

# WHAT IS A HOUSING CO-OP?



**CO-OP**  
H O M E S

# What is a housing co-op?



A Housing Co-op is a housing organisation where members (tenants) democratically control and manage their homes.

Co-ops are the country's best kept secret – small community organisations quietly sustaining strong community businesses, often owning significant community assets.

Many Housing Co-ops also own their properties but some manage properties for other landlords (ie the council or Housing Associations)

Most Housing Co-ops are registered as Industrial and Provident Societies, which give the co-op a legal structure, allowing it to operate as a co-operative.

People set up or become members of Housing co-ops for a number of reasons:

- Having a nice place to live
- Living in a supportive and vibrant community
- Good housing services and affordable rent
- Having control over their homes and neighbourhoods
- A commitment to the co-operative value and principles\*, a tradition that dates back to the 1840s.

All of these are good reasons to be involved with Housing Co-ops. Whatever the reason, the co-operative model is a good way of providing housing, at the same time as empowering ordinary people communities.

Much research carried out into tenant control shows that tenants are better and more efficient at running their housing than councils and housing associations. Strong housing co-op movements exist all over the world, Canada & Norway being particular examples. The UK currently



has a small housing co-operative sector numbering about 600 housing co-ops in England, Scotland and Wales. Most housing co-ops are small community organisations owning 50 homes but some are larger. The sector generally has a good record of success, spanning 35 years.

Setting up and running a housing co-op can be hard work and it relies on ordinary people being prepared to do their bit to help their community. However, the benefits do outweigh the work that has to go in!

## What are the Co-operative Values and 7 Principles?

The Statement of Co-operative Identity established by the International Co-operative Alliance (ICA) in 1995 agreed the following:



## Values

In order to maintain their identity co-operatives should ensure that they are supporting the following co-operative values:

- Self-help and responsibility
- Democracy
- Equality, equity and solidarity
- Honesty and openness
- Social responsibility and caring for others

## The Seven Principles

These are principles by which co-operatives put their values into practice. All co-operatives should act in accordance with these following seven principles:

### 1st Principle: Voluntary and Open Membership

Co-operatives are voluntary organisations; open to all persons able to use their services and willing to accept the responsibilities of membership, without gender, social, racial, political, or religious discrimination.

**2nd Principle:  
Democratic Member Control**

Co-operatives are democratic organisations controlled by their members, who actively participate in setting their policies and making decisions. Men and women serving as elected representatives are accountable to the membership. In primary co-operatives, members have equal voting rights (one member, one vote) and co-operatives at other levels are also organised in a democratic manner.

**3rd Principle:  
Member Economic Participation**

Members contribute equitably to, and democratically control the capital of their co-operative. At least part of that capital is usually the common property of the co-operative. Members usually receive limited compensation, if any, on capital subscribed as a condition of membership. Members allocate surpluses for any or all of the following purposes; developing their co-operatives, possibly by setting up reserves, part of which at least would be indivisible; benefitting members in proportion to their transactions with the co-operative; and supporting other activities approved by the membership.



**4th Principle:  
Autonomy and Independence**

Co-operatives are autonomous, self-help organisations controlled by the members. If they enter into agreements with other organisations, including governments, or raise capital from external sources, they do so on terms that ensure democratic control by their members and maintain their co-operative autonomy.

**5th Principle:  
Education, Training and Information**

Co-operatives provide education and training for their members, elected representatives, managers and employees so they can contribute effectively to the development of their co-operatives. They inform the general public – particularly young people and opinion leaders – about the nature and benefits of co-operation.

**6th Principle:  
Co-operation Among Co-operatives**

Co-operatives serve their members most effectively and strengthen the co-operative movement by working together through local, national, regional and international structures.

**7th Principle:  
Concern for Community**

Co-operatives work for the sustainable development of their communities through policies approved by their members

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