

Land & Financing for Community-led Housing

Sostre Civic's experience in Catalonia

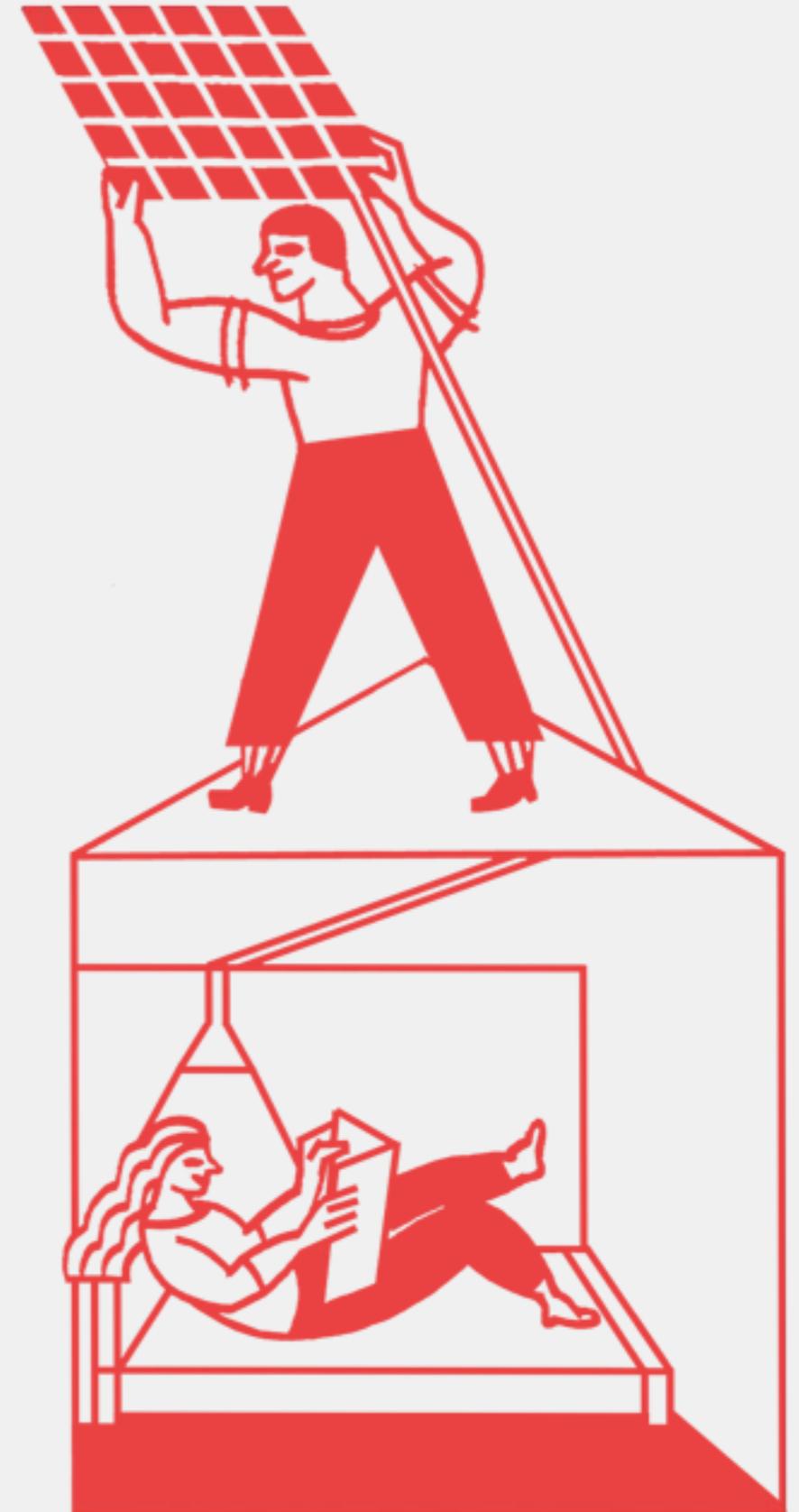


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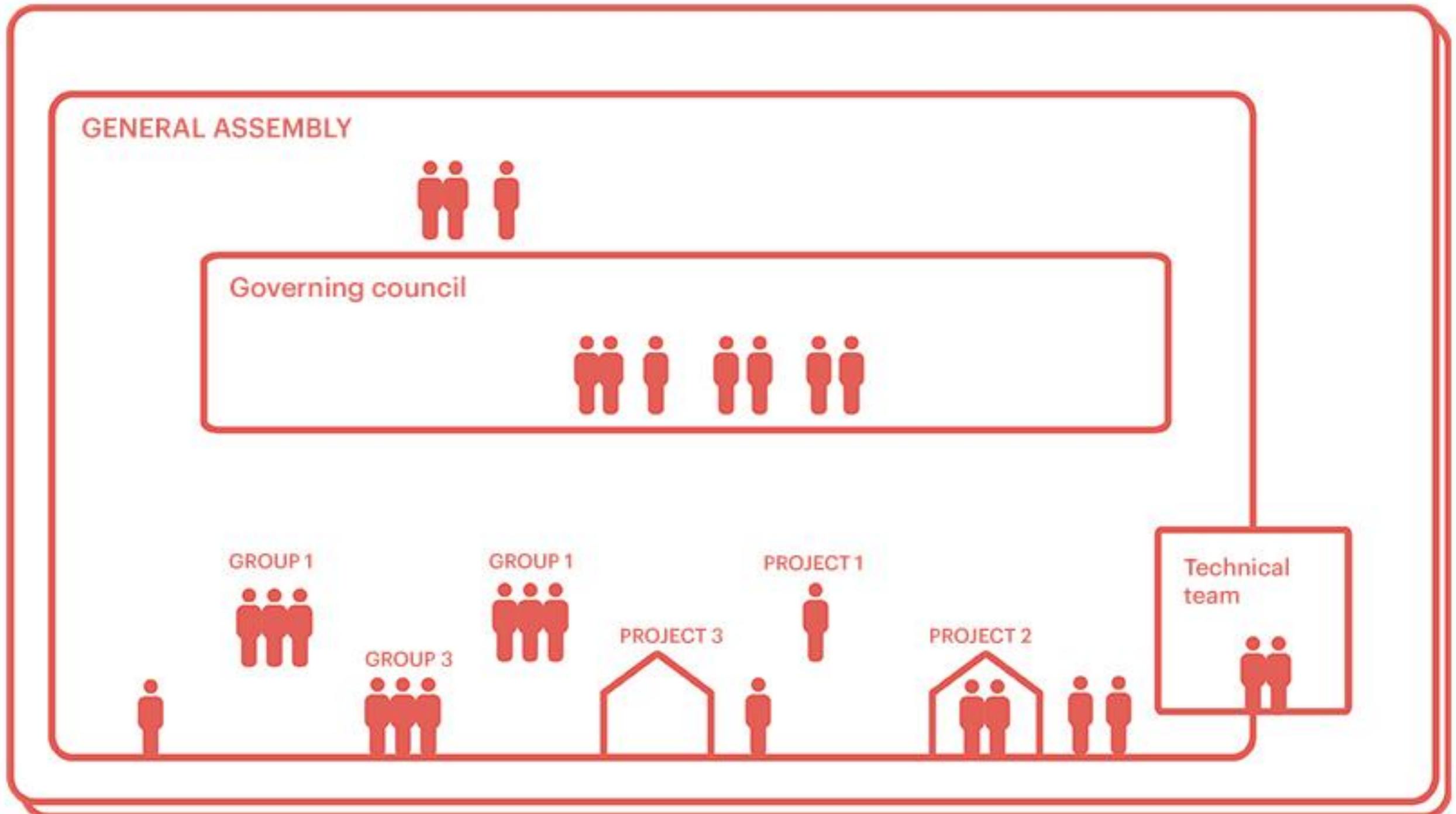


1. Sostre Civic

**COOPERATIVE HOUSING
AND THE RIGHT TO USE**



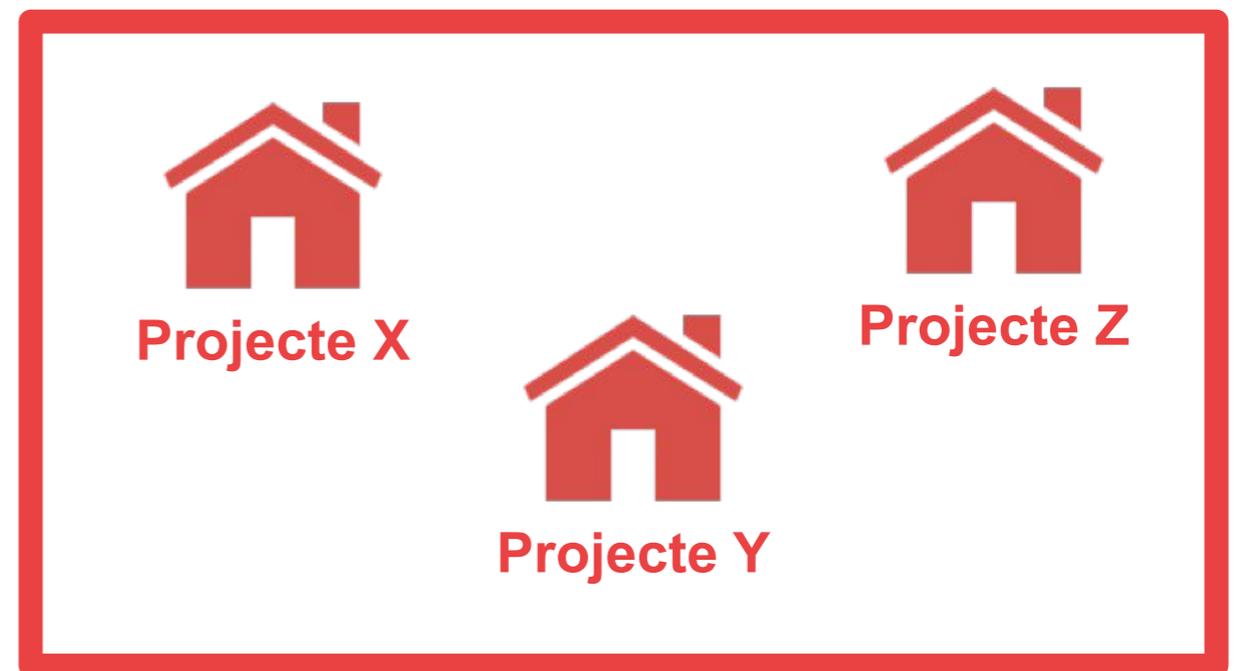
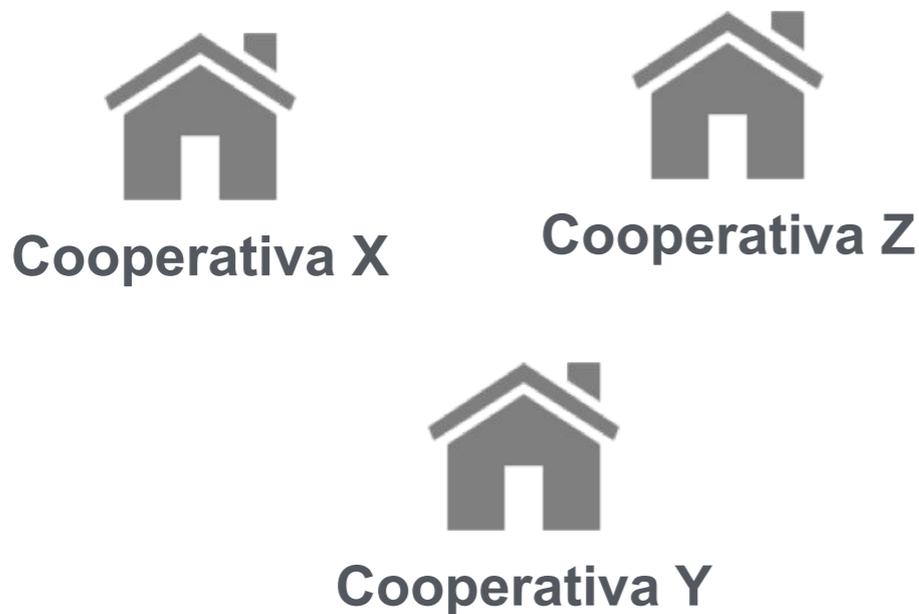
ORGANIZATION CHART





Cooperative by Projects

Sostre Cívic is a unique entity that **promotes various cooperative housing projects**. Each project is managed independently and it has separate financial management and funding.



Cooperativa per projectes

The right to use cooperative housing

A colorful illustration of a community scene. In the foreground, a person is running up a set of stairs, and another person is pushing a shopping cart. The background features stylized trees in shades of blue and red, and buildings with orange and grey walls. The overall style is modern and graphic.

**Collective
ownership**

Right to use

**Collective
management**

Collective ownership: no private, no public

Private
can be treat as an
investment



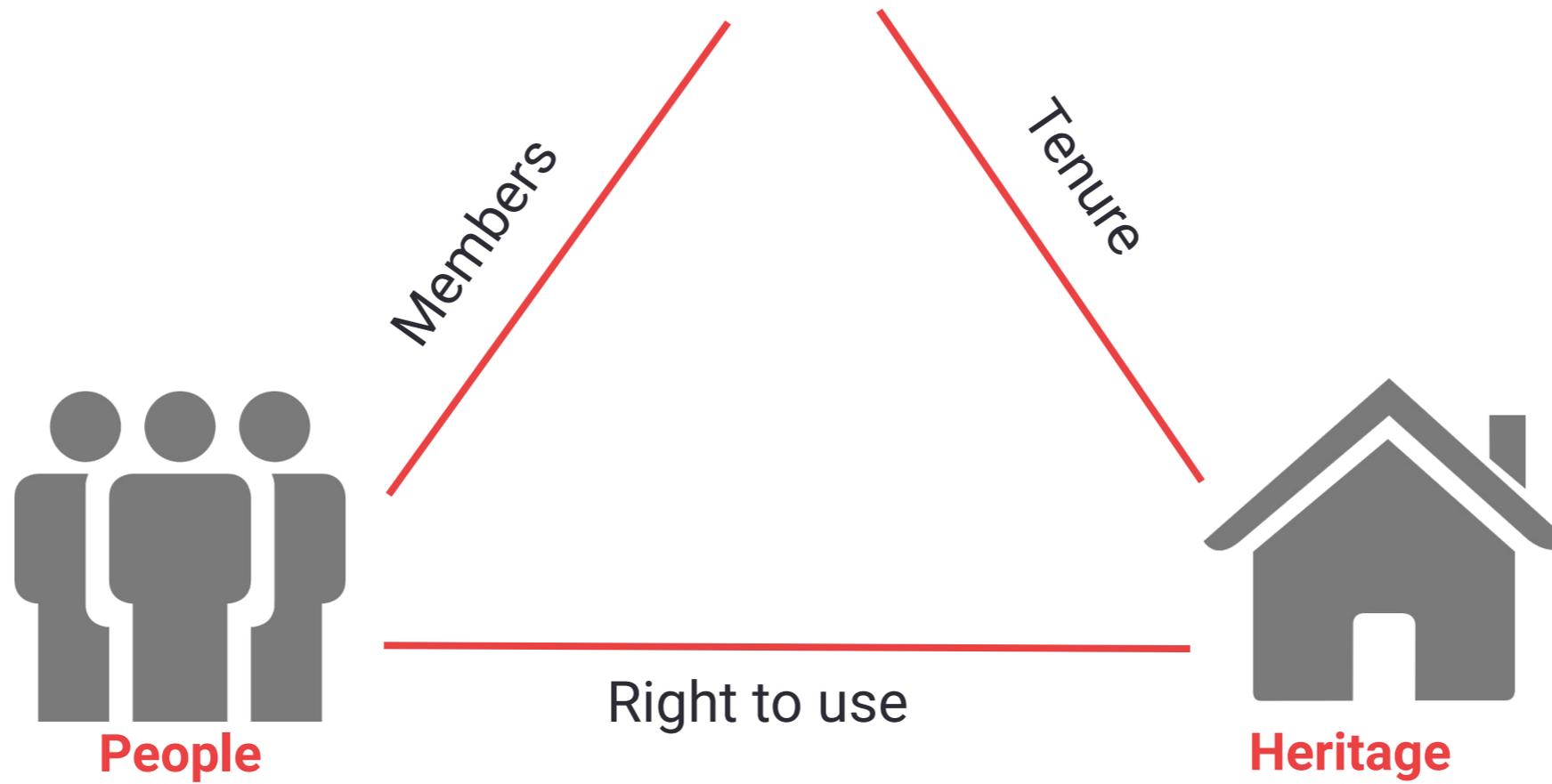
Public
no collective
management



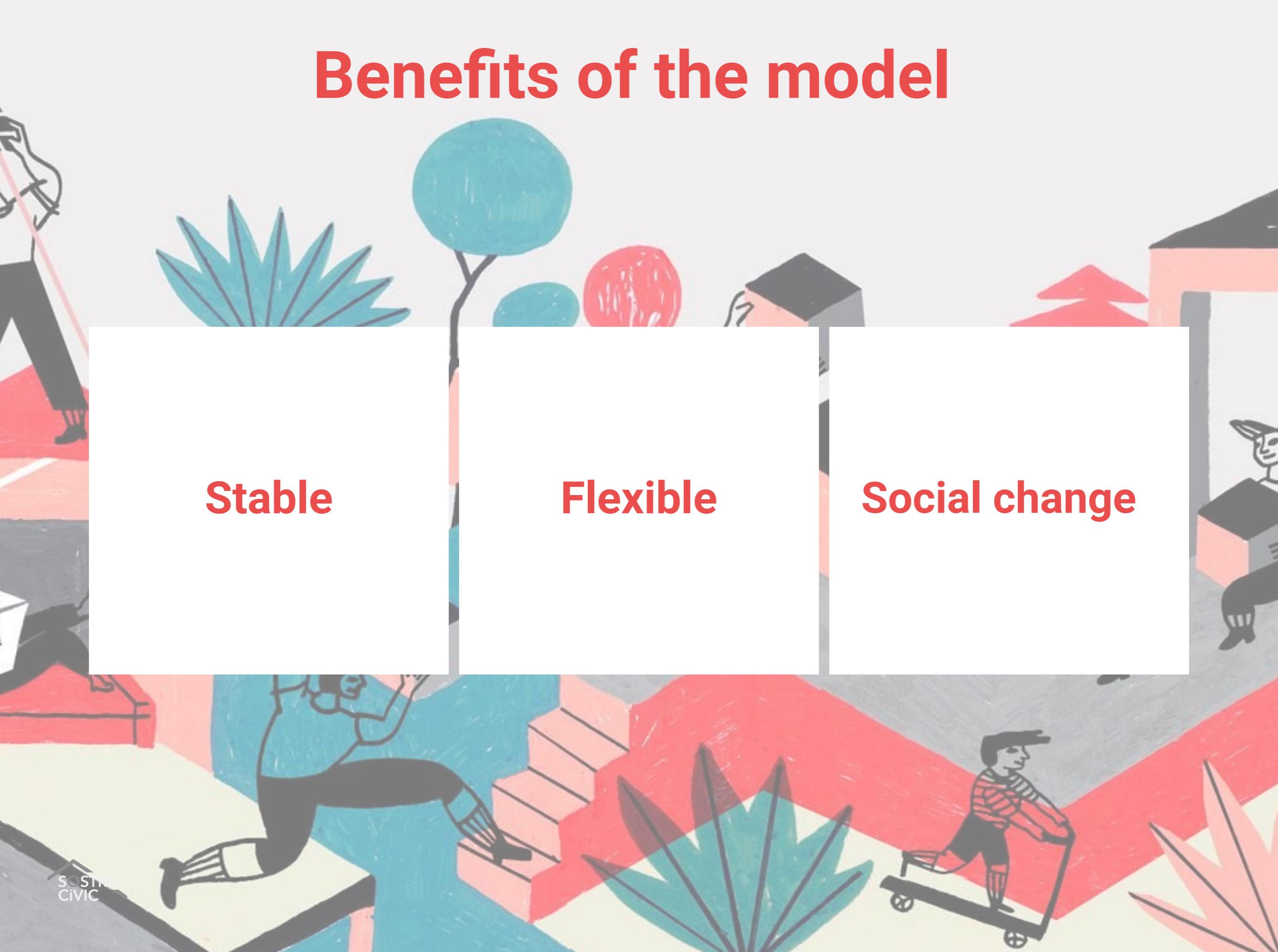
Collective
democratic
management



**SOSTRE
CIVIC**
Cooperativa



Benefits of the model

A stylized, colorful illustration of a community. In the foreground, a person is running up a set of stairs, and another person is pushing a shopping cart. The background features various trees, a person wearing a graduation cap, and buildings. The overall style is modern and graphic.

Stable

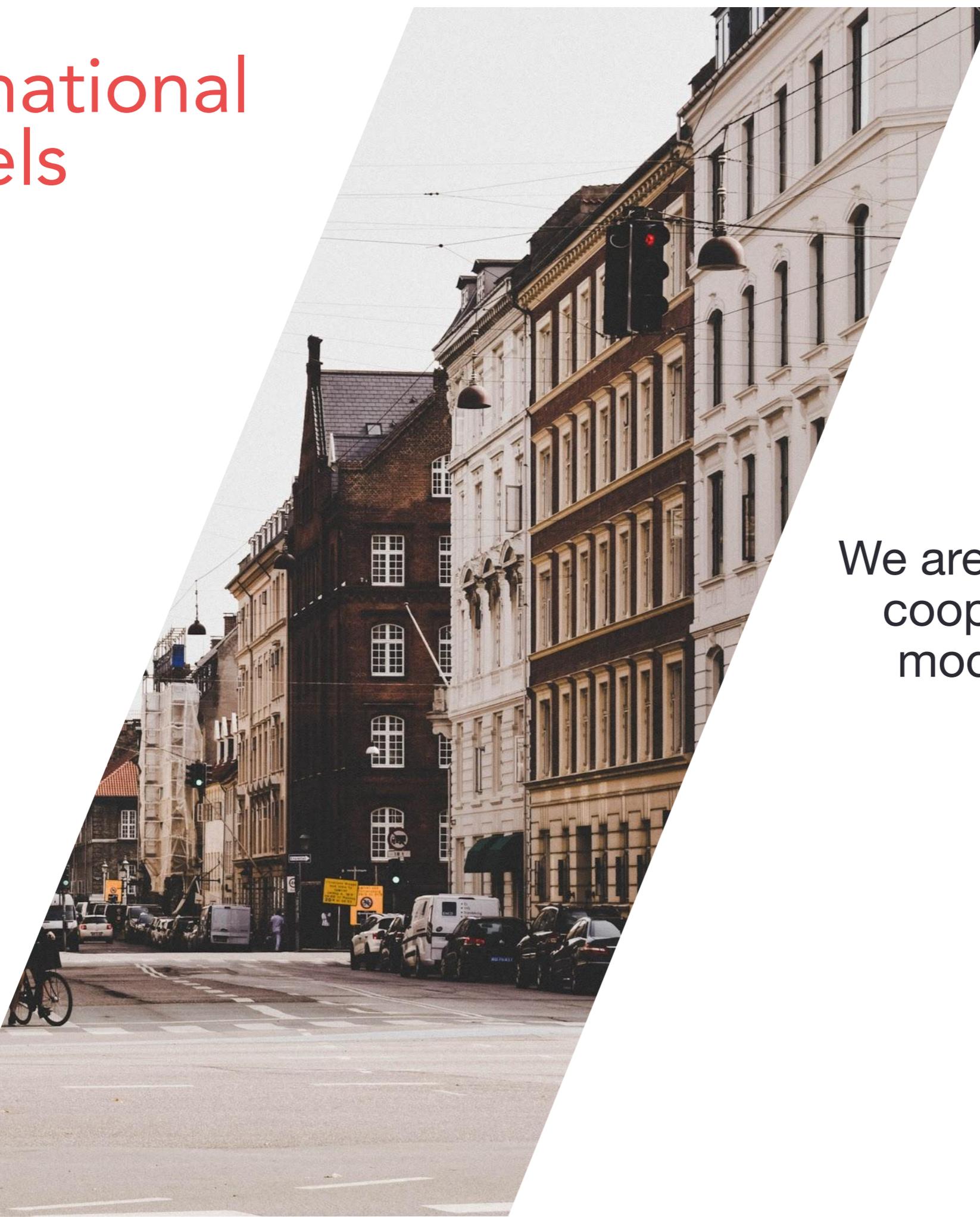
Flexible

Social change

Principles and values of the model



International models



We are inspired by the cooperative housing models in countries such as

Denmark
Quebec
Uruguay
Switzerland

2. Access to land

The Catalan context



Sostre Civic's acquisition of land



**Grant of use by
the public
administrations**

Buy private land

**Right of first
refusal and
pre-emptive
right**

Grant of use by the public administrations

Thanks to Barcelona's city council and the political context in Catalonia with the progressive parties in power, the grant of use of the land to build cooperative housing was possible, a rare phenomenon in the Spanish State. The only condition is that their dwellers must comply with the same criteria to access public housing (HPO). These projects also enjoy a public guarantee for the financing



Buy private land

Once Sostre Cívic was established thanks to the grant of land by public administrations it moved to the acquisition of private land. It happens in those areas where there is not enough public support and the members of the project can afford the extra costs it entails.



Right of first refusal and pre-emptive rights

The fact that Sostre Civic is considered a public utility association allows it to exercise its right of first refusal and pre-emptive right.

The Catalan Finance Institute (state-owned) provides the funding for the acquisition of the building and its refurbishment. In exchange, it grants Sostre Civic with a temporary property of 75 years. Its inhabitants must comply with the same criteria to access public housing.



3. Financial mechanisms





Summary of Sostre Civic's financial mechanisms

- ✓ Initial payment (both members and collaborators).
- ✓ Financial organisations
 - Private: Only ethical finances
 - Catalan Finance Institute (state-owned)
- ✓ Participatory bonds
- ✓ State grants
- ✓ Donations
- ✓ Few state guarantees

Financial mechanisms

Financial organisations



- ✓ Ethical Finance entities are paving the way (Traditional banks refuse)
- ✓ Personal guarantees of 150.000€
- ✓ Interest rate: Variable 1+Euribor, aprox 2.75%
- ✓ Period: 25-30 years

Participatory bonds



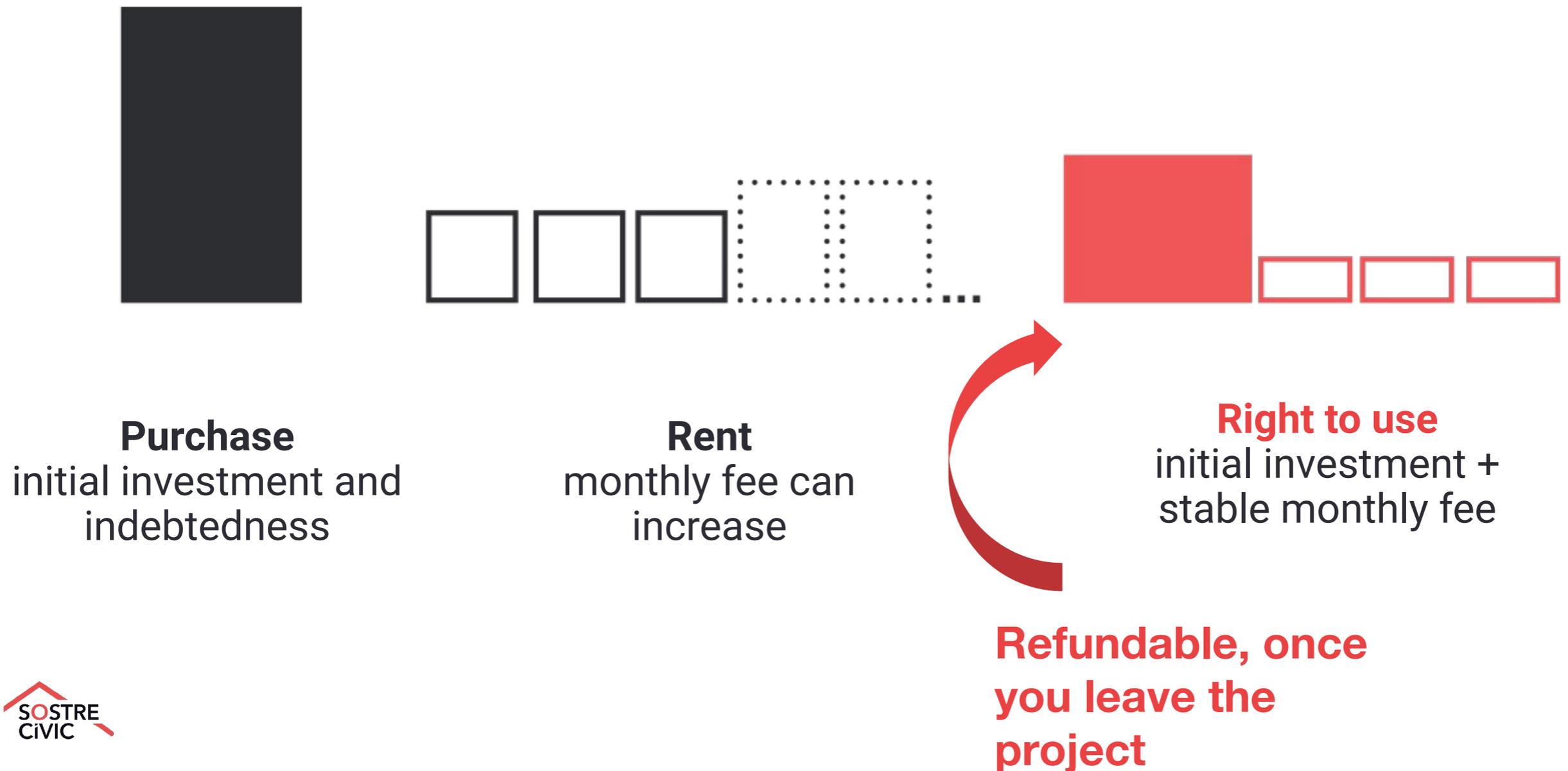
- ✓ 2% anual
- ✓ Period: 1 to 5 years
- ✓ 500€ each bond

Catalan Finance Institute



- ✓ Only in projects where right of first refusal and pre-emptive right is applied
- ✓ Period: 25 years. Interest rate: fix 2%
- ✓ They acquire the building and grant its use to SC
- ✓ The buildings must comply social housing criteria

Right to use: no rent, no purchase



4. Access to finance. La Balma



La Balma

BARCELONA

The first new construction 100% cooperative



La Balma

BARCELONA

20 dwellings 50m²-70m²
7 floors
7 shared spaces

Required investment

3.180.000€

Own resources

650.000€

20.44%

External funds

2.530.000€

79.56%

Finance organisations

2.280.000€

71.70%

Participatory bonds

250.000€

7.86%

Total funding

3.180.000€

Initial investment (refundable) **29.000€–40.000€**

Monthly fee: **500–780€ aprox.**

2016 Barcelona council promotes a land competition for cooperative housing projects

2017 La Balma project won the competition.

2018 Architecture project.

2019 Work starts.

2021 Living together

4. Access to finance. Cal Paler Nou



Cal Paler Nou

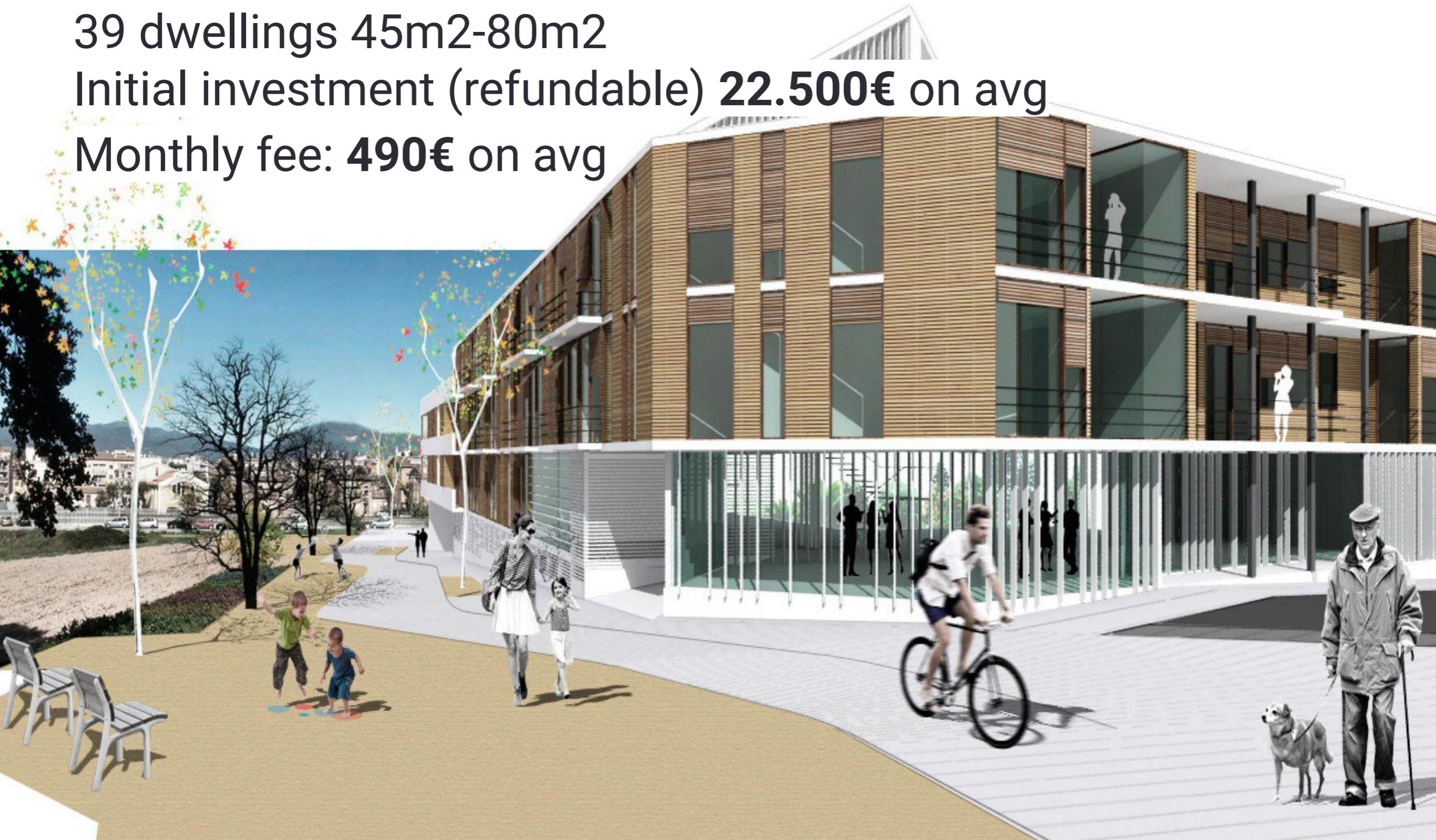
CARDEDEU

Our first project in private land

39 dwellings 45m²-80m²

Initial investment (refundable) **22.500€** on avg

Monthly fee: **490€** on avg



Cal Paler Nou

CARDEDEU

Our first project in private land

| | | |
|---|-------------------|---------------|
| Required investment | 7.359.723€ | |
| Own resources | 1.354.260€ | 18.40% |
| Members' initial investments | 1.050.000€ | 14.27% |
| Collaborators' initial investments | 10.000€ | 0.14% |
| Grants and donations | 304.260€ | 4.13% |
| External funds | 6.005.463€ | 81.60% |
| Finance organisations | 5.554.463€ | 75.47% |
| Participatory bonds | 451.000€ | 6.13% |
| Total funding | 7.359.723€ | |

6. Access to finance. Palafrugell



Palafrugell

BARCELONA

Right of first refusal and pre-emptive right

4 dwellings 50m²-80m²

Initial investment (refundable) 3.000-5.500€

Monthly fee: 380-600€

| | | |
|------------------------------|----------|--------|
| Required investment | 473.250€ | |
| Own resources | 13.250€ | 11.25% |
| Members' initial investments | 13.250€ | 2.80% |
| Grants and donations | 40.000€ | 8.45% |
| External funds | 420.00 € | 88.75% |
| Catalan Finance Institute | 420.000€ | 88.75% |
| Total funding | 473.250€ | |

7. Challenges and opportunities



Challenges to access land



**High prices,
particularly on cities**



**Difficulty to finance the
acquisition due to its prices**





Challenges to access financing

Unwillingness of traditional banks to finance

Mistrust of collective initiatives

Absolute amount of indebtedness (as a result of our legal form)

Lack of a comprehensive state guarantee strategy

Lack of own resources

Thank you!

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