CoHousing AUSTRALIA

UNLOCKING THE DOORS:
Legal and financial pathways to resident-led housing in Australia

Guide for resident groups

Draft version for launch 25/08/2023

Message from the chairs

CoHousing Australia is proud to release a guide that will help local resident-led housing groups move closer to realising their cohousing dreams.

The way we deliver housing in Australia is not working. Economically, environmentally, and socially there are many challenges embedded in the design, development, distribution and availability of housing. It's time to try something different.

In the worst-case scenarios poorly conceived housing delivery can lead to isolation and loneliness, rent and mortgage stress, developers passing on defects to owners, and housing unsuited to the expected effects of climate change. Lack of agency in the creation of housing is producing options that do not align with changing values and needs.

In contrast to this, resident-led housing puts people at the centre of decision-making about where they live and how they live. It fosters connection and community and can reduce cost of living through sharing resources and providing more opportunities for residents to coordinate and cooperate.

Through a Knowledge Exchange Grant awarded by the City of Sydney, CoHousing Australia was able to commission researchers to interview resident-led cohousing groups, property developers, and members of the finance, legal and development sectors. The aim of the research was to identify the legal and financial barriers many cohousing groups were encountering and to identify the ways for those groups to make cohousing and collaborative housing a reality. This guide is an important step in making community-led housing solutions a reality in the Australian context.

Resident-led housing can lead to innovative pro-social design solutions, mitigate against shortcuts during design and development facilitating investment in materials and performance solutions that reduce maintenance and improve efficiency. There is a clear opportunity cost in the production of multiunit housing that can be alleviated when residents are more involved from the very beginning of a building development.

Community-led collaborative housing including cohousing and co-operative housing is flourishing in many other parts of the world through government support and an ecosystem of deliberative housing. Household composition, expectations and aspirations for housing are changing but planning and development practice is slow to adjust. Putting residents at the heart is integral to the solution. While all the focus at the moment is on affordability and supply, it's important we also focus on communities that thrive.

On behalf of CoHousing Australia we would like to thank the Research Director at the Institute for Sustainable Futures at the University of Technology, Sydney, Ms Caitlin McGee, and Research Fellow with the Sustainable Buildings Research Centre at the University of Wollongong, Dr Matt Daly who led the research efforts. Members of Sydney Cohousing, AGEncy, and NewCOH (Newcastle Collaborative Housing) were on the steering committee for the project.

The guide is not prescriptive about the model of cohousing (owner-occupier or rental; privately owned or a hybrid model) but does provide a cohousing group with a pathway through the financial and legal considerations.

The guide is available from CoHousing Australia's website at cohousingaustralia.au on our research page.

Cover photo: Murundaka – Chris Grose

Acknowledgement of Country

CoHousing Australia and our associates who participated in this guide offer our Acknowledgement of Country.

We acknowledge and pay respect to the past, present and future Traditional Custodians of this nation and the continuation of cultural, spiritual and educational practices of Aboriginal and Torres Strait Islander peoples.

We acknowledge that land and sovereignty were never ceded and the enduring connection of culture, community, land, waters and sky, and pay our respects to their Elders past and present.

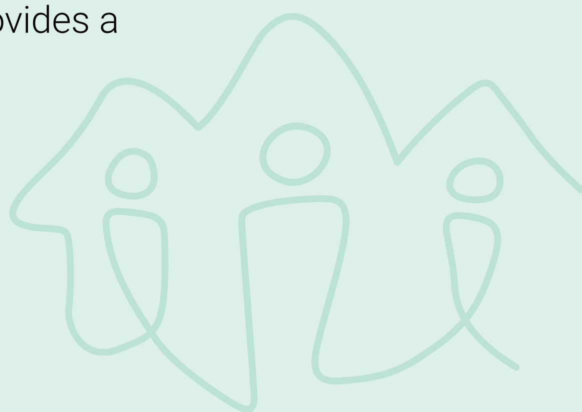
We recognise the special connection First Nations people have with this Country and the significant contribution they make in caring for Country.

CoHousing Australia acknowledges the climate and biodiversity emergency, the impacts we will all experience and the unequal impacts.

We seek to foster a regenerative approach to housing that imagines and develops better built, natural and social environments through collaborative and community-led housing.

Photo: collaborativehousing.org.au

This guide focuses on the most straightforward way to set up resident-led housing, from concept to completion. Whether you want to follow this straightforward path or do something different, the information here provides a useful foundation.



What's in this guide?

- An overview of the different ways to set up resident-led housing.
- Practical guidance on the most straightforward pathway.
- Advice on what to consider and do at each stage.

How will it help our group?

We highlight the most important 'need to know' information to save your group time.

The staged roadmap charts the most pragmatic path to setting up resident-led multi-unit housing.

Who's it for?

This guide is for people wanting to set up collaborative housing in Australia.

This advice is the result of research and consultation with collaborative housing groups and experts in the field.

How do we use it?

- **Part 1** explains resident-led housing and introduces what's in the guide
- **Part 2** outlines the different ways to make resident-led housing happen
- **Part 3** provides stage-by-stage advice on the most pragmatic way forward

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Part 1:
Introduction

Photo: Murundaka – Chris Grose

So you're interested in resident-led housing?
You've come to the right place.

This guide is for groups who are getting serious about making their dream housing projects happen. It summarises useful lessons from a research project that worked with local resident-led housing groups and experts in development, law and finance to explore and overcome the challenges along the way.

Here you'll find guidance on all the different stages of the journey, from initial research to acquiring land and making it happen. There is a particular focus on the financial, legal and governance decisions that are crucial to shaping final outcomes. We hope it provides specific and practical guidance to help your group navigate the process of financing and building your housing project.

What do we mean by resident-led 'collaborative' housing?

Collaborative housing has been around in different forms for a very long time. As an alternative to conventional speculative multi-unit development, it's an 'umbrella' term for various approaches that put residents in control of their housing, also encouraging participation, sharing and community-building.

Residents have a formative say in the design of the housing, the development process and the ongoing governance of the community. While social connection and shared facilities are prioritised, there is recognition that every household needs privacy, security and financial autonomy.

Cohousing, housing cooperatives, building groups and not for profit co-living are all examples of collaborative housing. They are often combined, for example a cohousing community may use a cooperative as its legal entity and a building group for its development process. See Part 2 for more detail.

Why this guide?

There have always been people looking to explore different ways of building and living in urban communities. The Australian housing sector is facing extraordinary stresses, particularly in the capital cities. This makes the search for housing alternatives and innovations more pressing, highlighting the relevance and 'mainstream' potential of resident-led collaborative housing.

Here are some of the reasons this guide was developed:

Collaborative housing is uncommon in Australia, despite proven potential overseas.

While different forms of collaborative housing are somewhat common in Europe and the USA, they are relatively rare across Australia. Research by UTS, and the work of local cohousing groups, has identified the absence of suitable financial and legal models for co-development as a key barrier to achieving cohousing projects[1]. For example, the inability of buyers' groups (prospective residents) to access finance from conventional lenders, and uncertainty about which legal

1 Riedy, Chris, Caitlin McGee, Matthew Daly, and Laura Wynne. "Collaborative Housing: Where to Next." Discussion Paper prepared for NSW Department of Planning, Industry and Environment and NSW Department of Family and Community Services., 2019. [Online] https://opus.lib.uts.edu.au/handle/10453/140592

entity to form. This guide is part of a movement to help communities navigate and overcome these barriers.

Australians wanting to live in apartments are missing out on the ability to shape their homes.

More and more Australians are living in apartments. While people purchasing single dwelling homes typically have a high degree of input and choice, there is currently no opportunity for households to participate in the design and construction of new multi-unit dwellings, thereby missing out on the urban version of the 'Great Australian Dream' (as shown in Figure 1)[2].

Collaborative housing delivers many benefits!

For example, it can help alleviate the alarming rise in social isolation occurring in Australian cities, provide a supportive living environment for older Australians, foster connected communities and help reduce the environmental footprint of housing. It also adds to the diversity of housing available, better aligning with social and demographic change.

While some guidance is currently available, it is general in nature, not at the level of detail aspirant groups require. The intention of this guide is to help fill this gap.

Dwelling Stock		Detached House	Multi-Unit Dwelling
	Existing	Buy an Existing Detached House ✓	Buy an Existing Multi-Unit Dwelling ✓
	New	Initiate Design and/or Construction of New Detached house ✓	Initiate design and/or construction of new Multi-Unit dwelling ✗

Figure 1: *Options for future residents to participate in the design and construction of new multi-unit dwellings are severely limited within in the existing Australian systems of housing provision (from Palmer (2019), based on Dolin et al (1992)*

'Ideal' versus 'making it real'

There are various pathways you can follow to create resident-led collaborative housing. However, in talking to communities who have been there or are part-way through the journey, a common theme arises. Many have been down various routes, only to reach dead ends or come across roadblocks. Often this leads to significant burnout and a feeling of having wasted time and effort. There is general consensus that:

- having a well-articulated common vision and asking the right 'threshold questions' in relation to the vision can guide groups in the right direction and save a lot of time and pain, there is a pragmatic pathway that can lead to faster outcomes.

This pragmatic pathway will not necessarily suit all groups, but it will be useful to many and for others may provide a useful 'baseline' for understanding resident-led development. In this guide, we identify key issues that need to be considered at each stage. As much as possible, we also provide tips and decision-making advice for groups looking for alternatives to this pathway.

So, what does this pragmatic pathway look like?

- The community purchases/ owns the land they build on
- Dwellings are all (or primarily) owner-occupied
- Residents partner with a developer to co-develop their homes
- Funds from the residents are used as developer equity contributions
- The legal title will be strata (easiest for enabling finance)
- No local government, state government or housing agency is involved in the project.

2 Jasmine S. Palmer (2018) Collective self-organised housing, an opportunity for consolidating the Australian dream, *Australian Planner*, 55:2, 93-102

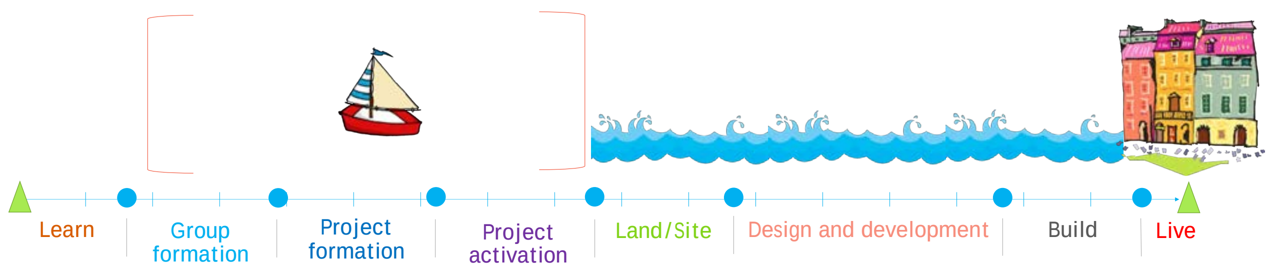
Photo: Lyndall Parris, Founder of Narara Ecovillage

The stages of the collaborative housing journey

In Australia and overseas, there are many and varied ways that groups have gone about creating their ideal collaborative housing project. However they all go through more or less the same stages.

This guide is structured to correspond with the typical stages in the collaborative housing journey. We focus especially on the earlier stages, of group and project formation. This is because these are critical points in the establishment of a community, where many decisions will be made together that define the eventual 'shape' of your community. Without early guidance and clear decision-making, communities can waste time and effort going down a non-viable path, before finding out that their vision does not match their financial capacity or risk profile. The communities we consulted with wanted others to learn from their mistakes as well as their successes.

Below is a very simplified timeline of common stages in the collaborative housing journey. One way to think of it – to use a gratuitous sailing analogy – is that the group and project formation and activation stages are the times when you decide on your final destination, and build the boat that will sail you there. There's still a long journey ahead, but you want to be properly prepared before you set sail. This guide will give you good information to set you up for a smoother journey.



Complementary resources

There are many great resources available to help you on your journey. We cover all the stages along the journey in this guide, such as bringing your group together, and exploring all there is to learn about the different approaches to resident-led collaborative housing. But we didn't want to cover ground that has already been well covered by others, so this guide is best used in conjunction with the other valuable resources that already exist. So please ensure you also use the key resources that are listed (with links) throughout this guide.

BCCM Bunya Grants

This guide focuses on a pragmatic and (relatively) straightforward pathway to a collaborative housing development. CoHousing Australia is also supporting work on alternative collaborative housing models through separate projects funded by the Business Council of Cooperatives and Mutuals (BCCM) Bunya grants. The outputs of these grants will be released separately – check the CoHousing Australia website.

Bunya Grant 1

CoHousing Australia received funding through BCCM's Bunya grant (first round, November 2022) to undertake a feasibility study of an At Cost Housing Cooperative. This feasibility study builds on the work in Rent Like You Own – A new generation of co-operative rental housing for Australian cities produced in 2022 with support from the City of Sydney.

It is a collaboration with practitioners from Property Collectives and other industry professionals to investigate the financial feasibility of developing and operating 'at cost' cohousing.

The model is based on a Sydney location and identified two different options which were feasible with minimal government support. One requires land with a peppercorn lease but no additional government support; the other allows for the lease of land but requires some government support for this cost. The model features residents who contributed some equity as well as shared ongoing costs of maintenance and loan repayment.

This model is a starting point. Depending on government or other support, it can be adjusted to increase affordability. It has the potential to address the shortage of housing for key workers in a way that gives people security and stability and an exit from perpetual renting.

Bunya Grant 2

CoHousing Australia received funding from BCCM's Bunya grant (second round, July 2023) to create a resource co-operative that would form the backbone of developing more sustainable, community-driven living. It would be a scalable model and provide education, development services and consolidate government and social investment.

Part 2:

Overview of development pathways for resident-led housing

Photo: Murundaka – Chris Grose

In this section, we provide an overview of a 'typical' development process for resident-led housing, and some of the key considerations to think about early on. These considerations help to define the attributes of your housing (the 'model') and have a big influence on the development journey and final result.

To help make sense of this all we lay out some really important 'threshold' questions for your group to ask early on, as well as looking at the range of aspects that shape a housing model.

What does the resident-led development process look like?

It is common for members of collaborative housing groups to look back and say they wish they'd known more about the development process from the start.

A conceptual version of a conventional development process, adapted for a collaborative housing development, is shown in Figure 2. Each of the circles represents a specific phase or task within the development process, although the reality is a little messier, it's never quite that simple or linear and each task isn't quite so separate from the others.

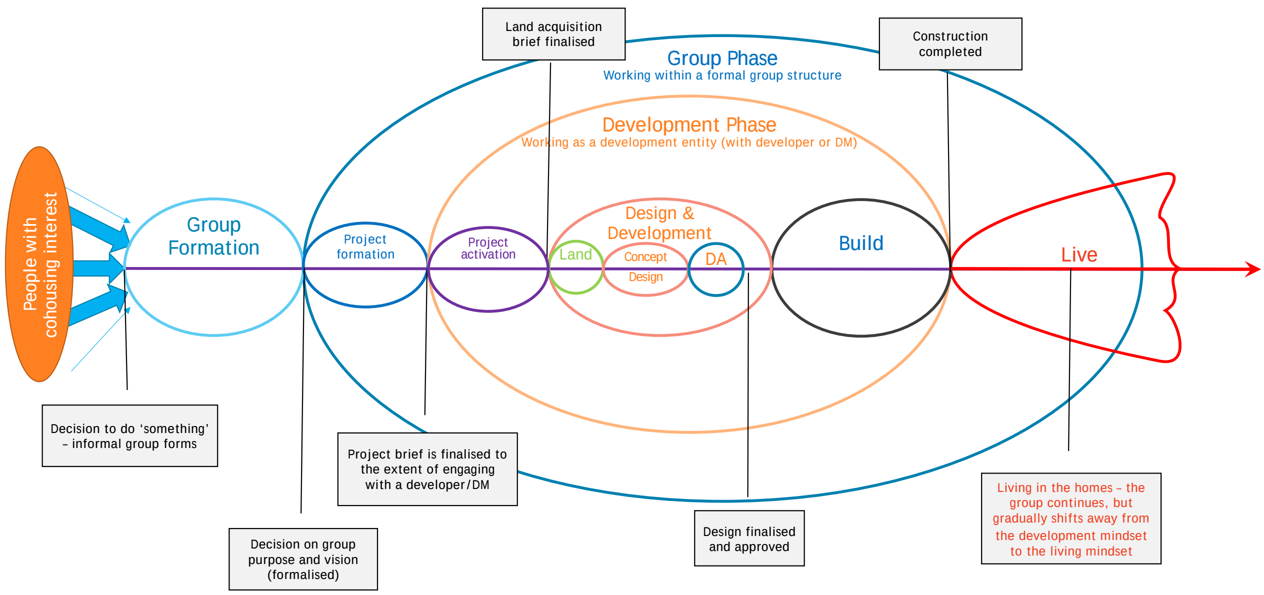


Figure 2: *Conceptualised version of key phases and steps in a collaborative housing development process*

The process starts (on the left) with a group of people who are interested in working together to create a resident-led or collaborative housing project. The steps are as follows:

Group formation

This often starts out informally, with a group of friends, neighbours or other people who have some interest in the idea of collaborative housing development, meeting and spending some time discussing ideas and figuring out what they want to achieve. This phase can last from a few weeks to many years, as people come and go and the group takes shape. Eventually, as people's visions start to take shape, a subgroup or multiple subgroups within the group form with a clear vision of what they want to create.

Project formation

Once this subgroup is formed, they make their ideas more formal and start working towards their goal. This is now a more defined group working towards a specific development, so from now on all activities occur within the Group Phase (the larger circle). The sub-group might create an organisation or company as a legal structure to operate within through the process. From this point on, they are no longer just talking about ideas—they are actively working towards building a specific housing project.

The development phase

Once there's a clearly defined project brief, the group moves into the Development Phase, where they work with different parties to bring their project to life. They have to activate the project (finalising details like the size and location of the housing), find land or a site, design the housing and get approvals from authorities. Then, they find someone to build the housing. If you are partnering with a developer or development manager, they will lead most of this process.

The live phase

Once the housing is built, the development phase ends, and the group members move into their new homes. They continue to manage and live in the collaborative housing project, figuring out how things work and addressing any issues that come up. How long this whole process takes will vary for every group. Based on the estimates we've used, it could be around 5 years from the first idea, but it can vary depending on how smoothly things go, and how quickly the group is ready to launch into a development. It's important to remember that collaborative housing is a journey that doesn't end once the project is completed. The group continues to work together and adapt to their new living situation. It's an exciting and challenging experience, but it's also an opportunity to create a unique and supportive community.

Key determinants of the housing model and approach to development

We discuss different housing 'models' in this guide. This means the approach your group is taking to the key aspects of a housing development, ranging from whether you own the land or rent it, what type of tenure residents will have in the final dwelling and so on.

There are many different considerations along the collaborative housing journey, and the priorities of the community will influence what approach is best. Conversely, different approaches can have impacts on the type of community that emerges over time. Most of the key decisions that shape the eventual community should be made in the early stages of group formation and project formation. Some of these include:

- the approaches to ownership (or rental) of land and dwellings,
- how the project is developed and financed,
- the legal structures used, and
- governance approach throughout the process.

Despite the importance of these early considerations, there is an even more critical first step, according to many of the communities and experts we spoke with. The first thing to do, once you think you're ready to embark on a collaborative housing journey is to 'know your why' (or shared vision) individually and as a group.

Avoid jumping forward to decisions like which model or property title to use until after you take this important first step.

Know your 'why' as the very first step

We heard over and over again from experts and communities we talked to about the importance of making sure EVERYONE is really clear about the visions and objectives of the group as early as possible.

Resident-led housing projects can be challenging and ambitious; you're trying to do something that is different from the norm to address a real need for your community. When things are challenging, clearly knowing the reason you're working towards your goal can be vital.

In the initial stages, really focus on this. What is the vision of the group? Not just the broad vision, but the more specific objectives that have been discussed over and over again, that can be taken to the professionals you'll need to work with to reach your goal.

You don't need to wait to have all the final residents involved to decide this, in fact that's rarely practical. You just need to have a strong but big enough core group to articulate these goals, which can be shared with new potential members when they are deciding whether to join. In fact, documenting a clear and compelling vision can be a great way to bring in the right new members.

Once you've done that initial work to understand vision, then there are a few key threshold questions to discuss, and answer within your group. Answers to these questions will help inform and guide all future discussion about the best way to achieve the community and housing project your group wants.

Threshold Questions that save time and effort

Many collaborative housing groups spend a lot of time in the early stages of the process going back and forth about different models of development to get the community they want. The advice from the experts we spoke with was that there is a risk of wasting a lot of time at this stage.

A good way of shortcutting this is to, as a group, come up with the answers to some key 'threshold questions'. These are questions that help to link the vision of your group, to the practicalities of how to develop a housing community that reflects and embodies this vision. Addressing the threshold questions is a natural follow-on from the vision and objectives that your group is working on, but they focus on the legal and financial considerations that will help determine the types of housing models that will be most relevant to you.

In essence, the threshold questions ask you to:

Firstly, clarify your vision, Then, figure out what this means for property title and understand your group's financial capacities.

These questions are laid out in more detail in Figure 3. Whilst 1 is the first clear step, 2 and 3 are more or less considered together. For example, if you have a clear vision for democratic governance, cooperative is the best-aligned property title. However, if you need to access finance from banks, it's important to understand the implications of title for lending.

> "Was it difficult? Yes... Was it worth it? Yes"
>
> Cohousing resident

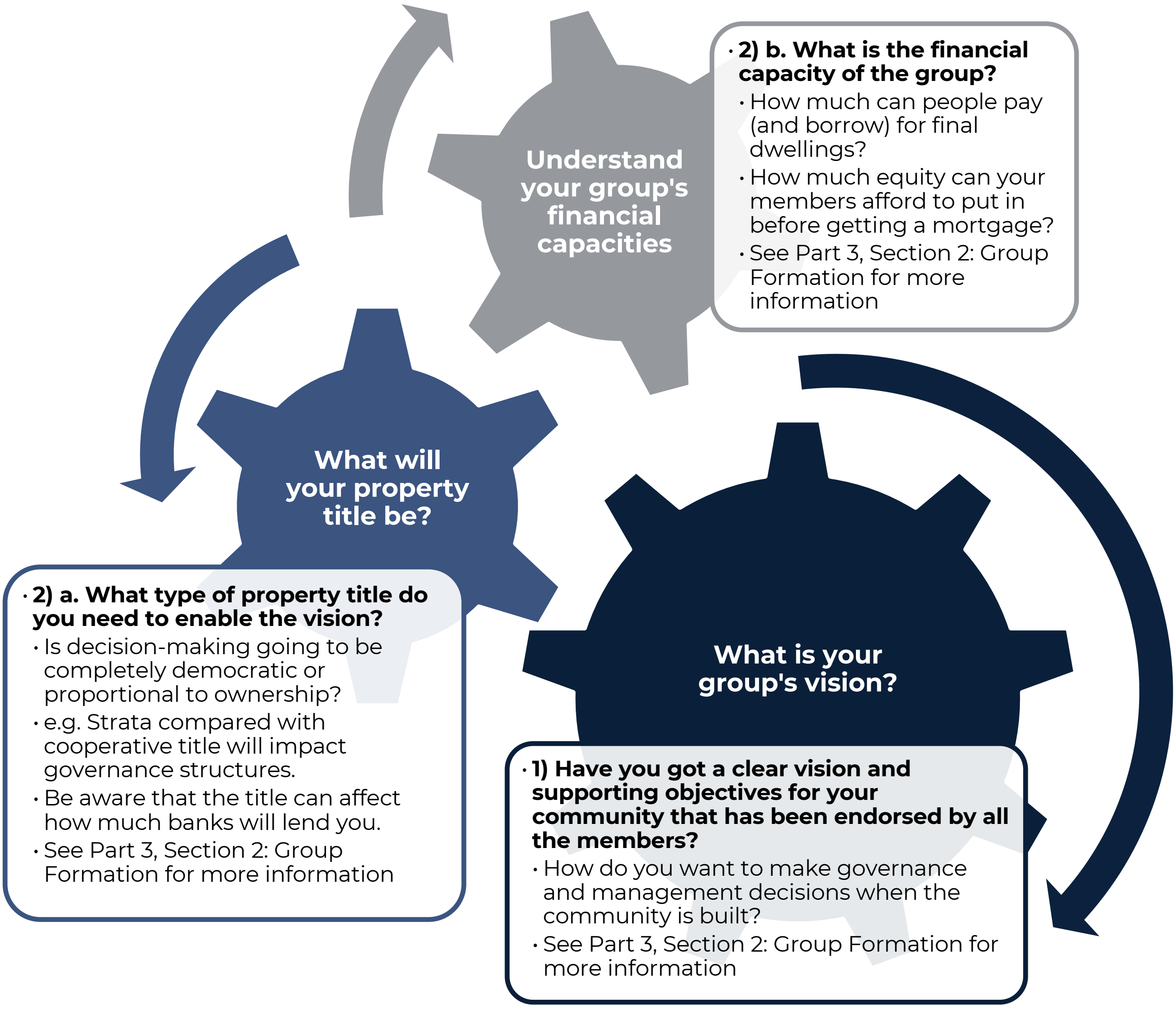


Figure 3: *The threshold question flowchart*

There are, of course, many other questions that are important to ask that have an impact on the best way to approach the development. These will be discussed more below, but include things like:

How much project risk are your members willing to take on?

- The answer will determine whether you should pursue a Buying Group or Building Group type solution.

How much control do you need/want over the design?

- More input and control means more time (and possibly more cost)

What is the intended location, and how flexible are you to changing it?

- This will affect financing (and possibly development approach)

What are the different 'models' or approaches you could take?

There are many different ways to approach a collaborative housing development. The various dimensions are outlined in Table 2 below

Table 2: *Range of key variables to be considered in a collaborative housing model*

Aspect of model	Description	Most common range of collaborative housing options (Coloured option is the model described in this guide)				
Land ownership at completion	When the development is finished, who owns the land that the development is on, and if it's not the community members, what are the terms of use for the community.	Group owns the land	Long-term lease (market-rate)	Long-term lease (subsidised rate)	Community land trust	
Dwelling ownership	Do the residents fully-own the final dwellings, or partially-own, or do they have a form of lease over the dwelling?	Owner-occupier	Include market rental component (e.g. owner-investors)	Include social housing rental component (CHPs)	Shared-equity ownership models	Secure long-term affordable rental (a third way)
Delivery model	Who takes the lead in the delivery of the development?	Building group (group takes risk)	Building group (Group and developer share risk)	Buyers group (buy into existing project)		
Development land ownership	Does the group or the developer owns the land (and that part of the risk) during the development phase?	Group owns the land	Developer owns the land			
Development legal structure	What is the legal entity the group forms during the development process	Joint Venture	Unit Trust	Company	Cooperative	
Legal title (occupation)	What legal structure is used to apportion living rights in the final dwelling	Strata title	Company title	Cooperative title	Community title	Hybrid (e.g. strata overlaid with cooperative)
Control during the development	Collectively, how much control do the community members have over the way the development and eventual community is managed? This links to risk taken and partnerships needed.	Lower level	Mid-level of control (shared with developer)	High level of decision making control (Coop or company)		
Community governance (consensus/ majority)	What decision-making and voting process does the community want to follow.	One household/ shareholder – one vote	Vote proportional to ownership	Aim for consensus	Simple majority	
Capital (equity required before mortgage)	How much capital can the community members access to finance a development before they can get a mortgage on the final dwelling?	High (~35% of the Wholesale Total Cost)			Low (~5-10% of the Retail Price)	None

> “[The model] I would put forward as the best, easiest, most likely replicable solution... is the partnering with the developer.”
>
> Cohousing development consultant

The pathway we’re focusing on (green colour highlights in the table) is seen by the communities and experts we spoke to as the most efficient and realistic pathway to realising a sustainable resident-led collaborative housing development at the present time. It has the following characteristics:

- **Land ownership** – the collaborative housing community will own the land they live on
- **Dwellings** – Primarily/all owner-occupied
- **Development delivery model** – Residents form a building group and contract a developer to deliver the project (so the developer is taking a share of the risk)
- **Development land ownership** – Resident group owns the land during the development phase, meaning they carry a share of the risk along with the developer.
- **Development legal structure** – Residents form a company during the development process with shares allocated proportionally equivalent to the expected value of the dwellings upon completion.
- **Legal title (occupation)** – Strata titled
- **Control during development** – Lower level of control over the community by residents
- **Community governance (decision making)** – Simple majority (e.g. strata rules)
- **Capital (equity required before mortgage)** – High (~typically 30-35% of wholesale cost)

We recognise this pathway will not suit all groups, and have suggested ways to tweak or customise it where possible.

Graphical overview of some differences between models

Below we list five different examples of other types of collaborative housing models. These models, or variations on them, were discussed during the research for this guide. They all have different features, which influence the outcomes in terms of the risk residents carry throughout the development process, the eventual cost of the dwellings, and the ability to incorporate social and equity goals into the eventual housing model. Figure 4 gives a graphical overview, highlighting the key differences between models.

These different models are:

1. **Build group (1)** – the resident group takes risk. There is a single entity that is both LandCo (the company that owns the land during the development) and DevCo (the company that is in charge of the development)[3] that the group takes control of. Residents receive homes at wholesale cost.
2. **Build group (2)** – the group and developer share risk together. The group is LandCo and controls land, the DevCo is controlled by the developer and contracts the builder and obtains construction finance. Residents receive homes at wholesale cost which is higher because of fees to the developer.
3. **Buyers group** – the developer controls LandCo and DevCo and sells units to the group off-the-plan at full retail market price.

3 LandCo is the company that owns the land during the development, and DevCo is the development company that is in charge of the development on that land.

4. **CHP partnership** – A partnership with a CHP (Community Housing Provider) whereby a portion of the eventual dwellings are owned by the residents and a portion are owned and administered by the CHP. The CHP could take on a development role, or partner with residents in a build group that contracts a developer. There are many potential ways this could happen in theory, but despite a willingness from CHPs to discuss these ideas, most groups that have explored this option have encountered challenges and not proceeded.

5. **At-cost Cooperative** – Shared-equity rental cooperative (as tested in the Bunya Grant) in which the land is leased, either with a peppercorn lease (nominal value) and no additional government support; or the land is leased at market rate but requires some government support for this cost. The model features residents who contributed some equity as well as shared ongoing costs of maintenance and loan repayment.

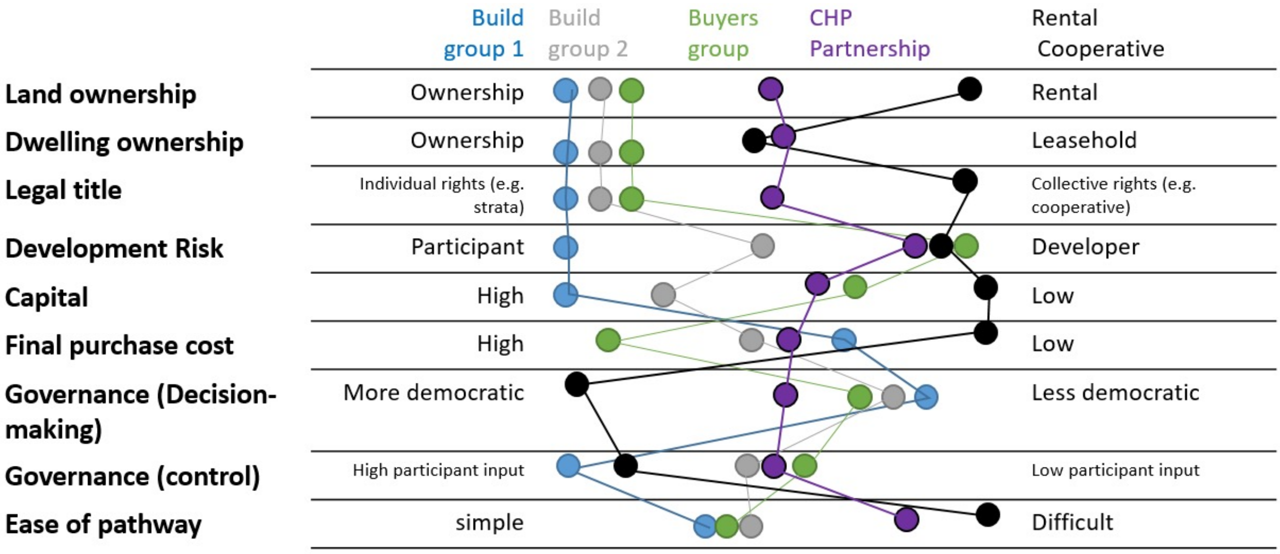


Figure 4: *Graphical overview of different collaborative housing models discussed by participants in the research, highlighting different aspects of these models (adapted from graphic by Property Collectives)*

Part 3:
Unlocking the pathway

Photo: Murundaka – Chris Grose

This is the main part of the guide. It steps through the model identified by the participants in our research as the most straightforward pathway to a successful resident-led development. It provides practical guidance for each stage of development and includes checklists on the financial and legal considerations, working with a developer and land acquisition.

Before embarking on the journey of creating a collaborative housing community, whether with family, friends or people you are just getting to know, it is important to understand the basic steps. These are:

For each stage, the following pages provide information on:

- Purpose of this stage
- Key steps to work through in this stage
- Possible tweaks and customisations to the model
- Actions that should have been achieved by the end of this stage
- Stakeholders that can help you in this stage
- Important things we've learnt through the research
- Resources

This is guidance on the general process involved, however it is important to know that there is no 'one size fits all approach'. Many of the steps involve considerable overlap and you will need to get specific professional advice at various stages. Nevertheless, the advice from many group members and professionals in our research was that gaining a good understanding of the whole development process can be extremely valuable.

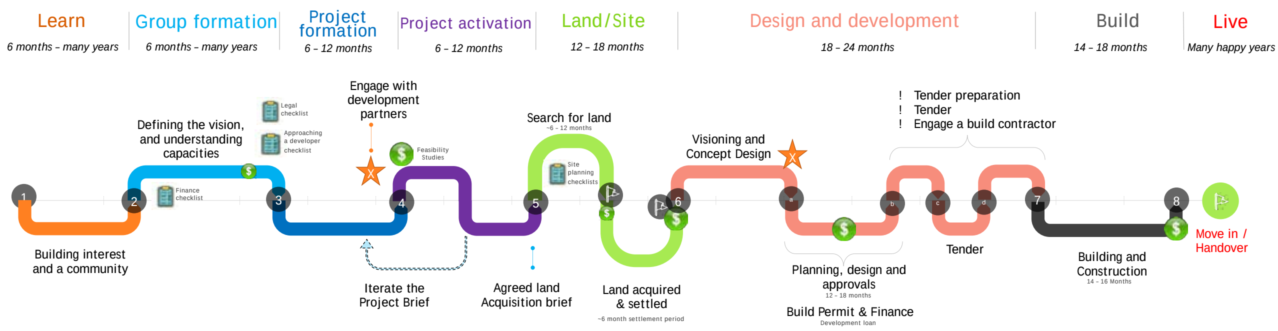
> “In essence… the main issues for a group to bring a building to fruition is lack of experience of the whole property development process. They don’t even get what the moving parts are. The don’t get the level of risk, and they don’t get the level of experience that is needed to develop”
>
> Cohousing development consultant

The collaborative housing development roadmap (overleaf) shows the key stages of this overall development process that is stepped through in more detail in the following sections. It also highlights key points throughout the process, such as when monetary transactions are commonly required, and the points when the finance, legal, planning and engaging with developer checklists (Appendix B) are most useful.

Most of the focus is intentionally on the early stages: learning, forming a group, forming and finalising a project, partnering with a developer, securing finance and acquiring land. Some very key decisions which will shape the success of your project are made in these stages.

This is when sound guidance can help to get your community on the right path quickly, avoiding costly mistakes that could waste your time and money. Once your group is over these early hurdles the process is typically more straightforward, and more similar to conventional development.

Remember, the goal here is to outline the ‘simplest and easiest’ approach. Not necessarily the one likely to give the outcome best suited to your group’s needs in terms of, for example, democratic principles, equity, affordability or innovation. So where possible, we’ve included some suggestions on modifications you could explore to tweak this model to better suit your vision.



1 Learn | Build interest and a community

We've called this initial stage of the pathway to collaborative housing LEARN. This is the time when you're becoming interested in housing alternatives, finding out about how other groups have created their own housing solutions, and thinking about what might work for you and your community. The journey from thinking about alternatives, to exploring the idea of collaborative housing, and then deciding to join a forming group or start your own can sometimes take years, or other times be a very short process.

Purpose: Grow your own knowledge and interest, to see how collaborative housing might work for you, and find your community.

Key steps

1. Learn as much as you can about the different ways people develop collaborative housing.

There are many good resources out there: the list at the end of this section is a great starting point. The first two – CoHousing Australia and Collaborative Housing – are Australian, for locally specific information.

2. Think about your vision

Think about what your personal vision is, and find out about the different ways you could get there

3. Find other people who your share your interest.

Stakeholders that can help you

CoHousing Australia is a volunteer-run cooperative organisation that works to promote collective models of housing in Australia, and is a great place to connect with others who share this interest.

CoHousing Australia has a list and map of forming and existing collaborative and cohousing projects on its website, and is developing an improved service for helping people to find and connect with active groups.

Becoming a member of CoHousing Australia and joining the Facebook group (https://www.facebook.com/groups/CohousingAustraliaGroup) or page (https://www.facebook.com/cohousingaustralia/) are good places to start. CoHousing Australia also runs monthly online webinars where you can connect with others and learn more about collaborative housing. These are normally Monday evening 7:30pm (AEST), with details emailed to members and posted online.


Photo: Murundaka – Chris Grose

> “As someone with lived experience… the living together part is so much harder than anticipated. For this reason, I reckon it’s good to really encourage readers to talk to other projects early about community design, to learn from their mistakes and successes... I’ve found it’s really tricky to fix/implement these learnings once a project is at the ‘living together’ stage.”
>
> Community member

Important things that we’ve learnt through the research

In any housing development, someone has to be the developer. It could be a professional developer or it could be something your group takes on with professional guidance. This all depends on who wants to take on the financial and debt-related risk inherent in any housing development project. There is a reason developers take a margin (typically 15%-20%) on a development – taking these kinds of risk typically comes at a cost.

The places overseas where collaborative housing thrives tend to have enabling government policies. They may designate government land for collaborative housing, have planning incentives to encourage it, or have mechanisms for encouraging investment in it. However, in Australia where investment in social and affordable housing has been low, this type of housing will typically be the main priority for government when allocating land for housing. Think carefully and realistically about the value proposition your community offers before spending too much time and effort lobbying local governments for preferential access to government-owned land.

Resources

CoHousing Australia are a civil society co-operative, comprising of and supporting individuals, groups, communities, academics, advocates, professionals, to expand the collaborative housing sector in Australia. www.cohousingaustralia.au

In 2023 Cohousing Australia began running a monthly Knowledge Circle. These readings were the specific ones chosen for an 'Introduction to Cohousing' reading group.

The Super Basic Read:
Extract from Creating Cohousing: Building Sustainable Communities by Kathryn McCamant and Charles Durrett Click here

The Primary Read:
Creating Cohousing: Building Sustainable Communities by Kathryn McCamant and Charles Durrett (available through Cohousing Australia) or search online

The Supporting Read:
The Cohousing Handbook: Building a Place for Community by Chris Scott-Hanson and Kelly Scott-Hanson Click here

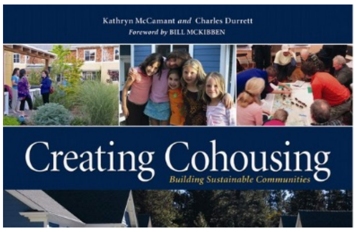
Cohousing Communities: Designing for High-Functioning Neighbourhoods by Charles Durrett Click Here

The Video:
Charles Durrett lecture: Cohousing: A Community Approach to Housing Ourselves Click here

Collaborative Housing
Building a great life together
Home Start here Stories How it works Make it happen Tal

This web guide to collaborative housing was developed by the Institute for Sustainable Futures at the University of Technology Sydney, funded by NSW Government grants.

www.collaborativehousing.org.au/



This book, along with Cohousing for Seniors by the same authors, is widely known and recognised as a great starting resource. Many groups we spoke with had used it initially. *Creating Cohousing: Building Sustainable Communities*, by Kathryn McCamant and Charles Durrett

Community-led Homes is a UK-based partnership between the Confederation of Co-operative housing, Locality, the National Community Land Trust Network and UK Cohousing. While UK specific, it has many great transferrable resources and guides. www.communityledhomes.org.uk/how-do-it

myCommunity (UK) is a website that curates and stores a wide variety of resources for community groups, including community-led housing. A lot of overlap with Community-led homes, and also UK specific. www.mycommunity.org.uk/a-step-by-step-guide-to-community-led-building-projects

By the end of this stage...

You should be ready to find a group. There are many ways this could happen, whether informally with a few friends and connections over a cup of tea and coffee, or something stronger, or joining an existing group, or even organising a open invite public meeting for interested people.

2 Group Formation | Define Purpose and vision

Embarking on a cohousing project entails careful planning and collaboration. The group formation stage is a pivotal point that sets the groundwork for a thriving cohousing community. We've split the formation stage into two sections, group formation and project formation, as they are quite distinct processes Group formation is mainly focused on establishing a cohesive group, with some clearly defined visions of the type of housing they want. Project formation then focuses on the details and specifics of a development project that will meet the vision and needs of that group.

Purpose: Bring together like-minded people to build relationships, establish shared goals, lay the foundation for effective decision-making and cooperation among group members, and be ready to focus on the specifics of bringing a collaborative housing project to life.

There are various ways to form a group. You can start from scratch, gradually gathering interested individuals and forming a group organically. Or you could join an existing cohousing group, leveraging their experience and resources. Or, if you can find a developer with experience in resident-led building projects, teaming up with them could be a starting point.

Key steps

1. Gather a group

- Identify and gather interested people: Reach out to friends, neighbours, and community members who share an interest in cohousing, using channels like social media, community networks, or local events.
- Raise community awareness: Organise meetings, workshops, or online sessions to introduce the concept of collaborative housing, share and discuss information about its benefits, and gauge interest levels.

2. Formalise the group

- Form a core group: Establish a small core group of dedicated people willing to invest time and effort in driving the project forward. This might be the steering committee for the group.
- Establish decision-making processes: Determine how the group will make decisions and resolve conflicts, ensuring inclusive and equitable participation. Sociocracy is a governance system commonly used by collaborative housing groups (see resources below for more information).
- Form a group entity: While not essential, most groups we speak with find it useful to formalise their group as a separate legal entity – typically an incorporated association or cooperative. This makes is easy to collect some nominal membership funds for things like booking meeting rooms, catering, and other things to help the group formation process.

3. Create a common vision

- Define shared values and goals: Collaboratively articulate the values, principles, and goals that will guide the cohousing community. This can be a multi-step process, involving surveys, visioning and planning workshops, tours of other communities, etc.
- Develop a common vision: This vision should outline the core and additional goals of the group members. This should be documented, and agreed to by the members so that there is a clear common understanding of what the group is working towards.

4. Understand the group's wants and capacities

This is a crucial step in creating a strategy for making the vision a reality. This is the time to focus on the Threshold Questions that we discussed in Part 2: Threshold Questions. Some of the biggest questions to understand collectively – once there is an established formally constituted group – revolve around:

- **Money** – how much is everyone willing and able to spend?
  - How much can people pay (and borrow) for final dwellings?
  - How much equity can your members afford to put in before getting a mortgage?
    - If your group wants to be the development entity, you'll need to be able to provide ~35% of the total development cost in capital equity before the buildings are finished, while you're still living somewhere else. So there will typically be a gap of several years between contributing equity and moving in to your new home. Therefore, you'll likely need a 'bridging loan' if you want to finance this by selling your existing home.
  - Are some members willing to put in extra equity (for an agreed return, and with a contract in place) to cross-subsidise other households until occupation?
  - What is the demographic of your group? Age and income will affect borrowing ability. If members are eligible for social or affordable housing you'll need to engage with a Community Housing Provider
- **Decision-making and property title** – what do you want decision-making within the group to be like, both during the development process and after it is built and being lived in, and how will that influence property title?
- **Risk** – what is everyone's capacity to take on the financial risk of doing a resident-led housing development? There is a risk in every development the process won't go as planned, and there will be additional costs, time delays or other complications. Different models can be followed that outsource more of the risk to a developer (for a cost) or let the group take on more risk, for potential savings and more control of the process.
- **Time** – what timeframe does this development need to happen within for the group?
- **Before and during discussions of visions and objectives, the group should reach clarity on:**
  - Goals of the group
  - Suitable locations
  - Deposit and borrowing capacity of each household
  - Space needs of each household (e.g. how many bedrooms?)
  - Timeframe to be able move in(what would be too soon or too far away for households?)
  - Appetite and capacity for taking on a large financial risk – as a whole group
  - How group members will think about the housing in terms of individual wealth creation. I.e. is there an expectation that the value of their dwelling in the collaborative housing project will typically match the changes in the broader housing market, or do you want to do something different?
  - Who needs access to a car space?
  - What other common areas and facilities can be shared?

5. Document the group's visions and objectives

Formally document the stages you've been through up to this point, clearly stating what your groups vision and objectives are, as well as your decision-making procedures and anything else relevant about the culture of your group. Also, how do new people join your group – is there a membership fee required? What does this provide when paid? An example of an organising agreement (DecoHousing) is provided in the Appendices.

Photo: cohousing.coop

When you see this $ symbol, it indicates a time when money is typically involved.

$ Many groups levy a small joining fee from members of the group, as an initial commitment and to cover costs such as association/cooperative registration fees, room hire, facilitator hire etc. The cost varies, but is meant to be affordable. One group set their fee at 1% of a member's annual income up to $400 – typically $100-$150. Others had smaller fees and used online platforms to share the bill for any expense. *Note from the Research team* This process can take some time, and be quite iterative, particularly the process of visioning, understanding capacities of the group, then adjusting the vision accordingly. We've collated specific information to aid your discussion of these key questions in our Checklists on Finance, Legal and Engaging a Developer (See Appendix B).

This is a time when groups' memberships are often changing, and the visions and capacities also change with the membership. It can take time to settle on a solid group and vision. Talking to other groups with experience can help guide your group through this stage.

Stakeholders

There are various professionals and interest groups that can be extremely useful to engage with throughout this process. Members of existing housing communities and peak bodies such as CoHousing Australia, as well as building professionals with expertise in cohousing (e.g. architects, developers) can be valuable in helping you work through this stage. Professional facilitators in particular can be engaged to guide your group through the process of formalising the group, articulating your vision and developing your strategy.

Things that we've learnt through the research that you should know from the start

Across the time it takes to form a group and commence a development, there are likely to be many fluctuations in group membership, and how much different members engage with the processes. Also, once you get to the feasibility analysis, you may find that a larger development is more feasible. For all these reasons, keeping a membership group that is larger than your expected development size can be a wise move.

Resources

CoHousing AUSTRALIA

See the governance and social processes section of the CoHousing Australia website for specific resources www.cohousingaustralia.au/how-to

In 2023 Cohousing Australia began running a monthly Knowledge Circle. These readings were the specific ones chosen for **Forming a group and group decision making**

The Primary Read:
Cohousing for Life: A Practical and Personal Story of Earthsong Eco-Neighbourhood (Chapters 1-5) by Robin Allison

The Super Basic Read:
Sociocracy – Basic concepts and principles by Ted Rau

The Supporting Read:
The Cohousing Handbook: Building a Place for Community (Chapter 2) by Chris Scott-Hanson and Kelly Scott-Hanson

Trust by Gert Tinggaard Svendsen

The Video:
Earthsong Eco-Neighbourhood: Robin Allison – Cohousing for Life

By the end of this stage…

The group formation stage of a cohousing project lays the groundwork for a successful and cohesive community. By incorporating insights from various sources, engaging stakeholders, and utilizing available resources, you can establish a strong foundation for the subsequent stages of the project.

The visioning processes should have helped to crystallise group member's ideas of what they're hoping for out of collaborative housing. It is quite common for a number of different visions to emerge around locations, costs, timeframes etc. This is a natural part of the process, and a way to approach this could be to divide the original group into subgroups, with each group forming around a clear vision of what they want to create, and a forming strategy of how to get there. The next stage is about putting that strategy into action.

These aren't clearly defined stages, and there's always going to be some movement backwards and forwards, however a good place to arrive at by the end of this stage would be to have a clear vision with shared objectives and an established group decision-making process, as well as a legal structure such as cooperative or incorporated association for your emerging collaborative housing group. This gives your group a clear pathway forwards, and also a clear proposition to anyone else looking to join.

Photo: Murundaka – Chris Grose

3 Project formation | Plan out the solution

From this point on, your group is no longer just talking about ideas—you are actively working towards building a specific housing project, which is why we've called this stage Project Formation.

This stage is all about getting ready to begin the development. Fine tuning the vision into a project brief, getting the legal structures and agreements finalised for the development process, and getting some commitment from the group members. These are critical points in the establishment of a community, where many decisions will be made that define the eventual 'shape' of your community.

Purpose: Turning your groups vision into a detailed plan and project brief for your housing development. This will help you articulate your plans to potential development partners, and new group members.

Key steps

1. Define the characteristics of your project

This is the stage when you should be able to articulate the different aspects of your preferred development model. Below is the table of characteristics that was shown earlier in this guide. Now is the time to figure out which options are best suited to your group's project.

This guide focuses on the shaded options, as the simplest pathway through the development process. This is based on a group with good access to capital and finance, looking to create a housing development they own . Crucially though, the residents will have been involved throughout the process. However, there may be many good reasons why a different set of options work better for your group.

Aspect of model	Description	Most common range of collaborative housing options (Coloured option is the model described in this guide)				
Land ownership at completion	When the development is finished, who owns the land that the development is on, and if it's not the community members, what are the terms of use for the community.	Group owns the land	Long-term lease (market-rate)	Long-term lease (subsidised rate)	Community land trust	
Dwelling ownership	Do the residents fully-own the final dwellings, or partially-own, or do they have a form of lease over the dwelling?	Owner-occupier	Include market rental component (e.g. owner-investors)	Include social housing rental component (CHPs)	Shared-equity ownership models	Secure long-term affordable rental (a third way)
Delivery model	Who takes the lead in the delivery of the development?	Building group (group takes risk)	Building group (Group and developer share risk)	Buyers group (buy into existing project)		
Development land ownership	Does the group or the developer owns the land (and that part of the risk) during the development phase?	Group owns the land	Developer owns the land			
Development legal structure	What is the legal entity the group forms during the development process	Joint Venture	Unit Trust	Company	Cooperative	
Legal title (occupation)	What legal structure is used to apportion living rights in the final dwelling	Strata title	Company title	Cooperative title	Community title	Hybrid (e.g. strata overlaid with cooperative)
Control during the development	Collectively, how much control do the community members have over the way the development and eventual community is managed? This links to risk taken and partnerships needed.	Lower level	Mid-level of control (shared with developer)	High level of decision making control (Coop or company)		
Community governance (consensus/ majority)	What decision-making and voting process does the community want to follow.	One household/ shareholder – one vote	Vote proportional to ownership	Aim for consensus	Simple majority	
Capital (equity required before mortgage)	How much capital can the community members access to finance a development before they can get a mortgage on the final dwelling?	High (~35% of the Wholesale Total Cost)			Low (~5-10% of the Retail Price)	None

As well as the aspects in this table, there are a few other things that your group will need to be clear about before you talk with potential development partners. These don't necessarily shape the 'housing model' you'll be using, but define the eventual physical design you're heading towards. They build on the questions previously raised in **Group Formation**, and form the basis of a Design Brief, they include:

- Number of dwellings, and number of bedrooms
- Building type and form (e.g. multi-unit, attached townhouses, detached, mixed residential and commercial)
- Type of communal facilities required (e.g. dining, work spaces, guest spaces, outdoor, laundry)
- Budget – what individuals and the group collectively can afford to spend.
- Level of individual customisation – a greater level of variation in the design of individual apartments is likely to add cost, especially in apartment buildings where units are stacked vertically with repetitive floorplans.
- How much control do you need/want over the design? (More input and control means more time (and possibly more cost))
- What is the intended location, and how flexible are you to changing it? (This will affect financing (and possibly development approach)

During the next stage – project activation – you'll be testing the feasibility of your plans and these aspects are likely to require change and refinement to make the project feasible. So rather than determining an exact design, at this stage it is important to understand preferences of the group: what is non-negotiable, and what has scope to change.

2. Establish the legal structure for your development project

The next stage will focus on creating a development team i.e. contracting with a developer or development manager. It will be difficult, most likely impossible, to do this as 20 individual households, so you'll need to form a single legal entity for the development project. It's crucial to get legal advice at this stage to make sure you're getting the most appropriate structure for your group. Have a look through the Legal Checklist in Appendix B to help get prepared for discussing legalities. Typically options here are forming a:

Company – A company is a separate legal entity to its owners (being the shareholders) and those who manage the affairs of the company (being the directors). Whilst there are a number of different types of companies, the most common in a property development context is a proprietary company limited by shares. Limited liability, may not get tax exemptions, controlled by directors

- **Joint Venture** – a joint venture is not a separate legal entity. A joint venture is an arrangement between parties to share in the product (rather than the profit) of the venture.
- **Cooperative** – A co-operative structure is a legally incorporated entity designed to serve the interests of its members. Co-operatives carry on businesses in all sectors and they may be profit sharing enterprises or non-profit organisations.
- **Unit trust** – A trust is not a legal entity, but rather represents a fiduciary relationship between parties, being the trustee (usually a company) who manages the affairs of the trust and the beneficiaries (to whom income from the trust can be distributed). A person becomes a unitholder in a unit trust by subscribing for or acquiring units (similar to being issued or acquiring shares in a company).
- **Partnership** – A partnership is not a separate legal entity. Rather, it is a relationship between parties carrying on a business in common with a view of profit. Less common, joint and several liability, likely not adequate to protect each other.

3. Get commitment from the members

This goes hand in hand with the legal structure, members will need to sign an agreement to be part of the structure, and there will also be fees involved. This is the logical point to get a larger commitment of funds from group members. Signing up at this stage would typically also mean having voting rights in the group structure, and being formally considered as a household in all the planning from this point on.

> $ Expenses can increase during this stage, particularly when seeking specific legal and financial advice for the group, so additional upfront costs will need to be covered during this stage. One of the groups we spoke with charged a levy [to each member] of approximately $2,000 at this point.
>
> *Note from the Research team*

An estimate of costs to set up a co-op would be $12,000-$18,000. To set up a company title scheme would be from $10,000-$15,000. It will really depend on the amount of changes as the process moves forward.

Note from the Research team

Stakeholders

There are several professionals that can be critical at this stage. It is time to start discussing your plans with lawyers, and financial consultants (e.g. accountants) that can guide and support you in creating the right structure for your group's entity. Individual group members also need to clarify their financial positions, so for each, talking with and getting advice from finance professionals (licensed financial planners, accountants and/or mortgage brokers/banks) is a good idea.

As with much of the entire process, this can be an iterative process, requiring professional input every time things evolve. While the focus in the project formation is on developing a clear project brief to subsequently discuss with development partners, this could be a good time for your group to have preliminary discussions with them as well.

Things that we've learnt through the research that you should know from the start

> The earlier you become involved in a project, the more influence you have, but the more comfortable you [also] need to be with unknowns.
>
> Development Manager

Resources

The Primary Read:
These three websites are the most useful starting points for overview information when you're at this stage.

- CoHousing Australia
  www.cohousingaustralia.au
- Collaborative Housing Australia
  https://www.collaborativehousing.org.au/copy-of-gather-a-community
- Community-led Homes UK
  https://www.communityledhomes.org.uk/how-do-it/group-stage

Detailed Reads:
Cohousing Legal Toolkit 3.0 Hosted by the Foundation for Intentional Community (www.ic.org), this is USA-specific, so many things aren't directly applicable, but there is lots of useful information.

A Guide to Legal Structures for Community-led Housing This is a UK specific document, which also has plenty of relevant information for Australia communities, although local legal advice is also required.

By the end of this stage…

Your group should have a clearly articulated project brief, describing the type of housing development you're looking to create to deliver on your group's vision. You should also have an understanding of which parts of the brief are somewhat flexible, and which parts are going to cause problems for the group if they change.

You should have formalised agreement within your group about what this brief looks like. This means you are well positioned to have informed and proactive discussions with potential development partners, as well as new group members looking to join later in the project.

Photo: Lyndall Parris, Founder of Narara Ecovillage

4 Project Activation | Engage with development team

Once there's a clearly defined project brief, your group moves more proactively into the Development Phase, actively working with different parties to bring your project to life. This stage of Project Activation is closely linked with the project formation stage, but with a specific focus on building the team of professionals that you need to arrive at a feasible version on your project. Feasibility testing is an iterative process that requires a whole variety of skills, working to finalise details like the location, size and budget of your housing development.

Purpose: Now you are testing the feasibility of your vision, with professionals and the group members, until you have an aligned vision and brief that is clear and feasible enough to proceed to acquiring a site.

Key steps

1. **Engage with a development team:** with your project brief, you're in a good place to start shopping around to find a developer or development manager to work with your group. The simplest option here is to contract a developer to develop your collaborative housing vision as per your brief. The developer takes on the responsibility for financing the development (which is something they're experienced at doing, and can be a challenge for collaborative housing groups), as well as the risk of the development.
2. **Iterative project feasibility modelling:** Engage the developer or a qualified development professional to run feasibility modelling of your project brief using potential sites and expected costs of construction, along with all the criteria you have specified in your brief. This will give you an indication of expected final cost for the dwellings. If the cost is too much for the budget, then explore other options, maybe by changing the location to a cheaper area, or looking at increasing the number of households in the development.

3. **Continue this process** (see Figure 5) until you've found a version of your brief that is feasible and fits the vision of your group.
4. **Formalise this into a guidance document** (called a site acquisition brief) – so you are ready to search for and purchase the perfect site. The Site Planning Checklists in Appendix B cover the types of things you might want to have decided upon for your site acquisition brief.

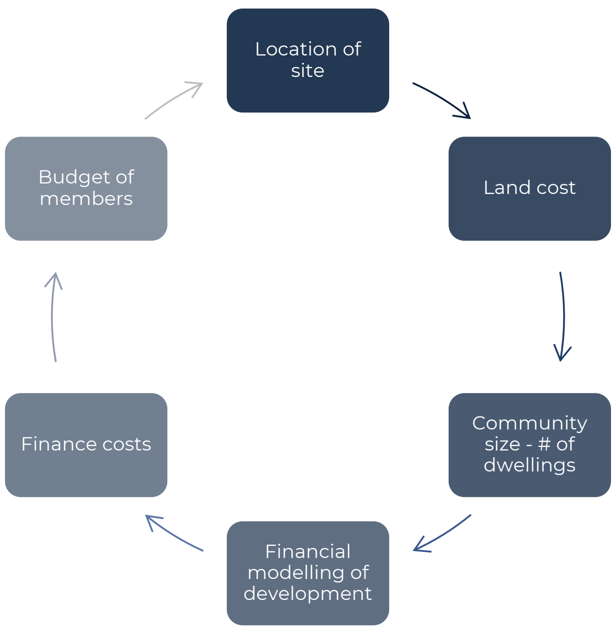


Figure 5: *The iterative steps in a feasibility process*

Suggested tweaks and customisations

- It is possible for a group to take the 'DIY' approach to development, in other words, act as the developer (guided by an experienced development manager contracted by the group) and take on the financial risk. However, for this to be feasible, the group needs to have access to liquid equity (funds they can access during the development process before taking out a mortgage on the completed dwelling) equal to at least 35% of the total development cost. If this is possible, then a DIY development approach is possible. Otherwise, the group would need to partner with a developer in some form.
- Alternatively, if you're exploring a non-ownership model such as secure or affordable rental, this is the time to talk with Community Housing Providers (CHPs), however note that CHPs mandate is to service households who are on social and affordable housing waiting lists. So it may not be possible to curate your community to the degree you desire if you involve CHPs.

Stakeholders

Your group will want to get advice from legal professionals and financial consultants (e.g. accountants) when looking at entering into development contracts. Appointing an advocate with development expertise to help with negotiations could also be very helpful at this stage.

Things that we've learnt through the research that you should know from the start

Throughout this stage, you'll be negotiating a partnership agreement with a development partner (or possibly a development manager). There can be a lot of benefit in engaging someone with development experience to act as an advocate for your group in these negotiations. They will have a good understanding of both the limitations of your group, but also the benefits a developer would get from such a partnership – helping to ensure that your group gets the best deal.

Resources

The Primary Read:
These three websites are the most useful starting points for overview information when you're at this stage.

- CoHousing Australia
  www.cohousingaustralia.au
- Collaborative Housing Australia
  https://www.collaborativehousing.org.au/copy-of-gather-a-community
- Community-led Homes UK
  https://www.communityledhomes.org.uk/how-do-it/group-stage

Detailed Reads:
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A Guide to Legal Structures for Community-led Housing This is a UK specific document, which also has plenty of relevant information for Australia communities, although local legal advice is also required.

5 Site Acquisition | Securing your land or site

Finding and acquiring the perfect site for your cohousing project is an essential step towards creating a thriving community. If you're partnering with a developer, or have engaged a development manager, they'll take the lead throughout this process, based on the brief you've developed for (or with) them in the previous stage.

Regardless, this section walks you through the process of locating and securing a suitable location for your housing project. This will help you navigate the site acquisition stage with confidence.

Purpose: Find and secure a suitable location for the project that meets the community's requirements in terms of size, location, price, access to amenities, and alignment with their vision and values.

Key steps

Pre-step 0: Before even starting the site acquisition process, you should already be able to clearly define your site criteria. This includes factors such as size, location, zoning (determines what you can build), cost, access to amenities, transportation, and alignment with your community's sustainability goals. This will help you narrow down your search and focus on finding the perfect site. The table below provides an example template that you can use, or share with development partners, to spell out some of the commonly mentioned criteria for site comparison.

Table 3: *Site selection evaluation list I.e. 'site acquisition brief'*

Selection criteria	Site 1	Site 2 etc.
Distance to public transport		
Distance to (certain location) e.g. CBD		
Proximity to hospital and medical facilities		
Average land cost (e.g. $$/m2)		
Proximity to cultural services?		
Access to XXX YYY facilities?		

Step 1: Conduct Extensive Site Research

Utilise online resources, real estate listings, and land registers to conduct a comprehensive site research. Look for potential sites that meet your defined criteria. Take note of promising options and gather as much information as possible. **The collaborative housing planning and property search Checklists** (Appendix B) provides a template for group members to conduct this site research, and do a basic feasibility assessment of potential sites. This reflects the things that your development partner would also be looking at. There are three checklists that should be useful:

- **Site characteristics** – Can be used for specific sites, or more broadly to compare suburbs or towns. Modify the criteria depending on your group's needs.
- **Property details** – checklist of details for considering existing properties.
- **Site planning checklist** – more specific details about the characteristics and planning constraints for specific sites.

For urban projects, the repurposing of underutilised commercial spaces in the city represents an option worth considering, particularly following changes in working patterns since the COVID-19 lockdowns.

The resource list (below) has some good online search starting points.

> Throughout our research, finding sites was described as a specialised skill of developers, as often the best sites for a development aren't currently for sale. The art is in knowing what land could be for sale if the right person was asked etc…
>
> *Note from the Research team*

Step 2: Visit and Evaluate Potential Sites (Feasibility assessments)

Arrange visits to the shortlisted sites to evaluate their suitability. Assess the topography, environmental impact, zoning regulations, and availability of infrastructure. Ask your development partner or a qualified professional to run financial feasibility modelling based on the site characteristics. This step is crucial in determining whether a site aligns with your vision and meets the practical needs of your cohousing community.

Step 3: Conduct Due Diligence

Perform due diligence on your preferred site options. Depending on the location, history and desktop due diligence results, this may involve bushfire assessments, environmental assessments, conducting soil tests, and feasibility studies to ensure the site is suitable for your cohousing development. Thorough investigations at this stage will prevent future headaches and surprises.

As part of their due diligence, developers may want to work with an architect to create concept plans for a particular site, and arrange a meeting with the local council (pre-lodgement meeting) to discuss whether the plans would be acceptable to the council. There are costs involved in developing concept designs, and getting a pre-lodgement meeting with council.

Step 4: Negotiate and Secure the Site

Engage in negotiations with the site owner or relevant authorities to secure your chosen site. This may involve purchasing the land, entering into a long-term lease, or forming partnerships. Work with solicitors or lawyers to finalise legal agreements that protect your interests.

Options to Consider: If you have already partnered with a developer, the developer will probably handle the land purchase. However, if your group has sufficient equity available, you could explore other options where you purchase the land directly as part of the partnership. It is also possible to purchase the land as a group and engage a developer after you have the land. When the land is purchased by the future residents, this can in some circumstances avoid double payment of stamp duty (see 'things we learnt' on next page). It is essential that all the appropriate feasibility assessments are done prior to purchase.

Another possibility that some collaborative housing groups are exploring involves obtaining a long-term ground lease on a site e.g. a 99-year lease from a government land holder. The CoHousing Australia Bunya Grant 1 looked at this option, either leased at market rates, or for a 'peppercorn' rent. This will change the financial feasibility of a project, though the availability of such ground leases for collaborative housing developments is relatively unknown.

A further option to change the model at this stage would be to have the land owned by a Community Land Trust (CLT). See the link in resources for further information on CLTs.

> Purchasing land requires money (unfortunately). If the group was to purchase the land themselves, this is the typical expenses required at this stage:
>
> - Deposit – 5-10% deposit required from group's equity
> - At settlement – 80% from bank loan, 20% from equity
> - Timing – Varies, but estimate a 6 months settlement period between deposit and full payment.
>
> *Note from the Research team*

Stakeholders

During this stage, it's essential to collaborate with key professionals and stakeholders. These can include real estate agents, surveyors, architects, planning consultants, solicitors or lawyers, local government authorities, and community development organizations. Their knowledge and guidance will prove invaluable in making informed decisions and navigating the complexities of site acquisition.

Important things that we've learnt through the research

Can you avoid double payment of stamp duty?

Stamp duty (or 'land transfer duty') is a tax charged on property purchases. In resident-led housing developments, double payment may occur if the residents (or their legal entity) buy the land as a consortium (paying stamp duty on the land), then transfer it to each member individual once the homes are built (paying stamp duty on the homes). Stamp duty exemptions are possible when the owners of land build on it then need to transfer it between themselves. However, if one entity purchases and builds then sells to a second unrelated party, then there is unlikely to be an opportunity for stamp duty exemptions. This is something that should be considered in the project formation, project activation and site acquisition stages. In some cases, double stamp duty can be avoided if the development structures and processes are established properly. Seek advice from a qualified legal professional.

Financing land purchase

If your group is financing the land purchase yourselves, you will also you need to be accountable for paying the interest on the land-loan throughout the development. This either needs to be paid throughout the development period, or can be capitalised (i.e. the interest is added to the loan upfront) in which case the bank will need extra security against the loan.

Owning land during the development phase

When partnering with a developer, your group may have the option of leaving land purchase to the developer, or of purchasing the land yourself. If your group want to own the land during the development phase, you will be carrying the risk alongside the developer. If you intend to own the land yourself, this could be a reason for negotiating a reduced overall profit margin in the agreement with the developer. Compared to a completely DIY approach, the benefit here is risk is shared and reduced as the group has engaged professionals to manage the process.

> Quote from interviews to be inserted here. TBC.
>
> Community member/Development Professional

Resources

Online resources to help evaluate land and sites

Mecone Mosaic – MOSAIC provides basic land use planning data in NSW, VIC, QLD and WA. https://meconemosaic.au/

NSW Planning Portal – Official NSW government portal for land use planning data in NSW. https://www.planningportal.nsw.gov.au/spatialviewer/#/find-a-property/address

VIC Property and Parcel Search – https://www.land.vic.gov.au/property-and-parcel-search

Nearmaps – up to date satellite imagery – allow 'side-by-side' to go back in time and view property history.

LandChecker – free to access property data, planning information, document searches etc. https://landchecker.com.au/

For more information on Community Land Trusts, see:

The Australian Community Land Trust Manual – This is a comprehensive manual written to provide useable resources to address the operational, legal and financial issues and decisions facing potential CLTs in Australia.

By the end of this stage…

…you will have identified a suitable site that aligns with your criteria and negotiated the terms of acquisition or lease. You'll be ready to put your focus on the design of your project. Remember, this stage is crucial in laying the foundation for a vibrant and sustainable cohousing project.

6 Planning, Design & Develop | Create the design, get approvals, find a builder

The planning and design stage of a cohousing project is a crucial phase where the blueprint for your community comes to life. If you're partnering with a developer, or have engaged a development manager, they'll take the lead throughout this process, based on the brief you've developed for (or with) them in the previous stage.

Purpose: Transform your cohousing vision into a tangible design and get ready to build it. This stage is when you create the layout, amenities, and sustainability features of your community, and get approval to start to build it.

During the planning and design stage, tailor your cohousing project to suit your community's preferences and goals. This stage is an opportunity to design a space that promotes social interaction, fosters a sense of belonging, and aligns with your shared vision explore design elements such as building types (single-family homes, duplexes, or multi-unit buildings), unit layouts, shared spaces (communal kitchen, dining area, gardens), and environmental considerations (energy efficiency, solar PV panels, water conservation, and sustainable materials).

Key Steps:

1. Reconfirm the brief

Clarify the purpose and objectives of your collaborative housing project, review and confirm your design brief.

2. Establish the collaborative design process

While your development partner will be familiar with the typical design process, they are unlikely to have a lot of experience with a truly collaborative design process with the future residents. Before starting the design process, we recommend engaging an external facilitator to work with the resident group and development partner to establish a design process to be followed. This should clearly articulate how the residents needs are heard and addressed during the design, but also set out the needs and expectations of the development partner i.e. how much time do residents have to think about options before deciding, what are the timelines and milestones that need to be met to meet the project budget etc.

Note that the key principles of a collaborative design process should be discussed and agreed to with your development partner before you enter into the partnership. By this stage, you're focusing on the details.

3. Work through the collaborative design process

Work through the agreed upon steps in this co-design process. Your development partner can guide you through the steps, which involve engaging with design professionals like architects, urban designers, and landscape architects in collaborative design processes (sometimes called design 'charettes') that meet your design brief. A typical design process might follow these steps:

- Prepare and present several concept design options
- Agree upon a preferred concept to be developed
- Present the DA drawings as they're being developed
- Interior design – colours, finishes, appliances, etc
- Detail design ready for construction – materiality, facades, balustrading material etc

4. Have a clear plan

For collaborative housing, it is important to have a clear plan of the process for engaging with the residents, understanding how decisions will be made, and understanding the process of getting approval to proceed with the next stage of design.

5. Work our your design considerations

Specific design considerations for collaborative housing will include: working out the type and design of shared facilities, considering social contact design to encourage informal social contact on the site, as well as thinking about potential to stage the development so more communal facilities or homes can be adapted later on.

6. Address Sustainability Considerations

Integrate sustainability into your design by exploring energy-efficient features, renewable energy sources, water conservation strategies, and environmentally friendly building materials. Also consider operational lifestyle and behaviour change objectives and consider how the built environment will facilitate and support those behaviours and activities. E.g. if growing your own food is a priority, make sure there is sufficient space in a sunny part of the site.

7. Dwelling selection and allocation

We recommend leaving dwelling selection/allocation until after town planning approval – there are two key reasons – 1) it means that decisions can be focused on the best collective outcomes (and no ugly ducklings), and 2) things change during town planning so it's important not to have things locked in and people building an emotional attachment too early making changes extra challenging.

8. Obtain Construction Permits and Approvals

Work closely with local authorities to secure the necessary permits and approvals required for your cohousing development, including development approval and construction approval. Obtain the Development and Construction finance.

9. Prepare detailed designs for tendering for a construction contractor

10. Call for and assess tenders

> The development loan (which would be arranged and taken out by the development partner) would typically be a bank loan (at development rates) to the value of 65%-75% of cost of development (excluding GST).
>
> *Note from the Research team*

Stakeholders

During this stage, engaging with key professionals and stakeholders is vital. Their expertise and involvement will contribute to a successful planning and design stage. Collaborate with architects, urban designers, landscape architects, structural engineers, sustainability consultants, quantity surveyors and/or builders, and the local community (e.g. neighbouring residents and businesses).

Important things that we've learnt through the research

When are off-the-plan contracts issued?

When you have the property and the development design locked in. It can be before or during construction. You need to know what you are building to be able to issue a contract for sale with any certainty.

When developers take deposits for pre-sales, these must be held safely in a trust that can't be touched by the developer until the construction is completed. This is for the protection of the typical home buyer. In the unique situation of collaborative housing project, there can be good reason to find a way to provide a deposit to the developer – equivalent to a pre-sale – but that allows the deposit to be used in the development. This reduces the loans required by the equivalent of the deposit amount (~10% of total development costs). Such an arrangement was worked out by one of the groups we spoke with.

> The most important thing for residents is to understand and agree on a brief, and then stick to it. Developers referred to the "$1, $100, $1000 principle", meaning that changes early on (during concept design for instance) are cheap, but those same changes near the end can be very expensive.
>
> *Note from the Research team*

> Quote from interviews to be inserted here. TBC???
>
> Community member/Development Professional

Resources

For information on the design process and design a home, look at the following resources:

Royal Institute of British Architects Plan of Work design process – RIBA Plan of Work
The RIBA Plan of Work organises the process of briefing, designing, constructing and operating building projects into eight stages and explains the stage outcomes, core tasks and information exchanges required at each stage. architecture.com

YourHome
Your Home is Australia's independent guide to designing, building or renovating homes to ensure they are energy efficient, comfortable, affordable and adaptable for the future. https://www.yourhome.gov.au/

The Primary Read:
Creating Cohousing: Building Sustainable Communities by Kathryn McCamant and Charles Durrett (available through Cohousing Australia) or search online

The Supporting Read:
Cohousing Communities: Designing for High-Functioning Neighbourhoods by Charles Durrett Click Here

These three websites are the most useful starting points for overview information when you're at this stage:
CoHousing Australia – https://cohousingaustralia.au

Collaborative Housing Australia – https://www.collaborativehousing.org.au/larger-projects-manage-dev-approval

Community-led Homes UK – https://www.communityledhomes.org.uk/how-do-it/build-stage

Detailed Reads:
Local government planning instruments – including Local Environment Plan (LEP), Development Control Plan (DCP). Will be specific to your local government area (LGA)

State planning requirements – e.g. BASIX in NSW, SEPP 65 Residential apartments

By the end of this stage

Your group will have gained planning approval for the designs of your community, and have detailed designs ready to engage a construction contractor to start building.

7 Build | Constructing your community

Building your project is an exciting and rewarding endeavour. In most cases, your community will have limited input into this stage. The developers or development manager will take the lead in engaging a construction team and overseeing the process. However, the general steps are outlined below for your understanding.

Purpose: The purpose of the building stage is to transform your cohousing project from plans into a physical reality. This stage involves the construction of housing units, shared spaces, and infrastructure that will accommodate and support your cohousing community. The building stage brings your vision to life, creating a tangible community where residents can live, interact, and thrive.

Key Steps

1. Select a Construction Team

Engage a professional builder or construction contractor with experience in building the type and scale of dwelling that you're after. Seek out architects, contractors, and project managers who have some experience working on collaborative housing projects (hard to find) or at least understand the difference between this and standard construction process. They will guide you through the construction process, ensuring adherence to regulations and timelines.

2. Have processes to make decisions

Experience shows there will still be many decisions that arise as the build progresses. As a group, having an established process to make decisions quickly as they arise will be important. Some groups recommend nominating a single point of contact from your group to deal with any issues or variations that arise (perhaps with clear instructions about what can be dealt with immediately versus what issues the group must be consulted about). If no-one in your group wants to take on this role, you could engage an independent professional to respond and advocate on your behalf.

3. Assign responsibilities

Throughout the build process, the construction contractor will typically be responsible for:

- **Construction and Site Preparation:** Clear the site, prepare foundations, and begin construction of housing units and common spaces. Regular communication and coordination with the construction team are vital during this stage.
- **Quality Control and Inspections:** Implement quality control measures throughout the construction process to ensure that the project meets the required standards and conduct regular inspections to address any issues promptly.
- **Infrastructure and Utilities:** Install necessary infrastructure and utilities such as water, electricity, heating, and sewage systems. Opt for sustainable solutions, where feasible, to minimize environmental impact and maximize energy efficiency.
- **Landscaping and Community Spaces:** Develop outdoor spaces, landscaping, and communal areas that foster interaction and promote a sense of community. Incorporate green spaces, gardens, and recreational facilities into your design. Some elements can be kept out of the main contract to be developed by the community once you have taken occupancy. This can reduce initial costs, allow things to evolve more flexibly over time, and give your community a valuable opportunity to co-create together.

Photo: Lyndall Parris, Founder of Narara Ecovillage

At the end of the building stage, you will pay out the construction and development loan and take ownership of your new home.

> In this build group model, the individual households now buy their dwelling from the developer, or if they have used a development manager, they pay out their share of the development finance to gain ownership of their dwelling.
>
> This is either through getting an individual mortgage, or from their equity (e.g. if they're selling an existing property).
>
> *Note from the Research team*

Stakeholders

During the building stage, it is essential to engage key professions and stakeholders. Collaborate with architects, contractors, project managers, engineers, and utility providers. Regular communication and coordination with community members are also crucial to ensure their needs and preferences are considered during the construction process.

By the end of this stage…

…the physical infrastructure of your cohousing project will be completed. Your homes, common spaces, and necessary infrastructure and utilities will be constructed, and the landscaping and community spaces will also be developed, fostering a vibrant and cohesive cohousing community.

8 Live | Living together

Once the housing is built, the development phase ends, and it's time to move into your new homes and begin the next stage. Embarking on the journey of living in a new cohousing project is an exciting and transformative experience. In this overview, we will cover the most important aspects to know about living in a cohousing community.

Purpose: Now that you're living in your collaborative housing dream, it's time to realise the vision of a supportive and connected community. The focus now is on managing the changing relationships, establishing community norms, and creating a vibrant living environment where individuals feel a sense of belonging.

Key Steps

This will be an exciting time, but also a potentially big change for the community as you actually start living close together. Living in a cohousing project requires a strong focus on communication, cooperation, and consensus-building. Many of the communications, decision-making and conflict resolution processes you need will have been put to good use throughout the development process, but they may require some evolution as you move in.

Refocusing and re-establishing the following processes are widely talked about as key priorities:

- Transitioning your community to managing your collaborative housing. Many of these things will have already been established in practice or in principle, but now it's about adjusting the detail to the new living arrangements you're in.
  - Regular Community Meetings: Set up regular meetings to discuss community matters, decision-making processes, and upcoming events. These meetings provide a platform for collective decision-making and ensure that everyone has a voice in shaping the community.
  - Shared Responsibilities: Define and distribute shared responsibilities among community members. This may include maintenance tasks, common space cleaning, or organizing community events. Establish a fair system that encourages equal participation and accountability.
  - Conflict Resolution Mechanisms: Develop processes for addressing conflicts and disagreements within the community. Encourage open dialogue, active listening, and mediation techniques to find mutually acceptable resolutions.
  - Community Events and Activities: Plan and organize community events and activities that promote social interaction, collaboration, and a sense of fun. Shared meals, game nights, or gardening projects are just a few examples of activities that can strengthen community bonds.
  - Ongoing skills development: many of these aspects of living in community, from managing meetings to managing conflict, require specific skills that not everybody has. So it can be really helpful to think about how to build those skills amongst your community. Some cohousing communities have specific training for both new and existing members, other communities have requirements that new members stay for a certain period as a visitor before being able to join a community. There are different ways to approach this, but developing skills is an important consideration.
- Building defects period – an important and potentially stressful period of checking that everything has been built to your specifications, and if not, making sure they're fixed. There is typically a defects period on new multi-unit dwellings during which time the developer/builder is liable to fix things – after that period the responsibility falls on the residents.

Photo: Murundaka – Chris Grose

- Managing the homes and common spaces – how are common spaces used, do you have regular shared meals, or other events? What about outside visitors? There's plenty to discuss and establish here.
- Repair and maintenance – Every building will have maintenance requirements over time. These include regulated things like fire safety systems, electrical and hydraulic systems (for example, an elevator if there is one, or a diesel pump for the fire hydrants) as well as painting and general maintenance. In NSW, when a developer transfers ownership of a building to the owners corporation, the developer is required to provide a building manual. You should incorporate the building maintenance into ongoing checks, discussion and budgeting.

Resources

CoHousing Australia
www.cohousingaustralia.au

The Primary Read:
Cohousing for Life: A Practical and Personal Story of Earthsong Eco-Neighbourhood (Chapters 1-5) by Robin Allison

The Super Basic Read:
Sociocracy – Basic concepts and principles by Ted Rau

The Supporting Read:
The Cohousing Handbook: Building a Place for Community (Chapter 2) by Chris Scott-Hanson and Kelly Scott-Hanson

Trust by Gert Tinggaard Svendsen

The Video:
Earthsong Eco-Neighbourhood: Robin Allison – Cohousing for Life

About this Guide

This guide is the culmination of a year-long research project funded by Cohousing Australia from a City of Sydney Knowledge Exchange Grant.

The research team spoke with members of three collaborative housing groups based in the Greater Cities region of Sydney, Newcastle and the Illawarra who had not yet built a housing community. The purpose was to understand their journey, their current status, and the challenges and barriers groups in their position typically face. In total, we heard from nine members of these actively forming groups.

To create this guide, we then interviewed legal, financial, planning and housing development professionals, along with members of collaborative housing communities that had overcome some of these challenges, to better understand how to guide forming groups along a pathway to a successful resident-led development. We held ten interviews, with over twenty professionals to gather the information in this guide.

Throughout the project we were guided by a Steering Committee coordinated by CoHousing Australia, consisting of members of forming collaborative housing groups.

Title

Unlocking the Doors: Legal and Financial Pathways To Resident-Led Housing

Project Team

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Reference

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Disclaimer

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List of Appendices

Appendix A – FAQs

A major focus of the research behind this guide was figuring out the most important questions to be asking the development, finance and legal professionals when we spoke to them. Where possible, we have incorporated their answers in the previous sections of the guide. However, there was too much interesting information, so we've picked out the key questions, and summarised the responses below to provide you with as much detail and context as possible.

Please note that the responses are general in nature, not referring to specific project details. You should always obtain professional advice specific to the circumstances and nature of your group.

Partnering with a developer (insights from developers)

What are the selling points for a developer when considering whether to partner with resident groups?

Several selling points were suggested in our interviews, including:

- Helps de-risk the project: If there's a whole lot of pre-committed dwellings, that's equivalent to pre-sales, which takes out a lot of the risk typically involved in a development. The challenge is how to demonstrate this commitment early on when you're approaching a developer to partner with your group.
- Reputation: Reputation can be very important and valuable to developers. If your group can be an potential example of a community developments with positive social and environmental outcomes, then this can be attractive both to developers, and the funding capital.
- Scalability: Another point a group could use, is the potential to create a new 'market' that the developer can operate in by having a stream in the collaborative housing space.

What would a developer or development manager need/want to see from a group in order to consider working with them?

While this may vary, there were some clear things groups can work on before approaching development partners to show they're serious and an attractive partnership proposition:

- That they're well organised, have clear internal communications and decision making strategies, and ideally already coordinated with a preliminary understanding of different legal structure options.
- The group already understands the specifics of what they're looking to do and has developed a Design Brief.

In a 'group buy in exchange for customisation' model, how would you manage a design customisation process – e.g. does a design brief need to be agreed before starting the design process? How many meetings between designers and resident group? Do you need an upfront commitment from the resident group before starting, and what would this look like?

Ability to customise decreases the further progressed the project is from a design perspective. The further progressed the design, the higher the cost of making documentation changes. You want to identify as much as possible up-front.

One thing for groups to understand is that developers will want limited customisation when building multiple dwellings because it reduces the economies of scale which is one of the benefits of medium density developments. If there aren't multiple dwellings that are similar, but rather a whole lot of individual homes, the building cost will increase.

The design process would involve at least the following steps:

- Prepare and present a few concept designs
- Agree upon a concept to be developed
- Present the DA drawings as they're being developed
- Interior design – colours/fittings and fixtures etc
- Detail design – materiality, facades, balustrading material etc
- Construction drawings for tender
- Construction drawings for Building Permit

What order of savings to residents is possible compared to conventional speculative development? Are there avoided costs (e.g. presales, marketing) that lead to savings?

Absolutely there are avoided costs, however there can also be additional costs, so these may offset each other.

Partnering with pre-committed buyers means the developer doesn't need to spend money on sales and marketing, and renders and sales offices – estimates range from 10%-20% of overall costs, which in some projects can be in the millions of dollars.

However, these potentially avoided costs are offset against additional time and complexity (from the developer's perspective) of needing to consult (and get approval from) a group of clients. If the group is organised in its processes, this may not be a big cost, but if there is a lot of back and forth, and uncertainty, then costs could grow.

There is potential to reduce stamp duty costs of the development by only paying it on the land value, not the final development value, if the future residents are also the purchasers of the land (or a company or similar legal entity). This is something that needs to be carefully structure and planned prior to land purchase.

What about minimising stamp duty?

Stamp duty (or 'land transfer duty') is a tax charged on property purchases. In resident-led housing developments, double payment may occur if the residents (or their legal entity) buy the land as a consortium (paying stamp duty on the land), then transfer it to each member individual once the homes are built (paying stamp duty on the homes). Stamp duty exemptions are possible when the owners of land build on it then need to transfer it between themselves.

If the project is run as a building group, at end of the development, when the titles are partitioned there is no change in ownership, so therefore it's not a stamp duty event. When you partition, the tax office ask for the appraisals of the dwellings, if there is a demonstrable difference between your proportional ownership and completed value they might charge you stamp duty on the difference. This should all be setup before land is acquired.

However, if one entity purchases and builds then sells to a second unrelated party, then there is unlikely to be an opportunity for stamp duty exemptions. This is something that should be considered in the project formation, project activation and site acquisition stages. In some cases, double stamp duty can be avoided if the development structures and processes are established properly.

What are the additional costs of a collaborative development?

Costs of building are typically estimated based on floor area being constructed, and if a group wants significant communal assets they will need to pay for this. Some groups talk about efficiencies of trading off a reduced size of individual dwellings for the communal spaces, which is a possibility, however most developers see the communal assets as additional costs.

Also, as mentioned above, the collaborative process can be expected to add additional time and complexity (from the developer's perspective) of needing to consult (and get approval from) a group of clients. If the group is organised in its processes, this may not be a big cost, but if there is a lot of back and forth, and uncertainty, then costs could grow.

What's the minimum margin a developer would need?

15%-20% is a typical target profit margin for most speculative developments.

This would increase for higher risk developments, decrease for lower risk ones.

Things that can be used to negotiate down the 15% margin include:

- Pre-committed buyers – equivalent to pre-sales without the expense of marketing, real estate agents etc
- Can show pre-approval from banks for mortgages at the completion of development

We have heard that searching for sites at the multi-unit scale is very complex, but many groups do look for land themselves. What advice would you give groups?

Getting land can be difficult without some sophistication and experience. Unless you're looking in an area without much demand. If land is publicly advertised, there'll be a lot of developers looking at the land.

Developers will acquire land in many different ways. Much of the things they do is off-market – approach land-rich organisations with an idea.

Sometime through working with land-rich organisations such as government. So one option is to find ways to align your proposal with existing priorities of land-rich organisations.

Depending on the collaborative housing model, government may be a good match if the group's goals align with the government – e.g. if there are social housing, or CHP partnerships.

A good suggestion for groups is to look for open tenders and contact either the tender organiser or known bidders – find who might be bidding and let them know you have e.g. 20 households already – this may be welcomed by developers as a way of de-risking a larger project.

Is there a certain development scale that is most attractive to developers?

This varies with developers, each company will have its own preferred scale and market. This appears to be a tricky area for collaborative housing groups. The typical scale of 15-30 households is at the smaller end of the development scale (unless in areas with very high median dwelling prices), but the deliberative development process is more complex than developers that operate at this scale typically are comfortable dealing with. Collaborative housing 'requires a certain level of nous' and sophistication that isn't common in developers operating at this scale.

But a few interviewees thought there could be a market opportunity at this scale of 15-30 households to convince the niche or boutique scale developers (one interviewee referred to 'entrepreneurial family dynasty' developers) to take on projects which have a greater certainty of outcome..

This is a challenge for collaborative housing groups – really sorting out the group governance to make the partnership for the developer, and nailing the pitch to developers of slightly larger scale could help.

Do you have experience with titles other than strata, or with use of covenants that put conditions on resale?

Strata is the most widely used and understood title, and the banks like it because they are lending against a clearly defined piece of property. So there are some strong forces incentivising the continued use of strata title.

From the development perspective, titles other than strata could be important because of accessing finance, or because of a lack of familiarity with the model.

The final title structure may impact the lending decisions of banks to the development entity, in which case, this decision is important. But beyond finance (a very important aspect), if the developer is selling out to the residents once built, they aren't likely to really care too much.

Do you have any experience with government subsidies or support for innovative development? What kind of support would better enable you to do more of these partnerships with communities?

There were mixed opinions about the benefits (or lack of) from trying to work with governments on these kinds of developments. The sense was that there are potentially high rewards if a committed government partner could be found, but the chances of securing government support are low.

Government are a stable partner to work with on developments, once they have committed to a partnership, but that can be a very difficult partnership to lock in, and it will also come with additional administrative burden, so there are pros and cons.

Projects where government owns the land and continues to own the land throughout are much more capital efficient, so much easier to finance, although this is typically a model that is only offered to community housing providers.

The long approval times make it difficult for developers, because they need to be responsive to changing economic conditions but when approval takes a year it can be hard to do this. NSW Apartment Design Guide conditions take time (for good reason) but could they have special planning approval conditions for cohousing where the focus is more on the communal amenities, to speed up approval timeframes and therefore incentivise?

General impression was that professionals can't see government specifically supporting cohousing unless it's in the form of affordable/social dwellings. So maybe it's more about ensuring those incentives are available to cohousing communities incorporating social and affordable dwellings.

What are potential funding innovations?

Impact investment: One option that can be explored is getting an impact investor (e.g. SEFA) to provide some of the upfront equity required as a separate layer of investment. Your project will need to meet the impact critiera and you'll still have to contribute a certain level of equity yourselves, typically around 20% as a minimum.

Group cross-subsidised loans: One option discussed was having members in a group with more financial resources (surplus equity capital) lend money to other group members as internal loans at an agreed rate of return equivalent to the risk (e.g. 10%). This provides a financing buffer for the group, gives the group more time and reduces the private loan requirements.

Finance Questions

Please note that the responses are general in nature, not referring to specific project details. You should always obtain professional advice specific to the circumstances and nature of your group.

What do banks and other lenders see as the key risks of financing a resident-led development (as opposed to a conventional speculative development where the developer takes out finance)?

The key risks finance professionals focused on could be summarised as follows:

1. **Execution risk** – how do they track and measure the capability of this group to see the development through to completion? What contingency equity capital does the group have to cover contingencies during the development process? When obstacles are encountered, how likely is that to derail the whole project?
2. **Exit risk** – What is the legal framework underlying the group – what happens if it gets messy, someone wants to pull out? What are the exit criteria? This is a larger problem when dealing with multiple people instead of one entity, if one of the group members leaving mid-development has the potential to derail the whole development.
3. **Refinance risk** – What are the group members capability to take out mortgage finance at the completion of the development?

Development is risky anyway and you need money to 'pay your way out' of risks e.g. if geotechnical problems are encountered , groups might not have the ability to do this

The capacity of 'ordinary people' to absorb risk is low and the person in the group least able to shoulder a loss will suffer – reputational risk for banks

Banks need things to go right 95% of the time… i.e. a low appetite for risk.

To finance a resident-led development (of say 8-30 units), which business unit of the bank would approve this? How do the lending criteria differ from a residential loan?

A resident-led housing development would most commonly be assessed by the business banking team – so they look at risk weighting, securities, pricing on a case by case basis. Depending on details could be delegated to different lenders higher up the chain of seniority e.g. consumer or commercial or maybe even the board

Discussion about a 'club loan' from different institutions but they'll all have different governance and different risk tolerances, and large institutions won't be interested, so this seems like an unrealistic proposition for the scale of project under consideration here.

The main point to understand here is that this is not a residential, mortgage style loan that is required, so you'll be dealing with different parts of a bank or lender.

How would proximity to retirement (age) of the resident group affect lending?

This can be a major challenge. Banking is highly regulated, and responsible lending regulations don't want people to sell their only home and live on their super. Lending assessments won't count pension because it's considered money for basic living, not paying off housing.

Bridging loans would likely be ok for 'cashed up downsizers' who have risk capital (i.e. can spend their way through problems) but IF the cohort includes those on lower incomes that's when you get real problems. Even if mixed income group, the lower income, higher risk profile members will be the focus of the banks risk assessment.

Unfortunately, the finance professionals saw major challenges with lending to a resident group that was of retirement age – the consensus was that most lenders would actively discourage a retiree from participating, so suggested 'Do it in your 50s!'. For older Australians, this would suggest that finding a developer willing to work with a 'buyers group' model may be the best approach.

How do banks view different property titles (alternatives to strata) and how does this influence lending criteria?

Strata title is far and away the most common property title in multi-unit dwellings, and the one that is best understood by a 'mainstream' buyer in the market. Therefore, the major banks (interviewees often referred to the Big 4 banks – Commonwealth, NAB, ANZ and Westpac) were said to view alternative titles as too hard, as the restrict the marketability of properties.

Finance professionals with lending experience noted that the risks that may be present from alternative title can be controlled for by the banks, but they often have the approach of 'why would we?' – it's more difficult, there's enough of a market available for their lending products without needing to engage with titles that require time and effort to understand. In some cases, the banks may have had a bad experience with a title and decided it's not worth the risk for them.

So in general, different property titles will make lending criteria more difficult or more expensive, but not impossible.

How do banks view restrictions/ covenants on resale (e.g. price caps, limits on who can buy in)? Does this influence lending?

The covenant would affect the valuation. Banks would have restrictions and would decrease the amount of debt they would finance against the project if there where restrictive covenants.

Appendix B – Checklists

Collaborative Housing Finance Checklist

The purpose of this checklist is to provide a series of prompt questions to understand the financial capacity of both individual households and the group as a whole. This is crucial to understanding the feasibility of any possible project.

It is possible for a group to take the 'DIY' approach to development, in other words, act as the developer (guided by an experienced development manager contracted by the group) and take on the financial risk. However, for this to be feasible, the group needs to have access to liquid equity (funds they can access through the development process before taking out a mortgage on the final dwelling) equal to approximately 35% of the total value of the development cost. If this is possible, then a DIY development approach is possible. Otherwise, the group would need to partner with a developer in some form.

For the partnership with a developer model that is the focus of this guidance, the expenses that the group would cover throughout the process, compared with what the developer covers, would need to be clearly spelt out in the terms of the partnership contract.

Collaborative Housing Finance Checklist

The purpose of this checklist is to provide a series of prompt questions to understand the financial capacity of all group members and the group as a whole. This is crucial to understanding the feasibility of any possible project.

Questions for the group	Have discussed (Yes/No)	Notes / Decisions reached
Equity for land purchase: How much equity (readily accessible cash) do all group members have access to? • That they can put towards land purchase (a 5%-10% deposit is typically required from the groups equity for land, along with a further 20% when settling on the land ~6 months after deposit).		
Equity for development: How much equity (readily accessible cash) do all group members have access to? • That they can contribute to the project during the development phase (~At least 30%-35% of development cost).		
Group cross-subsidised loans: Are some members willing to put in extra equity (for an agreed return) to cross-subsidise other households until occupation (with a contract in place).		
Do your group members expect to own their homes, or rent, or a combination?		
Mortgage finance: What is the capacity to access loans at different stages of the development (at land purchase, obtaining construction finance and obtaining home loans at completion of the build)?		
Are you interested in looking at alternative options such as shared equity schemes?		
Will your members be able to pay the interest on the land-loan throughout the development (if group purchasing the land themselves).		
Have you checked what the forecast sale price of the expected home size in your targeted area is currently? • This is the best rule of thumb for what the final sale price of any development would be.		

Collaborative Housing Legal Checklist

The purpose of this checklist is to provide the relevant context and a series of prompt questions about issues that groups should discuss to help them decide on the legal structures and property titles that are most suited to their collaborative housing vision.

It would be helpful to have checked off all these points below before you start paying for the assistance of a legal professional. You don't need to have reached a final decision on many of them, it is enough to know what options are still on the table.

Typically, there are three key times when groups need legal agreements [4]:

1. Pre-site acquisition agreement
2. A joint venture, trust, limited liability company or other development partnership to create the development entity
3. Cooperative, company, strata or community title documents that define the long-term ownership and management structure after occupation.

Types of Property Title

Strata and Community Title:

Strata and Community title both allow a combination of private ownership of a private residence area and shared ownership of communal spaces. These are commonly used in Australia, with strata generally used for apartments and community title for housing estates. Collaborative housing projects which already use strata title include the Nightingale developments.

Company and Co-operative Title

With co-operative and company title, a separate legal entity (the co-operative or corporation) is the owner of the property, with co-operative members or company shareholders either owning shares or holding membership and occupancy rights which entitle them to use a dwelling in the development.

A key difference from strata/community title is that the members of the collaborative housing group can write the constitution (company) or rules of association (cooperative) in ways that are specifically suited to the needs of the community. This can be used to place restrictions on any sale, lease or mortgage of dwellings, or require permission from other shareholders. This can be seen as a positive or a negative aspect of these forms of title, depending on the aims of the housing group.

Collaborative Housing Legal Checklist

This checklist provides a series of prompt questions about issues that groups should discuss to help them decide on the range of legal structures and property titles that are most suited to their collaborative housing vision.

It is helpful to check off all these points before you start paying for the assistance of a legal professional. You don't need to have reached a final decision on many of them, it is enough to know what options are still on the table.

4 McCamant and Durrett, Creating Cohousing: Building Sustainable Communities.

Questions for the group	Discussed (Yes/No)	Notes / Decisions reached
People		
Who will benefit from, and control, the group's assets? • Will membership be limited to the residents? (Resident-owned) • If there are renters, do they have the same rights as owners? • Or will it include non-resident people from the surrounding community? (Community-owned)		*Resident-owned would be most common for cohousing and housing cooperatives.* *Community land trusts typically need to include members from the wider community.* *In Narara Eco Village (a community association and a co-operative) for example there are residences planned that will be community / co-op controlled but for use of either lot owner or resident's guests.*
How do you want to make decisions? What type of participation do you want to enshrine? Is it going to be completely democratic – one member, one vote – or proportional to ownership?		*If you want equal voting rights e.g. and want the flexibility to write your own rules, then look at company or cooperative title* *Cooperative is one person, one vote* *Company – whatever is written in the constitution* *Strata or Community Title – votes based on proportion of overall value of lot at the time of incorporation (so a penthouse could have 2 votes, everyone else 1)* *There may be ways of mixing cooperative as a layer over strata or community title*
In a resident-owned structure, does each household have a vote, or each adult member of a household, or each member of a household?		
How will decisions be made? • Do you want to use consensus decision-making or something different like sociocracy? • Or a traditional majority rules with limitations such as some decisions need 75% and others 100% consensus?		
Incorporated association rules…? What management structure does the overseeing committee have? How do they work day-to-day and how much power will they have to make decisions on behalf of the whole group?		*For instance, can they set levies or does that have to be a meeting of all group members?*

Questions for the group	Discussed (Yes/No)	Notes / Decisions reached
Property		
Will there be personal property ownership within the community, so residents can sell and recoup the value of their property when they move out?		
Will there be affordable housing options included, whether through social or affordable rent, or shared equity/ownership?		
Does the community/group want to have an ability to limit/control who can buy into the community, or who can rent?		
Any other by-laws that you would like to include? Common topics to consider might include: • Pets and animal ownership • Parking (if not included in a lot) • Responsibilities and participation levels after moving in • Use of common areas / facilities / amenities • Restrictions on resale prices? • Right of first refusal for purchase by the community if selling etc…		*Likely there will need to be rules to make sure there are equal usage rights and ability to charge for usage rights* *eg A – 1 person cannot use the common meeting room to remote work Mon-Fri each week preventing others using it* *eg 2 – EV charging stations – charging for electricity costs*
Funds		
Where is the funding for your resident-led housing project likely to come from? • Individual members • Banks or commercial lender loans • Grant funding • Partnerships • In-kind support		*The sources of funds can have an influence on the most appropriate legal structure*
Contribution to purchase/development price and costs: Will each member's contribution to price be based on financial capacity, or value of the share they receive, or some other formula?		

Questions for the group	Discussed (Yes/No)	Notes / Decisions reached
Other		
Do you know what you want the final property title structure to be? • If so, what reasons are driving this?		
Do you expect to be able to subdivide the lot you buy? (if not multi-unit)		*Or will right-to-reside need to be internally allocated?*
How will you develop your community? E.g. will you partner with a developer, or will the group be the developer?		
Based on that decision, are there any desired intermediate legal structures?		*e.g. cohousing group is Incorp Association, a company or joint venture buys land and builds development, and then ownership transfers to strata, or shareholders get habitation rights in building.*

Collaborative Housing Approaching a Developer Checklist

The purpose of this checklist is to provide a series of prompt questions about issues that groups should discuss to help them develop a clear brief before approaching a developer.

It would helpful to have checked off all these points before you start negotiating with a potential development partner You don't need to have reached a final decision on many of them, it is enough to know what options are still on the table.

Questions for the group	Discussed (Yes/No)	Notes / Decisions reached
Does your group have a formal structure? Can you demonstrate this?		
Do you have a clear communication process? Can you demonstrate this?		
Do you have a clear and functioning decision-making process? Can you demonstrate this?		
Do you have a reasonable understanding of the development process?		
Have you answered all the threshold questions as a group?		
Have you created a design brief? Can your group provide answers to all the following questions? • Number of dwellings, and number of bedrooms • Building type and form (e.g. multi-unit, attached townhouses, detached, mixed residential and commercial) • Type of communal facilities required (e.g. dining, work spaces, guest spaces, outdoor, laundry) • Budget – what individuals and the group collectively can afford to spend. • Level of individual customisation – a greater level of variation in the design of individual apartments is likely to add cost • How much control do you need/want over the design? (More input and control means more time (and possibly more cost)) • What is the intended location, and how flexible are you to changing it?		

Collaborative Housing Planning Checklists

These checklists allow groups to do a basic feasibility/ due diligence assessment of any land or property they are interested in. This should quickly rule out land and properties that are clearly unfeasible, or raise any red flags early on.

Feedback from development professionals and groups who had been through the land acquisition process was that it is easy for members to become invested in certain properties and waste time discussing them only to find out they have the wrong zoning, or are unsuitable some other way. However, there are a lot of good free tools available so that groups can do much of the initial investigation themselves.

It is advisable to have a professional assessment of any site done before spending money to purchase it though, to uncover less obvious restrictions on use.

Key Resources:

- Mecone Mosaic – MOSAIC provides basic land use planning data in NSW, VIC, QLD and WA. https://meconemosaic.au/
- NSW Planning Portal – Official NSW government portal for land use planning data in NSW. https://www.planningportal.nsw.gov.au/spatialviewer/#/find-a-property/address
- VIC Property and Parcel Search. https://www.land.vic.gov.au/property-and-parcel-search
- Nearmaps – up to date satellite imagery – allow 'side-by-side' to go back in time and view property history.

Table 3: *Site characteristics*

Selection criteria	Site 1	Site 2 etc.
Distance to public transport		
Distance to (certain location) e.g. CBD		
Proximity to hospital and medical facilities		
Average land affordability		
Proximity to cultural services?		
Access to XXX YYY facilities?		

Table 4: *Property details checklist*

Property details	Response	Notes / Details
Address		
Site area		
Gross Floor Area		
Floor Space Ratio		
Existing building footprint		
Existing building type		
Parking?		
Existing storeys?		
Existing building height		
Site frontage onto street		
Block depth		
Type of construction		
Asking Price		
Sale History	Date and $$$	

Table 5: *Site planning constraints checklist*

Site Planning Overview/Checklist	Response (rating 1-10 with 10 being best)	Notes/Details
LGA		
Local Environment Plan		
Zoning		
Does this zoning place any obvious restrictions?		
Floor Space Ratio control		
Height Control		
Minimum Lot Size		
Environmental Controls		
Non-indigenous Heritage overlays?		
Indigenous heritage (NSW) (requires free registration)		
Acid Sulphate Soils?		
Contaminated land? NSW register link		
Flood overlay? Is there a flood risk?		
Slope of site		
Are there creeks or waterways nearby on the map?		
Bushfire overlays		
What is the property aspect? What way does it face/slope towards?		Will the majority of dwellings achieve good solar access? A planning or design professional can advise you.
For rural lands		
Does the property have road access?		
Does it have access to services? • Water • Sewerage • Electricity • Gas		

Appendix C – Examples of visions and objectives

Murundaka
Cohousing Community

HOME | ABOUT | RESOURCES | VISIT | EVENTS | CONTACT

Our Vision

We are a cooperative community, relating to each other with respect, compassion and support.

We acknowledge the traditional owners on whose land we are living and working, and pay our respects to their Elders past and present.

- We live sustainably: Conscious of ourselves, our local community, the world and our legacy for the future through our individual and collective actions.
- We live with integrity: Balancing rights and responsibilities and behaving with authenticity.
- We are self-reflective and outward looking: Curious, courageous, collaborative, valuing the cohesion of the group and the wisdom of all.
- We are part of our broader communities: Learning from and engaging in dialogue and action.
- We have fun: Encouraging trust and harmony through play, spontaneity and creativity.

These statements represent our vision of what we want to be together and who we are already. We'll aim high and forgive each other when we fall short.

Cascade COHOUSING

The owners and occupiers of **Cascade Cohousing** share a vision for experience through community whilst encouraging respectful freedom of expression. Our vision is expressed through a sense of community, a sense of place, and a sense of continuity.

Our sense of community is expressed

- through the design of the cohousing facilities which offer the choice between private and common space. This allows individuals to obtain privacy and peace as well as social interaction
- through the design of the cohousing facility with the common house as its central focus; and by common design elements, including colours and materials
- by the separation of vehicles from pedestrian areas which facilitates social interaction and the comfort and safety of residents and visitors
- in the way owners and occupiers socialise and support and encourage others whilst sharing resources and facilities and participating in the many facets of life, both in leisure and in work
- by owners and occupiers sharing the understanding that being considerate and cooperative with each other will help to engender harmony, happiness and a strong and vibrant community
- by recognising that shared enjoyment of common meals and shared labour are major contributors to community interaction and integral to the cohousing vision
- by reaching community decisions through consensus, both formally and informally, with voting as a means of last resort

Our sense of place and continuity is expressed by

- residents' care and respect for common resources and facilities and the broader environment
- the recognition of the importance of future needs for the continued health and well-being of people and place as well as other species
- the support and encouragement of native flora and fauna on the site; the creation and management of appropriate habitats; and the minimisation of factors which may be detrimental to the well-being of native flora and fauna

NewCoh

Newcastle's First Collaborative Living Initiative

NewCoh Vision

This statement has been agreed to through the NewCoh Decision Making Process on March 2019. It may be amended if our focus changes as our community develops.

NewCoh is a mixed generational co-housing group developing in urban Newcastle NSW. Our development will include both individual residences and shared facilities. We are creating a safe and friendly culture that is rewarding and connected. We aim to be a model of effective and supportive community life, interacting positively with the wider community.

Strategies & Values

- We acknowledge the traditional owners of the land on which we live and pay our respects to their Elders, past and present and emerging
- We use sustainable principles and materials in the design and operation of our community to minimise our combined environmental footprint
- We intentionally facilitate community interaction by design which creates places for people to spend time with each other and connect with each other in their daily lives
- We show a caring attitude towards our fellow NewCoh members
- We communicate with each other in an honest, open and respectful manner
- We make decisions collaboratively and provide ways and time frames to give all members opportunities to participate in decisions that affect NewCoh
- We develop processes collaboratively and document them to provide clear explanations on how to work and live together
- We work collectively to manage all aspects of NewCoh, with all members contributing in a reliable and responsible manner according to agreed upon expectations. We acknowledge individual contributions and celebrate group achievements
- We encourage our members to have healthy boundaries. We have processes to deal with conflict and build skills so that people can voice their differences and work to accommodate them peacefully
- Our way of life honours the need for a balance of privacy and community. We understand that our community will change over time. We aim to be flexible in the way we adapt to such change, including changing our policies when appropriate

Our Goals

NewCoh will be developed so that members are neighbours, either owning or renting their individual residences. All NewCoh residents can be involved in decisions that impact their co-housing neighbourhood.

- We will create shared facilities and spaces and a system for using them equitably, including gardens and green spaces for outdoor enjoyment.
- We aim to build connection and joy in each other's company by sharing meals together regularly.
- We will establish and follow processes for meetings so that everyone feels safe and willing to contribute. Attendance at our regular meetings and involvement in the business of the community is encouraged.

Appendix D –

Organising Agreement Example

DecoHousing Organising Agreement

16 May, 2015

This document supercedes the previous DecoHousing Initial Organising Agreement dated 16/11/14

STATEMENT OF PURPOSE: The DecoHousing Group has developed a Cohousing Project in Denmark, Western Australia. The functions of this group include, but are not limited to:

1. Recruiting and orienting new members to the DecoHousing Group.
2. Designing and developing an ecologically sustainable co-housing project at 40 Mt Shadforth Road, Denmark.
3. Forming a company to purchase the land and to build the cohousing development in collaboration with DecoHousing.
4. Developing a cohesive and diverse community of residents.
5. Developing the arrangements and agreements for the Strata Company

which will be established as a vehicle for ownership of units in the Deco-Housing Project.

Decohousing will develop an urban cohousing neighbourhood in accordance with the "Vision Statement" and using the principles laid out in "The Cohousing Handbook: Building a Place for Community" Chris Hanson (1996).

MEMBERSHIP: A person becomes a member of the DecoHousing Group by attending three meetings, being formally endorsed at a meeting, by paying a non-refundable membership fee of $200 per household, and by signing this Organising Agreement. Members agree to:

1. Actively participate to bring about the vision
2. Read about and understand the principles of cohousing
3. Honour communication agreements set out in the "Resource File"

TO LEAVE THE GROUP: Members will provide written indication of intent to withdraw from the group. A member may be unendorsed by a decision of the DecoHousing Group.

MEETINGS: Minutes of discussions and decisions made will be available to attending and absent members at the next scheduled meeting. A record of all receipts, memos, correspondence, research materials and other records will be available to all members.

DECISION MAKING: Decision making will be by consensus using procedures laid out in the "Resource File". All decisions are to be discussed thoroughly before a decision is made. A Quorum of 25% is required to make decisions. All decisions must be passed and recorded in the minutes. If consensus cannot be reached after two consecutive meetings, a formal vote requiring the agreement of three quarters of those present will be taken based on one vote per full-member-household. Decisions can be brought up or revisited by a member who was absent from a meeting, in the next meeting only, and only if they have discussed the matter with at least three other people who were present.

MONEY: Membership fees will be held by an assigned person, and can be used for day to day management of the group and for costs which are limited to paper, mailing, photocopying, minor incidental expenses and the rental of meeting rooms. For other purchases, or to incur any cost above $100, authorisation must be given at a scheduled meeting.

PURCHASING A UNIT: DecoHousing has established a Development Company – Deco Living Pty Ltd (DLPL) to buy the land and progress the project. Members who wish to purchase or reserve a unit in the development, invest in the company by purchasing shares to a value determined by the development program and investment schedule. All investors sign a shareholders agreement that outlines the business case for the Project, defines the role of the company and sets out procedures for delivering the project or winding it up should that become necessary. Any money invested in the company is accredited to a unit purchase and will be confirmed by the signing of a Purchase Agreement ahead of construction. It is a prerequisite that any unit purchaser or renters in the DecoHousing Project be a member of the DecoHousing Group.

NON-RESIDENT MEMBERS: Persons not able or ready to invest in the Company may continue to support the vision and follow the project as members of the DecoHousing Group with the potential of buying in later if units remain.

Agreed this ______________________ day of ______________________ 2015

Signed ______________________

Name/s ______________________

Address ______________________

Email/s ______________________

Phone/s ______________________ Mobile/s ______________________

Contact Us

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Web: cohousingaustralia.au