



UTS: INSTITUTE FOR SUSTAINABLE FUTURES

Cohousing for Seniors

Literature Review



2017

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The Institute for Sustainable Futures (ISF) was established by the University of Technology, Sydney in 1996 to work with industry, government and the community to develop sustainable futures through research and consultancy. Our mission is to create change toward sustainable futures that protect and enhance the environment, human wellbeing and social equity. For further information visit: www.isf.uts.edu.au

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1 INTRODUCTION

Australians are becoming an increasingly aged population. This is likely to throw up major challenges for meeting demand for aged care services in future. Further, Australia's next generation of seniors—baby boomers—are also likely to demand greater choice and diversity of options for seniors' services and housing.

An alternative housing model for seniors that has been implemented for decades in northern Europe and the US is cohousing.

Cohousing is a form of community living that contains a mix of private and communal spaces, combining autonomy and privacy with the advantages of community living. It can occur at a variety of scales, from multi-unit developments to small, self-organised clusters of 2-3 households.

Cohousing has some characteristics that make it distinct from other forms of shared or communal living:

- Cohousing communities are usually designed, organised and managed by their residents. Residents are generally involved from the planning stage to design the community, and are engaged in active participation and self-governance once the project is established.
- Cohousing communities are generally designed to encourage community interaction and collaboration. Shared spaces may include common houses, communal kitchens, shared facilities such as laundries or simply outdoor spaces designed for interaction. Buildings are designed to maximise opportunities for community interaction using elements such as sight lines and pedestrian flow to bring people together, while not forcing interaction.
- Cohousing communities do not have communal economies (unlike communes) nor do they need to have shared ideologies (unlike intentional communities). Rather, they are defined by a commitment to neighbourliness and community living.

1.1 WHY COHOUSING FOR SENIORS?

Cohousing has offered an alternative to mainstream housing options for seniors in northern Europe for several decades and, more recently, communities have also emerged in the UK and the US. Cohousing provides particular benefits for elderly people, including:

- Providing informal care through community contact, allowing seniors to age in place, contribute skills and often reduce care costs
- Increasing social contact by fostering a vital community that is truly connected, reducing the social isolation often experienced by seniors
- Providing an opportunity for seniors to downsize, without having to move to a retirement village or nursing home
- Giving opportunities for learning and skill exchange through shared activities and initiatives
- Participating in the community in ways that keep older people active and engaged, including the ability to manage decisions about their neighbourhood
- Reducing of single person dwellings, cutting living costs, demand on housing supply and the physical and environmental footprint of housing
- Providing intergenerational connections and skill sharing through intergenerational living (depending on the model).

1.2 ABOUT THIS PROJECT

This literature review discusses key demographic and social trends in ageing and seniors housing in Australia. It then considers the characteristics of cohousing, and how and why it might be a suitable alternative housing model for senior Australians. This review also considers case studies and possible cohousing models.

The literature review is the first step in the Cohousing for Seniors research project, which explores opportunities to increase the uptake of cohousing as an option for seniors. Other activities include:

- Stakeholder interviews
- Observational research
- Focus groups with seniors
- Strategy development
- Development and dissemination of publications.

2 SOCIAL TRENDS: AGEING AND SENIORS' HOUSING

2.1 AGEING AUSTRALIA: DEMOGRAPHIC TRENDS

It is a well-publicised demographic trend that Australia, like many nations around the world, is home to an increasingly aged population. In 2008, one in seven Australians was aged over 65 years (Productivity Commission 2008). In 2016, 16% of the NSW population was aged over 65 years, and this is expected to rise to 25% by 2056 (NSW Government 2016). 10% of the population of NSW will be over 80 years of age by 2056, and there will be a tenfold increase compared to 2016 in the number of people aged over 100 years in NSW (NSW Government 2016). Further, increased longevity is a trend set to continue, with the life expectancy for NSW expected to rise to 88.6 and 91.4 for men and women respectively by 2056 (NSW Government 2016). This is particularly salient for discussions of aged care, as those in the oldest group tend to require the highest level of care.

The aged dependency ratio—that is, the proportion of aged people in our population who are not in the labour force relative to the number of our population in the labour force—will rise from 24% currently to 42% by 2056 (NSW Government 2016). The increase in the aged dependency ratio is particularly pronounced in regional NSW, where it will be close to 50% by 2031, and is greater in the Illawarra and Hunter/Central Coast regions than in Sydney (NSW Government 2016). A high aged dependency ratio significantly skews the cost of aged care provision relative to GDP. Thus, over the next 40 years, Australia will need to provide aged care services to a much larger cohort (both in relative and absolute terms).

2.1.1 Income, wealth and inequality

The literature suggests that not only is the next generation of seniors likely to be larger than any generation before, it is also likely to have a wider range of demands for aged care services due to changes in demographic profile. Higher incomes, higher asset worth and easy access to credit has resulted in increased living standard expectations for retirement amongst baby boomers (KELLY Research 2012). Indeed, baby boomers represent the wealthiest households in Australia, having greater average net worth than other age groups (Productivity Commission 2015). This wealth is likely to allow many of them greater choice in accessing services. For the wealthier baby boomers, community care is made more tenable by their financial autonomy. This will allow them to pay for services to support them in their own homes or in retirement villages, although drawing on home equity to pay for retirement is generally seen as a last resort for older Australians, and this mindset may present a barrier to accessing this wealth (Productivity Commission 2015).

Despite many policies assuming that large numbers of baby boomers will be able to provide for themselves (Quine & Carter 2006), around three quarters of pension-aged people will be eligible for the age pension (Productivity Commission 2008). The average superannuation balance for 65-74 year olds is over \$300,000, however this figure can be deceiving, as the median superannuation balance for the same cohort is zero (Chester 2015). Many more older people than previously have significant levels of debt that are worth between 42% (for low-income, pension-eligible households) and 91% (for higher income households) of the value of their superannuation (KELLY Research 2012). Many of these households will use their superannuation to reduce debt, resulting in a loss of income available for their retirement years (KELLY Research 2012). This means that large numbers of Australians will face challenges in affording aged care, especially in seeking alternative options. Retirement villages and market rents may be unaffordable for many older Australians, and staying in their own homes may be unfeasible for many, meaning they will require

affordable rental retirement accommodation. Affordability and choice will thus remain a key challenge for aged care service provision in future.

2.1.2 Employment

Baby boomers are the first generation to experience a 'long retirement'—with many able to expect two decades of life following their exit from the workplace (Humpel et al. 2010). This may bring with it new demands and opportunities for catering to older populations, as they are likely to have different expectations to previous generations as to how they will spend this time.

Many baby boomers continue working in some capacity or another into their retirement—largely, they report, because they enjoy it (Quine & Carter 2006). This is less often the case for blue collar workers, many of whom had strenuous manual jobs, but is common for white collar workers, who feel that their experience provides them with knowledge and skills that they can continue to share (Quine & Carter 2006). Thus, many baby boomers will not expect to live an idle retirement, but will look to be engaged and active—in the workplace and elsewhere.

2.1.3 Health

Future generations of seniors are more likely than previous generations to suffer from neurodegenerative diseases such as dementia (Productivity Commission 2008), to have complex care needs due to severe disabilities (Productivity Commission 2008), be obese and have related health problems (Quine & Carter 2006) and to have diabetes (Humpel et al. 2010). Those who were aged 65 in 2012 can expect to live without disability or limitation until 74 (men) and 75 (women), and would then live with a disability or limitation for 7 years before spending an average of 4 (men) and 6 (women) years with a severe disability or limitation (Australian Institute of Health and Welfare 2014). This will likely mean an average of 11 (men) and 13 (women) years of living with care requirements, with these care requirements increasing in the final 4-6 years.

As a result, baby boomers are more likely to make use of health services than previous generations, placing increased demand upon these services. This means that community care services may be required to deal with more complex care requirements than has been the case for previous generations.

2.1.4 Other demographic factors

Many baby boomers have experienced divorce or separation, meaning there will be many single older people requiring care. The number of older women in the private rental market is increasing (Homelessness NSW 2016). However, male life expectancy has been rising faster than female life expectancy, reducing the gap between male and female longevity. This has actually contributed to an increase in the prevalence of couple households rather than single households amongst those aged over 65 years (Productivity Commission 2015). This will likely impact the way older people make housing decisions, as having an informal carer can delay entry into residential aged care (Productivity Commission 2015).

Older age cohorts are also progressively reflecting Australia's ethnic diversity (Productivity Commission 2008). This is likely to create demand for a greater diversity of culturally appropriate, flexible and consumer-centred aged care services (Productivity Commission 2008).

2.2 WHERE DO SENIOR AUSTRALIANS LIVE?

The vast majority of Australians (89%) aged 65 and over live in private homes (including private rental, social housing and mobile home communities). Around 4.5% live in

accommodation for retirees such as retirement villages, 6.6% live in residential aged care, and 1% live in hospital (Productivity Commission 2015). The living standards of older Australians become increasingly dependent on the characteristics and quality of accommodation as they age, with desirable characteristics changing as people pass through what are termed the active, passive and frail stages of retirement (Productivity Commission 2015).

2.2.1 Remaining in the home

The private home is the housing of choice for older Australians, with seniors overwhelmingly remaining in their homes and more than 80% of people over 60 years old indicating that living in their own home is their preferred living arrangement (Productivity Commission 2015). Whilst the vast majority are home owners, a small but significant proportion of older Australians (13.4%) are renters, and they are over-represented amongst both long-term renters and public housing tenants (Productivity Commission 2015). There are many reasons for this preference for independent living, with a desire for greater autonomy (Productivity Commission 2008), a desire to retain private leisure spaces such as gardens, and a reluctance to move away from social networks including family, friends and neighbours being key (Crisp et al. 2013). Many elderly people cannot remain in their own home without assistance, and thus rely on care provided in their home, known as 'community care'.

The preference for living in private homes is reflected in government policy, which has placed increasing emphasis on community care as a means of providing for older Australians. Community care services are typically provided by a mix of informal carers (family and friends) and community care providers—usually subsidised through government programs. Roughly 800,000 older Australians receive some form of Home and Community Care (HACC) services, whilst over 80,000 accessed home care packages (Productivity Commission 2015). Most of these clients (90%) receive only a small amount of care (less than two hours service per week), though some receive as much as 28 hours per week (Productivity Commission 2008). The Productivity Commission has advocated for continued governmental support for measures that do not impede aging in place, as not only is it the preferred option for most older Australians, delivering home care is more fiscally sustainable for the government, requiring much less public funding than residential care (Productivity Commission 2015).

The number of community care places has increased rapidly in the last 20 years, with a growth rate of 3.9% per year between 1996 and 2007 (Productivity Commission 2008). Since 2006, the share of subsidised community care places has grown from 2% of care services to 25% by 2014 (Aged Care Policy and Reform Group 2014; Productivity Commission 2008)

Growing numbers of older Australians, both as a proportion of the population and in total numbers, will mean that aged care provides for a declining proportion of Australians. This will make community care an increasingly important component of senior housing. However, ageing in place is likely to become more challenging for older Australians due to a number of factors.

Ageing in place relies upon the availability of informal and unpaid care. The relative availability of informal carers is expected to decline over the coming decades: the demand for such care is likely to rise by 160% between 2001 and 2031, while supply will increase by less than 60%, failing to keep pace with growing needs (Productivity Commission 2008). This will lead to a shortfall of 600,000 carers, potentially undermining the ability of community care to provide for older Australians (Productivity Commission 2008).

2.2.2 Mobile home communities

A mobile home community refers to caravan parks and manufactured home estates such as residential parks and lifestyle villages. These are communities in which the park owner owns the land, with the homes (commonly caravans or cabins) either rented or owned by the resident. In 2011, 2.1% of Australians over 65 lived in a mobile home community. There were 165 manufactured home estates in Australia in 2013, with strong growth in those marketed specifically towards older Australians in the past few decades. There are a further 750 mixed use caravan parks where permanent residences were available (Colliers 2015 cited by (Productivity Commission 2015). Compared to retirement villages, the average senior resident of a mobile home community is much younger (67 years old) and motivated to choose this housing option for financial and location reasons rather than health reasons (Productivity Commission 2015).

2.2.3 Retirement villages

Retirement villages are self-funded aged living options, which usually sit somewhere between community care and residential aged care along a spectrum of aged housing options. Retirement villages usually involve the provision of care and services, though at a less intensive level than that provided in residential aged care. Retirement villages provide a degree of autonomy, but usually provide opportunities to access additional paid help such as cooking, cleaning and in-home care (Property Council of Australia 2014). They usually involve some degree of community activities in which residents may choose to participate, and some shared facilities such as pools, gardens and fitness centres.

Retirement village residents usually have leasehold tenure over their dwelling—that is, they pay an ‘ingoining’ payment (which is often refundable upon leaving the community, minus management fees and other costs) in addition to a monthly lease fee (Property Council of Australia 2014). Some retirement villages involve freehold tenure, in which the resident owns their dwelling outright. Management fees are still normally accrued under these arrangements, payable on exit of the village (Property Council of Australia 2014).

About 185,000 residents live in over 2000 retirement villages across Australia (Property Council of Australia 2014). Forecast demand varies: Crisp et al. (2013) estimate that an additional 65,000 residences will be required by 2028 while the Property Council of Australia (2014) estimates that demand for retirement village living will double by 2025 and that demand will total over 380,000 units. However, both projections reflect a growing interest in more autonomous forms of aged housing that allow ageing in place.

Seniors tend to move to retirement villages due to declining health or loneliness (especially older retirees) or opportunities such as improved quality of life, a community environment, health and fitness facilities (cited by younger retirees as a motivator) and supported living services (Crisp et al. 2013). The reduced need for home maintenance, reduced burden on families and the convenient location near relevant services were also cited as motivators for moves to retirement villages. Others may avoid retirement villages due to perceptions of these communities as isolating, expensive and involving a loss of privacy (Crisp et al. 2013). A concern over a lack of privacy was seen as a key downside of ‘condensed housing villages’ (Crisp et al. 2013). Crisp et al. (2013) note that ‘the social benefits potentially provided by retirement village living ... may be impeded if an adequate balance is not achieved between desired levels of social engagement and privacy’.

Social reasons (such as opportunities to socialise with other seniors) for moving to retirement villages ranked below practical reasons (such as access to health care service) (Crisp et al. 2013). However, Crisp et al. (2013) note that these secondary concerns such as feelings of social isolation and loneliness may only become relevant to decision making once primary and practical concerns have been addressed.

The Property Council of Australia claims that retirement village living saves Australia more than \$2bn per year in delayed aged care entry and avoided health care visits and hospital admissions (Property Council of Australia 2014).

2.2.4 Aged care

Residential aged care provides a more intensive degree of care and support for seniors. Aged care facilities are appropriate for those incapable of living independently, usually providing care including daily personal care (Property Council of Australia 2014). Residential aged care usually involves an upfront lump sum (some or all of which may be refundable upon leaving the community) in addition to a daily accommodation payment (Property Council of Australia 2014)—an amount which is partially subsidised on a sliding scale by the government depending upon a residents' assets.

In 2014, there were over 230,000 Australians living in residential aged care (Productivity Commission 2015). Most of these (74%) were aged over 80 and a majority (57%) were over 85. A significant proportion of the residents were women (70%) and 64% of these women in aged care were widows (Australian Institute of Health and Welfare 2012).

Most residents of aged care do not return to their home or other living arrangements, with 91% of residents dying in aged care (Australian Institute of Health and Welfare 2012). Residential aged care is described as effectively becoming a 'end of life service' (Productivity Commission 2015). Many people enter residential aged care for short stays (around 38% stay less than one year), though around 44% of people stay between one and five years. The average length of tenure is 2 to 3 years, although anecdotal reports suggest average tenure is shorter still, and decreasing (Productivity Commission 2015).

There is expected to be a four-fold increase in demand for aged care by 2047 (Productivity Commission 2008). Increasingly, these homes are larger residential facilities: the proportion of facilities with fewer than 40 beds decreased significantly in recent years (Productivity Commission 2008). Aged care providers are largely not-for-profit, though the share of residential care beds provided by for-profit providers is increasing (Productivity Commission 2015).

The recent past has seen a change in the standard type of accommodation offered in residential aged care, with individual rooms replacing multi-bed wards, and resident expectations leading to facilities that are described as 'less institutional with resident amenities, recreation and rehabilitation, storage and common areas that are more expansive' (Grant Thornton 2008, p. 5, cited in Productivity Commission 2015). Increasing land costs means many new facilities are established in outer suburbs, often further away from the existing networks and families of older people (Productivity Commission 2015).

Aged care is not a choice for most who end up there—for the majority, it is a necessity. Living in aged care can have profound impacts on residents—estimates of depression tend to be higher for people living in residential care facilities than for other tenures, with as many as 30% of low care residents and 50% of high care residents suffering depression (Hammond Care Group 2004; Snowden & Fleming, 2008).

2.3 ARE SENIORS' NEEDS AND EXPECTATIONS CHANGING?

Presently, a majority of senior Australians remain in their own homes until the end of their lives (Productivity Commission 2008). Research indicates that Australian baby boomers—who are currently beginning to reach retirement age—will not want to move into an 'aged care' phase of their lives, instead striving to continue their current lifestyle into retirement (Quine & Carter 2006). This generation, which has 'redefined marriage, parenthood, middle age and menopause', is likely to want to redefine old age and retirement, too (Hamilton &

Hamilton 2006). This redefinition of ageing is being seen in many baby boomers' 'preoccupation with not looking old, keeping fit and maintaining independence' and their determination not to become a burden or be seen as irrelevant (Rogers 2014).

Baby boomers are 'characterised as being more individualistic, liberal and assertive' and habituated to 'having a wider choice in the goods and services they consume' (Productivity Commission 2008). Further, their high living standards (thanks to high incomes and asset value increases in their working years) have led to increased expectations about living standards in retirement (KELLY Research 2012). These characteristics are likely key in their desire to remain in the home or adopt new 'lifestyle' experiences such as resort-style retirement villages which allow for greater autonomy than residential aged care (Productivity Commission 2008). Thus, they are more likely to expect to be able to tailor and coordinate their own health and care packages, rather than passively accept current offerings (Quine & Carter 2006).

Baby boomers are less likely than previous generations to accept care from their adult children (Quine & Carter 2006). They are also less likely to be offered it, given demographic changes that make such arrangements challenging, including baby boomers having fewer children and being more mobile than previous generations (Quine & Carter 2006). As women are more likely to be working than several decades ago, they are less available to provide care to their parents than might have been the case for previous generations.

Crisp et al report that while older people recognise a need to downsize to respond to an inability to maintain a large garden or home, seniors would prefer to retain a manageable space (including gardens) rather than do away with such opportunities for leisure activities altogether (Crisp et al. 2013). Most older people – including even those with disability or chronic illness—don't need assistance with their day-to-day living (Productivity Commission 2008). Rather, they seek appropriate and occasional care combined with an autonomous and independent lifestyle.

Baby boomers reportedly wish to live in intergenerational communities (that is, not communities restricted to people their own age) and to retain their existing social networks (Quine & Carter 2006). The Productivity Commission reported a strong preference for independent accommodation as opposed to communal facilities, with 92% indicating privacy as being a high or very high priority (Productivity Commission 2008).

There is likely to be increasing demand for higher-end community care to meet the increasing care needs of those determined to stay in the home (Productivity Commission 2008).

However, the demographic change that is approaching may present challenges for the current model of care—with an increasing proportion of the population over the age of 85, the demand for assistance will rise (over 85% of people aged over 85 require some form of assistance) (Productivity Commission 2008).

The number of Australians living with dementia is expected to reach around 730,000 by 2050 (Productivity Commission 2008). Dementia is associated with high care needs due to very low self-care capacity amongst patients. It is expected that the cost of community care will rise over coming decades due to the incidence of dementia patients with multiple and complex care needs (Productivity Commission 2008).

2.3.1 Challenges for the care industry

Over the next several decades there will be challenges in securing a sufficient supply of skilled personnel to meet demands both for residential and community care needs (Productivity Commission 2008).

There is a need to consider how 'consumer-centred' care might provide potential for older people to have some say in the type of care services that they receive, rather than treating them as passive recipients of services (Productivity Commission 2008). Further, maximising

the potential of home-based community care and alternatives to residential care will help improve service provision, reduce costs and maximise outcomes for older Australians (Productivity Commission 2008).

Given the number of elderly Australians who will be dependent on the old age pension, and will thus have limited income and asset worth (Productivity Commission 2008), Australia will face a major challenge in providing an equitable range of options for lower-income seniors. The number of lower-income people aged 65 and over living in rental households is projected to increase by 115% from 2001 to 2026, which far exceeds the supply capacity of the social housing system (Jones et al. 2007). Presently, wealthier Australians are already presented with a broader range of choices than lower-income seniors due to affordability concerns around retirement villages, community care and some aged care.

3 WHAT IS COHOUSING?

Cohousing is a form of community living that contains a mix of private and communal spaces, ‘combining autonomy of private dwellings with the advantages of community living’ (Williams 2005a). It can occur at a variety of scales, from multi-unit developments (usually between 4 and 30 households) to small, self-organised clusters of 2-3 households. Most cohousing models attempt to respond to ‘triple bottom line’ challenges, by securing the ‘three pillars of sustainable lifestyles’: social (through being community-oriented and facilitating social interaction), environmental (through efficient designing and shared resources) and economic (through striving to achieve affordability) (Tummers 2015).

Variations on cohousing models abound, but a few key elements appear to be consistently identified across the literature as being common to most cohousing developments. These common factors include:

- Resident involvement in the design of the cohousing development (Durrett 2009)
- Self-governance and active participation by residents who manage the community (Brenton 2013)
- Common facilities (Durrett 2009)
- Use of social contact design (Williams 2005a) in planning the development to encourage community interaction, placing an emphasis on communality rather than privacy (Jarvis 2015).

Unlike communes and intentional communities, cohousing does *not* generally feature:

- A shared community economy (Glass 2009)
- A common ideology (Williams 2005a).

Cohousing, with its deliberate focus on community interaction and communal living, is often seen as a response to the isolation experienced by many due to suburbanisation and security-focused neighbourhood design (including gated communities, internal-access garages and fenced yards). Cohousing, through use of extensive communal space and resident management, goes some way to ‘combating the alienation and isolation... recreating the neighbourly support of a village or city quarter in the past’ (UK Cohousing Network website, 2012).

The features listed above are common across many projects in the US and northern Europe. However, cultural variations and market preferences may mean that variations on this model are more appropriate for the Australian context. For example, a developer-led model that has some resident involvement in design and community decision making may be seen as attractive, but Australians may not be so interested in leading the design and development process or being involved in governance and management, which might be better coordinated by a developer or aged care provider. Further, given the stated preference of senior Australians for privacy rather than communal facilities that is mentioned above, there may be less emphasis on common facilities in Australian models of cohousing.

The remainder of this section discusses these features, and explains how cohousing for seniors might differ from similar models such as intentional communities, share housing and retirement villages.

3.1 DESIGN

The design of a cohousing community is generally developed by the residents, led either by the resident group themselves, by a facilitator (such as an architect) or by a developer (Durrett 2009). Often drawing on principles of deliberative design/development, these

processes ensure that the values of the community are reflected in the neighbourhood design.

Multi-unit cohousing communities use social contact design (or some variant of it) to encourage social interaction in neighbourhoods (Williams 2005a). Social contact design includes principles that are intended to emphasise community. In this way, they differ significantly from standard, speculative development designs that tend to be designed and built with privacy, rather than communality in mind (Jarvis 2015). Key features of social contact design usually include:

- Higher densities to ensure proximity between neighbours
- Good visibility of public and semi-private (e.g. porches) spaces
- Clustering of dwellings with entrances in close proximity to one another
- Shared facilities such as laundries, waste units, gardens, sheds
- Car parking located on the periphery of communities to encourage walking (Williams 2005a).

Each of these features is intended to result in increased incidental, informal interactions between neighbours. The literature seems to agree that cohousing is characterized by ‘the coexistence of both residential functions and communal spaces and facilities’ (Chiodelli & Baglione 2013). More deliberate and formal/coordinated interactions between neighbours usually take place in a common house. Cohousing communities usually involve clusters of self-contained individual homes (often smaller than would be standard due to the additional shared space) around a ‘common house’ or other shared spaces and amenities (Brenton 2013). Common houses usually include a shared kitchen, lounge and dining area and, depending on the interests and resources of the group, a range of other facilities (such as artists’ studios, workshops, etc.) (Scanlon & Arrigoitia 2015). However, given the novelty of cohousing in the Australian context, it is yet to be seen what an Australian model of cohousing might look like. Given stated preferences for privacy over communality (Crisp et al. 2013; Productivity Commission 2008), an Australian model of cohousing may incorporate fewer formal shared spaces than European models, and may instead involve informal shared spaces, such as unfenced yards and shared outdoor spaces. This is a key question for the research.

Smaller-scale cohousing developments might involve 2-3 households designing a purpose-built dwelling or adapting an existing dwelling to suit a small number of households. Such developments usually involve shared spaces and facilities (outdoor areas, laundries, some living spaces) but are distinct from share houses in that each household has their own self-contained unit (McGee, Wynne & Lehmann 2017). The amount of shared space will likely vary greatly between each case, with some simply sharing facilities such as laundries while others have communal kitchens and living spaces.

Williams (2005a) emphasises the variety of designs that are included under the cohousing banner. Though cohousing usually has a relatively-high density, she notes that cohousing is built at low, medium and high densities and in a variety of layouts and locations, including rural, peri-urban, suburban and urban areas. The key commonality between cohousing developments is an emphasis on encouraging a ‘collaborative’ lifestyle and greater interdependence between residents, leading to strong and vibrant communities (Williams 2005a).

3.2 GOVERNANCE

Apart from its community-focus design principles, the other distinguishing feature of cohousing identified in the literature is its governance model: cohousing communities are generally organised, planned and managed by the residents themselves (Durrett 2009).

Cohousing neighbourhoods are 'based on mutual support, self-governance and active participation' (Brenton 2013). Residents are involved from the outset, planning not only the physical design of the community but also the governance and management structure and processes (Durrett 2009). The development process is often overseen by a developer or other facilitator (such as an architect, community housing provider or planner), but involves engagement with the residents about all aspects of the design (Durrett 2009).

This participatory process continues throughout the life of the project, with residents involved in the management of the community. Usually, this involves a non-hierarchical structure (Glass 2009) and consensus decision making (Durrett 2009). Many communities use principles of deliberative democracy or similar to arrive at decisions without adversarial-style voting and debate.

Cohousing generally involves no 'staff supervision' (Glass 2009), making it distinct from body corporates overseen by strata management consultants or retirement villages run by developers and aged care providers. There appears to be a consensus in the literature that 'being community-led is an essential feature of the cohousing family' (Tummers 2015).

However, as described above, Australian models may differ from European models, given cultural differences and the novelty of the model. Cohousing in Australia may involve a reduced degree of resident involvement—for example, residents may be involved in some relevant decision making, but may prefer to have a cohousing community that is managed by an aged care provider, community housing provider, a retirement villager operator or a developer.

3.3 HOW IS COHOUSING DIFFERENT FROM OTHER MODELS?

Cohousing may, at first glance, appear to be similar to other existing forms of communal living. A few important features distinguish it from share housing, nursing homes and communes—and also give rise to its particular benefits.

Cohousing differs greatly from the usual speculative mode of **apartment** or neighbourhood design in that it prioritises communality and interaction over privacy (Tummers 2015). Whereas condominiums, gated communities and other speculative developments tend to focus on privacy and security, cohousing places an explicit emphasis on connectedness, with designs ensuring that 'neighbourliness' is encouraged.

Cohousing is distinct from **retirement villages and homes and nursing homes** because it is designed and managed by the residents themselves. Cohousing communities do not involve paid staff or ongoing coordination by a development or management organisation—rather, the community members organise and run these communities from the outset, including determining the design of such communities.

In this way, it is also distinct from **sharehousing**, in that the homes are generally designed with a combination of private spaces and communal spaces, whereas share houses are usually designed for a single household (with a single kitchen and living space) but inhabited by several individuals or couples. It also differs from sharehousing in that, while there are shared spaces and facilities, each household has its own self-contained unit.

Communes, which became popular in the 1960s and 1970s, share many similarities with cohousing in that they are focused on communal living and the sharing of resources. Cohousing communities are different from communes, however, due to them not having a shared economy (Glass 2009)—households have separate incomes and there is no pooling of financial resources beyond any quarterly fees paid by residents to run common spaces.

Intentional communities also share many features with cohousing, such as shared spaces and self-governance. The literature tends to distinguish such communities from

cohousing, however, due to intentional communities having shared ideologies to which residents must subscribe. Beyond a shared commitment to community living, cohousing communities tend not to have explicitly articulated shared ideologies (Williams 2005a). However, many cohousing communities may have implicit/informal-shared ideologies or may be socially homogenous.

3.4 WHY COHOUSING FOR SENIORS?

Cohousing developments are most popular in northern Europe and, more recently, in the US. These are a mix of general communities, intergenerational communities and seniors communities. Around 250 senior cohousing communities have been established in Denmark (Pedersen 2015).

Cohousing has offered an alternative to mainstream housing options for seniors in northern Europe for several decades and, more recently, communities have also emerged in the UK and the US. HAPPI – Housing our Ageing Population: Panel for Innovation initiative was commissioned by the UK government in 2009 to ‘advance existing good practice and promote new ideas’ to meet the needs and aspirations of the older people of the future. It identified European models of cohousing and mutual housing as impressive models of commissioning and managing new housing, and recommended these models should be supported in the UK. Cohousing provides particular benefits for elderly people, including:

- Providing informal care through community contact, often reducing care costs
- Pooled resources to share and offset the costs of care provision
- Allowing seniors to age in place, providing dwellings and shared spaces that are designed for elderly residents
- Allowing residents to contribute skills to their community
- Increasing social contact by fostering a vital community that is truly connected, reducing the social isolation often experienced by seniors
- Providing an opportunity for seniors to downsize to a dwelling that is suitable for their needs, without forcing them to move to a retirement village or nursing home
- Giving opportunities for learning and skill exchange through shared activities and initiatives
- Participating in their community in ways that keep older people active and engaged, including the ability to manage decisions about their neighbourhood
- Reducing of single person dwellings, reducing living costs, demand on housing supply and the physical and environmental footprint of housing
- Providing intergenerational connections and skill sharing through intergenerational living (depending on the model) (Brenton, 2013; Durrett, 2009; Abraham & Grange, 2006).

Given the demographic challenges that are facing Australia, including increasing numbers of single, older people in need of some level of care (as discussed in Section 2), cohousing presents a potentially-attractive alternative for ‘living together on one’s own’ (Bamford & Lennon 2008). Brenton argues that given that baby boomers have considerable wealth—and are becoming more discerning about their housing choices than previous generations—but also high rates of separation and divorce (Brenton 2008), cohousing offers a ‘realistic alternative to a tradition of paternalism and benign neglect in relation to the old and isolated’ (Brenton 2013).

4 COHOUSING MODELS FOR SENIORS

While there are a wide variety of potential models for cohousing, evidence from interviews and literature review has led us to focus in on three models of cohousing that may be particularly appropriate for seniors in NSW. These are:

1. Small-scale cohousing
2. Deliberative development
3. Cooperative rental.

These models offer solutions to different problems, as is discussed in the sections that follow. Further, there is wide variation within these broad models with regards to the extent of shared space and governance, title, tenure and other factors. Before describing each of these three models in detail, we first explore the diversity of cohousing models more broadly.

4.1 THE DIVERSITY OF COHOUSING MODELS

Cohousing models vary significantly, ranging from small 2-3 household developments to 25-40 households, and with a spectrum of shared spaces, governance and design processes applying across these models. Larger-scale cohousing (four or more households) is the model that appears to be most common around the world. Williams (2008) distinguishes between cohousing developments based on their leadership model, as shown in Table 1. We further examine these models below, while also considering other sources of diversity in cohousing models.

Table 1: Development models for cohousing from (Williams 2008)

Model	Resident-led model	Partnership model	Speculative model
Description of model	Entire resident group involved with the development and design process, as well as community formation	Partnership approach—developers and residents work together at all stages of the process	Developer led. Developer deals with design, development and community formation
Community visioning	All residents involved	All residents involved	Developer
Recruitment	All residents involved	All residents involved with professional help	Developer
Legal structures and financing	Resident led with professional help	Developer led	Developer
Design Process	Resident led with professional help	Developer led with resident input	Developer
Community development	Resident led with professional help prior to living in community and throughout life of community	Resident led with professional help prior to living in community and throughout life of community	Resident led once living in community

Source: adapted from Davis, 2001 (unpublished).

4.1.1 Resident-led cohousing

Resident-led cohousing, in which a group of households come together to plan, finance and develop their cohousing community without assistance from a developer, is often considered the original, or standard model of cohousing development (Williams 2005b). However, it would likely prove the most challenging model for Australia’s cohousing proponents, given the novelty of the model in this country. Resident-led cohousing is likely to take significantly longer than other development models, due to inexperience with the

planning, finance and development required to establish such a development (Scanlon & Arrigoitia 2015) as well as the time associated with deliberative design, in which residents design their own community (Durrett 2009).

Elderspirit, a senior cohousing development in the US, is an example of a resident-led cohousing development. The proponents established the Trailview Development Corporation to own the land, borrow finances and construct buildings. They received research and public grant funding, as well as some private funding—though not, it appears, from conventional finance sources such as banks or credit unions. This reliance on non-conventional funding sources could prove particularly challenging in terms of the time and cost associated with raising capital. Now constructed, Elderspirit is managed entirely through the Residents' Association, which makes decisions by consensus.

In resident-led models, cohousing members themselves finance land acquisition and construction costs out of their own pockets and/or with a mortgage (Scanlon & Arrigoitia 2015). Securing finance for an untested model such as cohousing in Australia is likely to prove challenging given the conservative nature of lending institutions. Resident-led models also have inherent risks related to inexperience with the development process. A modified version of a resident-led model involves a core-group of the future households leading the development process, sometimes in conjunction with a developer, with the remaining householders joining at a later stage of the process (Williams 2005b).

4.1.2 Developer-led cohousing

Establishing a cohousing development is a complex venture, requiring expert input regarding design, finance, planning, title and governance. For this reason, many cohousing developments in the US and northern Europe make use of developers, architects or housing associations to help deliver cohousing developments.

Housing associations, (non-profit suppliers of social housing), commonly participate in cohousing development and management in northern Europe (Scanlon & Arrigoitia 2015). Housing associations make ideal partners for cohousing developments—they are experienced builders, have financial resources, they can facilitate the inclusion of social and low-income rental households but, due to them being non-profit, will generally add fewer costs to the development than for-profit developers (Scanlon & Arrigoitia 2015).

Private developers, too, can act as partners in the cohousing development process. In developer-led processes, a developer works with the group of proponents (or, in purely speculative models, without a group) and builds dwellings to their specification, seeks finance and undertakes the land acquisition and construction. On completion, the developer then sells the units to group members (Scanlon & Arrigoitia 2015). Depending on the ongoing management model, the developer might either completely exit the development, or may stay on to manage the ongoing administration of the development or, for example, act as a landlord for tenanted housing units.

Two types of developer-led cohousing models are the partnership model in which the developer works together with the resident group, and the speculative model where the developer takes on all decisions and responsibilities for the whole project and finds residents using traditional pre-sale marketing avenues. The partnership model appears to be more promising and is the approach taken by Nightingale Housing in Australia (see Section 4.3). There are questions about whether speculative development fosters the social cohesiveness and more collaborative lifestyle that are a major attraction of cohousing (Williams 2008). Whilst resident involvement in design increases the development timeline, and hence costs, in a partnership model this can be balanced against the reduced risk that having a pre-committed buying group provides.

Working with developers has the advantage of access to experience with the planning and construction process, as well as considerable financial resources. However, developers will be aiming to make a profit, and therefore the cost of cohousing delivered through a

developer may be higher than through a housing association. There is a lack of research regarding comparative costs associated with resident-led and developer-led cohousing—it is possible that the profit-related costs associated with developer-led models may be similar to the costs associated with an inexperienced group muddling through the process of establishing a cohousing development.

Models such as the Nightingale model involve a cap on developer profits. Such a cap means that community members can work with built environment professionals without concern that the costs of development will be inflated due to high profit margins.

4.1.3 Tenure and title

Cohousing developments are often characterised by a mix of owner-occupation and rental units. Owner-occupied units are generally necessary for providing the capital required to fund the development, but rental units provide an opportunity for including those who may not have assets or significant income. In the Australian context, rental units targeted to low-income households may also have the opportunity to receive income from the Commonwealth Rental Assistance scheme (providing they are managed by a community housing provider).

At Parkside, a cohousing development in the US, 13 of the 29 units are privately owned, with the remainder subsidised for low-income tenants. Pinakarri Community, in Fremantle, Western Australia, is one of the limited number of Australian cohousing developments. It also has a mix of public and privately owned dwellings, with owner-occupied and rental tenures.

Ownership title will be important for a number of reasons related to finance, management and other important considerations such as transfer of ownership and inheritance implications. Some form of community or strata title is likely to be applicable, such as Torrens title (outright ownership) of housing units combined with Community Title for shared spaces.

4.1.4 Intergenerational or seniors-only cohousing

Intergenerational cohousing is likely to be a relatively niche market—some people will really like living amongst children, young people and families, while others will prefer to live with those their own age.

There are examples of developments in Europe where cohousing communities are co-located with communities with different demographic make-ups, so for example a seniors-only cohousing complex is located next-door to a predominantly young family cohousing. This design aims to allow people to live with others of the same demographic, whilst still allowing for some of the benefits of intergenerational living such as childcare or caring.

4.2 SMALL-SCALE COHOUSING

4.2.1 Description

In the US and northern European models, cohousing most often refers to larger-scale developments involving four or more households. However, an alternative and emerging model that may be suitable for housing an ageing population is small-scale cohousing.

Small-scale cohousing is used to refer to developments consisting of two to four dwellings within a similar physical footprint to that of a typical, albeit large, single-family house (McGee, Wynne & Lehmann 2017), or a couple of adjacent urban blocks (McGee & Benn 2015). This could be new-build, but will often involve the adaptation and retrofitting of existing dwellings to accommodate a number of smaller dwellings. This could involve adapting one or two dwellings to incorporate several private and shared spaces for multiple

households, or adding additional dwellings to a block. Generally, some spaces are shared, reducing the overall physical and environmental footprint per household (McGee, Wynne & Lehmann 2017). A single block could be redeveloped with smaller dwellings (Day 2011), adjoining properties could be purchased and adapted (McGee & Benn 2015), a large house already owned by one of the residents could be retrofitted (e.g. Ecoburbia¹), or a group of friends could get together like the Shedders² and purchase a house with the specific goal of retrofitting.

In this small-scale model, households are likely to come together through their own social networks and instigate the development themselves, rather than through a developer, designer or facilitator.

4.2.2 What problem does this model address?

Cohousing at this scale may be a particularly relevant model for aged housing, given that older people generally have a strong desire to live independently in the community and retain their personal autonomy. However, they often own homes larger than their needs or have their entire wealth locked in their housing asset. About 75% of those aged over 75 live in detached housing, with housing capacity statistics indicating there is substantial spare capacity, with over 60% of those aged over 65 living in housing with two or more spare bedrooms (Productivity Commission 2015).

Voluntary downsizing is not common amongst older Australians, with only 10% choosing to move to smaller dwellings such as single storey units or apartments in retirement villages or on the private market (Productivity Commission 2015). Therefore, cohousing could help improve the efficiency of residential occupation by accommodating more than one household on a single site, and could help free up funds for older home owners by allowing them to receive income on their housing estate without requiring them to sell their home. Cohousing could support older people to pool the cost of in-home care with peers, or offset some of it through intergenerational living.

4.2.3 Planning and approvals

Case studies, both from a previous study (Day 2011; McGee & Wynne 2015), indicate that small-scale cohousing on a single site would be possible within current planning controls for a range of typical Sydney sites. Across inner and middle ring suburban sites (at low to medium density), cohousing designs for two or three households could be accommodated within the floor space ratio (FSR), height and landscape area controls permissible for a single-family house (McGee & Wynne 2015).

Working within or close to existing controls is likely to reduce compliance issues and also work to prevent 'oversized' cohousing that fails to deliver the desired sustainability and space-efficiency outcomes

A study that explored adapting suburban sites for apartment development found that the key barriers related to inflexible controls for setbacks, building envelope and overlooking (Murray et al. 2011). Thus, even if the building envelope fits with planning controls about size and bulk, there may be other challenges relating to planning controls. Some level of flexibility in the controls is needed, for example, encouraging local governments to adopt a focus on performance-based rather than prescriptive measures.

The key barrier illustrated by the case studies (Day, 2011; McGee and Wynne, 2015) was that dual occupancy is only allowed in some situations, and is often constrained by the requirements of the Affordable Rental Housing SEPP in NSW. The SEPP only allows secondary dwellings on sites of 450m² or more, and the secondary dwelling must be a

¹ <http://ecoburbia.com.au/>

² <https://shedders.wordpress.com/tag/co-housing/page/4/>

maximum of 60m². Triple occupancy is rarely allowed in low-density areas. Thus, small-scale cohousing may only be suitable where block sizes are large enough to comply with the SEPP requirements, or where a local government is willing to negotiate for improved outcomes relating to sustainability.

Subdivision is generally not permitted on small sites. However, subdivision can lead to inflation of land prices (due to an uplift in development potential) so may lead to unintended consequences anyhow. Small-scale cohousing is likely feasible without subdivision, through the use of company title, which retains the property on a single title but splits ownership between parties to the contract.

Integrating dwellings across sites may be possible but could be complicated. Examples exist of cohousing dwellings that integrate adjacent dwellings using shared spaces (McGee & Benn 2015), however it remains unclear whether this could be easily replicated in other jurisdictions, as this may be dependent on local rules relating to the amalgamation of lots.

4.2.4 Development process

In this small-scale model, households are likely to come together through their own social networks and instigate the development themselves, rather than through a developer, designer or facilitator. In the case of a retrofit of an existing block and house, the owner of the property may be able to finance themselves.

Unlike larger cohousing developments, small-scale cohousing does not require large parcels of land or complex governance structures (McGee, Wynne & Lehmann 2017)—thus, the cultural and financial barriers to establishment are lower.

Cohousing across multiple adjacent blocks may increase the titling options available, but also imposes challenges in obtaining the adjacent blocks, either due to availability of adjacent blocks on the market at similar times, or affordability of purchasing multiple blocks. For cohousing developments that involve amalgamation of adjacent lots, there may be difficulty in acquiring adjacent lots. These lots would not only need to be affordable and adjacent, but have suitable planning controls to allow the amalgamation of sites.

The implications for National Construction Code requirements will also need to be understood, as building two or more separate dwellings may attract extra requirements (for example, if separate units are built one above the other, this changes the dwelling class and therefore the conditions that apply).

4.2.5 Shared facilities

Generally, some spaces are shared, reducing the overall physical and environmental footprint per household (McGee, Wynne & Lehmann 2017). This could include garden/yard space, guest/live-in carer room (as is the case with the Balmain house), or potentially larger entertaining spaces depending on the design.

The small-scale nature of the model would lend itself to the sharing of everyday resources (tools, gardening equipment). For seniors, there could be potential to share carer services. Given the densification of suburban areas, car-sharing could also be useful.

4.2.6 Tenure and title

One route to converting a single home to multiple homes is via subdivision and strata titling. The downside is that subdivision can inflate property prices, potentially cancelling out or diminishing the desired affordability gains (good for the landowner, but not for housing affordability in general). Inflation of land prices and some perverse development outcomes were seen in NSW when legislation was changed to allow dual occupancy units on separate titles, prompting a move to change the legislation back. Dual occupancy units are now on a single title and one must be owner-occupied.

Subdivision is also unlikely to be allowed under planning legislation, with the exception of large sites and thus strata title or Torrens title are likely to be impossible to implement in small-scale cohousing.

Keeping the homes on a single title but with the opportunity for shared ownership (e.g. company title) could be more in keeping with the affordability and cooperative goals of cohousing, and could avoid any inflationary effects caused by subdivision (McGee, Wynne & Lehmann 2017)

With company title, a development remains on a single title and owners purchase shares, which provides them with exclusive ownership of a unit and shared ownership of common property. One of company title's 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. Creating small-scale cohousing on a single title will be generally much simpler from a planning perspective (no subdivision required), particularly if the development fits within existing floor space and site coverage controls.

Creating small-scale cohousing by adapting adjacent blocks would face similar issues to those already discussed if the number of dwellings was larger than the number of titles available. Developing the cohousing across multiple blocks with multiple titles would increase the flexibility in ownership options, whilst also potentially increasing the complexity.

With company title, the loan to valuation ratio that banks provide can often be lower than for strata title, however this has been overcome in past cases by drafting the company title memorandum of association to mirror the strata title act.

The tax implications also need further exploration. Downsizers wanting to develop their own home into small-scale cohousing and sell off portions to friends or children will need to be aware of the impact of the capital gain on pension eligibility and other personal finance matters. Selling a portion of their home would free up cash to cover the cost of living, however, this income would be counted in the pension means test, whereas it would be excluded if still tied up in the primary residence. Whether this 'stacks up' compared to selling up and buying a smaller property needs to be further explored, in terms of the transaction costs of converting the property to cohousing, selling off portions, and potentially later selling their own portion. Retaining full ownership and renting out portions may be an alternative, however this is also likely to have financial implications for pensioners.

Two significant reasons discouraging older people from downsizing were the cost of stamp duty (33% of respondents; main factor for 6%) and the Aged Pension asset test (20% of all seniors and 30% of aged pensioners) (Adair et. al, 2014:v, 17 cited by (O'Brien 2015)).

4.2.7 Case studies and examples

Sue Benn's Balmain House



Figure 1: Permeable dividing garden wall, and shared self-contained unit upstairs in the intergenerational home in Balmain (Photo by Katherine Lu, from <https://theconversation.com/how-co-housing-could-make-homes-cheaper-and-greener-39235>)

One example is the two single-storey workers cottages in Balmain adapted for sharing between UTS Professor Suzanne Benn and her adult son, architect Andrew Benn, along with his young family.

Winner of a NSW Architecture Award in 2014, the cottages 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 (McGee & Benn 2015).

To realise their vision, the extended Benn family pooled their finances through a family company, as well as their professional skills in the design and architecture field. They then negotiated their family complex; renovating two adjoining rundown single-storey workers' terraces and adding an apartment. Three families could live there. Suzanne, a professor of sustainability at UTS's School of Business, sold her larger terrace where the family grew up and moved with her partner into one of the smaller terraces (Ryan 2014).

4.3 DELIBERATIVE DEVELOPMENT

4.3.1 Description

Deliberative development is when a group of prospective owner-occupiers become the proponents of a multi-unit development in place of the developer (Sharam, Bryant & Alves 2015c). There are a number of ways this might occur, ranging from groups of friends coming together to develop, to strangers being brought together by an architect or developer who is facilitating a deliberative development. This model has proven popular in Europe and now delivers a considerable proportion of apartments in cities in Germany (Sharam, Bryant & Alves 2015a).

Deliberative developments can be wholly resident-led, but are more commonly managed by a professional such as an architect, consulting project manager or developer, with the future residents having far greater input into the final design, as is the case with the Nightingale model (Perinotto 2015). Deliberative development provides an alternative to speculative development, in which developers build using a lowest-common denominator approach to design, resulting in ‘cookie-cutter’ developments—thousands of bland and uncustomised apartments that are not designed to suit the needs of the households who will inhabit them. Deliberative development designs usually establish a basic design approach but aim to allow a level of individualisation.

Deliberative development creates a shift from the speculative drivers of maximising yield and sale price to emphasise quality, sustainability or other factors deemed by the future residents as being important (McGee, Wynne & Lehmann 2017). This can occur through avoiding the cost of the presale campaign required to finance speculative development, and removing the cost of providing a profit margin to a developer (Sharam, Bryant & Alves 2015b). Deliberative developments in Germany, or *Baugruppen*, have demonstrated better housing products and consistent savings, delivering apartments at around 75% of market cost over a number of years (Lloyd, Peel & Janssen-Jansen 2015; Sharam, Bryant & Alves 2015b)—although there is mixed evidence from France and the Netherlands (Sharam, Bryant & Alves 2015b). One publicly evaluated Australian example of deliberative development found cost savings similar to the German experience (Dolin et al 1992, cited by Sharam et al., 2015), and more recent investigations into the viability of the model in Australia suggest that replacing the existing speculative development model with deliberative development can enhance affordability (Sharam, Bryant & Alves 2015b).

Deliberative development, though different to most cohousing models in that it does not necessarily have any emphasis on communal living, may provide many principles that could prove useful in developing seniors cohousing in Australia—and, more generally, all seniors housing. Deliberative development offers a model by which housing developments can meet the needs of future households, emphasising features and design principles that are important to residents, rather than focusing on cost minimisation and resale potential—as is usually the case with speculative development.

4.3.2 What problem does this model address?

Although this model does not address housing affordability for society’s most vulnerable groups, it does present a more affordable housing option for those who may be looking to downsize. Interviews have suggested that members of deliberative development processes are eager to find ways to minimise costs and improve affordability. Finding ways to make housing both affordable and liveable appears to be a key priority amongst those who are interested in deliberative development. Deliberative development has been able to achieve 30% improvement on affordability (\$/m²) on market rates for comparable housing, making it a more affordable option for seniors who might be interested in downsizing. This improvement in affordability is achieved through both a cap on the developer’s profits and through shared spaces such as laundries and reductions in other facilities provided, including parking spaces.

This also responds to demand for more responsive, liveable designs. Current speculative development relies on a ‘lowest common denominator approach’, whereas deliberative development has the potential to respond to the demands of future residents, rather than merely assuming what their demands will be. In this way, this model has the potential to deliver housing based on resident preferences, rather than the financial and risk-driven speculative property industry.

Even for seniors with assets, realising an affordability opportunity when downsizing will likely be important—many own assets that may be below median house price, and may not be able to sell their house to purchase a market-rate apartment in a well-serviced area. Thus, providing affordable apartments for those who are downsizing from their homes as

owner occupiers may help respond to a challenge, which at present may be a barrier for older people to downsize.

4.3.3 Development process, planning and approvals

The most common version of this model is similar to the partnership development model of cohousing outlined by Williams (2008). In this approach, the developers and the future residents work in partnership at all stages of the development process. However, the design or development professional takes the lead in the development aspects of the process including legal structure and financing, coordinating the construction team, and obtaining planning permission. The developer, with resident input, also leads the key steps of finding a suitable location and designing the development. The resident group focuses on other aspects such as community visioning (which influences the input into decisions about location and design), recruitment of other residents and community capacity building.

Including future residents in the design process is a means by which affordability opportunities (including life cycle affordability) are realised. By working with residents to select materials that may be non-standard but which will yield improvements in operation and maintenance costs, residents and designers can achieve significant improvement on lifetime costs of a building.

Terminating cooperatives could present an opportunity for individuals to pool resources to develop deliberative development cohousing. This allows pooling of resources at purchase stage but would then provide long-term stability and certainty regarding the asset, as well as the flexibility of single ownership once transferred to strata title.

Development approval may be easier for deliberative development than for other types of cohousing, as the built form looks very similar to residential apartment buildings—a development type that councils are very familiar with. While there are only a few examples that have been completed in Australia, evidence suggests that planning and approvals are not likely to be a barrier to realising deliberative development in NSW. There may be minor challenges to development controls, such as where residents elect to forgo parking spaces in a local government area which sets a mandatory minimum ratio for parking spaces. Anecdotal evidence however, suggests that these could be addressed through negotiation with local government.

Further, most local governments are now increasing zoning around transport hubs—this is likely to be ideal for deliberative developments which thus far in Australia have been located close to transport and services in inner-city areas.

In Germany, some governments have been actively supporting deliberative developments by specifying some state-owned land for development in this way, or ensuring brownfield redevelopment precincts have appropriately sized lots for deliberative developments (Sharam, Bryant & Alves 2015c).

4.3.4 Shared facilities

In existing examples in Australia, decisions regarding what shared spaces should be included have been arrived at through deliberative processes, driven primarily by a desire for reduced costs. These include shared facilities such as laundries, roof space and car share, which has meant reduced wet areas and fewer basement parking spaces, cutting costs compared to similar speculative developments. Affordability can be realised by constructing certain shared spaces. However, a resident group driven by affordability is unlikely to incorporate significant shared facilities such as common rooms and shared kitchens, as these are unlikely to reduce overall costs. Larger shared facilities (those that do not reduce the floor space of each apartment) are unlikely to reduce costs, and will likely add to the costs due to the additional floor space that must be paid for by each purchaser.

4.3.5 Tenure and title

This model works best when the future residents will also be the owners. The deliberative development model allows future residents to have input into design decisions made by the development lead. This works best when the residents making these decisions will reap the benefits of design features and also carry the cost burden. There could be room for some rental within the overall tenant mix, but with the majority being owner-occupied. Deliberative development could work well with a model where some private dwellings are co-owned by all the members of the body corporate, so management is maintained by the residents, and also provides an income stream.

An advantage with regards to deliberative development is that it is well suited to strata title. Strata title is familiar to banks and financiers, meaning that such institutions would see little risk in lending for a deliberative development, reducing the barriers to such developments for proponents.

4.3.6 Case studies and examples

R50 Baugruppe, Berlin



Figure 2: R50 is the building on the right of picture (source: <http://blogs.kcrw.com/dna/berlins-r50-baugruppe-is-a-model-of-living-affordably-collectively>).

The R50 Baugruppen project in Berlin is an architect-led, collectively funded housing development.

Nineteen households built the building together. Funds were pooled for construction and the purchase of the plot, and participatory planning catalysed a comprehensive vision, from communal space to window fittings.

The group and its architects selected the site from a set offered by the Berlin Senate Department for Urban Development—part of a city government bid to spark development outside the usual mode of initial investment for maximal short-term profit (Bridger 2015).

The group assembled included architects, artists, and journalists. They all essentially bought into the project, with everyone purchasing his or her unit in the building on spec before it had even been developed. The bank and project manager structured a package of

financing by pooling the individual mortgages for the units of future residents that would fund all the phases of construction. This unusual method of financing was made possible by specialized programs offered by Nürnberg's UmweltBank, the self-styled "greenest" bank in the economic ecology of Europe's financial leader (Bridger 2015)

The designers spent 1 ½ years meeting with fellow buyers every two weeks to arrive at a design that included shared space (Anderton 2015). It has six floors with three units on each floor, as well as a shared roof terrace, large communal room in the basement and yard for all the families.

The residents opted to make the ground floor a shared space that includes a double-height community room and laundry facility. A rooftop "summer kitchen" and deck is an outdoor gathering space and wraparound balconies are a shared outdoor space and secondary exterior circulation route between apartments (Bridger 2015).



Figure 3: The double height shared space common area on the ground floor (source: <http://www.metropolismag.com/May-2015/Dont-Call-It-A-Commune/>)

The City of Berlin helped make these developments possible. It offered the land to the Baugruppen in a bidding process based not on price but on the quality of their residential concept. Then the city held it for them at a stable price while the group sought partners and raised funds (Anderton 2015).

4.4 COOPERATIVE PRIVATE RENTAL

4.4.1 Description

Cooperative housing has been a model for providing affordable housing since the early twentieth century (Schwartz n.d.). It is popular in Northern and continental Europe, with cooperative or mutual housing comprising 18 per cent of housing in Sweden, 15 per cent in Norway, 8 per cent in Austria, 6 per cent in Germany and 4 per cent in Ireland, but only 0.6 per cent in the UK (Bliss 2009).

The cooperative housing model has natural synergies with cohousing as a financial model, particularly focusing on affordable cohousing developments. The cooperative financial

arrangement is designed to empower residents and ensure a level of affordability. Schwartz discusses three popular financial models:

- Low (or shared) equity housing: a type of resale- restricted, owner occupied housing in which the cooperative defines efficient and fair resale prices of housing in the cooperative when members move on (Bundagen ecovillage in Northern NSW is an example)
- Community land trusts: a model in which the community owns and controls the land which can then be sold or leased to occupants at a controlled rate, allowing the cooperative a measure of autonomy and continued affordability, and
- Not-for-profit, non-equity cooperative housing: focused on providing public or social, rather than private, affordable housing. This type subscribes to similar priorities of community, lifestyle and shared governance as the first two but relies on government and not-for-profit or private foundation funding in order to provide the set-up and ongoing maintenance costs not covered by the controlled rent charged to residents (Schwartz n.d.)

Of the financial models discussed by Schwartz, the third option - not-for-profit, non-equity cooperative housing provided by government, not-for-profit and private organisations – is one that seems likely to prosper in Australia. In fact, the Murundaka cohousing community in Melbourne is an excellent example (Murundaka Cohousing 2016). It was developed and is managed by Common Equity Housing, an affordable, cooperative housing provider managing over 2,200 properties in Victoria. CEH delivers two main models of cooperative housing – a common equity rental housing cooperative (CERC) and a community managed cooperative model (CMC) (more details at <http://www.cehl.com.au/co-op-models>).

4.4.2 What problem does this model address?

Currently, demand for affordable rental housing that is suitable for seniors is extremely high, and vacancy rates even in substandard housing are reportedly low due to this high demand.

Older Australians are reluctant to enter public housing due to fears around safety and security. Low-income cooperative rental might provide an alternative for seniors who have low incomes and do not own assets—an alternative that can deliver seniors-only housing (possibly tailored to particular demographics: women only, or particular ethnic backgrounds) that is safe and secure, without the challenges and stigma (and waiting list) of public housing.

Research summarised by Schwartz (n.d.) has found that cooperative housing has seen success in providing affordable, manageable housing with the additional benefit of community for those who want or need it. German research by Borgloh and Westerheide (2012, cited by Schwartz n.d) found ‘the level of mutual support displayed by residents of cooperative housing projects significantly reduces their dependence on costly government health services. In fact, they conclude that the significance of cost- savings afforded by mutual support living arrangements would justify government investment in new housing projects of this type.’

4.4.3 Development process

Murundaka in Melbourne provides a working model of this cohousing type. Common Equity Housing developed it, with eventual tenants drawn from the pool of people eligible for community housing. In the Murundaka development, a core group of the future residents were the driving force behind the adoption of the cohousing design. Future developments could adopt a modified form of deliberative development, giving the first tenants, or a representative group of future tenants, an input into design decisions.

As an alternative, cooperative rental dwellings could be developed as part of a larger cohousing development, with a portion of the dwellings being affordable rental housing. Pinakarri Cohousing in WA is an example, with a mix of private and public housing. The financial security provided by partnership with a housing provider with a large number of existing assets can help with development financing.

4.4.4 Shared facilities

As with the other models, the nature of shared spaces in cooperative rental arrangements will vary from one development to another. They might include shared barbecue areas, entertainment areas, common lounges or kitchens, shared laundries or common gardens.

4.4.5 Tenure and title

Ownership of cooperative rental generally sits with the not-for-profit / community housing provider—unless the cooperative owns the building outright (which is common only in cooperatives that have existed for a longer time). Tenure is generally provided through a rental agreement for eligible seniors, similar to existing community housing programs. In cooperative rental there tends to be greater security of tenure than in private market rental, as tenancy agreements are not renewed or reviewed periodically and tenants can generally stay as long as they wish. Cooperative rental could be incorporated into a larger cohousing development by making a portion of the available private units owned by a housing association as rental units.

Low-income tenants of cooperative rental housing are generally eligible for the Commonwealth Rental Allowance, a federal subsidy that assists households in meeting the costs of their housing.

4.4.6 Case studies and examples

Pinakarri, WA - Mixed Tenure Deliberative Development and Cooperative rental cohousing -

(All information from <http://www.pinakarri.org.au/>)

Pinakarri Community is a unique, award-winning intentional community and urban co-housing co-operative near Fremantle, Western Australia, committed to a more social, environmental and economically sustainable way of living.

Pinakarri was formed in 1991 by a group of diverse people with a common dream. They were mainly parents (mostly women) looking for a more socially sustainable way to raise our children. After more than 8 years of coming together as a community, involving both enjoyable social times and a lot of hard work, suitable land was finally found and purchased. The building was completed and the founding tenants took up residence in 1999. It is the first co-housing co-op in W.A. to have **a mix of public and private housing**.



Figure 4: (source: <http://www.communities.org.au/projects/pinakarri-community>)

The Place

Pinakarri's twelve houses (and common house) are built on 3,000 m² where formerly four houses stood. Members and friends also live nearby - around 40 people in total. The passive solar design houses of varying sizes are rendered in vibrant earthy colours. Each house is fully self-contained and has a small North-facing private garden. Many have low-profile, semi-permeable fences designed to allow a mixture of separateness and engagement with the surrounding community. One is designed for a severely physically and mentally disabled young woman who would otherwise have faced institutionalisation. She has 24 hour care.

The shared common space has tree-shaded lawns fed by a greywater system on which people relax and children play; an organic veggie garden with some fruit trees on the verge; a community laundry with washing machines (the source of some of the greywater); the Common House and the fire circle. Rainwater is collected in the winter and is used to flush toilets. In the Common House we have a kitchen & dining area, an office, a meeting room, a small guest room, and a laundry.

Membership

Tenancy eligibility is based on involvement and completion of the membership process (the community who will meet to talk about this) housing availability and suitability (size), and income. Occasionally, rooms and rentals become available in Pinakarri's shared 'equity' (owner-occupied) houses and nearby houses owned by members.

Other examples

Murundaka Cohousing Cooperative, Vic

Murundaka Cohousing Community was formed in 2011 and there are 20 households and approximately 35-40 people that are members of the community. They are members of the Common Equity Housing program - an all-rental, social housing program that provides quality, long-term housing to Victorians. Murundaka's twenty properties are members of Earth Co-op (Earth Common Equity Housing Cooperative). Earth Co-op is one of over a hundred housing cooperatives in the CEHL program (<http://www.murundakacohousing.org.au/about>).

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