

## Mietshäuser Syndikat

The joint venture - A conglomeration of projects

154 house projects and twenty project initiatives constitute a solid network. The link that holds this alliance together is the “**Mietshäuser Syndikat**” (apartment-house syndicate). Each of the house projects is autonomous, i.e., a separate enterprise that owns the real estate.

Each project has the legal status of a limited liability company (LLC; German: GmbH). And the number is increasing. As a matter of principle, the “Mietshäuser Syndikat” welcomes new, self-organized house projects as well as project initiatives like the above-mentioned twenty that are still looking to acquire “their house.” As a result, the network is cheerfully expanding.

How does the “Mietshäuser Syndikat” work? What is its purpose? The critical questions are: What is the point in creating a connection between a large and ever-growing number of autonomous housing projects, some of which are hundreds of miles apart? Whose residents are often not acquainted with those of the other houses? And whose differences are literally eye-catching, ranging from project size and location through history of origin to political and social aims? What is the common idea that holds this hodgepodge of project identities together? And last but not least, the question arises: Why of all things does the title of ownership for each of the houses remain in the hands of an arch-capitalistic legal entity such as an LLC, instead of a (non-profit) registered association or a cooperative?

Acquiring houses collectively

Despite their diversity, all the house projects have a similar point of departure:

- Either a group of enterprising people who localize empty houses: Wanting to live together in the long term, they seek sufficient and, above all, autonomous living space—quite often in combination with rooms for public events, group meetings, projects, and enterprises.
- Or the long-time residents of a house who do not merely resign themselves to the owner’s plans to sell the house, but instead develop a vision: the acquisition of “their house” as a self-organized project.
- Or the occupants of an object slated for demolition, who search for a perspective in spite of the emotional roller-coaster ride of eviction threats and negotiations.

Common to all is the collective desire for a house in which it is possible to live a self-determined life, without the Damocles sword of eviction or the wrecker’s ball; with affordable living space that is not latently threatened by the sale of the house or the conversion of apartments into upscale condominiums, offices, etc. This desire constitutes the beginning of every project. As we all know, the normal real estate market does not offer apartment buildings in which the tenants are guaranteed long-term self-determination within their own four walls. Thus, at some point, the group in question boldly seizes the opportunity to establish a house association in order to simply buy the object of its desire.

A capital question: The question of capital

Unfortunately, an initiative’s strong desire for a self-organized house project is almost always accompanied by the very weak financial resources of its members. In view of the required means, their resources are often merely of symbolic character. After all, the house association needs to borrow hundreds of thousands of euros: as loans from a bank and/or directly from people who consider the project worthy of support and are willing to place their savings at its disposal (“direct loan”; see below).

This is a challenging enterprise, since loans continually cost money, namely interest and amortization. This often makes up  $\frac{3}{4}$  of all rental income. If the rent is to remain socially acceptable, there is very

little leeway and the project can only be financed if the interest rates on the loans are very low. The start-up period, when interest charges are at their highest, therefore bears resemblance to an economic high-wire act for every house project. Added to this are the group's adventure-based learning expeditions into the foreign world of sales negotiations, political assertion, the search for a legal form, soliciting loans, the dynamics of founding groups, and, last but not least, construction work. Every group needs to overcome a veritable obstacle course on their way to owning a house. This could be easier.

### Seeing the bigger picture

Let us turn our gaze beyond the property line of the individual house project and include other projects in our considerations. It is true that projects in their start-up period all share a similar difficult situation. However, after several years the picture usually looks quite different. With a larger number of projects, not all of them are going through the difficult start-up period simultaneously. It thus seems obvious to create a balance between the different situations of the various house projects:

### Organizing the balance

- Already established projects should advise new project initiatives, placing know-how at their disposal: in other words, it is not necessary to reinvent the wheel. They can also provide public support in political disputes over contested real estate.
- Most importantly: established projects should transfer financial surpluses to new project initiatives instead of using their economic latitude to regularly pep up their own living standard and/or reduce the rent. After all, through gradual amortization of their loans, older projects have a considerably lighter interest burden that is reduced year by year.
- Finally, the contact with project initiatives and their dynamism, and the indirect participation in current political debates involving new housing projects, can bring new flow into the stagnant water of many an older project.

However, this balancing act between autonomous house projects does not happen on its own, but needs to be organized: above all, a stable connection between the projects has to be established to ensure the transfer of resources as well as the required communication. The organization of such a solidarity context is the core idea of the "Mietshäuser Syndikat." It was originally formulated in 1989 at Freiburg's Grether Project. The Syndikat's 1992 statutes state the goal "to support the genesis and achieve political acceptance of self-organized house projects—humane living space and a roof over the head, for everybody."

### Contact:

Veit Wolfer

[veit.wolfer@web.de](mailto:veit.wolfer@web.de)