

MOBA HOUSING NETWORK

creating an institutional framework
that enables lower-income households
to collectively access affordable housing



MOBA

a network of pioneering cooperative housing initiatives from Central and South-Eastern Europe founded in 2017

BELGRADE: Ko gradi grad

BUDAPEST: Rákóczi Kollektíva

LJUBLJANA: Zadrugator

PRAGUE: Vlaštovka/Sdílené domy

ZAGREB: ZEF/ZOA

(...)



SUPPORTED BY:

urbanonde
des villes durables par et pour les habitants

Sociální inovátori

ZEF
Zadruga za etično financiranje

world habitat

FairCoop
Earth's cooperative ecosystem
for a fair economy

**HEINRICH
BÖLL
STIFTUNG**



MOBA workshop #4
Budapest, January 2019

What is the issue in Central and South-East Europe?

- **Housing provision is market-led**
- **Public housing (1-5%)**
- **Unregulated private rental**
- **Lack of legal and financial support framework**



HHTYP	Total									
INCGRP	Total									
AFFORD	Households without financial burden due to the housing costs									
GEO/TIME	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
European Union (EU6-1958, EU9-1973, EU10-1981, EU12-1986, EU15-1992, EU18-1999, EU25-2004, EU27-2007)	:	:	20,2	19,6	19,2	20,5	22,5	23,2	23,3	24,0
European Union - 28 countries	:	20,9	20,1	19,6	19,2	20,5	22,5	23,2	23,3	24,0
European Union - 27 countries (2007-2013)	20,7	21,1	20,3	19,7	19,4	20,6	22,6	23,4	23,4	24,1
Euro area (EA11-2000, EA12-2006, EA13-2007, EA15-2008, EA17-2011, EA19-2014)	:	:	21,2	20,7	20,4	21,4	23,1	23,6	24,6	24,9
Euro area (19 countries)	20,7	21,3	21,0	20,6	20,2	21,3	23,1	23,6	24,6	24,9
Euro area (18 countries)	20,8	21,4	21,1	20,7	20,3	21,4	23,2	23,6	24,6	24,9
Belgium	38,1	37,8	35,5	36,7	36,5	37,1	38,1	39,8	39,6	39,9
Bulgaria	5,1	4,7	6,1	4,4	4,7	4,1	4,7	5,7	6,7	8,0
Czechia	8,5	8,8	8,3	7,4	6,7	8,0	9,2	9,3	9,8	10,8
Denmark	67,9	69,2	68,0	60,6	61,8	58,7	60,7	62,4	62,4	63,9
Germany (until 1990 former territory of the FRG)	20,4	23,3	21,5	22,1	22,3	24,3	26,9	28,9	29,6	29,5
Estonia	19,5	17,7	17,3	17,8	15,1	18,4	21,8	24,0	28,8	30,4
Ireland	17,8	15,3	13,5	13,1	10,5	11,5	11,9	14,5	17,5	:
Greece	6,2	7,2	6,3	4,2	3,0	3,7	4,5	4,4	3,0	3,3
Spain	3,4	2,9	4,5	3,0	3,4	2,6	2,7	2,8	4,1	3,2
France	47,6	48,8	48,1	48,5	46,1	47,1	50,8	50,5	53,1	54,0
Croatia	:	4,6	3,7	3,0	2,1	2,4	3,5	3,8	4,6	4,8
Italy	1,3	1,2	1,6	1,0	1,1	1,1	1,2	0,9	1,0	1,1
Cyprus	7,5	4,5	4,2	7,7	3,5	4,8	7,1	5,2	5,0	5,7
Latvia	16,2	13,5	10,4	11,9	11,9	14,2	18,4	19,5	19,9	25,0
Lithuania	11,4	9,2	9,7	8,6	9,4	11,2	13,8	15,0	15,9	19,5
Luxembourg	17,3	15,4	14,4	13,7	16,5	19,7	22,2	15,8	16,7	17,1
Hungary	6,4	6,1	6,1	6,7	6,6	9,1	10,3	13,9	15,0	19,5
Malta	8,9	8,2	6,8	6,5	6,3	7,6	10,5	13,4	20,1	23,0
Netherlands	44,4	43,7	45,4	43,3	45,3	50,4	56,0	49,9	51,3	52,1
Austria	31,0	28,8	30,6	29,4	29,1	31,1	29,4	32,9	34,0	34,5
Poland	11,5	6,8	5,1	5,0	4,5	3,9	3,8	4,0	2,3	5,3
Portugal	18,7	16,7	18,1	11,7	10,7	9,9	12,0	14,5	15,9	18,1
Romania	2,9	5,0	4,2	3,8	3,4	3,5	3,8	3,9	5,0	6,0
Slovenia	9,6	9,8	8,5	9,5	8,9	9,9	12,7	:	10,3	10,9
Slovakia	8,2	9,0	8,5	7,6	6,7	9,5	11,2	11,2	13,0	:
Finland	24,7	25,4	23,6	23,9	22,7	24,4	25,4	27,5	24,1	25,5
Sweden	57,7	59,4	56,0	58,0	61,0	63,3	64,8	64,3	64,2	64,7
United Kingdom	29,3	30,2	27,0	25,5	24,5	28,4	32,9	35,2	43,9	:
Iceland	32,6	15,3	14,6	21,1	21,5	21,6	22,7	25,0	:	:
Norway	57,0	59,8	57,6	59,8	60,3	61,0	61,0	63,6	63,2	61,3
Switzerland	80,5	80,1	15,6	14,2	14,6	15,6	16,2	15,0	16,0	16,6
North Macedonia	:	6,4	5,3	4,9	6,7	6,7	9,1	7,6	9,1	:
Serbia	:	:	:	:	2,6	1,8	2,1	2,0	2,7	1,9
Turkey	11,5	:	15,7	15,3	15,6	20,7	19,6	23,4	30,7	:

EUROSTAT (2019):
Households *without*
financial burden from
housing costs

Indeed, housing prices, both sale and rental, have been on the rise in many European countries, particularly in large metropolitan areas. The house price index³, which captures transaction prices for residential properties, has been growing every year since 2013, with, on average, more pronounced growth in Eastern European countries than in EU15 (Figure 2). Rental prices have also been following an upward trend: for example, in just one year (2017 to 2018), average rents for flats and houses rose respectively by 12% and 14% in Prague, 9% and 14% in Vilnius, 7% and 15% in Belgrade and 9% for both in Ankara (Eurostat 2018). In some Eastern European countries, poor households have experienced significant spikes in housing costs, ranging from over 25% in Lithuania and the Czech Republic to 66% in Bulgaria (Figure 3).

Figure 2. House Price Index, 2009-2018



Figure 3. Variation in housing costs for poor households (change 2009 to 2017)

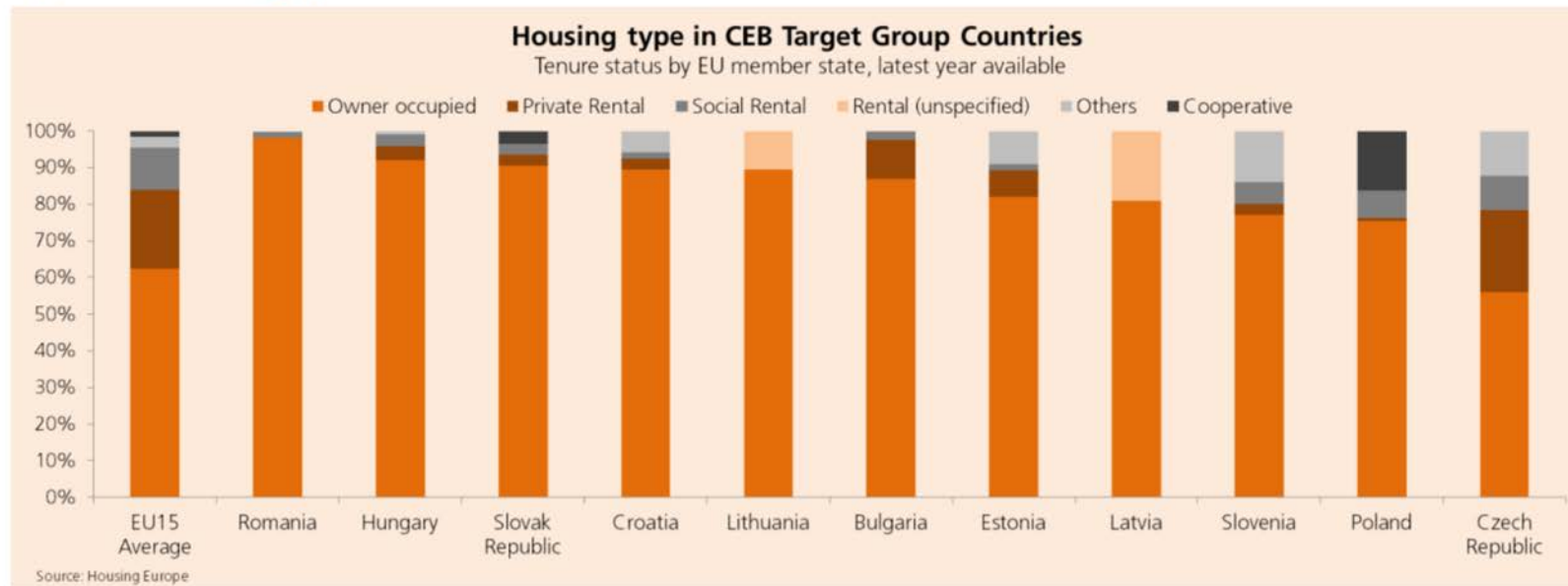


It may be argued that the significant income growth of the past two decades in Eastern Europe may have compensated for increasing housing prices. However, widening income inequalities due to wealth concentration among a few and typically weak redistribution systems have resulted in a real housing affordability crisis. While overburdened households (where housing expenses amount to more than 40% of total household revenue) represent approximately 10% of all households in Europe (2017), the proportion is much higher in a number of Eastern European countries such as Serbia (33.6%), Bulgaria (19%) or Romania (12.5%) (Eurostat 2018).

CoEB (2019): Spikes in housing costs CSEE

from: Social and Affordable Housing Provided by Non-Profit Private Organisations in Europe

Figure 5. Housing types in EU member states



CoEB (2019):
Housing mix in CSEE

from: Social and Affordable Housing Provided by Non-Profit Private Organisations in Europe

Figure 4. Total government spending on housing allowances



CoEB (2019):
Government support
in CSEE

*from: Social and Affordable
Housing Provided by Non-
Profit Private Organisations
in Europe*



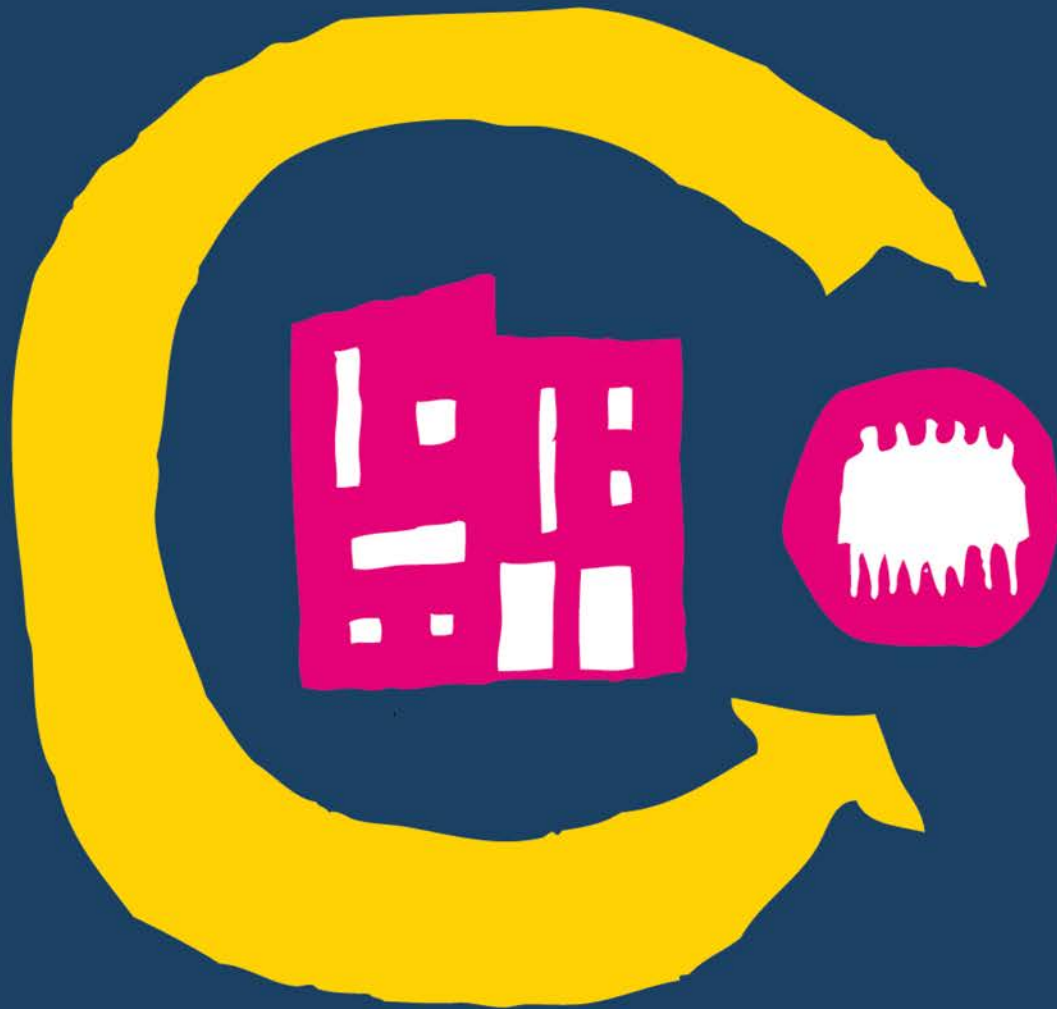
INSTITUTIONAL CHALLENGE



**New, innovative forms
of affordable housing are needed**

**cooperatively owned
limited equity-based**





MOBA promotes a coop model with following values:

- affordable housing
- no individual ownership
- no individual financial risk
- economic participation of members (co-investing)
- membership control
- replicable model
- keeping buildings out of the market (anti-speculation)

5 PILOT PROJECTS

- **108** housing units (households)
- **5.5 M EUR** total loan volume
- **8.4 M EUR** investment volume
- **16.4 M EUR** total value created
- rent levels at an average **60%** of market prices



BELGRADE



BUDAPEST



LJUBLJANA



PRAGUE



ZAGREB

POTENTIAL SCOPE



all affected (7,5 M people)

addressable (2,5 M people)

our pilot projects (250 people)

REACHOUT



Opening a sustainable housing context
= 2.500.000 PEOPLE

5.5 M € >

MOBA MEETING

MOBA FUND

SUPPORT

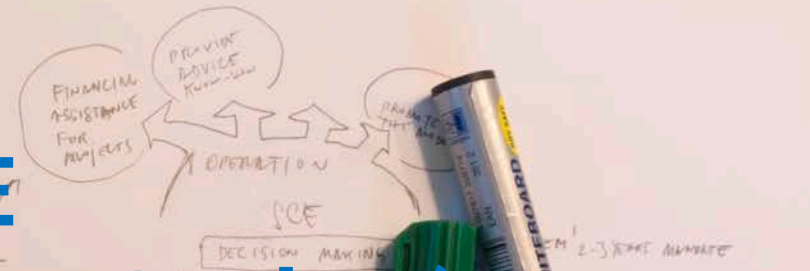
REVOLVING

- FINANCIAL SOLIDARITY
- CAPACITY BUILDING / KNOWLEDGE - OPERATING COSTS
- HELP IMPLEMENT PILOT PROJECTS

GOVERNANCE PROCEDURE MONITORING



MOBA SCE (European Cooperative Society) including the MOBA FUND

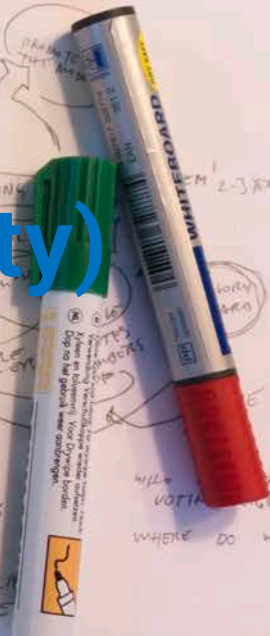


DIRECTOR
MANAGEMENT GROUP
STRUCTURE (FOR THE CO-SYSTEM)

TYPES OF MEMBERSHIP:

- UMBRELLA MEMBERS
- FULL PLEDGE
- USER
- MEMBERS FINANCE
- HONORARY MEMBERS

WHERE DO WE REGISTER ICE
VOTING RIGHTS?





MOBA SCE's role is to represent and support housing cooperatives in the CSEE region, creating channels for affordable financing (construction, purchase and repurposing of buildings), and providing technical and other forms of assistance.

**PARTNERS AND
FINANCIAL
INSTITUTIONS**

MOBA SCE

National Umbrella Organisations

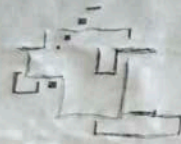
**DEVELOPMENT
PROJECT 1**

DPn

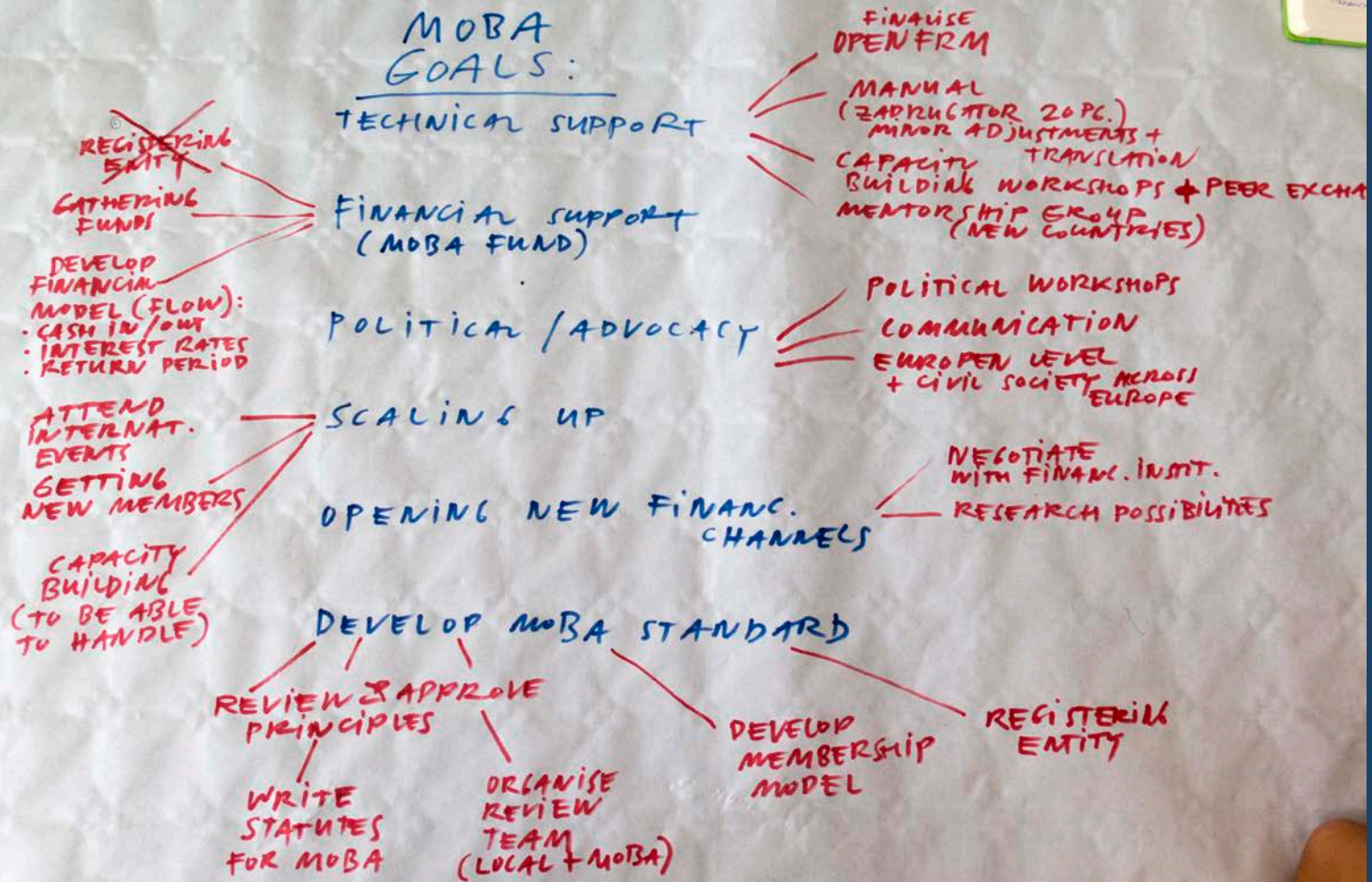
DP2

DP4

DP3



MOBA GOALS:



One specific function of **SCE** will be grant-making for predevelopment / capacity building

MOBA SCE

operational activities

capacity building

grant-making

crowdfunding/fundraising

MOBA FUND

loan (direct/bridge loans, but also loans to complement grants)



On the longer term, Fund could become a separate body, to reduce risk exposure

The Fund only operates loans
(= revolving, sustainable financing mechanism)

IN

MOBA FUND (short-term)

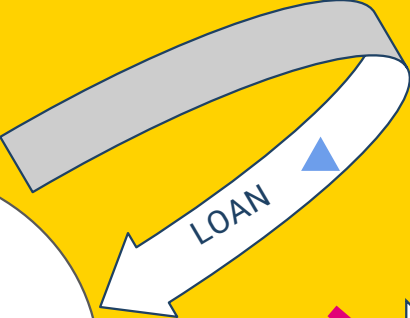
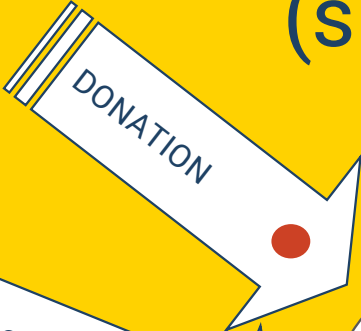
OUT

External donors
(ABZ, FundAction) >
SEED FUNDING

Loans finance, impact
investment (EU,
CoHabitat Fund, ...?)

Individuals shares
(tradeable) with or without
interest rate crowdfunding

Membership contribution, SCE
contribution, reserves/members
savings, capital contribution



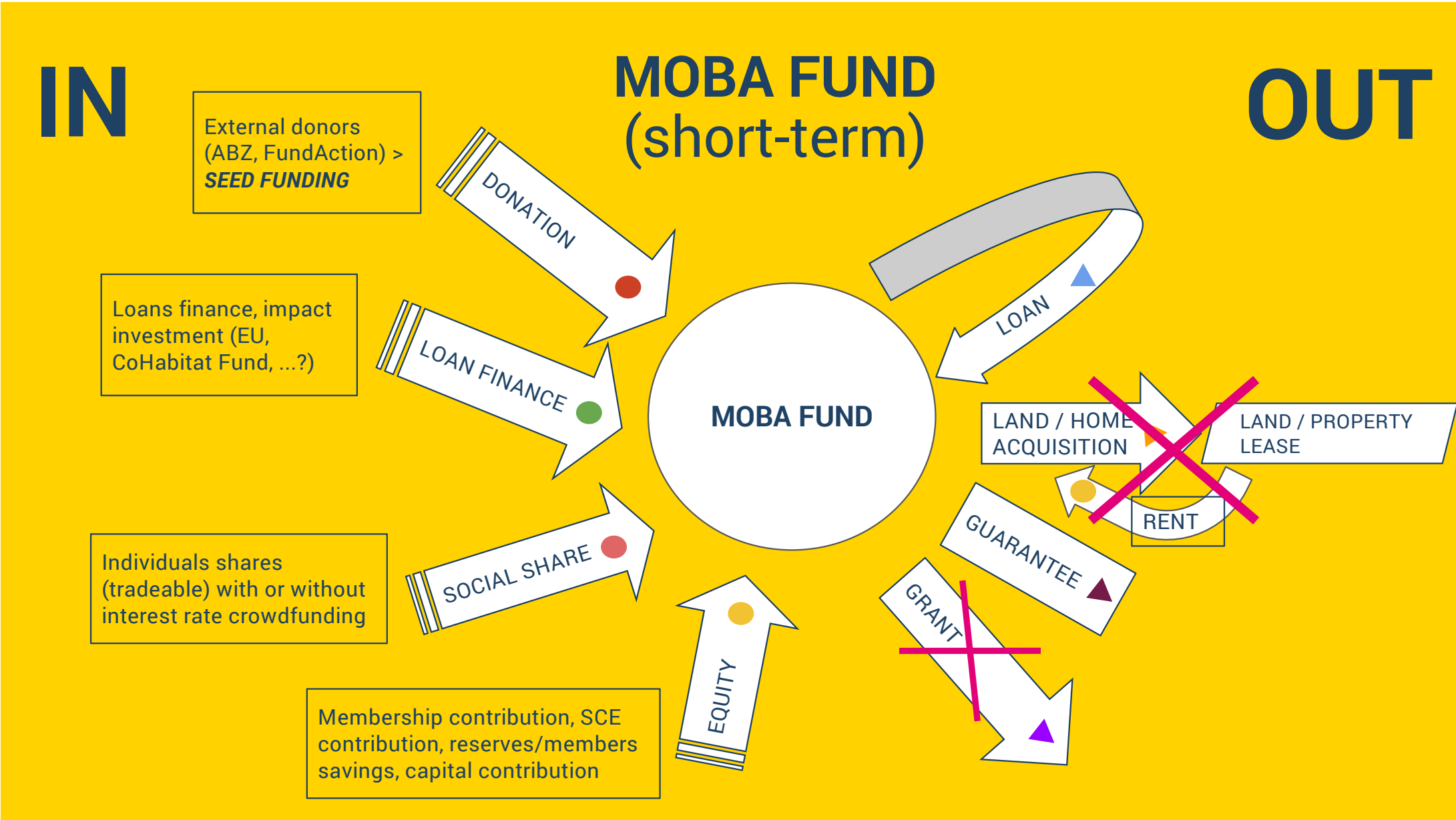
~~LAND / HOME
ACQUISITION~~

~~LAND / PROPERTY
LEASE~~

~~RENT~~

~~GUARANTEE~~

~~GRANT~~



ROADMAP - European Cooperative Society

Short term

Development of 5 pilot projects



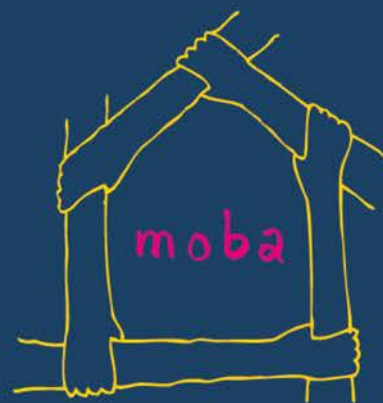
Long term

Investment flows into cooperative housing solutions for providing a substantial part of the housing stock in CSEE cities

Towards an international solidarity of housing networks?

- Going beyond an often hostile national-scale institutional environment
- Establishing anti-speculative financial mechanisms on an international scale
- Giving support, sharing experience, mutual learning
- Recognise structural differences within Europe – connect on European scale?





HOUSING NETWORK

www.moba.coop



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