement of the latter creating pressure for the sale of the homes.

From the end of the Second World War to the middle of 1970s, UK public housing policy was dominated by the encouragement of individual home ownership through tax relief on mortgage interest and the creation of a large portfolio of council housing which at its peak in the 1970s provided homes for 31.5% of the population. By 2009 approximately 0.6% of people were living in homes owned or managed by a Co-operative or mutual housing organisation.

A third wave of Co-operative housing development began in the 1960s with the development of Co-ownership housing. This was genuine Co-operative ownership and management by residents who paid a monthly rental to meet the cost of servicing the

mortgage borrowed by the Co-operative to build their homes. It was made affordable by government tax relief on the mortgage loan

Over 40,000 co-ownership homes were built, but most co-ownership societies were wound-up in the early 1980s when the Conservative government led by prime minister Margaret Thatcher gave members the right to wind-up their society and own their own homes individually; this policy often generating windfall gains for members who were fortunate enough to be residents at the time.

The small fourth wave of UK housing Co-operatives are relatively young compared to other European countries. They were founded in the 1970s and 1980s with government assistance programs designed to provide homes for low and mid-income families by not-for-profit housing associations some of which was used to create housing Co-operatives.

In addition, a small group of housing Co-operatives have developed without government assistance using member loans and mortgages to raise funds and growth. The political agenda changed in the 1990s favouring large-scale housing associations as the social housing delivery mechanism over housing Co-operatives. For this reason, the development of new housing Co-operatives practically ceased in the 1990s, although a small number of homes continue to be developed by dedicated Co-operative housing service agencies and registered providers.

In 2014 we saw the opening of the Edinburgh Student Housing Co-operative providing affordable housing for the Co-operative's 106 student members.

The Co-operative manages two neighbouring properties at Wright's Houses in Edinburgh,. There are two other operating student housing Co-operatives in Birmingham and Sheffield.

The Cooperative Development Foundation is launching an Affordable Housing Initiative to educate communities and decision-makers about opportunities for resident and/or community-owned and controlled housing that can help advance racial equity and strengthen long-term housing stability.

Wales

In 2012 the Welsh Government announced that it wanted to see homes built in Wales on a Co-operative model. This started the Wales Co-operative housing project managed by the Wales Co-operative centre and funded by the Welsh Government and the Nationwide foundation.

The Wales Co-operative Housing Project has helped develop 137 Co-operative homes in 6 different local authority areas with 2 of the schemes that have been supported winning awards. It has

- Supported existing Co-operative and community-led schemes across the country
- Upskilled more than 250 people on how to successfully run a housing Co-op
- Identified Co-operative/community-led housing champions across the housing sector
- Developed an online toolkit
- Helped local authorities develop policies and resources to grow and support the demand for Co-operative and community-led housing.

Co-operative housing Wales (Taf Fechan)

Cwmpas is supporting a project that will deliver a comprehensive package of support that helps Welsh co-operative and community-led housing groups through all stages of a housing scheme.

With funding from the Nationwide Foundation and the Welsh Parliament, Cwmpas' Communities Creating Homes programme is working with communities and organisations across Wales to support the growth of the co-operative and community-led housing sector, to deliver more affordable housing for people in need.

Cwmpas is offering organisations comprehensive support, which is free of charge and tailored to the needs of each scheme. The project is expected to lead to a thriving co-operative and community-led housing sector in Wales; a sector which is already known for its professionalism and collaborative approach.

The project offers four stages of support, with the aim to:

- Increase awareness of co-operative and community led housing models, to improve knowledge about the available support and how to access it;
- Facilitate networking between groups at similar stages of development;
- Deliver a bespoke support programme throughout the lifecycle of the project;
- Educate and influence key stakeholders to remove the known barriers to stimulate more co-operative and community-led housing development.

The Welsh Government has awarded £540,000 over the next three years to Cwmpas to continue its growth of the co-operative and community-led housing sector in Wales. Additional funding has also been raised with a further investment of £408,539.

The funding will help to scale up the Communities Creating Homes programme brought forward by Cwmpas, which has set targets within its new five-year strategy to double the number of groups taking forward co-operative and community-led housing in Wales, to include 150 new low-carbon homes completed, and a development pipeline for a further 250 houses.

Merthyr valley homes was established in 2009 when tenants voted to transfer their homes to a new non-profit organisation and changed into a mutual in May 2016 creating Wales first tenant and employee mutual housing association. This means that tenants and employee members own the association as a co-operative.

Membership is open to tenants and anyone living in a tenant's household providing they are over sixteen. Membership is also open to employees of Merthyr valley homes once they have passed their probationary period. Some leaseholders and not for profit organisations can become an associate member.

CONCLUSION

Whilst many of us consider the development of Co-op housing as a socialist or left wing idea it is effectively apolitical. Co-operative housing has successfully developed in North America, Scandinavia, and Western Europe and to a much smaller extent in Britain.

Where it has worked it has been through legislative action such as New York and Spain or financial support as in Sweden and Norway.

If we want to develop large scale Co-operative housing then we need the political will to do so but also an understanding on the part of those unable to access accommodation through traditional means that co-operative can provide an affordable opportunity in what is going to be an increasing difficult period ahead. That understanding can be made clear in the way in which citizenship is delivered through our new National Curriculum. The importance of the option presented by co-operative forms of tenure will require knowledge of developments far beyond our shores. Hence the importance of increased awareness as set out in this pamphlet.

Further reading

Co-operative Housing International (<https://www.housinginternational.coop/housing-co-operatives-worldwide/>)

Profiles of a Movement: Co-operative Housing around the World – Volume One (<https://www.housinginternational.coop/resources/profiles-of-a-movement-co-operative-housing-around-the-world-volume-one/>)

Profiles of a Movement: Co-operative Housing around the World – Volume Two (<https://www.housinginternational.coop/resources/profiles-of-a-movement-co-operative-housing-around-the-world-volume-two/>)

Cwmpas (<https://cwmpas.coop/what-we-do/services/co-operative-community-led-housing/>)

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Co-operative Party Limited is a registered Society under the Co-operative and Community Benefit Societies Act 2014. Registered no. 30027R.

Promoted by Joe Fortune on behalf of the Co-operative Party, both at Unit 13, 83 Crampton Street, London, SE17 3BQ. Printed by Solopress, 9 Stock Road, Southend-on-Sea SS2 5QF.



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