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According to the National Bureau of Economics Research: “since 1945, US economy has been going through ten recessions; nine of them were preceded by a modification in the real estate market”.

The problem is recurring.

Among the causes that seem to inexorably push American economy towards a recession, which is going to affect the whole world, there are home loans, often too easily granted and inadequately controlled.

Loans secured by real estate have gone up to more than US 1,500 billion dollars, while savings are close to nil. The problem, concealed within the credit since 1945, has busted – according to the economist J. Stiglitz – when the relation between real estate prices and salaries, was no longer sustainable.

For 52 years, in the US, real estate cycles had a controlled dynamic, while in only 8 years, - from 1998 to 2006 – home value has increased by 83%.

Such an irrational growth inevitably causes a drastic fall in prices and a stop in buying and selling and in investments. Between January 2006 ad June 2007, the opening of new construction sites has gone down by 40%.

While during the previous 10 years, 30% of the homes were for sale, in 2007 there was a fall of 6,3% in the sale of second hand houses. The trend is bound to get worse and is going to affect people all around the world.

These data are included in the 3rd relation of the research organization CRESME and in the report that Luciano Caffini, President of ANCAB (National Housing Co-operative Association), presented last February at the 2008 ANCAB-Legacoop National Assembly. The main theme of the event was the housing emergency in Italy and the role that housing co-operatives can play in building an effective relationship between market structures and welfare organizations.

During the last decade, the housing emergency was not adequately tackled at political and institutional level. With a pro-capita investment of only 5 € in 2003, Italy is at the bottom of the list of European Countries in terms of housing policies. In the first position we find the UK, with an investment of 369 €, followed by France (203 €), Denmark (182 €), Sweden (147 €) and Ireland (146 €).

Italians always showed a strong tendency to be the owners of the houses they live in. Families owning their houses or the houses of their children represent 75% of the population, in comparison with the 56% in France and 43% in Germany.

In spite of this, there is still a relevant part of population, particularly formed by young people, immigrants and a large segment of middle class citizens, that can neither afford to buy a house, nor to pay rent.

They are left alone in dealing with the increasingly high cost of living and currency.

According to Nomisma, in the last five years the contraction of incomes and the lift of real estate value have gone over 40%, causing an increasing of 44% of the average incidence of the cost of rent on family incomes.

This is a very difficult situation, particularly for young families, the number of which is unusually growing, which are smaller and with an age ranging between 30 and 39 years.

The current development model is not able to provide effective answers. The idea that market regulates everything is no longer acceptable even for residential real estate, while sustainable housing is no longer sufficient to meet the demand, increasingly higher and more articulate.

Families living in degraded suburbs or runned down houses need to improve their living conditions and to find new means to invest reasonable amounts of money to achieve this goal. There is a great demand of houses with a price range around 150/200,000 euros.

It seems that in the period of 2006/2012, investments will be taking two different directions: an increase of 6% in new houses and a decrease of 25% in home renovations.

This trend contradicts the need of saving energy, which was not taken into consideration when building new houses 30 years ago, causing

today the well known serious economic and environmental consequences.

Housing policies can– ad must – contribute to the development of society through a range of initiatives consistent with economic growth ad the improvement of standard of life: supporting the creation of new families, the mobility and the dynamism of employment; the reduction of house expenses and the obligation of buying a house, the condition to liberalize consumption; the welcoming of new citizens and new families. These are the basis of social inclusion and cohesion.

Among the several problems characterizing modern society, safety is a priority. Cities have lost their original sense, becoming places of fear and solitude.

In light of this, we have to look at the safety of houses not only in terms of the way to build them but also as the basis to create open and secure communities.

The Italian housing co-operative movement has been facing these problems for a long time. Since 1969, 300,000 new houses have been built by co-operatives. Every year 7000 new houses are assigned to members, with a price ranging between 5% and 30%, lower than market price. Co-operatives have also been carrying out interesting social experimentations with new families, involving the use of new technologies.

This co-operative typology dates back to the second half of the 19th century. Since then, Italian co-operatives changed their denomination several times, to highlight a constant tuning with the changing needs of their members and society: from “building co-operatives”(end of '800) to "construction co-operatives" (from 1938), to “housing co-operatives" (during the '80) and finally to "ihabitant co-operatives", from the '90.

This long period of time saw an increase in the ability of co-operatives to administer complex processes, uniting management effectiveness with social commitment

In building houses, co-operatives pay attention to eco-sustainability, environmental quality and energy savings. At the same time, they provide services to tenants such as co-operative day care, health centres, and houses for senior citizens and student accomodation.

In the next ten years, Italian co-operatives are planning the construction of 30,000 new houses and the rebuilding of 100,000 houses no longer used by public welfare.

On top of this, 40,000 houses in undivided property are assigned to members, at a price rent of about 275 euros per month.

This represents a great contribution to overcome social discomfort, providing the necessary services to local communities and helping large parts of population accessing a home. However, problems so complex cannot be solved by acting alone.

We need housing policies able to interpret market trends and to identify possible ways to adjust production costs, to reduce sales and rental prices.

A closer collaboration between private subjects and public institutions around common economic and social objectives is the indispensable condition to translate proposals into concrete facts.

