Housing Co-operatives: The lived experience in an alternative housing tenure.

Preliminary findings

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RESEARCH METHODOLOGY

• Literature review.

• Research aim: To determine levels of residential satisfaction in housing co-operatives and investigate possible transferable models.

• Study locations: Four non-equity public housing co-operatives in Fremantle, Western Australia; two partial equity co-ops in New Hampshire, U.S; two non-equity co-ops outside of public system in Winnipeg, Canada.

• Research methods: by in-depth resident interviews and key informants and participant observation.

• 38 interviews undertaken with residents and six with key informants.
TYPES OF HOUSING CO-OPERATIVES

• Non-equity (or common equity). There is no financial interest in the property and no capital gain accrues. Dwelling remains as affordable housing. In Australia, this model is connected with social housing and funded by state housing authority.

• Partial equity. Allows for some capital gain. Funding from a mix of capital grants, private mortgage and members. Limited equity can be achieved by shares in the co-op by:
  a) formula to adjust the value of the original share price by annual consumer price index.
  b) by the value of the loan principal paid down and capitalised into the value of the shares.
  c) the dwelling is owned by the resident but the land is owned by the co-op association.

• Full equity (or market rate). Fully funded by members. Any capital gain made on the sale of the property (or membership share) is retained by the individual.
METHODOLOGY

• Comprehensive literature review, especially from US, Canada, UK, Australia, northern Europe.

• Case studies and formal interviews, complemented by participant observation and informal discussions.

• Four selected housing co-ops in Australia; plus two each in United States and Canada for comparative purposes, to identify possible transferrable models, and lessons learnt.

• Obtained 38 interviews from residents living in affordable non-equity or part equity low to moderate income housing co-operatives. Research to be resident focussed.

• Obtained six interviews from key informants. 44 interviews in total.
Pinakarri Co-operative, Fremantle

Photo: David Bunce
Community House, Pinakarri Co-op
Private Equity Houses at Pinikarri Co-op
First Fremantle Co-operative
Community House, First Freo Co-op
Freo Fringe Co-op, Fremantle
Community House Freo Fringe Co-op
Inanna’s House Co-op, Fremantle
Barrington Oaks Co-operative, New Hampshire
Pepperidge Woods Co-operative, New Hampshire
Community House, Pepperidge Woods
Willow Park Co-operative, Winnipeg
Greenheart Co-operative, Winnipeg
DISCUSSION (1) (positives)

• There appears to be overwhelming resident satisfaction with housing co-operatives:

  • “A beautiful secure home and housing stability. The ability to be part of a supportive community. I am so blessed.” IH 1

  • “this apartment is lovely, it’s warm and it’s beautiful and it’s well built and it’s built to encourage community and it really does. It’s lovely living in such a beautiful building.” GH 1

  • “when you come in the door and you close the door and take a deep breath and it’s like OK I’m home and it’s not like it’s a mansion and it’s worth millions of dollars and got all the latest technology.” WP 5

  • “there really is a sense of community. You know, if I need some eggs I can go down and ask a neighbour, or for some cookies.” PW 1

  • “I just take it for granted that this is my home now. It will continue to be my home for as long as I’m able to live.” BO 1

  • “[you can] ask for help from anybody. The kids can play outside. All the other adults will keep an eye out as well.” P 1

  • “we bought a cottage at the lake instead and stayed here. We still have it... we would spend all our free time there. We didn’t need a big yard in the city as well.” WP 7
DISCUSSION (2) (negatives)

- There are some disadvantages with co-op housing:
- “I have a desire for privacy and miss a backyard. [the co-op] is intense and high density.” P2
- “we lived on the first floor and we had a very nasty neighbour. He’d yell and scream at us and knock on our door for laughing at 10 o’clock at night.” WP6
- “I’ve never lived in a co-op before. So it’s been an adjustment, the rules. I’ve always had my own home and space to do what you want in your yard.” PW4
- If you want to think of disadvantages I suppose the noise. We do hear the neighbours. WP4
- It’s difficult to get people to be willing to sit on the board and volunteer. BO2
- Yes, well you don’t own the land technically so for instance we wanted to refinance and we weren’t able to because we don’t own the land so that’s definitely a disadvantage. And then this is kind of more nationally, values have plummeted and that’s a big disappointment. PW1
- I went through periods when I felt my life was in danger ... It’s a struggle because I’m seen as the enemy by a tiny group of people. GH1
BARRIERS TO HOUSING CO-OPERATIVES

• Association with public housing sector. State housing authorities reluctant to support funding for co-ops. Local government discriminatory planning laws.

• Federal government housing policy focus is on home ownership.

• Financial institutions do not understand the legal structure of housing co-operatives. Not a mainstream home or strata titled unit.

• Extremely low public awareness of housing co-operatives.

• Difficult to demonstrate successful co-op housing models because the sector is so small. No critical mass.

• Lack of information on governance and performance of co-operative housing sector.
SUMMARY/CONCLUSION

• While housing remains unaffordable for many people there will be a demand for housing co-operatives. Co-ops provide access to cheaper, stable housing.

• There is an extremely high level of residential satisfaction in housing co-ops.

• Most disadvantages revolve around co-ops’ rules, density and noise issues.

• Government and financial institutions’ attitudes are barriers to new co-op development.

• There is a need to develop more housing co-ops both within and outside of the public housing sector. Promote new models eg, partial equity, mixed income, and seniors’ housing co-ops.