



What it Takes

to Develop a Cohousing Project



CDC

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*"Don't be afraid to take a big step if one is indicated. You can't cross a chasm in two small jumps."
- David Lloyd George*

WHAT IT TAKES TO DEVELOP A COHOUSING PROJECT

The complex product that is a cohousing community consists of two elements forged into a whole. This is often referred to as the two wings of a bird. One wing can be described as the tasks associated with creating the physical structure (legal, financial, design, construction). The other is the process associated with creating a connected community (communication, conflict resolution, effective boundaries, decision-making protocol). Both must be in balance to create a successful cohousing project. The following provides an overview of some of the physical elements that need to be in place to develop a project.

VISION / PROJECT OBJECTIVE

Having a clear and concrete vision and a practical project objective provides an anchor for the project.

COMMITMENT

You will need members who are willing to invest equity and take financial risk in the early stages to get the process moving. You will also need a core group of members who are willing to spend the time that it takes to build the community and bring the project to completion.





RESOURCES

Financial

You will need members with the ability to invest equity into the project to become a “developer” or “developer partner”. Banks expect to see 25 to 30% of the total project value as cash equity before they are willing to finance the development.

Members must have the ability to purchase a home in the completed community. If you plan to include some rental units, you will need a financial plan to facilitate that. Generally financial institutions will not provide construction financing unless at least 70% of the units are sold to qualified purchasers.

If the group does not have the financial capacity to provide the equity for the project, then they will need to find a developer partner. However, at least 50% of the equity required by the bank needs to come from members before most developers are willing to help fund a cohousing project.

Risk equals control, so the more equity the members can invest the more control they will have over the decisions regarding the development. As well, a developer partner will expect a profit, so if the group can come up with all the equity themselves, they will save money.

Land

You will need a site that meets the group’s criteria for cost and location that either has the zoning in place or the potential to rezone based on the desired objective.





SKILLS

Professionals

You will need a team of people with the knowledge and ability to provide legal, financial, development, design, marketing, community process and construction expertise.

Members

You will need a core group of people who have the ability to participate, accept responsibility, listen and communicate, who have a willingness to learn and a desire to work collaboratively with others.

ACTION - GETTING STARTED

Using professionals has been shown to save members money over doing it themselves. The development process is risky and complex. Working with experienced professionals reduces the risk and increases the likelihood that the project will be built on time and on budget. However there are things a group can do to get their project started. Taking these initial steps will help build a strong foundation for your project - each step builds on the next.

Educate your self about the concept

Take a look at the resources on the Canadian Cohousing Network website:

Watch the video "Building Community with Cohousing": <http://cohousing.ca/>

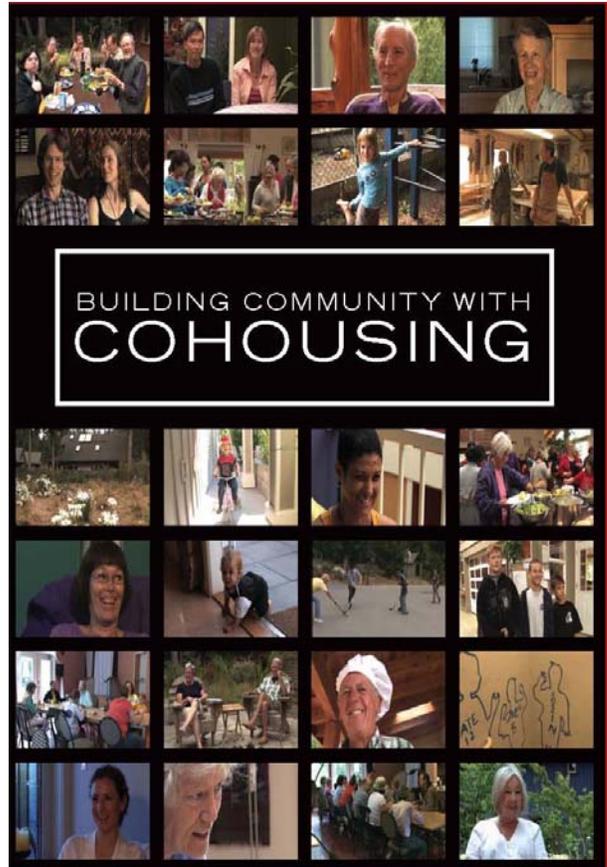
Check out the books and other resources:
<http://cohousing.ca/dvd-books-audiovisual/>

Visit Completed Communities

Members who live in cohousing are generally willing to provide tours. You will find information about how to arrange for a tour by checking the individual website for each of the completed communities listed on the Canadian Cohousing Network website:

<http://cohousing.ca/places/completed-communities/>.

The Cohousing Association of the U.S. sponsors regular bus tours (in the U.S.), and the website www.cohousing.org also lists community contacts for arranging individual tours.





Reach Out to your Network

Contact friends and associates. Use free or very low cost advertising (community group newsletters for example) and hold some information meetings. Marketing cohousing is about inviting people to find out more and if they are interested in the concept, inviting them to participate. Providing information and helping them feel welcome are the most important ingredients. The Building Community with Cohousing DVD (noted above) or Power Point presentations (such as the one available in the Resources section on the CDC website) are good tools to help educate people about the concept.



Coalesce a Core Group

Identify who is willing to take the time, spend the money and expend the energy to ground the project in reality. Open a bank account. Collect a small fee to help cover costs of room rental, food, babysitting, etc. During this phase, funds are invested as they are needed and costs should be kept as low as possible because there is no guarantee that a project will ever be developed.



Establish Decision Making Protocols and Practices

Learning the skills and establishing protocols and practices on how you will make decisions together will support you in having a joyful and successful process. Tree Bressen's website is an excellent resource with information relating to facilitation and consensus decision making. We highly recommend her as a facilitator and facilitation trainer. <http://treegroup.info>



Develop a Shared Intention, Vision and Mission Statement

This will help clarify your purpose, inform others what you are about and provide a foundation to build on.





Determine Site Criteria and Project Objective

What general area do you want to locate in? What type of housing do you want – apartment, townhouse, single family? What services or amenities do you want to have located close by? How many homes do you want in your community? Clearly defining your project objective will help with site search and establishing project feasibility.

Attend open houses

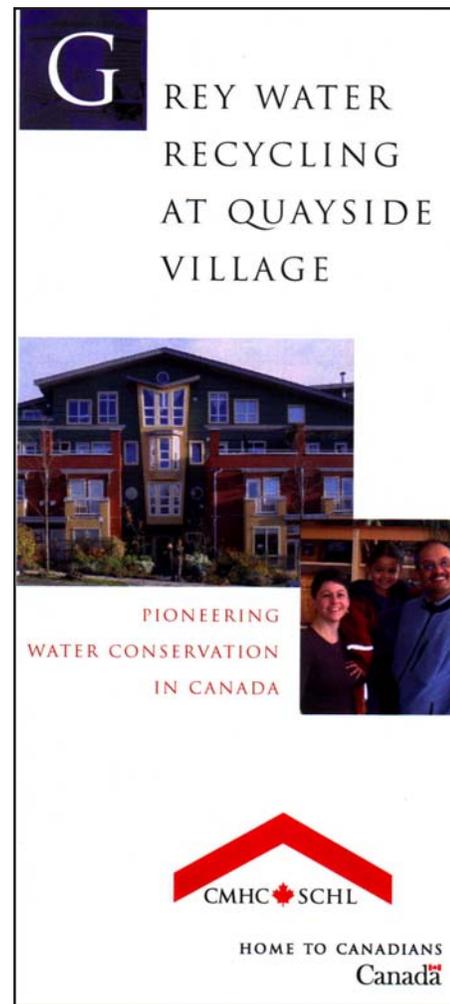
Attending open houses at new developments in the neighbourhoods of your choice will help identify the likely costs. Determining the average cost per square foot for new homes in the area will give you an idea of the likely per square foot cost of a cohousing home. For example, if a new 1000 square foot townhouse is selling for \$300,000, then the cost per square foot for land and building is \$300. Document the information: the date when you attended the open house, get copies of brochures, information about prices and names of salespeople who you spoke with. This information will be valuable for anyone you may hire in future to conduct a feasibility study.

A note on costs:

The cohousing development process does not of itself generate below market priced homes. Even though the development process does not include profit if the resident group is the developer, the homes are generally of higher quality with more green-built features than conventional housing, which makes them less costly to maintain and operate, but does contribute to higher initial costs.

Cohousing homes are typically smaller than conventional homes, so even though the cost per square foot may be somewhat higher than for conventional developments, the total cost may be moderate for the area. The common amenities function as an extension to the private dwelling. Including things like guest rooms, workshops, children’s play spaces and meeting rooms, makes it possible for the individual homes to be smaller without negatively impacting lifestyle.

An aspect not often considered when looking at affordability is the cost of living. Because of the social structure and access to shared resources, cohousing homes provide opportunities for reducing living costs that are not available in conventional neighbourhoods (such as car-sharing, bulk purchasing, shared child care, etc.). Even subsidized housing in conventional developments will likely have higher living costs than cohousing homes. So, developing a cohousing community contributes to the affordable housing continuum.





Determine whether you can afford the price of a home in your neighbourhood of choice.

If prices are high you may want to consider another neighbourhood. Also consider how small a space you could live with or perhaps the idea of sharing a home with one or more households. Communal living arrangements within the cohousing context are quite common. As well, renting out a bedroom can reduce housing costs and increase diversity. The extensive common spaces make it easier to live in small or shared living arrangements.

Site Search

Work with a local real estate agent to identify some possible sites in the neighbourhood of your choice. If you have questions about land use, talk with a planner in your local area. They can help you identify what might be possible from a zoning perspective.

Collect Preliminary Financial Information

It takes money to develop a cohousing project. You need to know where that will come from before purchasing land. If many of the members already own homes, then it is likely the group will have the financial capacity to develop a project. If many of the members are first time purchasers, then you may need to find a developer partner. You will likely need to hire a professional who is knowledgeable about financing housing developments to help you with this step.

Hire a Professional

If after following the above steps, you have determined that it looks like it might be feasible to develop a community in the neighbourhood of your choice, then your next step would be to hire a professional consultant, someone who has knowledge about the development process.

CDC cohousing development consulting can provide an in-depth feasibility study that will help to identify what is required to make the project happen and guide you through the steps to accomplish your goals.

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