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Co-living for older people – stakeholder views

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1. Introduction

New models of co-living for older people have recently emerged in the UK, echoing a growing interest in alternative housing solutions. Many vulnerable older people face challenges of poor housing, loneliness and lack of access to support, which cohousing aims to address. However, these models take various forms, and little is known about their benefits and risks, or the ability to develop them at scale. Although intergenerational models of cohousing exist in the UK, there are only a few senior-only cohousing communities. There is barely any knowledge on the multifaceted models that do exist, the challenges these groups faced, or their broad integration within the UK housing structure and policy frameworks.

The aim of this project was to understand the risks and benefits of these housing models and their potential for wider use to support older people. The first step was to undertake a literature review in order to consolidate existing knowledge of the current research on cohousing. This desk-based review identified evidence about the benefits and risks of older people's co-living. Policy documents were also analysed in order to consider the institutional and regulatory frameworks that exist around cohousing. The second step, presented in this document, consisted of in-depth interviews with various stakeholders and experts in order to better understand co-living models for older people. A diversity of stakeholders were interviewed during this phase of the research, including researchers/members of co-housing research networks, Housing Association representatives, Homeshare programmes representatives and members of existing cohousing communities. This document summarises the main points raised during the interviews. The next stage of the research is to carry out case studies of different cohousing projects and conduct interviews with residents.

2. The emergence of cohousing as an alternative housing solution: diverse stakeholders' points of view

2.1. The benefits of co-living

Most of the interviewees highlighted the benefits of co-living, or of living in a cohousing community. These general perceptions around cohousing identify older households' aspirations and choices for housing in their later life, as well as the challenges and barriers they faced. Overall, there was a general agreement on the broad definition of cohousing:

"Cohousing is a form of living that combines private living space with communal facilities to varying degrees, and it does that in a way that is intended to promote social capital and interaction, and to build a sense of community."

There was also a relative consensus around the benefits of cohousing, and co-living in general, in particular for older people. This had already been widely identified in the literature review, and was confirmed during the stakeholder interviews. Most stakeholders tied the current interest around cohousing to its wide range of acknowledged benefits, in particular those of health and well-being:

"There is a policy interest, from housing policies, but also on a health and wellbeing perspective, because of all the proven benefits of co-living. It is a way for older people to be more active, to engage socially and physically into an active later life. This has long term effects for society, and eventually reduces health care costs."

"Cohousing makes you feel there are like-minded people around you."

2.2. The emergence of alternative housing solutions: the specificity of senior co-living

As has already been identified in the co-living literature review, the main objective of co-living is to combat loneliness and isolation among the elderly. Rather than addressing "vulnerable" older people, co-living is often a way to anticipate potential vulnerability, and mitigate its effect:

"To me, cohousing is a way to envision the future, in later life. It is not so much about my current situation, but rather about anticipating future needs and risks of growing old, such as exposure to loneliness and isolation."

This is particularly true for older women, who are statistically more likely to end their life alone. The rise of single living for older women has been central to the emergence of the OWCH initiative. It also helps older people who face difficulties living alone in a large property:

"Very often older people are left with an over large house which becomes a burden. Cohousing is an alternative solution for people who do not want to go to an institution, but rather stay in control of their lives."

But it was also mentioned that the growing interest in cohousing is a result of changing aspirations for later life. Indeed, establishing a cohousing community allows its members to participate in a project, making active choices about their later life:

"I think it is about a different generation of people, who want to have more control over their lifestyle (...) it is an opportunity to live with like-minded people, with a shared commitment and a shared ethos. People do not want to be told by a paternalistic landlord how to rule and live their life, but they want to decide how things will be run."

"Cohousing is about having control of the situation - in that sense it is very different from owning a house or renting in a retirement village."

"Cohousing is also about contributing- you can't be a passenger. The group must make sure everybody has the correct role."

Nevertheless, questioning the reason why there are currently so few senior cohousing models in the UK leads us to look into the existing barriers or challenges. This entails questioning the current housing policy framework, looking into the regulatory or legislative issues which may facilitate or hamper the development of senior cohousing. It also involves investigating the role played by each specific actor, whether a public or private stakeholder, as well as reviewing the optimal level of support of cohousing, nationally and locally. Many interviewees stressed the length of time it took for some cohousing projects to be successful; given that there are so few cohousing communities at present also suggests there are difficulties in getting them established. It is interesting to focus on groups that succeed, but this should not overshadow the obstacles faced by those who did not. The aim of this research is therefore to explore the existing barriers for the wider development of co-living arrangements for older people.

2.3. Why there are so few cohousing communities in the UK compared to European counterparts

2.3.1. Lack of public awareness

If it took 18 years for the OWCH project to succeed, it is partly because it was “born before its time”.

“It was counter-cultural, ran against the view of older people being dependent, passive and recipients of services. (...) In many ways, today, the system still perceives older people as poor things who need things to be done for them. The OWCH cohousing project was a challenge to and a reaction against, that dominant culture that is still seen by them as ageism. That was a huge factor in the long time it took!”

Many stakeholders also suggested that one of the reasons why senior cohousing was not so common in the UK is because many people do not hear about it, and therefore do not know that it is an alternative option to either ageing in place or looking for a more traditional retirement home.

2.3.2. Mindset and culture

This was raised by many interviewees, particularly when they were asked why cohousing was not so common compared to European countries. In particular, the attachment to homeownership might prevent some households from shared-living alternatives. Particularly among older people, property ownership is a still very ingrained culture, and this influences perceptions of housing and inheritance:

“At the moment, cohousing is trying to grow in an environment which is hostile, that is why it is difficult. (...) I think the home ownership culture is ingrained, it hinders mobility in our country, and it is also part of the commodification of housing. Particularly for older people, housing is seen as their pension, and an asset they can transmit to their children. In a way, cohousing challenges that.”

That was reiterated by a member of another cohousing group:

“As an individual, I like the idea of owning my own home, because it’s what I’ve done for 40 years. And co-owning is the other aspect of the scheme. I mean the only difference between ownership and renting is control, isn’t it?”

2.3.3. Professional awareness and policy-making at a local level

Many stakeholders stated that there was a lack of awareness among potential facilitators of cohousing, such as Housing Associations, developers or architects. Most of them seemingly ignore the benefits associated with cohousing. The example of OWCH, which struggled to convince specific local authority departments of the multiple, positive benefits of cohousing is quite representative of this:

"When I explained to the Adult and Social care department to say that actually living in community reduces dependency on hospital and care for older people, they said, 'Oh, well, prove it!'"

More generally, the involvement of local authorities is central to the success of cohousing. In Scandinavian countries, the Netherlands and Germany, cohousing is more widely developed, primarily because many local communities received municipal support:

"The reason why it has been possible in lots of European countries is because there are systems that gave these groups a preferential access to land".

In the USA, the model is slightly different, since most cohousing communities are not built from the bottom up. Instead, retrofitted models of cohousing are built by a developer and then a cohousing community moves in. In the USA, co-housing is a much more market-oriented product. It is designed by the developer, not the group, and then sold to the community, whereas in Europe, the process is much more collaborative from the very beginning.

3. The role of Housing Associations

Housing Associations can play a significant role in the wider development of cohousing and in facilitating the establishment of community-led housing, as well as co-living more generally. Historically, Housing Associations have played a key role in the support of alternative housing, and have worked with housing cooperatives and self-builders. This was raised by many stakeholders, particularly those who had worked within a Housing Association or had received support from them.

Housing Associations can support cohousing in many different ways. They can bring their own expertise, particularly on legal issues and the regulatory framework around housing policy, something that cohousing groups may not necessarily have. When working directly with cohousing groups, this expertise is used mostly in the site-search process. The Housing Association uses its expertise while also taking responsibility and financial risk in the development process. In the case of OWCH, the group approached Hanover Housing Association with a list of criteria and expectations around the desirable site, and based on the requirements of OWCH, Hanover contacted land agents, drew up a list of a dozen potential sites and let the group choose one. The group did not have to pool resources, as Hanover found and purchased the land as a whole, selling the units once the development was complete. Housing Associations can also use their networks to facilitate the development process: Hanover suggested a collaboration with PTE Architects for the OWCH project. Finally, and most importantly, Housing Associations can serve as landlords when cohousing groups are prepared to have affordable rental units within their site. This is the specificity of OWCH, and might explain why the model was successful and convinced Hanover Housing Association to support it. A representative of Hanover highlighted this when talking about a cohousing group partnership which eventually failed:

"If it was a group more socially mixed, with some people who have money and some people who have less, which the OWCH with the Tudor Trust was very much engaged with, then we'd be more interested because there would be a social element to that."

This issue was raised by many interviewees, when asked if Housing Associations could be expected to be widely involved in the future development of cohousing. To an extent, supporting this type of cohousing project goes against the ethos of Housing Associations, whose primary goal is to help with the development of affordable housing for low-income people, and not to provide support to already relatively well-off people who may want to pool resources. This echoes another problem mentioned during the interviews:

"I'm not entirely convinced that Housing Associations are necessarily the right vehicle for it. They are housing providers, but they also tend to have a paternalistic relationship with their tenants."

In a way, working with pre-existing and self-established cohousing groups changes Housing Associations' traditional roles and support functions, and challenges the way they are used to working. There is a real specificity in working with bottom-up constituted groups who arrive with specific criteria and expectations around the project development. This is particularly true for senior cohousing, and might be indicative of a generational change to which Housing Associations still need to adapt:

"Older people now are more assertive; they are not passive (...). Therefore, they might struggle to work as equal partners, or to see the group as partners but not customers, and to create a relationship based on trust. They can be very top-down."

The process can also be time consuming, as explained by a representative of an organisation which worked with OWCH:

"It is very time consuming, and it takes a lot of senior management. I spent a lot of time on this project, and, you know, it's time I could have spent developing more housing."

The issue of the risks taken by the Housing Associations, and in particular financial risks, were also been raised. There can be a lack of protection or insurance from their point of view, in particular if the group cannot ensure a sufficient level of commitment:

"Given the risks involved, and the length of the process, how can we be assured that everyone will still be willing to buy in a few years' time? How do we know that we won't have half a block empty?"

4. The role of Local Authorities

Alongside Housing Associations, Local Authorities are also key actors in the wider development of cohousing, and the support of alternative co-living solutions. Local Authorities are in charge of processing planning applications, they might support the allocation of land (including the land they own) for cohousing purposes, they might also allocate grants or provide financial support for community-led housing. They are also direct strategic enablers in local housing markets, and have a good understanding of local demographics, and of local demand and aspirations for housing, in order to evaluate housing needs in the area.

Asked whether Local Authorities could play a key role in the wider support of cohousing, many stakeholders referred to examples from overseas. In Scandinavian countries, the Netherlands and Germany, Local Authorities are central to the development of cohousing because they allow preferential access to land for cohousing groups:

"In Germany, for instance, where local authorities own a lot of land, they allocate it by having a bidding process. Developers and cohousing groups can bid together for the same land, so it is not a separate process, but it is not just about money. They get extra points if there are any social benefits for the local community, for instance, which tends to favour cohousing groups. So, in a way, local authorities could decide to allocate more of their land for cohousing, but it is difficult to make the case for it in England, it's a different context."

However, Local Authorities are under huge financial pressures, particularly with regard to the provision of housing. This, combined with the escalating pressure on housing affordability and the homelessness or social housing waiting lists increasing, limits their appetite for and ability to commit to alternative housing solutions such as cohousing:

"It's not that they are not interested in cohousing, most of them think it's a great idea. It's simply that given the pressure on housing delivery, they want everything to be done for the biggest groups, or the neediest, and they prioritise mass volume developments rather than relatively small cohousing units."

Another element, specific to senior-only cohousing, was raised many times during the interviews. Local Authorities constitute different departments, sometimes working in silos and in an uncoordinated manner. In the case of OWCH, the Adult and Social Care department was particularly reluctant, because they feared that a group of 25 older women

coming from outside the area would be dependent and a potential “burden” on the social care budget of the Local Authority. A member of the OWCH group explained:

“But the major factor was the opposition from the local authority to 25 women moving into the area, and we were told informally that was because they wanted to resist our group making demands on their social care budget. They had a complete incomprehension and deaf ears in trying to understand what we were about. (...) When we said that actually we believe living in cohousing would reduce dependency on care, and health risks linked with isolation and loneliness, they said ‘Well, prove it!’”

5. The financial aspect of cohousing: implications for housing finance

Finance is a major reason why cohousing communities, and in particular senior-cohousing groups, are struggling to implement their ideas. Depending on the type of cohousing, this may be a case of pooling resources as a group in order to purchase an existing building, or purchasing a site and going through the whole development process. In the first case, groups might only need a bespoke mortgage, but in the latter case, they would need a complete developer finance model. However, most interviews revealed that securing finance can be difficult in both scenarios. At the moment, in the UK, there are almost no mortgage lender companies for retired people, so it can be very difficult - if not impossible - for most members of senior cohousing groups to access a mortgage. This is, to an extent, counter-intuitive, because many of these people have equity, but the fact that they are not earning means they encounter often intractable obstacles when attempting to access mortgage funding.

"At the moment, there are barely any mortgage lenders for retired people, so it is very difficult, if not impossible to access a mortgage. However, it depends of the type of models- if it's pooling resources to buy an existing building, or if it consists in buying a site and going through all the development process. You either need just a bespoke mortgage, or a whole developer finance."

As explained by one interviewee, whereas young people might be able to get a loan and get a home self-built, it can be much more complicated for older people:

"It is all a matter of life-stages and the funding propositions that people have. If it hadn't been for Hanover saying 'We will build it and only on the day that it is absolutely finished, you'll have to pay for it', it would have been very difficult."

"I don't think the finance sector has been particularly facilitative. If you are over 65, it is incredibly difficult to get a mortgage, although our life expectancy is growing and older people want to do something productive in their later life (...) the mortgage business does not care about that."

As a consequence, only well-off people who have enough equity to release are able to access cohousing, making it accessible only to already relatively wealthy households.

"So in that sense, if you have no equity, there is no way you can get in, especially if the model is owner-occupied only and you're funding the development yourself."

This factor was identified by a majority of stakeholders interviewed. To some extent, it also triggers a vicious circle, because as explained earlier, the fact that the majority of cohousing groups are made up of relatively wealthy individuals deters both Housing Associations and Local Authorities from dedicating time and resources to such projects. It only works in a developer model if Housing Associations take the financial risk, as Hanover did for the OWCH project, selling housing units to individuals at the end of the build process. The very nature of cohousing communities, and in particular their specific processes of recruitment and allocation of units (based on age and willingness to be part of the community) can also be a barrier to their adoption by traditional financial channels:

"The problem with mortgage companies is that usually they want to have first call on repossessing the property if you default on the mortgage, which does not work with the requirements of the OWCH of selecting people."

In terms of finance, the OWCH example is typically representative of the way in which current financial legislation around housing is not adapted for cohousing. The OWCH group eventually obtained a grant from the Greater London Authority, but they had to refuse it. Usually, when a grant for housing is allocated, the borough is entitled to apply nominations for the allocation of the property based on their housing waiting list. But this goes against two main principles underlying in cohousing communities. Firstly, people cannot be randomly allocated to a housing unit in a cohousing community, because they have to be willing to be part of the group, an active decision. Secondly, the very nature of senior-only cohousing projects makes them suitable only for individuals over a certain age (set at 50 years old in the case of OWCH), a criteria that the Local Authority cannot take into account during the allocation process.

6. Main barriers for the wider development of cohousing

Some barriers have been mentioned above, such as the lack of public or professional awareness. However, more detailed interviews around the specificity of cohousing, the planning system and the finance of these models allowed a more precise overview of the barriers and obstacles faced by cohousing and alternative co-living solutions, summarised below.

6.1.Land availability

In contrast with European models where groups are given preferential access to land, in England, most groups have to compete in the open market, against professional developers, for land and development sites.

“The basic problem is that land is very expensive, and these groups cannot compete against speculative developers, because they are not going to build as much housing as a developer would.”

6.2.Planning system

Most stakeholders believed that the planning system itself is not an obstacle for the support of co-living, and that the main reason why cohousing groups struggle to implement is related to land availability and price. However, some characteristics of the planning system - and in particular the fast pace of land acquisition - might hinder cohousing groups, who need more time to raise funding.

“If you had a planning system that said ‘we will develop this site in what we believe would be the most socially beneficial way’ things would be different (...) so if somebody was selling the site, and the cohousing group said we will pay the market rate for this, but you will have to hold that site for a few months. Just leave us time to raise the money. Even just 3 months will make a difference.”

6.3.Housing shortages and financial pressures

Given the current housing shortage in many parts of the UK, as well as the progressive residualisation of the provision of affordable housing by local councils, Housing Associations are increasingly developing market housing at volume. They are under huge financial pressures which deter them from engaging with alternative forms of housing such as cohousing. Many interviewees suggested that although Housing Associations could be a

main facilitator for co-living structures, they lack the time and resources to do so. It has also been suggested that housing markets are increasingly dominated by a few big builders, mostly specialising in the build-to-rent market, whose interests are mostly in building mass-volume, affordable housing for the young, rather than alternative housing for older people.

6.4. Diversity of models and lack of standardisation

It is not necessarily the lack of regulation or legislation around housing which hinders cohousing development, but rather the great diversity of cohousing models which make it difficult for every stakeholder involved to find their way through. Many stakeholders stated that delivering cohousing would be easier if more straightforward guidance, standards and legal advice were provided. However, this goes against the nature of many cohousing groups which very often seek to create a unique, bespoke and personalised place.

"Well, I guess there are as many cohousing models as there are cohousing communities!"

"There are not that many examples, every one of them has had their own individual specific financial model, organisational model, etc. So the lenders have to get their heads around (a new model) every time. And another group will come along and say 'oh, we're going to create our own bespoke model'. This is silly, there should be templates used, because everybody is always trying to reinvent the wheel."

7. Difficulties faced by existing co-housing groups

7.1.Length of the process, risks and uncertainties

The length of the process, and the uncertainties that stem from it, make it difficult for cohousing groups to go through the successive phases of the development. This explains why on the one hand there are so few cohousing communities for older people, and on the other, why some groups were unsuccessful in finalising the project.

“At the moment, people who have been successful are people who have been willing to devote almost their entire life, or later life, to the project.”

The length of the process, and the absence of a guarantee of success generates uncertainty and risk, for instance when group members have to sell their house in order to release equity without being certain they could eventually move into the new redevelopment. In the case of OWCH, the project deadline was delayed many times, meaning that some members had to rent out a property for a few months before they could actually move in, something which can be very stressful and traumatic. Such possibilities can deter many older households from taking part.

7.2.Issues of trust and organisation

A few stakeholders also reported it was sometimes difficult to make the transition from a “group of friends” to a more professional-looking organisation.

“If you want to be successful, you have to be “business-like”, write company reports, you have to form a company, have a company secretary, with a clear definition of each role etc.”

In particular, financial issues can be a sensitive matter, and will vary depending on people’s resources and their willingness to fully commit to the project.

“Our site was over a million pounds, so we had to find a group of people who could raise that money together. Not all of us put in the same amount of money, depending on personal circumstances.”

“We lost (...) people at that step, some people were not ready for it. So you need to have a high level of trust in each other (...) And there is a high level of risk. I thought initially it would be less risky than borrowing money to buy an individual property, but it is actually ten times riskier!”

7.3. Lack of expertise, lack of adapted pre-existing framework

Many interviewees also stated that it is very difficult for a group with a high level of expectation around a project to reach agreement and consensus on every aspect of the development:

"It was very difficult as a group to stay united and not to fall apart at every obstacle we faced, during endless negotiations and discussions, on finance issues, on the trouble of getting a site or deciding who was going to have this piece of land. It is in the nature of cohousing projects to discuss every single element as a group - from the size of the common room to the colour of the wall - but it is a very challenging experience!"

Stakeholders were also asked whether there was a lack of existing regulation around cohousing, or a broader housing policy framework, which made it more difficult for cohousing projects to succeed. In some cases, the lack of expertise among members of the group, as well as the absence of an existing framework around cohousing was a major barrier for cohousing groups. Most of the cohousing groups interviewed had to seek legal advice to help design their bespoke and 'from scratch' rules, whether these concerned the management structure, inheritance, allocation policy, tenure or leasehold regulation. For instance, in the case of OWCH, the group decided collectively that the leaseholder flats could be sold, and that the rented units would be transferred to a small Housing Association called "Housing for Women" which supported the OWCH group in its early age. But it was also decided that although the Housing Association owns those units, they would be entirely managed and governed by the OWCH:

"We made it very clear that the people who would manage and govern these units would be OWCH, not the Housing Association. We also had support from the Tudor Trust, so Housing for Women did not really have a choice, really. In law, they are the freeholder of the whole site, but OWCH was set as a company as a 'superior landlord'."

In order to take decisions collectively on these matters, the group set up a small legal task group to oversee decisions. All legal agreements for the lease were agreed between the group, the lawyers and the Housing Associations involved in the project.

Example - the OWCH inheritance policy

"Say a leaseholder dies. The heirs have to give OWCH 6 months to find a replacement, a potential buyer. They have to agree on a market value. If after 6 months there is no buyer, then the heir can sell it to someone, but that can only be a woman over 50. To ensure we have a buyer, we have built a group of women under 70 who are a mix of possible buyers and possible tenants - a sort of a waiting list. We put a light age limit. Because it took so long we have now a lot of people in their 80s, so I advised to put 70 to make the group younger, and I also advised on the opportunity to have a wider ethnic mix."

In order to address the lack of knowledge around cohousing, cohousing groups are often keen to share their experiences and good practice to other emerging communities. OWCH won multiple awards and is now recognised as a pioneer of senior cohousing in the UK. Many stakeholders interviewed recognised that the creation of the UK Cohousing Network was very useful and may allow other groups to achieve similar projects. However, this needs to be pushed further, because very often information is difficult to access or not centralised. It has been suggested in the interviews that cohousing groups would largely benefit from the help of facilitators who would seek legal advice, provide the right documentation or provide contacts and networks. More generally, there is also a lack of knowledge of what cohousing or co-living actually is, which may explain the current limited number of cohousing communities in the UK.