

# 9.

## Housing Co-operative Society

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**Housing Co-operative Society**

### 9.1 Introduction :

Due to industrialization urbanization is taking place and at the same time due to rapid increase in population demand for shelter is increased. Due to urbanization, increase in price of land and construction material as well as nuclear family system there is increase in prices of houses. So, it is not possible to purchase or construct house for middle or lower middle-income group of peoples. Due to which there is serious problem of housing.

To solve the common problem of housing many people come together and establish Housing co-operative society. Obtaining loan from Bank and Financial institution, purchase of land, constructions of houses, repair and maintenance of society if this all things are done through Housing co-operative society than the housing problem of general people will be solved and they will get houses at reasonable price. For solving housing problem Housing co-operative society is guaranteed solution. In 1909, “Bangalore Co-operative Society Limited” at Mysore was the first Housing co-operative society established in India. In planning period, the Housing co-operative society developed rapidly.

At National level National Co-operative Housing Federation of India is the apex body which gives direction to the co-operative movement in the country. It was established in September 1969. Housing and Urban Development Corporation (HUDCO) was established in April 1970 which provides loan for co-operative housing projects in urban area.

## 9.2 Meaning and Definition of Housing Co-operative society :

### □ Meaning:

The people having common housing need comes together and establish Housing co-operative society. The land required for construction of houses is purchased through housing society or obtained from government at concessional rate. The building plan, construction of houses, construction material, labour, repair and maintenance all transactions are done through this society. Such co-operative society is known as Housing co-operative society.

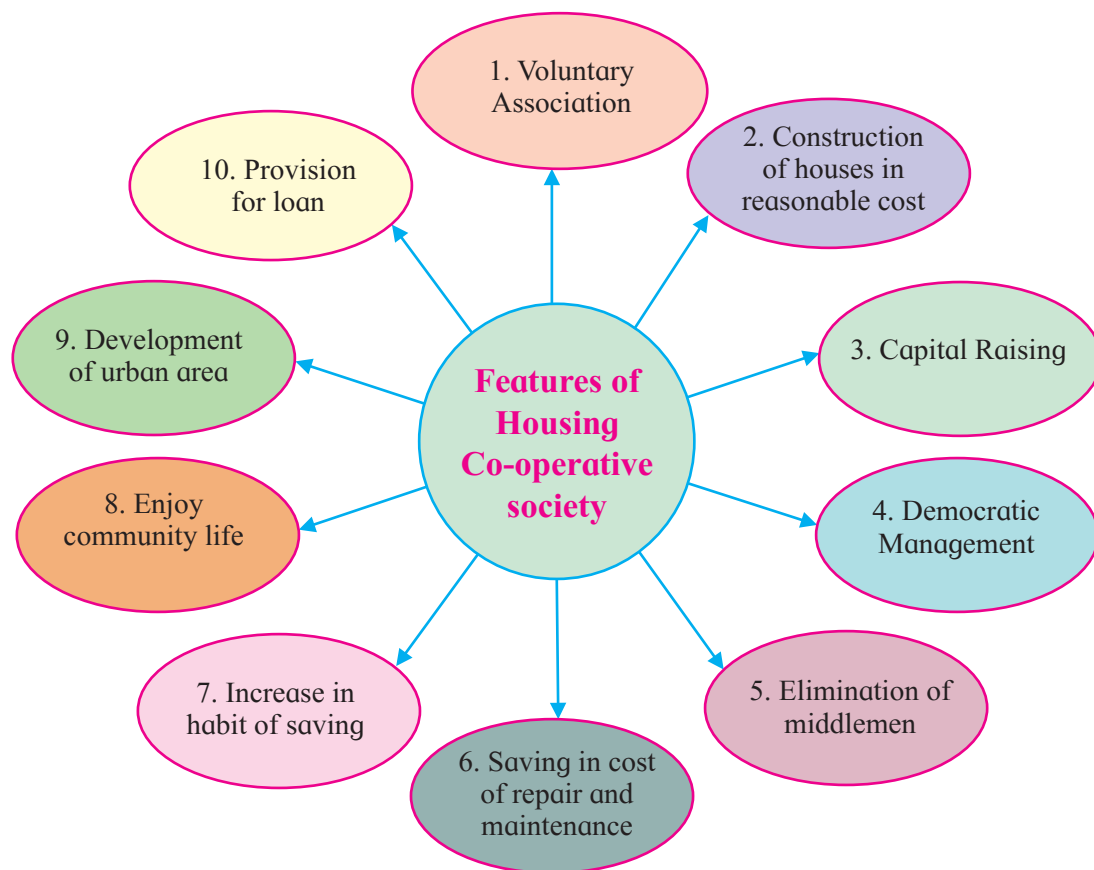
### □ Definition:

“An organization formed by the people of limited income group to fulfil their common need of shelter on co-operative principles is known as Housing Co-operative Society”.

According to Maharashtra Co-operative Societies Act, 1960,

“An organization formed with an objective to provide houses or flats to its members and to provide them common facilities and amenities on co-operative principles is called as Housing Co-operative Society”.

## 9.3 Features / Characteristics of Housing Co-operative society :



1. **Voluntary Association :** The Housing co-operative society is a voluntary organization. The persons having limited income source from middle and lower class comes together voluntarily and starts Housing co-operative society to solve their housing/shelter problems. There is no force or compulsion to become member of this co-operative society. The persons who are not having their own house can become member voluntarily.
2. **Construction of houses at reasonable cost :** The Housing co-operative societies try to provide houses at reasonable cost to its members. Therefore, such societies collectively purchase the land on large scale for their members. The construction material is purchased collectively on large scale, middlemen and unnecessary expenses are avoided, so houses are available at lower price. Moreover, there are many members in Housing co-operative society so the construction expense is reduced due to which the members get houses at reasonable prices. These societies perform all the functions that is from purchase of land till complete construction of house.
3. **Capital Raising :** Housing co-operative society collects its capital by issuing shares to the members, membership fees and loan from banks and financial institution. Life Insurance Corporation (LIC), Public and Commercial Banks, Co-operative Banks, Housing and Urban Development Corporation (HUDCO), Housing Development Finance Corporation (HDFC) provides loan to Housing co-operative society. In some projects government also provides funds and subsidies to the Housing co-operative societies under Gruha Nirman Yojana.
4. **Democratic Management :** Democratic management is one of the basic principle of co-operative society. The day-to-day management of such societies are conducted by the elected representatives from the members of co-operative society (Managing Committee). All basic and policy decision are taken in Annual general body meeting of members in democratic manner.
5. **Elimination of middlemen :** There are number of middlemen like dealers, agents and builders who are involved in the business of building and selling of houses. These middlemen charge their own margin of profit and exploit the needy customers. The Housing co-operative society directly deals with the members, the middlemen are eliminated so members get houses at reasonable price.
6. **Saving in cost of repair and maintenance :** The construction material like sand, bricks, cement, steel, etc. is purchased on large scale collectively for repair and maintenance of houses by co-operative society. All repair and maintenance work is done collectively so there is saving in cost of repair and maintenance.
7. **Increase in habit of saving :** The Housing co-operative societies provide long term loan at lower rate of interest. The members have to repay the loan amount in instalments and the society also collects monthly subscription in the form of maintenance charges from members. So, the saving habit is inculcated among the members.

- 8. Enjoy Community Life :** The membership of the society is open for all. All the members live together and housing co-operative societies develop the feeling of love and brotherhood among them. Sharing each other's happy as well as sad moments, the feeling of co-operation is developed. In this way they enjoy the experience of community life.
- 9. Development of Urban Area :** Due to concentration of population in urban area there is problem of land in urban areas. Hence, there is high rise of price of land in urban area. So, it is not possible for general people to purchase houses in urban areas in their limited income source. In such case, Housing co-operative societies fulfil the dream to purchase their own house due to which there is development in urban areas.
- 10. Provision for Loan :** The Housing co-operative society helps the members for obtaining housing loan. For obtaining loan from bank and financial institution the societies help to provide necessary documents such as purchase deed, building plan, 7/12 extracts, price of house, etc. The dream of house of general public is fulfilled due to provision of loan by financial institution on easy instalment.

#### 9.4 Functions of Housing Co-operative society :



1. **Acquire Land :** Now-a-days the price of open land is very high so it is not possible for general people to purchase land. In such case Housing co-operative society is formed. The Housing co-operative society acquire land for the construction of houses from government or appropriate authorities or from private landowners by completing all necessary legal formalities. The dream of own houses of common men is fulfilled due to this function which is basically performed by the Housing Co-operative society.
2. **Preparation of documents and Registration :** The society prepares all necessary documents which are required for registration of Housing co-operative society and makes application to Deputy District Registrar for registration of co-operative society, registers the co-operative society and obtains registration certificate. Minimum ten person with housing need comes together and registers the Housing co-operative society.
3. **Obtains Permission for Construction :** In addition to registration and acquiring land the housing co-operative society also has to obtain all necessary permission for construction of society from local bodies and authorities. The Housing co-operative society obtains all the required permission from concern authorities.
4. **Agreement with Developer/Contractor :** If the Housing co-operative society is constructing the building with the help of private developers or contractors. Then they make necessary agreements with the private developers or contractors after checking their credibility for construction.
5. **Purchase of Construction Material :** The Housing co-operative society collectively purchase all the construction material like cement, sand, bricks, steel, etc. therefore the materials is purchased at wholesale rate and reasonable price. Due to which construction cost is reduced. So, collective purchase of construction material is one of the important function of Housing co-operative society.
6. **Obtain Necessary facilities/ Amenities :** The Housing co-operative society also obtain and provides various civic and general amenities such as electric supply, water supply, drainage system, security service, internal roads, etc.
7. **Repair and maintenance :** The Housing co-operative society performs important function of repairs and maintenance of building and society. For providing this civic and general facilities (amenities) and for repairs and maintenance the society takes maintenance charge from members. The repairs and maintenance work is done collectively by Housing co-operative society so there is saving in expenses.
8. **To maintain accounts :** The Housing co-operative society also performs the functions of maintaining accounts of the society. All the income and expenditure are recorded properly as per the act. The society also conducts the audit of the society and present the accounts to the members.

- 9. Provides Readymade houses :** Some Housing co-operative society also performs the function of providing readymade houses to its needy members. The members who do not have time to involve in the process of forming housing co-operative society for such members readymade houses are provided and need of their house is fulfilled.
- 10. Members education :** The Housing co-operative society performs the important function of providing education to the members. The education and knowledge of working of Housing co-operative society, rules and regulations of housing co-operative society, community living, nourishing environment and economy/thrift is given to members.

**1) Difference between :**

**Credit Co-operative Society and Housing Co-operative Society**

Sr. No.	Point	Credit Co-operative Society	Housing Co-operative Society
1	Meaning	The society established to provide banking services to the economical weaker section of the society on mortgage is known as Credit Co-operative Society.	The society established on co-operative principles to fulfil housing needs of the people is known as Housing Co-operative Society.
2	Establishment	Mainly established in rural areas.	Mainly established in urban areas.
3	Membership	Marginal farmers, land labour, craftsmen, artisans are the members of this society.	Middle or lower-income group of peoples with housing needs are the members of this society.
4	Objective	To provide loan at reasonable rate of interest to the members.	To solve the housing problem of the members.
5	Area of Operation	Area of operation is rural and urban areas.	Area of operation is urban areas.
6	Function	To provide loan to the members for agricultural production.	To provide houses to the members.



## 2) Difference between :

### Processing Co-operative Society and Housing Co-operative Society

Sr. No.	Point	Processing Co-operative Society	Housing Co-operative Society
1	Meaning	The societies which are formed for processing the agricultural goods for ultimate consumption of the consumers such societies are called Processing Co-operative Society	The society established on co-operative principles to fulfil housing needs of the people is known as Housing Co-operative Society.
2	Establishment	Mainly established in rural areas.	Mainly established in urban areas.
3	Membership	Producers of agricultural goods and farmers are members of this societies.	Middle or lower-income group of peoples with housing needs are the members of this society.
4	Objective	The main objective is to process agricultural goods for ultimate consumption.	To solve the housing problem of the members.
5	Area of Operation	Mainly works in rural areas.	Mainly works in urban areas.
6	Function	The main function is to process agricultural goods, create market for processed goods and their by-products.	To provide houses to the members at reasonable rate.



#### Activity :-

1. Collect information by taking interview of president or secretary of any Housing co-operative society.

## 9.5 Summary

The society established by the members having common need for construction, repair and maintenance of house under co-operative act is known as Housing co-operative society.

“An organization formed by the people of limited income group to fulfil their common need of shelter on co-operative principles is known as Housing Co-operative Society”.

According to Maharashtra Co-operative Societies Act, 1960, “An organization formed with an objective to provide houses or flats to its members and to provide them common facilities and amenities on co-operative principles are called as Housing Co-operative Society”.

❑ **Features of Housing co-operative society :**

1. Voluntary Association
2. Construction of houses in reasonable cost
3. Capital Raising
4. Democratic Management
5. Elimination of middlemen
6. Saving in cost of repair and maintenance
7. Increase in habit of saving
8. Enjoy community life
9. Development of urban area
10. Provision for loan

❑ **Functions of Housing co-operative society**

1. Acquire Land
2. Preparation of documents and registration
3. Obtains Permission for Construction
4. Agreement with Developer/Contractor
5. Purchase of Construction Material
6. Obtain Necessary Facilities/ Amenities
7. Repair and Maintenance
8. To maintain accounts
9. Provides Readymade Houses
10. Members Education

## 9.6 Key Terms

- **Housing Development Finance Corporation (HDFC) :** The corporation established to provide housing loan to the members.
- **Housing and Urban Development Corporation (HUDCO) :** Institution form for providing financial help for urban housing projects.
- **National Co-operative Housing Federation of India :** Apex body of the nation which give direction to the co-operative movement in the country.



## 9.7 Exercise

**Q.1 A) Select the proper option from the options given below and rewrite the sentence :**

1. Housing Co-operative Society is \_\_\_\_\_ organization formed by members in need of houses.  
(a) Voluntary                      (b) Compulsory                      (c) Unnecessary
2. The society which provides houses to the people having limited income is known as \_\_\_\_\_.  
(a) Marketing Co-operative Society      (b) Agriculture Co-operative Society  
(c) Housing Co-operative Society
3. The basic need of human being is \_\_\_\_\_.  
(a) Goodwill                      (b) Entertainment                      (c) Shelter
4. Housing Co-operative Society provides \_\_\_\_\_ term loan to its members.  
(a) Short                      (b) Long                      (c) Medium

**B) Match the following:**

Group 'A'	Group 'B'
a) First Housing Co-operative Society	1. 1969
b) National Co-operative Housing Federation of India	2. Housing Co-operative Society
c) Housing and Urban Development Corporation	3. 1960
d) To provide shelter	4. Bangalore Co-operative Society Limited
	5. 1947
	6. 1970
	7. Rochdale Equitable Pioneers Society Limited
	8. Marketing Co-operative Society

**C) Write a word or a phrase or a term which can substitute each one of the following statements :**

1. Along with food and cloth the third important need of human being .
2. The Co-operative Society which provides houses at reasonable rates to its members.
3. The principle on which the working of Housing Co-operative Society is conducted.
4. The society fulfilling need of shelter for the members.

**D) State whether the following statements are True or False:**

1. Housing co-operative society provides short term loan to its members.
2. Housing co-operative society is a voluntary organization.
3. Housing co-operative society do not have importance in urban area.
4. The working of housing co-operative is on principle of dictatorship.

**E) Complete the following sentences:**

1. The society which functions on co-operative principles for the construction of houses is known as \_\_\_\_\_.
2. Housing co-operative societies provides houses to the members at \_\_\_\_\_ prices.
3. In housing co-operative societies all the decisions are taken on \_\_\_\_\_ basis.
4. Housing co-operative societies are established in \_\_\_\_\_ areas.
5. Housing co-operative societies provides \_\_\_\_\_ term loan to the members.

**F) Select the correct option:**

1. First Housing co-operative society.	<input type="text"/>
2. <input type="text"/>	National apex society
3. Supply of housing loan in urban areas	<input type="text"/>
4. <input type="text"/>	Housing co-operative society
5. Registration of housing co-operative society	<input type="text"/>

District sub registrar, houses at reasonable prices, Housing and Urban Development Corporation, National Co-operative Housing Federation, Bangalore Co-operative Society Limited.

**G) Answer in one sentence:**

1. Housing co-operative societies are primarily formed in which area?
2. What is the main objective of forming Housing co-operative society?
3. What is Housing co-operative society?
4. Which services are provided by Housing co-operative society?

**H) Correct the underlined word and rewrite the following sentences:**

1. Generally Housing co-operative societies are established in Rural areas.
2. People of Higher income group needs Housing co-operative societies.
3. Housing co-operative societies provides Short term loans.
4. Marketing co-operative societies fulfils needs of shelter.
5. In India first Housing co-operative society established was Rochdale Equitable Pioneers Society Limited.

**I) Find the odd one:**

- |   |  |
|---|--|
| 1. a) Life Insurance Corporation of India | b) Housing and Urban Development Corporation |
| c) Reserve Bank of India                  | d) Housing Development Finance Corporation   |

**Q.2. Explain the following terms:**

1. Housing Co-operative Society.
2. National Co-operative Housing Federation of India.

**Q.3. Application based/ Self-opinion question:**

1. "Housing co-operative society is important for general public".
2. "Due to Housing co-operative society the housing problem of the middle class people are solved".

**Q.4. Difference Between:**

1. Credit co-operative society and Housing co-operative society.
2. Marketing co-operative society and Housing co-operative society.
3. Housing co-operative society and Processing co-operative society.
4. Housing co-operative society and Service co-operative society.

**Q.5. Write short notes:**

1. Housing co-operative society.
2. Features of Housing co-operative society.
3. Functions of Housing co-operative society.

**Q.6. Give Reasons:**

1. It is easy to purchase houses for general people due to Housing co-operative society.
2. Housing co-operative society has importance in urban areas.
3. Due to Housing co-operative society middlemen are eliminated.
4. Dream of house is fulfilled due to Housing co-operative society.

**Q.7. Answer in short:**

1. State the features of Housing co-operative society.
2. State the functions of Housing co-operative society.

**Q.8. Long answers:**

1. Define Housing co-operative society and explain its features.
2. Explain meaning and functions of Housing co-operative society.

