

How is Cohousing different from a Cooperative or a Conventional Condominium?

The following table outlines the difference between cohousing, co-op, and conventional condominiums.

| | Cohousing | Cooperatives | Conventional Condominiums |
|----------------------------------|--|---|--|
| Ownership Structure | The legal structure is one of the decisions the group will make over the course of their development. Typically, cohousing groups in Canada choose strata title/condominium (not cooperative) because it is much easier to get financing for this type of ownership. | The cooperative owns the unit. Members purchase shares, which gives them the right to occupy the unit. This is not a common ownership form in Canada, and it is very difficult to get a mortgage because the shareholder does not hold title to the unit. | Condominium allows for individual ownership of homes and common ownership of shared amenities. Each unit has a separate title and can be mortgaged individually. This is a common ownership form in Canada, and subject to the purchaser's qualifications, it is easy to get a mortgage. |
| Financing the Development | The future residents participate in the planning and development and provide the equity to finance the construction. Once the development is completed, the construction loans are paid off, and each household purchases their individual units. To date, there have been no government subsidies for the development of cohousing communities. | Over the years, federal and provincial governments have funded various programs to help Canadians create nonprofit housing coops, but that funding is no longer available. Without the government programs, there are no financial advantages and many challenges to setting up as a cooperative, so there are very few new cooperatives being developed. | An individual or corporation provides the equity to finance the development and construction with the expectation of selling the units once the development is completed. |
| Purpose | In general, the purpose of a cohousing development is to create a neighbourhood that meets the needs of the residents and allows for the balance of privacy and community. Cohousing projects are generally not-for-profit. | The purpose of government-funded cooperatives was to create affordable housing. | In general, the purpose of a conventional condominium project is to develop housing that will generate a profit for the developer. |
| Resale | In order to maintain the integrity of a cohousing community over time, it is important for the seller to work with the community and educate potential purchasers about cohousing prior to finalizing a sale. Most cohousing communities maintain waiting lists of people interested in purchasing a home should one come available. Unless there are covenants in place to restrict the resale value, the homes are sold for market value. The Condominium Act has rules and regulations about re-sales and if the cohousing community uses the condominium ownership form then they are subject to this Act. | The Board of Directors of the housing cooperative determines who can purchase shares in the cooperative. In the government funded cooperatives, the share value is fixed and does not fluctuate over time. When a shareholder leaves the cooperative, they sell their shares at the price they paid for them. | The value of the unit fluctuates with the market, unless there are covenants in place that restrict the resale in some way. Each homeowner is responsible for finding a buyer and can sell their home at whatever price the market will bear and to whomever they please. Typically, in a conventional development the condominium corporation has no interest in who purchases and no system for supporting an owner to find a buyer. |