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

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ABSTRACT  Affordable housing has been the subject of much public and policy debate in Australia and New Zealand. In Australia, housing co-operatives are an extremely small contributor in the low to moderate income housing sector and are usually associated with public housing. This paper investigates the lived experiences of residents in eight housing co-operatives, four in Australia and two each in the United States and Canada. Thirty-eight interviews were undertaken with residents in order to gain insights into the tenure and a further six with key informants. Research was also undertaken in the US and Canada because these countries have long-established housing co-operative sectors which may provide valuable lessons, transferable models and suggestions for alternative methods of funding. These preliminary findings are presented through the lens of residential satisfaction, self-selection processes and ontological security. Barriers to the formation of housing co-operatives in Australia are identified and alternative models of co-operatives outside of the public housing system are proposed.

KEY WORDS: Housing co-operatives, affordable housing, residential satisfaction

Introduction

The origin of co-operatives in the modern era began in 1844 when the Rochdale Equitable Pioneers established a consumer co-operative in England to supply food, clothing and other essential items to workers at fair prices as a step toward a fairer and just society (Lewis 1992, Thompson 1994; Sazama 1996, 2000). During the early part of the 20th century, housing co-operatives were established predominantly in New York (Sazama 2000) and in the London area (Birchall 1988). After World War II housing co-operatives became popular in northern and central Europe (Andrusz 1999). In Scandinavia they were supported by governments and the union movement and now account for about 15 per cent of the housing stock in Norway and Sweden (International Co-operative Alliance (ICA) undated). In the United States there are about 425,000 non-equity or limited equity co-operative dwellings, more than half of which are in New York (Bratt et al. 2006, p.250). The Canadian federal government promoted mixed income housing co-operatives from the late 1960s through the Canada Mortgage and Housing Corporation (CMHC) and a federal co-operatives housing program operated from 1973 until 1992 when it was devolved to the provinces. There are over 90,000 co-operative dwellings in Canada located in 2,100 co-operatives which accommodate about 250,000 people (Cole 2008, p.232). In Australia, housing co-operatives evolved from the mid-1980s and house only about 5,000 people.
Lack of housing affordability has been the main driver for the formation of housing co-operatives in Australia, particularly where the gentrification of inner and near city suburbs saw wealthier middle class in-movers dislodge lower income people who could no longer afford to buy or rent a home in those areas (First Fremantle 1987; CEHL 2009; Atkinson et al. 2011). Affordable housing is defined here as that which is available and affordable to households on low to moderate incomes.

There are three main types of housing co-operative:

- **Non-equity** (or common equity). There is no financial interest in the property and no capital gain accrues to the resident. This is the archetypal model in Australia and Canada. The homes remain as affordable housing.

- **Limited equity** allows for some capital gain. This can be achieved by shares in the co-op adjusted by CPI; the value of the loan principal paid down; or the land being owned by the co-operative and the dwelling by the resident.

- **Full equity** (or market rate). Also known as co-housing, these co-operatives are fully funded by their members and any capital gain when sold is retained by the owner.

In Australia, most housing co-operatives are associated with the public housing sector and therefore residents must also be eligible for public housing. Rents are usually capped at 25 per cent of gross income or up to market rent and there is a maximum income limit above which tenants would no longer be considered eligible for public housing. These co-operatives ‘collectively manage a group of dwellings in which its members live. [Cooperatives] give tenants greater control over their housing [and] tenants’ gain long-term secure housing’ (Common Equity New South Wales 2011). The co-operative is a legally registered entity and the homes are vested in the co-operative through a trust deed or head lease from the state housing authority. Occupation of the dwellings remains restricted to lower income people qualified for public housing.

In New Zealand there are around 30 housing co-operatives and intentional communities but it is believed that no co-operatives operate within the state housing system. Some co-operative communities have been in existence since the early 1970s and have various legal ownership structures. The following examples are all located in Christchurch (Otakaro Land Trust 2011). Heartwood Intentional Community is based on communal living and shared meals. The accommodation is owned by the co-operative and residents pay a weekly rental. Creekside Community’s five houses are individually owned and members share meals two
to five times a week. Peterborough Housing Co-operative comprises six row houses with joined up backyards and was a project of the Otakaro Land Trust. Residents rent their home and join together weekly for pot-luck dinners in the common lounge. Earthsong Eco-Neighbourhood (Fig 1) in Auckland is a full-equity urban co-housing development based on permaculture principles and eco-design (Earthsong undated). Construction began in 2000 and the last of the 32 homes were completed in 2006. The development includes a common house for shared meals and for educational programs. The Cooperative Housing Association of Aotearoa New Zealand (undated) has proposed an innovative scheme to build rental housing on existing community-owned land and use this income to build shared equity affordable housing on purchased land in a cost-rental and neutral tenure approach to assist lower socio-economic households.

Fig 1  Earthsong Co-housing Eco-Neighbourhood, Auckland, NZ.  Photo: David Bunce

Policy context in Australia

Evidence suggests that housing affordability issues in Australia and New Zealand are very similar (SGS 2007). Housing in Australia is usually debated in terms of a household’s ability to purchase or rent in the private housing market or gain access to the public housing sector. At the state and local government level, planning policy has generally failed to include affordable housing. This has led to a lack of housing diversity, the absence of inclusive mixed income communities and has resulted in lower income households being constrained to outer suburban areas with fewer amenities and employment opportunities. There has
been very little policy-making, state or federally, for housing co-operatives, and if they are mentioned at all, they are usually bundled with non-profit community housing groups and housing associations. It is adherence to co-operation principles of self-management and volunteerism that sets housing co-operatives apart from other forms of community and not-for-profit housing.

The Australian federal government’s housing policy context in the 2000s has been to diversify tenure options and encourage the not-for-profit housing sector to amalgamate in order to increase scale and create more affordable housing opportunities to people unable to access housing through the private market or the public housing system (Gurran et al. 2008; Milligan et al. 2009; Gilmour 2009). This context has provided an opportunity for not-for-profit housing providers, including housing co-operatives, to contribute to the supply of affordable housing strategies through the federal government’s call for more innovative methods of delivery (Families, Housing, Community Services and Indigenous Affairs (FaHCSIA) 2010).

Case study methodology

The main purpose of the investigation was to enquire into the level of residential satisfaction of housing co-operative residents (Michelson 1977). The research data may assist in determining future guidelines for a policy framework on housing co-operatives through an understanding of residents' lived experiences and insights into their backgrounds. The method adopted for the case studies was qualitative and based on in-depth interviews in order to elicit a greater level of understanding than would have been possible through a questionnaire survey. A pilot test of the interview schedule was undertaken at one of the Fremantle housing co-operative in June 2011. Slight modifications were required in terms of question duplication and unclear terminology after which the questions were considered suitable for use in Australia, the United States and Canada.

Sarantakos (1998) considers that drawing on particular case studies overseas is instrumental for transferring lessons, to inform of theory and practice and for the development of alternative models. Several Australian housing studies have researched overseas trends (for example Berry 2002, 2003; Yates & Milligan 2007; Gurran et al. 2008) and such studies enable effective policies and innovative practices to be pinpointed and evaluated from other housing contexts. Accordingly, this has broadened the level of housing debate in Australia (Jacobs et al. 2004; Milligan et al. 2009, p.5). However, most of these studies have obtained information from housing agencies and officials. In this study of
housing co-operatives, most of the data has been derived from personal interviews with residents. The research methodology utilised the social constructionist narrative paradigm (Jacobs et al. 2004), within a framework of residential satisfaction and self-selection (Michelson 1977) and ontological security (Thorns & Dupuis 1998).

Eight case study sites were selected for sampling: four in Fremantle, Western Australia, two in New Hampshire, United States, and two in Winnipeg, Canada. Seven of the co-operatives contained nine to 49 homes and the largest consisted of 199 dwellings. Five were non-equity, two were limited equity and one contained both public and private dwellings. The four Fremantle housing co-operatives (Pinakarri [P] (Fig 1); First Fremantle [FF]; Freo Fringe [Freo]; and Inanna’s House [IH]) were formed between the mid-1980s and the early 1990s. They were selected for study because they are examples of good quality housing for lower income people achieved by founding co-operative members in association with the state housing authority, Homeswest. Seed funding for the co-operatives were sourced from the federal government’s Local Government and Community Housing Program (LGCHP), established in 1985, the Building Better Cities program initiated in 1991 and the Community Housing Program introduced in 1993.

![Fig 1 Pinakarri Co-operative, Fremantle, Western Australia. Photo: David Bunce.](image)

The two co-operatives in New Hampshire (Barrington Oaks Co-operative [BOC] and Pepperidge Woods [PW] (Fig 2) were chosen because of the limited equity component and the opportunity to investigate the funding model for these co-operatives established by the New Hampshire Community Loan Fund (NHCLF) in 1983. Willow Park Housing Co-
operative in Winnipeg [WP], (Fig 3), was chosen because it was sponsored by the union and producer co-operative movements. It was completed in 1966 and is the oldest continuing family housing co-operative in Canada. The other, Greenheart Co-operative [GH], was completed in 2009 and is one of the few recently completed housing co-operatives in Canada. It was built on environmentally sustainable principles and was part funded by Manitoba Housing, the public housing authority, and an inner city regeneration authority.

Fig 2 Pepperidge Woods Co-operative, New Hampshire, US. Photo: David Bunce

Fig 3 Willow Park Housing Co-operative, Winnipeg, Canada. Photo: David Bunce.
Research findings

Thirty-eight interviews were obtained from residents and six from key informants. The majority of the resident interviews were carried out in the home setting which allowed the researcher the privilege of viewing the home environment and its fixtures and fittings. A few interviews were undertaken in the community’s common house or office and two by telephone. Additionally, one housing co-operative’s board meeting was attended and the researcher spent four days in guest accommodation in each of two of the Australian co-operatives, and attended a community dinner at one, which enabled further insights into the resident lifestyle and opportunities for participant observation (Jorgensen 1989).

There are few housing opportunities in the private market for people on low incomes, or in the public housing sector unless they are in the high needs category. Interview data indicated that although a few residents had sought accommodation in housing co-operatives because it was cheaper and had permanent tenure, the majority also held beliefs in the principles of co-operation and community living, or subsequently became so enamoured. Prior to acceptance into membership of a co-operative, prospective residents undergo orientation and attend meetings so that they are fully cognisant of what co-operative housing entails in terms of community and volunteerism.

In Fremantle, housing co-operatives were formed in response to the regeneration of the port city to host the America’s [yachting] Cup in 1986, the legacy of which still remains in high house prices and rents. One Fremantle co-operative resident stated: ‘I can’t afford to live in this area ... it’s very difficult, rents in the private sector are an impossibility’ (P3). Another argued, ‘I am totally against the fact that people are denied housing on the basis of income and lack of finance. There is a crisis of affordability’ (P2). A third person recalled that:

The rent continually went up and so I ended up getting breach notices for non-payment of rent. In the last place I was in that happened as well and I got a final notice for rent increases. (IH4)

Meanings of home

The meanings of a home illustrate ‘the values which people attach to property that they occupy as a home’ (Fox 2005, p.201). They are determined by the uses to which the dwelling is put (Arias 1993) and several interviewees regarded co-operatives as ‘the next best thing to home ownership’. Home is the central place in most people’s lives and forms
part of their identity and the interview data confirmed that there is an emotional attachment to homes in housing co-operatives. In terms of ontological security and continuity there is certainty and stability in housing co-operative residents’ lives (Thorns & Dupuis 1998).

Non-human forms of association with the home can also have depth of meaning for some people, such as companion animals (Gabriel & Jacobs 2008, p.532). Unlike the private rental market, most housing co-operatives allow pets and several residents stated that this was one of their main reasons for selecting to live in a co-operative. Self-selection processes reflect existing characteristics and past experiences (Michelson 1977). Pets are an integral part of the daily lives of many residents and they provide companionship and improved wellbeing through exercise and social interaction for their owners. A single woman living in a 21m x 4.4m mobile home at Barrington Oaks Co-operative, New Hampshire, illustrated the importance of a pet in her life:

You couldn’t have a dog [at my previous mobile home park] and I got a dog and consequently I couldn’t live there because I had the dog. So I sold that home to the owner of the park [and moved out] and purchased this home. So that’s what I did and then I could have my dog. The dog passed away about five years ago but I had him for a long time. He was a good boy. (BOC3)

Another resident at the same co-operative spoke of her two dogs, one recently acquired:

The poodle, he’s with me 13 years. They are both rescued dogs. The poodle is now deaf but the other little dog gets him to respond when I can’t get his attention. I discovered that he was going after the poodle to get him to respond, that’s when I knew [having both dogs] was going to work. (BOC1)

Residential Satisfaction

Residential satisfaction is based on an evaluation of housing as seen through residents’ current situations and aspirations (Michelson 1977). Housing co-operatives provide an alternative type of permanent residence in terms of organisational structure and principles compared to a freehold house on its own block of land or public housing. Nevertheless, most dwelling places can still be transformed into a home and establish an individual’s identity, for example by distinctive decorative features such as photographs, self-made handicrafts or garden ornaments. As Newton pointed out in relation to caravan park residents:
Most human beings have in the continuity of their self-identity and in the constancy of the surrounding social and material environments of action, housing and residential arrangements that are pertinent to [their] ontological security. (2008, p.230)

A few Fremantle co-operative residents had previously experienced bad rental housing situations. As one expressed it, ‘as a tenant you always get taken advantage of’ (IH4). Several of the American and Canadian interviewees measured their residential satisfaction in the co-operative by contrasting it with negative experiences in the rental apartment market. For instance, a resident at Willow Park, Winnipeg compared a previous apartment to her co-operative home by referring specifically to having her own front door, a small yard, a basement and being allowed a pet. The depth of feeling for her home of 20 years is summed up by her comment:

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. It’s just to me ... when I come home it’s nice to get that feeling. (WP5)

Similarly, a New Hampshire housing co-operative resident stated, ‘personally I think [of my home] as a retreat; it’s a place to come to and feel comfortable especially when the outside world gets too much’ (PW2).

Poor design and low quality housing can contribute to the stigmatisation of occupants (Arthurson 2010, Jacobs et al. 2011). However, almost all of the co-operative residents interviewed were satisfied with their style of housing. One stated that her apartment ‘is lovely, it’s warm and it’s beautiful and it’s well built ... It’s lovely living in such a beautiful building’ (GH1). Another said, ‘it’s nice on the eye, it’s nicely designed and it’s a nice space’ (Freo1). Similarly, another commented that ‘[it’s] a beautiful secure home and [I am] part of a supportive community. I am so blessed’ (IH1).

Planners have generally failed to (re)produce ‘community’ (Thorns 1976; Chamberlain et al. 2010). But a resident at a Fremantle co-operative hinted that community, however defined, is not always desired when it comes to decision-making:

When you ask people what sort of community they would like to live in, they invariably say a community where everybody knows everybody and there is a real community. But when you say come and join us, they baulk. They still want their own exclusive space, privacy and individualism. (P1)
Nevertheless, community is a major tenet of living in a housing co-operative. A common house was considered by many interviewees to be an invaluable addition in which residents could come together for a shared meal, social gatherings and meetings. Four of the eight co-operatives in this study possessed a common space of some description ranging from a basic room to a whole house. Pinikarri co-operative in Fremantle holds community dinners twice a week in its common house and as an outreach invites surrounding neighbours to share a meal with them once a month.

Community can also take the form of social capital and neighbourly assistance (Bourdieu 1986). A New Hampshire co-operative resident observed:

There’s a birthday party in the community centre this Sunday for one of the girls in the [co-operative]. So I guess 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. (PW1)

A Fremantle co-operative resident said ‘[you can] ask for help from anybody [and] the children can just play outside [in safety] like I did when I was a kid’ (P3). Neighbours’ looking out for one another and their children was a recurring theme. A woman aged in her 30s and a long time Winnipeg co-operative resident recalled that as a child she was allowed to stay out later than other children:

All my friends could be out till 8:00pm but I could be out till 9:00pm because all the neighbours [knew me] and there was always a house that you could get to quickly ... because you knew everybody and everybody looked out for you. (WP8)

**Safety and Security**

Physical security was a very important issue for most of those interviewed, the majority of whom were single women. Like most residential neighbourhoods, housing co-operatives are not immune from anti-social behaviour and crime. Residents from all the co-operatives reported neighbourhood crime and some homes had been broken into. Cars were particularly vulnerable especially where some co-operatives had designed perimeter only parking areas. A couple in a Winnipeg co-operative stated that their car had been stolen several times from an unlit parking area and their barbecue was stolen in broad daylight (WP6). At a New Hampshire co-operative it was mentioned that ‘things had gone missing’. Several Fremantle co-operative residents commented that their neighbourhood had a high crime rate and that they had improved their security through the installation of window
screens, security doors and deadlocks paid for out of their co-operative’s maintenance budget.

Despite some property crime, the medium to high density living environments of housing co-operatives ensured that physical security within them was good. One female, a nurse resident at Willow Park co-operative, stated that:

I feel secure and even going for a walk when I work shift work. I would get home at midnight and I would feel very comfortable going for a walk here in the co-op and take the dog out, so to me that is really important. (WP5)

A Pepperidge Woods Co-operative, New Hampshire, a resident said:

I don’t feel unsafe here. There’s been a few incidences ... but for the most part we can’t help but look out for each other because we’re right there. I’ve gone away for six weeks and I knew my house was fine because my neighbours were always watching it. (PW3)

And at a Fremantle co-operative:

Security is important really so you don’t get frightened and broken into. Not everyone in the co-op has full security screens like I have, and also [the co-op] must have been conscious of me being on the end of the property in this house because they put lights in as well, like sensor lights. (Freo1)

**Unexpected Findings**

Two unexpected findings emerged at the long-established Willow Park Co-operative in Winnipeg. Firstly, some of the earlier residents who had been living there for about 40 years also had their now adult children and even grandchildren residing in the co-operative in their own dwellings. These intergenerational familial bonds were seen by the board’s president as one of the strengths of the co-operative, commenting:

Our intent was always to keep our families here [in the co-op] and I still have both of my daughters here living in their own homes. They've never lived anywhere else. Since I was 20, I've never lived anywhere else [for 42 years]. (WP9)
Secondly, three of the nine interviewees volunteered the information that they owned summer homes. This suggests that the low housing charge at the co-operative enabled them to fund a particular lifestyle as alternative property owners elsewhere. One stated that:

We bought a cottage at the lake instead and stayed here [at the co-op]. We still have it.
We would spend all our free time there. We didn’t need a big yard in the city as well. (WP7)

Two of the six residents interviewed at Pepperidge Woods co-operative, New Hampshire, also said that they possessed a summer home. Given the public housing eligibility requirement of the 16 interviewees at the four Fremantle co-operatives, none of them mentioned ownership of a holiday home.

**Disadvantages of living in housing co-operatives**

While there are many advantages of residing in a housing co-operative, there are also some drawbacks. For example, ‘I have a desire for privacy and miss a backyard. This co-op is intense and high density’ (P2). Noise was also a problem: ‘If you want to think of disadvantages, I suppose the noise. We do hear the neighbours’ (WP4). Or more uncomfortably: ‘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). A Pepperidge Woods resident stated, ‘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’ (PW2). Another put it more bluntly:

I don’t think I’m one hundred per cent sold the longer I live here. You’re living in a co-op. If you want to have a kiddy pool in the backyard that’s bigger than what they say you have to get permission. I’ve had three homes and a summer home and I’m used to doing what I want when I want to. (PW3)

In the same co-operative a fiscal viewpoint was voiced, that may also have been more widely reflected, concerning the co-operative land structure in relation to the owner-occupied dwellings. It was accepted by the individual that US housing values had declined generally as a result of the sub-prime and global financial crises, but the resident believed that re-financing his home was compromised and the value of his house had suffered a greater loss as a result of the co-operative land tenure:

You don’t own the land technically, so for instance we wanted to re-finance 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)

A Fremantle resident claimed living in a housing co-operative resulted in a feeling of
disempowerment because there was a lack of flexibility within the public housing system to
purchase any equity in her home. She argued that tenants should be able to gain some
equity as this would provide options and enable them to pass on something to their children.
Instead, she believed that co-operatives led to a ‘poverty trap’ that caused tenants to be in
‘dead end positions and [puts] a noose around their necks ... because then you’ve given up
your chance of buying a house to live here [in the co-operative]’ (FF2). At a meeting of a
forming housing co-operative for artists in Fremantle attended by the researcher, members
also expressed the desire for a partial equity structure.

It is becoming increasingly difficult to find suitable people to serve on housing co-operative
boards and do other volunteer work. The Canadian Co-operative Housing Federation (CHF
2010) has proposed moving away from volunteerism to outsourcing management in order to
obtain more professionalism in governance. Deferred maintenance issues have become a
serious problem in some of the older Canadian housing co-operatives, caused in part by
boards’ unwillingness to increase housing charges, leading eventually to more costly major
repairs. Ageing is also a problem in many housing co-operatives, including Australia, as a
younger resident pointed out:

A lot of them are older and that’s a concern really in terms of they’ll keep getting
older and less able to contribute to the co-op and how’s it going to function then?
They just complain about how tired and sore they are now. They’d rather pay someone
to do [the work]. (Freo2)

**Barriers and responses to housing co-operatives in Australia**

Several barriers to the formation of new housing co-operatives in Australia have been
identified, particularly in relation to funding (Federation of Housing Collectives (FOHCOL)
2010; Cheong 2011). Government housing policy continues to promote home ownership as
the ideal form of housing tenure, and rented homes in the private market are subsidised for
eligible tenants by Commonwealth Rental Assistance (CRA) and in New Zealand by
Accommodation Supplement (Randolph & Holloway 2007; SGS 2007). Local government
discriminatory planning laws have prohibited affordable housing development in some areas
and the rise of protest groups such as ‘Save Our Suburbs’ have also contributed to the loss
of housing diversity by local politicians fearing a voter backlash (Radford & Sarris 2002; Forster 2004).

The nexus of housing co-operatives with the public housing sector in Australia has resulted in there being few new housing co-operatives built since the mid-1990s because, with the notable exception of Victoria, most state housing authorities have been reluctant to provide funding for them. More housing co-operatives within the public system should be encouraged but given the decline in funding for public housing this appears unlikely in the foreseeable future. The lack of funding options outside of government is a formidable barrier for housing co-operatives. Banks are not familiar with co-operatives’ legal structures and community land system (Cheong 2011). Financial institutions do not perceive housing co-operatives in the same way as a mainstream home on owned land or as a strata titled unit and are therefore unwilling to lend at loan to valuation ratios higher than 50 per cent without government guarantees (Snell et al. 2004; Snell 2012).

There are several alternative approaches to the formation of additional affordable housing co-operatives in Australia that may be considered. Firstly, there is a non-equity model that could be situated outside of the public housing system but with government mortgage guarantees and perhaps start-up grants similar to the successful Canadian housing co-operatives program. Secondly, it is suggested that the sale at current dwelling valuation of a part or full share of a home to existing housing co-operative residents who desire it would enable start-up funds to become available for the establishment of new co-operatives within the public housing sector. The land would remain with the co-operative for which a ground rent would be paid by the home owners. Thirdly, limited equity co-operatives (Cheong 2011) could be structured to incorporate a member financial contribution sufficient to obtain a mortgage for the balance, guaranteed by the government, and allow for some capital appreciation based on a pre-determined formula such as the Consumer Price Index. Fourthly, housing co-operatives could be formed by utilising ‘multi-stakeholder’ finance from non-co-operative members. Seniors’ housing co-operatives are seen to be particularly suitable for this model because it is claimed that seniors have more time and skills available to ‘take ownership’ of the project and attract such funding (Craig Marchinko, Assistant Deputy Minister, Manitoba, personal interview 17 Nov 2011).

Fifthly, Cheong (2011) proposed adapting present Australian strata title legislation to a limited equity housing co-operative model that would adhere to co-operation principles but each property would be separately titled in order to access mainstream finance and therefore overcome current lending discrimination. In addition, she has suggested creative
networking to raise start-up funds for housing co-operatives, for example through church groups, friends and associates and vendor finance. In all of these examples, housing co-operatives could broaden housing options and help to create diverse, mixed income communities within a co-operative realm separate from public housing. However, an education campaign may be necessary to inform the public and promote the availability and possibilities of these new forms of affordable housing.

The lack of appropriate financial institutions in Australia is a major barrier. Paris proposed a National Co-operatives Bank in the early 1980s (1984, p.4). A similarly institution was chartered by the United States government in 1978 and, although privatised in 1981, it remains committed to financing co-operatives. An Australian Co-operatives Bank could deliver mortgage finance to housing co-operatives to enable them to purchase land and begin construction of affordable housing for their members independent of the private and public housing sectors. It should also be noted that housing co-operatives have much lower mortgage default rates than mainstream borrowers (Cooperative Housing Bulletin, Summer 2011, p.15).

There are virtually no mechanisms in Australia to channel superannuation monies or the savings of people who would be willing to support housing co-operatives once they were assured of their good governance and convinced of the social and community benefits of self-help affordable housing (Travers et al. 2011; Snell 2012). Therefore, Australian equivalents of the US Community Development Financial Institutions (CDFIs) should be considered. The New Hampshire Community Loan Fund is a good example. It provides first loss mortgages of 20-25 per cent, with the balance leveraged from banks, to finance the conversion of investor-owned mobile home parks to co-operatives. One hundred parks have been converted to co-operatives in New Hampshire without a single default and in 2008 this successful program was expanded nationally to 33 other states as Resident Owned Communities USA (ROCUSA) (Paul Bradley, President, ROCUSA, personal interview, 11 Nov 2011). Many Australian building societies have converted to banks since financial deregulation in the 1980s but credit unions may consider making available tailored financial products to suit housing co-operatives. A new financial instrument developed in New South Wales, and recently passed into legislation in Western Australia, is Co-operative Capital Units (CCUs) (Cheong 2011) and these may also hold possibilities for funding new housing co-operatives.
Conclusion

The focus of this investigation was on housing co-operatives’ resident experiences, self-selection processes and ontological security. While it is acknowledged that it is not possible to generalise empirically from a small qualitative study such as this, the interview data nevertheless indicated high levels of residential satisfaction and social capital in housing co-operatives. Self-selection to the tenure was largely due to housing affordability, adherence to beliefs in co-operation and community living and acceptance of pets. It was suggested that it is possible for housing co-operatives to contribute further to housing affordability and diversity in Australia. This could occur through the sale of some equity to existing public sector housing co-operative residents which may then leverage funding to found new co-operatives within the public system. Non-equity housing co-operatives could be established outside of public housing with start-up grants and government mortgage guarantees. New models of limited equity co-operatives could be based on member financial contributions and multi-stakeholder funding should also be developed and promoted. Finally, financial barriers could be addressed by an Australian Co-operatives Bank and be complemented by specialist community development financial institutions and credit unions.

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