

## ECONOMIC AND MARKET ASPECTS OF COOPERATIVE MODEL OF HOUSING STOCK MANAGEMENT

Sławomir PALICKI

Poznań University of Economics and Business; slawomir.palicki@ue.poznan.pl, ORCID: 0000-0003-3410-8039

**Purpose:** Quite dynamic housing cooperative movement in Poland is a specific phenomenon in the area of housing resources management in Central-Eastern Europe. The main objective of the article is to assess the functioning of Polish housing cooperatives in terms of maintaining the proper condition and market potential of large panel housing estates.

**Design/methodology/approach:** The desk research method, comparative analysis, and own calculations based on statistical data published by the Statistics Poland and the NBP were used. The article presents non-obvious arguments indicating the successes of Polish housing cooperatives.

**Findings:** Polish housing cooperatives, despite significant limitations in their functioning caused by legislative decisions after 1990, have successfully evolved towards effective resource management. The structure of operating costs as a property manager is similar to housing communities, and at the same time clearly more advantageous than in the case of resources managed by the public sector or social housing associations.

**Research limitations/implications:** The commonness of housing cooperatives in Poland makes it difficult to compare it with the rest of Central-Eastern Europe, because this formula for managing housing resources in other countries is generally rarely used. Therefore, there is a lack of non-Polish publications in this area.

**Practical implications:** The management methods in the cooperative model provide similar cost-effectiveness to specialist property managers. Housing cooperatives implement broad repair programs, contributing to maintaining the good condition of large panel housing estates.

**Social implications:** Members of the cooperative co-decide on their activities in a democratic way, which allows for maintaining interpersonal ties and building grassroots civic engagement. The housing cooperative strongly rooted in Poland could play the role of an institutional investor, competitive with developers on the residential real estate market. This might change housing policy, seeking new solutions that are helpful for people economically excluded from the real estate market.

**Originality/value:** The article draws attention to the substantial potential, professionalism and know-how of housing cooperatives in Poland. This is an exceptional situation compared to European solutions. The paper is addressed to scientists and public life entities, authorities, political decision-makers showing the idea of engaging housing cooperatives in the development of affordable housing.

**Keywords:** housing cooperative, large panel housing estate, affordable housing, housing management.

**Category of the paper:** Research paper.

## 1. Introduction

The models for meeting the housing needs of the population in individual countries on the continent depend on many variables (Lis, 2015, 2017). Of course, one can focus on economic factors, such as the wealth of societies, the rate of capital accumulation or the affordability of apartments in the market offer of individual countries and regions, but omitting the issue of lifestyle, the worldview of residents in the area of building modern vs. traditionalist household and family structures, the specificity of national social policies, construction of law (Zakrzewski, 2022) as well as more local historical conditions (including contemporary history, after the end of World War II) would be a huge mistake. In the group of circumstances that are not directly related to the market, it is worth mentioning here, among others, the shaping of social policy that favors the construction of so-called affordable housing. Generally speaking, three forms of affordable housing are used: social (institutional – with the involvement of the state and/or local entities, i.e. the city/commune), cooperative and social assistance model (e.g. stock dedicated to homeless people). These are sometimes formulas of direct investment in the construction of public, social or municipal housing resources. The great differentiation in the impact of market mechanisms in individual countries over time is also invaluable. Countries covered by the impact of the idea of real socialism for almost half a century are trying to make up for the shortcomings in this area, often doing so at a much faster pace. Hence, the basic, economic determinant of housing relations, which is the division of society into owners of their own flats and tenants, according to the latest data for 2022, remains strongly differentiated in the countries of our continent (House or flat – owning or renting, 2024). The average share of tenants for the entire European Union is 30.9% of the total population. Thus, 69.1% of the EU population lives in resources that are their own property. However, these relations are most strongly shaken towards the dominance of the ownership formula in the former "People's Democracies" - in Romania it is even 94.8%, and in Poland 87.2%. At the other extreme are Germany and Austria (respectively: only 46.7 and 51.4% of ownership), where the development of models of stable, long-term rental housing has become most widespread in Europe. The Polish structure of the analyzed indicator is closest to Bulgaria, Lithuania, Latvia and Hungary. Interestingly, among the neighbors with a post-socialist background, the Czech Republic is changing the most dynamically in this respect, already reaching almost 23% of the tenants share. However, this is not entirely a recipe for housing success, as in recent years, in the entire EU, the lowest economic availability of apartments relative to the earnings of residents has been characteristic of the Czech Republic and Slovakia (Raport o sytuacji..., 2024; Overview of European Residential Markets. August 2023). For comparison - in Poland, the economic availability of apartments is 65-75% higher than in the aforementioned neighbors.

It is also good to look at the intensity of various, socialized forms of institutional and management activity in the area of housing in Europe. An interesting source of knowledge in this area is the report of the Housing Europe organization (The State of Housing in Europe, 2024). The most developed housing resources within the framework of affordable, non-profit construction (this concept should be treated broadly, it includes all forms of non-market support, i.e. "socialized" activities in various models and scope of housing - including mutual community-cooperative, state, municipal, intervention-social assistance) operate in the Netherlands, Austria, Sweden, Denmark and France, constituting 29, 24, 24, 20 and 17% of the total national housing resources, respectively. Among these countries, the activity of housing cooperatives was established in Sweden and Denmark, where it concerns 24% and 7% of all apartments, respectively. Interestingly, these entities are involved in the management of existing, but also in the construction of new resources (Anund Vogel, Lind, Lundqvist, 2016; Larsen, 2024). In the other above-mentioned countries, the formula of social and welfare construction is mainly used. In a similar way, 11% of apartments were built in Finland, 9% in Ireland, 6% in Belgium, 4% in Germany, 3.5% in Italy. In Greece, there are no resources of a social/communal nature at all. On the other hand, housing cooperatives commonly own apartments in Norway (14% of the resources) and - marginally - in the Czech Republic (3.1%) and Italy (2%). The case of the Czech Republic is intriguing. Only about 300 housing cooperatives have survived there to this day, while at their peak in the late 1960s there were almost 3,000. In 1991, 21% of the total Czech housing resources were owned by cooperatives (About Czech Republic, 2024). Although as much as 14% of all apartments are still managed by cooperatives, more than  $\frac{3}{4}$  of them are fully owned by individuals, not by cooperatives themselves. The dynamics of transforming the cooperative right to apartments into full ownership in free market conditions turned out to be much higher in the Czech Republic than in Poland, where in 2022 12.5% of the total stock was still cooperative. To sum up, currently, housing cooperatives in Europe are a common phenomenon only in Poland and some Scandinavian countries.

## 2. Scope and sources of data

The main source of data on the market position of large panel housing estates were NBP reports on unit prices of apartments. In terms of the structure of maintenance costs of buildings managed by housing cooperatives, data was taken from Statistics Poland. This data should be assessed as reliable and credible, as well as sufficiently numerous to draw convincing conclusions from it. Analysis of this data in a comparative approach allowed to indicate the direction of changes that occurred in housing cooperatives against the background of the basic, full formula of ownership of multi-family housing in Poland. To shed the right light on the

economic, management and market aspects of the functioning of housing estates in Poland, it was necessary to take into account the following partial threads:

- changes in the legal framework concerning housing cooperatives, determining investment and management activities, as well as changes in the ownership structure of housing resources after 1990,
- financial aspects of managing the resources of housing cooperatives,
- activity of residents of cooperative resources as participants of the real estate market,
- prices on the market of cooperative housing and those built using prefabricated technology (mainly the so-called "large panel" or concrete) in comparison with other housing resources.

### 3. Results

It should be emphasized that housing cooperatives implement the assumptions of a somewhat separate, exclusive community, whose members want to achieve common goals in the field of housing "for themselves" (Zakrzewski, 2010). This is of fundamental importance in the area of resource management and the decision-making model. These should be actions developed jointly, and even if indirectly, i.e. through the cooperative's board, then at least as consistent with the will of the majority of the cooperative's members.

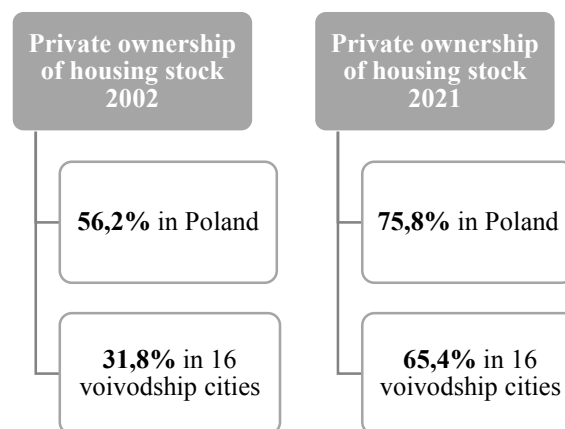
The attendance of housing cooperative members at general meetings was examined by Skotarczak (2015). It turned out that it depends on the size of the cooperatives themselves – in the largest ones, the attendance reached only 3% (mainly members of management and supervisory boards and their friends participated in the meetings), in the smallest even 55%, and in the remaining ones an average of 30% (Skotarczak, 2015). It is worth adding, however, that the largest housing cooperatives in the biggest Polish cities manage resources exceeding even 30,000 apartments, which are often inhabited by over 50,000 people. The problem of scale often prevents achieving high attendance of members at general meetings.

#### 3.1. Consequences of legislative changes for housing cooperatives in Poland after 1990

Until 2001, the provisions of the Cooperative Law did not regulate in detail the issues of property management by housing cooperatives. It was implicitly assumed that these organizations deal with their own resources, and it was only added superficially that the internal statute of the cooperative may provide for the management of multi-unit facilities even after their full ownership has been transferred to cooperative members (this last provision was later repealed). A major change in the functioning of housing cooperatives was caused by the Act on Ownership of Premises (1994) and the Act on Housing Cooperatives (2000), which – to put it briefly – became the basis for transforming so-called cooperative ownership right to

a residential premises into separate “full” flat ownership (Sikorska-Lewandowska, 2022; Skotarczak, Blaszkę, 2016a). This was one of the elements of the broader process of enfranchising (commodification) the Polish population on the real estate market after 1990. The universality and mass interest in such transformations among cooperative members will be illustrated by a handful of data.

In 2022, cooperative housing in Poland constituted approximately 12.5% of the total housing stock, while in 2002 this indicator was still 27.9%, and in 2007 - 24.7%. In the spatial structure of housing stock, a high share of cooperatives in 2022 was recorded in the following voivodships: Podkarpackie (43.3%), Podlaskie (43.0%) and Świętokrzyskie (42.3%) (Gospodarka mieszkaniowa..., 2023).



**Figure 1.** Share of housing stock in private ownership in Poland in 2002 and 2021.

Source: own study based on data of Statistics Poland.

This rapid outflow of residential premises from the cooperative stock has led to the need to seek solutions for the uninterrupted and reasonable management of common parts of multi-family buildings (so-called common property), from which it is impossible to physically "extract" apartments legally transformed into separate flat ownership. The owners of most of the newly separated premises had nothing against the cooperatives continuing the management processes on the common property, and this state of affairs was additionally supported by the relevant legal interpretation of the Supreme Court in 2012 (Skotarczak, Blaszkę, 2016a). It is also worth mentioning that according to data for 2022, in large Polish urban centers as much as 76.3% of the population lives in multi-family buildings, and only 23.7% in houses. Housing estates, alongside city center quarter development in the form of tenement houses, constitute one of the cores of multi-family buildings. At the same time, according to data from the National Census in 2021, over 11.5 million apartments in Poland belonged to individuals, which constituted 75.8% of the total stock, compared to 56.2% in 2002. In the case of 16 voivodship cities, their percentage increased during this time from 31.8% to 65.4% (Figure 1). In the years 2002-2021, the number of apartments belonging to housing cooperatives decreased in the country by over 1/3 (Raport o sytuacji..., 2024).

However, cooperatives have not ceased to be a strong, institutional player in the real estate ownership and management market. Among the 6.6 million apartments covered by the Statistics Poland in 2022 in the study of housing resources located in buildings managed/administered by various entities, more than half were apartments of individuals in buildings managed by housing communities, 29.6% were apartments of housing cooperatives, and 11.9% were municipal. There is therefore a clear tendency to abandon cooperative ownership in favor of full ownership in the formula of residential real estate (flat ownership), and at the same time the accompanying collective agreement to leave these resources under the management of cooperatives.

There were and are various motivations and premises among Poles that explain transformation decisions in the area of the right to premises – subjectively understood market and emotional factors were considered to be the leading ones (full ownership as the best product on the real estate market; higher market value of ownership flats; easier sale; herd effect – others do it, so it is right; freedom to dispose of the premises in the technical and organizational sense; independence from the cooperative; expectations of reduction of the premises maintenance costs; fear of making such a transformation impossible in the future) (Skotarczak, Blaszkę, 2016a). However, the conviction about the high effectiveness of cooperatives as property managers is stable, based on experiences from the free market era. Of course, there were also situations of separating entire blocks of flats from the cooperative resources and establishing so-called housing communities. But such events were usually characteristic of small towns, where the fragmentation of resources led to the liquidation of the entire housing cooperative. However, such phenomena did not have a fundamental significance for the cooperative movement, as illustrated by Skotarczak and Blaszkę (2016a) research covering 342 cooperatives from the West Pomeranian Voivodship - in the years 2010-2015, the percentage of bankruptcy among these entities was recorded at a very low level of 0.88%.

In Poland, the cooperative movement in the housing sector is still large. In 1989, at the end of the centrally controlled economy, there were 4,021 housing cooperatives operating in the entire country (About Poland, 2024), and as of October 19, 2022, according to the REGON database, there were 3499 of them (Milewska-Wilk, 2023). This means a net decrease of only 13% in the total number of these institutions over 33 years, while in a comparable period the decrease in housing resources under their control reached about 55%. This is a key argument not only for the cooperative's successful fight for survival, but also a direct illustration of the excellent skills of functioning in a competitive market environment. Cooperatives learned how to manage not only their own resources but also new housing stock entrusted to their order from other entities.

Outlining legal changes and their consequences for the activities of cooperatives requires mentioning the effects of the amendment to the Act on Housing Cooperatives, dated 14 June 2007. At that time, cooperatives were deprived of the legal possibilities of further separating new tenancy and ownership rights to residential premises. As a result of such circumstances, cooperatives limited their investment activity, understood in terms of the construction of new

facilities, almost to none. In 2007, they put 8240 new apartments into use, in 2022 - only 1513. For comparison - in 1992 alone, this number exceeded 80,000 premises. In the years 2007-2024, cooperatives carried out partial investments, conducting them in a manner almost identical to developers, selling the apartments produced as separate residential properties. The role of cooperatives in the mix of housing production on a national scale has undergone a radical transformation, or even a reversal, over the 35 years of development of the market economy in Poland. The share of cooperative investments in the total number of newly delivered apartments has fallen from around 60% in 1990-1992 to a marginal level of less than 1% in 2019-2022 (with developer companies currently taking on the role of the main market creator, accounting for around 60% of the new gross housing supply and more than 90% in the biggest cities). And although the amendment to the Housing Cooperatives Act of 20 July 2017 restored the possibility of establishing tenant rights to residential premises (but not ownership rights to residential premises), and additionally in the case of such constructions, the National Economy Bank made preferential formulas and credit terms available to cooperatives under the Social Rental Housing program (so-called institutional rental), the investment effects are poor: in total, in the years 2019-2022, they put into use 905 tenant apartments in this formula throughout Poland (Milewska-Wilk, 2023).

**Table 1.**

*State and changes in the ownership structure of the housing stock in Poland in 2007 and 2022*

Types of housing stock ownership	2007	2022	Change 2022/2007 [%]
Total, including:	12 875 298	15 562 867	20,9
Cooperatives	3 173 203	1 936 978	-39,0
Municipal	1 174 705	778 752	-33,7
Private	8 155 227	12 648 544	55,1
State	-	29 192	-
Social Housing Associations	71 297	110 312	54,7
Companies	300 866	59 089	-80,4

Source: own study based on data of Statistics Poland.

Real estate market regulations in terms of ownership and changes in the legal framework for the functioning of housing cooperatives in Poland after the introduction of market economy rules led to a 39% reduction in the stock of apartments owned by cooperatives in the years 2007-2022 (Table 1). However, this is still close to 2 million apartments, and there is no estimated data showing the scale of additional involvement of cooperatives in the trust management of the resources of other entities. On the other hand, the significance of the cooperative movement in the construction of new apartments should be assessed as marginal.

### **3.2. Financial effects of cooperative housing stock management**

Another important area of the analysis of the functioning of housing cooperatives are financial aspects, and among them, in particular, the shaping of the maintenance costs of resources. It is through the prism of these issues that one can assess the professionalism, efficiency and effectiveness of the actions and decisions they undertake.

The aforementioned costs are divided into two main subgroups: operating costs and costs of services provided. The structure of the operating costs of housing resources includes management and administrative costs, maintenance and renovation costs and other costs (maintenance of cleanliness, fees for collective antennas, costs related to the operation of common rooms), as well as taxes for the commune and other public and legal fees. As one might guess, it is in this group that the management skills of all entities responsible for the maintenance of housing resources are revealed. The costs of services provided are largely a derivative of the position, strength and negotiation skills of individual entities in the market game for prices with managers of utility media, which are most often municipal and locally monopolistic in nature. This subgroup includes the costs of central heating and hot water, costs related to cold water, sewage disposal or collection of liquid waste, costs of municipal waste collection and maintenance costs of elevators.

In 2022, operating costs for all forms of housing stock ownership in Poland accounted for an average of 47.0% of the costs of maintaining housing resources (Gospodarka mieszkaniowa..., 2023). The structure of the costs of maintaining housing resources divided into operating costs and costs of services provided was diversified by the form of ownership of resources. The lowest shares of operating costs were recorded for premises in the resources of housing communities and housing cooperatives (43.9% and 46.6%, respectively). In comparison with the results achieved by managers of municipal property and private companies (65.1% and 64.4%, respectively), a picture of high efficiency of housing cooperatives in managing operating costs emerges. What is even more interesting, in the structure of operating costs, the lowest shares of management and administrative-office costs were recorded for private companies premises, housing communities and housing cooperatives (respectively: 26.4%, 28.8% and 29.6%). For comparison, in the housing resources of the State Treasury this share was 50%, and in the Social Housing Associations 47.3%. Cooperatives are in the group of specialists who most effectively reduce the burden of management and administration work costs. This is another manifestation of rationality, caution and respect for the common goals of cooperative members in management. At the same time, cooperatives allocated as much as 40% of operating costs to renovations and maintenance of resources. Of all forms of ownership in Poland, the structure of operating costs in cooperative resources is the closest to the structure characteristic of housing community resources, based on the management of private owners' property. Again, such a situation should be assessed unequivocally positively.

As for the structure of costs of services provided, compared to other forms of ownership, cooperative resources generate a relatively high percentage of elevator maintenance costs. This is primarily due to the large share of high-rise multi-family buildings (6-storey and higher blocks) in the cooperative stock and the significant degree of technical wear of elevators in buildings that are several decades old.



In 2022, housing cooperatives carried out almost 419,000 renovations of their stock, which constituted approximately 2/3 of all renovations carried out in the entire institutionally managed housing stock in the country. It is worth adding that 36,772 renovations consisted of directly providing new installations to cooperative apartments, which in turn translated into 48.6% of all actions taken by managers of this type throughout Poland. At the same time, housing cooperatives are struggling with the largest scale of tenants in arrears with apartment fees. At the end of 2022, 892,393 premises with such arrears were recorded in cooperatives, which constituted as much as 46.3% of their total in Poland. The second group of entities with a fairly similar problem are housing communities - 32.3% of all such arrears in the country were generated in their resources.

Problems with effective debt enforcement by housing cooperatives have been an “Achilles' heel” known in Poland for years (Skotarczak, Blaszcze, 2016a). It is difficult to say unequivocally whether it is the length and complexity of the eviction procedure, or rather the communal and emotional reasons and the related attempts to find amicable solutions that make this sector, there are relatively few legally effective evictions. Amicable solutions usually mean the cancellation of part of the arrears, and long-term maintenance of such debts negatively affects the financial management of other cooperative members who regularly pay service fees. In the whole of 2022, less than 400 evictions from cooperative resources were carried out in Poland, and approximately 900 further eviction proceedings were pending in the courts at the same time.

### **3.3. Activity of cooperative members on the housing market**

Another issue, namely the activity of tenants of cooperative resources as participants in the real estate market, can be viewed through the prism of the number of concluded free market agreements for the sale of premises from this resource and also in the context of transformation of cooperative rights to residential premises into separate flat ownership.

Information from the Ministry of Justice and the Statistics Poland regarding both of these types of activity indicate that in the years 2014-2019, between 42,000 and 51,000 premises were subject to turnover annually and a persistent upward trend in the phenomenon was noted during that time (Czy mieszkania spółdzielcze..., 2024; Gospodarka mieszkaniowa..., 2023). In 2020, the surveyed activity dropped abruptly to 43,000 apartments, what was related to the COVID-19 pandemic. In 2021-2022, the declines continued: in total, only less than 51,000 apartments were sold over the two years. The general reduction in activity in this field is probably a consequence of the decreasing total amount of apartments that are subject only to cooperative rights, not separate ownership rights. In addition, one can also find analogies to the rules of the product life cycle - in this situation, the specific, legal and economic product is the transformation of cooperative rights into flat ownership. The phenomenon is naturally losing its momentum, after the most intensive years of 2007-2019.

The level of market activity in the area of cooperative resources is worth comparing with the number of sales of residential properties recorded in the country. As indicated by the Statistics Poland data, in 2014 there were almost 80,000 transactions on the secondary housing market, and their number grew steadily until 2019, when almost 129,000 residential properties were sold. In the years 2020-2022, 115,000-143,000 apartments changed owners every year. Therefore, the ratio of the number of transactions related to the cooperative ownership to the number of notary deeds of sale of the separate flat ownership at the beginning of the analyzed period was around 1/2, while at its end it decreased to about 1/5. This is a clear illustration of the gradual decline in the importance of the cooperative premises segment in the total activity of the housing market in Poland. At the same time, such a phenomenon can be interpreted as a relative stabilization of the behavior of cooperative members and one can perhaps look for a long-term balance in these resources. Such circumstances would probably make it easier for housing cooperatives to plan and implement a policy of managing their resources.

### **3.4. Prices of cooperative housing stock on the secondary real estate market**

Another interesting issue is the level of 1 sq. m. price on the secondary market of cooperative apartments and also those built using prefabricated technology (mainly the so-called "large panel" or concrete) in comparison with other housing resources. Since housing estates are usually rightly associated with the cooperative stock, and at the same time they are stereotypically referred to as large panel buildings, it is worth noting two relations on the secondary housing market:

- unit prices of cooperative premises compared to unit prices of separate flat ownership,
- unit prices of premises in multi-family buildings constructed with prefabricated technology (i.e. large panel) compared to unit prices of apartments in buildings usually built after 2000, using so-called improved traditional technology (using bricks or other small-sized elements).

Cross-sectional studies of market phenomena in this area are conducted by the National Bank of Poland, as part of cyclical analyses of local real estate markets in the most important cities among 16 voivodship (the study covers all provincial capitals except Gorzów Wielkopolski and Toruń). Based on the latest, approximate data, it was possible to calculate the average unit price ratios for the end of 2023 (Raport o sytuacji..., 2024). It turns out that in 16 provincial cities, the prices of cooperative resources constituted 95.3% (in 2022 it was 93.7%) of the prices recorded for separate flat ownership, while the prices of apartments in large-panel housing estates were at the level of 84.8% (in 2022 it was 83.8%) of the prices of apartments in buildings erected using improved traditional technology.

In large cities, the local market makes almost no distinction between the legal values of sold apartments. For market participants, the cooperative flat ownership and the separate flat ownership are almost identical. A mere 5 percent discount in the valuation of the objectively weaker cooperative right indicates a selective awareness of these differences and a roughly

equally attractive interpretation of the attributes of both types of apartments. It should be added that in 2023 in the case of Białystok, Warszawa and Kraków, the discussed ratio was at the lowest level (86.7%, 91.1% and 91.4% respectively), while in Kielce, Szczecin, Kielce and Zielona Góra it was the highest (100% in these three cities). Housing markets are characterised by locality, which explains such a significant differentiation in the value of the analysed indicator. Kielce, Szczecin and Zielona Góra should be considered an exception, where the unit prices of cooperative apartments were the same as the separate flat ownership in 2023. Such a phenomenon may be, for example, the result of the residents' conviction or knowledge about very high quality of management practices undertaken in cooperatives, *ergo* good assessments of the technical and utility values of cooperative resources than other housing resources on the secondary market.

The ratio of prices of large panel apartments to newer technologies at the level of 84.8% indicates a quite clear differentiation of both market options. In this comparison, prefabricated housing estates obtain prices about 1/6 lower. This is an average result, which proves the generally weaker perception of the condition of these resources from the point of view of the potential on the real estate market. However, it should be remembered that they were compared with the relatively most attractive resources on the secondary market, which were usually put into use after 2000. The comparative assessment of the attributes of apartments begins with the indexation of their age, and then a number of other factors, including: location, connection to the city center, quality of the surroundings, availability of parking lots, distance from social infrastructure and the commercial and service sector, architectural and aesthetic values, and current maintenance costs. It is not surprising that the market verdict is less favorable for large panel housing estates, built mainly in the 1970s and 1980s. On the contrary: one can rather feel a certain surprise here that the price difference is only 15%. This is evidence of the very high valuation of large panel housing resources. They are still in demand, they still fulfil their market role, consistent with their intended use, and with a sensible renovation economy, their technical lifespan is assessed positively in the perspective of 50-60 years.

There are cities in which enthusiasm for large panel estate housing is much worse than average - the lowest values of the analysed price index were achieved in Białystok, Łódź and Katowice (respectively: 73.8%, 73.4% and 74.1%). These are urban centers probably most strongly marked by the stigma of industrial development in the era of socialism. The rapid increase in population of Łódź and Katowice in the years 1945-1988 and the large-scale depopulation after 1990 meant that the supply of apartments in large panel blocks of flats built in the prosperity phase is surprisingly high today, given the current needs of the population, which has shrunk in numbers. With selective demand, these resources seem to be much less needed than before. Among the 16 provincial cities, the resources in housing estates were rated the highest in Gdańsk and Kielce (index values: 97.5% and 93.6% respectively). This is due to various reasons, among which the most probable should be considered the features of the

existing, local resources, e.g. its limited supply, location and communication advantages, and the quality of the surroundings.

#### 4. Discussion

The effect of all the analyses undertaken in the article of an economic, managerial and market nature seems to be a rather comprehensive, multi-threaded sense of surprise. A positive surprise, resulting from the long-term, tireless efforts of the housing cooperative sector in Poland after 1990 not only to survive, but above all to develop selectively, wisely and qualitatively. Despite the awareness of the limitations resulting from legal regulations, the widely implemented reconstruction of the business model, aimed at creating the ability to compete on the free market of management services, meant that housing cooperatives objectively achieved success (Blaszke, Skotarczak, 2022). The flourishing, the full emanation of institutional adaptive abilities is probably also a derivative of the power of subjectification of the residents of housing estates themselves, not only through often façade and merely formal membership in the cooperative, but through material and legal commodification.

The cooperative movement draws on some 130 years of Polish traditions in the area of housing, experienced its spontaneous flowering during the period of socialism, and after its fall survived in the shockingly difficult, new conditions of free market competition. After a thorough reorganization, cooperatives successfully find their place in the Polish reality of the 21st century. Of course, the cooperative movement has undergone a long path of evolution, as a result of which only housing cooperatives with great managerial and adaptive abilities have survived to this day and function well. This should all the more encourage an increase in the level of trust in this group of entities. One could even take risk saying that nowadays a new model of cooperative housing has emerged in Poland.

The great resilience and universality of the cooperative model suggests using its advantages not only in management, but also in investment activity on the housing market (Skotarczak, Blaszke, 2016b). Of course, this is not exactly about creating new competition for developers. The potential of cooperatives could be engaged in the broad development of affordable housing. Housing investment programs commonly supported from public funds can be implemented by the cooperative movement. It has the knowledge, experience, know-how in this area. This would require, above all, modifying the general vision of cooperatives in Poland, enabling them to conduct investment activity. Collectivization, the communization of housing goals does not currently mean a return to socialist times and ideas, but rather builds a collective belief in solid values - safety, support, mutual care for local society, for a common building, housing estate, public space, energy efficiency and sustainable renovation (Hauge, Thomsen, Löffström, 2013; Balmer, Gerber, 2017; Avilla-Royo, Jacoby, Bilbao, 2021). Including housing

cooperatives in the implementation of the goals of the state's housing policy seems to be a valuable idea, providing significant opportunities for action on a large scale. There are various models of affordable housing throughout Europe. Housing cooperatives could successfully fit into the landscape of affordable housing development, not only in Poland, but perhaps in other countries on the continent. The presented premises may constitute an incentive for deeper research on this issue.

## **Summary**

Housing cooperatives in Poland have undergone a profound evolution of their business model since 1990, adapting to competition on the property management market and to free market principles. Existing data from public databases and reports were used, which were subjected to data mining. The aim of the article is to show the comprehensive consequences of housing cooperatives functioning as managers – in the context of financial and market effects. At the same time, the paper analyses the role of cooperatives in managing large panel housing estates, commonly associated with the socialist period. The conclusions indicate that despite the challenges, the resources in housing cooperatives remain an attractive alternative to separate ownership of apartments in housing communities and other resources and have the potential to support the development of affordable housing. A new, effective model of post-socialist cooperative ownership has been formed in Poland. The article encourages further comparative research on the potential of housing cooperatives in other European countries.

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