

NEW NOT-FOR-PROFIT INVESTORS ARE NEEDED

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Ca L'Alier – Sala Ciutats

NEW NOT-FOR-PROFIT INVESTORS ARE NEEDED

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Deutscher Mieterbund
Bonn/Rhein-Sieg/Ahr e.V.

Bernhard von Grünberg
Chairman

Social Housing Festival Barcelona 2023



Wohnungsbaugenossenschaft Zusammenstehen eG

A particular experiment in Bonn
Bernhard von Grünberg

Chairman, Deutscher Mieterbund Bonn/Rhein-Sieg/Ahr e.V.

History of housing in the Federal Republic of Germany

- In the 1980s there were still 3.4 millions of not-for-profit rental apartments
- Those apartments were permanently provided for broad parts of the population as part of the public welfare system. The investors got only 4% of interest on their equity capital.
- In the 1970s a large number of apartments was built due to the housing shortage that time.
- The interest rates during that period were approximately at 8%. Additional public subsidies were necessary to ensure that tenants could actually pay the rent.
- In 1989 the CDU/FDP (conservative/liberal) government in Germany abolished the not-for profit housing act. The housing stock was assigned to the equity providers and the focus on public welfare was abandoned.

Period of privatization

- The majority of housing in the former GDR was privatized en bloc after the German reunification 1990.
- Statistics assumed that the number of inhabitants in Germany would shrink in the future.
- The public sector (the state and the municipalities) alone sold more than 600.000 units.
- The buyers were often companies guided by the financial markets. They acquired over 800.000 homes since the year 2000.
- They realized profits by increasing rents, reducing staff and neglecting the maintenance of the housing stock.

The current situation at the housing market

- The number of subsidized rental homes went down from 3 million in 1990 to 1 million currently
- The forecast by statisticians has not come true, the population of Germany was and is still rising.
- The number of completed buildings has fallen continuously since 1990 but has now been rising slightly again over the last years.
- Approximately 300.000 units were built in 2021. The current federal government has decided that 400.000 homes should be built annually, 100.000 subsidized by the public sector.
- We are actually far from achieving that number.

The current situation at the housing market

- Currently more commitments to build more units are coming to an end.
- A sharp wave of rent increases. Since 2010, the rents in Berlin have almost doubled, nearly the same increase has been taking place in Bonn.
- It is difficult for low- and medium income households to find a home.

We need a new housing policy

- In general investors build homes for high income groups. We need investors who are oriented towards not-for-profit housing.
- Cities must provide land for lower prices.
- The City of Bonn decided to give their land exclusively under leasehold law (Erbpacht) with an interest of 1%.
- New residential building projects in Bonn should have a quota of social housing of 40%.

We need a new housing policy

- The tenant's association Mieterbund Bonn/Rhein-Sieg/Ahr e.V. has decided not only to demand the building of affordable housing but to act as an investor.
- We joined forces in a particular way. Together with the association of landlords and the welfare organizations of the catholic and protestant churches, Caritas and Diakonie we founded the cooperative "Zusammenstehen e.G." (Standing together)

Cooperative and financing – New common public interest

- We selected the form of a housing cooperative so that future residents are responsible for their own housing environment.
- Surpluses must flow into new housing projects, meaning we are a stable partner for the city of Bonn also in the future.
- The City of Bonn sold the plot for the buildings for a sharply reduced price.
- The law of building not-for-profit housing in North-Rhine-Westphalia provides subsidies with 0% interest over a period of 15 years.

Cooperative and financing – New common public interest

- Only 60 % of the loan has to be repaid. The cooperative has undertaken to enter a commitment of at least 30 years.
- You need an equity capital of 10%.
- As a result, our cooperative “Zusammenstehen” (Standing together) has to provide approximately 1,55 Million Euro for the necessary equity capital.
- According to the statutes of the cooperative an interest of 2% will be charged.
- The statutory option to increase rents totally is 1,8% p.a.
- The federal government is planning a new not-for-profit housing act, enabling similar bodies like our cooperative can be easier established in the future.



Deutscher Mieterbund
Bonn/Rhein-Sieg/Ahr e.V.

Thank you!

TAKE ACTION !

Connect now, follow us on all channels and grow our network!

www.mieterbund-bonn.de

www.twitter.com/mieterbund_bonn

www.facebook.com/MieterbundBonn

www.instagram.com/MieterbundBonn

www.linkedin.com/company/deutscher-mieterbund-bonn-rhein-sieg-ahr-e-v

www.youtube.com/@mieterbundbonn53111



TAKE ACTION!

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www.zusammenstehen-bonn.de





The Co-operative Housing Federation of Norway (NBBL)



The Co-operative Housing Federation of Norway (NBBL) – an umbrella organisation



- 25 employees – economists, lawyers, civil engineers, communications officers
- Mission:
 - **Advocacy**
 - Beneficial economic, legal and political regulation for the Co-operative associations
 - **Services to members**
 - Legal services
 - Training – a variety of courses, especially in organizational work and law
 - **Media campaigning**

Housing in Norway 2023



The majority live well, have a high housing standard, good maintenance and to a large extent personal ownership of the homes

Norway

- Population: 5 505 582
- Number of homes: 2 666 507
- Persons/Home: 2,04
- Households: 2 545 902
- Co-operative ownership homes: 600 000 (Appr.)
- Rented homes: 860 000 (Appr.)



The Co-operative Housing Federation of Norway (NBBL)



41 Co-operative housing Associations

1,2 million Members

608 000 Housing units

15 800 Housing associations

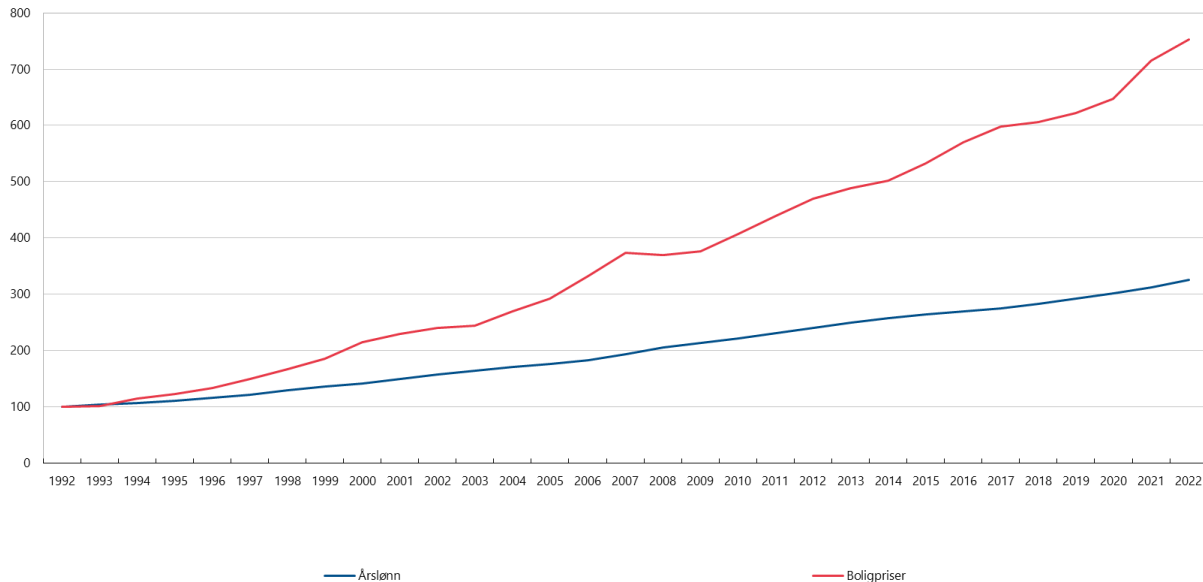


Co-operative ownership 80 % home ownership today



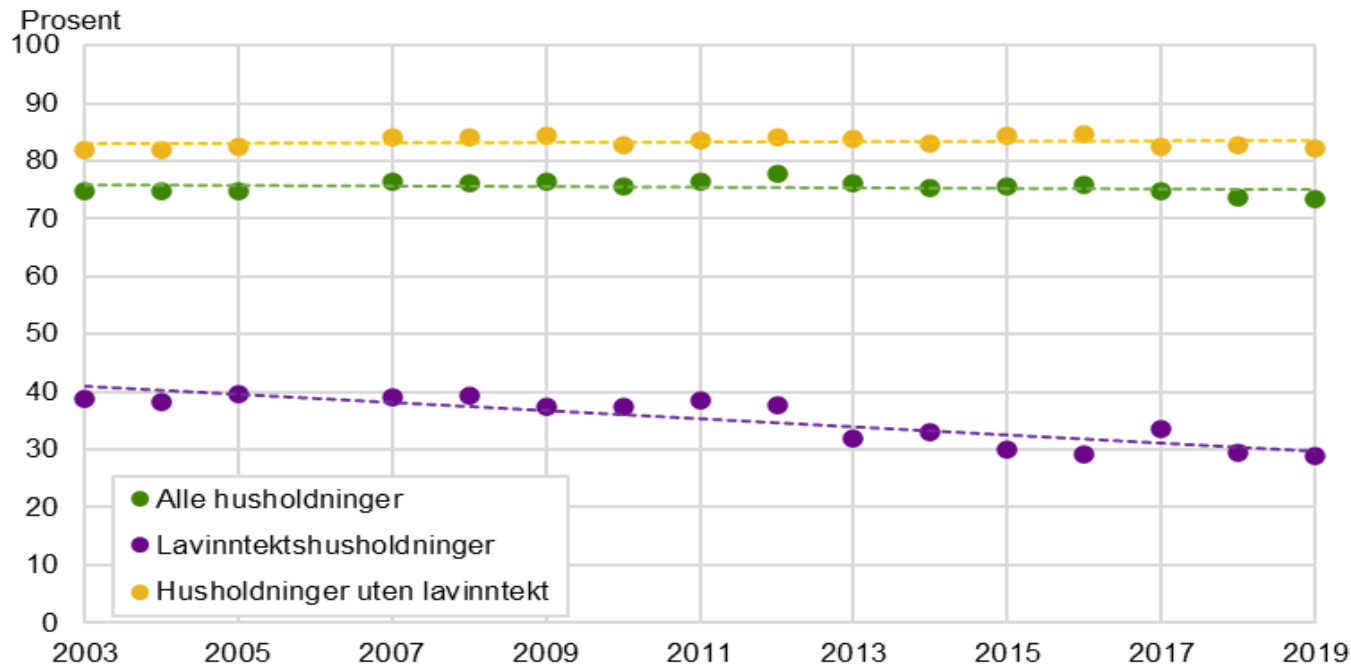
Housingprices and wages

Boligpriser og årslønn
Indeks 1992=100



Housholds with and without low income (EU60) who own a home. 2003-2019.

Source Statistic Norway Livingconditions



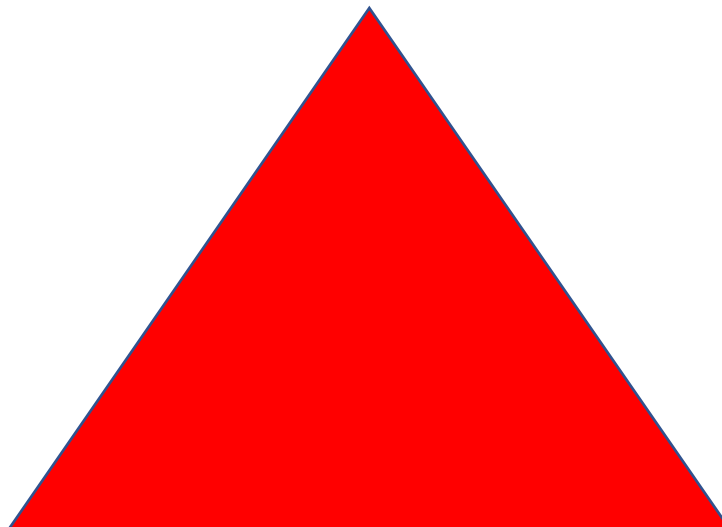
Roles in the housing sector

State

- Laws and regulations
- Financing of housing for low-income groups (Norwegian State Housing Bank)

Municipalities

- Spatial planning and construction matters
- Housing for the disadvantaged



Private

- Housing construction
- Financing
- Sale, Residential rental
- Maintenance, rehabilitation





Co-operative
Housing is strictly
regulated
through separate
legislation

Co-operative housing associations

Main activities

- Building new housing co-operatives and condominiums for the shareholders
- Business management
- Technical assistance to housing co-ops and condominiums undergoing rehabilitation
- Estate agency business



Provide housing to members

Co-operative Housing Association



New
Co-op



New
Co-op



New
Co-op

Members of the Co-operative Housing Association

1. Membership is mandatory to be a shareholder in a Housing Co-op
2. The principle of seniority
3. Right of first refusal

The principle of seniority

- How long you have been a member determines who is entitled to right of first refusal
- The membership can be passed down (or up) within generations



Right of first refusal

- Existing shareholders are entitled to the right of first refusal



Housing co-ops vs condominiums: common ownership



Housing co-op

- No right to rent out
- Possibility to finance common loans

Condominuims

- Right to rent out
- No possibility to finance common loans



Co-operative housing associations and their responsibilities

Business management agreements

- The associations have business management agreements with affiliated housing co-ops and other housing co-ops, condominiums etc.
- These include:
 - Financial management
 - Technical assistance
 - Legal assistance
 - Training
 - Maintenance
 - Rehabilitation
 - Other



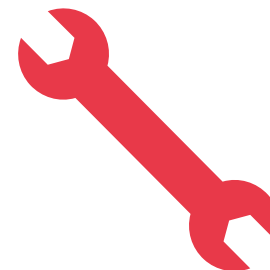
Business management agreements

- Usually terminable after 6 months
 - Terminable (max) 5 years after entering
 - 2/3 majority at annual general meeting necessary



Maintenance in housing co-op

- The unit
 - The owner/shareholder is responsible of keeping their unit in good condition
- Common parts of the building/outdoor area
 - The board of the housing co-operative is responsible for keeping the building and property in good condition



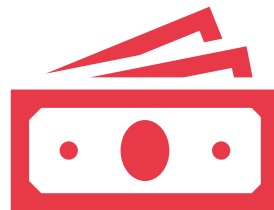
Covering expenses

- All owners must pay their share of the common expenses
- Common expenses are divided among the shareholders
 - The share of the expenses is usually determined by unit size divided by the size of all the units
 - Some expenses are split per unit



How is maintenance and rehabilitation financed in a co-op?

- Major upgrading and rehabilitation
- Daily maintenance
 - Monthly common expenses
 - Loan
 - The housing co-operative/condominium usually finance maintenance by borrowing money from a private bank
 - Unless the general meeting agrees by at least to-thirds majority, the board may not decide to raise a loan which is secured by mortgages at 1. position priority



Non-payment of common expenses

- The owner may be forced to sell
 - Formal warning required
 - Enforced sale may be ordered by the district court in accordance with the Enforcement Act
- License for common expenses
 - As security for joint expenses, the cooperative has a claim on the ownership share/property - 20 000 Euro





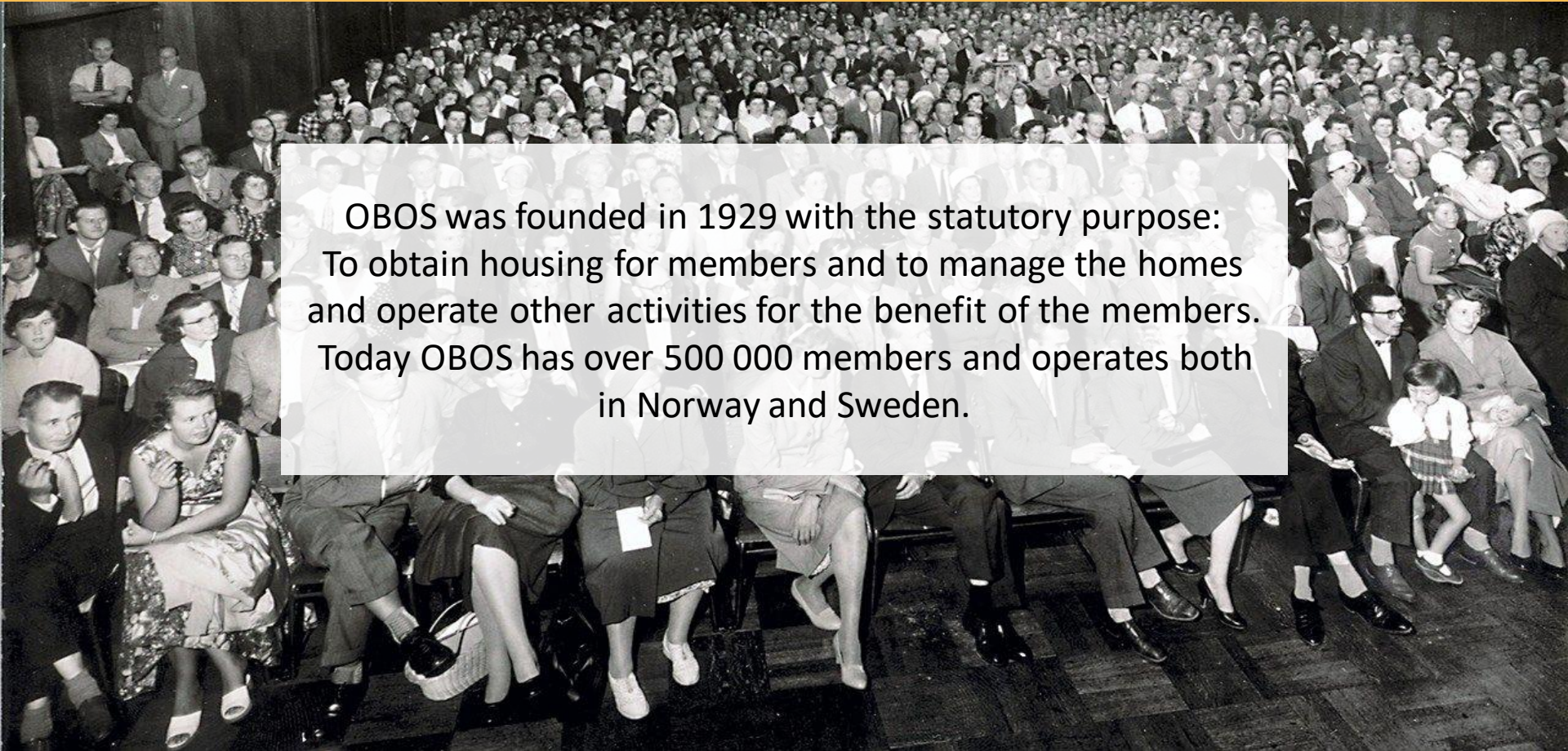
Affordable Housing

New Models

Rent to Own

- Rent a home at market price
- Option to buy the home
- Price determined when the "rent to own" agreement was entered into
- Most common model in Norway
- Approx. 10 Co-operative Housing Associations and others





OBOS was founded in 1929 with the statutory purpose:
To obtain housing for members and to manage the homes
and operate other activities for the benefit of the members.
Today OBOS has over 500 000 members and operates both
in Norway and Sweden.

Everyone should be able to own their own home



Bostart - "Fresh start"

- Buy a new apartment to a reduced price; approximately 10% off market price.
- Membership and proof of financing required
- OBOS has the right to buy the apartment back if you want to sell
- Price is then adjusted for price developments in the housing market



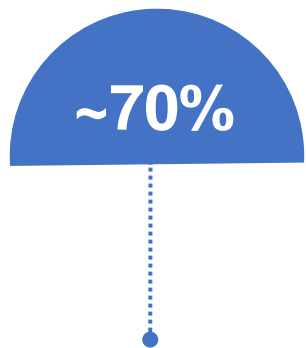
Deleie - "co-ownership"

- Buy half an apartment or more, and live in all of it.
- Minimum 50%, can be increased later
- The buyer and OBOS are legally co-owners of the apartment
- You pay rent to OBOS for the part you don't own yourself
- Reducing the equity you need to get a loan in the bank

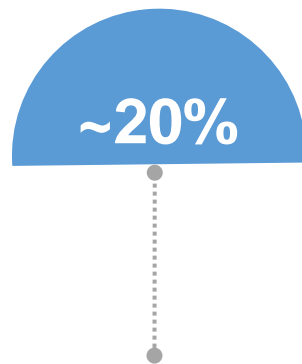
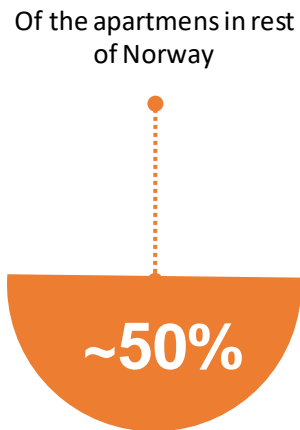


A major increase in the supply of OBOS

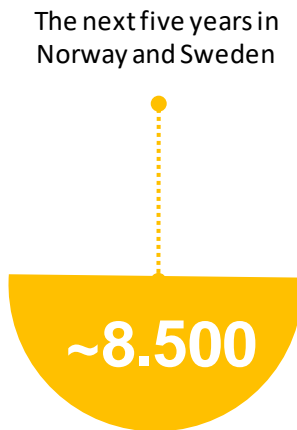
Bostart og OBOS Deleie/Deläga



Of the apartments in Stor-Oslo



Of the apartments in the big cities in Sweden



Apartments sold with
Bostart and Deleie

Around **1180**

Ca. **1 of 4**
apartments sold with
Deleie

Bostart-buyers 40 years and
younger

63%

Deleie-buyers 40 years and
younger

80%





**A shared
responsibility**



Thank you!

TAKE ACTION !

Connect now, follow us and grow our network!

www.obos.no

www.nbbl.no





Time for your questions



**Thank you!
Vielen Dank!
Tussen Tack!**