European Alliance for
Collaborative Housing

Improving the Financing Pipeline for Collaborative Housing:

Suggested talking points on Collaborative Housing and aggregator opportunities for the Housing Task Force's meeting with the EIB

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Table of contents

Introduction **2**
Concrete legal and financial barriers faced by cooperatives and CLTs **2**
The core legal barrier 2
Risk-sharing issues 3
Unlocking lending 4
Proposed financial architecture and pilot aggregators **5**
The financial architecture needed 5
Intermediaries and aggregators 6
The MOBA Accelerator 7
Envisioned funding architecture 10
Asks to EIB **12**
Conclusion **12**

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Introduction

The European Alliance for Collaborative Housing suggests framing the issue of collaborative housing as a financial infrastructure problem rather than as a lack of viable community-led housing demand. Cooperatives, community land trusts and other collaborative housing providers can deliver long-term affordability, adaptive reuse of vacant or underused buildings, and provide strong social governance, but they are usually not recognised by mainstream finance as a bankable asset class, even though the evidence shows that non-speculative, non-profit housing bears much lower risks and higher occupancy rates than commercial property development. The result is **a structural gap between project-level capacity and institution-level capital.**

The most useful EIB contribution to the topic would therefore not only be project lending. It would be to help create **a repeatable architecture through which collaborative housing projects can be aggregated, de-risked, technically prepared and refinanced into long-term affordable debt.**

Legal and financial barriers faced by cooperatives and CLTs

The core legal barrier

The main barrier is that many cooperatives, CLTs and non-profit housing providers do not fit the borrower profiles for which large public and development bank finance are usually designed. EIB and similar lenders are accustomed to lending to public authorities, national promotional banks, regulated housing providers, utilities, or large balance-sheet entities. Collaborative housing organisations are often small, non-profit entities whose mission is to steward land and buildings and keep homes off the speculative market.

This creates several **practical lending obstacles:**

- **Borrower eligibility:** An association or federation of cooperatives/CLTs may not itself own the final asset, receive rents, or hold sufficient collateral, even if it is the most appropriate entity to aggregate projects and provide due diligence.
- **Balance-sheet limitations:** Individual cooperatives and CLTs are typically project-based entities with limited equity and short operating histories. They cannot satisfy standard corporate credit tests even where the housing demand and social value are strong.
- **Asset-lock tension:** The features that make these projects socially valuable, such as non-speculation clauses, cost-rent rules, resale restrictions, public interest land

stewardship and long-term affordability covenants, reduce market exit value and therefore look like weaker collateral under conventional lending logic.

- **Fragmented legal frameworks:** In many countries, especially in Central and South-Eastern Europe, cooperative law exists but housing-specific cooperative or CLT legislation is absent or incomplete and collective ownership in general disregarded. This makes it harder for lenders to assess enforcement rights, step-in rights, tenant/member obligations and long-term governance.
- **Cross-border complexity:** A regional intermediary may be legally constituted in one Member State while supporting projects in several jurisdictions. That is exactly what aggregation requires, but it raises questions around governing law, collateral, regulatory treatment, anti-money-laundering procedures, state-aid compliance and recovery procedures.

The conclusion is not that cooperatives and CLTs are inherently too risky. Rather, the risks are poorly translated into existing commercial lending categories. The sector needs a borrower and guarantee architecture that can recognise collaborative housing as social infrastructure.

Risk-sharing issues that need to be discussed with EIB

Collaborative housing projects face a stack of risks that are common in urban regeneration, but which are harder for small community actors to absorb alone.

Risk area	How it appears in cooperative/CLT projects	What EIB or public risk-sharing could do
Legal and title risk	Vacant or underused buildings may have unclear ownership, encumbrances, inheritance issues, planning restrictions or unresolved land-use status. Public entities may be reluctant or even have a legal barrier on providing non-profit actors access to the land for new projects due to Public Procurement rules.	Support acquisition-stage due diligence, title-risk insurance, partial guarantees and standardised legal templates or provide support to organisations executing those functions.
Development and construction risk	Projects often involve use of new materials, renovation, adaptive reuse, energy upgrades and small contractors, all of which increase cost uncertainty.	Provide a guarantee layer for cost overruns within defined limits, require professional technical monitoring, and support contingency reserves.

Risk area	How it appears in cooperative/CLT projects	What EIB or public risk-sharing could do
Early-stage cash-flow risk	Before occupation, CLTs and cooperatives have no rental income and limited member capital. This is the moment when they most need finance but are least bankable.	Provide bridge finance through an aggregator, with repayment/refinancing once the project reaches occupancy.
Affordability-risk perception	Cost-rent and below-market rent models can appear to reduce repayment capacity, although they also reduce vacancy and demand risk.	Treat long-term affordability as an eligibility condition and public-benefit covenant, not as a weakness. Underwrite based on stable occupancy and conservative cost-rent cash flows.
Counterparty risk	Individual groups may be new, volunteer-led or still professionalising.	Lend to or guarantee an intermediary that performs due diligence, capacity building, monitoring and portfolio management.
Scale and transaction-cost risk	Individual projects are too small for EIB-style direct lending.	Use an aggregator or fund-of-funds structure that pools projects and standardises reporting, covenants and impact metrics.

Unlocking lending

The immediate need is a layered structure that separates project preparation, first-loss risk, bridge finance, long-term refinancing and affordability control.

The EIB discussion should therefore focus on **four elements:**

1. **Eligible intermediary:** A recognised cooperative/CLT aggregator or regional housing finance vehicle that can borrow, on-lend and monitor a portfolio.
2. **Risk-sharing layer:** An EIB/EIF/InvestEU counter-guarantee or guarantee facility that covers a defined share of principal loss for eligible collaborative housing loans.
3. **Technical assistance:** A dedicated preparation facility, potentially modelled on ELENA-type support, covering feasibility studies, legal structuring, cost planning, procurement, governance and investment documentation.

4. **Affordability covenant:** A standard public-benefit covenant requiring cost-rent or below-market affordability, non-speculation, democratic governance and long-term asset lock as conditions for concessional finance.

Proposed financial architecture and pilot aggregators

The financial architecture needed for community-led housing

Community-led housing cannot be financed through a single instrument or by treating each project as an isolated small borrower. The sector needs a layered financial architecture that connects EU-level public resources, development bank finance, guarantees, community-owned intermediaries and local last-mile institutions. The purpose of this architecture is not only to make individual projects bankable, but to create the institutional infrastructure through which collaborative housing can become a permanent, non-extractive and democratically governed affordable housing sector.

The architecture should be built in **four layers:**

1. **EU structural funds as institution-building grants:** ERDF, ESF+, Cohesion Policy and related EU grant instruments should finance the organisational infrastructure needed to kickstart and facilitate collaborative housing processes. This includes project-development teams, legal and financial templates, cooperative/CLT capacity building, municipal one-stop-shops, technical-assistance platforms, training, pipeline mapping and pre-development support. These grants should not be limited to buildings; they should build the organisations and systems without which the projects will not emerge.
2. **CEB and InvestEU for pilot projects:** CEB financing, supported by InvestEU guarantees where appropriate, should be used to finance the first concrete collaborative housing pilots. At this stage, the objective is to prove that non-speculative cooperative and CLT projects can be structured, delivered, occupied and repaid under affordability covenants.
3. **EIB and EU guarantees for streamlining finance through aggregators:** Once initial pilots demonstrate viability, EIB together with EU-level guarantee instruments should help move the sector from isolated pilots to a regular pipeline. This means providing guarantees, counter-guarantees, credit lines or risk-sharing structures to intermediaries/aggregators that can pool many smaller projects and standardise due diligence.
4. **Local public, ethical and community-owned banks for last-mile scale-up:** Local public banks, local ethical banks and European-level community-owned institutions, such as the European Ethical Bank initiative or a proposed European Municipalities Bank, should act as last-mile partners. Their role is to activate private and community funds

locally, embed finance in municipal and community priorities, and scale project funds through a non-extractive commons-public partnership model.

This means that EIB's most strategic role is not only to lend to individual projects. It is to help create the guarantee and refinancing layer that allows the whole architecture to become investable at scale, while preserving democratic control, local anchoring and non-extractive use of capital.

Why intermediaries and aggregators are essential

Intermediaries are the bridge between community-led housing and institutional finance. Most cooperatives and CLTs are locally rooted, relatively small, and created to deliver housing rather than to interact with European-level financial institutions. EIB, by contrast, needs scale, standardised due diligence, legal clarity, reporting discipline and risk monitoring. An aggregator can translate between these two worlds.

For EIB purposes, the intermediary should perform **six functions:**

1. **Aggregation:** Pool multiple cooperative and CLT projects so that the transaction size becomes meaningful for EIB, national promotional banks, guarantee providers and institutional co-investors.
2. **Standardisation:** Apply common legal templates, affordability covenants, financial models, reporting indicators and risk-assessment procedures.
3. **Due diligence:** Assess projects before financing, including governance, cash-flow, land/building control, construction risk, energy performance and long-term affordability safeguards.
4. **Capacity building:** Support local groups to reach investment readiness rather than excluding them because they are not yet investment ready.
5. **Portfolio monitoring:** Track performance across projects, manage early-warning indicators and give EIB a single accountable interface.
6. **Cross-border learning:** Work across EU Member States so that lessons, legal tools and financial standards can be transferred rather than recreated separately in every country.

The cross-border dimension is especially important. Community-led housing is emerging unevenly across Europe, and in most Member States there are not yet mature national intermediaries, guarantee schemes or public banks dedicated to this asset class. A European or regional aggregator can therefore become a practical testing ground for a future EU-level collaborative housing finance window.

The aggregator should not replace local institutions, rather it should connect them. In the proposed architecture, the aggregator translates EU and development-bank finance into a pipeline of projects, while local public banks, ethical banks, municipalities and community-owned financial institutions provide the last-mile relationship, local trust,

co-finance and non-extractive deployment. This is the commons-public partnership logic: public institutions and community institutions co-design and co-govern the financial circuit so that public guarantees and private/community savings serve long-term use value rather than speculative extraction.

Why the MOBA Accelerator could be the initial aggregator pilot

On this basis, the European Alliance for Collaborative Housing proposes the MOBA Accelerator as a first aggregator pilot. MOBA is currently the only European organisation that is already in the process of creating the type of transnational collaborative housing financial intermediary that the sector needs.

MOBA is legally constituted as a European Cooperative Society and works translocally in Central and South-Eastern Europe on cooperative and community-led housing (MOBA). It was created by pioneering organisations facing common structural constraints, with the explicit purpose of building shared expertise, capacities and financial instruments for pilot projects (Socioeco). Its network covers Croatia, Czechia, Hungary, Serbia and Slovenia, where post-socialist mass privatisation, limited public housing, weak collective-housing frameworks and scarce tailored finance create a severe gap for non-speculative housing (World Habitat).

The MOBA Accelerator is the financial instrument that makes this intermediary role operational. It is a cooperatively owned revolving financing instrument that provides business-to-business loans from MOBA Housing SCE to MOBA full members, and it is designed to bridge the early acquisition, construction and renovation phase until projects can be refinanced (MOBA Accelerator). Accelerator loans are used for the “hardware” of housing projects, including acquisition of buildings or land and construction or renovation, and loan requests are assessed through business plans and cash-flow plans before disbursement (MOBA Accelerator).

This makes MOBA Accelerator a strong EIB pilot because it already combines the core features that **a European collaborative-housing intermediary should have:**

- **Transnational aggregation:** MOBA operates a regional cooperative platform working across several countries and capable of building a cross-border project pipeline.
- **Revolving fund and financial-instrument logic:** The Accelerator is designed so that bridge loans are repaid after stabilisation or refinancing and then recycled into future projects, turning catalytic capital into a repeated financing mechanism rather than a one-off grant.
- **Sector-specific due diligence:** Access to finance is linked to MOBA full membership, cooperative governance, business-plan review and cash-flow assessment, which helps make community-led projects legible to institutional finance.

- **Non-speculative affordability:** MOBA's model is collective, non-profit, anti-speculative and cost-based, with homes owned by cooperatives rather than by individuals and rents based on costs rather than the market (MOBA).
- **Concrete first transaction:** The first Accelerator pilot is a student housing project in Budapest involving ACRED and students from the College for Advanced Studies in Social Theory, with 40 dormitory spaces and community/workspaces planned in a former industrial site (MOBA Accelerator).
- **Replicability for the wider sector:** A pilot with MOBA would generate templates, risk data, legal structures and reporting standards that could later be adapted by other cooperatives, CLTs, public-interest land trusts and ethical-finance intermediaries across Europe.

Suggested pilot geography and actor roles

The pilot could be presented as a regional CSEE collaborative housing finance pilot, anchored through MOBA Housing SCE and beginning with the Budapest project as the first transaction. Croatia is relevant because MOBA Housing SCE is registered there, while Hungary is relevant because the first Accelerator deployment is in Budapest (MOBA Accelerator). The wider pipeline can then extend to member initiatives in Croatia, Czechia, Slovenia and Serbia as projects reach readiness.

Suggested roles:

- **MOBA Housing SCE / MOBA Accelerator:** Regional aggregator, borrower/on-lender, revolving-fund manager, pipeline builder, cooperative due-diligence platform and portfolio monitor.
- **Local MOBA member organisations:** Project developers, community organisers and local borrower entities responsible for acquisition, renovation/construction and operations.
- **Municipalities and public land/building owners:** Providers of land, vacant buildings, planning facilitation, long leases, guarantees, co-investment or nomination agreements.
- **EU structural funds and Member State managing authorities:** Grant providers for institution-building, project-development capacity, cooperative/CLT support infrastructure and municipal facilitation.
- **CEB and InvestEU:** Early pilot-project financiers, demonstrating that collaborative housing projects can be financed under long-term affordability and non-speculation conditions.
- **EIB and EU guarantees:** Providers of guarantees, counter-guarantees, credit lines or risk-sharing mechanisms that allow aggregators to streamline finance across a growing project pipeline.
- **Local public banks, ethical banks and community-owned European institutions:** Last-mile partners for on-lending, local co-finance, community savings mobilisation, project-fund scale-up and non-extractive commons-public partnership.

- **European Alliance for Collaborative Housing:** Sector convener, policy interface, knowledge-sharing platform and evaluator of whether the model is replicable for cooperatives and CLTs beyond MOBA.

How to build the pipeline

The pilot should not wait for fully bankable projects to appear spontaneously. It should create the project-readiness process.

Pipeline development could include:

1. **Stage one: screening:** Identify 10 to 15 cooperative/CLT opportunities in the MOBA region and classify them by land/building control, legal readiness, planning status, member base, energy-renovation potential and affordability commitment.
2. **Stage two: preparation grants:** Use a small TA envelope for legal structuring, feasibility, energy audits, cost planning, governance, business modelling and permitting.
3. **Stage three: investment committee:** Apply a common scoring framework covering affordability depth, repayment capacity, asset lock, governance, climate performance, readiness, municipality support and replicability.
4. **Stage four: bridge loan:** Provide short-term Accelerator finance for acquisition, construction or renovation “hardware”, not general organisational overhead, consistent with the Accelerator’s stated mandate (MOBA Accelerator).
5. **Stage five: stabilisation and refinancing:** Once occupancy and cost-rent income are stable, refinance with longer-term debt from ethical banks, public banks, CEB/EIB-linked facilities or social investors.
6. **Stage six: recycling:** Repaid bridge capital returns to the Accelerator and is redeployed into the next project, gradually creating a portfolio rather than a one-off demonstration.

Technical support needed

The technical-assistance facility should be treated as part of the financial instrument, not as an optional add-on.

Priority **technical assistance** areas:

- **Legal structuring:** Standard documents for cooperative/CLT asset lock, member rights, leases or use-right agreements, step-in rights, collateral and cross-border on-lending.

- **Financial modelling:** Cost-rent models, cash-flow forecasts, sensitivity testing, loan-to-cost limits, debt-service coverage, vacancy assumptions and refinancing plans.
- **Project preparation:** Building surveys, energy audits, circular-renovation strategies, procurement planning, construction-cost control and contingency management.
- **Governance and operations:** Member governance, professional management, rent collection, maintenance reserves, conflict resolution and reporting.
- **Impact measurement:** Common indicators for affordability, tenure security, number of homes, depth and duration of affordability, embodied carbon, energy performance, gender/inclusion outcomes and community benefit.
- **Municipal interface:** Support for public land/building agreements, long leases, planning permissions, property nomination agreements and local co-financing.

Map of the envisioned funding architecture

The envisioned architecture should be a four-layer, circular and mission-locked finance system. It should allow EU grants, CEB/InvestEU pilot finance, EIB/EU guarantees and local/community-owned banks to work as one commons-public financial circuit rather than as disconnected instruments.

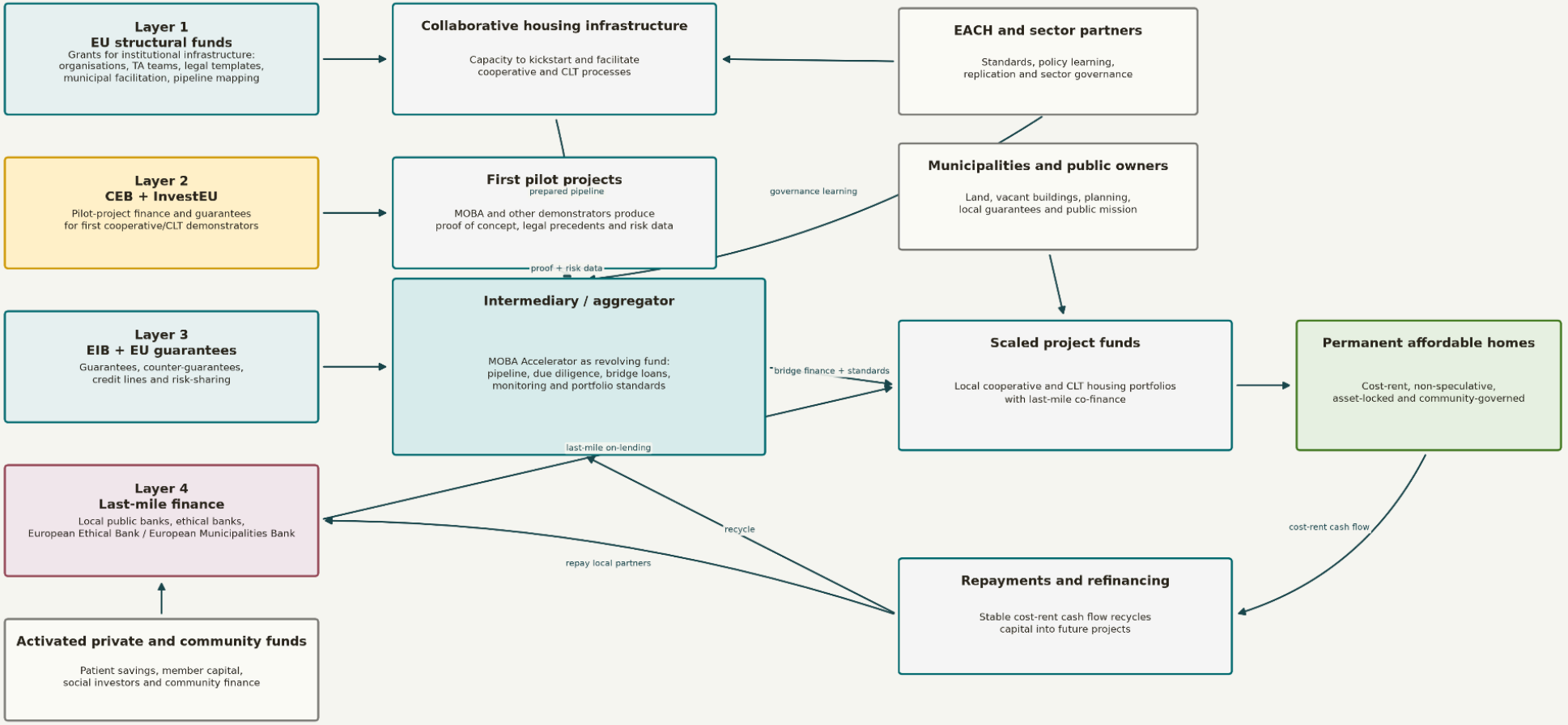
Architecture explained:

1. **Layer one: institution-building grants:** EU structural funds should finance the organisations, technical-assistance capacity, legal infrastructure, municipal facilitation and pipeline-development work that make collaborative housing possible before individual projects are bankable.
2. **Layer two: pilot finance:** CEB and InvestEU should finance first-mover cooperative and CLT projects, generating practical risk data, legal precedents and confidence for wider deployment.
3. **Layer three: streamlined guarantee finance:** EIB and EU guarantees should allow intermediaries and aggregators to move from pilot-by-pilot finance to a standardised project pipeline.
4. **Layer four: last-mile non-extractive finance:** Local public banks, ethical banks and European community-owned financial institutions should mobilise local savings and private funds into project funds without allowing speculative extraction.
5. **Circularity: revolving fund and repayments:** MOBA Accelerator or comparable intermediaries should recycle repayments into new projects, while stable projects are refinanced through local and ethical last-mile institutions.
6. **Protection: commons-public partnership:** Municipalities, community institutions and European public finance should co-govern the architecture so that public guarantees and private/community capital produce long-term affordable homes rather than private asset gains.

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Funding architecture for collaborative affordable housing

A four-layer commons-public model: grants build institutions, development finance proves pilots, guarantees streamline aggregation, and local/community banks scale last-mile finance.



Core principle: public guarantees and community/private capital are channelled through mission-locked intermediaries so that value is retained as long-term affordable housing rather than extracted as speculative gain.

Proposed asks to EIB

The European Alliance for Collaborative Housing ask the EIB to explore the following with the Task Force:

- **Recognition of collaborative housing aggregators** as eligible financial intermediaries for affordable housing finance, where they can demonstrate governance, due diligence, affordability covenants and portfolio monitoring.
- **A four-layer finance pathway** linking EU structural-fund grants for institutional infrastructure, CEB/InvestEU pilot-project finance, EIB/EU guarantees for pipeline finance, and local public/ethical/community-owned banks for last-mile deployment.
- **A pilot guarantee or counter-guarantee facility** for cooperative, CLT and community-led housing loans, potentially starting with MOBA Accelerator as the first regional aggregator test case.
- **A technical-assistance and institution-building envelope** for CSEE, covering cooperative/CLT organisations, legal and financial templates, municipal facilitation, project preparation, energy planning, procurement and governance readiness.
- **A bridge-to-refinance model** in which early-stage acquisition and renovation risk is absorbed by a revolving aggregator fund, while stable projects later move into long-term debt through local public, ethical and community-owned financial institutions.
- **Standardised affordability and asset-lock conditions** that allow EIB to treat non-speculative housing not as a collateral weakness but as the public-benefit reason for concessional finance.
- **A non-extractive commons-public partnership framework** so that private/community funds can be activated without shifting the value created by public support into speculative real-estate gains.
- **A learning framework** so that the pilot produces templates, risk data, legal models and reporting standards that can be replicated by other cooperatives, CLTs, municipalities and public-interest housing providers across Europe.

Conclusion

The European Alliance for Collaborative Housing recommends that the Task Force present collaborative housing finance to EIB as a practical opportunity to build a new European affordable housing asset class through a non-extractive commons-public financial architecture. The required architecture has four linked layers: EU structural-fund grants to build the organisations and facilitation infrastructure; CEB and InvestEU finance for first pilot projects; EIB and EU guarantees to streamline pipeline finance through aggregators; and local public, ethical and community-owned banks to provide last-mile deployment and activate private/community funds without speculative extraction. MOBA Accelerator is a suitable first pilot because it is already developing the missing transnational intermediary: a regional aggregator, a defined member pipeline, a revolving bridge-finance instrument,

non-speculative affordability rules and concrete first projects through which EIB can test how this architecture can move from pilot finance to scalable collaborative housing finance.