

### Introduction

Affordability and the rising cost of living has become a particularly pressing issue especially as Canada recovers from the COVID-19 pandemic. With inflation at [an all-time high](#) (6.8% as of April 2022, the highest it's been in 31 years), these rising costs place a disproportionately large strain on low-income households. Shelter costs are among the largest expenses.

With the number of people experiencing homelessness in Edmonton [on the rise](#) (2,758 people are experiencing homelessness as of May 2022 according to Homeward Trust Edmonton's Homelessness Dashboard), a limited stock of affordable housing units available, and thousands of people placed on years long wait lists to receive rental assistance, there is an urgent need to meaningfully address the housing crisis.

According to the Canada Mortgage and Housing Corporation's February 2022 [Rental Market Report](#), in Edmonton the average monthly rent for a two-bedroom apartment is \$1,270 while a two-bedroom condominium is \$1,412. While monthly rents are relatively stable in recent years, rents have overall doubled when [measured over a 20-year time period](#), making affordability a concern. This is particularly felt for households earning less than \$36,000 a year as they can only affordably access about 15% of purpose-built rentals.

This dire situation has prompted calls to re-invest in a number of affordable housing programs, particularly co-operative housing. Advocates credit co-operatives as a way for people of all incomes to live affordably in urban centres.

### What Are Co-Operatives?

Generally speaking, a co-operative (or co-op) refers to an organization that is owned by its members and are operated on a democratic system. Co-operatives can exist within various sectors, which can include financial services, child care, agriculture, and renewable energy.

A housing co-op refers to a development that provides access to housing for its members, which could be apartments, townhomes, or houses. Housing co-ops either own their land or lease it from a municipality or land trust and are run by boards elected by members. In addition, board members can also volunteer for community upkeep projects.

To join a housing co-operative, members purchase a share to join and housing costs are set by the board on a break-even, not for profit basis. Some co-ops have a certain number of units set aside for low-income residents (these are usually subsidized with government funding), but the cost of co-op housing for all is usually less than market rentals, which can be as low as half the market rate in some instances.

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*In a time where home ownership is increasingly elusive for a sizable portion of the Canadian population, more housing solutions that are accessible to those who cannot or do not want to own a home are necessary.*

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### Structure and Governance

Housing co-operatives combine features of owning and renting a home and represent a middle ground between the two. Residents co-own the buildings and pay a monthly housing charge for the unit they live in, but they do not make a down payment or sell their unit if they move out. Members of the co-operative have security of tenure and make all decisions regarding their housing.

Each member of the co-operative has one vote and they have a say in electing board members, approving budgets, bylaws, and other forms of governance. Bylaws help set parameters around governance issues such as admitting new members, fees and housing charges, and dealing with non-payments. Existing bylaws and changes to them must be kept in line with current legislation and be consistent with human rights laws. Members of a co-operative are allowed to stay for as long as they wish if they are following the bylaws.

Members are expected to participate in the running of the co-operative by attending meetings. This includes the annual general meeting, where the board of directors is elected, as well as meeting to discuss finances, approve budgets, and amend by-laws.

Co-operatives may receive government funding to subsidize a certain percentage of their units for low-income residents, which would be set to about 30% of their household income.

### A Brief History of Housing Co-Operatives

Housing co-operatives in Canada were originally built for students, with the first one starting at the University of Toronto in 1934. Housing co-operatives built for families started in the 1960s as a housing solution for those unable to afford to own a home and faced difficulty finding good quality rental housing.

The first housing co-operatives for families started in Winnipeg in 1966, with a 200-unit Willow Park Housing Co-Operative. Not only was it affordable, but it fostered a sense of community with the co-operative form of ownership and management. Building off this success, the Co-operative Housing Foundation of Canada (now called the Co-Operative Housing Federation of Canada) was established in 1968 to represent the co-operative

housing movement by providing resources, education, and advocacy in support of co-op housing across Canada.

The federal government followed suit and greatly boosted the sector with a number of initiatives in the 1970s. The National Housing Act was amended in 1973 to create a national co-op housing program. Between 1973 to 1995, over 80,000 co-operative homes were established in Canada under subsequent federal and provincial programs.

Within [Edmonton and the surrounding areas](#), there are currently 35 housing co-operatives listed as members of the Northern Alberta Cooperative Housing Association (NACHA) with an additional six housing co-operatives that are not NACHA members. Combined they provide more than 1,400 housing units available as apartments, townhouses, duplexes, or houses (split into suites).

As housing policies and priorities shifted through the years, the federal government ceased financing new social housing projects by the early 1990s as austerity measures took hold and an embrace of the free market as the best place to address people's housing needs. Not only did these policy directions make housing in general more expensive as a result, but it sidelined housing co-ops as no new developments were built since the late 1990s.

### A Renewed Interest in Co-Op Housing?

The federal government's 2022 budget has renewed hopes for a new wave of interest in the co-operative housing sector after nearly 30 years of underfunding.

[Budget 2022 announced](#) \$1.5 billion committed to building a new Co-operative Housing Development Program. With this announcement, the government expects to build 6,000 new units across Canada to address the housing crunch.

### Benefits of Co-Ops

Due to the structure of the co-op, housing costs are more affordable by nature of it operating on a break even process. Since co-ops do not make a profit, costs of housing are below rates paid for housing that operates with profit margins. Any surpluses accrued get set aside into a reserve and can be used to fund projects that benefit the co-op and its members.

Beyond providing housing that is affordable to people of all incomes, the democratic nature of co-operatives where members work together for mutual benefit, co-ops strengthen local communities by bringing people of diverse backgrounds together as they work collaboratively.

The co-operative movement can foster initiatives that positively impact the wider community. A prominent local example is the retrofitting of the housing units at the [Sundance Housing Co-Operative](#), located in Edmonton's Riverdale neighbourhood. The goal of the construction project is to upgrade the buildings with new insulation and energy-efficient windows and doors to reduce greenhouse gas emissions. They are also going to be

powered by solar power and other green energy. This form of innovation has the potential to be a model for others to follow when addressing environmental sustainability.

### Challenges of Co-Ops

Since many co-operatives were built in the 1970s and '80s, repairs of aging infrastructures has been a challenge. Government funding in support of co-ops has been limited since the 1990s, although there is renewed interest and funding becoming available through the National Housing Strategy.

Like a lot of affordable housing programs, wait lists for housing co-operatives can be lengthy, especially for those in need of subsidized housing. Wait times to receive co-op housing range between six to eight months to more than three years.

Since individual housing co-ops set policies on who they admit as members, this means the housing may not be suitable for everyone. For instance, some do not permit pets on the premises and some are meant to be only for adults.

### Final Reflections

With affordability challenges across the spectrum, access to housing that is safe, suitable, and affordable is a top priority.

While co-operative housing has been shown to be successful, it represents only a small portion of housing units available across Canada. Scaling up the sector has the potential to reach so many who are in core housing need, which are more than 164,000 people in Alberta alone according to the [2016 Census of Canada](#).

Renewed commitments from the federal government is an encouraging development that can potentially raise the profile of the viability of housing co-operatives. More investments and coordination from provincial governments and municipalities will be necessary to further bolster housing co-ops. This includes measures to increase the supply and allocate land for new builds and of course funding to ensure a certain percentage of units are accessible to those living with low incomes.

In a time where home ownership is increasingly elusive for a sizable portion of the Canadian population, more housing solutions that are accessible to those who cannot or do not want to own a home are necessary.

The Edmonton Social Planning Council is an independent, non-profit, charitable organization focused on social research.

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