

Communities are increasingly facing challenges with maintaining and supporting locally based stores and properties on Main Street. As older business and property owners retire the long-term viability of the Main Street or small businesses comes into question. If Main Street declines, buildings will decrease in value and it becomes difficult for businesses to succeed. This in turn can increase apathy in the community. Often, communities wait for traditional developers or a group of investors to address the challenges. **Real estate investment cooperatives are a way to include local residents and individuals in the community to take steps to stop dilapidation, create opportunity and realize revitalization success.**

What is a Cooperative?

An autonomous association of persons united voluntarily to meet their common economic, social, and cultural needs and aspirations through a jointly-owned and democratically-controlled enterprise. *Source: International Cooperative Alliance Statement of the Cooperative Identity.*

Cooperatives may be formed to:

- Provide a service or fill a need in the community.
- Reduce individual investment risk.
- Expand investment capacity.
- Enhance economic opportunities.
- And, more...

Traditional cooperatives are focused on user-benefits. **A real estate investment cooperative is focused on community benefit.** The investment cooperative is an **innovative approach** to working together to make things happen. The model is emerging and is an approach that fits under Nebraska's cooperative law. Neb. Rev. Stat. § 21-1305; Neb. Rev. Stat. § 21-1404; Neb. Rev. Stat. § 21-2926

Reasons for Choosing a Real Estate Investment Co-op

- Community members are asking why more is not currently being done to address dilapidated and underutilized property.
- There are property challenges within the community that are difficult for most individuals to revitalize on their own but could be handled by a collective group with less individual risk.
- There is a team of people interested and willing to spend the time and energy to develop an entity to invest in unmet community needs.
- There is desire to engage residents who are not typically asked or involved.
- There is an opportunity to foster community pride through community investment.
- There are partners (government and/or financial institutions, etc.) willing to assist on projects.

For more information visit <https://ncdc.unl.edu>

Charlotte Narjes, NCDC Extension Educator, cnarjes1@unl.edu or 402-472-1724

Learn from Others

[UNL NCDC – Investment Cooperative](#) *Exploring investment cooperatives.*

INVESTMENT COOPERATIVE
EXAMPLES:

[Northeast Investment Cooperative](#) *DIY example - membership drawn from broader community.*

[Sangudo Opportunity Development Co-op](#) *investment club approach.*

[Housing Co-ops, Resident-Owned Communities](#) *Focus on stable access to space and opportunity to build equity.*

[East Bay Permanent Real Estate Cooperative](#) *Benefit to the entire community.*

RESOURCES:

[Upper Story Housing Case Studies](#) *Creative Solutions and Lessons Learned*

[Analysis of Downtown Storefront Improvements](#) *Creative Solutions and Lessons Learned*