

COOPERATIVE HOUSING IN SWEDEN

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Ukraine Symposium

November 2018



HSB – där möjligheterna bor



COOPERATIVE HOUSING IN SWEDEN

- In Sweden, the cooperative model of housing means that the members of the local housing cooperative jointly own their properties and apartments, and are fully responsible for ownership, maintenance and management.
- Living in our model of cooperative housing is very popular in Sweden. Nearly a quarter of Sweden's housing, 23 percent, is cooperative housing. My organization - HSB - has built and managed this type of housing for almost 100 years, since 1923.
- I will give you information about how cooperative housing works in Sweden, but let me start with an overview of the Swedish housing market.

THE SWEDISH HOUSING MARKET

- Villas, 39 percent
- Rented apartments, 38 percent
- Local housing cooperatives, 23 percent



THE SWEDISH HOUSING MARKET

In Sweden, in practice there are three models of housing

- Villas, smaller houses, often single-family houses and privately owned by the family living there. 39 percent of the Swedish housing market is made up of these houses with direct ownership.
- Rented apartments in residential buildings. These can be owned by the municipalities or by private companies, but also by cooperative organizations such as HSB. 38 percent of the Swedish housing market is rental housing.
- Housing in houses owned by local cooperatives. Which is the model that HSB and Riksbyggen primarily works with, that makes up for 23 percent of the Swedish housing market.

THE SWEDISH MODEL WITH LOCAL HOUSING COOPERATIVES

- Members own and manage the house together
- 23 percent of the Swedish housing market consists of housing cooperatives, 1 million apts
- 1/3 of these are HSB housing cooperatives





THE SWEDISH MODEL WITH LOCAL HOUSING COOPERATIVES

- In a local housing cooperative, members jointly own houses and land belonging to the cooperative. They are also responsible for the management and maintenance of the house or houses. The basic purpose is to give members the right to an apartment and to promote the members' financial interests. In Sweden there is a special legislation that regulates our model of cooperative houses. I will talk about housing cooperatives and housing associations, and refer to the same thing, as you will see.
- Most members who live in a local cooperative association come into an already formed and functioning housing association. They pay a membership fee to the local cooperative and a economic share, a down payment, to the member who sold his share, the right to an apartment. I will come back to the question of fee and down payment. They also pay a monthly fee to the local cooperative, which the association needs to handle ongoing expenses such as heating, cleaning, but also more long term maintenance and renovations of the property. The size of the fee depends, in particular, of what costs the association has and on the proportion of the apartment, in relation to the entire house.
- The houses that are part of a local association are often built by HSB or by Riksbyggen, working in the same way as HSB. We also have many private, commercial, companies that build and start local cooperative housing associations.

HOW HSB HOUSING COOPERATIVES ARE FORMED





HOW HSB HOUSING COOPERATIVES ARE FORMED

- HSB is responsible for buying land, planning and building the house. We then sell the house to a local cooperative association, which we have started. In order to finance the purchase, the association, in turn, sells shares, the right to live in an apartment, to the prospective members. The local cooperative team finances the purchase of the houses partly with the members' financial interests and partly with loans.
- When HSB have sold the new house to the housing cooperative, we continue to assist and support the new local cooperative association, with information, education, and we also offer both financial and technical management of the house.
- Houses with apartments to rent can also be converted into local housing cooperatives. The financing of the purchase of the house takes place in the same way as in new production, partly through the members' financial share, and partly through loans.



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WHAT IT MEANS TO LIVE IN HSB HOUSING COOPERATIVES





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Those living in cooperative housing have great freedom to design their own accommodation. Together, the members decide on everything that concerns the house. Most of the apartment is handled by the member himself, he or she is responsible for, for example, all internal maintenance of his apartment. This means, for example, that the member himself decides and even pays the cost of when the apartment is to be walled and painted.

HOW A HOUSING COOPERATIVE IS GOVERNED



HOW A HOUSING COOPERATIVE IS GOVERNED

- When we are members of a local cooperative housing association, we not only get rights but also obligations. This is governed by the law and the cooperative housing association's own statutes.
- The law and the Association's own statutes regulate many matters of great importance to the association. The statutes can be popularly said to be part of the housing association's rules.

How is a local cooperative housing association managed in practice?

- This is governed by the Swedish law on local housing cooperatives.
- The Annual General Meeting, which is usually held once a year, is the highest decision-making body of the housing association. Each member has one vote. The Annual General Meeting elects, among other things, the Board of Directors and grants discharge to the Board.

THE BOARD



THE BOARD

- The Board manages the housing association's work between annual meetings and is responsible for the administration. The association has auditors to review the association's accounts and the management of the board. A Nomination Committee prepares the elections that take place at the annual meeting by asking and proposing candidates.
- The board decides annual fees, establishes maintenance plans and budgets, inspects the property each year and adopts new members. The board also procures administrative and technical services, leads and supervises any employees within the association.

WHAT DOES HSB DO?





WHAT DOES HSB DO?

- HSB builds houses and starts new local cooperatives. But our main task is actually to support our existing associations, about 4,000 local cooperative housing associations. We help them with information, advice, education, but also with both financial and technical management.
- The co-operative model can be a good support for providing more access to affordable housing. However, cooperation between the state or the municipalities, cooperative organizations and individual people is required if it should be possible to build and manage housing on a large scale.

EVERYTHING SOUNDS SO GOOD BUT THERE MUST BE PROBLEMS



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- The biggest downside is probably the cost. Historically, the Swedish state gave great subsidies for accommodation, and it did not cost much to live in an apartment in a local cooperative association.
- For a decade, the financial support has been removed, and the right to live in a cooperative association can be sold and purchased. The price to become a member, or rather to own a share in a housing cooperative is therefore high today, especially in larger cities. This applies to newly created apartments and existing ones.
- But still, most of the time, living in a cooperative housing association is in the long run a better option economically than renting your apartment.



**THANKS,
DO YOU WANT
TO KNOW MORE?**

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