



New Groups

Guide & Checklist

September 2023





1. Starting A Housing Co-operative

About Co-operative Housing

Co-operative Housing is a unique and responsive housing option. Co-operative Housing is built upon principles of active participation, democratic member control, autonomy and independence, education and training and concern for the community. It provides an avenue for proactive and likeminded residents to work together to enable housing outcomes that meet their needs.

Co-operative Housing includes both Community Housing Co-operatives and equity-based Co-operatives. Community Co-operative Housing provides social and affordable housing eligible residents the opportunity to experience many of the benefits of home ownership including secure long-term tenure, autonomous decision making, a sense of belonging, stewardship, and community. As members collectively work through housing management and governance, Co-operative Housing residents build capacity and confidence as a group and individually.

Housing Co-operatives – both community housing and equity based, are designed by the group for the group, with equal benefit for all members. Co-operatives are democratic, formally incorporated groups, setting their own constitution, code of conduct and other governance measures. Each Co-operatives' governance is overseen by an elected Co-operative Committee who also lead tenant engagement, member meetings, events, and shared projects. The Co-operative model enables an opportunity for housing communities to pool resources – including the resource of active participation - and maintain agency over their housing outcomes.

Why Co-operative Housing?

Co-operative housing provides a unique and progressive model of community housing with significant benefits for residents, government and the broader housing system. Residents report a high level of satisfaction and a strong sense of belonging and support (social capital). Research reports that residents are more engaged, have a greater sense of security and custodianship of their properties, and experience higher sense of wellbeing than found in other forms of community and social housing.

Government benefits from the provision of social and affordable housing by a self-sufficient and self-organising housing sector - delivering quality housing outcomes with arguably lower operating costs. Co-operatives diversify housing choice by offering an agile model which is responsive to diverse needs and contexts, and tailorable to shared community aspirations.

Common Equity NSW

Common Equity NSW (CENSW) is the peak body for community Co-operative Housing in NSW and a registered tier two Community Housing provider. Working to the Co-operative model, we support our residents to have choice and control through cooperation.

As the peak body CENSW:



- collaborates with 32 established housing Co-operatives across NSW to manage their properties and support their housing needs.
- champions and advocate for Co-operative Housing and its benefits.
- provides training and assists with capacity building and future planning; and
- invites opportunities to partner with others to grow our dynamic sector.

CENSW currently manages 517 properties and have a goal to continue to grow the sector.

Starting a Housing Co-operative

There are many resources available to support new groups in establishing themselves as a Co-operative entity. More details on the support available are included in the table in *Section 2: Available support*.

Starting a Community Housing Co-operative

Community housing Co-operatives provide subsidised housing to very low to moderate income households – spanning social to affordable housing eligibility. Eligible individuals and households may be interested in contacting one of the 32 community housing Co-operatives in NSW to learn more about them and register on their waiting lists. CENSW can provide contact details on request.

Those wanting to establish new Community Co-operative Housing groups can do so by working through the steps outlined in the checklist table included in *Section 2: Available support*. New groups can formally establish themselves as a Co-operative and begin building a sense of community and co-operation through regular meetings, training, and activities. In considering the type of property needed, the group can identify the area, scale, and physical requirements. CENSW can work to support the Co-operative's establishment by means identified in Section 2.

Starting an Equity-based Co-operative

There are a number of Housing Co-operatives in NSW where members have contributed the financing required to self-fund the establishment of a Co-operative housing development or to purchase a piece of land. In these instances, status as a Housing Co-operative has influenced the type of title of the property (such as Community rather than Strata Title) and the nature of the ownership or leasehold relationship between the Co-operative and the resident member. In this type of Co-operative, members own a share in the Co-operative's asset rather than owning the property itself. Each member has a formal agreement with the Co-operative that secures their long-term use of the land. While this type of Co-operative can often provide a more affordable housing option, it is not government subsidised and there are no income cap regulations to comply with.



Success for a Co-operative where members financially contribute depends greatly on the group's ability to: self-organise; agree on and formalise their collective goals and aspirations; research and communicate matters of due diligence; collaborate on decisions relating to the physical built form of the site; and co-operate to work through the complex process of developing the co-operative.

The Challenge for New Groups

While there are challenges for both Co-operative housing types, challenges for Community Co-operative Housing are arguably more limiting than for those where members are able to commit finance to a Co-operative's establishment. In NSW, there are currently over 50,000 households on the register for social housing (this includes public housing, Aboriginal housing, and community housing). Unfortunately, general waiting periods are over 10 years in most metropolitan and regional allocation zones. Given the demand for housing is increasing and housing stock is a scarce commodity, allocation of properties continues to be a growing challenge. CENSW is committed to ensuring that our current properties are being managed efficiently and continue to look for opportunities to grow the sector.

Given that funding is limited the priority for CENSW is to serve groups with high needs, who are self-organised and have a commitment to the Co-operative Housing model. It is unlikely that CENSW will be able to fund and develop a new project for new groups on its own and will likely have to begin any new project with new groups by seeking out additional external resources from partners such as the state and sometimes federal government, councils and other partners to find a suitable site and secure development funding.

CENSW focuses on working with new groups to mentor them in developing partnerships, advocacy, fundraising and networking that can help get a new housing Co-operative started. CENSW has partnerships with Department of Communities and Justice, disability service providers, universities, the federal government, and local councils. There may be opportunities to explore partnerships with churches, charities and philanthropic foundations, superannuation funds, community groups, Roads and Maritime Services and private developers.



2. Support for New Groups

New Group Checklist

The checklist below is designed to support newly developing Housing Co-operatives work through a range of steps required to develop a plan and formally establish as a Co-operative entity. The first section is common to all Housing Co-operatives while part 2 is broken into sections A and B to address the work needed specific to either Community Co-operative Housing or Equity Based Co-operative Housing.

To be successful, Co-operative Housing groups must be community led and able to self-organise. New groups should work through this table to prepare for growth opportunities and to demonstrate capacity to meet the requirements of the Co-operative Housing model. Once your group has worked through this table and developed a clear plan for your Co-operative, CENSW can meet with you to provide further support. The support we can provide is included in the final table below.

✓	Forming your group and defining your project	Resources to help
1.	<i>Starting up</i>	
<input type="checkbox"/>	<p>Have you identified your Co-operative Housing community*? (Either specific members or broader target group)</p> <p>*In starting a Co-operative it is important to have members who share and value the same goals and vision and for the community to start with a shared intension about the benefits they want members to receive.</p>	<p>Gather a community Click here</p> <p>Benefits of collaborative living Click here</p>
<input type="checkbox"/>	<p>Have you identified clear goals and hopes for your group?</p> <ul style="list-style-type: none"> - Write them down - Workshop them - Make sure all members are on board 	<p>Plan your Co-operative Click here</p>
<input type="checkbox"/>	<p>Learn more about Co-operatives:</p> <ul style="list-style-type: none"> • Legal structure • Similarities and differences to other incorporated groups • Membership 	<p>Co-operative Manual Click here</p> <p>Overview of Co-operatives (general) Click here</p> <p>Online training – Co-operative Foundations Click here</p>
<input type="checkbox"/>	<p>Learn more about Co-operative Housing – Locally, Nationally and Internationally</p>	<p>NSW Click here</p> <p>Australia Click here (Vic) Click here (WA) Click here (SA)</p> <p>Internationally Click here</p>
<input type="checkbox"/>	<p>Consider joining Co-operative network such as BCCM (Business Council of Co-operatives and Mutuals) or the Co-op Federation to build and maintain knowledge and connections</p>	<p>BCCM (Australia) Click here</p> <p>Co-op Federation (NSW) Click here</p>
<input type="checkbox"/>	<p>Is your group willing to work through appropriate guides and training in Co-operative governance and management?</p>	<p>Co-operative Governance Advice Click here</p> <p>Dept. Fair Trading Click here</p> <p>General not-for-profit Governance training Click here</p> <p>Information and training on not-for-profit Boards</p>

		Click here
<input type="checkbox"/>	Is your group willing to learn about and complete training in tenancy management?	Residential Tenancies Act 2010 Click here
<input type="checkbox"/>	Does your group understand the varied models of tenure available? Have you decided which is best for your group? The main forms of Co-operative Housing tenure are: Community Housing (subsidised social and affordable housing); Member financed - established through a pooling of funds; and rental housing – where members hold a lease arrangement with the Co-operative. Internationally it is common for there to be a mix of each within one Co-operative. This may also be something your Co-operative would like to do.	Choosing your Co-operative Type Click here For stories and case studies of Housing Co-operatives locally Click here For research and case-studies of Housing Co-operatives internationally Click here
<input type="checkbox"/>	If you are wanting to be a Community Housing based/inclusive Co-operative, have your members undertaken an eligibility assessment? <ul style="list-style-type: none"> Do they meet the eligibility for Social Housing? Y/N Do they meet the eligibility for Affordable Housing? Y/N 	About community housing Click here Social Housing Eligibility Click here Affordable Housing Eligibility Click here or call the Housing Contact Centre on 1800 422 322
<input type="checkbox"/>	If you are wanting to be an Equity Based Co-operative are members: <ul style="list-style-type: none"> Able to meet a minimum financial contribution? Able to raise finance to make a financial contribution? 	For information on financing Click here Common questions Click here
<input type="checkbox"/>	If you are wanting to operate as a rental Co-operative, is the Co-operative able to raise enough capital/finance to allow for rental members?	

2. <i>Moving your project forward</i>		
<input type="checkbox"/>	Is the group registered as a Housing Co-operative?	For Co-operative registration Click here
<input type="checkbox"/>	Have you decided: <ul style="list-style-type: none"> How often you will meet? How decisions will be made? A clear plan for moving your project forward – milestones to work towards etc.? 	Run your Co-operative Click here Collaborative Housing Management Click here
<input type="checkbox"/>	Have you defined your goals for your physical project: location, size, balance of shared spaces and private spaces? Consider what approach will best support the day-to-day interactions and members what to have.	Considerations Click here Design Click here
<input type="checkbox"/>	Have you identified the model, financial and legal structures that best suit your Co-operative?	Types of Co-operatives Click here Community Housing Co-operative Click here and here Ownership Click here Financial structures Click here Legalities Click here

2a. Community Housing Based Co-operative

Social and Affordable Housing is managed by a Community Housing provider (CHP) such as CENSW. Usually, state owned, or subsidised properties offer secure and affordable housing for those on low to moderate incomes. When new developments or transfers (for the management for existing housing stock) become available, there is an extensive tender process, usually open to all CHPs and is therefore quite competitive. CENSW is committed to growing the Co-operative Housing sector, and as such explores each opportunity as it arises.

<input type="checkbox"/>	<p>Who can help fund and/or support your project?</p> <p>Have you compiled a list of possible investors and/or grant sources? Include:</p> <ul style="list-style-type: none">- Department of Communities and Justice (Community Housing)- Land and Housing Corporation – Social and Affordable housing properties- Other government land holders- Politicians – local and federal- Councils and Councilors- Charities, churches and other religious organizations- Philanthropic organisations- Private sector organisations	<p>How to find grants Click here</p>
<input type="checkbox"/>	Have you worked together to develop a clear message about what support your group needs/ is asking for?	
<input type="checkbox"/>	Have you worked together to draft letters and request meetings with key contacts from your list (above)?	
<input type="checkbox"/>	Have you set up a communications log to keep track of contact made and response received?	
<input type="checkbox"/>	Have you contacted CENSW to introduce your group, outline progress to date and next steps?	<p>To contact us Click here</p>
<input type="checkbox"/>	Have you made a meeting with CENSW to identify what support and resourcing can be offered?	

2b. Equity Based Co-operative Housing

Equity based Co-operative housing is a variation on our current model of housing that CENSW is investigating. Equity based Co-operatives can help keep housing ownership more affordable and can be helpful for moderate income households who are able to contribute some finance towards a development. Individual or company (the Co-operative) financing, or involvement of a third-party investor the makes up the equity shortfall. In return for a moderate equity investment residents will receive long-term secure tenure.

While this is an approach which is gaining much interest in Australia, the equity based Co-operative model lacks precedents - particularly in urban areas where land value is at a premium. The Legal and financial mechanisms required (to raise finance; buy, sell, and inherit Co-operative units) still need to be determined. CENSW Continues to investigate involvement in this housing model variation. While it is not an option for us at present, it is a variation that CENSW would like to be able to support into the future.

<input type="checkbox"/>	Have you discussed finance - how will the project be funded?	
<input type="checkbox"/>	Have you discussed skills within the group, what aspects can be led by group members and where there are gaps where other professionals will need to be engaged with?	
<input type="checkbox"/>	Does your group have a preference for development or purchase?	<p>Choose your approach Click here</p>
<input type="checkbox"/>	Have you discussed design preferences and ideas? How will decisions be made?	<p>Design Click here</p>

<input type="checkbox"/>	<p>What government planning approvals would be needed? Are they likely to be approved?</p> <p>Have you contacted the relevant council for planning information and processes?</p> <p>What is the Council's Affordable Housing policy? Does your project align?</p>	<p>Get advice Click here</p>
<input type="checkbox"/>	If opting for development, have you identified who will lead the development application process, professionals to engage costs involved etc.?	
<input type="checkbox"/>	Has the group identified a particular of property or piece of land?	
<input type="checkbox"/>	Has the group and individuals sought independent legal advice to identify the financial and legal risk (company due diligence) and to ensure informed decision making for individual circumstances (individual).	<p>Get advice Click here</p>
<input type="checkbox"/>	Is the group meeting regularly and maintaining appropriate record keeping?	

How We Can Help

<input checked="" type="checkbox"/> How we can help		
<i>Members</i>		
<input type="checkbox"/>	CENSW maintains active waiting lists for Co-operative housing. We can help put you in touch with individuals who might be interested joining your group.	
<input type="checkbox"/>	<p>CENSW can provide training & support for establishing your Co-operative's governance processes, including:</p> <ul style="list-style-type: none"> - Board responsibilities - Board meetings - Rules and Policies - Budgets - Reporting 	
<input type="checkbox"/>	<p>CENSW can provide training & support for establishing your Co-operative's tenancy management processes, including:</p> <ul style="list-style-type: none"> - Vacancy management - Rent reviews - Maintenance planning and response - Conflict resolution 	
<input type="checkbox"/>	<p>Social Housing eligibility:</p> <p>If you have identified that your goal is to establish as a Community Housing Co-operative (rather than equity based) CENSW can:</p> <ul style="list-style-type: none"> - Discuss different program eligibility requirements further as required. - Discuss with applicants what is needed in the application process. 	
<input type="checkbox"/>	<p>CENSW can provide Letters of Support for your organisation when:</p> <ul style="list-style-type: none"> - Applying for funding such as through grant applications, philanthropic funding etc. - Advocating for your Co-operative – such as contacting Politicians, key decision makers, private sector organisations and other charity organisations etc. 	