



The Confederation of  
Co-operative  
Housing

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CCH Case Study: Chapeltown Cohousing | Researcher: Nic Bliss | Date: July 2020

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# Chapeltown Cohousing Diversity, shared ownership and community



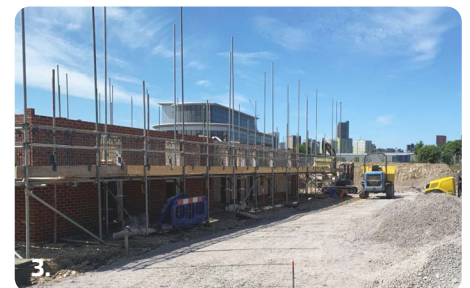


## At a glance

- **Chapeltown Cohousing (ChaCo) was initiated by a group of residents of an existing housing co-operative in the area**
- **ChaCo will occupy part of a site owned by Leeds City Council**
- **The overall site will include 29 houses/flats and a common house being built by ChaCo, alongside 33 sheltered housing units built by Unity Housing Association and a new school**
- **ChaCo's homes will be occupied through two forms of shared ownership**
- **The ChaCo model of shared ownership enables residents to staircase from 5% of equity but does not enable full staircasing rights**
- **10 homes are being leased using the standard Affordable Housing Programme shared ownership model (entry level at between 25% to 75% equity with full staircasing rights) to bring in Affordable Housing Grant**
- **The scheme has been developed through £3m loan funding from Ecology Building Society and Leeds City Council**
- **Long term funding for the £5m scheme consists of a £1.2m loan from Ecology; £600k loan stock; £500k Affordable Housing Grant; £920k from the Housing Infrastructure Fund to cover abnormalities on the site; £1.7m sales; and various other funding**
- **The scheme has suffered from delays relating to arranging the Housing Infrastructure Fund and then other subsequent delays**
- **ChaCo set criteria for membership based on local connections and quotas relating to ethnic background, (dis)ability, income, age, gender and sexual identity**



## Photos





## Overview

**Chapeltown is a deprived area situated north of Leeds city centre and abutting neighbouring more affluent areas. It is a highly diverse area with residents of various ethnic and white working-class backgrounds.**

Chapeltown Cohousing (ChaCo) originated in 2010 from a core group of residents of an existing housing co-op based in a single house owned by the co-op. Having investigated various sites for development, the group identified a former depot/DHSS office building with a road frontage owned by Leeds City Council (LCC). Initial discussions resulted in a feasibility study being carried out that explored various options including the provision of community led homes, housing association homes, self-build, and work and enterprise units. LCC considered that this proposal was of too great a scale for ChaCo to manage.

LCC therefore decided that half the site would be used to develop a new school, resulting in a smaller but practicable site for the community led housing scheme. A stakeholder group decided that the resulting scheme would include 29 ChaCo houses/flats and a common house and 33 flats to be built by Unity Housing Association as a sheltered scheme – and that joint procurement arrangements would be used for all the homes.

It is intended that all the ChaCo homes will be a form of leasehold shared ownership with most of the homes being leased at between a minimum of 5% and a maximum of 95% equity. However, to bring in Affordable Housing Grant to make the scheme viable, ten of the shared ownership properties are being leased in accordance with Affordable Housing Programme requirements (ie. 25% to 75% down payments with full staircasing rights). Leases to the other shared homeowners state that residents cannot exercise full staircasing rights, and ChaCo intends

to discourage full staircasing by restricting access to the common house and other communal space solely to ChaCo members (ChaCo being a fully mutual housing co-op). Leases require that members selling a property give the co-op first option to sell or to buy it back – with a time limit for the member to then take the home to the market.

ChaCo has two linked development loans (totalling £3m) with Ecology Building Society and LCC – at 4% and 3% respectively (with Ecology and LCC having agreements regarding first charge and security). The Ecology loan transfers to a long term loan of £1.2m, and the remainder of the financing of the £5m scheme comes from £600k loan stock; £500k Affordable Housing Grant; a contribution from outright sales on four linked self-build plots; £200k from the sale of the existing housing co-op properties; £920k from the Housing Infrastructure Fund to cover abnormalities on the site; £1.7m sales; and other small amounts of funding (including a bequeath of £60k from a former member who died).

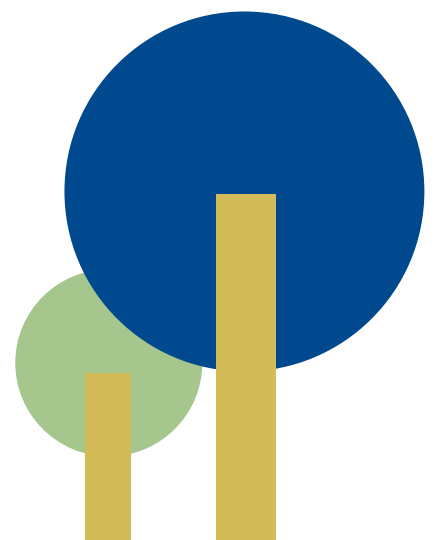
The design and build contract was tendered at the end of 2017 and the successful contractor was intended to be on site by 2018, but the scheme was delayed due to the length of time it took to arrange the Housing Infrastructure Fund (HIF). The HIF was needed to remediate problems relating to heavy metals and piling foundations which had previously meant that the site was unviable to develop. The scheme was finally on site in March 2019, but other issues arose during the build, such as a delay implementing the adopted road and drainage, so these were not in

place by the winter and therefore the site was badly affected by flooding. Subsequently the Covid lockdown has also disrupted the programme.

Prior to lockdown it was anticipated that the scheme would be completed by March 2021. 80% of residents/members have been identified – with criteria for membership being based on local connections and quotas relating to ethnic background, (dis)ability, income, age, gender and sexual identity. With regards to ethnic background, applicants are divided into four ethnic groups (derived from the 2011 census categories). Each group has 15% of units allocated to them. ChaCo describe the approach as “crude” but the only legal positive action they could take to ensure people from ethnic minorities could become members.



1. The scheme layout
2. Laying the first stone
- 3-5. ChaCo being built





## Quotes

“Statistically it’s one of the most deprived areas of the country – but Chapeltown’s real wealth lies in its diverse and distinctive population. This is our home; we’ve lived here for decades and our experience is of a wonderfully diverse and vibrant area full of people who want to make things happen and want to take control of improving their lives.”

### ChaCo website

“ChaCo was keen to ensure that its membership reflects the diversity of the area. There has been significant under-representation of people of colour in cohousing schemes, which instead tend to be populated by people from the white middle class, often university-educated and with access to capital. Few people in high-deprivation areas like Chapeltown are aware of cohousing, and those who are will often assume that it’s beyond their financial reach.”

### Bill Phelps

Chapeltown Cohousing

“ChaCo had managed to raise £600k over several years in loan stock which was a large financial ballast to start with when it came to leveraging. This contributed to Ecology going to the absolute maximum that they could lend (£2m) in development finance and to Leeds being prepared to lend £1m through Public Works Loan Board lending.”

### Jimm Reed

Consultant supporting ChaCo



## Learning points

- **The membership of community led housing organisations needs to reflect the ethnic mix of the area in which schemes are developed. ChaCo has used an innovative approach to allocate 60% of its homes to different ethnic groups**
- **Compromises need to be made to enable community led housing schemes to develop. ChaCo first needed to agree to develop a smaller scheme than it had originally envisaged and subsequently its funding requirements resulted in having to use a standard shared ownership model for some of the homes**
- **Delays are often likely to happen in developing housing schemes. ChaCo had delays relating to infrastructure funding, contractor problems and then delays due to weather conditions, but delays can happen for many reasons and community led housing organisations need to maintain enthusiasm when this happens**
- **Funding for community led housing schemes can come from a patchwork quilt of sources particularly in urban schemes. Community led housing schemes may have to adapt to fit in with funding requirements**