



Collective Ownership

An innovative solution to the housing crisis >

Fair, resident-controlled rental homes >

Impactful investment in the future of housing >

An innovative solution to the housing crisis

Collective Ownership fundamentally changes housing in the UK, bridging the gap between private renting, home ownership and social housing.

- Homes democratically controlled by residents
- Not for profit
- Rent levels independent of the market
- Financially resilient and scalable with high social impact
- Compatible with new build and existing homes



www.collectiveownership.co.uk

Fair, resident-controlled rental homes

We focus on stability and resident control to combat the insecurity and disempowerment faced by private renters.

Stable housing is the foundation upon which we build our lives, allowing us to put down roots, plan, and grow.

Collective Ownership avoids the culture of dependency found in the landlord-tenant relationship. Residents are free to control what they do with their homes, and benefit from:

- Stable rents, with affordability increasing over time.
- Rights similar to home ownership in terms of security, choice of property, and day-to-day control.
- Democratic management with power and responsibilities over maintenance, new residents, and how rents are paid.
- An incentive to improve sustainability and quality.



Frequently Asked Questions by new co-op groups and their members

1.1. What is a Housing Co-operative?

A housing co-operative is a group of residents who collectively manage their own housing. Instead of having a private landlord, residents form a legal organisation (a co-operative society) where everyone who lives there is both a member and a tenant. This means you're essentially your own landlord, together with your neighbours – you democratically make decisions about repairs, maintenance, who moves in, and how the co-op is run. The co-operative operates as a non-profit, so there is never an incentive to charge more rent than necessary and any surplus goes back into maintaining and improving your homes rather than to profit an external landlord. The co-operative might own the properties outright (freehold) or lease them from another organisation, but either way, residents remain in full control of their housing.

1.2. How does the Collective Ownership model work?

Collective Ownership aims to make not-for-profit resident-controlled housing more widely available in the UK, by scaling up housing co-operatives. The approach bridges the gap between the private rented sector, home ownership, and social housing. The model hinges on separating the functions of:

- day-to-day housing management and the lived experience, which is kept in the hands of residents organised as small housing co-operatives (Member Co-ops), and
- raising and managing funds for property acquisition to expand the number of homes in collective ownership. This is the role of the Collective Ownership Society.

The Collective Ownership Society (COS) is a professionally run organisation which purchases properties to lease on to groups of residents organised as housing co-operatives (the Member Co-ops). COS focuses on raising investment and mutualising assets to deliver growth and affordability. Properties are held long term to leverage economic power while Member Co-ops have direct control over the management of their homes.

1.3. How is the Collective Ownership Society incorporated?

The Collective Ownership Society (COS) is incorporated as a fully mutual 'secondary' housing co-operative, where all the member-tenants are housing co-ops (Member Co-ops) and not individuals. In other words, COS is "a co-op of co-ops". As such, COS is not-for-profit and democratically controlled. Each Member Co-op has a say on how COS is run.

1.4. Why become a member of the Collective Ownership Society?

The Collective Ownership Society (COS) offers a fundamentally different approach to housing: one based on co-operation, not competition. When you join as a member co-operative, you're not just solving your own housing problem - you're strengthening an entire movement. Each new member co-op makes Collective Ownership stronger:

- More member co-ops strengthen the entire entity, allowing us to purchase more properties more quickly
- A growing network strengthens our profile with funders, lenders, and policymakers, furthering COS' mission to provide secure, co-operative housing at scale
- Each housed group generates revenue that helps house the next co-operative
- Your participation builds the evidence base for an alternative housing model

Joining as a member does not guarantee the COS will be able to purchase a property for your co-op, as this will depend on project viability and available resources. Although you may not be housed immediately, by joining as a member, you actively contribute to speeding up acquisitions for all groups. This is co-operation in action – working together to ensure everyone has access to secure, co-operative housing.

1.5. How can my group or co-op become a member of Collective Ownership?

We are happy to talk to groups before they become formal members. Contact us with a few details if you have a property in mind or savings to invest. If you are yet to form your co-op, we can provide guidance on incorporation. An incorporated co-op can become a member of COS as a prospective tenant for a period of two years, allowing time to find and secure a property, by completing the [Membership Application form](#).

1.6. Can I set up a housing co-op without Collective Ownership?

Yes, but it has proven to be difficult. New co-ops face high property prices, can't access good financing terms and face expensive, piecemeal funding. Much of their rent goes to servicing high-cost debt rather than keeping housing affordable. A big driver to devising Collective Ownership was for more renters to be able to take control of their own homes, by making it easier to set up a housing co-op. Collective Ownership is well placed to provide the financial infrastructure and scale that individual co-ops lack, securing better financing, to move quickly on property purchases, and reinvest surpluses into acquiring more homes for more co-ops. The COS can also cover all the costs involved in financial modelling, legal work, and surveys.

1.7. Do you need money to work with Collective Ownership?

No, but if your group has access to some capital that can be invested, or access to a particular grant or donation, this can be ringfenced for a property to be leased to your co-op. Depending on the amount and the terms, it can help make a project viable or make the starting rents lower. See the FAQs on investment.

1.8. Why can't our co-op own the property directly?

In a way your co-op owns the property as a member of COS, along with all other member co-ops. Mutualising ownership in this way, makes for a stronger entity and means that each project contributes to changing the market as a whole, and not just their own housing situation. Where individual co-ops own their properties, they have tended to do very little in terms of growth and expansion, for various reasons. This locks the potential benefits within the individual co-op rather than expanding affordable housing and resident-control to others. Even if a new co-op has plans for expanding as the mortgage is paid down, this is typically decades away, when the membership, capacity and ambition may have changed. Collective Ownership is designed to ensure mutualisation and growth takes place, and to make the most of assets by professionally leveraging them for further growth.

1.9. Why is there a lease? That doesn't sound very secure.

A 5-year "short" lease means the property interest (value of a capital asset) sits with the COS, allowing it to leverage better borrowing terms, so that all member co-ops benefit, and more co-operative homes can be provided. The lease will typically be renewed automatically, unless there is a good reason not to renew, such as major or consistent breaches of the lease contract, or governance issues in your co-op which are not addressed. The COS Board's decision not to renew a lease can be overturned at a Special General Meeting by a majority of Member Co-ops, so there is a mutual check and balance on COS Board actions from other member co-ops. This is something that is not found with other landlords and represents the ultimate collective control of members and residents.

1.10. What happens to our co-op if the Collective Ownership Society ceases to exist?

Co-ops are generally very stable, and spreading risks across a larger number of co-ops makes COS even stronger. If COS is forced to close, or "dissolve", its rules say that all assets must be transferred to other similar societies. Properties occupied by member co-ops will be transferred to those co-ops, once all outstanding liabilities have been settled. Your co-op would then independently own the property. This ensures properties continue to stay outside of the speculative market.

Member co-op rights

Member co-ops have extensive rights that give residents real control over their housing and a stake in the Collective Ownership Society. We aim to be as hands off as possible, and will only intervene if a member co-op is not paying their lease rent; is neglecting or damaging the building/s etc. Your co-op will operate like any independent co-op, with similar responsibilities.

2.1. Day-to-Day Control Rights:

- Complete autonomy over daily management of your home: you decide on decorating, internal layout changes, and house rules etc
- Authority to manage all routine repairs and maintenance using your own chosen contractors
- Freedom to decide how the total rent is apportioned between members
- Right to develop your own policies for repairs, arrears, and conflict resolution
- Sell property to COS below market value
- Allows you to realise some value while still creating social impact

2.2. Security and Tenure Rights:

- 5-year lease for your co-op that will be renewed unless breached
- Protection from arbitrary eviction or market rent increases
- Stable rent tied to COS' operating cost and cost of capital (a "cost rent") rather than to market speculation, with affordability increasing over time.

2.3. Democratic Participation Rights:

- Right to vote at COS AGMs through your co-op and influence the direction of Collective Ownership: this includes participation in decisions about COS policies, investment priorities, and organisational development. COS' structure makes it unlikely to drift away from its core mission since changing the objectives would require an agreement from all member co-ops, and COS' rules require a number of independent board members, who should act as stewards protecting the mission.
- Right to call a Special General Meeting (SGM) through your co-op, and influence all of the above, including overturning the COS Board's decision not to renew a lease.
- Right to stand to be on the COS Board at AGMs, as a representative of your co-op.
- There will be other opportunities to participate in volunteer groups or policy consultations to support the COS team and board.

Lease rent

3.1. How does COS calculate lease rent levels?

COS uses a “cost-rent model” to set co-op lease rents. This means that rather than being dictated by the speculative market, rents are based on the actual costs associated with your project. By far the largest of these is the cost of capital associated with your property (i.e. servicing debt and investments used to buy the property for your co-op). As a result, the cheaper the property and the cheaper the capital used to buy it, the cheaper your lease rent will be. This is why being able to bring investment on good terms and donations is so important. The lease rent should be around 90% of the total rent your co-op charges to resident-members (called the “Anticipated Resident Rent”). This 10% buffer allows your co-op to cover things like day-to-day repairs, co-op management, void periods, and discretionary funds like social budgets. Projects will be seen as unviable if the Anticipated Resident Rent necessary to cover all cost is above market rent for a given property. So, you would never pay more than market rent.

3.2. What does COS do with monthly Lease Rent payments?

Monthly lease rent payments are used to:

- Service debt repayments - paying down mortgages and investments used to purchase properties
- Set aside a capital works fund - to cover big costs like roof replacement and boiler upgrades
- Pay buildings insurance for all properties
- Cover professional administration, support and training
- Set aside any remaining funds to grow reserves that can be used to acquire more properties and bring them into collective ownership, expanding affordable, resident-controlled housing for other co-ops while ensuring your property is maintained.

3.3. How will lease rent levels change over time?

As a democratically controlled non-profit organisation, COS has no incentive to follow speculative market rent levels; it only needs to cover costs and build up a reserve for further growth. The lease rent will therefore remain independent of market rent fluctuations. This implies more predictable changes to rents rather than speculative market jumps.

3.4. How does this achieve long-term affordability?

Since COS does not follow speculative market rent levels, the Anticipated Resident Rent will decouple from market rent over time and become comparatively cheaper and more affordable while remaining predictable and stable. COS sets an affordability target linked to local wages in a given area (similar to London Living Rent which is based on a third of local median incomes). Once the Anticipated Resident Rent has reached that affordability target, the Rent will continue to track the affordability target rent level. This model of rent increase protects from market speculation while delivering stable and affordable rents over time and ensures Collective Ownership builds economic power to continue growing and house more people in co-operatives.

3.5. Why does rent remain at the affordability target?

The goal of COS is to keep expanding the number of people who can benefit from resident controlled, affordable rental homes. As such once the Anticipated Resident Rent reaches what is considered an affordable rent level, the rent will not below that level and any additional surplus can be utilised by COS to finance additional property purchases. This approach allows us to build more surplus from older projects (where the debt on the property might be paid off) to support setting-up ones.

3.6. Why do established co-ops have such low rents?

Most established co-ops started many years ago in an environment where there were large amounts of grant funding or subsidy available, some took over low-value buildings, and most have paid off their corporate mortgages, meaning their rents only cover their repairs and running costs. Many established co-ops don't need to increase their rents or actively choose to keep their rents to a minimal level. Whilst this is great for those residents, it means there isn't the capacity to support expansion or new co-ops securing properties. The Collective Ownership model overcomes this problem and ensures that surplus from established projects helps support newer ones.

3.7. Would our rents be lower if our co-op directly owned the property?

Because the Collective Ownership Society ought to be able to borrow on better terms than an individual start-up co-op, your rents are likely to be lower as part of COS in the first few years than they might be if you were working alone as a co-op. However, once the mortgage is paid off, as an independent co-op you could decide to lower rents to a level below that which would be possible through Collective Ownership. Whilst this would be great for your co-op's members at that time, you may not be around to see the benefit, and it won't allow new co-ops to be supported.

3.8. What should Member Co-ops charge residents on top of the lease rent to COS?

Resident rents should be around 10% more than the Lease Rent. We will help individual Member Co-ops to work out what is appropriate on a case-by-case basis as part of the financial appraisal for the project. Member Co-ops should consider the funds needed to cover day-to-day repairs, maintenance, and improvements, "void periods" when you may be waiting for new tenants, and arrears when someone hasn't paid their rent on time.

3.9. Can we charge different rents to different residents?

Yes, provided you can meet overall Lease Rent obligations for your co-op, and your approach is fair and transparent. Typically, people may pay different rents according to the size and location of their individual dwelling or room, although you could choose to adjust rents in relation to incomes or to reflect volunteering.

3.10. What happens if market rents fall significantly?

The Anticipated Resident Rent should never be more than the initial percentage of market rent the property was secured at.

Lease terms

4.1. What would constitute a breach of the lease?

The lease is a contract between the COS and your co-op. Anything that is not in line with the contract would be a breach, however major breaches include non-payment of lease rent and consistently ignoring day-to-day repairs that degrade the property.

4.2. What happens if our co-op's lease rent is late?

The basic rule is that interest charges apply after 14 days, and persistent non-payment will be considered a breach leading to your co-op facing lease termination proceedings. However, COS will assess each situation individually if there are good reasons for delayed lease rent payment.

4.3. Who can be a tenant?

Tenants in your co-op can be anyone you choose as a member (all tenants must be members, and all members must be tenants). It is up to each member co-op how they find residents and let vacancies (see below). Only corporate bodies who are constituted as housing co-operatives can have leases from COS.

4.4. What is our co-op responsible for?

- All regular repairs and maintenance including structure, outside, plumbing, electrical, heating systems
- All utilities and bills (council tax, water, gas, electricity, internet, TV license)
- Safety compliance (gas safety certificates, electrical safety, fire safety)
- Cleaning and general maintenance
- Garden/grounds maintenance

4.5. What is COS responsible for?

- Building insurance (fire, flood, structural damage, etc.). Your co-op may choose to insure contents
- Major capital works and investment in discussion with the co-op

4.6. Can we make alterations to the property?

Non-structural alterations are allowed. Structural changes and anything that needs planning permission requires written consent from COS.

4.7. Are there any restrictions on who can live in the co-op?

Your co-op is responsible for its own membership and lettings. You may decide to set out your housing allocation practices in a fair and transparent policy or work through friends and networks. You may consider interviewing or assessing prospective members to ensure they understand your ethos or are likely to participate and be good tenants. COS will not impose restrictions on who you can bring in as new member-tenants, unless there is some external grant requirement that certain income or demographic groups are housed in your co-op.

4.8. Will the COS help us with running our co-op?

We are working on providing a range of practical resources and documentation to help you set up and run your co-op. Before moving in, and within the first 6 months of a lease, you must complete training to show you understand good co-operative governance, property management, and housing management. Training will be provided by our partner organisations, who have direct experience of running and living in co-ops. There should also be a network of member co-ops who can provide informal support and practical ideas.

Property

5.1. How do we find properties for our co-op?

You are free to search for properties yourself, which the COS may purchase on your behalf and lease to your co-op. Typically you'll be looking for a small group of dwellings available at the same time, such as a large Victorian villa converted into flats of a large house with several bedrooms that can be shared. Sometimes these can be found on Rightmove or Zoopla or by giving your requirements to estate agents. Otherwise, you can track recent planning permissions to see if there are new developments that the COS could purchase as they are being built by a developer or a council, as several dwellings will be available at the same time. Occasionally the COS may find suitable properties, and advertise these to member co-ops or those who have expressed an interest (www.collectiveownership.co.uk/become-a-resident/).

5.2. How will COS decide which properties to buy for which co-ops?

We will carry out financial reviews of proposed properties, and may consider several groups with several properties, at any one time. We will take a practical and financial view of potential purchases, in line with a number of key criteria. This may mean we choose not to proceed with a project, due to not meeting the criteria, or having limited funds available, and other better opportunities.

5.3. What are the key criteria when looking for potential properties?

Potential properties should:

- be vacant possession, or sitting tenants who agree to be part of your housing co-op.
- be habitable at the point of purchase,
- have a minimum of 2 self-contained dwellings or 4 rooms in close proximity, for practical reasons.

Financial criteria will include a minimum market yield of 5.5% or higher. This may be more difficult to achieve in high value areas or brand-new, high-end buildings.

5.4. What is the yield?

The yield is the total annual rent divided by the capital cost of the property (including initial work and retrofit etc.). To calculate it, you will need to use the total market rent for the property. This gives a quick assessment of potential financial viability and helps in setting your budget when searching for properties. The COS will then carry out more detailed financial modelling with the specifics of the project, as set out in our Property Search Guide.

We'd love to make connections and get feedback.

Please don't hesitate to contact us:

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