# **Sustainable solutions in the post-crisis era:**

Understanding Collective Self-Organised housing and its implications for the housing and energy markets in the EU

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- The main topic of today's presentation is collective housing as a newly emerging EU trend
  - What is it?: definition and PROFICIENT
  - Why is it good? The issue of sustainability from different perspectives (social, energy, urban/architectural)
  - What is behind its emergence: the reasons and the scale of diffusion, the geographical points
  - CEE countries: where do they stand
  - Who and why should promote CSO housing
  - Process model of construction
  - Business considerations
  - Case studies Hungary, Italy, NL and Germany the examples are quoted as we progress

# Collective Self Organised (CSO) housing is a term that was "invented" by Proficient

It has a sophisticated definition, saying that CSO housing is "a distinct group of residential buildings inhabited by "a group of individuals that act in association to organize and commission the processes of formation, requirement definition, planning, design, implementation and / or maintaining their own housing project (new construction, refurbishment and retrofitting projects). A CSO housing project is typically characterized by mutual dependency between the individuals participating."

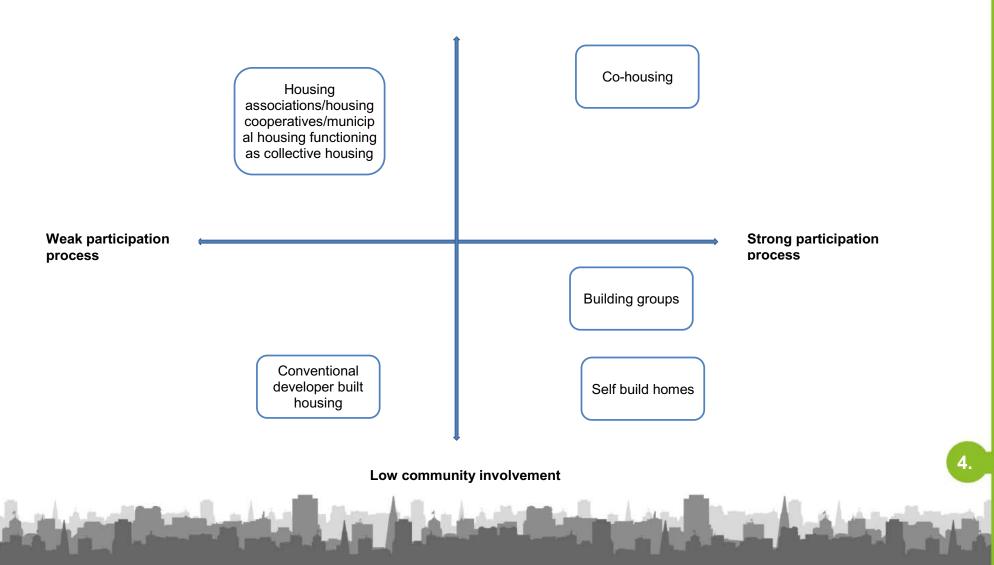
Proficient (700)

#### Definition

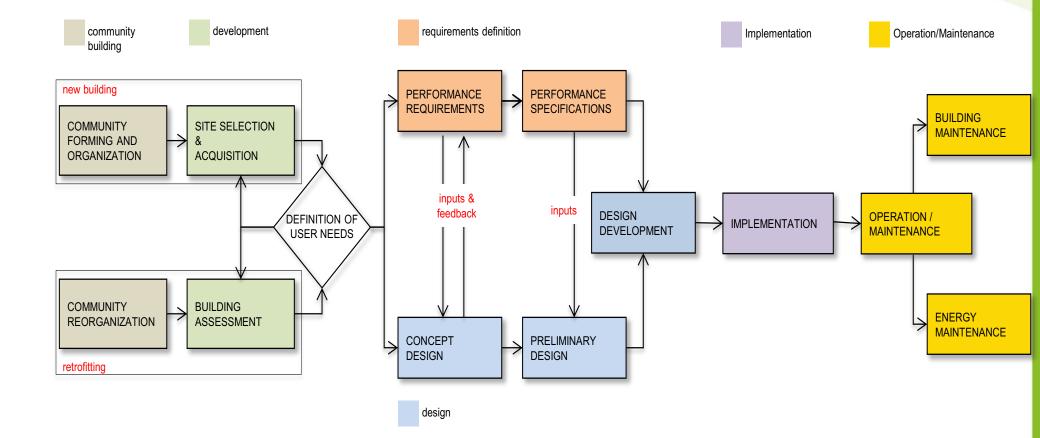
- CSO term was the invention of Proficient, but builds on existing terminology
- Collective housing: Built with a collective effort with a strong influence on the design, with commonly used spaces and common management – this is an umbrella term (currently there is a renaissance of the literature with regard to collective housing, and especially focusing on co-housing)
  - Has various forms, from co-housings to Baugruppen (German building groups)
  - In GB the self build often refers to this activity as well (as opposed to custom build) <u>http://www.selfbuildportal.org.uk/</u>
  - Hard to measure statistically, but makes up a small percentage
  - Vary in size: from one building to a huge complex
- Can be cooperatives often are but not necessarily. Many are condominiums or housing associations.
- Cooperative is a legal terminology it is a helpful legal set up in creating collective housing, but not necessary

Definition





#### Planning process



Source: Roberto di Giulio, Proficient project



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#### PROFICIENT

- For us the idea to work with CSO housing came as a result of our engagement with the PROFICIENT project
- The project is funded by the EU's 7th framework research program (<u>http://www.proficient-</u> <u>project.eu/</u>). It has been running since 2013, will be finished this August
- It aims to improve SME's opportunities in the newly emerging housing market of collective housing
- For the most important results please visit: <u>http://www.proficient-</u> <u>project.eu/Main.aspx?uri=13,142,15</u>

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The project has 4 main objectives:

- Objective 1: To develop a new SME network business model for new construction and for retrofitting of energy-efficient and low-carbon residential buildings/districts
  - Objective 2: To elaborate financial, regulatory and ICT tool sets to support SME network business models in the energy-efficient, CSO, housing market.
- Objective 3: To generate new process models of collective-self organized construction and the retrofit of energy-efficient buildings/districts,
- Objective 4: To demonstrate and empirically validate the plausibility of the new business models and all supporting results

Meeting in Lancaster, September 2013

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- Often with strong ideological motivations green, ecoconscious, socially sensitive
- Sustainability is a central concept from social, energy and ecological point of view
- Usually integrative from an age and disability point of view often use funds for the integration as well
- However, without municipal or state help typically middle classes and above move in (an exception is Centraal Wonen, a Dutch association which is social housing)
- There is a discussion going on in housing circles, how much this type of housing – especially co-housing – can be used to for social integration
- Depending on the type of housing it takes between 2-8 years to realize – this time consuming quality also predisposes that people with higher income move in

- Collective housing is truly sustainable, from various perspectives:
  - Urban: it is an instrument of urban renewal, the way to reuse unused buildings, to upscale neighborhoods, it can provide services to a larger community
  - Ecological and energy: Most inhabitants have an ecoconscious lifestyle, sharing and green economy flourishes, many use the available subsidies as a way to finance their project
  - Social: Many are integrative, although integration is also a way to find public funding (elderly, disabled, providing scarce services)
  - Economic: It is a way to offer opportunities to small developers and SMEs, was a way to overcome the effects of the real estate/financial crisis, a way to prevent the formation of real estate bubbles

**Grote-Pyr co-housing, Hága** Picture by: K. Theisler Katalin, 2013 Source: Community Living (Közösségben Élni)

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**Grote-Pyr co-housing, Hága** Picture by: K. Theisler Katalin, 2013

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#### East Berlin Urban renewal



- An old Stasi building was refurbished as part of a big co-housing project
- It has been refurbished with a strong social focus – part of the "Miethäuser Syndicat", that wants to provide for cheap an stable accommodation
- It uses green funds to lower the costs
- Helps to revitalize the neighborhood

- A former squat building turned into a co-housing with substantial state help as part of the refurbishment help of the 1990s
- Has a restaurant that is open for the public once a week



#### Budapest urban renewal



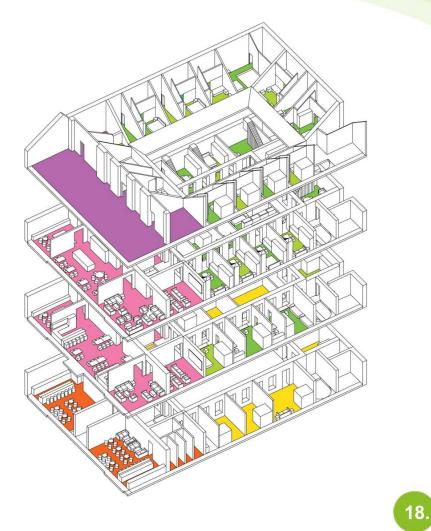
-A former school building – a big problem in many cities with shrinking young populations – turned into a community center
- Hosts an array of different organizations, NGOs, cultural start ups, theaters, etc...

-Has a common courtyard turned into a great meeting place with very little investment

- Pays relatively high rent for the City Municipality of Budapest

#### Budapest's imagined urban renewal

- How could a typical, inner city building from the late XIXth century be turned into a livable, sustainable building that corresponds to the needs of the XXIst one
- Situated in the "party quarter" of Budapest, the building in its original form has a very outdated apartment structure
- Constant noise is unbearable in the neighborhood
- The plan tries to adapt to the new circumstances, while modernizing the outdated apartment structure
- More on the research:
   <u>http://replankutatas.blog.hu/tags</u>
   <u>/replan</u> strictly in Hungarian <sup>(2)</sup>



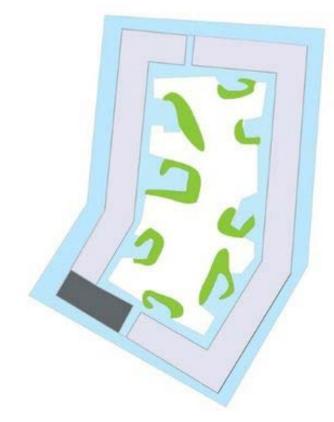
- Most people are "eco" minded they prefer to use green energy solutions
- Most new constructions have solar panels, sometimes they even have their own water cleaning system (Berlin) or a small power plant (Lancaster) - depends largely on the circumstances
- Green solutions are encouraged through available subsidy systems – a way to lower the costs
- Often elements of sharing economy appear in the buildings (car sharing, shared common spaces to decrease the size of private)

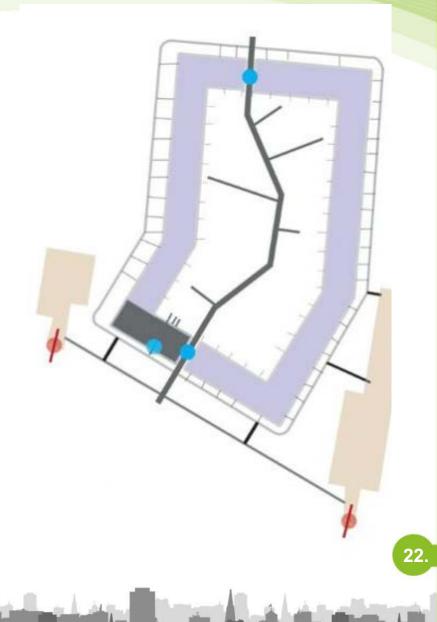
- Many people want to live outside of the city, especially when they have small children, causing traffic jams and resulting in urban sprawls
- Suburban collective housing, especially where there is a high level of continued community involvement can diminish the environmental footprint of the inhabitants
- Often green solutions are employed there is enough space for them, and these buildings are often new constructions

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### Suburban sustainability





#### Suburban sustainability



- 36+5 apartments
- On a former industrial site
- Had to change part of the soil
- Have their own hydro power plan
- Have a small wholesale shop on site in order to reduce excess shopping

- Lancaster co-housing
- A PROFICIENT project partner
- They have their own separate office building to reduce commuting
- Have a car sharing system in place



- It empowers SMEs as the projects are smaller scale and often there are stable costumers – relatively little risk - ready to pay up front.
- Many architectural bureaus work in this field, and especially after the crisis in order to find work. (We met people from Amsterdam, Berlin and Milano – all of them architects)
- Because it requires devotion from early on, and works on a smaller scale, it evades the real estate bubbles
- It is a way to control the building and real estate industry, to create a sustainable urban landscape – German municipalities use this method often (Hamburg, Freiburg, Tübingen)
- It helps to revitalize neighborhoods by reusing empty buildings (Amsterdam does that)
- It helps small businesses often there is space for SMEs and start ups at a lower price in these buildings
- It allows the use of new funding products like crowdfunding, allowing to lower the entrance level with regard to the owners (Miethäusersyndicat)

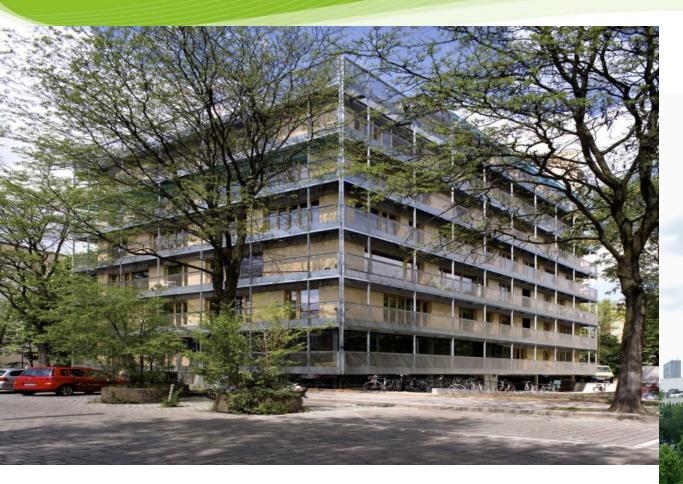
- It offers higher quality living for the average price typically the projects are cheaper than those developer-led ones
- Banks can gain very reliable clients however there is a deep distrust still from traditional banks, often the "new bank" "conscious banks", like GLS are interested
- The buildings can be cheap on the long run: modularity is often part of the design (within an apartment, within a larger complex)

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It requires:

The accessibility of land/sites to refurbish (here municipalities could play a role)

#### Economy of scale – economy of flexibility



- Close to the city center in the vicinity of the former wall, Ritter str 50 is a project realized by architects.
- There are 19 apartments, a common garden, a 2 storey community room, a roof top terrace, a washing room and a workshop

Cost effectiveness was crucial during planning:

- Modular apartments the walls can be moved around to accommodate changing needs
- Simple materials



Aspects of social sustainability:

- Integration of different age groups
- Integration of people with different disabilities
- Integration of minorities
- Provision of services for the neighborhood (e.g. cultural , social, etc.)
- Provision of social housing

Perquisite:

- Municipal support
- Available public (state, municipal, other) funding

#### Social sustainability



Besides housing units there is a - house of culture\_ 30 000 visitors per

#### year

- restaurant
- bath house and kindergarten used
   by inhabitants of Sargrabrik and
   neighborhood
- three seminar rooms
- Big garden + biotop

- Sargfabrik (coffin factory) is the biggest self- administrated and cultural housing project in Austria
- Situated in Penzing, Vienna it consist of 73+39 units
- The Viennese City Council supports it

#### Diffusion

- Why is it popular?
  - Utopias have been around for a long time think about many in the 19th and early 20th century
  - Development in Scandinavia, originating in Denmark, in the early 70s
  - Soon followed by governmental and bank support allowed a relatively larger strata to enter into this market, lowered the risks associated
  - It has been growing in popularity over the last decade, but there has been a boom in the 2000s
  - Social and environmental consciousness has become very high in many European countries
  - Offers a unique new life style: urban life combined with a small, close community
  - The real estate crisis had two positive affects on this special, niche market:
    - Formerly unavailable land became available again (Lancaster, many plots in Berlin)

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• Many firms, hoping to find a new market, started organizing collective buildings

## Where is it popular?

Countries	Attitude
Scandinavian, NL, Germany, Switzerland	Very popular, especially in the urban centers, strong public support, used by the local municipalities to realize their urban development goals
GB, Fr, Italy (especially in the Northern part), Belgium, Spain	Growing popularity, less public support, very strong civil/NGO support, mostly managed by small businesses and NGOs
CEE countries	Little knowledge, first attempts, reluctant public sphere and often lack of financial stability to support the wide spread diffusion

#### Diffusion

- Situation in CEE countries strong institutional difficulties, relative cultural novelty
  - There are few examples, and some attempts Rákóczi
     Kollektíva, Community Living (Közösségben Élni) in Hungary
  - There is a very high level of closeness in local governments
     they don't see this development as something in their interest, as a way to influence urban development
  - There are fewer ethical banks who would undertake the financing
  - Sustainability is a less central topic in general
  - Overwhelmingly privatized housing stock does not help cooperatives can provide financial and administrative help for new members – e.g. Switzerland

For whom and why is collective housing good?

- Owners: they usually can enjoy very high quality living for a moderate price – these developments are cheaper
- Banks: they get very reliable costumers and as an investment, usually a large share of the apartments is sold by the beginning of a project
- SMEs/architectural firms: they can enter into a new market
- Public sphere:
  - a way to control the real estate market
  - Influence urban development/urban renewal
  - Promote green energy and sustainability
  - Can provide a viable model of integration
  - However: not to be confused with social housing

#### **Business considerations**

- Land/site acquisition seems to be at the heart of the success
- So far collective buildings seem to be financially sound investments it is easy to sell them, their value grows
- The process of entering and leaving has to be very clear from early on
- Municipalities can help by providing cheaper land, if they want – however, corruption should be eliminated (In the NL, there is a strong and transparent selection process
- Prices can be lowered if participants provide own work/time by themselves
- Without professional help there is a real danger that the process can drag on for too long and people leave the project

# Thank you for your attention!

