

HOUSING COOPERATIVES IN EUROPE



RESILIENCE AND ADAPTATION TO CHANGING NEEDS

MARCH 2025

INTRODUCTION

In 2012, as a contribution to the United Nations International year of Cooperatives, Housing Europe, together with Cooperative Housing International (ICA Housing at the time), published the report: “Profiles of a Movement: Co-operative Housings Around the World”. The document offered a detailed explanation of the different housing cooperative models existing at that time in twenty-two countries from Europe, North America and Asia. A decade afterwards, many of the long-standing cooperative models described in that report are still standing, and they are innovating to adapt to new context and challenges. At the same time, we witness a resurgence in the interest towards housing cooperatives from public authorities as well as civil society in many places across Europe, which see the cooperative model as a part of the solution to the ever-growing housing affordability crisis.





Starting in the mid-19th century, housing cooperatives are important affordable and democratic housing supplier. Regardless of the different models, all of them work under the principle of “one person, one vote” and they have always striven to provide good quality and non-speculative housing for their members.

While maintaining their traditional commitments, housing cooperatives have developed new commitments such as stronger relationships with their neighbourhoods, new types of tenures, inter-generational projects and more. At the same time, they have been an inspiration to new forms of collective homeownership housing organisations.

The path opened by traditional cooperatives, together with rising real estate values in cities, climate change awareness, isolation and loneliness have contributed to a growing interest in developing more socially, ecologically and economically sustainable modes of living where **housing cooperatives can meet these challenges.**

The idea of this report is precisely to actualize the European housing cooperative situation, highlighting the strength of cooperatives in a housing crisis that increasingly appears to be permanent and global. A crisis where every day it becomes even more difficult for low and middle-income groups to access affordable housing.

In order to highlight these dynamics, the report consists of two different parts. In the first part, we will give an overview of the present state of well-established cooperatives rooted in the early 20th century and consolidated from the 1970s onwards. We asked them about their actual challenges and what innovative actions they are proposing, and whether and how Europe can help them in their endeavours.

In the second part, the focus will be on the new cooperatives which have emerged after the financial crisis of 2007- 2008, a third period of expansion that can be identified in many countries. We will learn from them what are the main difficulties of establishing a new bottom-up initiative in the current context, what public policies can support them, and most importantly, what others can learn from their experience in order for new coops to get started and flourish.

The information included in this report was provided by members and partners of Housing Europe from 12 European countries. The views presented are those of federations representing cooperative housing on the ground. More specifically, **we would like to thank:**

Gerald Kössl - GBV (Austria); Geert de Pauw – CLT Brussels (Belgium); Anu Sarnet - EKYL (Estonia); Florence Caumes – Coop HLM (France); Matthias Zabel and Özgür Öner - GdW (Germany); Haley Curran and Eoin Carroll – CHI (Ireland); Sara Zoni and Rossana Zaccaria – Legacop Abitanti (Italy); Bente Johansen – NBBL (Norway); Piotr Pałka - ZRSM RP (Poland); Vicent Salvador – CONCOVI, and Ander Zabala Gomez - Sostre Civic (Spain) – Riksborgen, and Linn Matic – HSB (Sweden); Rebecca Omoregie - Wohnbaugenossenschaften Schweiz (Switzerland).

Most importantly, this report would not have been possible without Vanesa Valiño, who joined the team at Housing Europe for a short time and was the real driving force behind this project. She brought with her the same knowledge and enthusiasm that she put into turning the right to housing increasingly into a reality in Barcelona and a strong belief that Europe can make a difference. We feel so lucky our paths have crossed, and we will forever miss her.



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PART 1



An overview on housing cooperatives in European countries and the experience of Housing Europe members dealing with societal challenges



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HOUSING COOPERATIVES IN AUSTRIA

**Limited profit housing a pillar of
the Austrian society and economy**



INTRODUCTION

Housing cooperatives play an important role in the Austrian housing market. There are **97 housing cooperatives who manage a total of 460,000 homes**. This includes approximately **320,000 homes for rent and 140,000 homes in individual ownership**. This means that more than 1 in 10 Austrian households live in a home managed by a housing cooperative.

Most housing cooperatives are operating on a limited-profit basis and as such are part of the wider limited-profit housing sector. Housing cooperatives are thus subject to the Limited-Profit Housing Act (*Wohnungsgemeinnützigkeitsgesetz*),

which requires them to **operate on a cost-recovery basis and to reinvest any surpluses into the construction of new affordable housing**.

Members of a cooperative are co-owners of their cooperative and have the right to participate and exercise their voting right in the annual general assembly. Additionally, cooperative members can define their own goals and obligations in their statutes.

Coop-members can either be tenants of the cooperative or they can own their individual home.

In both cases, the **cooperative is responsible for the management of the building**, for which residents pay a service charge.

In contrast to the situation in many other European countries, **housing cooperatives in Austria usually manage several buildings** and due to their long history have increased their housing stock substantially. The average number of homes managed by a housing cooperative is 4,700, compared to 1,500 homes in 1980. This increase can be explained by the continuous construction of new cooperative homes of between 3,000 – 7,000 new homes every year (between 60 – 110 per cooperative). This has also meant an increase in the market share of both cooperative housing and of limited-profit housing more generally over the last decades.

LIMITED-PROFIT HOUSING ASSOCIATIONS BY THEIR TYPE OF LEGAL ENTITY

	Cooperatives (limited-profit)	Other types of legal entities (limited-profit)	Total (limited-profit)
➡ Number of organisations	97	85	182
➡ Number of managed homes	460,000	538,000	998,000
➡ Of which for rent	320,000	378,000	698,000
➡ Of which in individual ownership	140,000	160,000	300,000
➡ Average number of homes managed per organisation	4,700	6,300	5,500

Source: GBV-Verbandsstatistik 2023, also available at:
https://www.gbv.at/Fakten_Analysen/ and https://public.tableau.com/app/profile/gemeinnuetzige/viz/GBV_Verbandsstatistik2023/Uebersicht

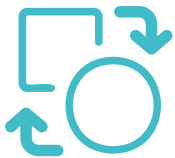
New developments in the cooperative sector



While most of the older cooperative homes have been thermally insulated, the main current challenge is the **decarbonisation of existing homes**. A bit more than a third (37%) of all homes in the limited-profit housing sector are still reliant on fossil energy sources, mainly gas. The sector's ambition is to change all fossil-based heating systems to district heating, heat pumps or other renewable sources by 2040.

Another area of focus is the **reuse of existing buildings and infrastructure**, which is aimed to economically strengthening town centres by avoiding sprawled developments (especially in rural areas). Housing subsidy regimes of the regions (Länder) support or require such developments.

Recent context changes affecting the work of housing cooperatives



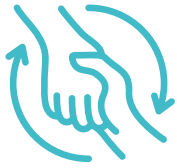
A combination of factors has put cooperatives, as well as other limited-profit housing associations, under significant strain. Additional public funds will be necessary in order to maintain affordable housing construction at the required level and to increase the speed in the decarbonisation of the existing stock. More specifically, challenges include:

- ➔ **Rapid increase of interest rates:** between July 2022 and September 2023, the ECB interest rate for refinancing operations has gone up from 0% to 4.5%. Due to the high share of bank finance in new cooperative developments (approximately 50% of development costs) financing costs have increased substantially.
- ➔ **High construction costs:** since 2020 the construction price index has increased by more than 20%. While the cost of materials is slowly going down again, labour costs continue to increase.

Both factors combined have made it increasingly difficult for cooperatives to develop new affordable housing. As most new construction is additionally financed with low-interest public loans, loan covenants prescribe either construction cost limits or set a limit to the rent. As these limits can often no longer be achieved under current circumstances, new construction is set to decrease in the coming years.

Additionally, the Government has implemented a **rent-break**, which is going to **limit rent increases in the years 2024-2026 to 5% yearly maximum**, with the goal of reducing overall inflation. Given the cost-based operation of limited-profit/cooperative housing in Austria, the challenge with this rent-break for the sector is that this is going to significantly reduce the funds available for new construction and renovation.

How can Europe help?



- ➔ **Strengthening the voice and the understanding of cooperative and Third Sector housing across Europe:** making the case for affordable housing not only from a social but, importantly, from an economic perspective. Recent research from Austria for instance shows that cost-based housing is a benefit to individual households and the public purse at the same time.
- ➔ **Access to low-interest, long-term financing:** due to the high share of private finance in Austria's cooperative/limited-profit sector, favourable loan conditions are crucial to maintaining affordability. Access to finance from the European Investment Bank therefore could represent an important addition to the financing mix.
- ➔ **Support in the transition to net-zero:** housing cooperatives in Austria are committed to decarbonising their housing stock by 2040. In order to achieve this, both the right legal framework and funding will be necessary to speed up the transition towards net-zero.



USING HOUSING BONDS TO FINANCE AFFORDABLE HOUSING IN AUSTRIA

The introduction of housing construction convertible bonds (HCCB) dates back to 1993. HCCB make an important contribution to Austrian housing finance, particularly in multi-storey, limited-profit housing construction. Since their inception, the six active housing construction banks have issued tax-privileged bonds amounting to around EUR 23 billion, which have been used primarily for new construction or renovation activities of limited-profit housing associations. The

funds from the housing bonds are therefore not only an important pillar for affordable housing construction but also lead to lower housing costs due to their interest-reducing effect. Over the last 30 years, about every second home built by LPHA has been financed with proceeds from housing bonds. Due to rising interest rates, the instrument of housing bonds has gained in popularity since 2023.

HOUSING COOPERATIVES IN ESTONIA

**Efficient collective management and
upkeep of multi-family building**



INTRODUCTION

Co-operatives in Estonia initially appeared during the first period of independence in 1918–1940. However, it is with the arrival of the “perestroika” and the accession of independence in 1991 that co-operatives began to flourish and were the first form of private enterprise. Housing co-operatives grew rapidly due to the vast privatisation program put in place by the State, whereby state-owned properties and enterprises were all privatised in a very short period of time.

In Estonia, unlike other central and eastern European countries that went through privatisation programs, the setting up of housing co-operatives or associations was made mandatory for the management of the buildings and common space. The Estonian

Union of Co-operative Housing Associations (EKYL) was founded in 1996 expressly to support the new housing co-operatives and to help the newly elected board of directors and managers.

Furthermore, the Apartment Ownership and Apartment Associations Bill of 2018 made it compulsory to establish apartment associations in all multi-apartment buildings. As a result of these processes, **there are now altogether about 23,000 such associations and cooperatives in Estonia, whose membership accounts for about 70% of the population.**

Housing co-operatives have been allowed to change their status to apartment associations (non-

profit associations established by apartment owners for the purpose of shared management of the legal shares of the building and plot of land). Today only 300 original housing co-operatives remain. All others have been transformed into apartment associations. However, despite some formal differences, housing co-operatives and apartment associations carry out the same tasks and both terms are used in the English language interchangeably to describe the portfolio.

These common structures help residents to take collective actions on investments, renovations and building management.



New developments in the cooperative sector



Over time EKYL has increasingly been active in EU-funded projects focusing on renovation programmes. Furthermore, EKYL has been recognised as the Geneva UN Charter Centre of Excellence on Sustainable Housing in Estonia. The centre is focused on the development and organisation of training programs on housing management for local housing management associations in Estonia and in post-soviet countries and countries with economies-in-transition.

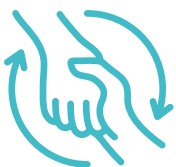
Last but not least, **Estonian Housing Associations are key partners in the cooperation program “Towards Ukraine’s Residential Reconstruction: A Capacity-Building and Cooperation Programme for Housing Recovery in Kharkiv, Mykolaiv, and Zhytomyr.** The programme is helping identify the most applicable solutions for energy-efficient renovation of multi-apartment buildings to support reconstruction efforts after the end of the war and facilitate investment in sustainable housing.

Recent context changes affecting the work of housing cooperatives



- Units built during the Soviet era (1960s to 1980s) are of poor quality and have high energy costs (30% more than compared to other European countries). **The portfolio is in need of major renovation.** Support from the state is made available on a yearly basis via KredEx fund for repairing apartment buildings and reducing energy expenses. However, according to EKYL, the amounts made available are usually far from sufficient to cover the urgent need for renovation of energy-inefficient multi-apartment housing stock in Estonia. Furthermore, approximately one-third of apartment buildings are situated in areas where renovation is unlikely to happen because salaries are below the national average while renovation costs remain high.
- At the same time, **the lack of affordable housing is emerging as a key concern,** especially in some regions facing inward migration.

How can Europe help?



- In order to share best practices for housing coop management, Europe can **encourage collaboration around the EU and alliances between cooperatives.**



HOUSING COOPERATIVES IN FRANCE

**A social and professional player in
the collaborative housing movement**



INTRODUCTION

With **more than 400,000 units built**, HLM co-operatives are recognized in France as historic players in providing **government-assisted access to ownership** for people on a low income, who would not otherwise be able to own their own housing.

The housing co-operative movement in France really **took off in the early 20th century thanks to the strong commitment of trade unions** into the amelioration of the workers' housing conditions. At that time, more than 10,000 co-operative housing units were developed under the name "*Habitations à Bon Marché*", mainly focused on access to affordable ownership.

After the II World War, the terrible housing situation meant the relaunch of cooperatives development. The name, "*Habitations à Bon Marché*" was changed in 1951 to "*Habitations à Loyer Modéré*" (HLM) or rent controlled housing. Despite this new label, which includes not only cooperative but also private

companies and public entities mainly active in social rental housing, a large part of cooperatives remained focused on homeownership development.

When changes in legislation took away from co-operatives the right to build on their own, and forced them to use the services of a third party, many gave up the co-operative structure and moved towards the establishment of corporations.

Currently, having regained the ability of directly producing housing units, **French coops represent around 200,000 rental dwellings and 5,000 new homes for sale each year.**

They are affiliated to the National Federation of Coop HLM, which works through two main structures: *Coop'HLM Développement*, dedicated to supporting cooperatives in need of capital, and *Coop'HLM Financement*, aimed at financing the federate coops through participative loans.

The French HLM Cooperative is a **part of the history of the French collaborative housing movement and represent the social roots** of this movement. With time, HLM Cooperatives have become professional actors with a strong focus on social support, often active on a county scale. Therefore, they are different from other cooperative forms which are typically smaller (at the level of single buildings) and mainly volunteer-based initiatives from groups of people – sometimes including upper class households. However, HLM cooperatives besides their own building activities also contribute to the development of other initiatives within the broader collaborative housing movement, both on political aspects and on the operational field. They can for instance provide social rental housing units within a participative project, help groups of inhabitants with technical support or provide them directly with a building.



New developments in the cooperative sector

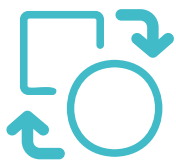


HLM cooperatives are committed to **promoting access to home ownership for low-income households in all areas**, and this need is increasingly important in large towns and cities, but also in tourist areas such as coastal areas, mountain regions, etc. The aim is also to help specific groups who find it particularly difficult to access home ownership, such as single-parent families and people living in disadvantaged neighbourhoods.

At the same time, the co-operatives aim to **develop social rental housing** in a context of sharply rising demand. They aim at **involving residents as much as possible** in the project, making choices about their own housing but also allowing them to participate in the governance model if they so wish.

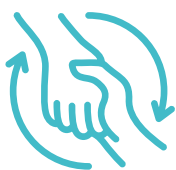
In recent years, under the name **“Bail réel solidaire”**, the **Coop’ HLM movement has embraced the right of use model**. The possibility of disaggregating ownership of the land from that of the building in order to promote homeownership (established in the French legal framework in 2016) nowadays represents an inspiring innovation for home ownership coops and community land trusts in France and across Europe. More information is provided in the text box below.

Recent context changes affecting the work of housing cooperatives



- ➔ **Rising interest rates on mortgage loans** are having a major impact on the solvency of households looking to buy a property. In France, almost all mortgages are at fixed rates which increases protection for households in times of inflation. However, the current situation is preventing many households from stepping on the housing ladder, as many who would have been able to buy their home few years ago can no longer afford to do so.
- ➔ The price of new housing produced by HLM cooperatives is not directly linked to market prices, but calculated based on the cost of land, works and project management. These costs have risen significantly over the last 5 years with the increase in raw materials prices and the effect of inflation. As a result, **projects are coming to a standstill unless they can either cross-subsidise** from selling part of new developments to more affluent households at higher prices, and/or **use innovative mechanisms** such as the abovementioned *bail réel solidaire*.

How can Europe help?



- ➔ Europe should embrace a **broad vision around housing, open to different forms of affordable housing** including forms social access to home ownership. This can create a framework for exchange and cultural enrichment, as demonstrated by the deployment of the *bail réel solidaire*, which was inspired by the Anglo-Saxon CLT model and its transposition to Belgium.
- ➔ At a political level, it's important for the EU to **recognize the specific features of the social and solidarity economy**, based on statutory commitments and values and ethics specific of the cooperative movement.

THE 'FRENCH WAY' TO COMMUNITY LAND TRUSTS: AN ANTI-SPECULATIVE HOUSING SOLUTION

An Organisme Foncier Solidaire (OFS) is an instrument developed in the French context similar to what is called a Community Land Trust in most English-speaking contexts.

Grand Delta Habitat is a founding member of the OFS La Coopérative Foncière Méditerranée, created in 2018. Thanks to this cooperation, Grand Delta Habitat offers a dedicated solution for households wishing to become homeowners in high demand areas where land is very expensive: the so-called *bail réel solidaire*.

This is a social housing scheme based on land lease, that is attracting more and more households thanks to its low price. Buyers acquire only the buildings, and the property of the land is retained by the cooperative. This translates into savings for residents that go from 20% to up to 50% in Côte d'Azur. In L'Isle-sur-la-Sorgue, in the Vaucluse department, Grand Delta Habitat is currently marketing

34 homes (28 apartments and 6 detached homes). These properties are being offered at €3,320/m², which is 25% below the market price. In return, the owner pays a monthly fee of €1.63/m² to the OFS.

This mechanism is the only way that low-income households can buy their own home in areas where market prices do not allow them to do so. Most important, this cooperative scheme is anti-speculative. The capital gain on resale is controlled, and the owner must be approved by the OFS which applies income ceilings, a condition for benefiting from the scheme.

Last but not least, under the so-called SRU Law, municipalities in France are required to devote 25% of their local stock to social housing. Homes offered under this scheme are included in the social housing quota for local authorities and therefore represent a significant advantage for the hosting municipality.



HOUSING COOPERATIVES IN GERMANY

**A third alternative to rental housing
market and ownership**



INTRODUCTION

Rental Housing cooperatives are of great importance in Germany, both in terms of quality and number.

Together with municipal housing companies, they are key players in urban development and renewal.

The first rental housing cooperative was founded in 1885 in Hannover. However, the bulk of cooperative housing development happened after the Second World War when Germany, as most other European countries, faced a severe housing shortage.

Today the total number of housing cooperatives is **almost 2,000, with almost three million members (2.8 million) and more than two million dwellings (2.2 million), mostly rental.** They are most widespread in the city states of Hamburg and Berlin as well as in the eastern

federal states, and they come in very different sizes ranging from few units to 17,000 apartments (as in the case of the largest housing cooperative, in Dresden).

A highly developed legal system that enforces the non-profit principle, and establishes a rent control model that only allows increases within prescribed limits, has been able to guarantee members of housing cooperatives an affordable and secure tenure through a perpetual lease.

Housing co-operatives **are financed through member contributions,** both resident and non-residents (the latter including individuals and legal entities that support the housing co-operative by investing money into it). Members buy shares whose amount varies from one coop to another and

often depends on the size of the dwelling, as well as on the actual financial situation of the cooperative.

The fact that housing coops have to comply with a **well-functioning auditing system** often result in very low risk and good financial rating, which in turns simplifies access to credit. Furthermore, some of the largest housing cooperatives have established their own credit institutions.

At federal level the only support is in the form of corporate tax reduction for rental cooperative housing, however some states and local authorities have put in place specific financing schemes. The extent of this kind of support varies according to the importance placed on the topic by the municipality and its financial means.

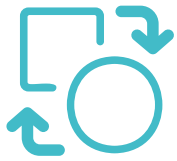


New developments in the cooperative sector



Apart from a limited number of cities (including notably Hamburg, Berlin and Leipzig), there is a **lack of specific promotion programs for the foundation of new housing cooperatives**. Lack of funds together with lack of knowledge consultants, auditors and tax advisors also constitute obstacles, which means that nowadays the number of new housing cooperatives is very small compared to the number of existing ones.

Recent context changes affecting the work of housing cooperatives



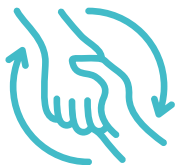
In 2022, the legislator introduced a new regulation in the Cooperative law legislation on the permissibility of alternative forms of general meetings, such as purely virtual or hybrid general meetings.

Furthermore, in July 2023, the Federal Ministry of Justice presented the key points of a **draft bill for a law to strengthen the cooperative legal form**. The planned amendments to the Cooperatives Act focus on

- ➔ the promotion of digitalisation in cooperatives
- ➔ increasing the attractiveness of the cooperative legal form
- ➔ measures against dubious cooperatives

In terms of promoting the digitalisation of cooperatives, this could have an impact in terms of digital accession to the cooperative and termination of membership, and digital establishment of the articles of association.

How can Europe help?



A strong concern from German housing cooperatives is with **the risk of increasing bureaucratic burden resulting from EU regulations**. One example of this is potentially increased requirements in terms of sustainability reporting.



HOUSING COOPERATIVES IN IRELAND

**Community development
through cooperation**



© Brigid, member tenants from the launch of Plás an Chruicéid, Tuam Co. Galway, August 2024.

INTRODUCTION

With the foundation of the Irish state in 1922, state funding began to be directed towards local government for social housing building programmes. In particular, the formation of co-operative housing societies in Ireland dates back to the 1950s and has been traditionally linked to encouraging access to individual homeownership.

Some 3,000 homes were built in the 1970s and 1980s. These were local, self-help, home ownership building co-operatives providing affordable homes for their members. The national association Cooperative Housing Ireland (formerly the National

Association of Building Co-operatives) was formed in the early 70s.

During the 10-year period to 2008, Ireland faced a large increase in private housing construction resulting in an over-supply of new housing. After this period, came one of relative underperformance in the post-Global Financial Crisis. This Global Crisis, added to the privatization of a significant part of its publicly funded housing, around two-thirds, has led to a lack of persistent shortfalls in affordable housing.

For the last decades, the lack of a national financial scheme has led

coops to mainly work with local authorities who have financed the delivery of social housing. Nowadays, the challenge is to go forward to reach a wider range of lower income households excluded from social and public housing. Co-operative Housing Ireland continues to explore new ways in which co-operative housing can be provide across all tenure types and socio-economic groups. In addition to the **3,000 homes delivered through the co-operative movement** supported by CHI (then NABCo), **CHI as an Approved Housing Body owns and manages more than 5,000 homes across the country.**

New developments in the cooperative sector



As well as providing social housing CHI is currently **supporting Aisteach Co-operative Housing Society Limited (previously QHC Queer Housing Co-operative)**. This organisation is registered as a co-operative to provide housing and housing support, for lesbian, gay, bisexual, transgender and queer people through mutual aid based on the co-operative principles.

We have also been meeting with a Lecturer in the Department of Food Business & Development and Centre for Co-operative Studies at a Cork University, who has been working with **Cork Student Co-operative, who are also looking to develop a co-operative housing model** and community for this group.

Both Aisteach and the Cork Students Co-operative are struggling to obtain accommodation and homes for their respective projects. CHI has been liaising with these two groups as well as Self-Organised Architecture (SOA) to figure out a solution to this challenge and blockage to the delivery of co-operative housing in Ireland. CHI will continue to work with these organisations and co-operatives to further the movement and find solutions to delivering this kind of model in Ireland.

Recent context changes affecting the work of housing cooperatives



- ➔ The **Affordable Housing Act 2021** was introduced into law in Ireland. The Act aims to increase the stock of affordable housing with the introduction of the following initiatives:
 - ➔ **1.** Local authorities are to deliver affordable homes for purchase on their lands for the first time in more than a decade;
 - ➔ **2.** A new Affordable Purchase Shared Equity Scheme will see the State providing equity support to households purchasing homes in the private market but who are unable to secure the full mortgage to do so; and
 - ➔ **3.** The introduction of 'Cost Rental' as a new form of tenure.
- ➔ Co-operatives are mentioned specifically under Section 6 of this Act, however it has yet to be operationalised or implemented in a practical sense. Under Section 6:

“Provision of dwellings by housing authorities

6. (1) A housing authority may make dwellings available for the purpose of sale to eligible applicants under affordable dwelling purchase arrangements and may, in accordance with the Housing Acts and regulations made under any of those Acts, acquire, build or cause to be built, or otherwise provide or facilitate the provision of, dwellings for that purpose.

(2) A housing authority may, for the purposes of subsection (1), enter into—

(a) arrangements with an approved housing body,

(b) arrangements with a community-led housing organisation, a housing co-operative or a community land trust,
- ➔ The **Co-operative Societies Bill**, was also introduced into law in 2022. This new legislation:
 - ➔ Focus on preserving the internationally recognised principles and identity of co-operatives;
 - ➔ Seeks to reduce administrative burdens on co-operatives and safeguard the essential democratic nature of co-operatives;
 - ➔ Removal of the antiquated and burdensome restrictions on the ability of co-operatives to raise funds from both their members and wider community.

How can Europe help?



To support CHI with the development of a co-operative housing model in Ireland. The main areas we need support with are:

- ➔ Educating the public and policymakers on the benefits of a housing co-operative model and how successful this housing delivery system is in other EU countries.
- ➔ Operationalising and putting in place practical measures and plans for Section 6 of the Affordable Housing Act 2021.
- ➔ An alternative funding/ financial model or support to deliver co-operative housing in Ireland. Currently it is a very binary system, with either private funding for developers/ building companies and mortgages for the individual buyer, or social housing.

HOUSING COOPERATIVES IN ITALY

The Cooperative Movement's Resistance against the Housing Crisis



INTRODUCTION

The Italian Cooperative Alliance Housing Sector is composed by **around 1000 cooperatives. It deals with 40.000 rental housing** of so-called undivided ownership. **Around 400.000 dwellings delivered in more than one century history.**

Italian Cooperatives have played a significant role in shaping 20th-century housing policies. Founded in 1884 by the workers of a tobacco factory, one of the first cooperatives started in Bologna, Emilia Romagna, a region well known for its particularly successful cooperative movement.

From the late 1800s until the arrival of fascism, thanks to the support of several political leaders, thousands of cooperative housing units were built. Following World War II, the cooperative movement experienced a rebirth playing a major role in

post-war reconstruction. Legislative changes were made to recognize their social function and their aim to fight against private speculation. Consequently, a system of tax exemptions and different financial tools were developed.

The 2007 social, financial, and political crisis, added to the liberalization of the market, and to the decentralization of housing policies, decreased cooperative housing construction. Nevertheless, thanks to a mandatory rule that complies to allocate surpluses in a solidarity fund for future development, there are 800 active housing cooperatives with 260.000 members, and a social lending of 624 million of euros.

Like in other southern European countries, homeownership has a big proportion - 70% of the housing

stock in Italy. This proportion of **85% homeownership and 15% rental is also present in the cooperative model, where the most common type are co-op members who become owners. In the second type, considered a subset of social housing, the cooperative dwellings are leased to members indefinitely, while still belonging to the cooperative.**

Nowadays, the three main housing cooperative federations, the Generale Association of Italian Cooperatives - Associazione Generale Cooperative Italiane- (AGCI), the Federabitazione-Confcooperative Habitat, and Legacoop Abitanti, are willing to be part of the solution for the housing crisis.



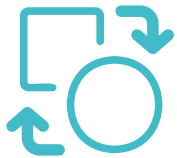
© Cooperative housing in Milan by DAR=CASA, Italy.

New developments in the cooperative sector



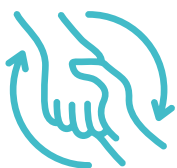
Since the 90s, Legacoop Abitanti has promoted and accompanied its members through a transition: **from a housing-centred to an inhabitants-centred model**, assuming that the satisfaction of the housing needs cannot be separated from **urban quality, sustainability and social integration**. Therefore, in the recent years Legacoop Abitanti has promoted several innovative projects, promoting enabling platforms for housing and services. The lead idea is that beyond bricks and mortars cooperative homes and neighbourhoods should become dynamic hubs for local welfare and culture, contributing to social inclusion. Another area where Legacoop has been very active is **support to energy communities**.

Recent context changes affecting the work of housing cooperatives



- Currently the **role of public authorities in supporting cooperative housing is very small**. Responsibilities for funding are delegated to the Regions which therefore have to use their own resources which are often absent or residual. However, some Regions ensure contributions to the end users of cooperatives or provide funding for innovative projects for the regeneration and re-functionalization of public assets. The cooperative sector has been identified as a key player for a forthcoming stakeholders' roundtable that should inform a new national housing plan.
- As Legacoop Abitanti we have recently proposed a national plan based on PPP: with support from the public component of 40% and 60% of private resources with a target of a social housing plan of 50,000 homes. The cooperative sector aims to achieve 10% of it, with a total investment of 1.4 billion euros of which 850 million of its own resources and 550 million of public contribution. With the collaboration of different actors like Fondazione Housing Sociale.

How can Europe help?



The cooperative housing sector intends to be one of the protagonists of the Ecological Transition. There's a strong interest in funding opportunities from Europe including in particular calls related to the Affordable Housing Initiative, and in the potential for EIB finance to support a new housing plan in Italy.

We want to develop an hypotheses that can be explored further: the establishment of a fund managed at a national level by Cassa Depositi e Prestiti, with financial provision from the European Investment Bank, dedicated directly at social housing operators such as the cooperation, with the Regions as protagonists as co-investors through distributed governance process, enhancing a cross sectorial approach (housing/care/culture).

Standing the recent approval of the legal framework, the cooperative housing would deepen projects related with Renewable Energy Communities, enhancing the cooperative aspect related with the engagement of tenants, the circular economy and climate adaptation.

CARBONIA 3 - DAR=CASA COOPERATIVE AN EXAMPLE OF SOCIAL MIX AND RESIDENTS' ENGAGEMENT

Dar=Casa, an housing cooperative member of Legacoop Abitanti, is managing public temporary housing within a public-private partnership with the Municipality of Milan.

Carbonia 3 consists in 48 apartments located on three floors and overlooking a gallery and an internal courtyard. In the centre of the court, there is a common space that hosts the porter's lodge and a room for social project's activities.

The target are families in housing emergency, young students and temporary workers, and young people with

more fragile profiles. They can access apartments of different sizes at affordable rates.

The project asks young people to get involved in the relationship with neighbours and the neighbourhood, working for the promotion of activities of sociality and solidarity. A social team follows the young inhabitants in this challenge. In this 4 years of activity, young people involved in Carbonia 3 promoted different activities: creative workshops, cine-forum, a small library, dinners and parties, with particular attention to children's recreation needs.



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HOUSING COOPERATIVES IN NORWAY

**Cooperatives as a way to expand
homeownership for all**



INTRODUCTION

The **Co-operative Housing Federation of Norway (NBBL)** is one of the biggest membership organisation in the country.

Today, the **39 cooperative housing associations have more than 1,2 million individual members.**

From its foundation in the 1930s, the cooperative housing movement has been a tool to implement Norway's social housing system. A system characterized, after the Second War, by the intention to provide good housing to all by stimulating homeownership in a non-speculative form. Different tools – such as affordable housing building plot, subsidized loans, and grants – facilitated cooperative housing association to become the biggest stake holder to provide privately owned housing for all as an alternative to a large public housing sector. Based on broad political support the cooperative housing movement has established one of the

largest and most successful housing cooperative movements in the world for cooperative housing ownership.

From the 1980s, nevertheless, the liberal agenda based on free market economy and deregulation abolished price regulation, reduced the subsidized public loans and grants, and municipalities no longer provided building plot, and public financial support was mainly directed to people with low-incomes or special needs.

By 2023, no more than approximately 5% of new houses received a government bank loan. Until the late 70s, most of the houses built were financed through the State Housing Bank. From the mid 1989s housing cooperatives adopted to a free market economy, however, not without facing challenges.

Despite the **demise of a triangular policy cluster between**

government, local authorities, and cooperative housing associations in the 1980s, the coops still play a central role especially in urban areas like Oslo with 40% of the housing market. At the national level, there are **370.000 cooperative dwellings**, representing 13,7% of the total housing stock. **Out of their stock, 59,5% is owner-occupied and 26,8% rental.**

The current Norwegian model of housing **cooperatives does not benefit from government financial assistance, except when providing housing for people with disabilities or other specific population groups** as refugees, housing in rural areas etc. **Local authorities have the legal right to buy 10% of the flats in housing cooperatives. Flats are normally sold in the market at their full market value.** Members of cooperative housing associations, however, have the right of pre-emption at the price set in the market.

New developments in the cooperative sector



It has never been easy to buy a first home, but in recent years it has become very demanding with fast rising house prices far above the real wages increase. **Recent increase in interest rates, and strict requirements to get a loan approved**, such as 15 percent equity when buying a home, contributes to a fall in private home ownership.

For more people to have the opportunity to buy a home, housing associations and other private **developers have developed several so-called “Home purchase models” “as shared-ownership” and “rent-to-own”.**

Housing purchase models are market-based solutions aimed at groups with a salary sufficient to pay down on a housing loan. However, these buyers often lack sufficient

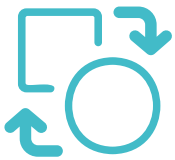
equity, 15% of market price. Housing purchase models are not accessible for disadvantaged in the housing market, in part because these models only offer new housing which is more expensive than buying an older flat.

Some municipalities have seen that there is a need for measures for groups who are not directly disadvantaged in the housing market, but who do not have sufficient income to enter such models. They already offer housing solutions for these groups, and new schemes are being discussed that would include financial assistance which is not presently provided by government policies.

In a “shared-ownership model”, you only buy 50 percent or more of the flat at a fixed price while the rest is rented. Gradually, you can buy up until you finally own the entire flat. The initial ticket to home ownership is less expensive. “Rent to own” is a solution which means that you enter into an agreement to rent a home but get an option to buy when you have the finances to do so during the next five years. If house prices increase, your equity also increase.

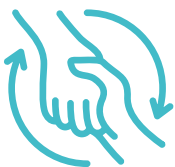
“Home purchase models” give more buyers the opportunity to become homeowners, in particular young people, divorcees, the elderly and others who lack equity capital. Currently, there is a limited number of households which have become homeowners after using these models.

Recent context changes affecting the work of housing cooperatives



Home purchase models provide the opportunity for home ownership for people that would otherwise have to rent a home. Therefore, the **government has proposed an amendment to the housing laws to enhance these models**, to make these models more accessible and consumer friendly. A forthcoming government report on housing to be presented to the Parliament is expected to include proposals for groups that are not able to buy a home.

How can Europe help?



NBBL welcomes shared experiences and good examples which can concretely contribute to their work. In addition to housing for young people, priorities include upgrading of existing housing for elderly people, and higher requirements for energy efficiency.

Far too few homes are built in Norway today. New homes must satisfy very high requirements in many areas, which are of course expensive. Housing cooperatives are therefore very interested in learning about solutions for building modern and sustainable buildings in all areas.



HOUSING COOPERATIVES IN POLAND

**Dealing with the threat
of privatisation**



© Międzyzakładowa Spółdzielnia Mieszkaniowa 'Energetyka'.

INTRODUCTION

Housing cooperatives have a **long history in Poland, where they existed even before the formal regaining of independence in 1918**. In 1921, two types of housing co-operatives were established in Poland: the lodger co-operatives which were rental properties and house-building or property co-operatives where members were owners of their respective units and co-owners of the property.

After WWII, Polish housing co-operatives were redefined according to the model of the Union of Soviet Socialist Republics: housing development was centrally planned to include production targets, design and quality standards and allocation of units. Co-operatives played a key role in addressing the housing problem faced by Poland after WWII, and they became the main organisations responsible for fulfilling the housing needs of the Polish population and the main actors on the housing market. They also contributed to the establishment of new social infrastructures by building and developing various kinds of social services (cultural, youth, libraries, etc.) in collaboration with their respective local authorities.

At the end of the communist period in 1989, there were 4,021 housing

co-ops with 2,672,000 dwellings with 3,500,000 individual members. With the collapse of the socialist economy in the end of the 1980s, the entire housing policy (finances, production, allocation, and legal) needed to be redefined. In that context, housing co-operatives were seen with suspicion, being identified with the old regime. Generally, the co-operatives' share in the different sectors of the economy dropped and their membership declined, although the presence of housing co-operatives remained significant.

In 1991 a change in legislation permitted the creation of co-operative auditing unions (under the condition that they would not conduct any business activity), and a slow and difficult process of reconstruction of co-operative structures started. **ZRSMRP, the Auditing Union of Housing Co-operatives of Poland**, was constituted during a Congress of Housing Co-operatives in November 1992 and officially registered in February 1993. It is still today the main structure for housing co-operatives at the national level.

However, **during the 90s most of large housing co-ops were divided into smaller units. Furthermore, unit privatization was encouraged**, and tenants could buy their units

with a discount on the sale price of their unit up to 80%–90% of the market value. Legislation was adopted to frame property rights and by 2001, 67% of the co-op dwellings were privatized. In 2000 legislation specific to housing co-operatives was passed (Act of 15 December 2000 on Housing Co-operatives). The Act included the obligation to transfer the ownership right to the premises to individual ownership upon a member's written demand, for a symbolic price. The said provision was deemed unconstitutional by the Constitutional Tribunal in its decision of 21 May 2001. However, this provision was inserted in following amendments to the Act introduced in 2007 and 2009, which basically resulted into abolishing the co-operative ownership right to dwelling and replaced it with an individual ownership right. In 2017 the unconstitutional amendments to the act on housing cooperatives have been adopted and **housing cooperatives still struggle to continue their main goal building new flats for the members** as only legislation dedicated to private limited companies is being adopted and aimed at them where land is being given to private companies from the government excluding housing cooperatives.



New developments in the cooperative sector



Today housing co-operatives are no longer the main housing developer. Actually **only 10 per cent of co-operatives conduct any developer's activity and the vast majority concentrate on management functions only**. However, they still represent about a **fifth (19,4%) of the total housing stock, with 3,500 co-operatives and over 2 and a half million units**. Today, all co-ops are ownership co-operatives.

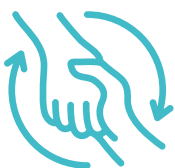
The housing cooperative sector is waiting for the amendments to the housing cooperative law that would enable them building new flats for their members including giving them lands from the governments as private companies benefit.

Recent context changes affecting the work of housing cooperatives



→ The latest amendments to the housing cooperatives act refer to the civil energy initiative. As of 7 September 2023, an amendment to the Act on housing cooperatives entered into force, as a result of which **housing cooperatives will be able to perform tasks as a civic energy community** within the meaning of Article 3(13f) of the Act of 10 April 1997. Energy Law (Journal of Laws 2022, item 1385, as amended). In order to do so, it is necessary to enact amendments to the statutes of a given housing cooperative, as the amendment consists in amending the provision of Article 1(2) of the Act on Housing Cooperatives by adding point 6 to paragraph 2 after point 5. Thus, the provision of Article 1(4) of the Act on Housing Cooperatives, according to which it is the statutes of a cooperative that determines which activity, from among those listed in paragraphs 2 and 3, the cooperative conducts, will apply.

How can Europe help?



→ There are no direct funds from the EU that are dedicated to housing cooperatives. Thus, a roadmap for the use of EU funds for the housing cooperative sector should be established and implemented.



HOUSING COOPERATIVES IN SPAIN

**Homeowners cooperatives adapting
to new societal needs**



INTRODUCTION

Housing cooperatives in Spain have historically focused on providing homes for purchase, including both 'protected' or subsidised homes built with public financial support and sold at a price below a fixed ceiling as well as 'free' or unrestricted homes built without public money and sold at cost price.

Founded in 1988, the **Confederacion de Co-operativas de Viviendas de Espana (CONCOVI)** is the

national umbrella organisation for housing co-operatives in Spain, having succeeded the National Union of Co-operatives created in 1957. CONCOVI, a private sector organisation, is the only non-profit organisation defending the interests of the Spanish people before the Administration and other actors involved in cooperative projects, recognized by the State. A founding member of the Spanish Business Confederation of Social Economy

CEPES, CONCOVI is constituted by the regional federations of Housing cooperatives (active at the level of the Autonomous Communities).

CONCOVI counts today **191 affiliated cooperative societies**, more than 10,500 housing units under construction, 3,198.27 million euros of investment volume and **45,189 direct jobs created**¹.

New developments in the cooperative sector



Cooperatives in Spain have **increased their activity enormously in recent years**.

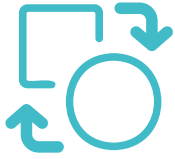
Throughout the year 2023-24, the number of due diligence studies of new projects (built on both private and public land) that CONCOVI has analysed to enable their sale and acquisition by cooperatives has multiplied.

The **integral rehabilitation of buildings and neighbourhoods**, thanks to the 5 programs supported with **Next Generation funds**, is also one of the major objectives of the Government. CONCOVI also advises hundreds of neighbourhood associations in matters of rehabilitation of their buildings and neighbourhoods, focusing especially the oldest housing stock.

Today, public administrations systematically seek the support of cooperatives and important collaboration agreements have been signed with CONCOVI in order to **make public land available to housing cooperatives**. Land is assigned over 75 years to coops to create housing for rent or long-term right of use, destined to the youngest or most vulnerable sector of the population.

¹ Data from the official management and accounts report "IG-23" of the Spanish National Registry of Housing Cooperatives

Recent context changes affecting the work of housing cooperatives



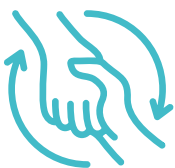
The main novelty is that all **public administrations currently prioritize in their programs solving the problem of access to affordable housing in Spain**, which represents an important change in the policy landscape of the country. Furthermore, ownership is no longer the only option for accessing housing in Spain. **Rental and right of use are legal forms that are now also supported by the State Plans.**

More specifically, recent positive changes in the political context include:

- ➔ **Public/Private Collaboration** to promote **Public Land** through Surface Right by Cooperatives.
- ➔ Unification of **land and urban development laws necessary** to stimulate investment and regain investors' confidence.
- ➔ Creation of **lines of guarantees and public guarantees** to facilitate access to financing from Spanish banks and the EIB.
- ➔ **Reduction of administrative bureaucracy** in processing and obtaining permits and licenses.
- ➔ **Updating of the maximum prices of subsidized housing**, absorbing the high increase in financing and construction costs in the construction sector.

CONCOVI is calling on the Spanish Government for an **action plan for the promotion of the social economy in housing** (including subsidized home ownership, rent and right of use, and rehabilitation of the housing stock over 50 years old) **mobilising public guarantees, tax incentives and financing from EIB.**

How can Europe help?



The EU framework should allow to significantly reduce the application of VAT to the process of supply of **subsidized housing** and **integral rehabilitation** of buildings and neighbourhoods, especially when these activities are carried out by cooperatives that don't have the possibility of compensating this tax in successive projects or annual exercises.

Furthermore, a **specific EIB credit line dedicated to housing cooperatives and non-profit entities** to finance their projects for renting and transfer of use should be established.

ADDRESSING THE EXCLUSION OF YOUNG PEOPLE FROM RENTAL HOUSING

For decades in Spain housing policies have exclusively promoted access to home ownership, making Spain one of the EU member states with the highest rate of home ownership and lowest supply of rental housing.

It is, therefore, essential for public policies to promote cooperative rental housing to offer an alternative access

to rental housing to thousands of young Spaniards who, otherwise, will not be able to start their emancipation.

Some of the examples from Spain which will be analysed in Part 2 of this report represent indeed new ways of dealing with emerging needs through cooperation between citizens initiatives and local authorities.



HOUSING COOPERATIVES IN SWEDEN

Developing tenant owned housing



INTRODUCTION

Swedish so-called **“tenant ownership cooperatives”** started in the 1920s as a response to extreme housing shortages, bad housing conditions and severe housing speculation.

The system is based on a so-called **‘mother and daughter’ development model**. There, the large regional Cooperative Associations, “the mother”, works with newly formed local housing cooperatives taking care of all technical aspects. Acting as a guarantor, “the mother” helps the new project to get a first development loan which funds the construction. Around two months before the tenant owners move into their homes, the “daughter” will repay the loan through a new mortgage

divided between the tenant owners, 75%, and the cooperative as a collective, 25%.

Under this scheme, the tenant owners are responsible for their own home, and all common areas of the building are owned by the cooperative. Both parts of the mother and daughter model are non-profit, with any money generated from various activities retained within the cooperative system.

One additional strength is the **Cooperative Associations savings schemes** achieved by fees. Cooperative-backed special savings accounts provide very attractive interest rates that help to finance new projects and will help new

members be part of a project. It is even common in Sweden for parents to buy memberships for their children to give them a good chance to join a cooperative when they are older.

When a tenant owner wants to leave the cooperative, they have the option to sell their shares on the open market. However, the purchaser must be approved by the remaining members of the cooperative. This plays an important anti-speculative role as purchasers must, in most cases, use the home as their primary dwelling. While sub-letting can be permitted in some cases, in general tenant owner cooperatives dwellings are not speculative investments, they are intended to be homes for those who live in them.

New developments in the cooperative sector

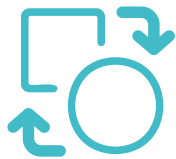


High inflation, rapidly increasing interest rates and high construction costs have deeply affected new housing construction in Sweden in 2023, and numbers will decrease even more in 2024. A state guaranteed loan for first time buyers is something that would help more people enter the housing market and is something that Housing Europe members HSB and Riksbyggen are hoping that the government will introduce. A more sustainable housing sector is a top priority and both Riksbyggen and HSB have set up and validated goals in accordance with science, SBTi.

Upcoming activities are climate risk mapping and adaptation as well as decrease negative impact on biodiversity. Areas that banks and insurance companies are increasingly focusing on and may impact financing and ability to insure a property in the future.



Recent context changes affecting the work of housing cooperatives



When it comes to newly built housing, the situation as described above applies. There is a lot going on when it comes to sustainability, one example is that since 1 January 2022, a climate declaration needs to be made for all new buildings, with the purpose to **reduce climate impact** from the construction stage and from 2027 the climate declarations will also include refurbishment. The National Board of Housing, Building and Planning has already made proposals to accelerate the introduction of limit values for the climate impact of buildings.

How can Europe help?



Regulation and financing that help us reach fossil fuel free buildings by 2050, in the most cost-efficient way possible according to national differences in housing stock etc.



COMBATING LONELINESS AND ISOLATION

In all the 100 years that HSB has existed, creating a sense of community has been at the heart of its activity. One example of this is a project in Lund called Good neighbours – social sustainability in multi-family housing, where we are working across generations in order to combat loneliness and increase a sense of belonging. In this project we are cooperating with Generation Marianne, specialized in intergenerational practice, to

unite generations in meaningful activities. The outcome of an increased sense of community is not only social sustainability but also economic and ecological, as neighbours start sharing things as tools etc to a higher degree. HSB Skåne are also arranging summer camps, both for children and for elderly persons. Here it is possible to meet new friends, have fun and make memories.

ADDRESSING EXCLUSION OF YOUTH FROM RENTAL HOUSING – MOBILISING PUBLIC SUPPORT

It can be hard to enter the housing market, that is why HSB have introduced a model called HSB Dela (HSB Share). Aimed at young persons between 18-29 years, with this model, HSB acts a partner, buying 50% of the

apartment. After ten years, the young person will need to either buy the remaining 50% of the apartment or sell the apartment including HSB's 50%. In this way, we are helping young persons to buy a cooperative apartment.

HOUSING COOPERATIVES IN SWITZERLAND

**The powerful alliance between cities
governments, coops and civil society**



INTRODUCTION

Coming from the last part of the 19th century, **Switzerland's rental housing co-ops are particularly prevalent in large cities like Zurich, where they count for about 20% of the housing stock**, Biel with 14%, Lucerne with 12% and Winterthur with 11%. Throughout the country they represent 4,3% of the total housing stock.

The **popularity of rental housing co-operatives in urban areas** leans to a strong tradition of local community self-help and to the city's housing market situation. As a consequence, most of them are rather small, and until recently were basically run by voluntary board members. There are also large housing cooperatives with several thousand residential units

and professional offices. Apart from providing an affordable rent, they are well known also by their pioneering architectural designs, and the ecological quality.

Especially in cities, their popularity has helped to maintain, with more intensity, different public policies over the years. **Access to subsidized loans and to municipal public land in the form of a "right of use"** have been a constant. Their regulation avoids speculation, with rents that are **significantly lower than market rents**, and guarantees the participation and co-decision rights of cooperative members. At national level, on the other hand, housing subsidies have hardly been expanded in recent years.

Well organized in the association **Wohnbaugenossenschaften Schweiz**, Swiss cooperatives have undergone rejuvenation and a return to politicization in recent decades. Even though they have been criticized for being closed, the most recent study on the subject shows that currently the difference in the share of non-Swiss residents, and the holds for different family patterns disappeared.

In the present day, with very little undeveloped land and mandatory densification, the new challenge for housing cooperatives is associated with a metropolitan renewal approach to the existing housing stock.

New developments in the cooperative sector



The association's most important strategic goals are:

- ➔ **1.** to meet the demand for affordable housing through more non-profit housing construction.
- ➔ **2.** to promote the further development of non-profit housing developers.

In line with these strategic objectives, the association has pursued the following activities and developed new services in recent months:

- ➔ **1.** the market share of non-profit housing developers in Switzerland is just under 5 per cent. In order to really have a price-reducing effect on the housing market and to satisfy the high demand for co-operative housing, the proportion would have to be much higher. In addition to political efforts to increase funding and access to building land (see



below), Wohnbaugenossenschaften Schweiz has also developed its own tools to ensure that non-profit property developers can finance themselves and realise construction projects at low cost:

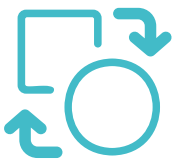
- ➔ Financing market for non-profit housing developers: the financing market makes professional loan tenders for non-profit housing developers to a wide range of financiers, helping them to obtain favourable financing.
- ➔ Foundation “Soliterra”: Development of a land foundation that acquires land and hands it over to non-profit housing developers under building rights (under development).
- ➔ The association also runs campaigns in various regions that target private land and property owners with the aim of persuading them to buy land from non-profit housing developers.

➔ **2.** At the same time, the association also wants to further promote the professionalisation of non-profit housing developers and make them fit for the construction and social challenges.

- ➔ Expansion of the association’s comprehensive further training programme with around 50 individual courses and two diploma courses (financing course, management course) with a new course (social settlement management) and the development of a new offer in the area of construction and maintenance.
- ➔ Forum of Swiss housing cooperatives with over 520 participants on the topic of “Rethinking construction” (new approaches such as circular building, building for climate change/heat reduction, cost-effective construction).
- ➔ Events and political arguments on the topic of new replacement construction or renovation existing buildings.

➔ **3.** The association has developed 10 guiding principles for non-profit housing construction to reflect the special features and values of cooperative housing.

Recent context changes affecting the work of housing cooperatives



In connection with the current housing shortage and rising rents, initiatives are being submitted at a political level and measures for more affordable housing are being discussed. It remains to be seen what will definitely be decided and what impact this will have on legislation and housing subsidies. The association is involved in this process and is calling for an expansion of existing subsidy instruments and access to building land for non-profit housing developers.

Municipal and cantonal initiatives that have been adopted:

- ➔ **City of Zurich**, housing fund that supports non-profit housing developers in the acquisition of land.
- ➔ **Canton Baselland**: New housing promotion law comes into force on 1 January 2024.



PART 2



**The view of emerging
cooperative housing
initiatives**



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RIGHT OF USE COOPS, THE BEGINNING OF A NEW HOUSING MODEL IN BARCELONA

While still modest in comparison with co-housing in Northern Europe, **new co-housing initiatives are now a noticeable phenomenon primarily in the Barcelona area but also in Catalonia overall.** As of today there are 41 catalogued initiatives in Catalonia - of which only 16 projects are already functioning. Most of them have emerged since 2011 as a way of challenging dominant structures of housing provision as well as addressing wider social, economic, political and ecological concerns.

The common point of all these projects is a pioneer model for cooperative housing called 'right of use' (*cessió d'ús/cesión de uso*). Inspired by housing cooperative experiences in countries like Denmark and Uruguay, the main difference with respect to the Spanish 1980's housing production cooperatives, is the strong commitment to using value above exchange value.

When the citizen platform Barcelona en Comú (Barcelona in Common) became the governor of Barcelona in 2015, the municipality's focus on 'right to housing' policies was translated into a ten-year plan. Even though the main housing focus was public and affordable rentals, the

Plan also established rules to promote land allocation for right of use cooperatives and cohousing. The municipality-owned land is made available to housing cooperatives by 75-year leases for a relatively modest annual rent. As a condition, the municipality requires that entry to the housing cooperative is governed by the same income and wealth ceilings as admission to social housing.

In order to support this process, the **Barcelona City Government created a Working Group on Housing Cooperatives** (*Taula d'Habitatge Cooperatiu*). Integrated by municipal civil servants from the main areas involved - housing, urbanism, heritage department, etc.-, ethical and cooperative financial institutions, neighbourhood associations and new associations, the main objective was to integrate alternative housing initiatives into policy.

Together with the city council and regional policies, the **new cooperative projects have been possible thanks to a strong new movement.** Between the different associations involved in the process, **Sostre Cívica has been one of the key actors.**



© Sostre Cívica.

SOSTRE CÍVIC

➡ Date of creation	2004
➡ Number of housing units - executed and underway	540
➡ Number of people allocated	220
➡ Number of partners	1370

The Sostre Civic model is centred on **affordable and sustainable housing, promoting access to housing through social and solidarity economy**. It works in collaboration with other cooperatives, public administrations, and other entities within the social realm. A cornerstone of this model is the collective ownership tenure form, which guarantees that homes remain under the cooperative's control. This structure protects housing projects from speculative market forces and undue fluctuations, thereby ensuring a stable, equitable housing environment.

Sostre Civic projects encompass not only the provision of housing but also community building, environmental responsibility and citizen participation. Environmental responsibility is interwoven into the operational fabric, reflecting in energy-efficient housing designs, sustainable resource utilization, and promoting eco-conscious living among members.



© Sostre Cívic.

Challenges



The main difficulties in setting up a project within Sostre Cívica pertain to **financial hurdles, legislative adjustment, and land and asset acquisition**. Financially, accumulating initial capital and securing loans are challenging, mitigated through shared mutual support, a common fund, and voluntary capital social contributions. Legislative adjustment is tackled through active advocacy in federations and campaigns, aiming to foster favourable policies for cooperative housing, achieving notable legislative changes at various levels. Land and asset acquisition is crucial for project establishment, with strategies like the “Right of First Refusal” to acquire properties from banks before they are sold to speculative funds, significantly reducing capital contributions and monthly fees, making the model more accessible.

Lessons learnt



Starting with low-risk pioneer projects is fundamental as it provides a practical framework and mitigates initial challenges. These projects serve as tangible proof, facilitating the dissemination of the cooperative housing model. **Outreach is crucial**, not just to showcase the affordable housing solution but to explain the holistic benefits it brings forth, such as fostering strong, resilient communities prepared to tackle climate change, and enhancing social care structures within.

Moreover, the experience of Sostre Cívica highlights the **power of citizen-led initiatives in shaping public housing policies**. When organized communities come together to address housing needs, it creates a compelling narrative that can influence local governance and challenge the conventional housing frameworks.

How can public policies help?

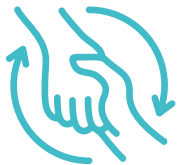


Local and national public policies, along with subsidies, have been instrumental in facilitating Sostre Cívica's initiatives.

At the municipal level, Barcelona City Council approved a 95% Property tax reduction for all cooperative housing projects, whether on public or cooperative-owned land. This collaboration with Barcelona's city council and housing entities aims to generate over 1,000 new homes in the coming years, 40% of which will be cooperative housing.

Moreover, consistent interactions with Catalonia's Housing Agency have secured funding to consolidate the cooperative housing model, working towards a new legal framework. In 2021, a subsidy from the Catalonia Regional Government was approved, significantly reducing the capital contributions of cooperative housing projects by €5,000 per person, marking a significant stride towards model affordability. These policies and subsidies, among others, have been pivotal in addressing financial barriers and promoting cooperative housing, reflecting a collaborative effort between public entities and Sostre Cívica.

How can Europe help?



European Union can play a pivotal role in promoting cooperative housing models. Providing financial support would be extremely useful, particularly in the form of grants and low-interest loans or guarantees, to help initiate or sustain cooperative housing projects. The EIB and EIF are potentially key institutions.

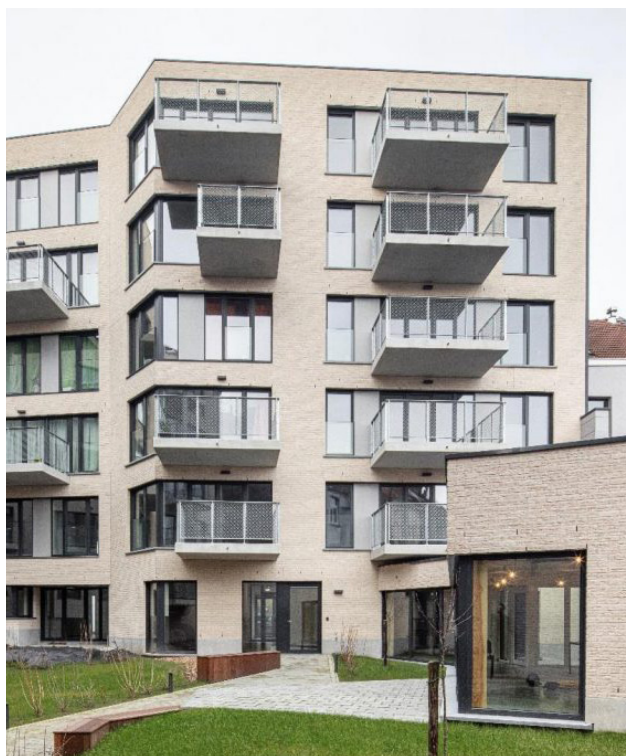
Moreover, fostering a regulatory environment that supports the growth and sustainability of cooperative housing across member states is crucial. The EU can also facilitate knowledge exchange platforms to share best practices, lessons learned, and to cultivate a network of cooperative housing entities across Europe. Additionally, advocating for policies that prioritize housing as a fundamental human right and not merely a commodity, would resonate with housing cooperatives' core values and long-term objectives.

HOUSING COMMONS AND COMMUNITY LAND TRUST

Emerged in the United States during the civil rights movement, **CLTs are non-profit, democratic, community-led organisations, committed to ensure permanently affordable homes for low- and medium-income households.** As defined in the United States, CLT have three founding aspects. Firstly, a democratic tripartite governance that balances between residents, community and public administration interests. Secondly, a **structure where land is owned collectively.** And finally, control mechanisms such as resale formulas and allocation criteria to avoid speculation.

The **spread of CLT in Europe emerged in the first two decades of the 21st century, with the establishment of new urban community land trusts** (about 300 projects today). In June 2023 the European CLT Network was launched, to enable the growth of CLTs across Europe and support them to maximise their long-term social and environmental impact.

The **Brussels CLT is one of the pioneers** of this model in continental Europe.



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COMMUNITY LAND TRUST BRUSSELS

➡ Date of creation

2012

➡ Number of developed housing projects

7 projects, 110 units

➡ Total number of housing units in development

4 projects, 60 units



Community Land Trust Brussels (CLTB) develops **permanently affordable housing for low-income people**. The work of CLTB is not just limited to the development of housing but also extends to **building communities in and around the housing projects**. Most of its homes are shared equity homeownership. **Low-income families can buy the homes at price below market value** (up to 50% cheaper) but the equity at resale is limited, guarantying the permanent affordability of the homes for other low-income households who may want to live there in the future.

The community of residents plays an important role in the development of the housing projects. Later on, as homeowners, these communities are in charge of the management of the projects. As they include very diverse communities and vulnerable people, community building is an important part of CLTB work.

The organization is **democratically governed**. All homeowners and applicant homeowners are member of the association. The board is composed of residents, civil society members and representatives of the regional government, each with one third of the votes.

CLTB is in charge of prospection and of project development. The group of future residents for a new housing project is defined once the building permit has been obtained. People on CLTB waiting list are invited to participate and the homes will be allocated based on seniority. This process takes more or less two years and during this period CLTB team organizes a series of meetings and training sessions in order to involve the future residents in the development, build social cohesion among the future residents, and train them in order to be able to autonomously manage their homes and communities once they move into their new homes.



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Challenges



The recent **increase of building costs, the increase of interest rates and the difficulties to find land** are major obstacles to develop new projects.

Moreover, an important overall challenge for a community led organization working almost entirely with government funding is to **keep the right balance between its values as a community organization and the demands from public authorities** – which are justified by the public funding allocated.

Lessons learnt



The main lesson from CLTB experience is that it is possible to do community-led housing development with underprivileged groups. In order to succeed, it is **necessary to use methods adapted to groups who often have been excluded** from these kinds of processes.

It is also **not possible to achieve these results without strong public support**. However, this support results into an important added value for the residents, communities and public authorities involved.

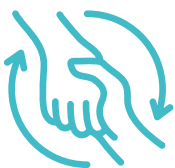
How can public policies help?



CLTB is structurally supported by the Brussels Regional Government. In 2023, the organisation received a 3 million investment budget to buy land and make housing affordable. Housing projects are funded for 60% by the homeowners through social mortgages. The rest is covered by the regional subsidies. The Brussels Region also provides operational subsidies.

Started as an experimental project with yearly renewable financial support, the Region has increasingly strengthened its partnership with CLTB. This led to the official recognition of CLTB, based on new legislation, in 2022. In 2023, CLTB and the Brussels Region signed a collaboration contract for the coming 4 years.

How can Europe help?



In a situation where developing new buildings becomes more and more difficult, while at the same policies that are needed to reach carbon neutrality pose a serious threat to poor residents who do not have the capacity to bear the cost of renovation, Community Land Trusts and other non-speculative community-led housing initiatives could play an important role in the Renovation Wave, protecting low income communities against 'renovictions'. EU funding for energy efficient renovation should be geared towards these initiatives.

CONCLUSIONS



This report sheds some light on the diversity of housing cooperative models across Europe, an integral part of the housing systems in many countries that often remains relatively unexplored or not fully understood. Cooperative housing is sometimes not clearly visible in official statistics, due to the fact that while in some countries are accounted or separately in other cases the homes they manage are somehow ‘hidden’ within figures for owner-occupied or rental housing. However, as some of the figures presented in this report show, in many countries in Europe they are home to a large number of households and manage large shares of the housing stock. We estimate there are at least 7.9 million cooperative housing units in the EU and EFTA countries.

Furthermore, within the Housing Europe network alone we count over 22 thousand housing cooperatives, that come in all sizes ranging from small scale initiatives to large and highly professionalized organisations. Also in terms of tenure forms cooperatives offer solutions that are often in between rental and outright home ownership, and a model of democratic management and decision-making.

While the traditional cooperative model has a proven track record in addressing housing needs, its evolution through innovative practices and supportive policy measures is essential for meeting today's economic, environmental, and social challenges. The following is a synthesis of the key conclusions drawn from the report:

1

EVOLVING ROLE OF HOUSING COOPERATIVES

→ Historical and Social Impact:

Housing cooperatives have long served as a vital means of delivering affordable, non-speculative housing. Rooted in principles such as “one person, one vote,” they have historically empowered communities and provided democratic alternatives to both market-driven and state-run housing models.

→ Adaptation to Modern Challenges:

Despite their historical success, cooperatives now face new pressures—from rising construction costs and financing challenges (e.g., higher interest rates) to the need for energy-efficient, decarbonized homes. In many countries, their models are being complemented or reinvented to meet these contemporary issues, including by establishing new forms of shared ownership, collaborating with local authorities through land lease and community land trust models, setting up local energy communities.

2

DIVERSE NATIONAL CONTEXTS AND INNOVATIONS

→ In **Italy** housing cooperatives manage 40 thousand units for rent but they are mainly active in producing homes for purchase at costs lower than market, and have built over 400 thousand units over the past century. In Spain, there are 191 cooperatives affiliated to the federation CONCOVI which in recent years are building over 10 thousand units for sale per year, doubling the level of production compared to ten years ago. There are also a number of recently established cooperatives working on ‘right of use’ housing in cooperation with local authorities.

➔ **Germany** has the largest number of cooperative homes, more than 2.2 million rental units across the country. Switzerland is also known for the strength of its cooperative sector with 180 thousand rental housing units managed by not for profit housing coops, particularly widespread in the city of Zurich.

➔ Housing cooperatives manage over 1.1 million homes in **Sweden** and 370 thousand in Norway. In the Nordic countries cooperatives offer access to home ownership and cooperative housing shares are sold on the market.

➔ In **Austria, France and Ireland** housing cooperatives are part of the regulated social and not for profit housing sector.

➔ In former communist countries housing cooperatives have met different fates in the process of transition towards market economies and housing privatisation that followed (as illustrated by the example of **Estonia and Poland**). Today they still represent an important sector in the housing market but are mainly focusing on managing and upgrading the existing stock.

➔ New initiatives—such as the right-of-use cooperatives in **Barcelona** and Community Land Trusts in **Brussels**—illustrate a trend toward models that not only provide affordable housing but also integrate community building, environmental sustainability, and anti-speculative safeguards.

3

KEY CHALLENGES AND POLICY NEEDS

➔ Financial and Regulatory Hurdles:

Across many national contexts, cooperatives are constrained by:

- ➔ Increasing construction costs and rising interest rates.
- ➔ Rigid loan conditions and public funding restrictions.
- ➔ Absence of public support schemes
- ➔ Legislative frameworks that sometimes favor private development over cooperative models.

➔ Call for Coordinated Support:

The report emphasizes that targeted policy interventions—both at the national and European level—are crucial. These include:

- ➔ Access to low-interest, long-term financing and guarantees
- ➔ Recognition of the unique characteristics of the cooperative model
- ➔ Mechanisms to support decarbonisation and sustainable renovation of existing housing and neighbourhoods

THE FUTURE OF COOPERATIVE HOUSING IN EUROPE



→ Social, Economic, and Environmental Synergies:

Cooperatives are uniquely positioned to address intersecting challenges such as housing affordability, climate change, and social isolation. Their community-centered approach not only provides affordable housing but also fosters strong, resilient local communities.

→ Opportunities for Knowledge Exchange:

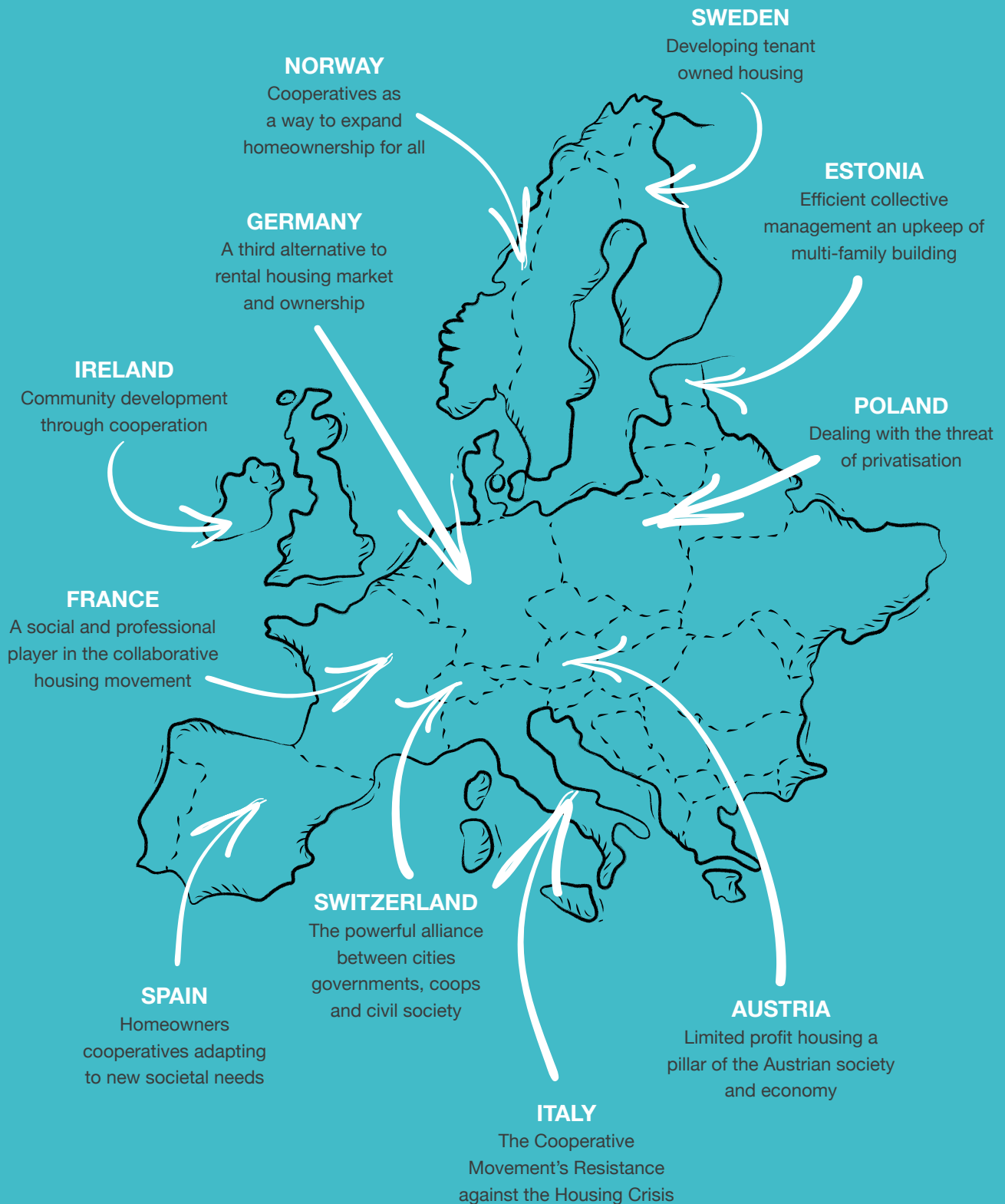
There is significant potential for Europe-wide networks to share knowledge and best practices, scale innovative models, and create frameworks that bridge local initiatives with EU-level support. Such collaboration could help transform housing cooperatives into a cornerstone of sustainable urban development across the continent.

→ A Vision for Inclusive Housing:

Ultimately, the report underscores the importance of embracing a broad vision around housing, open to different forms and organisations including housing cooperatives as part of the broader third sector or social economy ‘family’. This perspective can drive public policies and financial models that ensure all citizens—especially those in low- and middle-income groups—have access to dignified, sustainable, and affordable housing and have a say as to where and how they want to live.



An overview on housing cooperatives in European countries and the experience of Housing Europe members dealing with societal challenges





Housing Europe is the European Federation of Public,
Cooperative and Social Housing

Established in 1988, it is a network of 46 national and regional federations which together gather about 43,000 public, social and cooperative housing providers in 25 countries. Altogether they manage over 25 million homes, about 11 % of existing dwellings in the EU.

Social, public and cooperative housing providers have a vision of a Europe which provides access to decent and affordable housing for all in communities which are socially, economically and environmentally sustainable and where everyone is enabled to reach their full potential.

www.housingeurope.eu