

Co-operative Housing movement

The Co-operative Housing Federation of Norway (NBBL)

Parent

Co-operative Housing Association
47 associations
with 905.000 individual members

Subsidiary

Housing Co-operative
5400 affiliated co-operatives
with 265.000 dwellings

The Housing Co-operative Laws

- **The co-operative Housing Associations Act**

- Mandate
- Organisational rules
- Members right
- One member - one vote,
- Participation in GA/Board of Directors
- Open for new members at any time

The Housing Co-operative Laws (2)

- **The Housing Co-operatives Act**

- Organisational rules
- One-member – one vote
- Participation in GA and Board of Directors
- Maintenance of the dwellings
- The right of pre-emption
- Non payment of monthly fees
- Shareholders rights concerning selling and letting out

Co-operative Housing Associations – main activities (1)

- Provide the shareholders with housing
 - By building new housing co-operatives or condominiums for the shareholders

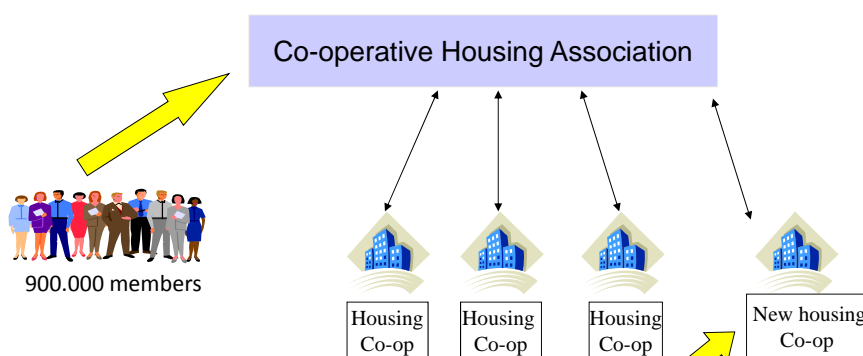
Co-operative Housing Associations – main activities (2)

- Business management for housing co-operatives and condominiums

Co-operative Housing Associations – main activities (3)

- Technical assistance to housing co-operatives and condominiums undergoing rehabilitation of the existing housing stock
- Estate agency business

Provide the shareholders with housing

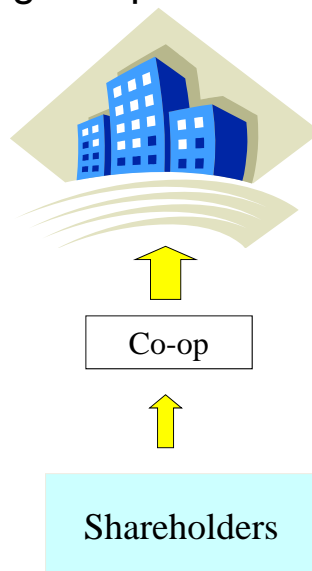


Members of the Co-operative Housing Association

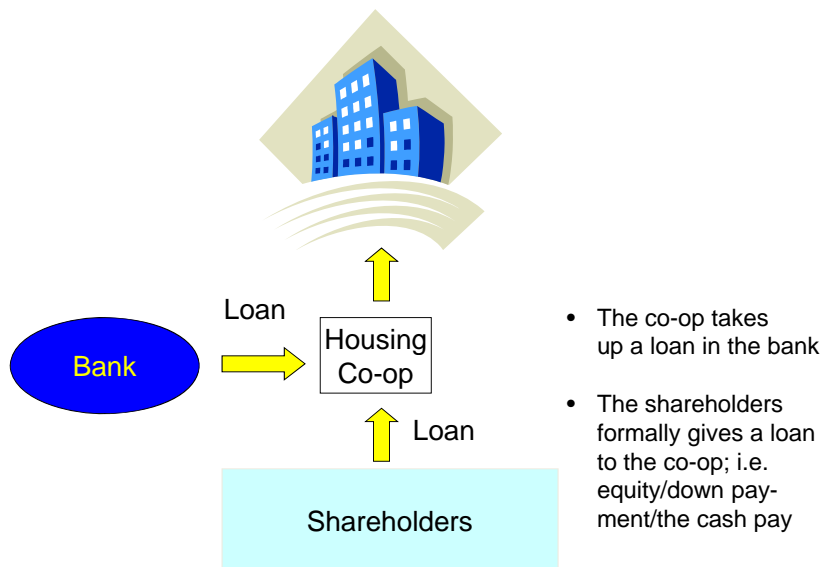
1. Membership is mandatory to be a shareholder in a Housing Co-op
2. The principle of seniority

Ownership in the housing co-operatives

- The owners are shareholders
- Exclusive right to use one dwelling



Financing the Housing Co-ops



- The co-op takes up a loan in the bank
- The shareholders formally gives a loan to the co-op; i.e. equity/down payment/the cash pay

Business management agreements

- The 47 associations have business management agreements with
 - 5.400 affiliated housing co-operatives
 - 1.400 non affiliated housing co-operatives
 - 2.600 condominiums and
 - 500 other housing companies, mostly renting companies
- The business management agreements consist of a large number of different tasks for the day-to-day life in the co-operative

Business management agreements

- Usually terminable after 6 months
- Special rules for new affiliated Housing Co-operatives:
 - The agreement can be non terminable for a maximum of ten years and
 - 2/3 majority at annual general meeting necessary

Maintenance

- The dwelling
 - The owner is responsible
 - The owner shall keep the dwelling in good condition
- Common parts of the building/outdoor area
 - The housing co-operative is responsible
 - The building and the property otherwise shall be kept in good condition so far the obligation for this does not lie with the owners

Covering expenses

- All owners must pay their share of the common expenses
- Common expenses are divided by a special distribution formula
 - The distribution formula will usually be based on the size of the dwellings divided by the size of all the dwellings
 - Some expenses are divided per dwelling

Non-payment of common expenses

- The owner may be ordered to sell
 - At least one reminder
 - Formal warning required
 - Enforced sale may be ordered by the district court in accordance with the Enforcement Act

