

Land & Financing for Community-led Housing

Sostre Civic's experience in Catalonia



@sostrecivic

01/ Sostre Civic: the right to use model

02/ Access to land

03/ Financial mechanisms

04/ Access to finance. La Balma

05/ Access to finance. Cal Paller Nou

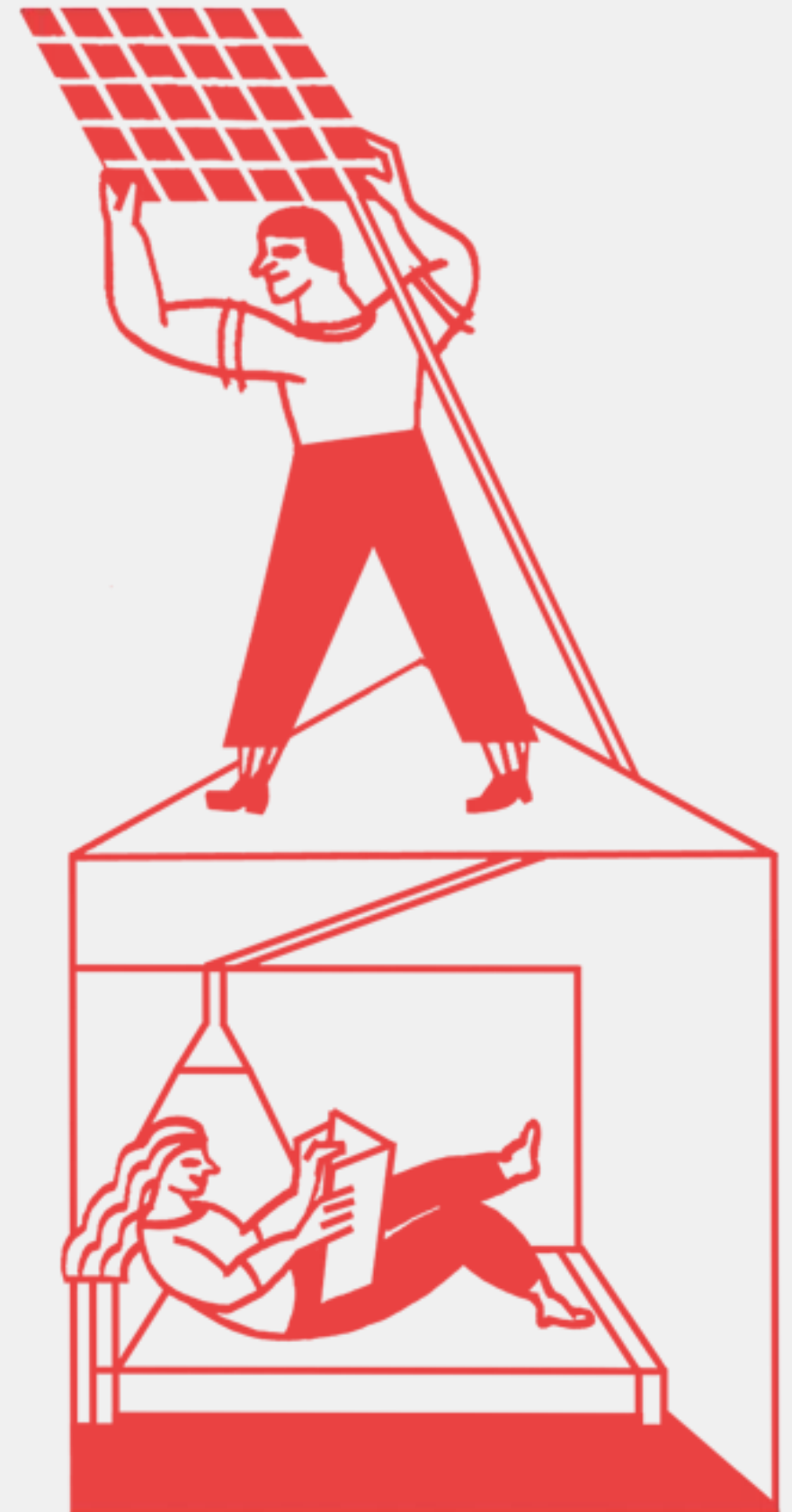
06/ Access to finance. Palafrugell

07/ Challenges and opportunities

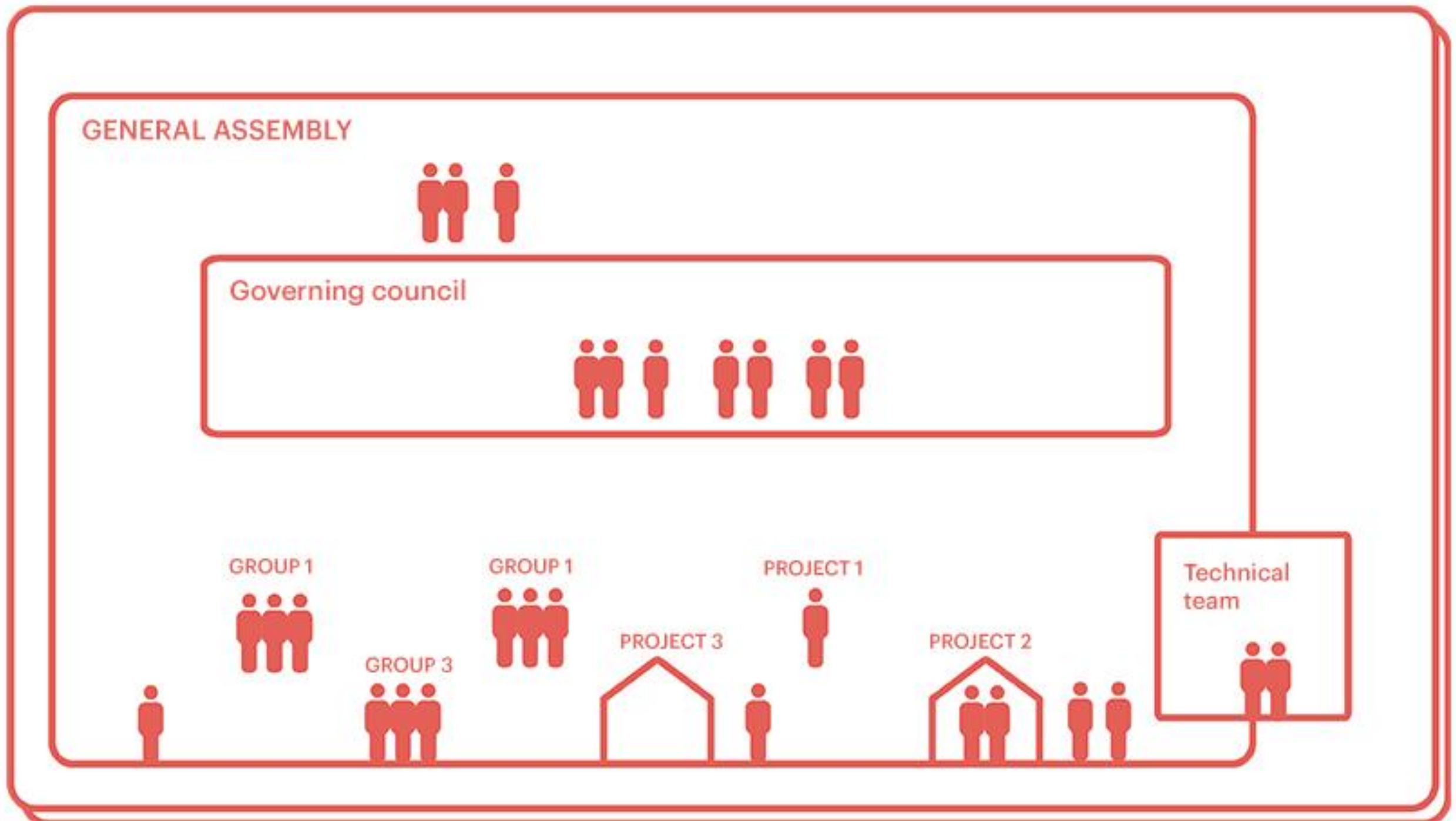


1. Sostre Civic

**COOPERATIVE HOUSING
AND THE RIGHT TO USE**



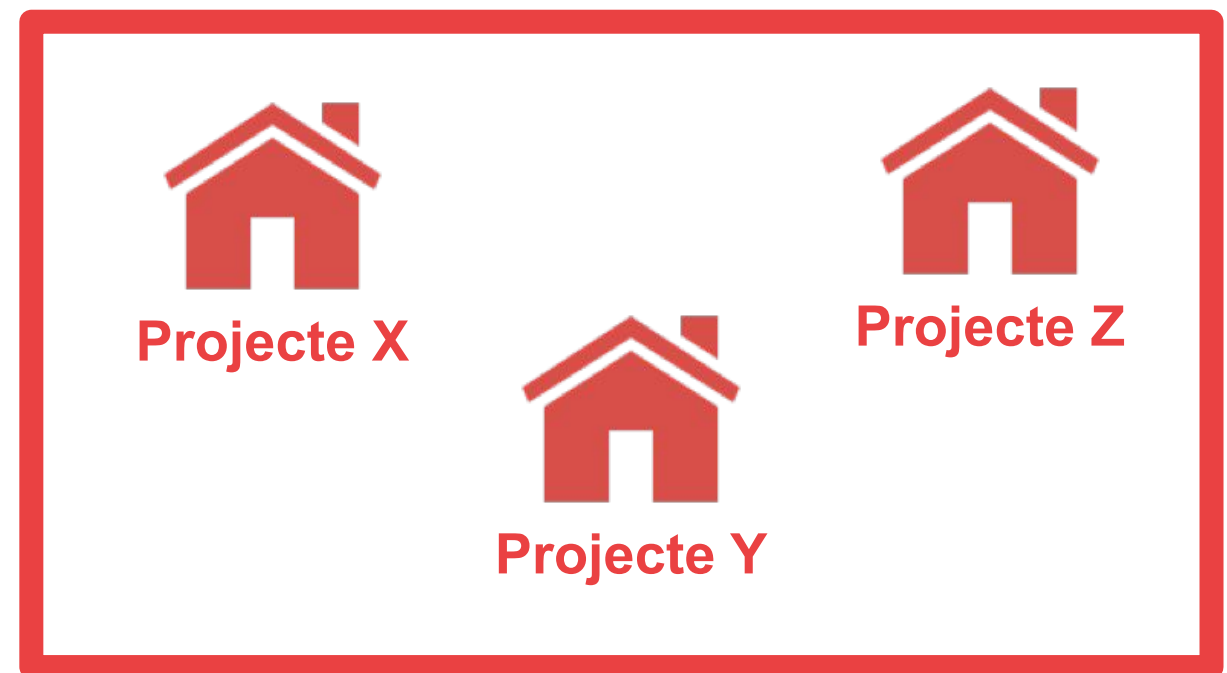
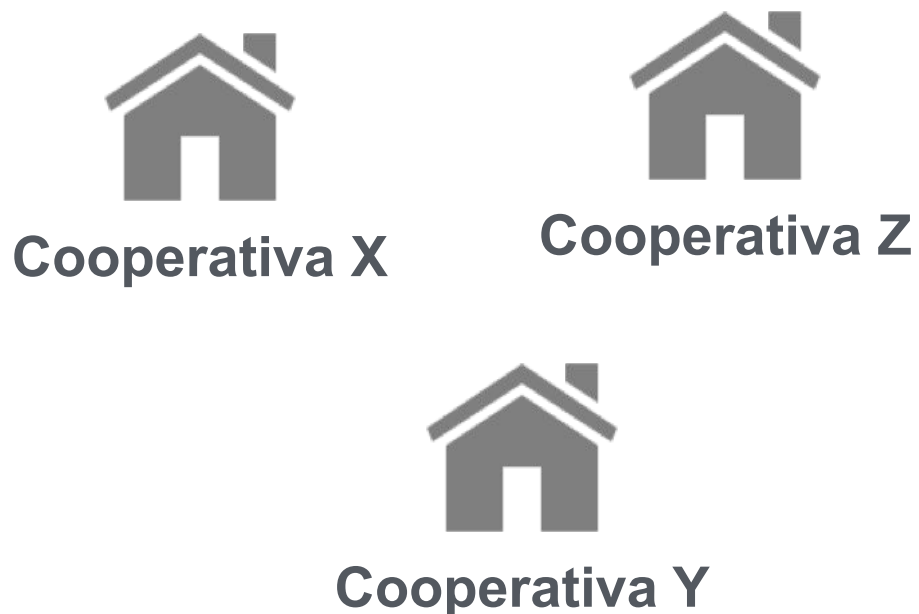
ORGANIZATION CHART





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 stylized, 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. In the background, there are various trees, including a large blue one and a red one, and several houses with different colored roofs. 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

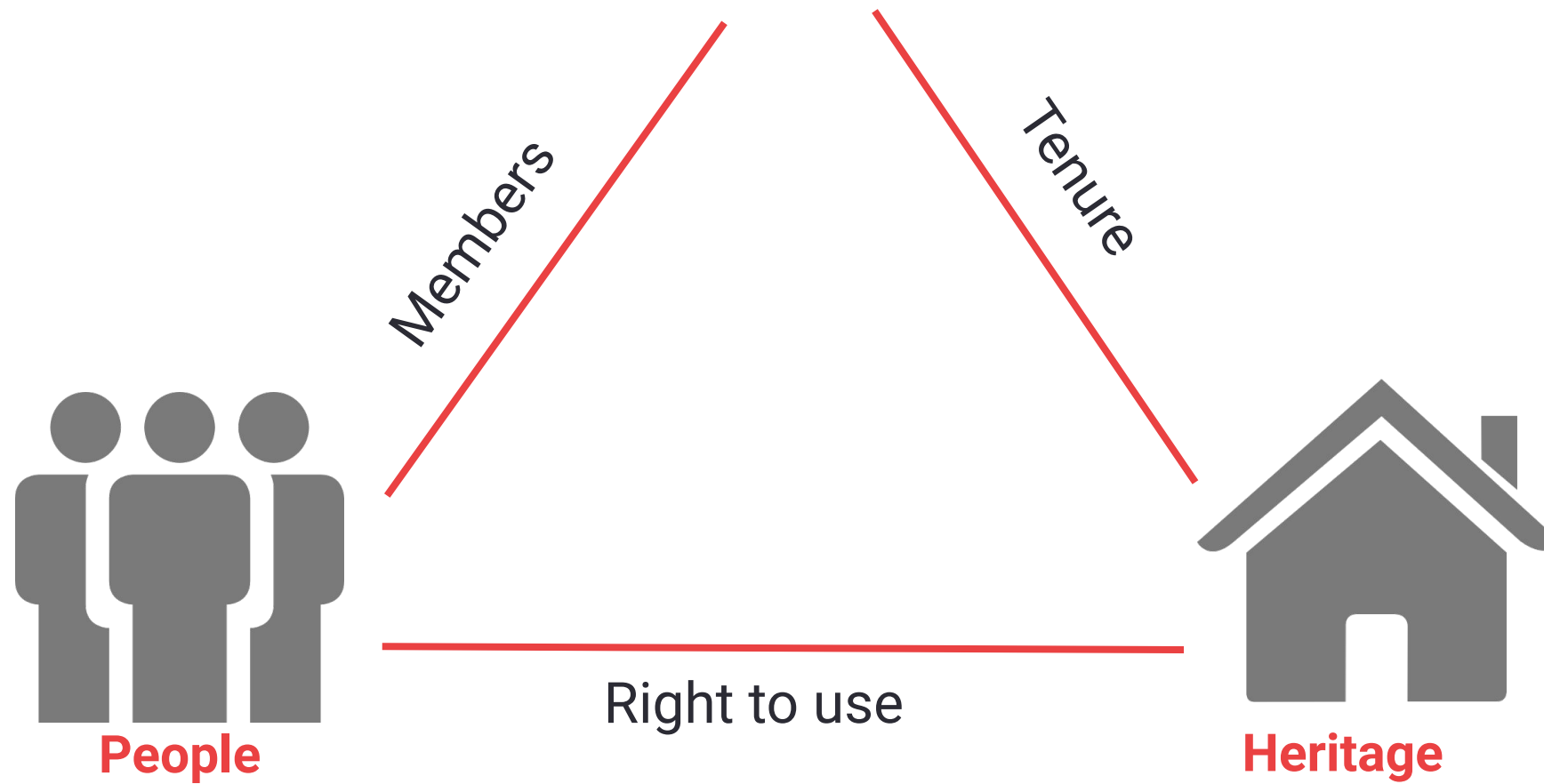


Public
no collective
management



Collective
democratic
management





Benefits of the model

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 Cívica 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



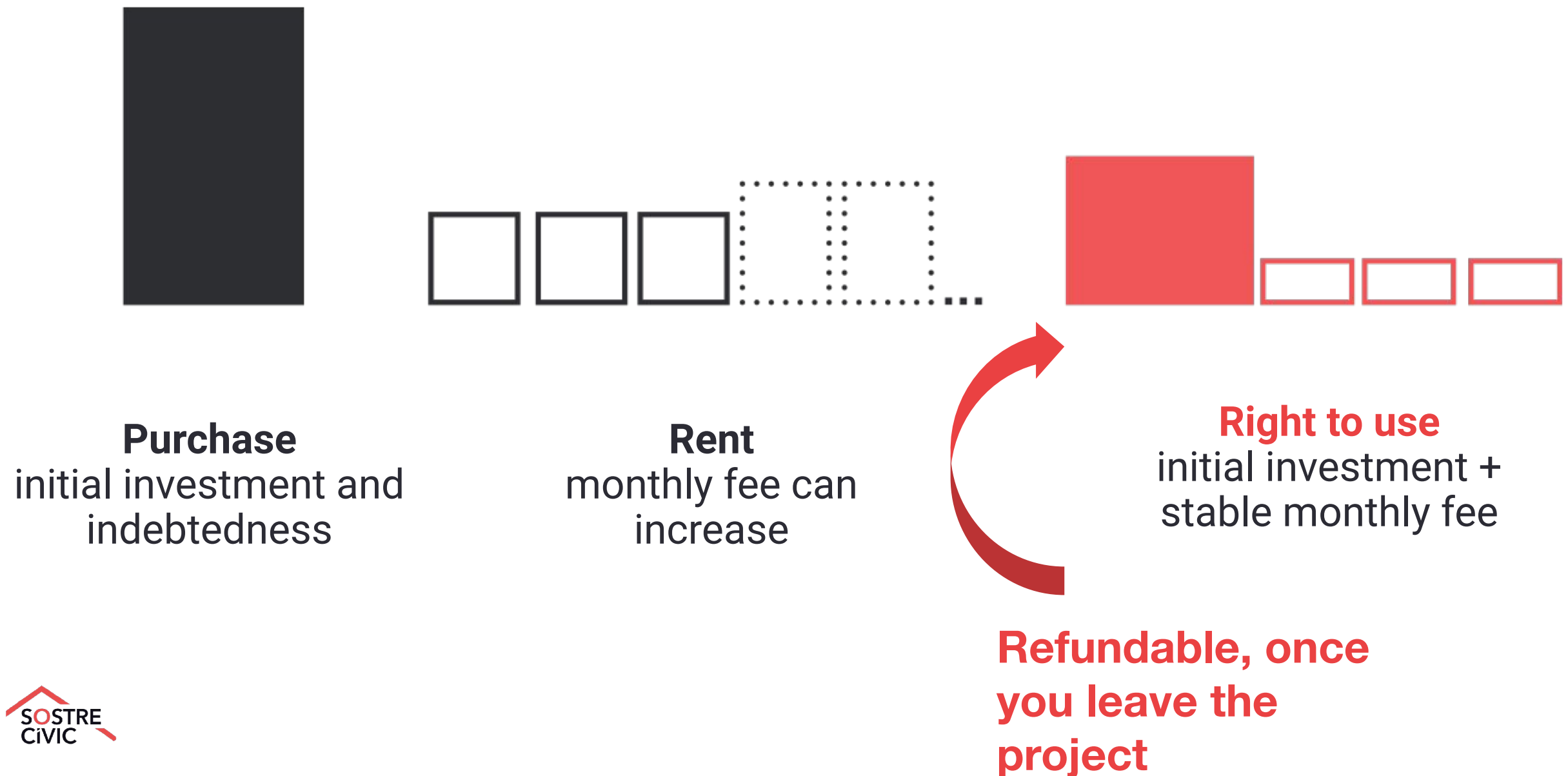
- ✓ 2% anual
- ✓ Period: 1 to 5 years
- ✓ 500€ each bond

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



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

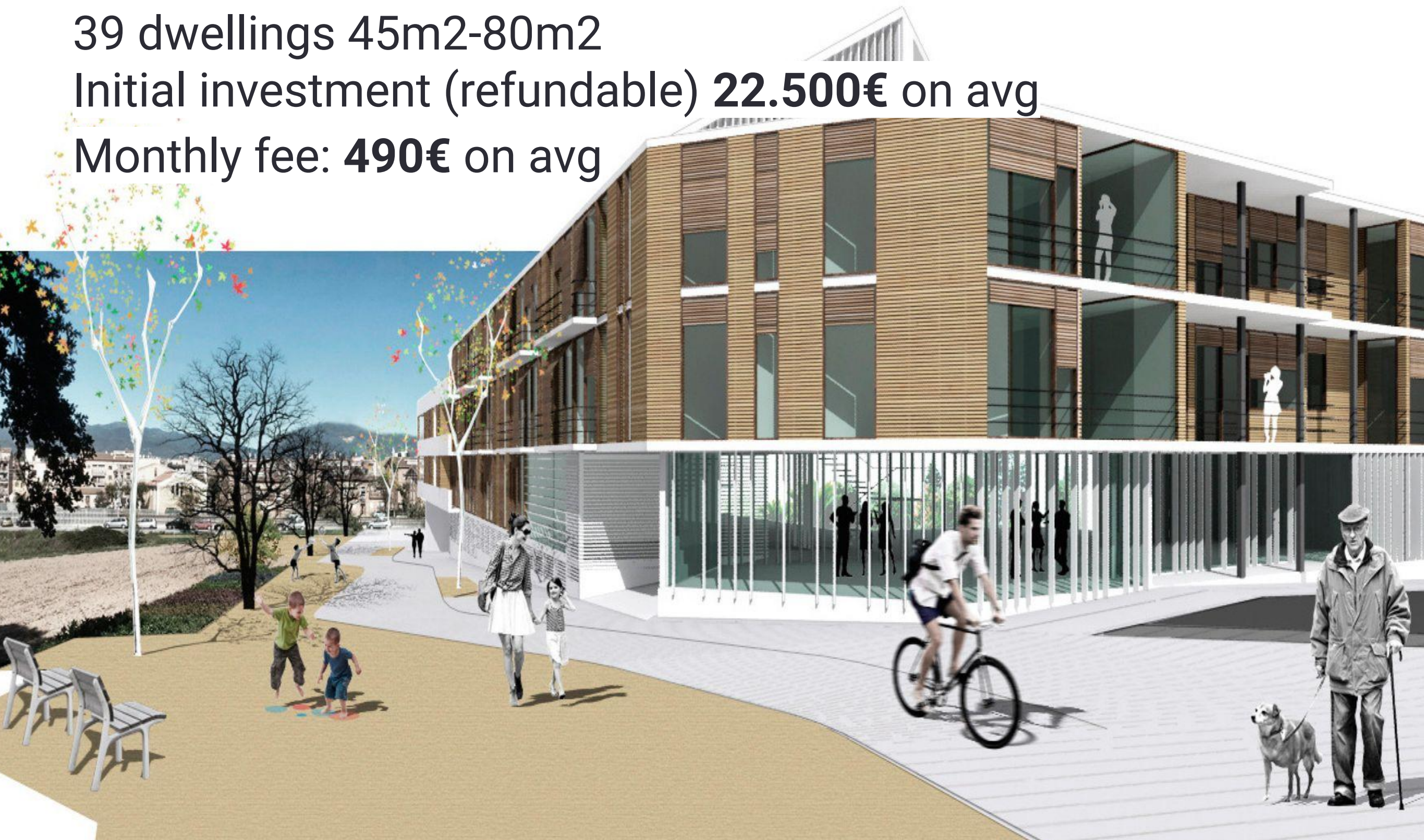
CARDEDEU

Our first project in private land

39 dwellings 45m²-80m²

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

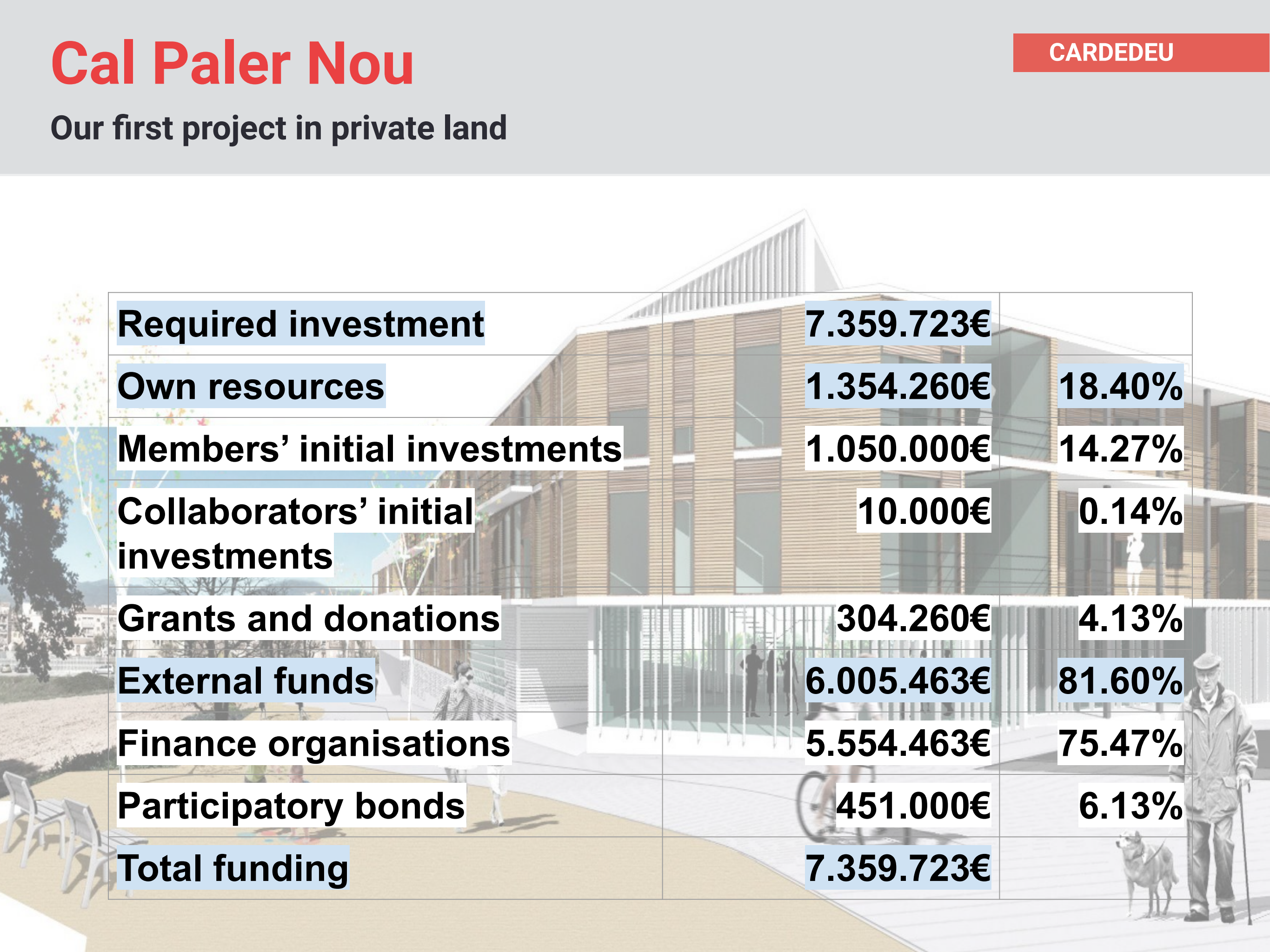
Monthly fee: **490€** on avg



Cal Paler Nou

CARDEDEU

Our first project in private land

An architectural rendering of a modern, multi-story building with a prominent wooden slat facade and large glass windows. The building is situated in an urban environment with trees and a paved area in the foreground. In the bottom right corner, there is a small illustration of an elderly man with a cane walking a dog.

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



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!

www.sostrecivic.coop
info@sostrecivic.cat

