COHOUSING PRICING AND THE RESIDENTIAL MARKET
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The Fair Oaks prices are estimated to range from the low 300’s to the high 500’s, depending on size (2 to 4 bedrooms). Please keep in mind that these prices are estimates for purchase at construction completion in 2016 and include all the common amenities (4000 s.f. of common facilities and a pool), as well as many energy-efficient, green building features. We will work with an open budget so that as a member of the community you will gain an understanding of what is budgeted and, to the extent possible, can influence what we ultimately decide to build. For more information, visit www.FairOaksEcoHousing.org

When looking at buying into a cohousing neighborhood, there are a number of unique considerations when comparing the buy-in costs with other housing options. Cohousing is a unique housing product based on the desire of cohousing buyers to have a different kind of neighborhood, and that affects the sales price in a number of different ways. At first glance, cohousing homes typically look high in the market place. So what are you really getting with the purchase of your cohousing home?

1. If you are joining a cohousing group in the development stage, your estimated sales prices may be projected several years out. For instance, your cohousing home may be priced for final purchase two years from now, and thus can only be compared to projected housing prices several years out. I’ve started many projects where the cohousing home prices looked very high when we started but by the time people moved in, they looked like a deal in the larger market place. Of course, we have little control over what the larger housing market does over the years your community is in development.

2. Common facilities in cohousing are far more generous than even upscale condominium developments – the idea of a 4,000 square foot, custom clubhouse and pool with cabana for a 30 home project is unheard of in conventional residential development. In fact, many cohousers don’t look at their home as mere 1000 square feet, but as 5,000 square feet, because the common house is so much a part of their day-to-day living. Your share of your common facilities is at least equivalent to buying an extra bedroom outside of cohousing.

3. New homes are more expensive than older homes because of the wear and tear and needed maintenance for older homes. If you are buying into a new cohousing development, you’ll need much less maintenance than an older home requires. Even conventional new homes are generally priced higher than existing resales for their “newness.”

4. Green design and construction is more expensive than conventional construction – of course this generally pays off because of reduced energy costs and better air quality.

5. When visiting new housing developments, be sure to ascertain what features are standard and what are upgrades. CoHousing Partners’ cohousing homes generally have a higher base level of standard features than many mainstream developments, not to mention nicer design (e.g. linoleum kitchen floors as opposed to vinyl and more energy efficient heating systems).

6. Smaller homes costs more per square foot to build. A small house still has land, a kitchen and bathroom, foundation, and roof. Conventional developers will often build big homes...
that are a lower costs-per-square foot because there are more square feet to amortize the
cost over. But is all that additional space really useful?

7. The scale of the project may make individual homes pricier. Conventional builders prefer to
build projects with a minimum of 100 plus homes because it is cheaper. Like other
consumer items in contemporary life, housing is now mostly built by large corporate
entities that have figured out how to get their costs-per-square-foot down while maximizing
their own profits. We create custom neighborhoods that are designed to meet the specific
needs of a certain group of people in a very specific place. Like custom homes, a custom
neighborhood tends to costs a little more.

8. Initial Buy-in vs. Day-to-day Costs of Living: The big economic payoff of living in community
comes with reduced day-to-day costs of living, whether that is because energy efficient
systems or solar panels reduce your energy bill, or coordinating with neighbors reduces
your paid childcare needs. Keep in mind that many of the costs you are paying in your
current home may now be covered in your homeowners’ association dues (e.g. trash pickup,
sewer and water fees, internet connection, and building insurance). The savings is even
more substantial as we age—when we can count on community members to help out,
provide a ride, or even make it possible to rehab at home after an accident instead of having
to go to a rehab center.

9. And when you eventually decide to sell your cohousing home, if your community has stayed
organized around resales, you may not need to pay a realtor's full 6% commission. Most
cohousing resales sell without a realtor, although some have found it useful to engage a
realtor at a reduced fee to help with the contracts and closing details.

10. The recent recession added another consideration to our list: Since 2008, almost no new
housing has been built in many parts of the country. That is because since the economic
crash, housing has been selling for far less than it costs to build. People and banks lost a lot
of money, and those that were able to buy homes during the recession got great deals, often
far below replacement cost for those same homes. Eventually, the demand for new housing
will be strong enough that buyers will pay the price it costs to build new homes, and resales
of existing homes will follow. But if you are looking at cohousing prices for a yet-to-be-built
community, you may be comparing them to home prices that are still falsely low from the
recession. All the more important to compare to new housing, if there is any in your region.

All of this means that you cannot look at a cohousing home through the “cost per square foot”
perspective of the conventional real estate world. When you join a cohousing community in the
development phase, you’ll have a chance to examine the development budget and see exactly what
it costs to design, develop and build. It is what it is. The only question is whether what you get is
worth what it costs to create.

Creating cohousing communities is a lot like organic farming. We know we can create tastier fruit
with a lot of hard work and good organic farming techniques. But is the market willing to pay a
little more for that fruit? Can the farmer earn a living with a local organic farm that is ultimately
better for the earth? That is a question only the consumer can answer.....what are you willing to pay
for?

And the value of authentic community........ priceless......