

BELFAST
COHOUSING

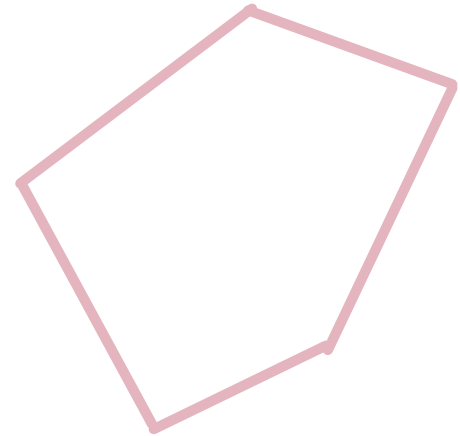
FEASIBILITY REPORT

BELFAST COHOUSING
PILOT PROJECT

2022

**BELFAST COHOUSING WOULD LIKE TO
EXTEND OUR APPRECIATION FOR ALL
SUPPORT RECEIVED FROM THE FOLLOWING:**

- UK COHOUSING NETWORK
- COHOUSING CONNECTIONS
- COMMUNITY LAND TRUST NETWORK UK
- SOCIOCRACY FOR ALL (SOFA)
- MAÍRA RAHME, BRANDING CONSULTANT
- MARK HACKETT, ARCHITECT
- TIZIANA O'HARA, COOPERATIVE ALTERNATIVES
- AUGUSTINE MARTIRE, SENIOR LECTURER IN ARCHITECTURE,
QUEEN'S UNIVERSITY BELFAST
- ANDREW MCMURRAY, PORTAFERRY COHOUSING PROJECT
- HUGH BRENNAN, CEO, Ó CUALANN COHOUSING, DUBLIN
- BELFAST CITY COUNCIL
- SAILORTOWN REGENERATION





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INTRODUCTION

Belfast Cohousing Mutual Home Ownership Society Cooperative (Belfast Cohousing) is part of the growing community-led housing movement. Belfast Cohousing was established in 2016 when a group of local people banded together with the intention of creating an urban, community-led cohousing development in Belfast. The group has since grown in size and in 2021 registered as a cooperative. Our aim is to create a permanently affordable housing project in Belfast, with 20 energy efficient homes in a mixed tenure development, where residents enjoy the privacy of their own homes, and also have use of extensive common facilities such as open space, courtyards, a playground and a common house.

Our intention is to create a sustainable neighbourhood that is multi-generational and diverse; where residents actively cooperate in the planning, design and construction of the project and in maintaining its shared resources when up and running; and where residents have one goal in mind: to create and be part of a vibrant diverse community living in a safe, and mutually supportive environment.



“Community-led housing, evolving across Europe and the wider world, empowers communities to develop solutions which address their particular housing needs. This approach provides a framework for residents and communities to collaborate in the creation and revitalisation of new and existing neighbourhoods. The unique feature of community-led housing is the empowerment of future residents to meaningfully participate in both the design and long-term management of their homes. Community-led housing is an umbrella term, encompassing a wide range of approaches, including cooperative housing, cohousing, Community Land Trusts (CLTs), and self-help housing. Although no two community-led housing projects are the same, they all share a common goal of meeting specific local housing needs via collaboration, empowerment and mutual support.”



**Roadmapping a Viable Community Led Housing Sector for Ireland, 2021,
Self Organised Architecture Research CLG**

POLICY CONTEXT

Our innovative Belfast Cohousing project can make an important contribution to addressing current housing need and complements government housing and social policy.

There is currently a shortage of affordable housing in Northern Ireland. In 2017, the Department for Communities' Housing Symposium, in recognition of the growing gap between supply and overall requirements, recommended an overall delivery target of 8,000 new dwellings per annum, although this is under review.¹

From 2015/6 until 2020/21, private developers have built an average of 6,000 new dwellings per year, while housing associations have provided around 900 homes annually.² Government policy recognises the importance of affordable and sustainable housing to promote economic and community development.

The **Programme for Government (2016-21)**³ aimed to ensure “the provision of decent, affordable, sustainable homes and housing support services. To ensure that, where possible, people who are having difficulty remaining in their own homes are supported to do so.” Cohousing is aimed at middle income households who do not qualify for social housing but who struggle to afford housing in the private market.

The **Strategic Planning Policy Statement for Northern Ireland (2015)**⁴ also recognises the need for sustainable and affordable housing and directs planning authorities to use their powers to “contribute to an environment that is accessible to all and enhances opportunities for shared communities, has a higher standard of connectivity and supports the shared use of the public realm”.

Equally the Belfast City Council **Belfast Local Development Plan 2035**⁵ states that “affordable housing should be delivered in mixed tenure developments. As well as helping to promote community cohesion, this approach will create a feeling of belonging and contribute to the development of sustainable neighbourhoods”.



Our cohousing proposal will deliver mixed tenure accommodation with a mixture of one, two, three and four bedroom apartments and houses.

The Department for Communities Housing Supply Strategy 2022-2037⁶ is intended to provide a long term framework for the development of policy, interventions and action plans to deliver the right homes in the right locations, to help meet current and foreseeable housing needs and demands. When the strategy was announced, the Department for Communities said,



“We must also recognise that there is no single challenge (or problem) affecting housing supply here. Instead, housing supply faces a number of related and interdependent challenges, which, in combination, mean we are not always able to provide the right type of homes, in the right place, at the right time... The strategy will recognise that housing supply is about more than just bricks and mortar, but rather encompasses issues such as affordability, accessibility, sustainability, quality and security of tenure... It will also focus on how increasing the provision of the right homes in the right locations can contribute to the creation and maintenance of vibrant, attractive and sustainable communities where people want to live”.⁷



It is anticipated that the strategy will make a major contribution to the achievement of strategic outcomes as described in the **Programme for Government Draft Outcomes Framework**,⁸ **New Decade New Approach**⁹ and the Department of Communities strategic plan, **Building Inclusive Communities Strategy 2020-2025**.¹⁰

The **Together: Building a United Community (T:BUC) Strategy**¹¹ also recognises the health, social and economic benefits of creating and maintaining diverse and supportive communities. Cohousing can make a substantial contribution to the development of intentional communities with mutual support and cooperation at their heart.

* **Cohousing with its emphasis on affordability, mixed tenure and building intentional communities supports and complements current government policy. It offers timely input to address current housing need.**




HOUSING MARKET

UK housing (un)affordability has been building for decades.

Younger generations are increasingly being forced to spend longer periods of time in the private rented sector-often in high cost and relatively poorer quality accommodation. The pandemic looks likely to exacerbate the challenges for younger people and first-time buyers in the years to come. The obvious and frankly only solution is build more affordable housing.¹²

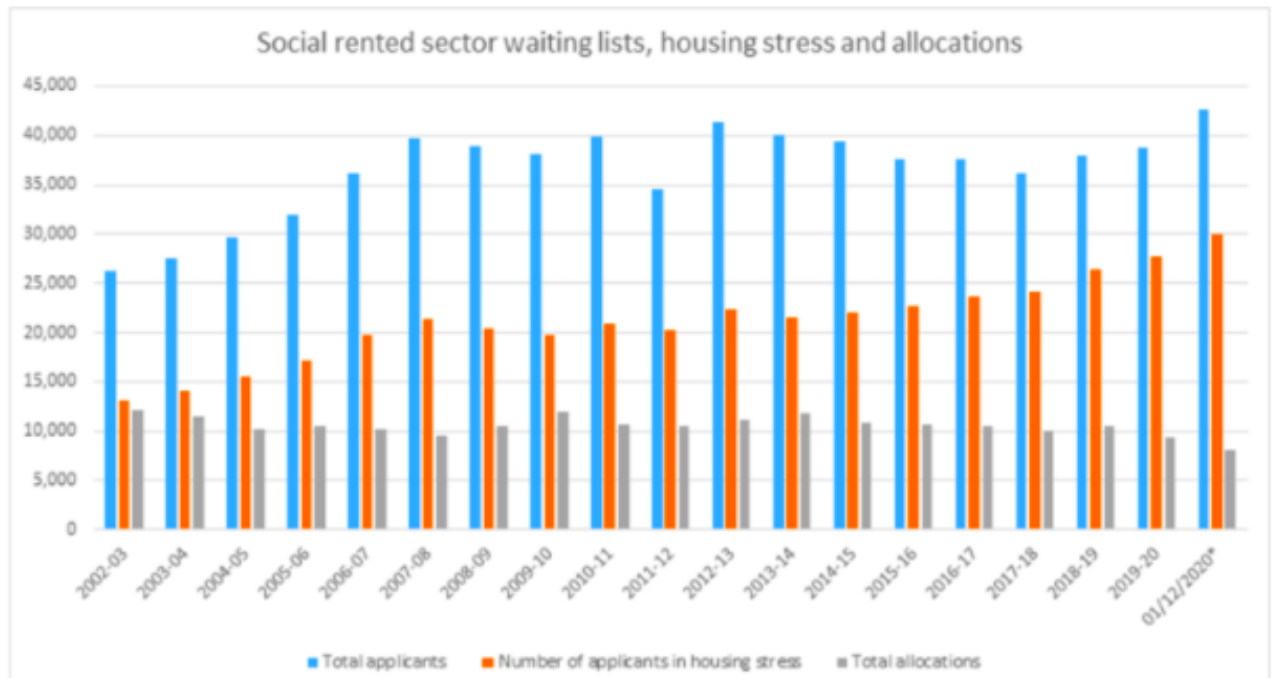
Affordability and Cohousing



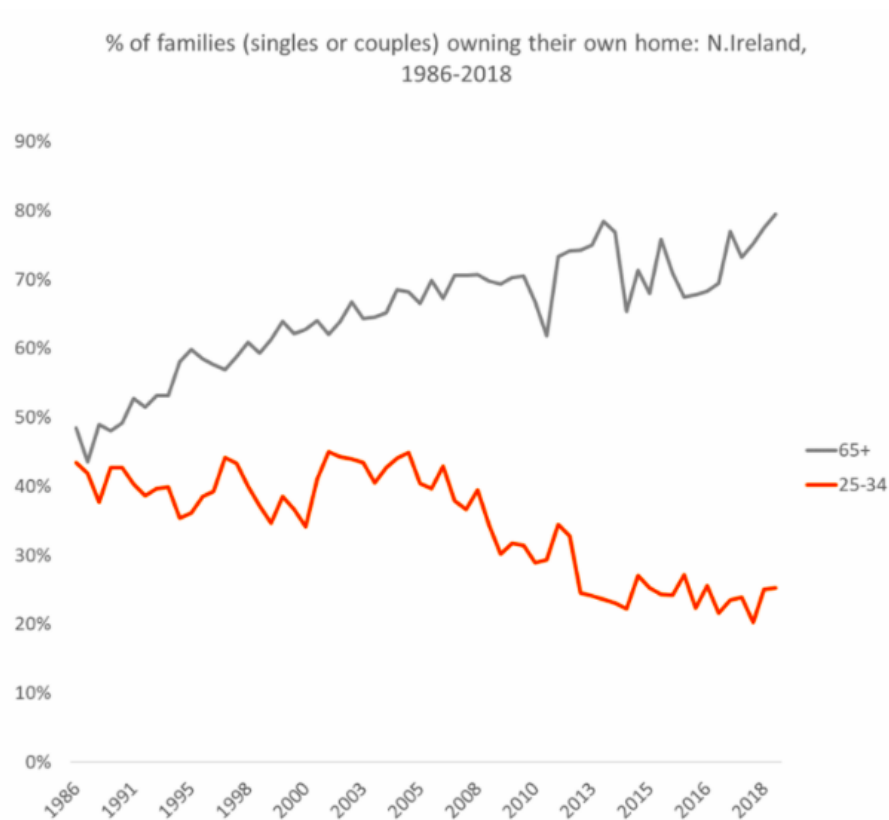
Our cohousing project is aimed at low and moderate income households in the 'intermediate market'. This includes people who do not have sufficient priority to be offered social housing and those who cannot afford to buy in the current housing market. The intermediate housing market can include first time buyers, single people under the age of 35, older people wishing to downsize, people with disabilities, and people with different levels of income.

- * **Belfast Cohousing defines affordability in terms of 'Ownership as no more than 30% of gross income or 35% of net income', and 'Affordable Rent as at Local Housing Allowance (LHA) rates'.**
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Evidence of Need for the Cohousing Project



Source: Paul Price, DFC. 2021



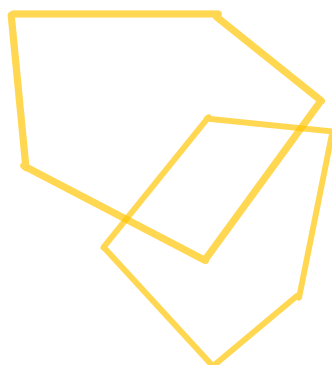
Source: Jordan Buchanan, PropertyPal, 2021

Mutual Home Ownership and Permanent Affordability

In 2020, Belfast Cohousing conducted extensive research into possible cohousing models and commissioned a piece of comparative research into specifically chosen community-led housing projects: namely YorSpace CLT with Lowfield Green Housing Co-operative Limited, Bridport Cohousing CLT; LILAC Cohousing MHOS; Chapeltown Cohousing and Transition Homes CLT. The research has allowed Belfast Cohousing to draw comparisons with what is available and possible in Northern Ireland and gain a better understanding on how Belfast Cohousing can access appropriate sites, how we can raise the funds for developing the schemes but, above all, what mechanisms we need to employ to keep the housing in community ownership and affordable, not only for the initial residents but in perpetuity.

Based on that knowledge, the Belfast Cohousing project will be based on the Mutual Home Ownership model with some variation to account for the differences in the legal and funding environment of Northern Ireland. The Mutual Ownership model is an innovative concept, designed as an alternative to conventional home ownership. Instead of individuals owning their own homes, all the properties on a development are owned by a cooperative society.

Residents pay a monthly charge to the cooperative society, in return for which they build up their share of the equity in the society. This gives residents an interest in the value of the housing assets owned by the coop. When a resident leaves, they can take the monetary value of their equity share with them. The value of equity may be indexed to an appropriate external measure such as local wages.



Houses remain permanently affordable: by disconnecting the occupation of the property from the underlying value of the land, it protects the scheme from fluctuations in the property market.

The overall cost of borrowing is cheaper: there is a single mortgage, held by the cooperative society, which means that the scheme is open to residents who may be unable to obtain an individual mortgage themselves in the traditional way.

Management of the homes is controlled by the people who live in them: all the residents of the scheme are members of the coop, which means they are protected from the individual choices and decisions of a private landlord. It is a suitable model for cohousing, because it lends itself to housing developments where residents co-design and co-manage their own living spaces.

Academic research carried out by the London School of Economics has demonstrated the wider benefits of cohousing, focusing on long term affordability.¹³ Other similar schemes include LILAC in Leeds.

<https://www.lilac.coop>

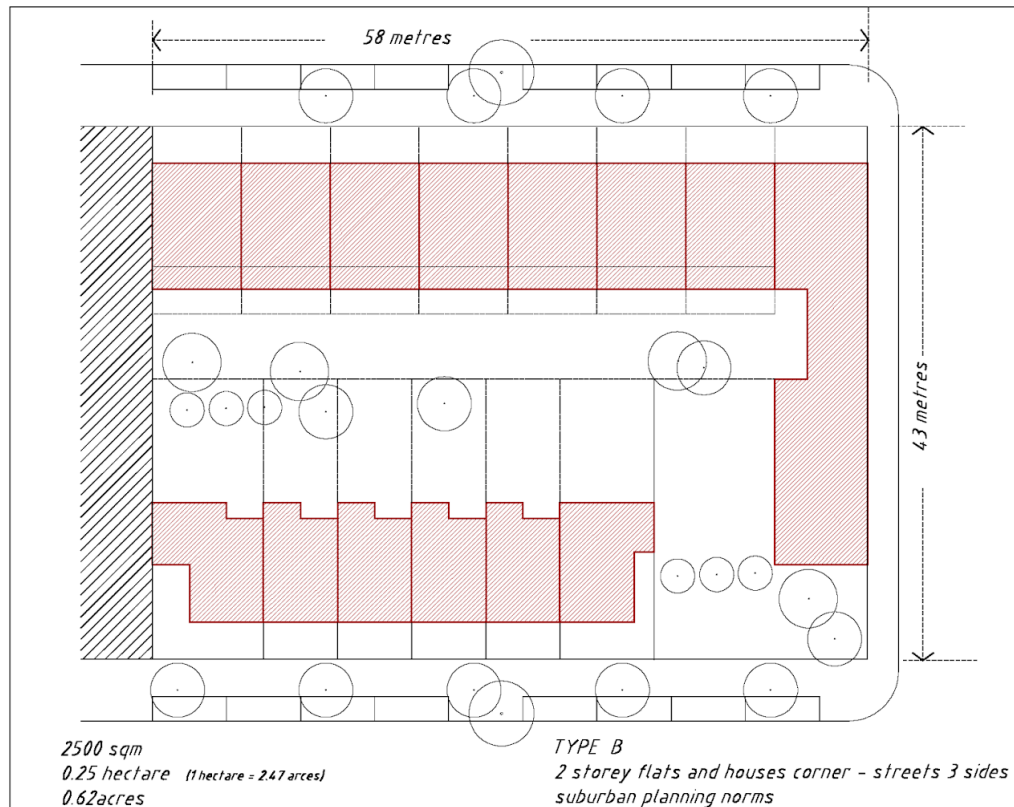


PROPOSED PILOT PROJECT

Our project is based on a brownfield site of 0.6 acres (2,500 sqm) in Belfast. Suitable locations have been both identified in the north and south of the city. The site will allow us to build 20 energy efficient homes comprising houses and flats with mixed tenure.

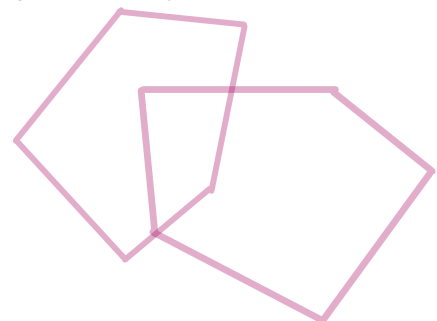
As part of our research we engaged with Mark Hackett Architects and co-developed a number of site plans across the city, including the visual below which is based on the Alternative Interchange Proposal,¹⁴ lands at Corporation Street, Harbour sites and on Department of Infrastructure land that may become available. Within the site, we have included shared space in the form of a community house where we locate our common facilities and resources.

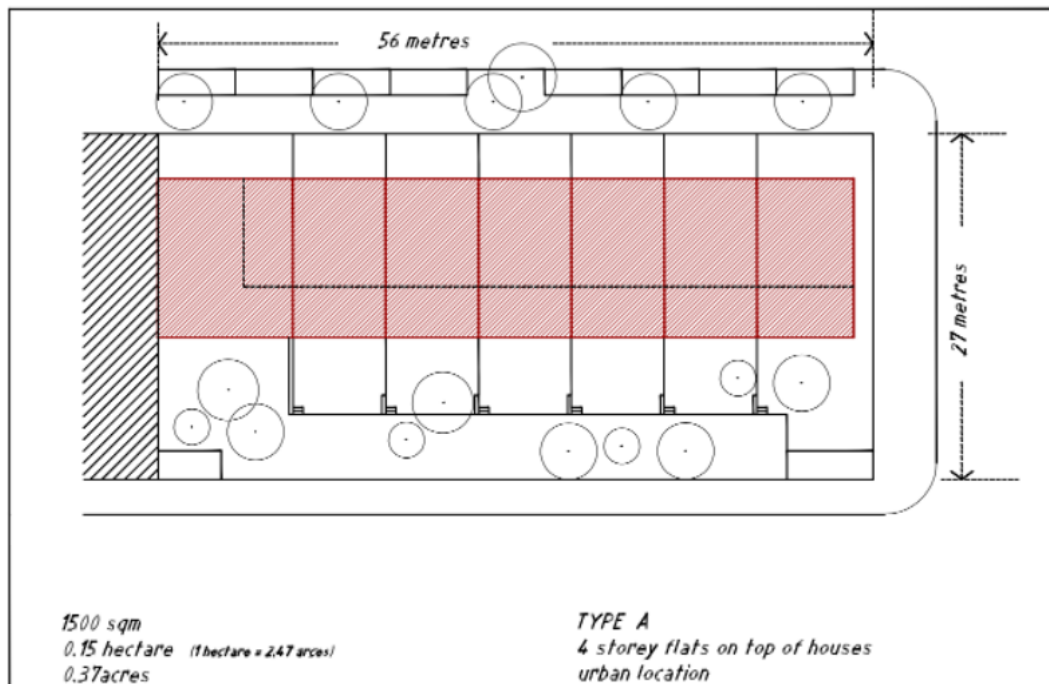




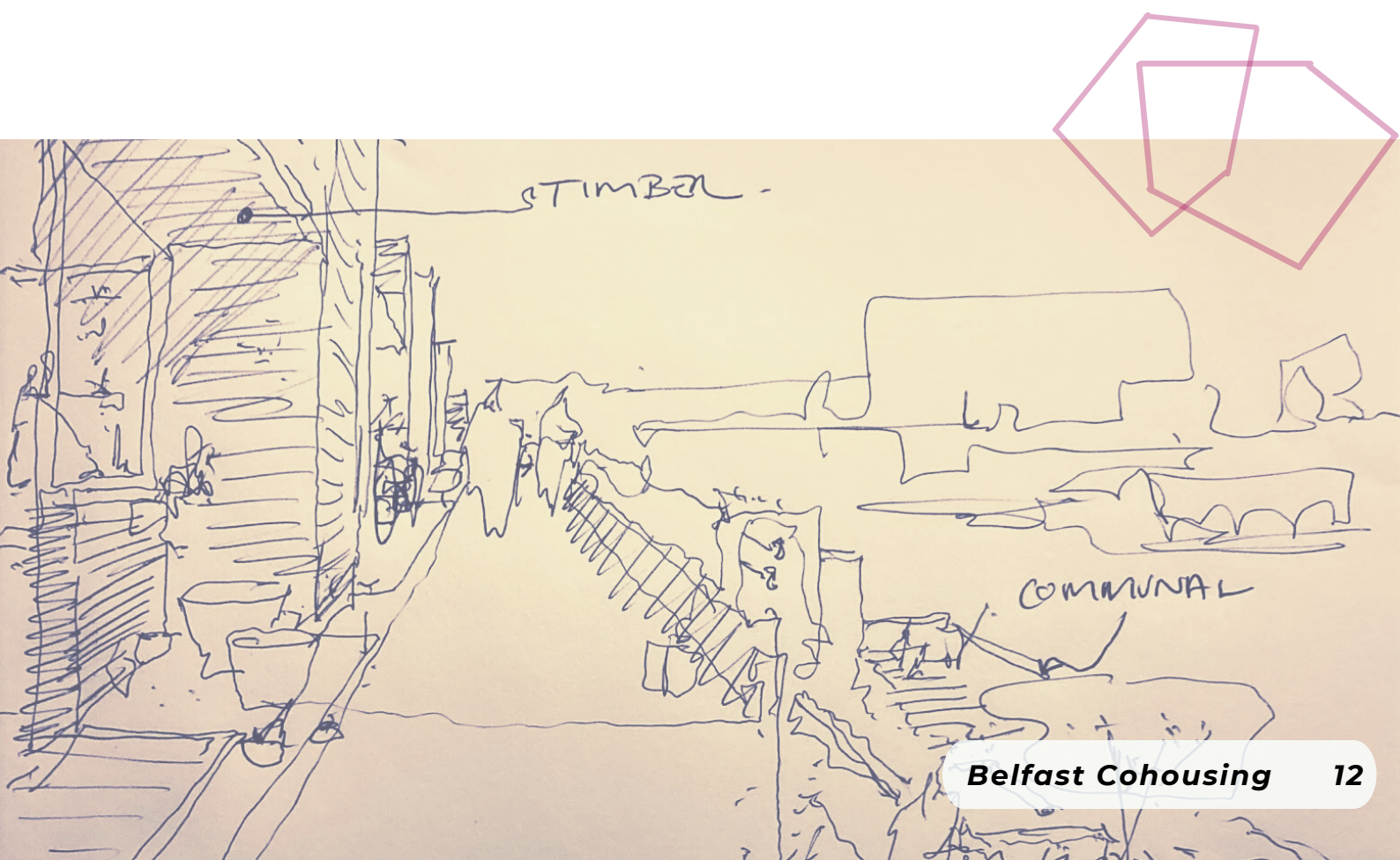
The Belfast Cohousing project envisages 20 units: 14 apartments with 1 and 2 bedrooms for a total of 855 sqm, 6 houses with 3 and 4 bedrooms and a total of 580 sqm and a 200 sqm community house . This housing scheme could be home to up to 65 people. This visual of the scheme shown above and the outline design is based on a preferred location where street parking and any road infrastructure is not required. The community house is intended to be built at the same time as the homes.

In alternative, higher density design options (see below), the scheme requires a site with a minimum development area of 1500 sqm.





This design option would be 4 storeys, comprised of 2 storey townhouses with 2 storeys of flats above. This would include the same living standards as before, including the community house, shared outside space etc, but on a smaller footprint.

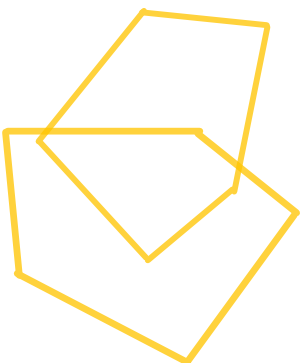




PROJECT COSTS & FUNDING REQUIREMENTS

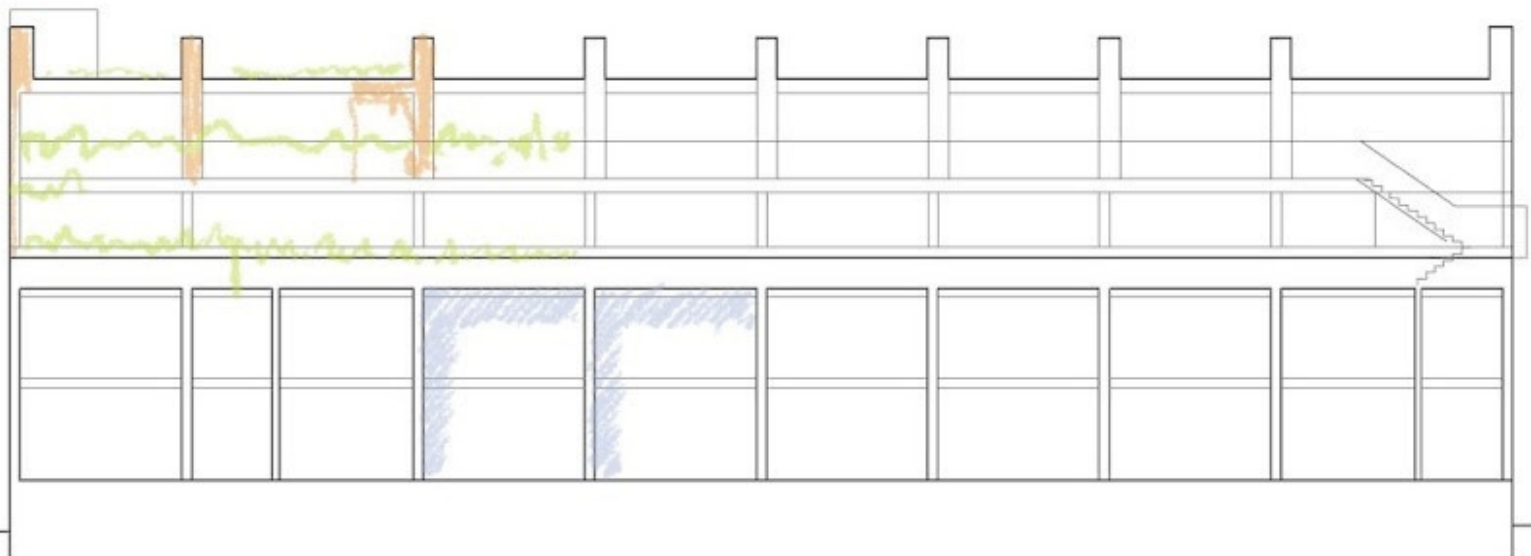
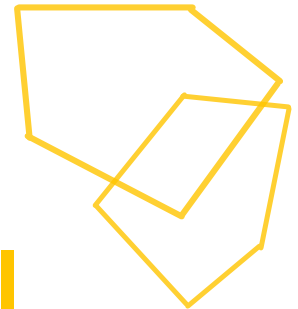
Based on initial estimates, the Belfast Cohousing project can expect to cost around £3m to build. Variations may depend on the exact location of the site and any additional unknown infrastructure costs. The volatility of material costs currently being experienced has been causing difficulties for cohousing projects across these islands. Such price fluctuations will be considered closer to the time of going to tender.

The scheme is viable if the costs of borrowing are kept to a minimum. This would be facilitated by the land being gifted or released under a low or nominal rent ('peppercorn rent') and being able to access grant support for a significant input to the development costs. Initial deposits from the members will be included in the viability considerations. The Belfast Cohousing project intends to run a loanstock offer to support the affordability of the project.



This funding framework is not unusual for a community-led housing project. In our comparative analysis with similar projects in England, cohousing projects have the advantage of capital grants for affordable housing which can be drawn down, and the development costs are supported by housing programmes run by local authorities and government departments. For example, in its business plan for 19 homes, the cohousing project at Lowfield Green (City of York) estimated a construction cost of £2.7m and had a grant approved for £855k (32%) from Homes England and an arrangement for leasing the land.¹⁵

* Belfast Cohousing has already engaged with some banks and local financial institutions and explored its borrowing capabilities.





BUSINESS MODEL

In our business model, Belfast Cohousing Mutual Home Ownership Society Limited is the legal entity that will own all the properties and the members collectively own the Society. The specific ownership model used by this project is referred to as 'Mutual Home Ownership' (MHO).

INCORPORATED BODY

The Belfast Cohousing MHO Society is registered under the Co-operative and Community Benefit Societies Act (NI) 1969 and regulated by the Financial Conduct Authority (FCA). The Society was set up to carry out the business of constructing, managing and providing housing exclusively for its members. The Society will fund and manage the development and construction phase as well as the property portfolio when up and running. The Society will be responsible for issuing leases or tenancy agreements to its members.

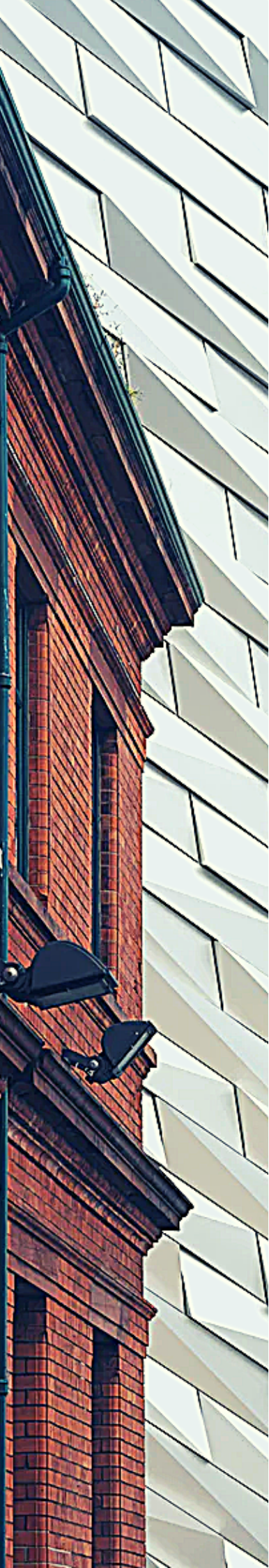
The Society abides by the 7 principles of cooperation¹⁶ and in its Rules (Rule no. 5)¹⁷, makes an explicit commitment to diversity, equality and respect by actively 'seeking to eliminate discrimination, ensure equality of opportunity, value the diversity of human society and treat every individual with dignity and respect'. This commitment will be reflected in all the policies that the Society will use to manage the housing scheme, starting with its Membership policy. The Rules are available on the FCA Mutuals Public Register at <https://mutuals.fca.org.uk>.

EQUITY SHARES

The terms of the leases/tenancies granted to its members will include rights to purchase equity shares not in single properties but in the portfolio of residential properties owned by the Society. The terms of the leases will also indicate the conditions under which members' equity can be reassigned.

The equity shares are issued by the Society and their total value will not be more than the value allocated on the date on which the housing owned by the Society first becomes available for occupation by its members. The leases and the terms on equity shares, in practice, grant the member the right to occupy the property. Equity shares are neither transferable nor withdrawable shares.

Members will be required to purchase at least 10% of the equity shares in the Society with their initial deposit. The Society will retain a percentage of the equity to ensure property will remain affordable in perpetuity. The remainder of the equity (total equity share minus the deposits), will form the basis for issuing an individual tenancy agreement by the Society to its members. Residents will be assigned the value of their share of the total equity in the Society when they take possession of the property.

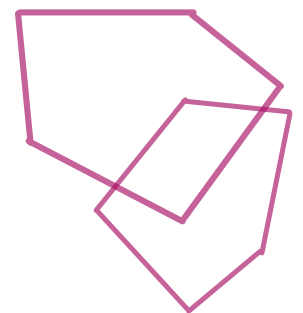


The tenancy agreement will set out the cost of paying to purchase each individual property's equity share. The collective charge on the shared equity will be used to pay the interests on all loans (including mortgages and loan stocks) and may be subject to variations.

The residents will also pay a monthly contribution to the Society that will cover service charges such as maintenance costs, insurance and running costs for communal facilities.

RENT

Members not wishing to share the equity will be able to rent the property they occupy and will be issued a tenancy agreement by the Society. The rental charge will be based on LHA. The Tenancy agreements will be drawn in collaboration with the Confederation of Co-operative Housing (CCH).

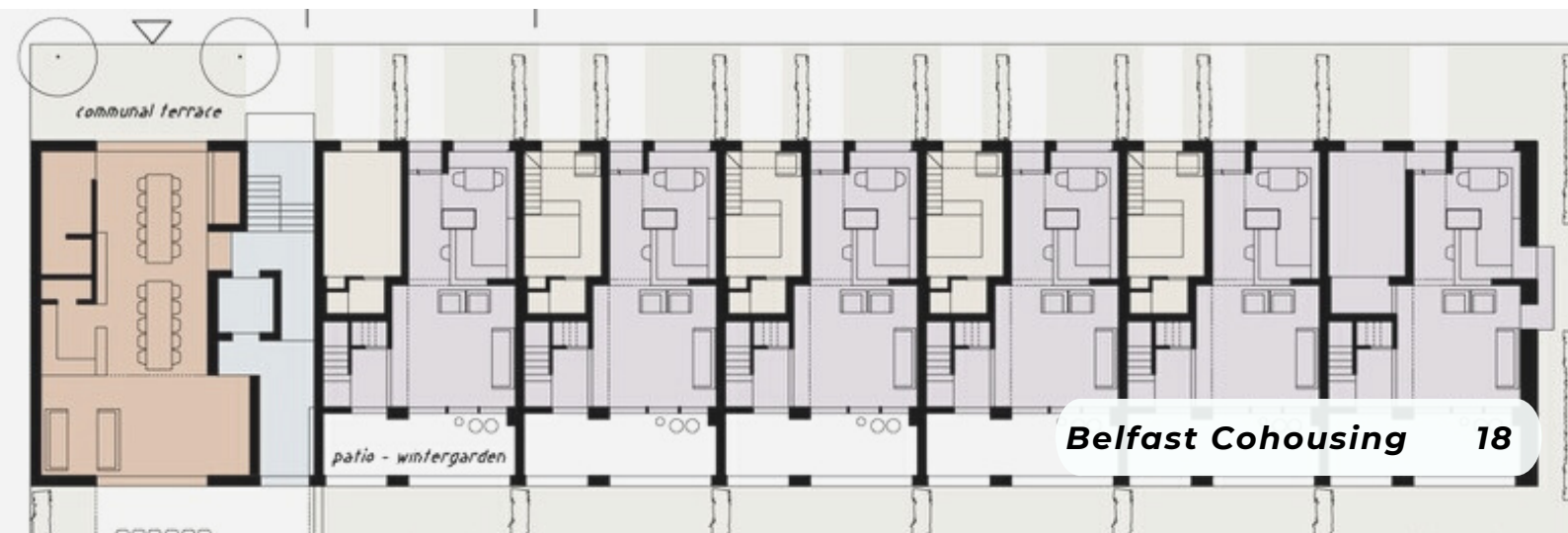
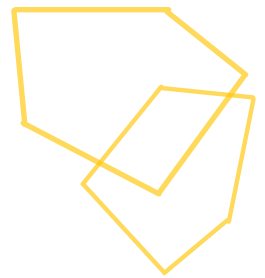


FINANCIAL PROJECTIONS

The Management Circle will oversee the running of the scheme and based on initial drafted costs or similar projects we have studied, year one after construction, will see a modest surplus.

One important assumption is that there will not be staff costs since the Management Circle, elected by the members, will be overseeing the tasks required such as rent collections, communal area hiring etc.

- * A detailed financial projection is currently being prepared.



SOCIAL IMPACT OF BELFAST COHOUSING PILOT PROJECT

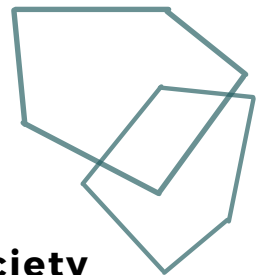
Research into cohousing projects in Britain has demonstrated the social impact and benefits of cohousing¹⁸. These include improvements in mental and physical health, more social cohesion and greater mutual support.

Provision of affordable housing

Many cohousing groups share a social vision that includes a commitment to affordable housing. Sharing facilities, appliances and meals—common practice in cohousing—also effectively reduces overall housing costs and enhances family life. In seeking to provide affordable housing, creators of cohousing communities operate within much the same financial and planning framework as commercial developers. Producing genuinely affordable housing, especially in areas of high land value, requires some type of subsidy (explicit or implicit) and often involves partnerships with local and central government.

Contribution to neighbourhood cohesion and civil society

Cohousing communities serve as models of active citizenship and local decision-making, and may contribute to neighbourhood cohesion and pride. Collective ownership, control and management by residents are principles embedded in the structure of cohousing communities.



Promotion of environmental sustainability and contribution to climate resilience

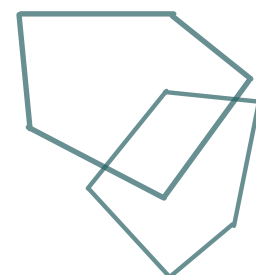
Many cohousing schemes serve as exemplars for people wanting to move towards a low-carbon lifestyle. A 2017 systematic review of research into 23 cohousing communities found evidence that they had smaller ecological and carbon footprints than traditional housing, and tended to encourage sustainable lifestyles amongst residents. The shared spaces of cohousing were found to reduce energy consumption and carpooling reduced carbon emissions.¹⁹

Reduction in demand for public services

Research has shown that cohousing residents enjoy better health and well being than their counterparts in conventional housing and that they may place lower demands on local health and social care services.

Improving the quality of life for older people

Studies have shown that, where older individuals are concerned, the outcomes of living in cohousing can be an enhanced sense of wellbeing, reduction of loneliness and isolation, continued activity and engagement, the possibility of staying healthier for longer and, finally, continued personal autonomy and independence. The benefits to wider society can be the promotion of active, healthy lifestyles and a reduced or delayed need for health and social care services.

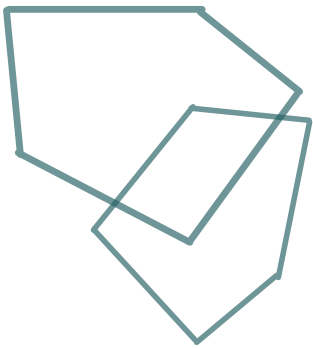


The NIHE has recognised the important contribution that cohousing can make in its **Older People's Housing Strategy 2021/22-2026/27**:²⁰

“

“A new model of housing currently in development in Northern Ireland is Cohousing. Cohousing communities are intentional communities created and run by their residents. Each household has a self-contained, private home as well as shared community space. These can be apartments, houses, rented or owner occupied and residents actively cooperate in the planning of the project and in maintaining its shared resources when up and running.”

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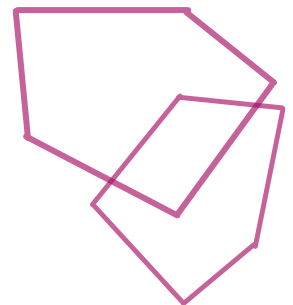
ORGANISATIONAL STRUCTURE

Belfast Cohousing Mutual Home Ownership Society Limited is registered under the provisions of the Co-operative and Community Benefit Societies Act, with an address C/O Unit 140 North City Business Centre, 2 Duncairn Gardens, Belfast, BT15 2GG.

Our governance model follows the Code of Governance for Cooperative Housing, adhering to the Cooperative Principles and Values. For the ongoing development and management of the Cooperative, we follow a sociocratic governance model with a commitment to participatory decision making by consent, and distributed decision making authority into teams of people, called circles with clear aims and roles, double linked - to each other, and to the Management Circle.

We have operated as a Steering Group, up until our incorporation in November 2021 as a MHOS with a Board of 6 Directors and the establishment of a Management Circle of 8 people, which works as a project development group focused on site identification, raising of finance, and development of the community. Our Management Circle and Board of Directors is made up of individuals from a range of age groups and backgrounds including North and South Belfast and across NI. Our skillbase includes experience of:

- Operational and strategic management of voluntary/community organisations
- Fundraising and budget management
- Administration
- Database and project management
- Social media, content creation
- IT



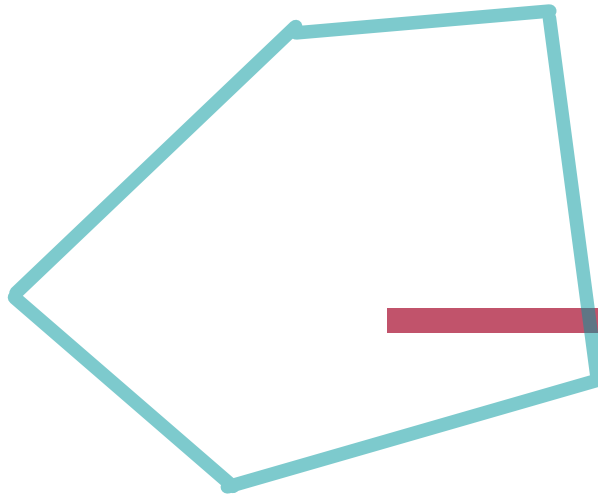
We have undertaken extensive training through Cooperative Alternatives with assistance from the European Union.

IMPLEMENTATION PLAN

Task	Responsibility	Timeline
Structure and Incorporation	Steering group	August 2021
Clarify and Agree Purpose	"	August 2021
Agree best fit structure/Complete Incorporation	"	November 2021
Appoint Directors/ Officers/ Train in Roles and Governance	"	November 2021
Develop Systems, Records and Administration	"	Ongoing
Site		
Site Identification	Project Development group	Ongoing
Site(s) Feasibility	Technical support	
Project Capacity/ Outline Design	Technical support	Ongoing
Community Consultation	Project Development group	Ongoing
Business Model		
Prepare/ Evaluate Financial Options	Finance Circle	Ongoing
Establish partners/ investors	Finance Circle	Ongoing
Implement Share Offer/ Funding package	Finance Circle	
Promotion and Lobbying	Project Development group	Ongoing

Footnotes

- 1.** Housing Supply Strategy 2022-2037, published 08 Dec 2021, Department for Communities.
- 2.** Northern Ireland Housing Statistics 2020-21, published 09 December 2021, Department for Communities.
- 3.** Programme for Government (2016-21), published on 07 December 2016, The Executive Office.
- 4.** The Strategic Planning Policy Statement for Northern Ireland (2015), published on 28 September 2015, Department of the Environment.
- 5.** Belfast Local Development Plan 2035, published 2018, Belfast City Council.
- 6.** Housing Supply Strategy 2022-2037, published 08 Dec 2021, Department for Communities.
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- 8.** Programme for Government Draft Outcomes Framework, published 25 Jan 2021, The Executive Office
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- 10.** Building Inclusive Communities Strategy 2020-2025, published 04 November 2020, Department for Communities
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- 13.** The Wider Benefits of Cohousing: The Case of Bridport, published September 2019, LSE London, <https://www.lse.ac.uk/geography-and-environment/research/lse-london/documents/Reports/Bridport-cohousing-report.pdf> last accessed 15/03/2022.
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- 16.** Co-op Values and principles, published 2020, Co-operatives UK, <https://www.uk.coop/understanding-co-ops/what-co-op/co-op-values-and-principles> last accessed 15/03/2022.
- 17.** Belfast Co-housing Mutual Home Ownership Society Limited, published 2021, FCA website, <https://mutuals.fca.org.uk/Search/Society/31013> last accessed 15/03/2022.
- 18.** The Wider Benefits of Cohousing: The Case of Bridport, published September 2019, LSE London, <https://www.lse.ac.uk/geography-and-environment/research/lse-london/documents/Reports/Bridport-cohousing-report.pdf> last accessed 15/03/2022.
- 19.** Quantifying the environmental impact of ecovillages and co-housing communities: a systematic literature review, published 10 July 2017, Matthew Daly, Local Environment, The International Journal of Justice and Sustainability, Vol 22 No 11.
- 20.** Older People's Housing Strategy 2021/22-2026/27, published 2021, NI Housing Executive.



CONTACT US:



BELFASTCOHOUSING@GMAIL.COM



C/O UNIT 140 NORTH CITY BUSINESS
CENTRE, 2 DUNCAIRN GARDENS
BELFAST
BT15 2GG

