MOBA's policy proposals on mainstreaming cooperative housing within European Affordable Housing Plan

To: European Commissioner for Energy and Housing
From: MOBA SCE
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The need for new approach to affordable housing in CSEE

Across Central and South-Eastern Europe (CSEE), **housing affordability and housing inequalities have reached a critical point**. Since 2015, housing price increases in the region have been significantly higher than the EU average, while median incomes remain among the lowest in Europe. At the same time, the supply of affordable housing in most CSEE countries is well below the EU average, while the rental sector is severely underregulated. Since the privatisation of the 1990s, investments in affordable housing have been practically non-existent while borrowing has been encouraged beyond security, resulting in an extremely commodified and non-resilient housing market. Low- and middle-income families are forced to spend over 30% of their income on housing **as affordable housing supply remains woefully inadequate, leaving young people, elderly citizens, and marginalized groups particularly vulnerable to overcrowding, substandard living conditions, or displacement**, pushing homeownership and even stable rental options beyond reach. These structural challenges demand innovative solutions that go beyond the limits of state or market provision.

MOBA addresses these systemic failures by advancing **cooperative and community-led housing (CLH)** as a transformative alternative. Its model directly **responds to the growing demand from the "squeezed middle"** - households that earn too much for social housing but cannot afford market-rate homes - by pooling resources, eliminating developer profit, and **reducing housing costs by up to 30%**. Cooperative and CLH empowers citizens to actively shape, manage, and sustain their housing, while its ownership and governance models ensure long-term affordability and stability, while promoting inclusion and building social cohesion. With more than 20–30% of urban populations in cities like Prague, Zagreb, Ljubljana, Budapest and Belgrade expressing interest in cooperative housing if available, MOBA's approach demonstrates that cooperative models are not a niche solution but a scalable, mainstream response to Europe's housing crisis.

How we see response of the institutions of the European Union to housing crises

To address the housing crisis in a systemic and lasting way, the EU must move beyond investment approaches focused primarily on large-scale financial intermediaries and infrastructure delivery. Housing policy should prioritise **anti-speculative, permanently affordable models** that treat housing as a fundamental right and embed social inclusion and cohesion as core objectives. Cooperative and CLH, built on **collective ownership, democratic governance, and non-profit principles**, offers a proven vehicle for implementing these priorities. It simultaneously diversifies affordable housing provision and operationalises EU values of participation, solidarity, and equality - particularly by **empowering vulnerable groups**, including low-income households, young people, single parents, older people, migrants, and those facing housing exclusion, to actively shape and manage their living environments. Funding and policy frameworks should prioritize participatory approaches and social outcomes, ensuring that public investment does not only produce new units but also builds resilient, inclusive communities.

At the macro level, EU action must establish a **multi-tiered governance and financing architecture** that links European-level objectives with local implementation capacity. This means complementing instruments such as the EIB with **direct channels of financing** accessible to municipalities, cooperatives, and citizen-led projects, enabling them to scale innovative models and respond quickly to local needs. Region-specific intermediaries - such as the proposed **MOBA Accelerator** in CSEE or the emerging **European Ethical Bank (EEB)** - should be recognised as crucial connectors between EU funds and grassroots initiatives, bridging structural gaps that currently prevent EU resources from reaching the projects and communities that need them most. A future pan-European investment platform for affordable and sustainable housing should therefore integrate these mechanisms into its design, support knowledge transfer and capacity building across EU Member States, and ensure that financing tools are **applicable across the EU while adaptable to diverse local contexts**. This is essential if EU housing policy is to catalyse a genuine shift towards housing as a social right and deliver lasting affordability and social impact for all Europeans.

Policy Recommendations

Recent developments at the European and national levels point to policy directions that can significantly boost MOBA's capacity to respond to these challenges. These include:

- **Legal recognition and regulatory reform** – Updating cooperative laws, land-use regulations, and housing finance frameworks to explicitly accommodate non-profit and cooperative housing models (as seen in Croatia's 2030 Housing Policy and Czechia's Housing Support Act).
- **Access to land** – Establishing long-term lease mechanisms or public land disposition programs that allow cooperative projects to develop without prohibitive upfront costs.
- **Targeted financial instruments** – Creating and encouraging establishment of public-private blended finance tools, revolving funds, and loan guarantees tailored to cooperative housing, thereby reducing investment risk and unlocking capital from ethical banks, impact investors, and development banks.
- **Dedicated funding and incentives** – Allocating EU structural and recovery funds (ESF+, ERDF, InvestEU, Social Climate Fund) and national subsidies for cooperative and community-led housing initiatives, including green renovation and energy-efficient construction.
- **Municipal partnerships** – Encouraging city-level programs that integrate cooperatives into urban development strategies through technical assistance, zoning flexibility, and partnerships that reserve units for key workers or vulnerable groups.

MOBA model: a proven solution

Economic impact - Making housing affordable and accessible

- **Lower housing costs:** Cooperative housing reduces costs by **20–30% compared to market rates** by removing speculative profit and relying on collective financing and self-management.
- **Long-term affordability:** Because co-ops are **non-profit and member-owned**, homes remain affordable over time, breaking cycles of rising rents and price speculation.
- **Filling the "missing middle" gap:** Co-ops provide solutions for households **excluded from both social housing and the private market**, including essential workers, middle-income families, and young professionals.
- **Innovative financing models:** Tools like the **MOBA Accelerator** once operational will attract ethical banks, impact investors, and public funds, bridging financing gaps and enabling projects that traditional markets ignore.

Social impact - Empowering communities and building social cohesion

- **Democratic governance:** Residents become **co-owners and decision-makers**, gaining agency in shaping their living environments and ensuring housing decisions reflect community needs.
- **Inclusive solutions:** Cooperative housing addresses the needs of **young people, single parents, low-income seniors, mid-income families**, etc. providing secure and dignified homes.
- **Community resilience:** Co-ops foster **mutual support networks, shared services, and collective care systems**, which reduce isolation and enhance quality of life - particularly for vulnerable populations.
- **Mainstream demand:** Surveys show **20–30% of urban populations** in cities like Belgrade, Zagreb, Ljubljana, and Budapest would join a cooperative if available, indicating strong potential for scale.

Policy impact - Driving innovation and shaping housing systems

- **Practical policy solutions:** Cooperative projects act as **demonstration models** that show how citizen-led housing can complement public strategies and reduce pressure on social housing systems.
- **Catalyst for legal reform:** Co-ops reveal gaps in land-use, finance, and cooperative law, informing reforms like **Croatia's 2030 Housing Plan**.
- **Public–civic partnerships:** Municipalities can collaborate with co-ops to **allocate public land, reserve units for key workers, or integrate projects into urban plans**, enabling affordable supply without massive public spending.
- **Alignment with EU priorities:** Cooperative housing supports EU policy goals - from the **Affordable Housing Initiative** and **Social Climate Fund** to homelessness reduction and social inclusion targets.

Environmental impact - Advancing sustainable urban development

- **Energy-efficient housing:** Cooperative projects often integrate **green building standards, energy retrofits, and renewable solutions**, reducing utility costs and emissions.
- **Sustainable land use:** By emphasizing **collective ownership and long-term stewardship**, co-ops prevent speculative land hoarding and encourage compact, inclusive urban development.
- **Circular and shared models:** Many co-ops experiment with **shared spaces, resource pooling, and low-impact design**, supporting broader EU climate and circular economy objectives.

Resources:
Catalytic capital investment as an enabler of affordable rental and cooperative housing in Central and South-Eastern Europe - Full Research Report (2022): https://moba.coop/wp-content/uploads/2023/03/full_research_report.pdf
Sostre Cívic wins the main European award on housing and puts Catalan housing cooperatives on the European agenda: https://sostrecivic.coop/en/sostre-civic-guanya-el-principal-premi-europeu-sobre-lhabitatge/
National Housing Policy Plan to be adopted in February: https://mpgi.gov.hr/news/national-housing-policy-plan-to-be-adopted-in-february/18170