THE FUTURE OF REAL ESTATE IS COOPERATIVE

AFFORDABILITY

Due to the treatment of housing as an investment rather than a necessity that should be available for everyone and scarcity in urban markets, rent and property costs have risen to astronomical levels, often taking up large portions of individual incomes (Albuoy et al. 2016). As this problem persists, more and more individuals and families will be priced out of owning, or even renting, adequate homes.

STRONGER NEIGHBORHOODS

Due to over a century of discriminatory policies enforcing or encouraging racial covenants, redlining, white flight, and a vast array of other discriminatory practices, countless communities of color in the US are burdened by segregation, highly concentrated poverty, and deteriorating infrastructure. Rising housing costs are disproportionately affecting people who are already low-income and in lower-quality structures (Rampell 2021). Historically marginalized individuals continue to be displaced, damaging the fabric of communities that have always struggled to attain economic stability.

AUTONOMY & BUILDING SOCIAL CAPITAL

When individuals have to rent properties, they ultimately have very little meaningful control of their space. Renters must abide by the wants of the owner of their property (Cornell Law n.d.), leading to frequent discomfort and lack of incentive to invest in one's own living space. This creates a sense that one's residency is always temporary, dampening one's autonomy and their will to build community in their area.

COLLECTIVE FINANCING

Co-Ops can be financed collectively, individually, or in a hybrid of the two. Group purchasing can allow individuals to buy homes that would otherwise be financially unattainable, leading to collective ownership of a home. Collective financing can protect cooperative members from economic downturns or individual financial hardship. If a single cooperative member loses their job, for example, the rest of the co-op can make up for the lost income and prevent foreclosure. Co-Ops can release people from the fear that they are one missed paycheck away from losing their housing.

DEMOCRATIC DECISION-MAKING

Housing cooperatives allow residents to have control over their own dwelling spaces. Decisions that would impact all members are decided on democratically (Northcountry Cooperative Foundation 2004). Members of the house would feel as if they are part of a greater community, giving them a vested interest in improving the quality of their living space.

COMMUNITY BUILDING

By living in a large group together, members of a house can bond over their shared interests and experiences. This will strengthen not just the house but the broader neighborhood as a whole, creating a more resilient community.

COMBATTING INSTITUTIONAL DISCRIMINATION

Open membership is a strongly held principle in cooperatives across the globe, promoting inclusivity and more harmonious living. Additionally, cooperatives have empowered historically marginalized communities, to reach economic security and vibrant communities, and could be used to generate autonomy for those who have been the subject of systemic oppression.

Joining a housing co-op is often more affordable than renting because co-ops are operated at-cost (Sustainable Economies Law Center 2019). Surplus can be returned to members after accounting for maintenance, upgrades, or reserves. Investing in real estate can still be preserved, but instead of individuals having to afford large upfront costs, one can buy shares in a larger property.

By choosing to limit resale price of shares and require owner-occupancy, affordability will be preserved in areas where rents are rising (National Association of Housing Co-Operatives 2021). Co-Ops can also decide to prioritize residents with specific needs, such as low-income families, the elderly, or people with disabilities, creating a more inclusive future that combats institutional discrimination.

People living together in a housing cooperative can connect through their shared interest in creating a safe and comfortable residence. This will promote an inclusive community where individuals are simultaneously in control of their own destiny. Cooperative living ultimately creates a future where individuals are kinder to one another, as well as themselves.

FURTHER READING

Details on different types of co-ops and the process of starting one:
National Association of Housing Cooperatives. 2021. "Buying into a Housing Cooperative." https://coophousing.org/resources/owning-a-cooperative/buying-into-a-housing-cooperative/#paragraph16.
NASCO. 2021. "Start a Co-op" https://www.nasco.coop/start-a-coop.

Co-Ops in recent years and their potential for the future:
Schneider, Benjamin. 2019. "CityLab University: Shared-Equity Homeownership." Bloomberg CityLab. https://www.bloomberg.com/news/articles/2019-04-29/alternative-homeownership-land-trusts-and-co-ops.
Thaden, Emily. 2018. "The State of Shared-Equity Homeownership." Shelterforce. https://shelterforce.org/2018/05/07/shared-equity/.

The history of housing co-ops:
Thompson, David J. August 16, 2021. "The Cooperative Struggle Against Redlining." Shelterforce. https://shelterforce.org/2021/08/16/the-cooperative-struggle-against-redlining/.

Co-Ops in Ann Arbor:
Inter-Cooperative Council at Ann Arbor. https://icc.coop/.

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