HOUSING CO-OPERATIVES
IN BRITISH COLUMBIA

by

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ABSTRACT

Housing co-operatives consist basically of people joining together as a corporation to provide housing through group action for themselves. The corporation owns the housing project and each member owns stocks in the corporation which entitles him to live in a unit and share management of the project together with the other members.

Housing co-operatives, when supported by adequate education, comprehensive organization and governmental assistance, can provide housing at lower costs than those of equivalent housing in the private market. They are a widely-developed sector of housing in Latin American and European countries. They also exist in the United States and various provinces of Canada.

Their manifestation in British Columbia is very limited and this constitutes the main concern of this thesis. Such concern focuses on the hypothesis that the formation of housing co-operatives in this province has been retarded by the lack of specific provincial or municipal policies regarding such co-operatives. This hypothesis is supported by various cases, in foreign countries and some Canadian provinces, where legislation for such type of housing caused definite and unprecedented activity in the field. It is
thus the conclusion of this thesis that the field of housing co-operatives in British Columbia would develop if specific governmental legislation for such co-operatives were adopted and combined with improvements in education and organization in the field.
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CHAPTER I

HOUSING IN CANADA

Man's most intimate environment is the structure within which he resides. It not only protects him against the weather but serves as a repository for his possessions and a place for retreating from or gathering with other human beings. It has been recognized that this structure must possess certain characteristics of size and structural soundness in order to create an environment with no detrimental influences on Man's health, physical or mental. These characteristics, although they vary between different countries of the world, (because of differing climatic and cultural conditions) have often been recognized in the form of desirable or minimum housing standards.¹

Even though North America rates as one of the areas with a lower percentage of population increase in the world², its

²Appendix A.
estimates of growth suggest that by 1975 it will be inhabited by 240 million people, an increase of 43% from 1950.\(^1\) Canada's forecasted population for the year 1975 is estimated at almost 24 million\(^2\). Since by land area Canada is the second largest country in the world, this figure does not seem to be too alarming. But vast expanses of northern land in this nation remain unsettled due to their sub-arctic climatic conditions, lack of transportation and other facilities. Thus Canada's population has located mostly in urban settlements along the Canadian South and the Pacific and Atlantic costs; that is, in less than 1% of the land\(^3\), which places the country among the most highly urbanized in the world.\(^4\)

Canada's present urbanization pattern is reflected by the fact that by 1980, 60% of all Canadians will live and work in approximately twenty-nine major cities and one-third of the country's inhabitants will be located in either Montreal, Toronto, or Vancouver.\(^5\)

\(^1\)United Nations, The Future Growth of World Population, Population Studies No. 28 (Department of Economic and Social Affairs, p. 23).


\(^3\)Economic Council of Canada, The Canadian Economy from the 1960's to the 1970's (Ottawa, Queen's Printer, 1967), p. 3.


\(^5\)Economic Council of Canada, op. cit.
With such prospects ahead it is estimated that housing construction might be required to add, by 1980, over 2,000,000 new dwellings to Canada's existing (1958) stock of just over 5,000,000 dwellings.\(^1\) This demand will not only be created by the increase in the number of families (which in Canada ranges between 34,000 and 38,000 per year)\(^2\) but also by factors such as diminishing numbers of families in shared accommodations (doubling up) and increase of non-family households.\(^3\)

In spite of such rising demands it can be said that Canada's housing supply is probably second, both in quantity and adequacy to that of the United States.\(^4\) Of the present number of units available in the country, only one-quarter are more than fifty years old and nearly one-half have been built since 1945.\(^5\) It has been estimated that during the

\(^1\)University of British Columbia, School of Community and Regional Planning, Submission to the Federal Task Force on Housing and Urban Development (Vancouver: November, 1968), p. 2.


\(^3\)Appendix B.


\(^5\)Ibid.
years 1966 and 1967 housing demand exceeded housing availa-
ability by 25,000 units\(^1\). In a country of approximately
twenty million people, this deficit might not seem excessive
until it is compared with a number of other factors which
ultimately reveal that most of the existing housing deficiency
affects a specific sector of the population: the low-income
group\(^2\).

These factors that have particular impact on the low-
income sector of our population are:\(^3\) First, the decrease
of vacancy rates created by the mentioned increase in urbani-
zation, family formation, non-family households and decrease
in doubling up. Second, the rising costs in many sectors
of the economy, such as land values and construction, bringing
about rising housing costs. Third, the decline in the availa-
bility of mortgage funds from private sources. The two latter
factors strongly tend to cluster the housing available in
the higher price ranges, leaving available, as we mentioned,
few housing units with the price and quality adequate to the
lower-income groups of the population.

\(^1\)Ibid., p. 2.

\(^2\)These will be defined in a subsequent section.

\(^3\)As extracted from Background Papers for the Federal
Provincial Conference on Housing and Urban Development,
op. cit.
The Province of British Columbia reflects the overall Canadian picture. Its population stands at approximately two million inhabitants (1968) and is distributed so that seven out of ten people live within 100 miles of Vancouver thus concentrating most of the housing needs within that area. Even if reduction of doubling up and overcrowding, substandard accommodations and demolitions were to be omitted, the new dwelling units required annually between 1965 and 1970, in the area of Metropolitan Vancouver, would amount to c. 7,000 annually.\(^1\)

The 1961 Census records of non-farm families in British Columbia revealed that 31.7% of such families received an annual income under $4,000, 41.9% received between 4,000 and $7,999 and only 17.3% received $8,000 and over.\(^2\)

The average income for these families was approximately $5,700 per year.\(^3\) A family with such an income has approximately $450 a month for all expenditures. If it is accepted that families should not pay more than 20% to 25% of their income for shelter, then the above family would have $90 to $112 monthly for its housing accommodation, an amount which

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\(^1\)M. J. Audin, The Housing Situation in Vancouver, a Briefing for Volunteers, United Community Services (Vancouver: 1966), p. 4.


\(^3\)Ibid.

\(^4\)As suggested by Central Mortgage and Housing Corporation.
research in Vancouver's housing market has demonstrated to be quite insufficient, as discussed below.

In 1961 the average monthly contract rent paid in Vancouver was $75. In 1966 it had increased to $85 and continues to increase at present. Families, who due to their size generally demand larger rental units, are faced with rental accommodation whose price is above this average; a fact particularly distressing for the 56% of the province families whose income is below the $5,700 average. In the private ownership market the prices of houses have been rising constantly since 1964, largely because of increased down-payments and high interest rates. According to 1968 records, the average price for a house in the Vancouver area was $21,000 and there were virtually no new or second-hand houses being sold under $14,000. According to the opinion of the Appraisal Section of Central Mortgage and Housing Corporation in Vancouver, a person seeking a 95% mortgage on a $14,000 house requires an annual income of at least $7,000.

3Faculty of Commerce and Business Administration, Vancouver Housing Market, Seminar in Governmental Urban Land Policies, University of British Columbia, May 1968, p. 1.
5Telephone interview with Mr. Gordon of that department.
STATEMENT OF THE PROBLEM

We can clearly see that British Columbia is in need of more housing and most of it at price ranges lower than those offered by the current market. Up until now neither the private nor the public housing sectors have demonstrated an ability to meet these requirements. The first one has tended to be progressively more expensive, while the second, so far, has proved unsatisfactory to many families who have adopted it and has carried with it a certain stigma which makes it undesirable to many individuals who would otherwise consider it for its price. For these reasons the private and public housing sectors as they stand now in British Columbia, have proved deficient in meeting the housing demand of a large segment of the population. It is evident, then, that an alternative must be made available, and one possible alternative is the co-operative housing sector.

Co-operative housing consists basically of people getting together to provide housing for themselves by joint action in either building or financing or management and maintenance of their housing units. Such joint action, when combined with the appropriate policies and organization, can create housing at lower costs. With this potential, co-operative

\[1\text{M. J. Audin, op. cit., pp. i-iv.} \]
housing, and more specifically housing co-operatives, can become one of the answers in today's struggle for agreeable and inexpensive shelter. Thus, the policies affecting such housing are worthy of careful examination.

THE HYPOTHESIS

The hypothesis which will be tested in this thesis is that: THE ABSENCE OF SPECIFIC PROVINCIAL OR MUNICIPAL POLICIES FOR THE PROMOTION AND IMPLEMENTATION OF HOUSING CO-OPERATIVES HAS RETARDED THEIR FORMATION IN BRITISH COLUMBIA.

LIMITATIONS

This thesis does not deal with the "social-cultural" factors which encourage or discourage "co-operative movements". It is recognized that these are important constraints on the thesis and the research conducted here will reflect these limitations.

CONCEPTS AND DEFINITION OF TERMS

Housing Policies: This term refers to legislation passed by governmental bodies in the field of housing. Such a field falls mostly within provincial jurisdiction, according to Section 92 of the B.N.A. Act.¹

Public Bodies: This term will be applied to those bodies or organizations whose operation is dictated exclusively by governmental policies originating at the federal, provincial

¹ Appendix C.
or municipal level. Examples of such organizations are Central Mortgage and Housing Corporation (CMHC), housing commissions or government-appointed housing associations.

Private bodies: This term will denote bodies or organizations whose operation is basically dictated by private policies and only regulated by governmental ones. Examples of these are Credit Unions, privately organized housing associations and private citizen groups.

Housing Co-operatives: In this section, in order to clarify the meaning of co-operative housing, all the basic types of housing co-operatives shall be defined and described.

(I) Continuing Co-operative or Co-operative in Perpetuity.

In this type of co-operative the member does not take individual title to his unit. He owns and controls the housing development as a whole through his membership in the co-operative association. The association owns title to land and buildings, with the individual member holding equity in the form of shares proportionate to the value of his unit. Such a member can leave the project by giving notice and selling his shares back to the co-operative. The shares are then resold to a new member.\footnote{Western Co-operative Housing Association, Pamphlet No. 1, p. 2.} In other words, the co-operative set-up is continuous and no provision is made for units to revert to individual ownership at any time.\footnote{Memorandum on Co-operative Housing, "A Review of the Present Situation in Canada", The Co-operative Union of Canada, August 1963, p. 3.}
European co-operatives for housing belong, in their great majority, to this type. In British Columbia such type of associations are registered as corporations under the Co-operative Associations Act of B. C.¹

Continuing co-operatives have a variety of arrangements by which members take payment of their shares, but there are two basic ones by which shares of a departing member are returned to the association and then resold to a new member. The two forms are the following:

(a) Limited Profit: Here, the member selling the shares is entitled to their original value plus a certain mark-up according either to the rise in prices in the housing market during the period the shares were held or to a certain fixed percentage of the value of the shares during that same period. Once this is done, the co-operative can resell these shares to a new member at a price corresponding to the fluctuation of the housing market values or any other rate it sees fit.²

(b) Non-profit: In this case the member leaving the co-operative receives just what he invested in initial cash. There is no provision for increase in value. When a new member is issued these shares they are redeemed to him at par, thus no profit

¹Revised Statutes of British Columbia, 1960, Ch. 77.
²Western Co-operative Housing Society, A Study of the Member share Values in Co-op Housing Associations (Nanaimo: 1968).
is involved.¹

It is important to note that, in this study, continuing co-operatives will be considered as the only housing co-operative per se, since they are the only type which carry full co-operative action both in the ownership and administration of its projects. For this reason, the title "housing co-operative" (as opposed to co-operative housing) will be used to designate continuing co-operatives only², unless otherwise specified.

(II) Title Co-operative or Condominium.

Here the individual has title and a separate mortgage on his unit, paying for the land owned by the condominium in proportion to the value of his unit. He enjoys the use and shares the control of the common areas within the development through a board or committee in which all condominium members participate. This type of occupant can obtain market value for his unit when it becomes necessary to sell. In this Province, condominiums are registered as corporations under the Strata Titles Act of B. C.³

¹To the author's knowledge, this type of co-operative has not been applied to Canada.

²"Housing co-operatives" is used in this same manner in CMHC publications.

³Statutes of British Columbia, 1966, c. 46.
(III) Building Co-operatives.

(a) Type I: Here the consumers take joint action to have built, by joint financing, a series of homes. This type of building co-operative is simply a search for savings created by volume purchase and group construction\(^1\) since ownership of the individual units reverts to the member of the co-operative on completion of the project and, at this stage, the co-operative dissolves.

A variation of this type is the building co-operative which continues its existence as a condominium or as a true co-operative once completion of the units is over.

(b) Type II: This second type is often termed "do it yourself", "self build", "self help", or "mutual help" co-operatives because it involves the member's labour. Its operation as a co-operative may terminate once construction is completed or, here again, it may continue to operate on a co-operative basis of either the condominium or continuing type.

Low-Income Groups.

The adequacy of a household's income for its needs, including housing, is contingent upon a variety of factors. One of these is usually the number of dependants supported by the income. Therefore, to place income in categories according

\(^1\)Western Co-operative Housing Society, loc. cit., p. 2.
simply to their amounts might be unrealistic but perhaps necessary for the sake of illustration. Since the great majority of housing units are occupied by families, family incomes\(^1\) will be examined.

A recent study on the income data collected in the 1961 Census of Canada\(^2\) defines low income families as

"those families whose incomes fall into those groups in which, on the average, most of the income received must be spent upon essentials such as food, clothing and shelter"\(^3\)

The expenditure data available in the year of the census suggested that a family of two with an income below $1,500 and families of three, four, five or more with income less than $3,000, $3,500 or $4,000 respectively, had such expenditure patterns\(^4\). Inflationary trends and rise in incomes have somewhat affected these figures since 1961, but from them we could

\(^1\)The 1961 Canada Census defines family income as "all wage and salary income reported by family members of wage-earner families, including the head's earnings" (Canada: Dominion Bureau of Statistics. Census of Canada, 1961, Bulletin, Series 2.1-1D.)


\(^3\)Ibid., p. 185. (The per cent incidence of such income in Canada's families was 25.3\%, in British Columbia families 21.3\%, Ibid., p. 187.)

\(^4\)J. N. Podoluk, op. cit., p. 185.
establish, with some measure of certainty, that an annual income of $4,000 or less places a family within the category of low-income groups.

This agrees with a frequently used classification of Canadian family incomes where the group of lowest income is that of families receiving $4,000 or less per annum\(^1\). This classification is as follows:

- **Category A** — Under $4,000 per year.
- **Category B** — $4,000 - $7,999 per year.
- **Category C** — $8,000 and over per year.

According to this, at $8,000 of annual income a family is regarded as belonging to the highest income category. It is interesting to recall, when confronted with this figure, that recent literature on Canadian housing has pointed out that a family with an income of less than $8,000 per annum may have difficulty in acquiring housing of adequate standards\(^2\).

Exasperated architects in British Columbia have expressed that:

> "when a man needs a minimum income of $8,000 a year before he can buy his own home, then something must be wrong with the housing field\(^3\)."

It is then quite evident that when referring to low-income families in connection with housing reference must

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\(^1\)Appendix E.

\(^2\)Appendix F.

be made not only to the group classified as low-income by the census of Canada\textsuperscript{1} but to higher categories as well. Central Mortgage and Housing Corporation has defined a low income family as

"a family that receives a total ... income that ... is insufficient to permit it to rent or buy housing accommodation adequate for its needs at the current market in the area in which the family lives".\textsuperscript{2}

This appears to be the most adequate definition of a low income family. Thus, it will be adopted in this study but accompanied by the fact that the likelihood of inadequate incomes for housing is greater within the less-than-$8,000 per annum income category.

**ASSUMPTIONS**

The main assumptions in this thesis will be:

(1) Governmental bodies in British Columbia are interested in improving the existing housing situation in the province.

(2) That these bodies are not averse to adopting policies which will help to accomplish such purpose.

**METHODS AND TECHNIQUES**

The first step in this study will be a brief review of the development and contribution of housing co-operatives in

\textsuperscript{1}\textit{Supra}, p. 14.

different countries of the world, especially Canada. This will be followed by an examination of the present situation of housing co-operatives in British Columbia.

The next step will involve the testing of the main hypothesis, that is, the inquiry if housing co-operatives' development has indeed been retarded by the lack of specific governmental policies. For this, the presumptions on which the hypothesis is based will be examined and the hypothesis itself will be tested. The latter will be carried out mainly by observing the effects which special governmental legislation has had on co-operative housing in a number of different cases, in Canada and other countries. To this will be added a review of additional reasons for the retarded formation of housing co-operatives in the province.

As a concluding section, there will be a series of recommendations for the advancement of housing co-operatives in British Columbia.

THE SIGNIFICANCE OF HOUSING FOR PLANNING

"We cannot work for one house and for one family, we must work for the human settlement ... we must understand that basic unity of purpose and so tie the house to the town and the town to the countryside"1.

Housing is, indeed, the indispensable element in any human

settlement and thus the man who deals with the complexities of human settlements, the planner, must invariably involve himself with it. He is often the one who applies standards and regulations restricting its type or area of expansion. He establishes policies regarding its servicing and he frequently holds the responsibility for making recommendations for its future development. This he does with the aim of improving Man's environment and accomplishing an optimum of quality and quantity of housing for the people in that environment.

But in this latter aim he does not stand alone, since, in recent years, most nations of the world appear interested in improving the housing conditions of their inhabitants, devising for this end governmental policies which deal exclusively with the matter.\(^1\)

Canada stands among such countries. Its housing policies emanate from federal and provincial levels and their aim is to improve the quantity and quality of shelter for the country's inhabitants. These policies are applicable in the province of British Columbia but, as has been discussed, they have promoted mostly private and public housing, not co-operative.

Co-operative housing, capable of supplying good quality housing at lower costs than those in the current market\(^2\), is

\(^{1}\text{Ibid.}, \ p. \ 4.\)

\(^{2}\text{Supra}, \ p. \ 7.\)
of special interest to the planner as a method for improving the situation of the entire housing sector. It then follows that the planner with such an aim in mind is greatly dependant on governmental legislation or policies concerning this form of housing, which makes their study a relevant subject to the field of Urban Planning.
CHAPTER II

THE CO-OPERATIVE MOVEMENT

The co-operative movement had its beginnings in Europe, at the time of the Industrial Revolution. In 1844 a number of flannel weavers in Rochdale, England, grouped together to form a co-operative society for the distribution of consumer goods and formulated six basic principles for their operation: open membership, democratic control, limited interest on capital, distribution of surplus on the basis of patronage, business on cash basis and education\(^1\). From then on, the method spread to all parts of the world and many areas of the economy, production, marketing, purchasing and investing.

Towards the middle of the nineteenth century the co-operative principles were applied to housing. The Scandinavian countries readily adopted this new application and among them Sweden developed one of the most comprehensive systems in the field.\(^2\)

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HOUSING CO-OPERATIVES IN SWEDEN

Sweden, like many other countries in Europe, began to experience the dilemma of sharp increases in inadequate housing and rapid urbanization by the time of the Industrial Revolution. This country introduced its first co-operative housing as early as 1880 but it was not until the years between the two World Wars, when the government gave its support to the co-operative movement\(^1\), that such housing began to make contributions of any significance.

The co-operative housing set-up in Sweden is dedicated to continuing co-operatives. The largest organization in this set-up is the "National Association of Tenants' Savings and Building Societies" (otherwise known as HSB) and consists of three distinct bodies\(^2\): the daughter society, composed of the owners of the co-operative housing project; the parent society (or local HSB) in charge of acquiring land from municipalities, initiating projects, doing bookkeeping, banking, purchasing and supervising of the daughter society, and finally a national office where architecture, financing and planning are done for both societies. Each member of the daughter

\(^1\)Ibid. (The government offered to housing co-operatives mortgage loans covering 95% of construction costs at 3% interest.

\(^2\)Ibid.
society is considered also a member of the parent one and has a right to vote for a board of directors and elect delegates to the national offices congress. Swedish co-operatives can not only obtain credit from state and municipal sources at reasonable terms but they also have their own bank. Swedish housing co-operatives have developed to the stage where they now account for 20% to 25% of all new residential construction in the country.¹

CO-OPERATIVE HOUSING IN THE UNITED STATES

In the United States, co-operatives in housing began with trade unions sponsorship as early as 1926². Ten years later these unions merged their efforts and formed the United Housing Foundation which to date has been responsible for co-operative projects totalling over 15,000 dwelling units³. Two additional groups sponsoring co-operative housing in the United States are the Middle Income Housing Corporation in New York City and the Foundation for Co-operative Housing which


³Ibid., p. 43.
operates over the entire nation. To these must be added the North American Students Co-operative League which, operating under voluntary management, works for the establishment of co-operative housing for students.

Legislation relating specifically and solely to co-operative housing was enacted by the U. S. Congress in 1950. Following the enactment of this legislation (Bill 231), co-operative housing developments increased sharply. In the 1950 to 1960 decade, over 300 co-operative projects were built in the U. S., housing 100,000 people. Assistance is also given by the Federal Housing Administration of the U. S. which offers aid in legal matters, supervision in construction, membership and functioning of co-operative housing projects.

CO-OPERATIVE HOUSING IN LATIN AMERICA

Latin American countries have utilized co-operative housing, largely, in areas of slum eradication, providing

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1Ibid., p. 46. (These foundations and corporations charge fees for their advisory services but are self-supporting, non-profit organizations).

2Ibid., p. 47. (This legislation enables co-operatives to get insured loans up to 97% of the value of the property for a period of forty years).

housing for people of very limited means. Most of it is of the "mutual-help" or "self-help" type of housing co-operatives\(^1\), where members labour is involved. It is usually government-sponsored and follows the pattern of non-profit continuing co-operatives\(^2\) upon completion of construction\(^3\).

Many of these co-operative projects have been successful in creating pleasant communities, giving to their members a higher standard of housing than they would have ever been able to obtain on their own\(^4\). Their advantages are not only in terms of monetary savings due to personal labour for the co-operative members, but also in terms of the educational and social experience they offer to them. Among its main disadvantages are the lengthy educational and organizational preparations of the members, as well as the complicated transactions necessary to work out the accurate share of "sweat" equity of each participant.

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\(^1\) *Supra*, p. 12.

\(^2\) *Supra*, p. 10.


\(^4\) The author visited sites, which accommodated a total of 700 units, in San Salvador, El Salvador. In them "self-help" had been implemented and their construction standard and upkeep seemed to be of a considerably good quality.
CO-OPERATIVE HOUSING IN CANADA

Even though the co-operative movement in Canada is strong in fields such as consumers' and producers' markets, insurance and financing, it is very weak in the field of housing. By 1968 it was roughly estimated that Canadian co-operative housing amounted to a total of 15,000 units. The eastern provinces of the country, which had been the first to adopt co-operatives in their economy, were also the first to use them in housing. "Self-help" building co-operatives were the type first used and, at the time, they provided relief to the poor housing situation which followed the depression of the 1930's. The other variations of co-operative housing were not tried in the country until the following decades.

It should be noted that a considerable percentage of the co-operative housing in Canada is composed of student housing. At the end of 1967, nine campuses in six provinces enjoyed completed co-operative projects. At the same time four additional projects were under construction and eight new ones in the planning stage. The largest project of its type is Rochdale College in Toronto, which houses 850 students in an eighteen-storey high-rise building.

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1This discussion will include co-operative housing of all types.

2Ibid., p. 11.

3Ibid., p. 13.
Organizations for Co-operative Housing in Canada.

At the Provincial Levels:

In spite of the limited activity on co-operative housing in this country, organizations concerned with such housing have been established in many provinces.

Province-sponsored organizations exclusively dedicated to co-operative housing have been established, during the 1960's, in Manitoba and Saskatchewan. In the former province, the organization has been responsible for the creation of "Willow Park". This is a project of two-hundred town-house units, built by a contractor in the same way as other housing but owned and operated co-operatively by its occupants. Up until 1968 it stood as the only continuing co-operative housing development of its type in Canada.

The co-operative principles were first applied to Canadian housing in the province of Nova Scotia. This began with the efforts of the Extension Department of St. Francis Xavier University, at Antigonish, which sought modification of the Nova Scotia Housing Commission Act (passed in 1932) so as to

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1Ibid.

2Appendix G.

include legislation for co-operative housing. In 1953 this Housing Commission drew up agreements with the federal government which divided the responsibilities for co-operative housing between the two powers — federal and provincial. Under this agreement and with the aid of educational programs, courses and information on co-operative housing provided by St. Francis Xavier University, the province acquired some 1,500 homes in the decade following the government agreements. They are, in their majority, single dwellings built co-operatively by member labour which reverts to private ownership once their mortgage is paid off.

Following the pattern of Nova Scotia, Prince Edward Island established a Housing Commission in 1960. Federal-provincial agreements and co-operative housing projects similar to those of Nova Scotia have developed since, with the exception that a smaller percentage of the latter have been of the "self-help" type.

Ontario has seen the creation and dissolution of various housing co-operative bodies such as the Co-operative Builders Federation and the Co-operative Building Society. In spite of unstable organization, the province acquired 1,200 homes

1 The Nova Scotia Housing Commission Act was aimed to encourage limited dividend housing. The alterations proposed by the University at Antigonish requested that co-operative housing groups be recognized by the Act as limited companies. (J. F. Midmore, loc. cit., p. 54).

2 J. F. Midmore, loc. cit., p. 56.
during the 1945-55 decade\(^1\). Efforts for more stable and encompassing organization have been under way since the mid-1960's.

In the Province of Quebec, La Federation de Co-operatives d'Habitation is the provincial body which integrates the various local co-operative housing groups. It provides them with services in their accounting, standardization of methods, financial and technical advice. These local co-operative groups supplied the province with over 6,000 units by 1962\(^2\). Mortgage financing for these was available through provincial government subsidies which are actually available to all types of housing in Quebec\(^3\).

At the Federal Levels:

Until the mid-1960's, co-operative housing in Canada suffered a severe drawback: the lack of a central, national organization. Without it the various groups throughout the country had no opportunity to meet to discuss common problems and benefit from each others experience\(^4\). Moreover, up to that time, no assistance had been available to housing

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\(^1\) J. F. Midmore, loc. cit., p. 49.
\(^3\) J. F. Midmore, loc. cit., p. 58.
\(^4\) J. F. Midmore, loc. cit., p. 69.
co-operatives to do research or seek advice in management. Then, between the years 1965 and 1968, two organizations at the national level were formed.

The first of these carries no specific name and operates under the National Labour Co-operative Committee. It consists of a promotional and advisory service for housing co-operatives. It initiated its activities by providing such service to several co-operative housing groups under formation across the country. The second of these national organizations has been established under the name of Co-operative Housing Foundation. Its functions have not been precisely defined as yet, but they generally aim at the promotion and mobilization of the co-operative and non-profit sectors of housing. This Foundation made its first significant move in April of 1969 when it proposed to C.M.H.C. policies for the encouragement of limited dividend, non-profit

1Ibid.

2Under the joint sponsorship of the Canadian Labour Congress and the Co-operative Union of Canada. (Brief on Housing, op. cit., p. 13).

3Ibid.

4Jointly sponsored by the Canadian Labour Congress, the Co-operative Union of Canada and the Canadian Union of Students. (Ibid., p. 14).
and co-operative housing projects. Yet, in spite of their efforts, both of these organizations have made very little impact on the field of housing co-operatives in Canada.

CO-OPERATIVE HOUSING IN BRITISH COLUMBIA

In British Columbia, co-operatives exist in the field of consumers and producers market, insurance, financing (credit unions) and, recently, in housing.

Around 1958 the first formal attempts were made, by members of the British Columbia Co-operative Union, to establish co-operative housing in the province; but, due to lack of leadership and certain political opposition, these attempts were not carried through.

A related step forward which would assist co-operatives was made in the field in 1966 when British Columbia passed under its statutes the Strata Titles Act, aiming to

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Mainly by Mr. R. Noble, who contemplated the establishment of three different co-operative projects. (Information obtained from Mr. R. English, Director of Western Co-operative Housing Society).

A mention exists about a privately-initiated co-operative housing project, in 1953, by employees of a large company in B. C. The name of the company or the location of the project are not given. (A Guide to Co-operative Housing, loc. cit., p. 10).

Information obtained from Mr. R. English.
"... Facilitate the Subdivision of Land and Disposition of Title Thereto". The act defines the regulations which must be fulfilled for the formation and operation of a condominium housing project, describes procedures such as the division of land into strata lots, the holding of common property, the rights and duties of the strata corporation and the by-laws applying to the development. In such a manner it not only regulates the creation and operation of condominium housing but clarifies its meaning and serves as a guideline to those desiring to form one. Before this act was passed there was a negligible number of housing developments which followed a condominium pattern, whereas in the short time since it has been enacted over a dozen such projects have been erected or are under way in the province.

The only other kind of co-operative housing which is methodically being developed in British Columbia is the continuing type -- the one on which this study will focus. It can safely be stated that the manifestation of continuing

\[\text{1Subtitle of the Strata Titles Act, B. C. Statutes, 1966, c. 46.}\]
\[\text{2To the author's knowledge, there were only two projects which were built and operated on principles similar to those of condominiums. They were registered under the B. C. Societies Act and were held by the Teacher's Federation. (Information obtained from Mr. Bentley, Teacher's Federation).}\]
\[\text{3Information obtained from the Vancouver Land Registry Office, Survey Department.}\]
co-operatives in this province is very limited. The largest part of it, by far, has been undertaken by Western Co-operative Housing Society. The other activities in the field are, to the author's knowledge, a small co-operative formed by Simon Fraser University students, the plans of the University of British Columbia Graduate Students Association for initiating a co-operative housing project in the Endowment Lands and a recent co-operative formed by a labour union.

Western Co-operative Housing Society.

This body, founded in 1966, introduces itself as:

"a non-profit agency formed by major credit unions and consumer co-operatives in B. C. to promote and develop housing projects which are intended to be owned and controlled by their occupants on a co-operative democratic basis. Labour unions and other interested non-profit agencies are eligible for membership. The Board of Directors are experienced businessmen and policy makers and they serve without fee" ¹

"The sponsors of Western have not and will not realize any profit on their investment. Western itself charges only its actual expenses to bring the project to completion. If the estimated costs exceed actual costs, the surplus is returned to the consumer. Western's development costs are now estimated at 10% to 11% of the total project -- some 10% lower than the private development market" ².


²Ibid.
The projects undertaken by Western Co-operative Housing Society can be seen in Chart No. 1.¹

Simon Fraser University Students.

A small group of approximately thirty students from this University have purchased jointly two large houses in New Westminster (607 Queen's Street) and incorporated themselves as a co-operative registered under the corresponding Act of B.C. This was done by private students' initiative. The houses are satisfactorily run with what seems to be a maximum of democratic control².

University of British Columbia.

The Graduate Students Association of the University has been considering, for almost a year now, the construction of a co-operative town-house development on a 23-acre site in the Endowment Lands. The project is to be called Acadia Camp II and is to house married students with or without children. A design of the actual development has been submitted and discussions for the purchase of the land are under way with the Minister of Lands and Forests³.

¹The information on the chart was obtained from Mr. R. English.

²Information obtained from James Harding, resident of the co-operative and Simon Fraser University Sociology student.

³Information obtained from John Tilley of the Graduate Student Association.
<table>
<thead>
<tr>
<th>Location</th>
<th>Stage</th>
<th>Amount of land purchased</th>
<th>Type and number of units</th>
<th>Source of financing</th>
<th>Approximate price of land ($)</th>
<th>Approximate mortgage ($)</th>
<th>Major problem encountered</th>
</tr>
</thead>
<tbody>
<tr>
<td>Port Alberni</td>
<td>Completed (Feb. '69)</td>
<td>7.5 Acres</td>
<td>80 townhouse units (24 completed)</td>
<td>C.M.H.C. and B.C. Central Credit Union</td>
<td>37,500</td>
<td>369,000</td>
<td>C.M.H.C. repeatedly refused the loan applications.</td>
</tr>
<tr>
<td>Abbotsford</td>
<td>Starting April '69</td>
<td>4.3 Acres</td>
<td>30 townhouse units</td>
<td>C.M.H.C. and Abbotsford Credit Union</td>
<td>30,000</td>
<td>475,000</td>
<td>C.M.H.C. turned down loan request.</td>
</tr>
<tr>
<td>Nanaimo</td>
<td>Starting May '69</td>
<td>2.0 Acres</td>
<td>15 units (townhouses)</td>
<td>C.M.H.C. and B.C. Central Credit Union</td>
<td>14,000</td>
<td>0.160,000</td>
<td>None</td>
</tr>
<tr>
<td>Sidney</td>
<td>Under consideration</td>
<td>0.5 Acres</td>
<td>30 units, senior citizens' apartments</td>
<td>Not known yet</td>
<td>20,000</td>
<td>--</td>
<td>Zoning approval for site.</td>
</tr>
<tr>
<td>Saanich</td>
<td>Under consideration</td>
<td>Not fixed</td>
<td>High-rise and town housing</td>
<td>Not known yet</td>
<td>---</td>
<td>---</td>
<td>Option for land purchase.</td>
</tr>
<tr>
<td>Duncan</td>
<td>Under consideration</td>
<td>16 Acres</td>
<td>High-rise, town housing and single-family units</td>
<td>Not known yet</td>
<td>---</td>
<td>---</td>
<td></td>
</tr>
<tr>
<td>Vancouver (S.E. Sector)</td>
<td>Under consideration</td>
<td>6.6 Acres</td>
<td>---</td>
<td>Not known yet</td>
<td>---</td>
<td>---</td>
<td></td>
</tr>
</tbody>
</table>

1 Appendix I.
CHAPTER III

THE CASE OF SWEDISH HOUSING CO-OPERATIVES

Housing co-operatives in Sweden are often referred to in the literature concerning housing to illustrate basically that: first, for housing co-operatives to be successful there are essential requirements which must be fulfilled, among them governmental assistance and comprehensive organization. And second, that successful co-operatives can indeed provide satisfactory housing at low costs.

In reviewing these co-operatives we will focus mainly on the role which the government of Sweden had in aiding their formation and on the highly regarded pattern of organization of their most successful body, the H.S.B., which initiated and continues to promote their significant success and proliferation.

THE ROLE OF SWEDISH GOVERNMENT IN HOUSING

In the years immediately following World War I, the cities of Sweden were faced with a grave housing situation. Firstly, their population had been increasing continuously due to the attraction by industrialization. Secondly, housing construction had stagnated since 1914, the beginning of the first World War; and thirdly, a period of great inflation had developed at the end of that war.
Confronted with such a situation, the Swedish government at the time (the Social Democratic Party) was impelled to assume a direct role in the housing field. Thus, in May of 1917 it began a program of subsidies for the construction of apartment houses\(^1\). However, in 1921 the Swedish economy experienced a deflation which created favourable conditions for speculative building and thus housing construction began to rise again. With this turn of events, the governmental subsidy program was dropped in 1923 and government action in housing was reduced to the improvement of mortgage credit facilities\(^2\).

Gradually this new governmental policy was expanded and reinforced. In 1930 a semi-public institution for the issuing of first and second mortgage loans was established by the government under the name of the State Housing Loan Bank. Individual cities were authorized to make mortgage loans and in 1933 the Royal Commission on Housing and Redevelopment was established. This Commission officially formulated the Swedish housing policy and through it the Social Democratic Government began a program of loans and grants for the construction and improvement of rural dwellings

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\(^2\)Ibid., p. 65.
and housing for large families, mostly under the form of co-operatives\(^1\). Under this arrangement, housing co-operatives accounted for approximately 10% of urban residential construction in the 1924-1934 decade\(^2\).

The outbreak of World War II brought about a shortage of materials, a rapid rise in building costs and interest rates with a consequent decline in housing production. The housing deficiency created was worsened in Swedish cities by the addition of Norwegian and Danish refugees who fled from their occupied countries. Faced once more with an increasingly severe housing shortage, the government took steps in 1942 to provide mortgages for construction of new housing and to control rents. It provided governmental third mortgage loans at low interest rates to public, co-operative and private builders. It also recommended that municipalities contribute 20% of supplementary loan subsidies needed for housing projects within their boundaries\(^3\). The effects of these governmental measures were quickly felt. Housing construction doubled over the previous year and continued to rise during the subsequent years. Living

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1\(^{Since co-operative housing in Sweden belongs to the continuous co-operative type, the terms housing co-operatives and co-operative housing are, in this case, synonymous.\)

2\(^{Wendt, P. F., op. cit., pp. 65, 66.}\)

3\(^{Ibid., p. 68.}\)
conditions had also improved. In the early 1910's more than 75% of Sweden's urban population lived in crowded homes with two or more persons per room; by 1944 this percentage had dropped down to thirty¹.

The postwar housing policy in Sweden was dictated within a general political and economic program drawn by the nation's Social Democratic Government in July of 1944 ². The aims of this policy were basically the following: to eliminate the housing shortage, to raise the housing standards, to stabilize the building industry at a high level of production and employment, to replace substandard housing and to rehabilitate overcrowded city areas ³. The means through which these aims were to be achieved involved the measures and policies adopted in the 1930's and 1940's as well as additional ones which allowed the government to assume direct control over the planning, financing and construction of dwelling units. For this purpose the Royal Housing Board was created in 1948 with the specific function of co-ordinating the efforts of national and local authorities in the housing field ⁴.

¹ Ibid., pp. 64, 68.
³ Ibid., p. 74.
⁴ Wendt, P. F., op. cit., p. 68.
The postwar Swedish program for housing has thus consisted basically of direct assistance to housing in the form of planning, co-ordination and subsidies. These subsidies belong to two basic categories,

1) subsidies for builders, such as:
   a) Mortgage loans and interest rate subsidies;
   b) Capital grants;
   c) Subsidies to municipalities and non-profit builders to provide old-age homes.

2) loans, subsidies and grants to the housing consumer

H.S.B. - ITS ORIGINS, ORGANIZATION, FINANCING AND ACHIEVEMENTS

Origins.

The Swedish co-operative housing movement began as early as the 1880's, but it consisted of isolated, independent groups who joined their financial resources to provide sufficient funds for the construction and operation of their housing. When this was accomplished, they had no further interest in subsequent building projects. Under such an arrangement, no permanent sponsorship for co-operative housing could be expected to develop and this did not occur.

\[1\text{Ibid.}, \text{p. 77.}\]
until 1923, when the first Tenant Savings and Building Society (Hyresgästernas Sparkassa och Byggnadsförening), otherwise known as H.S.B., was conceived. A series of efforts led to its creation.

During the first World War, the high speculation in private real estate increased housing rentals very sharply. Persons in the lower income brackets found it almost impossible to meet the required rent payments. As a protest against them, a large group of tenants in the city of Stockholm formed the Stockholm Tenants Union, whose main aim was to promote the building of well-constructed sanitary and yet inexpensive dwellings. Gradually, similar unions were formed in major Swedish cities, and in 1922 all these unions combined into a national society. This society began a building program by using the surplus funds from a lottery it had arranged. However, this lottery program was vetoed by officials after the first project was completed and the society was dissolved.

By 1927, when the housing situation had worsened, this same group of tenants brought forth once more their old plan of providing housing for themselves through a compre-

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2Alm, U., op. cit., p. 16.
hensive organization. Through their earlier failure they had realized that in order to succeed they needed a firmer organization which would include a special building and management committee. With this in mind, they outlined the organization of the Tenants Saving and Building Society, or H.S.B., and in 1923 the first of these societies was formed in Stockholm. In the following year, a similar society was formed in Gothenburg and gradually others followed in various Swedish industrial cities. In 1926, aiming to protect their common interest, these societies formed a national H.S.B. association.

Illustration No. 1 describes clearly the organization of H.S.B. and the responsibilities which are allocated to each organizational level. Let us explain these in more detail.

The National H.S.B. society is the policy-making body for the H.S.B. movement. It deals with public authorities and provides a variety of services to its affiliated mother and daughter societies. Among such services are

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How the HSB is organized

The National HSB Society

At the formation of a local Cooperative Building Society it helps with legal advice and details of organization. It later assists in the placing of loans and supervises the activities of the local societies. It also buys building materials at wholesale prices for local units and runs its own lumber mills and supply houses. It also has a Savings Fund for members and sells Building Loan Certificates. It is owned cooperatively by all the local societies.

Mother Societies

They collect savings from members and place loans for building credits, help obtain building sites and manage the building operations. Later they take care of the accounts of the daughter societies, manage the sale or exchange of apartments, and assist in the purchase of supplies, such as fuel, at wholesale rates.

Daughter Societies or Management Foundations

For every cooperative building there is a separate Daughter Society or Management Foundation. A Daughter Society represents the members as owners of the building and it attends to the details of the management. Every Daughter Society and Foundation is an economic and legal unit, managed by a committee elected by its members.

Illustration No. 1 - Organization of the H.S.B.¹

¹Alm, U., op. cit., p. 19.
the planning, designing and estimating for new projects\(^1\). For this purpose, its staff includes engineers, architects, interior decorators and many other specialists in the field of building. Among the services it provides to the daughter societies are included: assistance in negotiations with municipalities and contractors, legal advice and services on property management; an audit service for the members of these societies, as well as a college for the training of personnel for housing co-operatives\(^2\).

The functions of mother H.S.B. societies are to promote membership, accept savings of members, purchase sites and arrange the financing and building of the housing project by contractors. When the projects are completed they are turned over, on certain terms, to the daughter societies. A new daughter society is organized for each project. In every city which builds H.S.B. houses there is such a mother society and these mother societies are in turn, as mentioned earlier, directly responsible to the national H.S.B.\(^3\).

A daughter H.S.B. society is formed by the tenant shareholders moving into a new housing project. Their

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\(^1\) Midmore, J. F., *op. cit.*, p. 33.

\(^2\) *Ibid.*, p. 34.

society automatically becomes a member of the mother society which sponsored it. These members elect their own board of directors, except for one director who is appointed by the mother H.S.B. He is assigned there because at this stage the property is jointly owned by the mother and daughter society. The members of the daughter society own their homes with all the rights which their membership into their co-operative gives them and are fully responsible for their management. The occupant of each housing unit pays a yearly fee which is usually considerably lower than rental of corresponding accommodation in the open market. This fee is reduced each year in proportion to the amortization of the mortgage loans. When it is reduced to approximately one-half the original amount, the members are considered to have full co-operative ownership of their units.

**Financing of H.S.B.**

The financing of H.S.B. projects comes from a number of different sources. As Illustrations No. 2 and 3 indicate, these sources are basically: the H.S.B. organization itself, the government and private institutions.

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The money owned by H.S.B. and used for its projects comes from the savings which its members deposit in its Saving Fund or its so-called Building Certificates. These investors and depositors receive interest on their money from H.S.B. at a rate which is slightly higher than that paid by banks and other savings institutions\(^1\). This money is used for the building of the project. Additional money during the building stages is obtained from banks\(^2\). When the project is finished it is mortgaged on regular terms and with the money thus obtained the loans acquired for building purposes are paid off. This final mortgaging usually consists of first, second and third mortgages. The first and second mortgages are obtained from banks while the third one is usually provided by the government, the municipality or H.S.B. itself if the funds are available\(^3\).

Ten per cent of the capital invested on a new H.S.B. project is made up of the advance payments made by the prospective tenant members. Once they occupy the project their annual payments gradually amortize the mortgages. Parts of these payments are also used to build up various

\(^1\)Ibid., p. 24.

\(^2\)Ibid., p. 25.

\(^3\)Ibid., p. 26.
Financing of H.S.B. Projects

Illustration No. 2

Illustration No. 3

2 Ibid., p. 27.
funds such as a reserve fund, a repair fund and money for improvements which may become necessary.

Types of Housing Built by H.S.B.

H.S.B. concentrate on the construction of apartment houses. It restricts construction of detached single-family units to farming districts and small communities. The reasons for this are various.

During the years of the second World War, the Swedish government encouraged the construction of apartment houses in the larger cities of the country by means of subsidies and land use policies. Apartments were considered as the best solution to the housing problem. The long and severe winters in Sweden demand high expenditures for fuel. Both fuel and maintenance costs are higher in a single-family unit than in multi-family units. Foundation costs are also another consideration: these costs are relatively high owing to the character of the Swedish soil and climate but their relative expense is reduced when applied to multi-family units. Also, concentration of the population in apartment houses close to the centres of work was considered desirable in view of the Swedish climate and the limited

\[\text{\textsuperscript{1}}\text{Wendt, P. F., Housing Policy - The Search for Solutions, op. cit., p. 92.}\]
transportation means available. For this reason, during the 1940's and 50's, the government zoned most of the land area in close proximity to city centres for apartment dwellings.

H.S.B. builds its apartment houses on four different budgetary levels and they are usually classified as "A", "B", "C" or "D" types. "A" type apartments constitute the majority of city apartment houses. They are said to be of high quality and the units vary in size from one room and bath with kitchenette to five rooms and kitchen. For a unit of this type, the prospective tenant member must pay an initial membership fee which amounts to 10% of the total value. "B" type houses are built on less expensive land and are not as costly as "A" type houses. Their size ranges from one room and kitchenette to three rooms and kitchen. For a "B" house the advance contribution required from a tenant is only 5% of the value, and the annual payments required are also lower than in "A" houses. "C" houses are those erected on land obtained from municipalities on especially favorable terms. Apartments in these houses are given to carefully chosen tenants after consultation with the city authorities. No down payment or


2 Ulla, A., op. cit., p. 34.

3 Ibid., p. 36.
advance deposit is required for "C" type houses\(^1\). "D" houses are built only for large families with low income. Local authorities usually give free or inexpensive sites for the building of these houses. The rents required by the families occupying them vary with the number of children\(^2\). Unfortunately specific figures on the current production of these different types of houses could not be obtained, but 1962 data shows that at such a date H.S.B. counted with a total of 1,800 co-operative housing projects of all types\(^3\).

Swedish Co-operative Housing in the 1960's.

The decline in the construction trade brought about by the outbreak of the second World War left over 40% of Sweden's building trade workers unemployed. In an attempt to relieve such a situation, the labour unions of the country decided to create their own building enterprise and in November 1940 they formed the Svenska Riksbyggen\(^4\). Its chief purpose was to create housing projects for co-operative ownership and conduct propaganda for more house building.

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\(^1\) Alm, U., *op. cit.*, p. 36.

\(^2\) Ibid.

\(^3\) Midmore, J. F., *op. cit.*, p. 33.

In the middle 1940's, it extended its activities to the construction of rental units in collaboration with governmental authorities. Svenska Rikbyggen operates under a form of organization similar to that of H.S.B., namely a national association, district offices and local societies, but in addition to planning and contributing to the financing of its projects it also carries their actual construction. Through its continuous building activities, Svenska Riksbyggen has become Sweden's second largest organization for co-operative housing. By 1967 it had completed 120,000 housing units, the majority of which were owned by co-operative groups.

The Swedish co-operative housing field still retains a number of independent societies who provide housing for themselves but, as has been observed, H.S.B. and Svenska Riksbyggen are by far the largest contributors to this field. By 1966, co-operatives were building over one-fourth of the housing in the country. Up to that year

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1 Ibid.
2 Ibid., pp. 3-5.
3 Ibid. p. 8.
4 Ibid., p. 2.
Svenska Riksbyggen and H.S.B. had produced a total of 250,000 units for co-operative ownership\(^1\). The efforts of these societies combined with those of the government, financial investors, the private and the public housing field have given Sweden a well-balanced housing market. In it, the consumers are offered a diversity of types and sizes of housing units and a variety of possible forms of tenure. The success with which Sweden has handled its housing problem stems largely from the creation of such a diversity in its housing field.

\(^1\)Ibid. p.
CHAPTER IV

The hypothesis of this research paper states that:
THE ABSENCE OF SPECIFIC PROVINCIAL OR MUNICIPAL POLICIES
FOR THE PROMOTION AND IMPLEMENTATION OF HOUSING CO-OPERATIVES
HAS RETARDED THEIR FORMATION IN BRITISH COLUMBIA. It carries
with it two presumptions. First, that housing co-operatives
can be successful and are therefore a desirable sector of
the housing market which should be promoted by provincial
and municipal policies. Second, that specific provincial or
municipal policies for housing co-operatives are not present
in such governmental levels of British Columbia.

(A) THE BASIS FOR SUCCESSFUL
HOUSING CO-OPERATIVES

Housing co-operatives are successful when they can
provide the housing consumer with housing of satisfactory
standards at lower costs than those of equivalent housing
in the private market. For this success, housing co-operatives
must be supported by three essential elements: namely,
(a) education, (b) organization, and (c) governmental assis-
tance. Let us see how each of these contribute to the success
of these co-operatives.

(a) Education

In the formation and operation of a housing co-operative
the collaboration of all its members is essential. Consequently,
all such members must be well informed about the legal and organizational commitments they enter into and how they must fulfill them. Even if a small percentage of them fail to meet these commitments, the co-operative runs a risk of failure.

Education of this general nature should extend to potential members of these co-operatives, who are in fact all housing consumers interested in acquiring housing at lower costs than those of the private market. Such undertaking would involve the co-operation of any official bodies (public or private) interested in improvement of the housing field. They must inform the housing consumer of the existence and nature of this field of housing which naturally implies that they themselves should be well informed.

(b) Organization.

Adequate organization of the housing co-operative associations is essential for the successful creation and operation of their projects. It has been observed that organization in this field is most successful when it incorporates individual co-operative associations under a hierarchy of central bodies. These bodies have as their aim to aid the creation

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1 Their presence in the HSB system of Sweden (under the form of the National Office and the Parent Societies of local co-operatives) has been responsible for the creation of successful housing co-operatives for over fifteen years. (Supra, p. )
and operation of housing co-operatives. They also make savings possible in the costs of the individual housing projects. The composition and functions of these bodies will be expounded in a later section of this study.

When undertaking a housing project the co-operative association can achieve a lower expenditure on land and on-site costs as a result of its mass buying power and in addition lower costs in maintenance of the project through sharing of expenses and unified management.

In a survey carried out by the National Research Council in 1967, the cost components of housing in this country were studied and illustrated in a house with a selling price of $18,000. Their distribution was the following:

Illustration No. 4

Cost components of $18,000 house.


2Ibid.
This breakdown reveals that site-cost building represents approximately 60% of the final selling price and the remaining 40% consists of land costs, servicing, profit overhead and various financial charges. It has been noted that a cost reduction is possible on land costs, servicing and site-cost by building through the co-operative action of the housing association. But savings in profit overhead and various financial charges are only possible through the help of the aforementioned central bodies and governmental assistance.

These central bodies generally provide housing co-operative associations with legal assistance and handle their real estate transactions at a very low cost. This reduces the legal fees and real estate commissions involved in the creation of the project\(^1\). These bodies have also proven successful in obtaining governmental assistance for housing co-operatives.

(c) **Governmental Assistance.**

Assistance from governmental levels has been an essential element in all cases of successful housing co-operatives throughout the world\(^2\). Such assistance usually takes the

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\(^1\) These central organizations are often in charge of creating housing co-operatives from their very initial stage, carry them to completion, surrender them to the associations and continue to provide guidance and assistance even after such surrender.

\(^2\) Such as in Sweden, U.S.A., Latin America and some parts of Canada. (Supra, pp. 20-24.)
form of financial aid. In some cases it adopts an indirect form, such as drawing of legislation which gives housing co-operatives all the benefits of limited dividend housing or such as reserving land exclusively for housing co-operative projects. In other cases it can take a direct form of reduction or postponement of taxation or government loans or mortgages at low interest.

(d) Summary of Elements of Successful Housing Co-operatives.

The following illustrates interaction of these elements in creating successful housing co-operative projects.

The sponsorship enjoyed by co-operative housing in Nova Scotia involves, as has been briefly explained\(^1\), the Nova Scotia Housing Commission and the Federal and Provincial government. They operate as follows. The federal government is responsible for 75% of the financing of the co-operative project and the provincial government for 25% of it\(^2\). This financing is advanced to the Housing Commission (a central body for co-operatives) which then builds the project. When the project is completed the Commission, together with C.M.H.C., sells the project to the co-operative at cost and issues a blanket mortgage at low interest in favour of the Commission\(^2\).

\(^1\)J. F. Midmore, *loc. cit.*, p. 54.

This means that once the project is finished the Commission operates as a mortgagee only. With this overall arrangement, profit overhead and other financial charges involved in the acquisition of housing is drastically reduced for the co-operative members.

Another example. In the United States a project generally called Co-op City has been undertaken by the United Housing Foundation (U.H.F.)\(^1\), which is a central body for housing co-operatives. It will house about 50,000 people in 15,382 units and it will be a true housing co-operative in perpetuity, with no individual ownership of units allowed\(^2\). The savings achieved in the erection of this project were noted in a comparison between Co-op City and a similarly financed, modest cost housing project. The results were as follows\(^3\):

<table>
<thead>
<tr>
<th></th>
<th>Brand X</th>
<th>Co-op City</th>
</tr>
</thead>
<tbody>
<tr>
<td>Living Room</td>
<td>173 ft.(^2)</td>
<td>226 ft.(^2)</td>
</tr>
<tr>
<td>Bedroom</td>
<td>130 ft.</td>
<td>177 ft.</td>
</tr>
<tr>
<td>Kitchen</td>
<td>56 ft.</td>
<td>59 ft.</td>
</tr>
<tr>
<td>Dining</td>
<td>0</td>
<td>112 ft.</td>
</tr>
<tr>
<td>Foyer</td>
<td>0</td>
<td>60 ft.</td>
</tr>
<tr>
<td>Cost/apt. unit</td>
<td>$36,000</td>
<td>$18,000</td>
</tr>
<tr>
<td>Parking/car</td>
<td>$ 6,000</td>
<td>$ 1,400</td>
</tr>
</tbody>
</table>


\(^{2}\)Ibid.

\(^{3}\)Ibid.
Such comparison has been admitted unfair to a certain extent since the two projects faced different constraints, but when through these differences Co-op City provides almost twice the space at about half the cost, then some of them should be investigated\(^1\). Those involved in the project have admitted the following:

"What makes UHF's projects possible are the 90 per cent loan at 5.2 per cent provided the 50 per cent, 30 year tax abatement granted by the City of New York. But these are aids available to and used by other non-profit housing groups. The Co-op system which provides, through equity, the remaining 10 per cent of costs also provides to the community cohesion that differentiates UHF projects from either public housing or upper income highrise housing and keeps their turnover low".\(^2\)

A large saving in the construction of Co-op City has come from the fact that UHF is its own general contractor. By avoiding an outside general contractor, a saving of 6% on contract fees of $265 million was achieved. In addition, materials for the project were bought directly from suppliers and subcontractors and at quantities which allowed great reductions.

(e) Other Advantages of Housing Co-operatives.

In a housing co-operative the members control the organization and occupy the housing. They are, in a real

\(^1\)Ibid.

\(^2\)Ibid., p. 68.
sense, their own landlords. This makes their type of housing superior to the rental type in a number of different ways. First, in a co-operative there is a sense of ownership and responsibility which occupants as mere tenants do not have. Second, co-operative members jointly enjoy the right of making a wide range of decisions concerning their housing development, ordinarily made by landlords or private owners. Third, the co-operative member enjoys much greater security of tenure than does a tenant whose security often depends on the whims of his landlord. Fourth, the co-operative provides its own system of "rent control", which is supervised by the members themselves; there is no individual owner to surprise them with a sudden rise in rates as it often occurs with rented accommodation.

Co-operative housing also holds advantages over private ownership housing in that it may be much easier to return shares to a co-operative association than to sell one's property to advantage on short notice, if the need to move arises. Moreover, such transfer does not involve legal and agent fees as it does in the case of private property. In a large co-operative project, families may move with no difficulty from one unit to another as they grow or decrease

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1Most of these points have been extracted from Brief on Housing, op. cit., p. 3.
in size, a process which is far more complicated if they hold individual ownership of a house.

Housing co-operatives also present to their owners a number of disadvantages. These start with the long process of selection, instruction and co-ordination of the members and continue with the hours spent in discussion for adoption of resolutions, which, by being decided by vote of majority, inevitably leave a dissatisfied minority. In a co-operative project the members, through their participation in the association, come in closer contact with each other than do occupants of most other types of housing. This can be seen as a force forming a community with common interests and little alienation, but it may also be viewed as an instrument with defies and limits individual privacy and resolution. Perhaps a combination between the two is possible, depending largely on the association members themselves.

(f) Housing Co-operatives as a Benefit to Particular Population Groups

There are population groups who can particularly benefit from housing co-operatives. Among them are the much discussed group of middle-income families whose incomes are above the public housing limit but below the figure needed to buy a house. A second group is students who, as has been proven by existing examples, can enjoy many advantages from co-operative residences
either in or off campus. The next group which would benefit from the use of such co-operatives is a large proportion of the population in the northern communities of this country — namely, Indians, Metis and Eskimos, whose existing housing conditions are among the worst in Canada. If accompanied by adequate sponsorship and leadership, housing co-operatives could offer these people improved housing with many economic and social benefits.

Housing for the ever-increasing numbers of senior citizens has been given considerable attention by both private groups and governmental bodies. Their efforts have been responsible for the construction of over 1,700 self-contained units exclusively dedicated to the housing of such age groups, yet the demand continues and the supply must be increased. The Co-operative Union of Canada suggests that such a situation would be greatly improved by the use of housing co-operatives in the following two ways:

"by co-operative organizations, preferably in conjunction with other community groups, sponsoring limited-dividend projects, and ... through senior citizens' co-operatives which the occupants themselves will own and manage".

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2 Appendix J.
3 M. J. Audin, op. cit., p. 10.
4 Brief on Housing, op. cit., p. 19.
Such procedures could also enjoy the benefit of provincial legislation since the Elderly Citizen's Housing Aid Act provides for a one-third grant to:

"a regional district, municipality, or non-profit corporation incorporated for the purpose of providing homes for elderly citizens, to assist in the construction or reconstruction of low rental housing units for elderly citizens of low income who are unable to purchase adequate accommodation according to their needs".1

(B) LACK OF SPECIFIC POLICIES FOR HOUSING CO-OPERATIVES AT THE PROVINCIAL AND MUNICIPAL LEVELS

(a) Lack of Specific Policies at the Provincial Level:
C.M.H.C. and the Co-operative Associations Act.

The Housing Act of British Columbia is, basically, a piece of complementary legislation to the National Housing Act (N.H.A.)2. It authorizes the provincial government to draw up agreements with the federal and municipal governments for the purpose of constructing federal-provincial public housing projects and defraying the cost of urban renewal projects3. Thus, under such an arrangement, the basic legislation pertaining to housing in British Columbia is to be found in the N.H.A., which is administered by Central Mortgage and

1B. C. Statutes, Elderly Citizens' Housing Aid Act, Sec.(2).
3Ibid.
Housing Corporation (CMHC).

This most important and comprehensive single piece of Canadian housing legislation mentions co-operative housing in its 7th and 8th sections. In them it authorizes CMHC to insure loans to approved co-operative associations. CMHC does not make direct loans to co-operative housing unless the co-operative group provides written evidence that it has been refused an NHA loan from at least two private lending companies. This does not represent unique treatment for co-operative housing since such NHA provisions apply to other forms of enterprise as well. In other words, all the benefits of NHA and the services of CMHC are available to co-operatives but they are not singled out for special treatment.

For a housing co-operative group to be officially recognized in this province it must be registered under the Co-operative Associations Act. This Act gives a general definition of co-operative enterprise and the general principles under which it is to be organized, operated and administered. It applies to all forms of co-operatives in

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1CMHC, NHA Co-operative Housing Loans (Pamphlet 905 2/66), Ottawa.

2M. J. Audin, loc. cit., p. 11.

3Revised Statutes of B. C., 1960, Ch. 77.
the province and consequently presents no specifications for any particular types, including housing co-operatives. Housing co-operatives involve complexities of real estate property taxation, administration and sharing of costs which are not common to other types of co-operatives. A clear and detailed legal definition of these complexities is necessary. This would also aid full understanding of the legal nature of these co-operatives.

(b) **Lack of Specific Policies at the Municipal Level.**

In the search for actions and policies for housing co-operatives at the municipal level the following will be examined: (i) The Municipal Act and the Vancouver City Charter; (ii) Policies for housing co-operatives adopted by various municipalities in the province; (iii) A specific case of housing co-operatives and the City of Vancouver.

(1) **The Municipal Act and the Vancouver City Charter.**

Chapter 255 of the Provincial Statutes comprises the Municipal Act of British Columbia. In it, the powers and duties of all municipalities of the province, except those of the City of Vancouver, are designated. Among them are many which, directly or indirectly, affect the field of housing. Such as zoning powers (specified in s. 702-710), land subdivision regulations (s. 711-713), building regulations (s. 714-723), assessment and taxation (s. 367-434) and powers for acquisition and disposal of real property (s. 464-476).
Yet, nowhere in this Municipal Act are there specific provisions pertaining directly to housing. The cost and supply of shelter of either the public, private or co-operative type appear to be beyond the concern of this Act.

The Vancouver City Charter largely resembles the Municipal Act in both purpose and content but, as the name implies, it is limited to the city of Vancouver. The specifications of this Charter which affect housing are again similar to those presented in the Municipal Act (zoning, taxation, etc.) but in addition to these, City Council is given authority to deal directly with the housing supply. Section 330(n) of the Act gives council the power to make by-laws:

"for establishing and maintaining, either within or without the city, homes for the aged, infirm or disabled persons".

Section 193 also specifies that council has the power to undertake housing developments.

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1 Sections 306(i) and 330(k) also authorize council to deal with the standards of fitness for habitation.

2 Vancouver City Charter, Section 330(m).
(11) Policies for Housing Co-operatives in Municipalities of British Columbia.

In order to discover the existence of any action or policies for co-operative housing in different municipalities of this province, a survey was carried out. A letter was mailed to several municipal or city administrators of British Columbia and in it a reply to the following question was requested:

Does your city, municipality, district or region offer any specific policies for housing co-operatives? 1

It was mailed to a random sample of British Columbia settlements with a population of 10,000 or more people; namely, the following: Vancouver, New Westminster, Burnaby, Victoria, Nanaimo, Port Alberni, Prince George, Dawson Creek, Kamloops and Penticton. Only six replies were received and they originated from the following: City of Vancouver, City of Nanaimo, City of Dawson Creek, City of New Westminster, Municipality of Burnaby and City of Victoria. All of the answers were negative, stating very clearly that they had no specific policies regarding housing co-operatives 2.

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1 Appendix K.

2 The City of Victoria added to its reply that its Council is in favour of non-profit housing organizations but is experiencing difficulty in providing active aid to them.
(iii) Housing Co-operatives and the City of Vancouver: A Specific Case

In May 1968 representatives of the B. C. Co-operative Union and Western Co-operative Housing Society appeared before the "Special Committee Re. Housing" of the City of Vancouver, requesting that city land be made available to Credit Unions and co-operative housing groups according to the following specifications:

(a) that the land be "made available by lease, or by sale at the assessed value for general purposes plus 10% for limited dividend housing";

(b) that the land being made available by lease or by sale at the assessed value for general purposes plus 20%, for co-operative housing subject to the co-op being a bona fide co-operative, pursuant to the Co-operative Act of the Province of British Columbia and on the conditions that no individual may share his share in the co-op at a profit.

After ensuring that no legal complications would arise in satisfaction of these requests, the Committee settled for a five- to eight-acre site within the city which could be made available for the requested purpose. When such a site was selected in the south-east sector of the city, the

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1 Mr. R. J. Boutelier and Mr. R. D. English.

2 Special Committee Re. Housing Minutes, May 8th, 1968, Vancouver City Hall records.

3 Ibid.
Committee put the question of its availability for co-operative housing before council\(^1\). Based on the argument that co-operatives should compete with other developers in submitting bids for the city property, council defeated the recommendation\(^2\). Nevertheless, public protest to Council's action arose and the United Church of Canada (Vancouver Southern Presbitery) requested a reconsideration of the decision\(^3\). Complying with the request, city council reviewed the issue and after a number of alterations finally approved the Committee's recommendations\(^4\).

This municipal action in aid of housing co-operatives is unique in British Columbia. However, it has been an individual resolution for a particular case, not a general policy.

The system of land tenure, the right to speculate in land and make profit out of it are among the strongest forces behind the rising cost of housing in this country.

\(^1\)Ibid.

\(^2\)Mr. R. D. English suggested that an additional reason for the rejection was councilmen's unfamiliarity with housing co-operatives.

\(^3\)Council Minutes, May 8th, 1968, Vancouver City Hall Records.

\(^4\)Appendix L.
Some governmental intervention could salvage at least some of the land from such a speculative system. Land assembly provisions exist in the National Housing Act\textsuperscript{1} but action at the municipal level must make the first move in any utilization of them.

(C) TESTING OF THE HYPOTHESIS

The most satisfactory method of testing the hypothesis of this study would consist of introducing specific policies for housing co-operatives at the provincial and municipal levels of this province and witnessing their effect on such a field. But this, for obvious reasons, cannot be done. Instead the test will be limited to observations of the effect which specific legislation for co-operative housing has had in various cases where it has been adopted.

Housing co-operatives were attempted in Sweden as early as 1880 but the field did not undergo any significant development until the years between the two World Wars\textsuperscript{2}. During those years the government offered its support to such co-operatives by granting them mortgage loans covering

\footnotetext[1]{National Housing Act, Part III.} \footnotetext[2]{Supra, p. 20.}
95% of construction costs at 3% interest. Such governmental support, together with efficient organization, has helped Swedish housing co-operatives become one of the most popular housing solutions of that country.

In 1950, U.S. Congress enacted Bill 231 which dealt with co-operative housing. This legislation enables co-operatives to get insured loans up to 97% of the value of the property for a period of forty years. Prior to the enactment of this Bill, housing co-operatives' activity was limited to a few sporadic efforts by trade unions. In the decade following the enactment of Bill 231, an unprecedented increase in co-operative developments occurred. Over 300 co-operative projects were built, housing 10,000 people.

In the mid-1930's, co-operative housing in Nova Scotia was placed under a special section of the Housing Commission Act of that province. This marked the beginning of co-operative housing for Nova Scotia but noticeable activity in this field was not reached until the Housing Commission Act was implemented.

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1St. Patrick's College Institute of Social Action, A Guide to Co-operative Housing, op. cit., p. 4.
2Supra, p. 21.
4Supra, p. 21.
and the Federal Government drew up agreements for direct assistance to co-operative housing. Under such governmental sponsorship 1,500 co-operative homes were built in Nova Scotia between 1953 and 1963.

In Ontario, a law permitting and defining condominium (Title Co-operative) was passed on September 1, 1967. According to the Toronto Daily Star, the influence of this act has been such that

now, a new condominium begins or finishes almost every week and there are an estimated 15,000 units of condominium housing under construction or about to start in the Toronto area.

In 1966 British Columbia passed the Strata Titles Act, aiming to "... Facilitate the Subdivision of Land in Strata and the Disposition of Title Thereto". The act defines the regulations which must be fulfilled for the formation and continuation of a condominium housing project, describes procedures such as the division of land into strata lots, the holding of common property, the rights and duties of the strata corporation and the by-laws applying to the development. Before this act was passed there was a negligible

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1 Supra, p. 23.
2 Supra, p. 32.
4 The Toronto Daily Star, op. cit., p. 41.
number of housing developments in British Columbia which followed a condominium pattern\(^1\), whereas in the short time since it has been enacted nearly a dozen such projects have been erected or are under way\(^2\).

In this province the field of housing co-operatives is as yet, as was observed\(^3\), far from developed. The existence, quantity and development of housing co-operatives in British Columbia is affected by a great number of factors, some of which will be discussed in a forthcoming section. They vary in importance but they are largely interconnected. Legislation stands among them as the one factor capable of turning individual, sporadic efforts into a consistently organized and progressive housing movement. Such legislation does not exist in this province and consequently even the efforts of individual associations or of a central body for housing co-operatives, such as Western Co-operative Housing Society, are hindered. Thus, the development of housing co-operatives in this province is retarded.

\(^1\)To the author's knowledge there were only two apartment buildings, both in Vancouver, which were registered under the B. C. Societies Act. They were both held by the Teachers' Federation.

\(^2\)Information obtained from the Vancouver Land Registry Office, Survey Department, June 1969.

\(^3\)\textit{Supra}, p. 31.
(D) ADDITIONAL REASONS FOR THE LIMITED ACTIVITY IN HOUSING CO-OPERATIVES IN BRITISH COLUMBIA

(a) Canadian Attitudes Towards Housing.

It has often been stated that the housing ideal sought by the average Canadian family is the private ownership of a single dwelling on its own plot of land\(^1\). Any deviation from this norm is considered less desirable. Because of this, the Canadian family may see ownership of a house through co-operative membership as demeaning. Moreover, the majority of co-operative housing projects take the form of multiple, cluster or town housing and the Canadian, who usually conceives a desirable house as one with all four of its sides exposed, shys away from such projects.

(b) Lack of a Provincial Organization.

British Columbia presents, in addition to lack of provincial policies, no unified, provincially-sponsored structure for co-operatives. It has left their initiation to bodies such as Western Co-operative Housing Society, private citizens and student groups. The power of these organizations to attract co-operation from the governmental levels is very limited. Thus, the status quo of housing co-operatives in this province is perpetuated.

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\(^1\) J. F. Midmore, Loc. cit., p. 166.
(c) **Reluctant Financing.**

As we have already mentioned, C.M.H.C. will make direct N.H.A. loans to a housing co-operative only if the co-operative group provides written evidence that it has been unable to obtain such a loan from at least two private lending companies. Private bodies such as chartered banks, life insurance companies, trust and loan companies lend money to housing co-operatives under either private or N.H.A. conditions. They do so in British Columbia but often with a certain degree of reluctance, largely because the success of this type of housing has not as yet been "tested" in this province.¹

An N.H.A. co-operative housing loan and its insurance are bound by a number of conditions, some of which act as deterrents to the formation of these co-operatives. Among them we have the following²: (a) 80% of the family housing units of the project must be occupied by shareholders of the co-operative association upon completion of construction. This forces the co-operative to secure an 80% occupancy of its project before it is actually completed. (b) The co-operative group must be able to produce evidence

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¹Opinion expressed by Mr. R. D. English.

²Complete statement of these rules given in N.H.A., *Co-operative Housing Loans*, op. cit.
that it has spent time in appropriate study. (c) The applicants must be members of a co-operative group which has been established for at least six months. This latter rule might be unnecessary or excessive if the previous one is fulfilled. It may prove especially hindering in cases where the co-operative group is in urgent need of housing.

These observations reveal that financial aid for housing co-operatives is available in this province but it is closely regulated and often reluctantly available.

(d) Lack of Information.

The Extension Department of St. Francis Xavier University in Antigonish, Nova Scotia, has undertaken, since the mid-1930's, a program to inform and educate community people in the meaning and functioning of co-operative housing. This still continues today and by 1962 it had been involved with the construction of 1,500 houses in that province\(^1\). In Ottawa, Ontario, the Central Administrative Board, a body aiding co-operative groups on the local level, promotes and directs an educational program on this type of co-operative; it also offers advisory service and encourages the organization of new groups. Between 1948 and 1958 it contributed to the realization of 1,200 units of co-operative housing of all types\(^2\).

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\(^1\) J. F. Midmore, *op. cit.*, p. 54.

\(^2\) Report on Co-operative Housing in Ontario, *op. cit.*
The cases of these two provinces are not meant to insinuate that the information and education programs are the only factors responsible for their progress in co-operative housing; they are only brought up here to illustrate the possible power of such programs. In British Columbia there is no body which is, to any significant extent, disseminating advertising or providing education on co-operative housing to the general public. Western Co-operative Housing Society makes isolated attempts at advertising and disseminating information in the areas of British Columbia where it undertakes the development of a project, but these attempts do not reach far beyond the group which eventually forms the co-operative. Lately, this Society has been trying to reach public groups through community meetings and through the United Community Services\(^1\) of Vancouver but their efforts have been too recent to produce any acknowledgeable feedback.

Neither is the general public reached by C.M.H.C. Their provincial offices offer two small pamphlets titled *Co-op Housing in B. C.* (a three-leaf fold-out) and *Co-operative Housing Loans\(^2\).* These two pieces of literature do indeed

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\(^1\)Information obtained from Mrs. S. Schmidt of Western Co-operative Housing Society.

\(^2\)"Co-op Housing", as used in these titles, denotes co-operative only.
provide basic information on co-operative housing but they are available on request; in other words they reach people who already know about the existence of co-operative housing, they do not serve to introduce the field to the general public.

When this lack of information extends to public officials the issue becomes aggravated. These are often men in charge of passing legislation capable of affecting this type of housing to a great extent; if they do not understand its advantages, disadvantages, operation and implications, they might be unable to take, if any, adequate decisions in relation to it. It should be obvious that if housing co-operatives are to advance any further in this province, dissemination of information on its nature is badly needed.

(e) No Need for Co-operative Housing Until Recently.

An argument frequently repeated, when the question of lack of co-operative housing in this province arises, is that British Columbia simply did not have the need for this type of housing until the present decade. The validity of such argument may be supported by an earlier opinion expressed by Mr. R. J. Boutelier, Mr. R. D. English and Dr. H. P. Oberlander (U.B.C. School of Community and Regional Planning).
discussion in this paper\(^1\), where it was illustrated that British Columbia's demand for housing at lower costs than those offered by the current private market has now reached unprecedented dimensions. Consequently, the possible alternatives for the satisfaction of this demand have begun to be explored recently -- one of these newly considered alternatives being co-operative housing.

\(^1\) Supra, pp. 4-7.
CHAPTER V

CONCLUSIONS

If housing co-operatives in this province are to move forward, alterations to the existing procedures which affect them seem necessary. Based on the findings of this study, a number of these alterations have been drawn and will be recommended here. Some of them have already been suggested by experts in the field and apply not only to this province but to the country as a whole. They deal with three general requisites desirable in housing co-operatives, namely organization, education and legislation. These three are, in effect, the elements necessary for the success of housing co-operatives briefly reviewed in an earlier section of this study.¹

Organization.

The organizational pattern for housing co-operatives which has demonstrated as most effective and is viewed by many countries as a model worthy of being copied is the H.S.B. pattern of Sweden.² J. F. Midmore suggests³ that

¹Supra, p. 37-38.
²Supra, p. 18.
³J. F. Midmore, loc. cit. p. 81.
Canada could imitate such a successful arrangement by setting up a plan composed of:

(1) a national co-operative housing federation.
(2) central co-operative housing societies.
(3) local co-operative housing associations.

In this

"the central co-operative societies formed by credit unions, trade unions and co-operatives, would be the middle tier of a three-tier organization. Above would be a Canada-wide federation of centrals; below would be the local housing co-operatives".1

Each local housing association would, at the time of organization, become a member of the central. The central would then accept responsibility for the local until the latter becomes "self sufficient" and no longer requires the assistance of the former.

The central co-operative housing societies in this scheme are viewed as having the following functions:

(1) To analyze housing needs in their area and determine where co-operative activity might assist;

(2) To establish objectives for various types of co-operative housing activity to be applied in their area;

(3) To plan and promote co-operative housing activity generally;

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1 Memorandum on Co-operative Housing, loc. cit., p. 9.
(4) To plan and contract for building. The centrals should complete the building function, including financial planning and arrangements, dealing with public bodies and all other necessary tasks. This would include dealing with local offices of C.M.H.C.

(5) To form housing co-operatives from its associate members when building is completed. The central may also buy existing housing for similar transfer to co-operative ownership.

A comparison between the composition and functions of Western Co-operative Housing Society and those of a central society, as described above, clearly identify the former with the latter. This recognition bears an important implication; that is, that British Columbia already offers some of the basic organizational elements for the ideal development of housing co-operatives — namely, a central society and local associations. The addition of a national co-operative housing federation to these would leave the province with the recommended organizational set-up for housing co-operatives, but such a federation is not as yet in existence.

At the national level, two bodies concerned with co-operative housing already exist. They are, as has been

1J. F. Midmore, loc. cit., pp. 78-80.
1 mentioned, the co-operative housing advisory section of the National Labour Committee and the Co-operative Housing Foundation. They are not formed by any amalgamation of central co-operative housing societies and thus do not fulfill the role of a co-operative housing federation. Yet, a mutual reorganization and combination of functions between these two bodies together with any existing central societies across Canada could give rise to the mentioned federation. J. F. Midmore describes such a body as:

"a non-commercial organization. With its members it would formulate and publicize national co-operative housing policies. It would represent the co-operative sector of the housing economy to the federal government, to Central Mortgage and Housing Corporation and to appropriate national organizations".2

From the facts and arguments presented, we can say that for the progress of housing co-operatives in British Columbia and in the rest of Canada it is recommended

THAT A NATION-WIDE CO-OPERATIVE HOUSING FEDERATION BE FORMED BY THE AMALGAMATION OF EXISTING ORGANIZATIONS FOR HOUSING CO-OPERATIVES AT THE NATIONAL AND PROVINCIAL LEVELS.

1Supra, p. 39.

2J. F. Midmore, loc. cit., p. 81.
Education

Under the general heading of education for housing co-operatives the following are included: (a) dissemination of information on housing co-operatives to the general public and public officials, and (b) instruction and guidance to housing co-operative groups under formation.

(a) Information:

Some of the detrimental effects which housing co-operatives suffer through lack of information have already been discussed. The ignorance of the availability of such housing at the private level naturally brings with it a lack of demand; at the public level it creates reluctant co-operation. An improvement of this situation can be brought about by systematic dissemination of information to the public and public officials, and this can be accomplished through bodies such as the existing voluntary housing groups in the province, C.M.H.C. and local university bodies.

Organizations of a voluntary nature, who are specifically concerned with the housing situation of local groups and communities, exist in this province. The most developed of these groups are located in the Vancouver area and among them are: the Vancouver Housing Association, United Community Services, the Federation of Senior Citizens Housing
Projects and the B. C. Division of the Community Planning Association of Canada. If these organizations were to become equipped with extensive information on housing co-operatives they could distribute it systematically to people in the community and public officials in both written form (advertized on public media or mailed to individual homes) or in open discussion meetings where experts in the field of housing co-operatives would be present for questions and explanations.

In Part V of the National Housing Act, C.M.H.C. is directed, among other things, to

"cause steps to be taken for the distribution of information leading to the construction of more adequate and improved housing accommodation" ²

Our discussion up to now has, hopefully, revealed that housing co-operatives can be classified as adequate housing accommodation; nevertheless, it has been observed that the information in this field, which is directly distributed by C.M.H.C., is very limited and available only on request.³

In complying with the cited Part V of the National Housing Act, C.M.H.C. could enlarge the aforementioned stock of

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²National Housing Act, Part V.
³Surra, p. 41.
information and advertise its existence to the public. In addition, it could urge and assist the voluntary housing groups in obtaining similar information. Because of its governmental status, C.M.H.C. can reach and hold the attention of public officials more effectively than any other body concerned with housing. By putting this power into effect, C.M.H.C. could extend complete and accurate information on housing co-operatives to all public officials who are connected with the housing field in the province. Naturally, C.M.H.C. should begin such a move by ensuring that its own managerial personnel is fully informed on the subject.

(b) Guidance:

It has been observed that the Extension Department of St. Francis Xavier University, in Nova Scotia, has long ago undertaken the education of groups interested in obtaining relatively inexpensive shelter by a cooperative method\(^1\) and that this effort has payed off with the production of badly needed housing. The Universities in British Columbia could undertake a similar endeavour by providing information on housing co-operatives to interested persons, by holding instruction courses on organizational,

\(^1\)Supra, p.40.
legal and managerial details involved in a housing co-operative project and by offering the services of faculty and staff experienced in the subject to housing co-operators. All of these university services could well be performed in association with the central co-operative housing society of the province.

"Co-operatives can expand only as fast as understanding of co-operative principles is developed" 1

Such understanding can only be reached if these principles are presented and explained. This leads us to the following recommendation:

THAT C.M.H.C., THE UNIVERSITIES, THE VOLUNTARY HOUSING GROUPS OF THIS PROVINCE, COMBINING EFFORTS WITH THE LOCAL CO-OPERATIVE HOUSING SOCIETY, PUT FORWARD TO THE PUBLIC AND PUBLIC OFFICIALS INFORMATION AND EDUCATION ON HOUSING CO-OPERATIVES.

Legislation

The legislation changes which could improve the situation of housing co-operatives in this province fall mainly

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1 His Brother's Keeper: The Story of Co-operatives in British Columbia. The British Columbia Co-operative Union.
within two categories: (a) land, and (b) exclusive policies for housing co-operatives.

(a) Land:

The Report of the Federal Task Force on Housing and Urban Development, presented in January of 1969, had as its aim

"to examine housing and urban development in Canada and to report on ways in which the federal government, in company with other levels of government and the private sector, can help meet the housing needs of all Canadians and contribute to the development of modern, vital cities".

Based on its findings, this report put forward a number of recommendations in the field of housing and urban development, among them some dealing with the issue of land, such as the following. First, that municipalities or regional governments follow a continuing policy of acquiring, servicing and selling a large part or all of the land required for urban growth within their boundaries. Second, that the federal government should make direct loans to municipal or regional governments to assist them in assembling and servicing land for urban growth. In the discussion preluding these

---


2 Ibid., p. 43.

3 Ibid.
recommendations it is also suggested

"that the short-term loans granted to municipalities for land assembly be converted to long-term debenture thereby permitting lease rather than sale of the land" ¹.

If such a proposition were implemented it could greatly benefit the housing field for a number of reasons.

Land in the hands of private enterprise is, in most cases, land in the speculative market. As has been mentioned previously, the cost and inflationary trend of housing on such land cannot be deliberately controlled. It is only on land which has been removed from this system, such as municipally-owned land, where inflation can be controlled and lower-cost housing be built ². Government-owned land could not only be purchased but also leased by housing cooperatives for the estimated lifetime period of the project or for a shorter but renewable time ³. This could further reduce the cost of such housing. Municipalities or regions could accompany such arrangements with special considerations (such as reduced lease rates and land servicing at cost) whenever special groups of population were involved (old-age


²Appendix M.

³The same could also be done by other types of housing.
pensioners, students, Indians). In this manner they would be actively contributing to solve the housing problems of lower-income groups residing within their boundaries.

From these arguments it is recommended

THAT WITH FEDERAL ASSISTANCE, REGIONAL OR MUNICIPAL GOVERNMENTS OF BRITISH COLUMBIA SHOULD, AS REQUIRED, ASSEMBLE AND RESERVE FOR SALE, OR PREFERABLY LEASE, PORTIONS OF THEIR LAND TO HOUSING CO-OPERATIVES.

(b) Exclusive Policies for Housing Co-operatives:

We have already stated that legislation is not the main factor influencing housing co-operatives, but it is an indispen­sable one if such a housing field is to prosper to any degree\(^1\). The main legislative forces capable of affecting housing co-operatives in this province lie in the National Housing Act and the Provincial Statutes. Each of these will be discussed separately.

The National Housing Act:

In order to actively aid the co-operative housing field, the National Housing Act should adopt a special section for housing co-operatives\(^2\). The financial assistance available to such co-operatives through this act should be

\(^1\)Supra. p.37.
\(^2\)Shirley Schmidt, op. cit., p. 1.
included in such a section. As was observed earlier\textsuperscript{1}, the present terms for such assistance state a number of conditions which hinder the formation of housing co-operatives. Some alterations may be necessary, among them the following:

(a) Elimination of the 80% occupancy requirement upon completion of construction of a project; (b) Shortening of the time period for which the co-operative group must be established before it can apply for a loan. Such a period should be inversely proportional to the time which the group has spent in relevant study and preparation for their co-operative undertaking. At present, the minimum requirement is six months. (c) Advancement of direct loans by C.M.H.C. in a similar fashion to those given to limited dividend housing corporations\textsuperscript{2} for some projects such as those located in urban renewal areas or where lower-cost housing is badly needed.

With these comments as a basis, it is recommended

THAT A DISTINCT SECTION FOR HOUSING CO-OPERATIVES BE INCLUDED IN THE NATIONAL HOUSING ACT AND WITHIN SUCH SECTION SPECIAL TERMS OF FINANCIAL ASSISTANCE FOR THESE CO-OPERATIVES BE STATED.

\textsuperscript{1}Supra, p. 40.

\textsuperscript{2}National Housing Act, Section 16(2).
Provincial Statutes:

The power of exclusive legislation for co-operative housing was observed earlier in the effects of Bill 231 in the U. S. and the Strata Title Acts of Ontario and British Columbia. Reaffirming the importance of this type of legislation, the Co-operative Union of Canada asserts:

"Interest by government at the provincial level can make the difference between some degree of performance and none at all"  

Combining these observations with the fact that this province offers no exclusive legislative act for housing co-operatives, the following recommendation is put forward:

THAT TO THE BRITISH COLUMBIA STATUTES BE ADDED AN ACT WHICH WILL DEFINE THE REGULATIONS, DESCRIBE THE PROCEDURES, THE RIGHTS, DUTIES AND BY-LAWS INVOLVED IN THE FORMATION AND OPERATION OF A HOUSING CO-OPERATIVE PROJECT.

Or alternatively:

THAT TO THE EXISTING CO-OPERATIVE ASSOCIATIONS ACT OF THE B. C. STATUTES, A SECTION BE ADDED WHICH WILL DEFINE AND DESCRIBE THE LEGAL SPECIFICATIONS EXCLUSIVE TO HOUSING CO-OPERATIVES.

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1Supra, pp. 36-37.
2Brief on Housing, op. cit., p. 12.
3Such as city by-laws and taxation on land and improvements. Applicable to the project owned by an association.
LATEST DEVELOPMENTS

Shortly after completion of the first stage planned (summer of 1969) the housing co-operative in Port Alberni went into bankruptcy. The causes for this are still under investigation. This precipitated a dissolution of Western Co-operative Housing Society (W.C.H.S.).

By September of 1969, negotiations were under way for a new organization for housing co-operatives which would replace W.C.H.S. It is said that its aims and set-up will be very similar to those of W.C.H.S. and it will even take upon itself to complete some of the developments started by its predecessor (such as the project in the South-East sector of Vancouver and the project in Abbotsford). Two of the former directors of W.C.H.S. will be involved in the new organization for housing co-operatives and most of the bodies which were members in the former organization will also be so in the latter.

The date for the official establishment of this new organization is not known but it is hoped that it will be in action by 1970. We can only hope that it will become the

1 Most of the information on these developments was obtained from Mrs. Shirley Schmidt of Western Co-operative Housing Society.

2 The Vancouver Province, Sept. 5, 1969.
strong, influential and unified body which the field of housing co-operatives in this province needs to move forward.

Conclusion.

We have seen that through housing co-operatives the province of British Columbia and the rest of the country could offer their lower income population housing ownership which is more within their economic reach than that available to them in the private market. But this offer is difficult until specific governmental policies join the efforts of private and co-operative organizations in the aid and promotion of housing co-operatives. Only then will housing co-operatives have a hope of emerging as a significant and propitious form of housing.
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University of British Columbia, Graduate Student Association. Personal interview with Mr. J. Tilley.

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Western Co-operative Housing Society. Personal interviews with Mr. R. English (Director) and Mrs. S. Schmidt.
APPENDIX A

Estimated Percentage Population Increases in each Continent and in the World for the Period 1950-1975
(In Millions)

<table>
<thead>
<tr>
<th>Continent</th>
<th>World</th>
<th>Africa</th>
<th>North America</th>
<th>Latin America</th>
<th>Asia</th>
<th>Europe Incl. USSR</th>
<th>Oceania</th>
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<tr>
<td></td>
<td>53</td>
<td>52</td>
<td>43</td>
<td>86</td>
<td>60</td>
<td>31</td>
<td>59</td>
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</table>


APPENDIX B

Average Increases in Families and Households in Five-Year Periods Between Census Years 1951-76 - In Canada

<table>
<thead>
<tr>
<th>Period</th>
<th>Families ('000)</th>
<th>Family Households (%)</th>
<th>Non-family Households (%)</th>
<th>Total Households ('000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1951-56</td>
<td>84.6</td>
<td>2.4</td>
<td>12.4</td>
<td>104.1</td>
</tr>
<tr>
<td>1956-61</td>
<td>87.0</td>
<td>2.2</td>
<td>28.6</td>
<td>125.6</td>
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<tr>
<td>1961-66</td>
<td>72.0</td>
<td>1.7</td>
<td>34.5</td>
<td>112.2</td>
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<tr>
<td>1966-71</td>
<td>108.2</td>
<td>2.3</td>
<td>31.5</td>
<td>144.9</td>
</tr>
<tr>
<td>1971-76</td>
<td>126.2</td>
<td>2.4</td>
<td>30.6</td>
<td>164.7</td>
</tr>
</tbody>
</table>

Note: Data exclude Yukon and Northwest Territories.

(Extracted from: Wolfgang M. Illing, Housing Demand to 1970. Prepared for the Economic Council of Canada, Staff Study No. 4 (Ottawa: Queen's Printer, 1965), p. 9, Table 2).
APPENDIX C

Housing falls within provincial jurisdiction as specified by one or other of the following powers delegated to the province under section 92 of the British North America Act:

2. Direct Taxation within the Province for the Raising of a Revenue for Provincial Purposes

8. Municipal Institutions in the Province

10. Local Works and Undertakings...

11. The Incorporation of Companies with Provincial Objects

13. Property and Civil Rights in the Province

16. Generally all Matters of merely local or private Nature in the Province

(A. E. Grauer, Housing, "A Study Prepared for the Royal Commission on Dominion-Provincial Relations", Ottawa, 1939, p. 34).

APPENDIX D

In searching through the literature on incomes in Canada, no universal consensus was found on income categories or classifications. The presented classification has been used by Western Co-operative Housing Society (Pamphlet No. 3) and by M. M. Barrow, "Federal Housing Policies and the Developing Urban Structure: Conflicts and Resolution", (Unpublished Master's thesis, School of Community and Regional Planning, University of British Columbia, 1967, p. 20).
APPENDIX E

The Task Force on Housing and Urban Development observed that in order to qualify for a $29,000 house in a Toronto suburb a family would require an annual income of $8,000. ("The Housing Crunch of the 'Affluent Poor' ", *Time Weekly Magazine*, Canada Edition, Toronto, November 8, 1969, p. 13).
How is Willow Park organized and operated?

Willow Park Housing Co-op Ltd. is a non-profit corporation. Its purpose is not to earn money but to serve its members' needs at the lowest possible cost consistent with sound operation.

Willow Park was sponsored by CHAM, the Co-operative Housing Association of Manitoba, for the purpose of helping families to achieve the advantages of co-operative ownership by designing and building dwellings that provide the most home for the least money.

When the families first move in they will elect their own directors and begin taking over the responsibilities of operating their property. The Co-op establishes its own membership committee, and provides day-to-day management needs.

Who may join Willow Park?

Willow Park is designed to serve the housing needs of families in the moderate annual income range of about $3,000 to $6,000. No distinctions are made because of racial origin or religion.

What down payment is required?

A small down payment is necessary as in all home purchases and is required by Central Mortgage and Housing which is providing the funds for construction. The down payment required varies with the size of unit and is a small fraction of construction cost.
Willow Park is a modern housing development located at Burrows Avenue and Dorset Street in northwest Winnipeg. It contains units ranging from one to four bedrooms. Those who live in Willow Park will own the housing development through membership shares in Willow Park Housing Co-op. Each member-shareholder signs an occupancy agreement that gives him the right to occupy a specific dwelling unit.

A Willow Park family has special advantages over both ordinary ownership and renting. An ordinary homeowner has no control beyond his own property, except by appealing to local government. A renter has no control at all. Willow Park families exercise a large measure of community control. They adopt reasonable rules designed to keep their neighborhood a pleasant, safe and decent place to live.

A Willow Park family gets top quality housing and pays only what it actually costs to own and operate its dwelling. Like the ordinary homeowner, the Willow Park Co-op member pays no profit to a landlord, yet is as free to move to another city as if he were simply renting a home. The Co-op arranges for the resale of this equity.

For all practical purposes a Willow Park family owns its own home subject only to payment of monthly charges and observance of common sense rules that the members adopt.

Willow Park offers members the same freedom from maintenance chores that rental housing does. The Co-op handles repairs, insurance, maintenance of grounds and other facilities just as a landlord does.
The down payment buys shares in Willow Park Housing Co-op Ltd. which represent part ownership in the whole development including playgrounds, meeting rooms and all other community facilities.

When you have become a member-shareholder you get an occupancy agreement which establishes your right to occupy a specific dwelling unit and spells out the rules you and your neighbors adopt to live together in harmony.

Your monthly charges in Willow Park are your portion of the actual cost of operating the development. They include your share of mortgage payments including principal and interest.

They also include your share of fire, wind, hail and public liability insurance, real estate taxes and improvements.

They include your share of operating expenses including utilities, repairs, and maintenance. Utilities such as heat and light cost much less when purchased by a group than they would if purchased individually.

They also include your contribution to special reserves for replacements and emergencies.

If there is a surplus at the end of the year the directors will make recommendations regarding its use at the annual meeting of the members.

1. You agree to pay your monthly charges on time.
2. You agree to use your premises for residential purposes only.
3. You agree not to sublet your home without permission from Willow Park Co-op.

4. You agree to keep up the inside of your home.

5. You agree to live up to the rules adopted by the members. The rules can be changed at membership meetings.

In order to prevent speculation, Willow Park Co-op has first option to buy your shares or you may sell them to a prospective member with the approval of the Co-op.

It's easy to find out. Just fill out the enclosed form and mail it to the Co-operative Housing Association of Manitoba. Meetings will be arranged for those interested and you will be notified. Details will be provided about down payments, monthly charges, and the terms of the occupancy agreements. You will be able to compare the cost of Willow Park housing with the cost of renting or of ordinary home ownership.

There are many successful housing co-ops in various parts of the United States. Willow Park is the first housing co-op in Winnipeg. It is a new venture in developing top quality housing at low cost for people with moderate incomes. There is an excellent chance that Willow Park is for you.

If you are interested in learning more about Willow Park Housing Co-op, phone—

Co-operative Housing Association of Manitoba, Turner 8-1254.
APPENDIX G

Excerpts from Pamphlet Distributed by Western Co-operative Housing Society

Centennial Park

CO-OPERATIVE

TOWN HOUSES

A NEW WAY TO HOME OWNERSHIP

- PRIVACY
- PARKS & TREES
- HIGH QUALITY
- LOW COST
- MEDALLION HOMES

LOCATION IN THE HEART OF PORT ALBERNI
## SCHEDULE OF CHARGES per Unit:

<table>
<thead>
<tr>
<th></th>
<th>2 B.R.</th>
<th>3 B.R.</th>
<th>4 B.R.</th>
</tr>
</thead>
<tbody>
<tr>
<td>FULL PRICE</td>
<td>$14,120.00</td>
<td>$16,600.00</td>
<td>$17,750.00</td>
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<tr>
<td>DOWN PAYMENT *</td>
<td>$750.00</td>
<td>$850.00</td>
<td>$900.00</td>
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<tr>
<td>Prin. &amp; Int.</td>
<td>108.00</td>
<td>122.00</td>
<td>131.00</td>
</tr>
<tr>
<td>Taxes **</td>
<td>12.00</td>
<td>13.00</td>
<td>14.00</td>
</tr>
<tr>
<td></td>
<td>120.00</td>
<td>135.00</td>
<td>145.00</td>
</tr>
<tr>
<td>SERVICES ***</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Electricity</td>
<td>21.00</td>
<td>23.00</td>
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<tr>
<td>Water</td>
<td>1.50</td>
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<tr>
<td>Insurance</td>
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<td>Upkeep &amp; Mgmt.</td>
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<td>Reserve</td>
<td>3.50</td>
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<tr>
<td></td>
<td>35.00</td>
<td>38.00</td>
<td>42.00</td>
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</tbody>
</table>

### NOTES:

* Add Mortgage Application Fee of $35.00 to each Down Payment.

* Applicant may make a larger down payment and reduce monthly payments.

** Taxes - after Home Owner Grant allowed

*** These are high estimates of costs — actual cost to Home-owner will be based on the actual expenditures of the Assn.

### OPTIONS AVAILABLE:

- Carpets
- Ceramic Tile
- Vanity Bath
- Textured Ceilings
- Moulded Counter Tops
- Recreation Room
- Drapes
- Feature Wall
All with full Basements & Laundry

Two Bedroom Home

$14,120.

Three Bedroom Home

$16,600.

Four Bedroom Home

$17,750.
APPENDIX H

There has been recent governmental effort to upgrade the poor housing conditions of these people but no overall, consistent program has, as yet, been traced for the purpose. In the early 1960's C.M.H.C. approved a promising plan of housing co-operatives to be tested in northern communities of Saskatchewan, but disagreements between the provincial and community levels prevented implementation of the plans. (Brief on Housing, op. cit., p. 19).

APPENDIX I

Letter sent to random sample of cities and municipalities in British Columbia in September 1969:

Dear Sir:

During the last year I have been actively engaged in research on housing co-operatives in British Columbia. Such housing takes the form of multi-unit projects (of any type) and it can be described as follows:

housing owned and operated on formal co-operative principles. Its occupants, who establish themselves as an association, do not own the individual unit they occupy but the housing project as a whole.

A very important part of this research is the discovery of any policies pertaining to such housing which may be in practice in this Province. As means of obtaining such information the following question is put to you:

Does your city, municipality, district or region offer any specific policies for housing co-operatives?

A "yes" or "no" answer would be sufficient, although further explanation (in the case of a "yes" answer) would be appreciated. If such information is not available to
you, please forward the question to any official source who may answer it. Please mail your reply to:

Marianthi Constantinu
School of Community & Regional Planning
University of British Columbia
Vancouver 8, B. C.

Hoping to hear from you at your earliest convenience,

Thankfully yours,

Marianthi Constantinu.

APPENDIX J

Council's final resolutions concerning the sale of Vancouver City land for co-operative housing:

(i) a 6.6-acre site of the city-owned land in the recommended South-East corner of the city would be reserved for sale to co-operative groups only;

(ii) the land would not be sold at fixed price but co-operatives would have to bid against each other for the property.

(The Vancouver Sun, June 22, 1968, p. 16)
APPENDIX K

The B. C. Co-operative Union offers the following example in favour of housing on leased land:

"Suppose the raw land value of a lot is $5,000. A municipality obtaining $5,000 from the sale of the lot and investing it at 5% would have $21,609 at the end of 30 years. If, instead of selling the lot, it was leased at a yearly rental of 5% of its value, the municipality would receive $16,609 in thirty years. It would also own the lot at the end of the thirty years, so the value of the lot should be added to the return. By adding the original value of $5,000 we find we end up with the same return".

(Brief on Housing, op. cit., p. 5)

Land leasing by housing co-operatives has been successfully applied in the case of Willow Park Housing Project in Winnipeg.