

THE CONVERSATION

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How co-housing could make homes cheaper and greener

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Intergenerational home: the residents (particularly children and dogs!) move through the gaps in the dividing garden wall. Katherine Lu

Housing affordability is at crisis levels in many Australian cities, fuelled by an inadequate supply of housing in areas close to jobs and a taxation system that favours investors over first home buyers.

The Reserve Bank has suggested that “the answer... lies in more innovative and flexible use of the land that we have so that the marginal cost of adding more stock of dwellings is lower.”

Co-housing – where a group of friends, extended family members or downsizers band together to buy into small blocks with some common space – may well be one of those innovations.

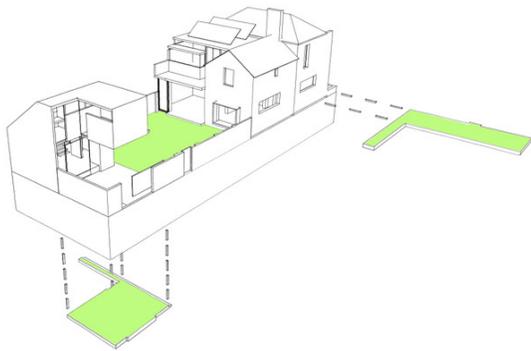
What is co-housing?

Forget your preconceived ideas about communes and share houses.

This version of co-housing is a mainstream concept wherein suitable single-dwelling suburban blocks are adapted to accommodate two or three smaller dwellings with some shared spaces, reducing the overall physical and environmental footprint per household.

Co-housers could be friends struggling to afford a first home, intergenerational families or downsizers wanting to unlock equity for their retirement and live close to friends or family.

Co-housers typically enjoy more privacy and independence than flatmates and each household in the group owns or rents a defined space. Co-housing differs from duplex or multi-unit housing in that more of the space is shared, enabling more efficient use of land. It is similar in principle to granny flat development but less restrictive, allowing for more varied and flexible household groupings.



A suburban block is adapted to accommodate a family, their elderly mother and a single friend. Each home has its own entry and the design allows occupants to control the levels of interaction. Trina Day

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Consider, for example, two single story workers cottages in Balmain adapted for sharing between one of the authors of this article (Suzanne Benn) and her adult son, architect Andrew Benn, along with his young family.

Winner of a NSW Architecture Award in 2014, the cottages (depicted in the lead image for this article) have been renovated as a flexible family complex, designed to enable interaction in some shared areas while maintaining the houses as individual units. Incorporated into the design is a self-contained unit that can be used by other members of the family or perhaps by a “carer” in years to come.

The cottages illustrate how co-housing can reduce costs and create an improved sense of community. At the macro scale, such arrangements could improve economic resilience and contribute to more compact, sustainable cities.

Trends

The composition of Australian households is changing: our population is ageing and just over 30% of households will be single person households by 2026. Social isolation is a serious emerging issue. Lifestyles are changing and there are signs, such as the sharing economy, of

new, more collaborative paradigms for urban living.

Co-housing has potential to make buying or renting a home cheaper but also enables sharing of bills, cars and household goods, as well as trading of services like babysitting and care for the elderly. This is significant: as households collaborate to share resources (including skills and capabilities) an informal sharing economy grows, leaving many financially better off.

There's a city planning benefit too. To remain liveable, resilient and economically competitive, growing Australian cities must limit urban sprawl. Yet increasing densities is a fraught issue that often sees planners, developers and local communities in conflict. Whilst multi-unit housing remains a significant part of the solution, co-housing adds another option to the mix - one that increases suburban densities in a way that is modest, incremental and distributed.

Problems

So if co-housing is such a good idea, why isn't it widespread already?

Firstly, there's the perception that it's for alternative types only, and there are not many urban precedents. But co-housing principles are starting to be applied in more mainstream ways and at different scales – from large urban co-housing projects overseas to plans for a crowd-sourced apartment community in Melbourne to an innovative Gen Y house in Perth. Renovation costs may also be a factor.

Secondly, and more significantly, there are complexities and uncertainties. It's not clear to the average person how to navigate planning approvals and understand the financial and legal implications.

Though many metropolitan strategies recognise the importance of a compact city, small-scale co-housing is not specifically enabled via the planning system (though the "granny flat" legislation that exists in some States is a start).

The very creativity and flexibility that gives co-housing appeal makes it challenging to regulate. Regulators would need to manage perverse outcomes such as the impact on investment value and choosy households making some housing spaces difficult to fill down the track.

One possible route is via subdivision and strata titling. The downside is that subdivision can inflate property prices, potentially cancelling out the desired affordability gains, and would require an overhaul of planning legislation.

Company title, considered outdated since the introduction of strata title in the 1960's, is an interesting alternative. One of its perceived flaws – that it can be geared so approval from all owners is required to sell or lease an apartment – could actually be appropriate in this context. It is generally much simpler from a planning approvals perspective and in some cases may be doable within existing development controls.

Fixes

So what would it take to enable co-housing as an option for Australians? A good start would be a conversation between influential stakeholders – such as planning authorities, banks, planners, architects and property experts – to explore pros and cons and the best way forward.

Questions include what makes a location suitable for co-housing, and how to fine-tune planning controls to avoid unwanted outcomes (such as development that's out of character with the neighbourhood or doesn't result in affordability gains or more efficient use of land). Implications for buying, lending and selling (including taxation) also need to be further explored.

With more precedents – good examples of urban co-housing - and better information and resources for the public about how to make it work, we could see a significant improvement in the diversity and affordability of housing options in Australian cities.

Co-housing won't be for everybody, but even if it has traction with 10% of the urban population, that represents a significant force for change in our cities. It could offer a way to live more affordably, leverage the benefits of the informal sharing economy and reinvigorate a sense of community. Plus it could help to keep cities compact, liveable and resilient into the future. There are a number of issues to be teased out, but surely it is worth the conversation.