

WHAT IS CO-OP HOUSING

OWNED & CONTROLLED
BY THEIR MEMBERS

ALL MEMBERS HAVE
ONE VOTE

ADHERE TO THE 7
PRINCIPLES OF CO-OPS

Co-operative housing is about communities having democratic control over decision-making about their homes, neighbourhoods and communities.

There are many different forms of co-operative housing - that could apply to all forms of housing tenure (ie. home ownership, shared ownership or rented housing - either at market or affordable rents). But 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 of usually £1 giving them the right to vote on matters affecting the co-op
- the co-operative housing organisation has control over the homes in some way - and in some cases - collectively own and manage them



WHY DO PEOPLE LIVE IN CO-OPERATIVE HOUSING?

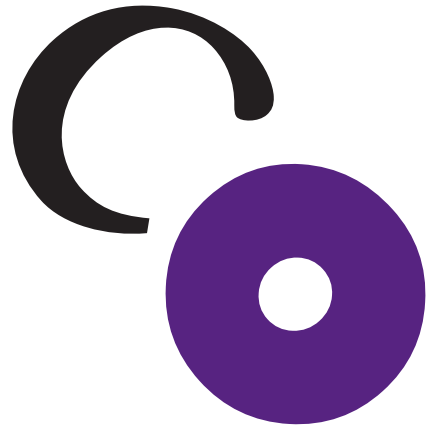
Research has shown that where communities control their homes co-operatively, strong communities form and the members and residents in co-operative housing are usually more satisfied than in other forms of housing. They often make good common sense decisions, and they operate as strong community businesses.

Co-operative housing is for people who either want to live in a community and have a local community support network around them or for people who support a community ethos - ie. that local communities should be able to take decisions about their homes. Co-operative housing is also about local people coming together to share their housing costs, usually making the housing more affordable for all.



DIFFERENT FORMS OF CO-OPERATIVE HOUSING

RENTAL CO-OPERATIVES: co-operatives in which the member has a nominal share (typically £1 or £5). Members pay a monthly or weekly rental charge to the co-operative for the right to occupy a home owned by the co-operative. Like a tenant, when a member leaves the co-op they surrender or transfer their occupancy agreement and their nominal share is forfeited. Members have no interest in the value of the property they occupy: they pay rent.



MARKET VALUE CO-OPERATIVES: sometimes known as co-housing co-operatives in which the collective ownership of the properties that members occupy is held in the co-operative. Members are free to buy and sell their home (or the right to occupy it) at a market price. Often access to mortgages for individual members are provided via the co-operative itself (but funded by banks). The role of the co-operative becomes principally that of a building manager handling communal and structural repairs and providing other member services.

OP

LIMITED EQUITY CO-OPERATIVES: co-operatives in which members have a share in the capital value of the co-operative home they occupy. The collective co-operative is funded, in part, directly by the member providing personal finance. The co-operative part of the cost of provision of the member's home is funded through a corporate mortgage loan to the co-operative. The member pays their own finance costs and a monthly payment that services the co-operative's loan and management and maintenance costs. When a member leaves they are entitled to sell or assign their occupancy rights with their limited equity share at either a regulated price (to keep it affordable) or at an open market price for the sale and purchase of the limited equity share and the occupancy rights that go with it.

*Affordable home ownership
Potential for cheaper mortgage interest rates
A share of the risk when taking out a mortgage
Strong community cohesion
Ability to be flexible to meet peoples needs
A democratic and safe community
Adhere to the 7 principles of co-operatives*

WHERE CAN I FIND OUT MORE ABOUT CO-OPS?

- **Confederation of Co-operative Housing:** The UK organisation for housing co-operatives, tenant-controlled housing organisations and regional federations. www.cch.coop
- **Wales Co-operative Centre:** a co-operative development agency working across Wales to promote social, financial and digital inclusion through a range of projects. www.walescooperative.org