

# CASTALIA COOPERATIVE

## COOP CARD\*

**Location:** Barrio Sur, Montevideo

**Year of foundation:** 2015

**N° of members:** 47 families

**Sector:** Housing coops

**Key themes:** Housing, community building, gentrification, place making



## CONTEXT

Uruguay is a South American country with a GDP of US\$ 56.046 billion. In times of growing global urban inequalities, cooperatives might provide a valuable solution for improving access to housing for the most vulnerable groups. In this regard, since 1968 Uruguay has established a law supporting housing cooperatives. The Uruguay housing cooperative system is based on two models: the 'Mutual Help Housing cooperatives' and the 'Previous Saving Housing Cooperatives'. More concretely, 'Mutual Help Housing cooperatives' members receive 85% of the total value from the State and the 15% from their work. On the 'Previous Savings Housing cooperatives' model, 15% of the total value is covered by cooperative members' savings. Both models have been an inspiration for many countries. Additional information on the cooperative legal framework in Uruguay can be found [here](#).

## AUTHORS

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\*Information collected during a fieldwork carried out in September 2019.

## COOP STORY

Castalia is a housing cooperative located in Barrio Sur, Montevideo. The neighborhood's idiosyncrasy is linked to the birthplace of the music and dance candombe. For several years, it has been marked as a 'No-Go Zone', marked by inequalities and insecurity. Moreover, earlier inhabitants faced rough evictions and urban displacement. In recent years, several private and public investors started building new houses in the Barrio Sur neighborhood, creating additional challenges in terms of gentrification and community construction.

In this context, the Castalia cooperative was set up in 2015. 11 years passed as the group consolidated and the cooperative was able to access the plot, and Castalia was finally set up through a 'Previous Saving Housing Cooperative' scheme. The name – Castalia – was inspired by the idealistic and imaginary city of Herman Hesse's novel. Today, the cooperative has 47 families. Thanks to collective ownership, these families have gained access to decent housing. Furthermore, they established a way to integrate and actively participate in the cultural and social life of Barrio Sur, a neighbourhood filled with history and identity.



## HOW HAS THE COOPERATIVE CHANGED MEMBERS' LIVES?

- **Decent housing:** Improving the access to decent houses through a collective purchase;
- **Community life:** Creating a wealthier community through grass-roots actions, avoiding mechanisms mainly driven by real estate and private interests;
- **Social networking:** Creating a supportive, friendly and 'cooperative' environment where citizens support each other.
- **People-centered urban design:** Creating social spaces where members of the cooperative and the community could meet;
- **Urban regeneration:** Leading grass-roots urban regeneration processes driven by citizens.

## SELECTED QUOTE

"It is not only about accessing housing, but how to do it. It is slightly different than accessing housing through a private bank loan. It is a collective project!"

Alfredo Monetti – member of Castalia Cooperative



## KEY LEARNING POINTS

- Cooperatives allow people to have access to decent houses at fair prices, creating a third way between Private Real Estate and Public Housing.
- Places can be regenerated through grassroots collective action and housing cooperativism based on community wealth-building and participatory ‘placemaking’ activities.
- In a context of growing urban inequalities, cooperatives can provide interesting elements to mitigate gentrification and to reshape places in line with citizens’ needs.

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