**Collaborative housing**

**Anti-speculative model?**

**Anti-financiarization?**

Habitat and Participation, December 2019

*Content: Starting with a "simple" explanation to address the concept of ownership at the legal level, we will discuss the meaning of speculation and financialization based on interventions by Manuel Aalbers (KULeuven). Starting from the brief history of mortgage borrowing, we will define the financialization of housing and people through "modern" capital accumulation processes. Following the understanding of these mechanisms, we will propose a reflection grid for an "alternative" habitat capable of resisting speculation and/or financialization. These habitat models are not new in the sense that there are inspiring models... since ancient times! We will see what makes these models "work", namely that the success of these models should not be based on a "simple" mechanical system, since governance perceived as legitimate is always at the heart of these projects. Finally, by reinjecting certain principles of the right to the city, we will end with related suggestions related to these modes of participatory housing. The purpose is intended to be didactic and based on the findings and analyses of networks involved in housing rights.*

As an introductory note, we use the term "**collaborative housing**" because it is the one that seems to emerge in the academic literature[[1]](#footnote-1) in order to transcend various designations such as grouped housing - solidarity housing - participatory housing - community land trust - squat - commons - self-managed housing - cooperative - etc. Collaborative housing defends a model of housing far from commodification, by placing the commitment of residents to each other at the heart of housing, a model where human relationships prevail over the strict need for housing, a model where solidarity and the power to act (together) prevail over the simple notion of affordable housing.

**PART I : UNDERSTANDING FINANCIALIZATION**

**A first look : the right of ownership**

In law, ownership is a real right that is articulated according to 3 concepts:

* **USUS** = the right to use a property
* **FRUCTUS** = the right to collect the fruit of property ("usufructuary")
* **ABUSUS** = the right to dispose of property (to be able to transform, transfer or destroy it)

It is also possible to introduce a definition of the right of ownership that addresses the question of the relationship of power between the person who holds this right and the person to whom it "grants" this right:

*"Ownership is a* ***symbolic relationship*** *between two human entities (collective or individual). This relationship expresses* ***a power relationship*** *between these two entities, the first legitimizing the second's access to a "****delegation of power****", itself symbolized by a median object (which can be absolutely anything, mineral, vegetable, animal, human, abstract)..." (History of individual property by homo-rationalis.com)*

Addressing ownership through the notion of power relationship can change our view, both for a rental contract and during a purchase act.

Finally, when discussing with the social movements involved in the right to housing, 3 "alternative" approaches emerge, approaches that can go back to Antiquity:

* **Private property has been considered a scourge since ancient times**, just like war and disease. For some social movements, private property should not exist. The renewal of the "*commons*" movement is positively in line with this approach.
* **Private property can only be collective, individual private property is to be banned**. We can only note - at the land level - the ongoing damage caused by certain policies linking the right to keep one's habitat to the right to have an individual title to property. In particular, Africa is one of the main victims of this shift from collective to individual rights, by dispossessing people of their homes, claiming that they do not have individual property titles. A way to create massive evictions in order to make this land available for foreign capital[[2]](#footnote-2).
* **Private property can only exist if the social function takes precedence over this property right**. The social function is a form of right of use. During the Middle Ages, if a piece of land remained fallow, a peasant could find his Lord or the Monastery owners and demand to be able to cultivate this land. The social function does not prevent the right of ownership, but takes precedence over this right in the name of a higher principle, that of the right of use. A dwelling could therefore not remain empty since it would then evade its social function.

**A second look: the short history of mortgage borrowing**[[3]](#footnote-3)

Having started this paper on the notion of ownership, we propose to reflect on mortgage loans, major "products" of the financialization of housing.

To understand the roots of what is happening today, let us go back to the **1920s** in the United States of America. That year, commercial banks entered the mortgage market without any regulation of any kind. American citizens are beginning to develop mortgages to buy their homes. Even if other elements have come into play, it is obvious that the **1929** crash has links with this new phenomenon.

The American state's response was not long in coming. In **1930**, he decided to take a series of measures. And the "modern" mortgage market is emerging, with standardized guidelines: a long-term mortgage loan model - a subsidized housing construction sector - a construction process that is regulated - the state thus facilitates access to credit on the one hand, prevents foreclosure of houses on the other.

**During the second half of the 20th century**, interest rates fell, encouraging an increase in the use of mortgage loans for low-income people who want to buy a home. States promote this access to property by all kinds of means, including through the sale of part of their social stock at low prices, for States that own it (England - France - etc.). In England, Margaret Tatcher was undoubtedly a pioneer in this field with her famous "**Right to Buy**" which announced the dismantling of public services. For example, in 10 years, Spain has seen 6.6 million new homes built. If Greeks became homeowners through their savings or intra-family subsidies until the 1990s, they too would be encouraged to take on debt with banks. Today, 50% of Greeks are in debt in this way.

But this movement is not only in the countries of the North of the planet, it is global. The World Bank is thus encouraging all countries to propose social housing formulas (social housing) to promote so-called social access to property, by creating massive debt all over the world, including among categories of very low-income people. The owners of these dwellings must bear the risk alone in the event of a problem (such as the collapse of their housing in low-quality materials or in seismic areas in Latin American countries). The European countries of the former Eastern bloc are also an impressive example: while in the days of communism housing was entirely public, the collapse of the communist system led to a massive sale of these dwellings to tenants who became de facto owners of their dwellings in co-owners called "condominiums". These countries have thus sold all their public housing stock at low prices (fortunately!), creating a very particular housing market: many owners of poor quality housing (many energy problems) and without means to renovate them (with percentages of owners being able to approach 90% - **96%** in Romania[[4]](#footnote-4)!) - very few rental housing - no or few social housing.

**At the end of the 20th century**, mortgage credit was divided into primary and secondary markets. An innovation! The primary market for mortgage credit is the real estate market: housing is exchanged between buyers and sellers. This is a mainly national market, but not only a national one. The secondary mortgage credit market offers a new formula developed by banking systems: housing moves from the state of real property to that of securities and securities portfolios. Buyers - who may be located anywhere in the world - buy securities that are all backed by the core mortgage loan. We are no longer in the world of real property, but in the world of the virtual world via property titles, hence the term securitization. This is characterized by high market volatility in a context of globalized markets. In addition, people with a priori good intentions can be taken in this system, as "simple" small shareholders or via pension funds. When receivables are too uncertain, there are new players (the Vulture Funds) who buy them back and place even more risk on the small owner who holds a mortgage. Real estate companies find themselves listed on the stock exchange, subject to the market's alea.

In **2008**, it was the famous **subprime crisis**! And many homeowners lose their homes because they can no longer pay off their mortgages. For example, in Spain, 500,000 people are evicted from their homes (while still having to repay their loans, given an unfair national law). The analysis of the Spanish situation shows that it is necessary to go back to Franco to understand how the system is gradually being set up to achieve such a disaster[[5]](#footnote-5). The interest - if we can say so - of this crisis is to have uncovered the "models" of housing that could best resist the phenomena of financialization of housing, i.e. those that were not the subject of seizure during this crisis. And it is here that participatory collaborative grouped housing forms appear as a solution to resist the model. The reasons for this resistance will be analysed below. At this stage, it should be noted that we are talking here about cooperatives, collaborative housing, community land trusts, housing formulas that integrate the notion of commons,... in short models where both the market (land and real estate) and the added value are reexamined in their functioning.

Finally, in the **post-crisis period of the subprimes**, we can only observe that the situation is still not good for the inhabitants[[6]](#footnote-6). Indeed, one of the consequences of the crisis has been to introduce what are known as macro-prudential rules. These rules must make it possible to avoid over-indebtedness of households by no longer allowing them to borrow more than 80 or 90% of the financing requirement. These people must therefore demonstrate a capacity for self-financing. What seems positive, however, is unfair in more than one respect: it is to forget a little quickly that the responsibility for this crisis does not lie with the small borrowers who are now penalized when they do not have personal savings. However, all those close to these people know that low-income households generally repay their mortgages very well. And that undoubtedly other crises are still to come...

**A third look: speculation and financialization[[7]](#footnote-7)[[8]](#footnote-8)**

 There are several sectors of the economy that operate in interrelationships: the primary sector (agriculture), the secondary sector (businesses, therefore the housing sector), the tertiary sector (services) and the quaternary sector (finance).

**Capital accumulation is not a new phenomenon**. **David Harvey** explained that this accumulation generally occurs from one sector (or circuit) to another. The accumulation resulting from the agricultural sector has - for example - allowed the development of the industrial sector. A priori, the fact that capital accumulation moves from one circuit to another should be beneficial for the system by preventing crises, since instead of a "simple" accumulation, there is a reinjection of financial surpluses into another sector. However, in practice, **this only delays crises**. Financialization is thus characterized by the transition from one sector to another, leading to the quaternary sector, the financial sector.

Moreover, financialization modifies not only the rules of accumulation, but also **the centre of decision-making and governance.** At the agricultural level, very long ago, it was the farmer who decided for his farm. The decision-making bodies were then moved to the heart of the companies' boards of directors. Today, with financialization, the decision-making centre is moving towards the financial sector, including the banking sector.

The increase in access to mortgage credit has intensified competition in the real estate market and therefore allowed **housing prices to rise**, which has a direct impact on the inhabitants, especially the most vulnerable. However, public institutions are not designed to deal with the fragmentation of life courses, which is an element that weakens people.

Increasing access to home ownership has had the effect of increasing housing selling prices (partially offset by lower interest rates). This has a direct impact on **the purchasing power of the inhabitants, which is decreasing**, since the share of housing is always higher. This is undoubtedly one of the factors that explains the enthusiasm for forms of housing that limit people's debt, with cheaper housing, via so-called light housing formulas (yurts, caravans, cottages, boats,...) in Western European countries. In addition, the most vulnerable people find themselves having to choose between paying for their housing, heating or feeding themselves.

Finally, this financialization of housing leads to what Mr. Aalbers calls the **financialization of individuals**. Individuals depend on credit ratings and are recorded according to the degree of risk they represent as borrowers. They are subject to predatory funds (for the most risky loans) and must assume alone the risks related to access to housing (whereas housing is established as a right in many constitutions in the world!)

**A fourth look : the consequences of financialization[[9]](#footnote-9)**

The financialization of housing has multiple consequences on housing. Without claiming to be exhaustive, we can identify various phenomena that have all or part of them linked to the process of financialization of housing, but also of land. Real estate and land speculation is only one of these forms. Here are some more:

***Mortgage crisis and irremediable loss of housing*** (following subprimes). It is becoming impossible for homeowners to repay their mortgages while governments are massively supporting banks. The case of Spain is particularly enlightening in this regard. Today, some countries such as Greece believe they are experiencing the same mortgage crisis.

***Privatization of social housing***. After decades of commitment by some States to offer social or public housing for rent to low-income people and/or households who so wish (depending on the policies put in place), we can only observe a disengagement of States with the sale of social-public housing to individuals. A more insidious phenomenon, States are withdrawing from the production of social-public housing and asking the private sector to build these dwellings, which will then be managed or even renovated with the resources of the public sector. As a reminder, the phenomenon was initiated in 1980 in the United Kingdom under Margaret Tatcher. Indeed, the Housing Act has made it possible to activate the "**Right to buy**" facilitating the sale of municipal houses at reduced prices to tenants. It was hailed by the then Secretary of State for the Environment, Michael Heseltine, as "*laying the foundations for a social revolution that may be as profound as any in our history. It is certain that no single piece of legislation has allowed such a large amount of capital to be transferred from the State to the people”[[10]](#footnote-10).*

***The phenomenon of residuation***. This term comes from the basis of mathematics, algebra in particular. It means a mechanism for the logical integration of functions (Michael Hanus of the Max Planck Institute of Informatics). British researchers are using it to combine two concomitant housing phenomena: the decline of the rental sector (privatization of the social housing sector) and the impoverishment of the socio-economic profile of tenants residing in social housing. This term therefore proposes to analyse these two phenomena in an integrated way, considering the links that unite them, or even the possible solutions to these two phenomena. This affects most of the public rental housing stock and has been further increased as a result of Europe's desire to refocus public housing on social housing, exclusively reserved for the lowest income populations. The residue also leads to ***ghettoization***.

***The phenomena of urban gentrification***. This consequence of the financialization of housing exists on a global scale. City centres are being gentrified in favour of luxury accommodation and/or rental accommodation for tourists. The poorest populations first, followed today by the middle classes, have to leave the city centres to settle ever more on the outskirts. There are therefore forms of collusion between the banking sector and the development of urban real estate. All the cities in the world, in Europe, Asia, Africa or America, are experiencing the same reality. The consequences of gentrification are often **a much more problematic access to mobility (and therefore to employment), water and schooling**. Cities thus become megacities completely disconnected from their environment.

***Touristification is a specific form of gentrification***. The habitats are then reserved for tourists (AIRBNB). Tourist destinations are particularly targeted: Venice - Barcelona - Ankara - Cairo - etc. Some cities are starting to react to this problem. But rural areas are also affected: entire villages are bought by non-natives who transform them into **holiday villages**. The phenomena of **privatization of what was previously public** (beaches - green spaces, etc.) also fall within this general phenomenon.

***Land grabbing***. Land is now THE wealth to be accumulated. Few constitutions or laws around the world attempt to regulate these land grabbing phenomena. Some countries such as Benin are trying to oppose it - Switzerland has held a few referendums on the issue in order to block the possibility of resale for a certain period of time. Remember that the Land Matrix Website[[11]](#footnote-11) allows you to see who is buying whom on the planet. The consequences of these land grabbing are **massive evictions, large-scale migrations, territorial wars**.

***Mass expulsions.*** Financialisation thus creates a sharp increase in the number of **homeless people** on the streets, migration for economic reasons, but also and de facto a **weakening of populations** that are becoming more vulnerable and impoverished. This vulnerability of populations obviously has consequences since these people become physically and psychologically vulnerable. It seems that most of the time, people who are deported feel alone responsible for the situation and carry a form of shame that prevents them from getting into or out of action. Several social networks such as the International Alliance of Inhabitants[[12]](#footnote-12) are working to ensure that this feeling no longer overwhelms people "affected" by the eviction.

**PART II : COLLABORATIVE HOUSING, A POSSIBLE ANSWER**

Let us recall the definition of "collaborative housing" in the introductory note because it is the one that seems to emerge in the academic literature[[13]](#footnote-13).

**First look : inspiring models**

**On the housing side...**

At the beginning of the 19th century, Robert Owen in England was the founding father of the **cooperative movement** that spread all over the world in various forms. The housing model is then closely linked to employment and will also provide forms of collaborative housing such as Familistères. Several principles apply, such as "one man, one vote", being a cooperator and not a shareholder, holding cooperator shares rather than a title deed, etc.

At the end of the 19th century, Howard Ebenezer in England proposed another inspiring concept, that of the **Garden City**, which sought to combine the advantages of the city and those of the countryside, without their respective harmful effects. Several cities are inspired by it and public-social housing cities are adopting this urban development scheme. Garden cities offer a housing model where residents are members of their housing cooperatives, a way of giving them some decision-making power.

During the first decades of the 20th century, the **New Communities** in the United States (Alabama) developed, giving rise to the first **Community Land Trust**. A model that aims to address the issue of housing in a 360° approach, through access to land (CLT being developed in both urban and rural areas), also allowing access to health and education for these members. The CLT can be defined according to 4 components: it is first of all an alternative to private ownership of land and to the individual appropriation of land resources in the form of surplus value, a source of inflation in property prices and inequality in access to housing and territory. Secondly, it is composed of 3 significant terms: it involves extracting the soil - ***LAND*** - from the links of private property and placing it, outside the market, in the hands of an entity destined to be its perpetual custodian - ***TRUST*** - which will administer it in a participatory and non-profit-making manner in the common interest - ***COMMUNITY***. Thirdly, this requires the implementation of a series of anti-speculative mechanisms specific to each territorialized legal reality (such as the right of pre-emption) - fourthly, to enable the model to go beyond the notion of access to housing because CLT's ambition is to enable the collective management of urban and rural areas in order to develop economic, cultural, social, agricultural and other projects. A still a little different way of conceiving private property[[14]](#footnote-14).

**On the financial side...**

In the 17th century, an Italian banker, Lorenzo Tonti, devised a life insurance system in which people contributed financially to a common fund that provided them with a kind of life annuity. We will find this idea in the form of the so-called African "**tontines**", with two possible formulas: the rotating tontine and the accumulation tontine. This model is developing in various forms depending on the country, and in particular through the "*Collective and Solidarity Savings Groups*" in Belgium for access to housing for less well-off groups. This is how everyone's savings, put into a common pot, ensures that everyone has access to housing. A way of bypassing the use of banking and financial markets, which impose their criteria and constraints in the face of risks.

At the end of the 20th century, **micro-credit** was also inspiring, through experiences such as Muhammad Yunnus' Grameen Bank in Bangladesh. Even if this experience is disputed today, it has the merit of showing that access to "alternative" financing outside the banking system is possible within a community. This may be a way forward for people who remain outside banking channels, such as women or the poorest. Today, multiple actors in micro-credit exist all over the world. Micro-credit is a tool to fight social exclusion and a way to bypass bank debt circuits. It responds to the risks of financialisation by offering loans to those who are generally excluded, with professional support[[15]](#footnote-15).

Finally, taking up Aristotle's thought that "*private property must be turned towards a common use*", a last inspiring model is suggested: that of the **Commons[[16]](#footnote-16)**, a model that is now in vogue with those who believe that certain goods can neither be bought nor sold: DNA, land, knowledge, etc. The logic here is to say that there are "goods" that are "out of price" in the literal sense of the term because they are probably also out of price in the metaphorical sense of the term.

**Second look : a grid of models in tension**

Based on these inspiring models and the realities on the ground, we propose the construction of an analysis grid in order to identify habitat models that are not or not very speculative (or not or not very financialized) along two axes:

* **The market rules**
* **The added value**

Indeed, if housing is now a market good, it is also because it is encompassed by these two market logics: that of being put on the market as a good (housing - land) and that of generating profits (or surplus value). The proposed grid therefore assumes that some habitats are either outside the market or reinvent market rules in their own way to counter the perverse effects of the market. In the same vein, the grid proposes to consider that there are habitats that limit or suppress added value and others that devise (legal) formulas to capture the added value in order to share it in a different way.



From this first diagram, this first grid of models in tension, we propose to position some forms of collaborative housing, knowing that this is done in a somewhat arbitrary way and that we could find collaborative housing models probably in several settings.

We also reinjected the three forms of ownership into the model: usus - fructus and abusus.

**Let us now turn to the proposed models for more clarity:**

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***The frame at the top left.*** The common denominators of Commons (often land made available) and squats are that they are located outside the market: there is generally no financial exchange between the parties. Any owner is not recognised as having the right to receive remuneration for his property and therefore there is no added value possible. Only the right to use this property is valued through the action of squatting or occupying land considered as a Commons.

***The frame at the top right.*** Cooperatives and some forms of grouped (or participatory or collaborative) housing have been located within this framework. They could be located in other settings depending on the formulas chosen. Here, we favour the fact that these housing models have as a corollary a strong collective governance that imposes common rules that limit certain market drifts. Collaborative housing usually involves co-opting new inhabitants, by-passing a "normal" functioning of the market. The new resident is chosen according to his or her ability to "*share the group's values*", which must take precedence over a search for potential added value on the part of the former owner. Cooperatives do not offer to own a property, but to acquire shares in cooperators, which again changes the rules of the buying and selling market. One can therefore live in a property without having acquired the shares of cooperators equivalent to this property (in more or less). The value of shares can be adjusted according to the added value, but this is generally not the primary interest of the cooperators.

***The frame at the bottom right.*** It proposes the Community Land Trust model, which - when it comes to access to property - proposes models of property in real law (and therefore abuse), but with common rules to limit the increase in the price of rental or acquired housing. In this case, in Belgium, this model involves a right of pre-emption of the property at the time of resale and it is then the collective (in the form of a foundation) that defines the resale price and captures part of the capital gain within it. Market rules have been modified: one cannot sell at any price and the surplus value - after being captured - is shared (between the owner and the collective management body, the "trust" which can thus finance new housing or collective infrastructure).

***The frame at the bottom left.*** Probably the most difficult to imagine because, how to propose added value to be captured in a model outside the market. If instead of thinking only of the "housing and land market" we thought of the "financial market" (banking system), then we could argue that a model of access to housing is that of tontines, micro-credits or savings groups. Indeed, housing is no longer subject to the laws of the banking market, and yet an added value can develop from the existence of this property.

This is of course only a proposal for reflection that requires to be submitted to the reality on the ground, to be criticized by those who carry out this type of project.

**Third look: why does it work?**

After more than 35 years of reflection on this type of "collaborative" habitat[[17]](#footnote-17), we are convinced that if these models work, it is not because of the mechanics surrounding them. It is therefore not the "simple" legal status that makes it possible to avoid any drift, whether it be foundation formulas to protect assets or cooperative company formulas. Foundations are also good ways to accumulate wealth by-passing certain taxes; cooperatives are not necessarily models of exemplary governance. This remark can be extended to all anti-speculative devices designed by one or the other. It is always possible to bypass these devices for anyone who wants to[[18]](#footnote-18).

Therefore, if we were to identify what makes an anti-speculative or anti-finanising model work, we would put forward the following elements and in the order mentioned:

1. First, work must be done on **the purpose of this habitat**, it must be non-profit and/or the limited interest it generates must be considered as **a "legitimate" interest in the eyes of individuals and/or communities.**
2. It is therefore imperative to set up **a governance structure** that manages habitat according to this purpose (managers of grouped habitats, Community Land trusts, cooperatives, etc.). Governance must ensure that the purpose is maintained over time.
3. And only then can **anti-speculative measures or anti-financiarisation legal measures** be effective. These measures must also be implementable by the governance actors of the structure in order to maintain the coherence of the system "in proximity".

In order to explore a little further what underlies **the legitimacy of a governance structure**, we take up Pierre Calame's comments[[19]](#footnote-19) here and link them to collaborative housing models :

1. **Constraints arise from the needs of the common good.** The notion of the common good is therefore the value that must prevail in any governance system. Constraints must not come from special interests or administrative burdens. Mediation needs within collaborative habitats arise when the common good is no longer obvious to all.
2. **Power is exercised in accordance with shared values**. In many collaborative habitats, values are at the heart of the project. Either the new inhabitant must adhere to these values, or he has the opportunity to co-construct them. A Charter of shared values is generally the group's cornerstone. If people in collaborative housing cannot co-construct these values or at least fully and voluntarily adhere to them, abuses and problems will quickly emerge.
3. **Leaders are trustworthy.** The issue of governance is crucial in a collaborative habitat. If this governance is too far from the inhabitants (because it is exercised by a public authority for example), it loses its effectiveness. Many different and diverse models exist around the world with incredible creativity, but trust is always at the centre of the scheme in any collective decision-making model[[20]](#footnote-20).
4. **The principle of least constraint is respected.** If collaborative habitats are doing well, it is also because either the objective constraints compared to other models are less severe, or because these constraints are totally endorsed by the group, which no longer perceives them as "external" to it.

In order to explore a little further **the context in which this mode of housing is developing today**, we take up **the principles of the Right to the City**, an already old concept developed by Henri Lefebvre[[21]](#footnote-21). Activist networks such as the global network Habitat International Coalition[[22]](#footnote-22) wanted to take up the concept and update it in counterpoint to the United Nations' desire to develop a "New Urban Agenda[[23]](#footnote-23)" on a global scale. It is also a way of advancing the right to housing in the world, given that many countries will still refuse to include the right to housing in their respective constitutions. The principles of the right to the city according to this international network:

1. **Promote the social function of the land.** Here we find the notion of the right to use land; access to land being the keystone of the right to the city.
2. **Demand democratic management of the territories.** The notion of governance is reaffirmed here.
3. **Support the right to produce the city.** This principle echoes what is known as the Social Production of Housing, i.e. the capacity building and the right of inhabitants to self-produce their city and their habitat. The aim here is to promote collaborative housing. In the wake of this, it should be noted that the UCLG[[24]](#footnote-24), in its campaign "Cities for Adequate Housing" launched in July 2016 in New York, also calls for "more tools to co-produce alternative public, private and community housing solutions (...) not based on commercial profit".
4. **Maintain the link between economic function and housing in cities.** This amounts to undermining spatial organization formulas that would only create habitat spaces, with no other function. On the contrary, a mix of functions is desirable: housing, employment, shops, education, etc. This is what many collaborative habitats, including Cooperatives and Communty Land Trusts, offer.
5. **Conceive the city as a common good**, the public space as a common good.

Collaborative housing is a mode of housing that integrates these various "macro-societal" elements. That's why it's probably on the rise.

**Fourth look: collaborative anti-speculative and anti-financiarization housing**

Beyond the pious wishes and the great principles set out, it is time to take a closer look at collaborative habitats of all kinds and think about how they or why they would be anti-speculative or anti-financiarization.

*"The right to the city is the collective power to reshape urbanization processes"*

*(David Harvey)*

 Because some collaborative housing **bypasses traditional mortgage credit circuits**, whether through tontine, micro-credit or common models. There is therefore a possible distance from the traditional banking system, a major player in household over-indebtedness.

 Because **the burden of financial risk is not necessarily borne by a single person** (to use Manuel Aalbers' words on the financialization of individuals). If the borrower is a structured collective or if the loan is made through forms of ownership that will not affect a single individual in the event of difficulties (shares of cooperators, for example), then these formulas protect the inhabitants from financialization.

 Because **capital accumulation can take place outside banking channels**. Collective savings schemes or tontines offer accumulation outside the traditional channels. This does not protect them from everything, because these alternative circuits must still be trusted. In Asia[[25]](#footnote-25), many projects are being developed thanks to these collective formulas, as residents are unable to access the banking market.

 Because **collaborative housing can benefit from public support that will be considered common.** In traditional acquisition, the individual may receive state aid in some countries and with very strict rules. It can be seen that some forms of collaborative housing encourage public authorities to take more action in terms of public support for land (for example, by giving land for a limited period of time or forever). This is the case of cooperatives or community land trusts in Europe, but also in Africa and Latin America.

 Because **collaborative habitats will allow partnerships other than the famous PPPs** (public-private partnerships), with models of partnerships between citizens, citizens-associations, public-citizens. At the present time, in view of the forms of disinvestment by States, particularly in the field of social-public housing, would it not be wise not to turn exclusively to private developers and to favour forms of public-citizen partnership because they wish to engage in this type of housing, in particular through forms of active solidarity (**solidarity housing[[26]](#footnote-26)**).

Because the **capital gain is generally distributed differently or not realized**. Because it is values that prevail, because a strict system of governance is put in place, it is not profit that is put forward. The primary objective of collaborative housing is to provide habitat for collaborative use, not to create habitat as a source of financial return.

Because **governance at a more micro level imposes other rules** (often stricter, but accepted because they are chosen), **rules that guarantee the long-term purpose** of these habitats, including from a financial point of view.

 Because **the collaborative housing movement is taking off in a way never seen before** and its weight could also bring about profound changes in the face of the financialization of housing:

* **By reducing access to land** for purely financial projects (Swiss referendum actions[[27]](#footnote-27));
* By proposing to set up **another fiscality, another tax** for this type of housing which has a real societal added value;
* **By allowing access to credit (mortgage) at lower interest rates** because the financial risk - since it is borne by a community and not an individual - would be considered lower[[28]](#footnote-28).

*"What is not human labour cannot create added value" (John Davies)*

And more specifically for Belgium and Brussels, we propose to fight against financialisation and speculation via collaborative habitats by

 **Working on more appropriate legal models** (e.g. cooperatives - mixing a commercial and housing system within the same legal model is not optimal). In France, the ALUR Law attempts to propose new legal modalities via a system led by the SFOs (Solidarity Land Organisations) with a BRS (Solidarity Real Lease) for a new social home ownership scheme inspired by the Community Land Trust. Or Anglo-Saxon Shared Equity or Shared Ownership formulas allowing for the legal modulation of ownership status, via forms of co-ownership where the State can be one of the co-owners[[29]](#footnote-29).

**Proposing other ways of taxing real estate**, in particular by taxing the capital gain resulting from property or real estate speculation.

**Creating an anti-speculative Charter for private sector real estate operators**, similar to what the City of Paris has put in place.

**Demanding more active subsidiarity with public-citizen partnerships and/or by financing so-called transaction costs** (i.e. prior research of information to determine whether or not it is appropriate to create a new collaborative habitat). (see CLT and SHICC project)

**Reserving land in the city to develop this type of** habitat without creating urban ghettos. By taking inspiration, for example, from Switzerland where land has become prohibited for resale within 10 years.

**Rethinking the macro-prudential tutelary function that protects mortgage loans**, bearing in mind that many collaborative housing projects are being set up thanks to consumer credit because the models are too complex for simple traditional bank credit.

**Who are we?**

Habitat et Participation is a non-profit association created in 1982, with a focus on collaborative housing and citizen participation in housing. Since its creation, it has promoted grouped (self-managed) housing as a collective project that goes beyond the simple notion of "housing together". A specific feature of the Belgian model is to put the collective project at the heart of the housing project, a project that can be social - cultural - social and solidarity economy - ecological - religious. The first grouped habitats date from the early 1970s.

While the association began by promoting the model, it began to set up projects in 2005, which were carried out according to the "5 fingers of the hand": legal aspects (housing and social rights), urban planning aspects, financial aspects, architectural aspects, collective dynamics. Since 2015, the association has also been supporting groups of vulnerable people in so-called "solidarity" grouped housing.

Indeed, in 2006, the association carried out a federal study entitled "Habitat Solidaire" which led to the development of the concept first of all, followed by projects (2012-2013) (under the impetus of the associative sector or calls for projects from the public authorities). It was also at this time that both in Brussels and the Walloon Region the Community Land Trust was modestly set up. In 2019, it can be said that there are about 250 grouped and grouped supportive housing units in Belgium, with Housing Codes that have integrated the term supportive housing. Grouped housing is not defined in these Codes, which is positive in the eyes of the stakeholders to allow the model to continue to evolve and innovate.

The concept of grouped housing has therefore evolved over time. At the beginning (1970s) - as explained - it was mainly a question of living in community, with a common project led by the collective of the inhabitants. Since about 2012-2013, when solidarity housing developed, the concept has been open to two other objectives: promoting access to housing AND creating living together in neighbourhoods. Finally, a fourth objective is now timidly superimposed on the other three: to link grouped housing AND the economic dimension (employment), according to one of the principles of the Right to the City. This movement is already underway in rural areas, which is also reflected in increasingly complex legal forms, allowing the coexistence of various functions (housing - culture - social - economic).

According to a notary specialising in grouped (solidarity) housing, this model should continue to expand to reach 15% of the housing stock in the coming years. This is not unbelievable considering what is happening in our neighbors.

<https://habitat-participation.be>

<https://habitat-groupe.be>

This work on anti-speculative and anti-financiarization housing models was carried out with the support of the Charles Léopold Meyer Foundation for the Progress of Humankind. This is an Internet tool that is developing on housing rights in every country in the world:

<https://habitat-worldmap.org>

1. According to Darinka Czischke of Delft University in Holland. [↑](#footnote-ref-1)
2. See in this regard the "Land Matrix" website, which shows all the phenomena of land grabbing in the world: who are the buyers and which countries are dispossessed of their land, most often with the agreement of the policies in place. [↑](#footnote-ref-2)
3. This information comes from Mr Manuel Aalbers, Professor at the KULeuven in Belgium. [↑](#footnote-ref-3)
4. See EUROSTAT statistics on this subject. [↑](#footnote-ref-4)
5. See the analysis of the Spanish situation carried out by the Brussels Network for the Right to Housing (RBDH), by Anne-Sophie Dupont. [↑](#footnote-ref-5)
6. It should be noted that companies such as CAMELOT in the Netherlands are investing in a new market, that of temporarily empty housing. They offer individuals the opportunity to pay low rent to stay there in exchange for multiple constraints (from guarding the place to prohibiting children from staying there). [↑](#footnote-ref-6)
7. These reflections and explanations come from several interventions by Mr Manuel Aalbers, Professor at the KULeuven in Belgium. [↑](#footnote-ref-7)
8. Read also the new publication of the European Coalition Action network on the subject, published by the Rosa Luxembourg Foundation in 2019: <https://www.rosalux.eu/publications/housing-financialization/> [↑](#footnote-ref-8)
9. The publication of the European Coalition Action Network provides a non-exhaustive list on the subject on which this article is based. [↑](#footnote-ref-9)
10. Brett Christophers, The State and Financialization of Public Land in the United Kingdom, 2016 - <http://onlinelibrary.wiley.com/doi/10.1111/anti.12267/full> [↑](#footnote-ref-10)
11. Website to consult: <https://landmatrix.org> [↑](#footnote-ref-11)
12. The global network International Alliance of Inhabitants regularly organizes International Courts on Mass Evictions, some of which have been linked to the various phenomena of housing financialization. Examples: the one held in Venice (2018) in connection with the touristification of the city - or that of the Mediterranean basin (2019). <https://fre.habitants.org> - <https://fre.tribunal-evictions.org> [↑](#footnote-ref-12)
13. See the introductory note to this article. [↑](#footnote-ref-13)
14. Read John Emmeus Davis' book "Manuel d'anti-speculation immobilière - Une introduction aux fiducies foncières communautaires" - Ecosociété - Québec - 2014 [↑](#footnote-ref-14)
15. Read the article of the Financité network on this subject: "Why and how to do credit in Western Europe? " - <https://www.financite.be/sites/default/files/references/files/248.pdf> [↑](#footnote-ref-15)
16. Common, essay on the revolution in the 21st century by Pierre Dardot and Christian Laval, ed. La Découverte, Paris, 2017. [↑](#footnote-ref-16)
17. Proposals as Habitat and Participation, a non-profit association under Belgian law (presentation at the end of the document). [↑](#footnote-ref-17)
18. In Belgium, a city has developed entirely using one of the Community Land Trust's mechanisms, namely the separation of land and buildings. As a result of the races, habitats without land are sold at the price of habitats with land elsewhere. The "simple" separation of land and buildings is not enough to stem speculation. [↑](#footnote-ref-18)
19. "Small treaty of oeconomy or... Because limited liability companies (19th century) have become companies with unlimited irresponsibility (21st century)" by Pierre Calame, ed. Charles Léopold Meyer Foundation, Paris, 2018. In collaborative habitats that work, we generally find these principles of governance, principles that can also bring more rules than in a so-called classic habitat. [↑](#footnote-ref-19)
20. Sociocracy is nowadays a growing mode of decision-making. [↑](#footnote-ref-20)
21. Le Droit à la Ville, Henri Lefebvre, 1968. Among other things, it states that "making the city must not be reserved for the elites: integrating citizens into the city's construction processes becomes fundamental to exercising equality and freedom of action". [↑](#footnote-ref-21)
22. Habitat International Coalition Global Network - <https://www.hic-gs.org> [↑](#footnote-ref-22)
23. Habitat III Summit held in Quito in 2016: <http://habitat3.org/the-new-urban-agenda/> [↑](#footnote-ref-23)
24. UCLG = United Cities and Local Governments Global Network - <https://www.uclg.org/fr> [↑](#footnote-ref-24)
25. In Thailand, for example, the CODI project is a project where people acquire the capacity to negotiate long-term leases to ensure the sustainability of their habitat. <http://www.codi.or.th/housing/frontpage.html> [↑](#footnote-ref-25)
26. This is particularly the case for inclusive forms of housing, which are supportive housing for people with disabilities or mental health problems. Citizens want to get involved to create projects, but the legal and financial framework favours public and associative projects. [↑](#footnote-ref-26)
27. In Basel, Switzerland, a referendum in 2018 prohibited the further sale of public sector land to private parties - In Geneva, any sale of public sector land or buildings is subject to an optional referendum by the cantonal or municipal legislator, curbing neoliberal policies of transferring public property to the private sector. [↑](#footnote-ref-27)
28. Idea suggested by the URBAMONDE network - <https://www.urbamonde.org/en> [↑](#footnote-ref-28)
29. This formula therefore allows co-ownership between the inhabitant and the public sector. This has several advantages: it allows a person who takes on debt to acquire property to have a safeguard in perpetuity: if life becomes more difficult for him, the State can buy back part of the housing and continue to rent out this part (the person remains at home). That of allowing the public sector to recover funds by disposing of part of its "property" while keeping the property under the control of the State: the person cannot become a 100% owner of his property. Allow both parties to have a more equal dialogue and to invest themselves in housing as "owners". [↑](#footnote-ref-29)