



SOLIDARITY ECONOMY CENTER

RENTAL HOUSING COOPERATIVE IN HUNGARY

Housing in Hungary

In today's Hungary, many cannot afford quality, secure housing. In the past years, the increase in the prices of flats and rentals in the capital and in cities made acquiring dwellings difficult. While between 2007 and 2019 rents increased by 60% on average¹, the prices of flats within the same timeframe doubled². Today, it's not just the poorest who are affected by housing poverty. It concerns young people moving to cities from the countryside and high-skilled but low-income workers (like teachers) just as much, as factory workers under the pressure of heavy loans. While many find it difficult to fulfil their housing needs, the dwellings themselves are often of low quality. It is further generally unpredictable for how long tenants can stay in them. If someone is not lucky enough to inherit, vulnerability to the landlords, being constantly on the move, or stress associated with repaying loans will be part of their everyday life. Multiple attempts exist for solving these problems: regulation of rents, council housing, or **fecskeházak**, intended for young people can all be alternatives to the current housing-market.

In this publication we will present the advantages of **rental** housing cooperatives, which can offer a solution to the above-mentioned problems. Apart from solving the direct needs of housing, rental housing cooperatives can counter-balance loneliness in old age and can help single parents, people raising small children or people caring for acutely sick relatives. First, we will present the model of rental housing cooperatives, then we will list the steps potential residents have to make in order to acquire a house and community. At last, we will give an overview of the initiatives that the Solidarity Economy Center is working on to make the rental housing cooperative model feasible in Hungary.

I. What is a rental housing cooperative?

A rental housing cooperative is a form of community housing based on collective ownership. This practically means that both the communal and the private spaces are owned by a single legal entity, like an association or a cooperative, whose members are the residents themselves. As such, the residents are owners of the property indirectly, through their membership, but do not have private ownership of their own living area. Consequently, there is no need for them to buy their private living areas, they can instead use them as members of the association/cooperative. The residents pay rent to this legal entity and collectively arrange the tasks around the house, such as the house's reparations and finances, as well as communal chores like cleaning and washing up.

For the forms of communal living the notion of co-housing is often used. While this describes the community aspects of cohabitation, the rental housing cooperative focuses

¹ Via the internet: <https://24.hu/fn/gazdasag/2020/01/20/alberletek-aremelkedes/> (Accessed: 12.03.2021.)

² Via the internet: <https://www.portfolio.hu/ingatlan/20190729/itt-vannak-a-friss-budapesti-lakasarak-nehez-elhinni-azt-amit-latunk-332587> (Accessed: 12.03.2021.)

on questions of legal ownership and affordability as well. This form of cohabitation imagines the creation of community through the sharing of ownership and responsibility. As opposed to this, co-housing is a wider category, which can entail initiatives based on private property, neglecting the question of affordability all together. As such, every rental housing cooperative is co-housing, but not all co-housing is a rental housing cooperative.

A comparison between rental housing cooperatives, co-housing, and social housing:

	Social housing	Co-housing	Housing cooperative
Ownership	In Hungary, property of the council	is differing, but typically the private property of individuals	collective ownership
Price	affordable (approximately 20% of the market-price)	is differing, can be launched to gain profit, but also to serve a social purpose	affordable (approximately 70–80% of the market price)
Aim	satisfying the housing needs of vulnerable social groups	community based co-habitation, creation of shared spaces	the alternative to the market driven housing-market

Many networks of housing cooperatives exist in the world, which can be considered to be the forerunners of the Hungarian initiative. Both the German Mietshäuser Syndikät and the Federacion Uruguaya de Cooperativas de Vivienda por Ayuda Mutua (FUCVAM) of Uruguay manage enormous real estate property, while the members democratically organise both the individual houses and the houses' network alike. Mietshäuser Syndikät is a system of housing cooperatives formed from squats, in which the individual houses are owned by the legal entities founded by the members, partly owned by a central organisation, the Syndicate. Residents of each house are members of the Syndicate. They make decisions concerning the network, such as the potential sale of certain houses, or supporting the foundation of new houses, on annual meetings. The residents pay rents below the market price, from which a portion is taken into the Solidarity Fund. The Syndicate then uses this Fund to support the initial contributions of newly founded houses. Often within the houses, based on the needs of its residents, collateral businesses are also run. These can vary from sewing shops, through gyms and rehearsal rooms, all the way to outwardly open kitchens and various kinds of hospitality establishments.

FUCVAM grew out of the worker's movement of Uruguay in the end of the 1960s. As a response to the housing crisis, the workers founded three pilot projects of housing cooperatives. Through lobbying with them at the government, they managed to achieve the right for housing cooperatives to access cheap state loans. From that point, the core of the housing cooperatives became the members of the unions, who through mutually helping each other, built individual houses, financing them through

state loans. In multiple places, the local council provides cheap, or free lots for the real estates of FUCVAM. FUCVAM is a political organisation uniting these houses, run as cooperatives. It aids the foundation of new houses through community organisation. Currently they provide affordable housing to 25 thousand households.

Similarly to other European countries, in Hungary – or in the then Austro-Hungarian Empire– the first cooperatives dealing with the questions of housing were founded at the end of the 19th century. Until the First World War the first founders experimented with many forms, from house-building cooperatives to house-building joint-stock companies. We know of a few dozens of these initiatives. Although these could typically improve smaller bureaucrats', and better-situated workers' housing conditions, in the light of international examples, already the contemporary experts were not satisfied with the achievements of the Hungarian movement of housing cooperatives. Between the two world wars, thousands of houses were built in the form of cooperatives, especially on rural locations, with the help and organisation of the Hungarian state. Yet these were not grass-root initiatives, and they were not organised and operated democratically. After the second world war, the state-party facilitated cooperative building programs in multiple, smaller waves, but the number of housing cooperatives jumped significantly only after the 1970s. By 1989 1421 housing cooperatives managed almost 280.000 cooperative flats. Although since 1989 6–7% of the population continues to live in cooperative flats, these show no meaningful operational differences from condominiums. (Csaba Jelinek)

The aim of rental housing cooperatives is to provide **affordable and predictable housing** for those who either **lack capital or have unpredictable jobs**, excluding them from taking housing loans despite their stable income. The building blocks and consequent advantages of housing cooperatives are the following:

I. Collective ownership: The property is owned by the association/cooperative, the members of which are the residents themselves. As such, the residents are indirectly the owners as well, through their membership. People can become members without significant capital investments as they do not have to buy their own living spaces. This also means that the residents do not privately own their apartments, they can use them as the members of the association/cooperative. As such, they cannot sell their living spaces, and without the consent of the community, no one can buy themselves into the house either. Yet, similarly to tenures, it is easy to leave a housing cooperative, and the members' contribution, paid as a loan, will be reimbursed by the people staying to the person leaving. These restrictions serve to protect the residents from real estate speculation and vulnerability.

- Long term, predictable housing: The predictability of housing is guaranteed by collective ownership. The aim of the members' legal organisation is for the property to serve on the long run the purpose and interest of housing, and not real-estate speculation. This is why it regulates the sale of the house, and consequently withdraws it from the market. As such, the housing cooperative is protected from the fluctuations of the market, and the unpredictability of its crisis and **rising** cycles.
- Easy access: Since the members do not buy their own apartments, those can participate too, who do not own significant savings.

II. Diversified financing: The investment can rely on multiple different sources: bank loans, loans from friends, non-refundable sources. In order to purchase the property, the smaller savings of the members are needed as well, which will be reimbursed when they move out of the cooperative. For living in the house, the residents pay rent to the cooperative. The cooperative manages the financial sources and repays the loans from the rents. Yet every resident is the member of this association/cooperative, and as such will take part in the decision-making concerning finances, taking responsibility for the house and for fellow residents.

- **Affordability:** It is significantly cheaper to live in a housing cooperative since the expenses are reduced through the sharing of financial resources, work and responsibility between the residents. Individual living spaces' cost is further reduced through the fact that proportionally it is cheaper to buy bigger properties, and their maintenance is also more cost-effective. These aspects aid the rent to be kept long-term under 40% of the residents' respective income.
- **The aggregation of resources:** The scarce individual savings of a couple millions of HUFs are not sufficient for individual applications for bank loans. Nevertheless, in the case of housing cooperatives, based on the principle of many a little makes a mickle, savings add up, allowing those to participate, who alone would not be creditworthy.
- **Risk-sharing:** Since the new residents take on the responsibility of repaying loans collectively this structure is significantly safer, involving less risks than taking loans individually. Due to the distribution of risks a divorce or unexpected illness does not jeopardize the repayments of loans.

III. Diverse living space: Communal and private spaces are equally present within a housing cooperative. There could be small flats with private kitchens and bathrooms. Equally, based on need and consent, if someone desires a more open way of living multiple rooms could share a kitchen/bathroom/living room. While the general maintenance of the building is the responsibility of the residents' organisation, the individual, private spaces remain under the management of individual residents themselves.

- **Higher standard of living:** Residents can use spaces, such as a gym or a garden, which otherwise would not be affordable for them on an individual level.
- **Big and diverse spaces:** Communal spaces allow for a more diverse use of spaces. Based on the residents' decisions multi-functional spaces can be created, which can be utilised for different purposes by the community at different times. Communal spaces can function as a playroom in the morning, a dining room in the afternoon, and as a library in the evening. Furthermore, the sum of the private spaces and communal spaces usually exceeds the amount of space that can be rented individually on the market for the amount of rent one pays for the housing cooperative. (In the case of the second housing cooperative, residents have to pay 90000 HUF/ person for 35 m2 of private, 35-40 m2 of communal and roughly 50 m2/person of garden space.)

IV. Democratic decision-making: The residents make decisions about questions concerning the property and the community on house-meetings.

- **Shared responsibility:** The responsibility of repaying loans and maintaining the property is shared between the residents.
- **Autonomy:** Prices or where one can or cannot drill a hole in the wall are determined not by a landlord or an owner, but are based on the decisions of the residents. Naturally, owners of flats might immediately associate to condominium-meetings unable to make decisions, where everyone protects their own turfs, and defends their own interests against everyone else's. Yet in the case of the collective ownership of a property the creation of shared spaces, peaceful cohabitation and the good condition of a house are all collective interests. Due to this, a housing cooperative's house meeting is rather about collectively thinking about these questions.

V. Strong community: The well-being of the residents is insured by the institutions created by the community. Residents can share the chores of cooking, by for example managing a canteen, they can collectively care for children, as well as create a communal vegetable garden. Parallely, they can organise regular activities for the community, like dinners or hikes. Of course, the feeling and mentality of a community does not form immediately, every member has to put lots of work in to create well-functioning cooperatives. Community institutions insure, that housing cooperatives offer the context of an enjoyable and happy living environment for everyone.

- **Mental wellbeing:** Living in a community helps the mental health of the residents. The community can offer emotional support to its members in everyday life. This can prevent loneliness in old age, or the isolation of young families.
- **More free time:** The weight of caring for children and/or the elderly can be shared between the residents within pre-agreed frameworks. They can also utilise outside help collectively. As an example, they can decide who will babysit the children in the afternoon, and who will pick them up from school/kindergarten.
- **Lower costs of living:** The above listed institutions, such as the collectively operated canteen, vegetable garden, or babysitting can decrease the costs of living as well. One does not have to pay a babysitter and purchasing food can be done for a lower price too.

VI. Green housing: Housing cooperatives can create green and sustainable cohabitation.

- **Shared purchasing:** The collective purchase of food and expensive devices can reduce the energy needs and emission of a household. Housing cooperatives can operate simultaneously as consumer cooperatives, maybe organised into a network with other housing cooperatives, acquiring fresh food from rural farmers together.
- **Renewable energy:** Since the new residents are the developers of the property, the implementation of renewable energy devices will bring profit to them in the long run. As such, while the entering cost of these devices is higher, in the long run it is in the community's interest to install them. The installation of solar panels or other devices capable to source renewable energy will reduce the price of energy for the residents themselves.
- **Consequently, a rental housing cooperative allows for a higher standard of living:** besides low living costs, it ensures a good quality of living spaces for its residents. It provides private spaces, yet through communal spaces it can also satisfy the community needs of the residents. Living costs are lower in a community and everyday social engagement helps in the maintenance of one's mental health.

What are the problems that a rental housing cooperative can solve?

First of all it is more and more difficult for many to acquire homeownership, while the rental market does not offer an affordable alternative either. For example, in the county seats, in order to purchase a used flat one needs at least 6–8 million HUFs of private capital and 150–170 thousand HUFs of regular monthly income. In Budapest this is even more: one needs 10–14 million HUFs of private capital and a regular monthly income of 250–270 thousand HUFs³. Meanwhile, in Hungary today, half of the households have to live from less than 156 thousand HUFs/ month⁴, and a third of the country's population does not own savings⁵. Compared to the households' income the rents of the market are not too friendly either: in 2020 in Budapest the rent of an average flat was 175 thousand HUFs, while in county towns this amount was 108 thousand HUFs⁶.

The other problem is the lack of shared resources which increases the households' consumption and hence their ecological footprint. Nowadays housing is typically managed on an individual level, and as such, households must acquire every bigger resource/device – e.g.: car, washing machine, bicycle, sport gears– individually. We own tools and devices which we often only use once or twice a year, like a drill or a saw. Community housing allows us to utilise these to the maximum degree and individually spend the least amount on their maintenance.

The third problem is the lack of communities, social isolation, and the difficulties of fulfilling care responsibilities. The current, individualised conditions of housing leave many without the fulfilment of their emotional and social needs. Loneliness is wide-spread between the elderly, but younger households can become easily isolated from the outside world as well, especially if they raise small children and work beside raising them.

Who can benefit from this?

- Young people and young families who have only small amounts of savings. In 2019, 23,9% of 20–29 years olds lived in overcrowded households⁷. In the same year, 43,9% of 18–34 years olds who were working full-time jobs lived together with their parents⁸.
- People having a stable, but low income job. For example people working in the public

³ Based on the data of the Hungarian Central Statistical Office, in the third quarter of 2020 the price of an average , used flat was 19.9 million HUFs in a county seat city, and 33.4 million HUFs in Budapest. Newly built apartments are even more expensive than that, hence we will not deal with them here. Based on banking practice , to obtain a housing loan one needs 30–40% of personal contribution as a deductible, and monthly repayments can not exceed the 30–40% of one's income (for certain banks, this can reach 50%). Source of data: https://www.ksh.hu/docs/hun/xstadat/xstadat_evkozi/e_qsla002c.html

⁴ Source of data: https://ec.europa.eu/eurostat/databrowser/view/ilc_di04/default/table?lang=en

⁵ Via the internet: <https://www.mtaki.hu/koronavirus/a-magyar-haztartasok-tartalekai/12930/> (Accessed: 12/03/2021).

⁶ Source of data: https://www.ksh.hu/docs/hun/xftp/stattukor/lakberindex_szamitas/index.html#sec-2-2

⁷ Only considering people earning above the 60% of the median income. Source of data: http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=ilc_lvho05a

⁸ Source of data: https://ec.europa.eu/eurostat/databrowser/view/ILC_LVPS09_custom_128187/default/table?lang=en

sector like teachers, healthcare and social workers, council workers, or cultural workers. According to the public wage system, a public service employee with a university degree and 33 years of experience earns a gross salary of 210.600 HUFs. With this amount, even besides its stability, it is difficult to save up money or to pay market rents⁹.

- Not typically employed, flexible workers such as low-income self-employed people or part-time workers.
- Those who believe that living in a community is a better solution, those who are thinking about community living out of ideological or emotional commitment.

II. Step by step: how to make a rental housing cooperative?

The obvious question arises: What do you have to do to live in a rental housing cooperative in today's Hungary? Since there are no widely practiced, practical models in Hungary, there are no obvious paths either. But based on our experiences, we already see the main steps to achieve this goal.

gathering a community → talking through the model of the rental housing cooperative → assessment of the residential needs → establishing the guidelines of cohabitation and cooperativism → founding of a legal entity → creation of an initial business plan → searching for and assessing properties → establishing financing and investments → application for a bank loan → purchasing of real estate → renovation and moving in → operating the house → operating the residential community → +1 long term questions and dilemmas

The first housing cooperative of Hungary

“The Zuglói Kollektív Ház Egyesület (ZKHE) is a residential community operating on the basis of cooperativism, with the principal goal of providing quality, stable and affordable housing for its residents. The story of our residential community starts way before our association was founded: the majority of our current residents have been part of the informal group of Rákóczi Kollektíva, which was working on affordable co-housing alternatives’ identification and preparation since 2010. At last we reached the point of moving in in Zugló after long years, through many transformations of the group, lots of thinking about legal structures and lots of designing of business and architectural plans, as a result of lots of work, excitement and active help from a wider, supportive milieu. Throughout these long years we typically lived in shared tenancies, where we continuously experimented with the collective modus operandi, which provides the basis of our current residential community.

Since we had to create our own path to make a housing cooperative, we have overcome many obstacles together over the years. The biggest challenge of the community so

⁹ Via the internet: <https://www.penzcentrum.hu/karrier/kozalkalmazotti-bertabla-2020-mikor-valtozik-meg-a-kozalkalmazotti-bertabla.1102090.html> (Accessed: 12/03/2021).

far was the renovation of the house in the winter of 2018–2019. We have all done our shares during the renovation: we sourced materials, tore down and spackled walls, buffed floors, or cooked for the people working with us that day. We finished the renovation on the spring of 2019. Since then we had a year of freedom and one of on and off lockdowns. We also reached another important milestone of our organisation, which is mostly connected to finding a legal and financial structure in alignment with our collective principals.

In the meanwhile, the basis of our cohabitation is virtually unchanged since the very beginnings. Seven of us live together, we have seven living spaces, three bathrooms, two kitchens, one living room, one sunny terrace and a teeny-tiny garden. We buy non-perishable food and shared consumer goods together every half-year, in large quantities. We have a canteen, which means that 2–3 times a week we cook for ourselves and for each other on a pre-agreed schedule, with a pre-agreed menu. We keep the house's shared rooms clean through a weekly cleaning schedule (this means we sometimes forget to take down the trash). Quarterly, we communally do a major clean-up of the whole house. We also care for the garden together, and what's the most important, in our bi-weekly residential meetings we talk through all the small and big chores and tasks, as well as the major questions of our organisation."

(the members of the Zuglói Kollektív Ház Egyesület)

- Gathering of the community: The first step is the gathering of the community. You can come together with your friends and acquaintances, or even as the members of an already existing community (hiking-club, college for advanced studies, family). In the long run we further deem it possible that a community will organise itself through an institution (like within a union), or through the help of local councils.
- Talking through the model of the rental housing cooperative: If a community has been formed, as a first step together it's worth for you to talk through the characteristics of a housing cooperative (for this see the previous section) and assess if every member of the community can commit to this model.
- Assessing the residential needs: After this you can start the dialogue about who imagines housing in what way, who has what needs in this regard. Multiple important questions can be raised at this point:
 - In what timetable do people think about moving in, how urgent is moving in for them?
 - Who would like to live in what neighbourhood? For example, in the case of a bigger city, how far should the city centre be?
 - How do people exactly imagine their own living space? How big should it be and how should it be arranged? What functions would they need (like private kitchen or bathroom)?
 - What other needs do people have (like a garden, sunshine, pets, proximity to public transport)?
 - Apart from individual needs, it is important to specify the building's shared spaces' size, function and type. There can be amongst others, a shared kitchen, a communal play-room for the children, or a communal garden.

This is the point where it will come to the surface, if there are radically differing needs within the community. Then it can happen, that a number of people quit and form their own group. Nevertheless, it is worth to be flexible, and try to reconcile differing needs, of course without someone having to make an unreasonable compromise. You can create for example many types of spaces within a property, it is easy to create living quarters with private bathrooms and kitchens next to ones with shared kitchens and bathrooms.

- Establishing the guidelines of cohabitation and cooperativism: Through the acceptance of the rental housing cooperative model and the establishment of residential needs, a stable community is formed, who collectively imagine their housing in the form of a housing cooperative. From this point you will walk through the following steps as members of this community, up until the point of moving into your cooperative house, as a residential community. Of course, there is no need to treat this process rigidly, most probably there will be people who leave this community along the way (because of for example a change in their life), and there will be new ones to join you. Yet it is important to have a strong core of people who commit to the project all the way. The last step of becoming a community is the establishment and acceptance of the community and cooperative principles. For this, it is useful to create a charter. The charter will comprise of the previously agreed grounds of the model of the rental housing cooperative, like collective ownership (which cannot be annihilated), the leasing contract between the created legal entity and the members, and the financial aspects of the model. It will further elaborate on the mechanisms of a democratic decision making, and the conditions of membership. The charter can clarify the questions of the times ahead of you: how often you will have meetings, who will organise these, and what level of activity is expectable from the members in terms of organising.
- Founding of a legal entity: After the acceptance of the charter, or even parallelly to that, you can start working on the foundation of a legal entity, which will be the owner of the property. Currently there is no one form of legal entity which would entail the operation of a housing cooperative completely. The already existing housing cooperatives came about in the form of associations, since that is a legal form guaranteeing democratic decision making. We suggest, that before you decide on a legal form, you discuss this matter with already existing houses. The foundation and registration of a legal entity will take roughly three months, but it is important that you start this process as soon as possible, so if you find a property, the legal entity will be ready to buy it.
- Creation of an initial business plan: After the preparational works, soon you can start looking for real estate. But for this, first you need one last step, in order for you to see, roughly how much you can spend on a property and its renovation. This is what the initial business plan is for, which lists the different financial sources the project can rely on and calculates what amount of investment is feasible from these sources, on the basis of what amount of rental and operational charges are planned and needed. The primary aspect when creating this business plan, is keeping the rents persistently under the market average. The community has three tasks here:
 - definition of the optimal amount of rent: this can be defined by a percentage of income, such as no one should pay, together with utility bills, more rent than the 35% of their income.

- identifying bank loans: in order to sustain a rent below the market average, there needs to be a well-conditioned bank loan. It is useful to discuss these loans' conditions and experiences with them with already existing houses. Based on their tips, it can also be a good idea to go to the bank and inquire about loans' conditions in person.
- identifying the financial resources of the members: It is also important to see, how much of their own financial sources can the members give to the project. These can be personal savings, or even advantageous loan-based sources. It is important to clarify with what conditions would the members contribute their personal financial resources to the project. The general procedure for this is, that the members' investment does not bear interest below a certain sum, but above that some the house pays interest to the member, and as such he or she becomes a kind of inner creditor.
- Searching for and assessing properties: Following the creation of the initial business plan, and having discussed the needs of the residents, you will know by now approximately how big of a property you are looking for, with what conditions and what price. Based on that, searching for a property, scouting websites and visiting sights can start. If you like a building, ask the opinion of an architect and a static, and also inquire about the real estate at the local council. You will be looking for the answers to the following questions: In what condition is the building? What is the legal status of the property? How much would renovation cost, and how much would your budget allow?
- Investment and business plan: If you have found the house of your dreams, then you will have to create an exact investment and business plan. The investment plan lists all the potential expenses arising throughout the investment (purchase price, taxes, fees of a lawyer, renovation, price of architectural design etc.), and based on these estimates how much will the whole investment cost from beginning until the end. In turn, the business plan, based on the investment plan, calculates what amount of bank loan is needed above the members' personal contribution, and with what amount of rent and in what pace can then the community repay those loans.
- Application for a bank loan: Equipped with the investment and business plans you can apply for a bank loan. The application's processing usually takes one to three months. During this period, it is useful to stay in touch with the seller of the desired property, so he/she knows that your intentions are serious.
- Buying the real estate: In the case of an affirming credit assessment, you can buy the property. Since the buyer will be most probably the legal entity established by you, that entity will be the one taking the loan too, as well as functioning as the collector of the members contributions (which will function as the loan's deductible).
- Renovation and moving in: Following the purchase of the property comes the most labour-intensive period: the renovation of the property. While most probably you will hire professional contractors at some point, the costs of the renovation can be reduced, if the smaller tasks are carried out by the community itself. This is standard practice in the case of other projects too: in the case of the housing cooperatives of Uruguay, the new residents carry out a part of the renovation, which is accepted as deductible by the bank, reducing the personal capital needed for the investment.

- Operating the house: You are over the largest task, so the day-to-day operation of the house can start. The central organisation of this operation is the regular residential meeting: you make decisions and distribute tasks here. Operating the house entails carrying out the administrative tasks concerning the association, the collection of rents, the organisation of the loan's repayment, paying utility bills and organising the residential meetings. The easiest way is to agree in a rota-system, deciding who will do what sub-tasks, and for how long. Potentially you can compensate the designated people for their work with paying a portion of their rent for them during their mandate.
- Operating the residential community: The daily operation of the residential community is crucial in how good it is to live in the housing cooperative. Organise collective activities, and create community institutions, which make your life easier. The organisation of a community canteen, the organisation of the care for children and elderly, or operating collectively a vegetable garden can be good ideas.
- Throughout the operation of the house and the community, and throughout the establishment of collective principles, the collectively accepted charter plays a crucial role. After moving in, it can be useful to think through again how you have to update the charter. On the basis of cohabitation, new, undiscussed questions may arise. One of these can be the ground rules of living together: the cleaning of the shared spaces, caring for the garden, and agreements concerning social life and night-time noises. It is also important to establish a system for the rules of moving in and out (becoming and stopping being a member), such as how many months in advance one has to declare their will of moving out , and when does the leaving member get back their personal financial contribution. Or how do you make decisions about newly moving in members, and what are the conditions of becoming a member and moving in.
- +1 / Long term questions and dilemmas: During your time living together, long term questions and dilemmas may arise concerning the future of the housing cooperative. It can happen, that someone moves abroad, or chooses a different housing solution. But the residents' life can change too, for example if someone has a baby, and as such will need a bigger personal space than before. In countries where a wide-spread network of housing cooperatives exist, the residents, based on their momentary needs, can move into another housing cooperative. For example, in the case someone grows out their living spaces, or they would like to move to the other side of the city, they could do so, assuming that there is an appropriate, vacant living space somewhere else. So far, this is not an existing practice in Hungary, but with the development of a network, it could very well be possible in the future.

Quotes from collective tenancies:

Many young people try to solve, either spontaneously or consciously, the problems caused by expensive rents through creating collective tenancies. Both the members of the Zuglói Kollektív Ház and the community working on the second housing cooperative lived together in shared tenancies, where they organised their everyday life (eating, shopping, cleaning), as a community. While these tenancies do not transform notions of ownership, they are great opportunities to practice community cohabitation. They further reduce on the short term the costs of housing, and on the long run can become the basis of a housing cooperative. Below you can read quotes from residents living in these types of tenancies.

“My favourite thing about living in Magdi was, that living together was like life in general should be ,according to my best vision of it. No one was no one’s servant, we had a system for getting every necessary thing done. There was an undeniable intimate, collective relationship between the people, which created the feeling of a safe home, where whatever your problem is , you can count on the others. Yet no one interfered with your own personal spaces and decisions. It is also important in the case of Magdi, that this was a community out of choice, it was not only need that brought us together in a shared tenancy, but we chose this way of living, and we found the opportunities for this way of life. Shared values were an incredible additional value to my general wellbeing. In Magdi I was home in a way, where I could feel this collectively sustained human relationship even between the objects, and when I heard that someone else is fumbling around, or was watching a movie next door, I knew that this surrounded me.” (G.A.)

“I think back fondly of the time, when I could leave the risen sourdough bread confidently to my night-owl flatmate, we planted tomatoes together, or fasted together regardless of our congregation. Of course, environmental consciousness is very important in living together too: one fridge and one scooter is pretty good odds for eight people in my opinion.” (P.P.)

“Generally it scares me, that the majority of the people living in similar circumstances as me, step directly from changing tenancies every half years to taking loans, trying to acquire their own apartment, and start their own nuclear family there. The fact that I have a residential community who I can rely on, and with whom I will spend (at least!) the next couple of years is a pretty good alternative to these prospects. Besides this, I can always have deep conversations with my friends if I need to, and I can always ask for practical help from people who are good at different things and solve problems differently than I. And the whole thing is like if we would be characters of a sitcom!”

“For me Népszi is an alternative to a home, that we built up together in the name of equality, and which functions well ever since. Although we are all very different personalities, but if it is necessary, we cooperate like a crew of a ship having worked together for decades.”

What brings you joy during your everyday life?

- Cooking for each other/ eating together, and that we always share what we cooked with each other. We rarely eat breakfast together, but if we do, that is the best.
- How we keep each other's stuff in mind, and ask each other about how we are.
- The fact that we can laugh so much! How our sense of humour gets aligned with each other's .
- When I observe on myself, that I am so much less self-conscious about something (like calling the other from my room by shouting)
- Residential meetings. We don't have many, but they are always very entertaining, and it is a nice feeling, that this community is so important for all of us.
- Our collective institutions: cleaning and canteen
- During home officing, shared lunches are always so much better at home than the ones with my colleagues at work

Realised housing cooperatives:

What does the Zuglói Kollektív Ház Egyesület mean to you?

- A living environment and quality of housing, which probably would be inaccessible for me individually for a long time (if ever), and where I am not left alone with chores and responsibilities.
- That I can live in lot better conditions, than I could all by myself.
- It means a homely space created by us, which is the proof to ourselves and our environment, that we can realise, what we have been planning until now.

What I like most about living together is...

- that potential dinners together are regular and because of our created sharing of chores I hardly ever have to clean the toilet
- Seven people are enough for us to do all the chores and tasks around the house by ourselves
- There is always something happening, about what we can think together, life is never boring, and also that I don't have to always do groceries for myself , because it often happens, that somebody else already did it for me
- I think we can be extremely proud that...
- we have a house , that is run by us based on the principles of solidarity
- during the renovation of our house we learned how to glett, to gouge, clean bricks, do drywalls, put down, paint and polish a wooden floor
- in a relatively short amount of time (three months) we finished the renovation without bigger fights

3 anything, which gives you joy during your cohabitating everyday life

- There is always some butter at home. Having coffee and cakes on the sunny terrace. There is always someone to have dinner with.
- If there are some cookies that someone brought/got, if one can spend a random 1-1,5 hours in the kitchen in the evening, how dinners happen and how someone always has a new story to tell,

- A couple of us love to raise plants, which is awesome, because there are a lot of plants that I really like, but am incapable of caring for them; I really like the system of collectively purchasing stuff; others cook things at the canteen, which I would never think of

There are not many houses in the country where lockdown did not mean loneliness and social vacuum, but non-stop buzzing and community- but ours was one of them.

Honestly about the difficulties:

It is sometimes difficult to live together because...

- Making decisions together often takes a lot of time, and is often circuitous (but in return you are not left alone with the responsibilities)
- everyone keeps slamming the door
- you have to adapt to another person's needs, but that should be the basis of the functioning of society in general, so it is maybe better to practice this in a familiar context
- There are many of us who are not too outspoken – but we are trying to become more open!!
- it is difficult to separate yourself from everyone and be alone
- we have to increasingly pay attention to each other and our environment, so there won't be noise/mess/ we won't be in each other's way.
- in certain situations, our natural responses are different , we do not always understand each other's reactions, so the feeling of homeliness doesn't always come by itself (but maybe it's actually not that big of a problem if we have to work for it)
- I have to be very organised to signal, if something bothers me (e.g.: music, mess), and the more tired I am , it is more difficult for me to tell these things to the others
- I sometimes feel guilt/ fomo (fear of missing out) if I want to be alone in my room
- it's not always possible to be alone, it is difficult sometimes to even define that that's what I need (+ you can only be alone in your own room, so it is not possible for a longer period really)
- Everyone has different needs, so we have to reconcile them
- During the coronavirus, you need a lot more adaptation, than in peacetime

III. What are the conditions of its realisation in Hungary, and what does Solidarity Economy Centre work on?

The step-by-step guide above demonstrates quite well how big work it is to create a rental housing cooperative. Moreover, since we are talking about a new model, there are always going to be bumps on the road and unforeseen problems.

The Solidarity Economy Center together with its partners , the Periféria Center, the Gólya Building Cooperative and the Cooperative Center Kft is working on building an infrastructure in Hungary, which could aid the foundation of housing cooperatives. Our work has three components:

1. We are working on an umbrella-organisation for housing cooperatives. The first housing cooperative of Hungary was realised in 2018, and our aim is to take a second property into collective ownership by 2021. The connection of the two properties will allow for the formation of an umbrella-organisation, which can support the launching of further houses. Based on examples already realised in other countries, it seems inevitable to create a politically conjoining organisation like that, in order to create a sustainable system of housing cooperatives on the long run, since an organisation like that can recruit new members, and can prevent the properties from being privatised.
2. An important aspect of our work is opening up new financial channels (like bank loans) in order to create stable financing for the new houses to securely rely on. Parallely, together with lawyers, we are working on finding legal models, which can adapt to the needs of both the financing and the democratic decision making processes of the houses.
3. We deem the establishment of a facilitating group needed, which can support the launching of a community and a housing cooperative from beginning to the end. Creating a housing cooperative necessitates a lot of work, and there are multiple tasks, which necessitate either professional knowledge, or previous experience (e.g.: the creation of the investment or the financial plan, community organising) . Hence it is hardly expectable from the new residents to deal with this process all by themselves, without help , voluntarily. A facilitating group can provide support for the community and can help it with its professional knowledge and gathered experience. As opposed to a traditional real estate developer, the facilitating group works closely together with the community, it creates the framework of the future housing cooperative together with the future residents. It doesn't only work on real estate development and financing , but on community organisation too, further helping the community in that way. These facilitating groups are again existing institutions in some places: In Uruguay so-called " Technical support provider institutes" (Institutos de Asistencia Técnica) help housing cooperatives during renovation, in community organisation, in acquiring the principles of cooperativism , and the administrative tasks as well.

Text by Natasa Szabó & Márton Szarvas (translation by Anna Seres)
Graphics & layout by Csenge Csató