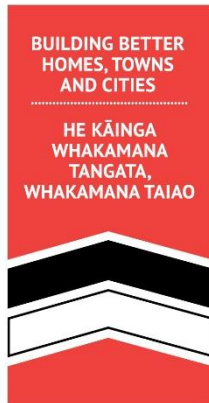


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Adaptation and Resilience – Lessons in Co-operative Housing from the Peterborough Street Co-operative

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Report for Affordable Housing for Generations - Component E

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Every effort has been made to ensure the soundness and accuracy of the opinions and information expressed in this report. While we consider statements in the report are correct, no liability is accepted for any incorrect statement or information.

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Executive Summary

Housing co-operatives, like other forms of alternative housing tenures, are attracting increased interest from households, housing providers and policy advisers as a mechanism to reduce housing costs and affordability stress.

This case study focuses on a co-operative in Christchurch which is longstanding despite having to deal with a legislative environment which is not tailored to the needs of housing co-operatives.

The Peterborough Housing Co-operative has proven to be flexible and innovative in the way it meets the housing affordability, amenity desires, and community aspirations of its members. The co-operative structure allowed the members of the co-operative to turn disaster associated with the 2011 earthquakes in Christchurch into a new start with better performing dwellings and a community-based site. The co-operative used their damaged unencumbered central city site (with four adjoining dwellings) combined with their insurance payout to build a modern 14 unit purpose built development for the benefit of their members. The co-operative benefited from members' skills and flexible innovative thinking to overcome funding shortfalls and achieve the community lifestyle and desired outcomes.

Peterborough Housing Co-operative demonstrated that with sufficient equity a community led rental co-operative can work in a New Zealand context. Members' ability to compromise and develop innovative solutions to a number of challenges allowed them to achieve their goals. Their individual skills and collective flexibility proved to be the key to their resilience. The challenge for the co-operative going forward will be to maintain these skill sets across subsequent generations of members/occupiers.

Overall, through a rental co-operative structure the residents of Peterborough Street have been able to access high performance housing and amenity at a low and affordable price. This has not been without challenges, however. Those challenges have been met because the co-operative had significant resilience generated by the co-operative's longevity, financial prudence which left the co-operative without debt prior to the earthquake, trust and active management which allowed them to adapt from traditional rental co-operative models, and, finally, a demonstrated demand for co-operative living including from those who could bring capital into the co-operative when needed. It is a success because it has adapted rather than being bound down by rigid models and assumptions about co-operative housing, its organisation and practices.

1 Introduction

Housing co-operatives, like other forms of alternative housing tenures, are attracting increased interest from households, housing providers and policy advisers as a mechanism to reduce housing costs and affordability stress. Alternative tenures embrace conditions from shared equity to co-housing arrangements, various forms of occupation rights, and co-operatives. Households accessing housing through alternative tenures are frequently seeking to reduce the costs of accessing secure housing or seeking to release equity from traditional forms of owner occupation. Typically, householders taking up alternative tenures are also often looking for other social and lifestyle benefits, particularly a sense of community.

In this country, alternative tenures in general and co-operatives in particular, are a tiny segment of the housing system. Alternative tenures include models such as co-operatives, shared equity arrangements, co-housing, leasehold-based assisted housing, papakāinga, retirement villages with occupation rights agreements and multiply-owned Māori land. With the exception of these latter two, alternative tenures in this country must use existing legislative mechanisms around titles irrespective of their suitability to the outcomes sought through the alternative tenure itself. Those interested in finding housing solutions through alternative tenures find themselves having to create their own frameworks in which those solutions will be established while also fitting in with property rights and relationships which are not always well aligned with their purpose.

Parts of the community housing sector developed a broad approach to shared ownership which became familiar to retail banks and lawyers. Using and adapting the model developed by the Housing Foundation, shared ownership has been delivered in a variety of areas including Auckland, Wellington, Marlborough and Queenstown Lakes. Co-operatives have shown less of a propensity to be prominent in the community housing sector in Aotearoa New Zealand. Moreover, co-operatives are frequently conflated with co-housing among those seeking alternative ways of meeting their housing needs and aspirations.

This case study focuses on a co-operative in Christchurch which is longstanding despite having to operate within a legislative environment unsuited to the needs of housing co-operatives. This case study demonstrates both the constraints on households seeking secure housing through a co-operative approach in Aotearoa, but also the potential and flexibility of co-operatives. The report presents a profile of housing co-operatives and demonstrates how a group of focused individuals delivered an affordable rental co-operative in Christchurch, New Zealand. We also discuss the challenges the members of this co-operative faced and how they pragmatically found solutions by focusing on the outcomes they wanted to achieve rather than clinging to preconceptions of what a co-operative should be, or how a co-operative should be structured and managed.

This research is part of the Affordable Housing for Generations (AHFG) research programme, which is a programme within the Building Better Homes Towns and Cities National Science Challenge (BBHTC). AHFG is dedicated to alleviating the under-supply of affordable housing and the housing crises associated with it through targeted research and research-based solutions. The AHFG research programme has five components (Infobox 1.1: Affordable Housing for Generations Components). This study delivers to Component E by exploring pathways to secure housing solutions and the settings that facilitate individuals, households and communities to better housing futures.

The report is structured as follows:

- Section 2 overviews co-operatives as a housing model.
- Section 3 is a description of the Peterborough Street Co-operative’s long history.
- Section 4 focuses on the co-operative’s redevelopment after the Canterbury earthquakes and the challenges associated with rebuilding homes.
- Section 5 explores the current constitution of the Peterborough Street co-operative and resident reflections on their choices.
- Section 6 comments on learnings from the Peterborough Street Co-operative and how the potential of co-operatives could be realised more widely.

Infobox 1.1: Affordable Housing for Generations Components
Component A: Markets, Housing Distribution and Wellbeing
Component B: Price Points for Affordable Housing and Housing Affordability for Key Workers
Component C: Meaning of Home & Dimensions of Affordability
Component D: Affordable Housing and the Impact of Dwellings
Component E: Realising Housing's Public Good - Funding & Developing Fit for People Housing Futures

2 A Brief Overview of Co-operatives

Housing co-operatives have a long history, particularly in Europe and North America. In Sweden, for instance, local housing cooperatives have been operating since 1910.¹ In Italy, co-operatives could attract state subsidies from the 1930s until 1965. Italian law continues to regulate co-operatives and in 1992 registered co-operatives were given access to state aid.² Countries with a significant number of co-operative housing units have achieved these levels of market penetration as a result of public subsidies and land being provided to the co-operatives, reconstruction of urban areas post conflicts/wars, restructuring or

¹ Jingryd, O., Grander, M., and P. Palm (2022).

² Bargelli, E., and A. Dinisi (2022).

privatisation of social housing stock (as in a number of east European countries), or as a result of decisions to give co-operatives some legal advantage over other tenure formats.

Internationally, the share of the total housing stock delivered through co-operatives is typically less than 10 percent, even in jurisdictions where co-operatives are well socialised in policy, public awareness, and law.³ Co-operatives, and the funding and regulatory conditions under which they operate, also vary internationally. Typically, however, a housing co-operative is a legally constituted entity with members who gain a permanent right to occupy a dwelling, usually, but not always, in return for an affordable rent. The common feature of co-operatives is that occupying households are co-operative members who, by virtue of their membership, also make decisions around the co-operative and its governance. Members may or may not pay a fee to become a member.

There are three common forms of co-operatives. Those are:

- Rental or zero equity co-operatives;
- Limited equity co-operatives; and
- Market co-operatives.

Rental Co-operatives

There are many variations of rental or zero equity co-operatives across different countries, but they are a form of what some commentators refer to as a 'rent plus' tenure.⁴ That is, they offer greater benefits than a market or even social housing rental tenure but less than a full ownership tenure.

Rental co-operatives tend to share the following characteristics:

- A member's lease cannot be terminated unless they fail to abide by the lease's terms and conditions;
- Members can transfer their rights to family members at their discretion;
- Typically, members retain their rights even when their circumstances change and would no longer qualify for subsidised membership. For example, if their incomes increase to over the co-operative's criteria they can remain as members and still occupy their unit;
- There are multiple formulae used to set the rent paid by a member. These include multiples of household income, or a fixed rental for the unit;
- Rental co-operatives require a deep subsidy to enhance their feasibility. The level of subsidy needs to reflect the cost of the development, the income generated by the members, and the ongoing operating costs of the co-operative;

³ Mitchell I.E. (2018)

⁴ See Schmid, C. U., (2022)

- Rental co-operatives are typically non-profit, democratic membership organisations controlled by an elected board that draws on the whole community as well as their members;
- Members have no equity stake in their units. They provide a low cost housing alternative which allows members to accumulate non-housing assets rather than wealth creation; and
- Members rights are restricted by the lease agreement between the co-operative and each occupier member.

Limited Equity Co-operatives

While rental co-operatives do not provide their members and residents an equity stake in the housing stock owned by the co-operative, both limited equity co-operatives and market co-operatives do allow member residents to hold equity. Overseas, limited equity co-operatives typically are associated with the collective ownership of and residence in multi-unit buildings.

Most limited equity co-operatives focus on providing and retaining affordable housing across the inevitable succession of occupiers. Members pay a membership fee, although how and at what level a membership fee is struck varies considerably. When a resident leaves their dwelling, it is usual for the dwelling to be sold to the co-operative on the same conditions as when the member joined. There is usually some recognition of value growth and, therefore, some modest growth in a member household's equity.

Most commonly, the structure and operation of a limited equity co-operative is structured and operated in a fashion similar to a market co-operative. In both cases, householders do not directly own the title to their dwelling. Instead, householders' own shares in the co-operative which then leases the unit to the occupiers. This method of ownership constitutes a significant difference to shared ownership or shared equity.⁵

Market Rate Co-operatives

The key difference between a market rate co-operative and a limited equity co-operative lies in the manner by which the price for shares in the co-operative is set. In a limited co-operative the price of a householder's shares is determined by a resale formula set out in

⁵ In shared equity or shared ownership, shared owners own a specified share of the dwelling in which they are resident. In this country, shared equity or shared ownership tends to involve tenants-in-common titles in association with a shared equity agreement around process of exit, acquisition of increased share by the household, and requirements around rates, repairs and maintenance, and insurance.

their particular co-operative's bylaws and subscription agreement. Both limited equity co-operatives and market co-operatives give members influence over the management and membership of the co-operative. However, in market co-operatives the price of shares in the co-operative is determined by prices prevailing in the real estate property market.

3 Peterborough Street Co-Operative History

In this country, housing co-operatives are often assumed to be relatively new and innovative. It is true that there are a limited number of fully developed and operational co-operatives in this country, but the origins of the Peterborough Housing Co-operative reach back over forty years. In 1980, the Te Whānau Charitable Trust expanded its activities to include a land trust. This was established and seed funded by community debentures. Those funds were used to purchase four villas on Peterborough Street, inner city Christchurch under the ownership of the Ōtākaro Land Trust, a Tier Four charitable trust that supports community development by encouraging co-operative housing.

Ōtākaro Land Trust is the legal entity of Peterborough Housing Co-operative. Rather than form a co-operative company under the Co-operative Companies Act 1966, they have used the body corporate (formed as part of the unit titling of their development) as the legal entity to manage the property and developed a co-operative agreement which members sign to establish the principles used to organise their community. Between 1982 and 2011 the Ōtākaro Land Trust paid off all their debt through fund raising activities and from the rent collected from the occupiers.

The co-operative was organised around the four households (one per dwelling) with the members using consensus decision making to organise the co-operative. Each dwelling was rented to the occupying household at a below market rent to ensure housing affordability. Each household was expected to participate in the maintenance of the site and attend monthly group dinners which rotated around each dwelling.

Christchurch's 2011 earthquakes damaged the co-operative's existing houses. All the villas were red stickered and subsequently demolished. The subsequent insurance payout allowed the co-operative to consider a rebuild which, with some borrowing, would allow for the redevelopment of the co-operative housing into a contemporary purpose designed pocket neighbourhood. In 2012 and 2013, two additional sites were purchased. The site immediately adjacent to the existing property allowed for the expansion of the rebuild and its gardens. Another site was designated for resident car parking.

4 Designing, Building and Financing

The housing stock of the Peterborough Street Co-operative consists of fourteen townhouses set around a central courtyard and includes a common or neighbourhood house. The nature of the pocket neighbourhood concept is evident in both Figure 4.1 and Figure 4.2.

Figure 4.1: Peterborough Co-operative’s Layout



Figure 4.2: Peterborough Co-operative’s development



The redevelopment's fourteen terraced houses consist of two studios, two one-bedroom units, five two-bedroom units, four three-bedroom units, one four-bedroom unit and a tiny house. The site also incorporates two shared laundries, parking, a bike shed and a common house. The common house consists of a dining room, kitchen, lounge, living room, guest room, accessible bathroom and playroom for children. Figure 4.2 shows a shared common house at the east end of the site and, on the west end, a laundry and garden storage structures. There is also, now, a building to deal with the water heating for the site and solar energy management.

One of the goals of providing the common guestroom was to reduce the cost of only sporadically used private space. The common guestroom means that residents do not need their own spare room for guests. The common house is used for monthly shared meals and as a meeting space. Other facilities such as a workshop are planned. Other features include a centralised heating system that uses solar power. This provides the townhouses with hot water and underfloor heating. The houses also have heat pumps. The properties have thicker walls than are standard and are insulated above the prevailing insulation standards in the building code.

Each unit graduates from private to public space, with the kitchen and front garden serving as a threshold between the two. There is a shared parking area located away from the houses and garden. The garden area has a focus on native plants and includes food items (such as lettuce, silver beet, pumpkins, rocket, strawberries, tomatoes and herbs). It uses limited concrete and non-tannin wood.

The development was financed by way of the earthquake insurance but also necessitated borrowing from a commercial bank. Commercial bank finance was to be secured by both the freehold value of land and the projected rental income of the development upon completion. However, the co-operative found that they had an unexpected deficit of bank funding on the basis of rental income. This was in part owing to the discounted value placed on the common building by the bank's valuer.

Members of the co-operative expected that the re-development would be similarly constituted as the original co-operative in the four destroyed villas. That is, as a rental co-operative. Design decisions and financing issues meant that the pure rental model could not be sustained. The financing issue led to the Peterborough Street Co-operative moving away from a pure rental co-operative model.

The Trust owns eleven of the fourteen townhouses. Three of the fourteen housing units are owner occupied by unit title holders. These owner occupiers do not accrue capital gains. The three privately owned units have an 'offer-back' provision to the Trust. In time, it is expected that the Trust would purchase the three owner occupied units and bring the co-operative's stock ownership back to 100% of all units.

The unit titling enabled the co-operative to meet the bank's lending criteria to overcome a funding shortfall. The funding shortfall, however, was driven by:

- The use of the term 'common house' which saw the bank's valuer discounting the added value of the structure and had consequences for the co-operative's ability to borrow.
- The bank's negative view of the demand for co-operative living with a shared communal space, despite the model of communal and private space being a typology well established in the retirement village sector. That issue was resolved in part by agreeing to sell three units to their occupiers as a way of increasing the Trust's capital base.
- The co-operative found messages from the local council as to the number of onsite carparks required confusing.
- A new style of development resulted in increased time and cost associated with various Building Code hurdles that had to be overcome. For instance, referring to the common house as communal rather than an accessory building prompted the council to treat it as a public building rather than a residential building. That, in turn, generated additional requirements around fire regulations, accessible car parking, and accessible toilets. These delayed the project and added increased costs, according to the co-operative, by tens of thousands.

5 Operating and Living Together

The Peterborough Street co-operative is dedicated to delivering a housing model that is economically sustainable to both the co-operative collectively and to its resident members. Unlike conventional owner occupation, there is no possibility nor desire for capital gains that would be appropriated by individuals.

Rent setting and rental costs

Apart from the three owner occupied units, the remaining eleven units are rented out at an affordable rent which is set at 35% of the living wage for the smallest unit. Rental costs are set thereafter on the basis of unit size. Overall, rents are set at below market rents.

Table 5.1 shows the co-operative's rents compared to market rents⁶ for dwellings in central Christchurch.

⁶ Market rents as at Dec 2022 quarter. See <https://www.tenancy.govt.nz/rent-bond-and-bills/market-rent/>

Table 5.1: Rental comparison – Peterborough and central Christchurch market rents

Number of bedrooms	Weekly rents Peterborough	Market rents for Christchurch Central		
		Lower quartile	Median	Upper Quartile
Studio	\$222			
One bedroom	\$276	\$400	\$440	\$450
Two bedrooms	\$345	\$480	\$520	\$550
Three bedrooms	\$405	\$510	\$570	\$628

Source: MBIE – tenancy bond data

Getting a home at Peterborough Street

There are broadly two pathways to living at Peterborough Street. The first pathway is used by households wishing to be long-term members of the co-operative. The other pathway has emerged as some residents have needed the flexibility to sub-let their units for a period whilst holidaying or working elsewhere. Both require collective agreement by existing members.

The proximity to the city, combined with its affordability and its security of tenure is associated with considerable interest in getting residency. The co-operative has experienced limited turnover of residents since completion in 2020. There is currently a waiting list.

Some residents had been thinking of finding co-operative-style housing for up to 30 years and some had looked at other options that had failed to materialise. There is interest to move into the Peterborough Housing Co-operative, especially from women in their sixties who live alone. Those who have become members in the past, including in the new development, are frequently known to, or related to, members of the co-operative. It was a familial relationship that led the co-operative to embrace one of the owner occupier households in the re-development period.

Like all significant decisions, recruitment is based on a process directed to come to consensus. There are issues of ‘acceptability’ and ‘fit’ which are explored through the application, interview and ‘meeting’ processes.

There are also issues of community ‘balance’. The co-operative has a deliberate focus on maintaining a mix of ages within the community as well as a mix of household compositions. Overall, the co-operative sees benefits in an age mix as well as a household composition mix ranging across:

- Single person households;
- One parent households;
- Couples with children;
- Couple only ; and
- Couple only older households.

Currently, recruiting households with children is seen as important to the community. This is, in part, because some members have ‘grown old’ in the co-operative. In addition, the members of the co-operative who helped to finance the post-earthquake development through acquiring their units through purchase are senior households.

That commitment to age and household mix is reflected in the built structure of the re-development with its graduation from private to shared space. Nevertheless, some residents noted that while the co-operative offered lots of space and security, there were also some issues around privacy that may be challenging to people. One member commented that being in a ‘fishbowl’ with a lot of exposure to public view might be less appealing for younger people. Similarly, other members suggested that there were generational differences in the way in which the ‘private’ spaces tied to units were treated and privacy preserved.

Getting on and living at Peterborough Street

The Peterborough Street co-operative has two key characteristics:

- The first is the co-operative tenure and management through consensus.
- The second is the development post-earthquake as a single site community.

The latter is by no means an essential part of co-operatives, although single site, shared facility plans are very much a characteristic of co-housing.

Co-operative Tenure and Consensus Management

For people who have been used to traditional owner occupation, there are significant differences in living in a co-operative. Those differences are four-fold. First, it requires active engagement with a group of others to make decisions. Second, it reduces the discretion, albeit discretion which often has undesirable outcomes, which owner occupiers can exercise around insurance and under-investment in repairs and maintenance. Third, and simultaneously, it relieves individuals of some financial exposure and personal burdens often associated with individual owner occupation. Those include costs around maintenance and repairs, accesses to amenities that would be unavailable to them, and reduced burdens of maintaining outdoor areas. Finally, co-operatives are often seen as providing an environment of mutual support and sociability.

At the Peterborough Street Co-operative, the co-operative tenure is supported by a set of guidelines around living arrangements overseen by a board of trustees – two of whom are independent. All residents provide four hours a month as “community hours” and act as their own property managers. Some informal sharing of private vehicles occurs. In addition to the formal provision of community hours, there is an expectation of reciprocal, albeit

informal, mutual aid. It was noted by some that the latter was particularly well served where there were close intergenerational relationships.

The co-operative is managed by the residents and decisions are made by consensus. All residents, whether owners of unit titles or renters, become trustees of the Trust. It was noted by some members, that both consensus decision-making and contribution to community hours required patience and flexibility. This was particularly a challenge for those that came from housing that was very individualised both in relation to tenure and in relation to the built environment. That is, from owner occupied detached or semi-detached dwellings on individual title.

Notably, when these 'demands on patience' were noted by some members, those issues were seen primarily as an issue of adjustment. The experience did not constitute any sense of 'buyer regret'. There was a recognition of profound differences between, and benefits of, being a member of a co-operative in a close living environment relative to being an owner occupier or being a tenant.

Those entering the Peterborough Street co-operative in their senior years, noted that the co-operative environment differed from other housing alternatives available to them. Certainly, as members of the co-operative, these seniors found that their entry and monthly costs were lower than those typically associated with living in retirement villages. These seniors appreciated the mix of ages and sociability of the co-operative environment. They also saw themselves as being much more active and engaged than in a retirement village which they saw as sociability by proximity and 'warehousing' older people. These seniors did see themselves as valuing a supportive environment but not wanting to de-manage their lives. Similarly, the seniors entering the co-operative as unit title owners compared their situation favourably to owning a unit title in an apartment building managed through a body corporate.

6 Learnings from Peterborough Street

In contrast to traditional rental, Peterborough Street provides comparative affordability but increased control, agency and security of tenure. Secure tenure allows for personal as well as financial investment in elements of the development, for example, the gardens. In the context of the re-development, Peterborough Street also benefits from being a new build. Most dwellings in the rental sector acquired by property investors are existing buildings. The performance of existing dwellings tends to be lower than new builds. This is partly owing to differences in performance standards required from more recent buildings relative to those

built in the past. It is also because the condition of rental properties tends to be poorer than the condition of owner-occupied dwellings.⁷

The Peterborough Street Co-operative also provides benefits compared to continued owner occupation with traditional, individualised title as well as unit titles in apartment buildings or occupation right agreements in retirement villages. For seniors in Peterborough Street, some of those benefits reside in housing affordability, but benefits also arise from a sense of agency, mutual support and living within a mixed community. For the members of the Peterborough Street Co-operative, the benefits of co-operative membership included being able to progress a long-term, tailored development response to earthquake recovery. The latter contrasts significantly with the experience of residents of retirement villages severely damaged by the Canterbury earthquakes. Contractual issues, issues of responsibility for rebuild and government compensation, use of insurance-related fees, displacement and resident exclusion from decision-making were widely reported at the time.⁸ Those resulted in some clarification around insurance and protections for residents.⁹ The latter have not been tested by a significant earthquake since.

There were, however, some learnings from the experience in redeveloping their property post the 2011 earthquakes including:

- It is important to focus on the co-operative's key goals and the outcomes rather than on the technical aspects underlying the co-operative's membership structure and agreements. For example, Peterborough Housing Co-operative's members overcame financing/security issues by unit titling their development and selling three units to occupier/members. From a "pure" rental co-operative perspective this could be considered yet another unit titled development. However, the flexible and innovative agreements they put in place allowed them to achieve their desired outcomes despite having to unit title the development.
- The co-operative is reliant on its members and needs a mixture of people with different skills. It is important to have resourceful people with good organisational and strong relationship management skills along with having the ability to be flexible and innovative in their thinking.
- Peterborough Housing Co-operative, like many other co-operatives, is organised around consensus decision making. Members' buy in is important and they need to be willing to commit to the co-operative concept. The ongoing successful operation of the co-

⁷ Stats NZ (2020)

⁸ Stock, R (2012); Stuff (2012); McClure, (2013).

⁹ Department of Prime Minister and Cabinet (2017).

operative requires good relationship management to ensure timely decisions are made, with all members included in the decision making.

- It is important to remember co-operatives are about the people and not the built environment in which they live. Consequently, in terms of the initial design and development of a co-operative it is important that it is not a design lead process. The focus should be on the co-operative's goals and objectives, and a built environment that facilitates those outcomes.
- Decisions around naming of buildings can have significant consequences. For example the naming of common buildings can mean they are viewed as public buildings under the Building Act and therefore required to meet all public building standards. In addition, the cost of these buildings may not be reflected in the market value of the overall complex.

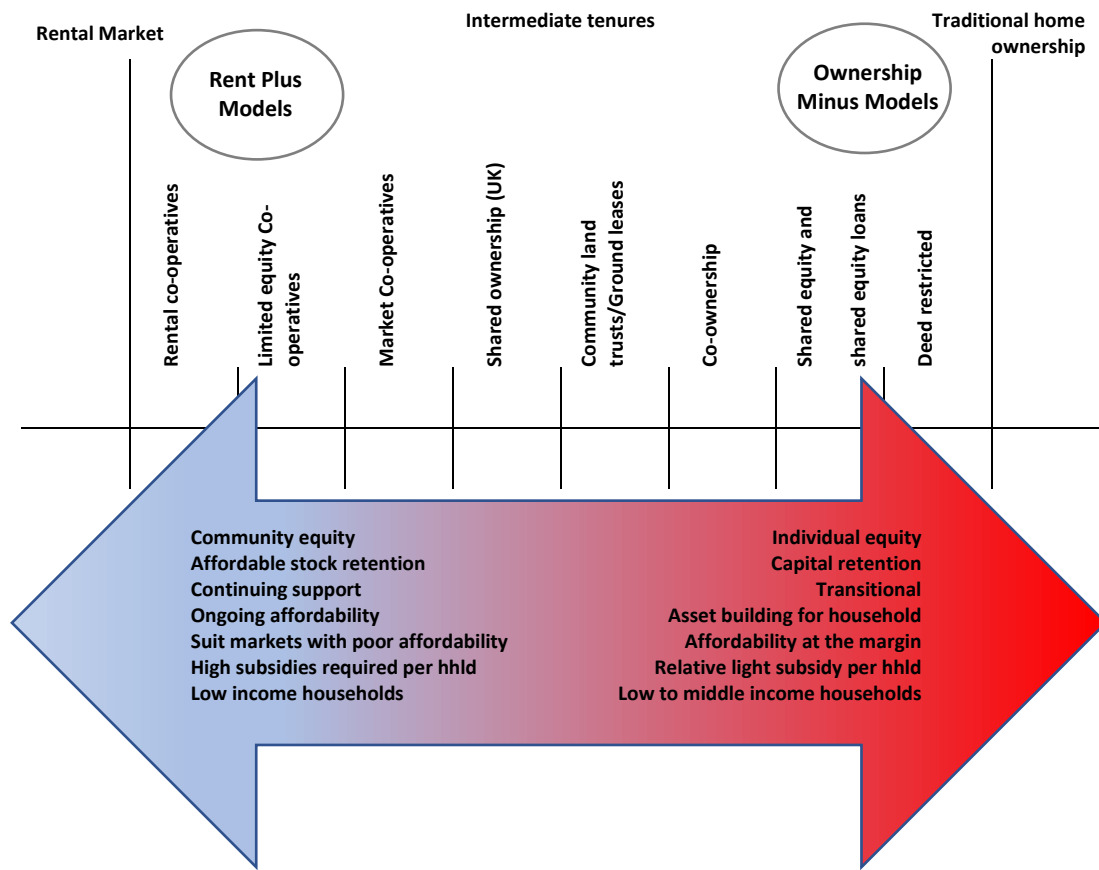
7 Conclusion

The Peterborough Co-operative falls in a segment of alternative tenures which have frequently been referred to as intermediate tenures. Figure 7.1 presents Jacobus and Lubell's rendition of intermediate tenures treated as part of an equity continuum from rental to 'traditional' owner occupation.¹⁰ That portrayal assumes that different tenure models suit households at different points of the tenure continuum. From a policy perspective, decisions are required about how best to deploy the time and resources required to achieve these outcomes and which groups of households are most in need of assistance. Any policies also need to consider the trade-off between the accumulation of individual benefits relative to community wide benefits.

In that tenure continuum, co-operatives provide an alternative way of organising a community within a housing development. Affordable rental co-operatives are a model based on housing stock retention for the use of multiple generations of households. Co-operatives differ from other intermediate tenures with their communal philosophy and members' consensus decision making. The benefits associated with an affordable rental co-operative are spread across multiple generations of occupiers with limited or no opportunities for individual wealth creation from the use of the community's capital.

¹⁰ Jacobus and Lubell, (2007).

Figure 7.1: A Portrayal of Tenure as a Continuum



Source: Adapted from Jacobus and Lubell (2007)

A tenure continuum often fails to grasp the permutations of agency, ownership and control associated with the wide range of conditions designed to secure housing access beyond rental and owner occupation. It is often more accurate to treat so-called intermediate tenures as alternative tenures.

Alternative tenures tend to be smaller segments of different housing systems internationally. Notwithstanding, in some jurisdictions alternative tenures are well established and are supported or regulated through central or local government. In Aotearoa New Zealand, occupation right agreements in the retirement village sector are really the only alternative tenure which is regulated. That regulation is under review.

What the trajectory of the Peterborough Co-operative shows is that portrayals of a tenure continuum are too rigid. Peterborough Housing Co-operative proved to be flexible and innovative in the way in which they turned the disaster associated with the 2011 earthquakes in Christchurch to their advantage. They used their damaged unencumbered central city site combined with their insurance payout to build a modern 14 unit purpose built development for the benefit of their members.

The Peterborough Housing Co-operative demonstrated that with sufficient equity a community led rental co-operative can work in a New Zealand context. Members' ability to compromise and develop innovative solutions to a number of challenges allowed them to achieve their goals. Their individual skills and collective flexibility proved to be the key to their resilience. The challenge for the co-operative going forward will be to maintain these skill sets across subsequent generations of members/occupiers.

Overall, through a rental co-operative structure the residents of Peterborough Street have been able to access high performance housing and amenity at a low and affordable price. This has not been without challenges, however. Those challenges have been met because the co-operative had significant resilience generated by the co-operative's longevity, financial prudence which left the co-operative without debt prior to the earthquake, trust and active management which allowed them to adapt from traditional rental co-operative models, and, finally, a demonstrated demand for co-operative living including from those who could bring capital into the co-operative when needed. It is a success because it has adapted rather than being bound down by rigid models and assumptions about co-operative housing, its organisation and practices.

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