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ZERO ECOLOGICAL RESIDENTIAL

MEMBER'S GUIDE





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INTRODUCTION

Investment in housing is, without a doubt, generally the most important investment a family makes throughout its life. Housing cooperatives have proven to be an effective system for facilitating access to housing for those in need. Thus, a significant percentage of the apartments built in Spain in recent years have been built through this development system.

The importance of the purchaser of a home in a regime

cooperative member knows how to choose the right cooperative, so that their expectations are not disappointed, and also knows their basic obligations and rights, is the reason that prompted the publication of the Housing Cooperative Member Guide.

WHAT IS A HOUSING COOPERATIVE?

According to current legislation, a housing cooperative is an entity that typically brings together individuals (in some cases, also certain legal entities) who need accommodation or premises for themselves and/or their families. The law allows its purposes to include, among others, the construction of complementary buildings (for example, parking spaces) and the provision of services to housing and its renovation.

In other words, it is a group of people who share

Basically, the need for housing (or premises) and they join together to access it through self-promotion, under the best possible quality and price conditions.

The characteristic note of a cooperative is the absence of desire for

commercial profit, since its main purpose is the acquisition by its members of a home at strict cost price (self-consumption), with no legal transaction of sale between the member and the cooperative, but rather a transaction of allocation of ownership of the home (or transfer of use) in compliance with the cooperative's corporate purpose.

Furthermore, the cooperative is characterized by being an essentially business

participatory, to such an extent that without the participation of the partner in the corporate life the cooperative would be denatured.

Thus, the housing cooperative has the dual status of a society and a housing development

company for its members. The cooperative member, therefore, is a member of the cooperative society and, as such, its co-owner; and, on the other hand, will be the successful bidder if the development involves housing built for

be awarded ownership; or the user of a dwelling, if the cooperative's purpose is to transfer its use to the member, with the cooperative retaining ownership under a contractual arrangement (transfer of use with consideration from the member) that may have rental characteristics but is not actually governed by urban rental law.

To achieve its objectives, the law grants cooperatives a legal personality that is distinct from that of their members—similar to commercial capital companies, yet with important differences. A housing cooperative also differs from so-called communities of property owners, which may similarly promote housing for their members (co-owners), but lack a separate legal personality. This absence of legal autonomy often complicates management and hinders the real participation of their members.

THE INITIATIVE TO ESTABLISH A COOPERATIVE

From a legal perspective, the formal constitution of a cooperative is a decision that corresponds exclusively to a group of people (according to the LCCM, a minimum of three) who, fulfilling the legal and statutory requirements to be members, agree in an assembly to constitute the new entity (Constituent Assembly), or directly grant the public deed of constitution before a notary (the most common formula).

In practice, almost always, the initiative to establish a housing cooperative is promoted by another entity, the most frequent cases being the following:

1Cooperatives created by collectives: These housing cooperatives

They are usually formed in companies, unions, professional associations, neighborhood associations, etc. Once the decision is made, a small group of promoters is appointed to process the creation of the cooperative. Upon formal incorporation, the governing board and auditors are appointed, and must be listed in the public deed of incorporation. Regardless of how these cooperatives are formed, they usually hire a management company to handle development matters.

2. Cooperatives created by managers: Companies emerge on their own initiative.

Dedicated to providing real estate management services (usually limited companies or limited companies), with the possibility of having land available for housing construction or acting as intermediaries in its acquisition. To develop the development, they promote the creation of cooperatives in which interested parties will gradually join as partners. These companies are known, for short, as managers. This model, currently widely implemented, can contradict the basic principles of cooperativism if the manager exaggerates its role and, in practice, restricts the cooperative.

that it is very important, more than ever, that partners know and exercise the rights to information and participation enshrined in the legislation

cooperative; otherwise, there is a risk of falling into a kind of pseudo-cooperativism that is entirely unacceptable.

THE START-UP OF THE COOPERATIVE

The founding members of cooperatives often exhibit commendable volunteerism, but they generally lack the technical knowledge necessary to carry out the construction of their homes on their own; consequently, the cooperative must seek the help of a series of professionals who will provide assistance in exchange for financial compensation.

Technical assistance

The architects and, collaborating with them, the technical architects (surveyors) or engineers prepare the necessary technical projects and monitor the work, ensuring its correct execution and compliance with deadlines and urban planning regulations, all in accordance with the current regulations of the Building Regulations Act (LOE).

Legal assistance

Lawyers provide advice on legal issues that may arise for the cooperative and oversee all contracts entered into between the cooperative and its members or with third parties.

As previously mentioned, the manager is typically a commercial company (and therefore operates for profit) that provides management and advisory services to the cooperative in exchange for a fee agreed upon by both parties. The management company operates in service of the cooperative, which must demand full compliance with the law and complete transparency in all its activities. At no time may the management company have control over the cooperative's financial resources, which must be managed exclusively by the cooperative through its own representative bodies.

In any case, the prestige, solvency and professionalism of the

Management companies become the ultimate guarantee for the success of any development. For this reason, it is essential to take these factors into account when hiring the services of a company of this type.

It is equally necessary that, expressly, the services that the

cooperative will receive, along with the financial compensation (price) that the manager will receive in return, are recorded in writing in a contract. Whatever the content of this contract, it must be noted that the civil liability attributable to the cooperative as legal promoter could be extended to the Manager, provided that it acts decisively in the promotion, (art. 17.4 of the LOE) for which

that the Management Company itself should be interested in ensuring that its actions do not give rise to being considered a covert promoter and ultimately responsible for the cooperative's obligations to its members, as some jurisprudence has already determined.

In summary, the manager:

•You must receive a contract from the cooperative to carry out your management. This contract must be formalized in writing.

•You must always act in accordance with the cooperative's instructions, as agreed upon by the general assembly and the governing council.

•You will be held accountable to the cooperative for negligent conduct.

•He must defend the interests of the cooperative as part of his duties.

•You must have sufficient technical and professional capacity to carry out effective management.

WHAT DOES IT MEAN TO BELONG TO A HOUSING COOPERATIVE?

A member of a housing cooperative is both an indirect developer (self-builder) of their home and a future beneficiary of that home. This dual status means they must assume the rights and responsibilities that come with belonging to the cooperative.

Among the advantages of being a member of a housing cooperative, the first is the financial savings that come with self-promotion: around 30% if the cooperative is well managed.

Furthermore, members participate in each stage of the development from the moment they join the cooperative, through general assemblies or "special meetings" of members when there are several developments or phases within the same cooperative (the "special meeting" is the name given by law to the development's general assembly). This intense participation is the basis for the interest that housing cooperatives have always had not only in achieving the highest quality in the construction of their homes but also in the environment in which they are located (environmental and urban).

HOW IS A HOUSING COOPERATIVE REGULATED?

The main legal norm that regulates the activity of a housing cooperative, if it is registered, or intends to be, in the Registry of Cooperatives of the Andalusian Government is, as already stated, the Law

14/2011, of December 23, of Cooperatives of the Andalusian Government.

If the Cooperative develops promotions in addition to the territory of the Junta de Andalucía in other autonomous communities, it must register

Normally in the National Registry of Cooperatives, currently dependent on the Ministry of Employment and Social Security, in which case Law 27/1999, of July 16, on Cooperatives (LC) is applicable.

Additionally, cooperative societies have their own statutes, which set out the rules governing the structure, governance, and operation of the entity, as well as the rights and obligations of its members. These statutes must, in all cases, comply with the law. Their registration is mandatory—neither the statutes nor any subsequent amendments are fully valid until they are officially registered. This requirement ensures legal conformity. Initially, the statutes are registered along with the deed of incorporation, as required by law (reflecting the cooperative's self-governance or autonomy). They may be modified later. Cooperatives apply their statutes fully, without any limitations or conditions other than those imposed by law.

It is mandatory for the cooperative to provide the bylaws upon membership. It would be good practice to provide them before membership, or at least an information sheet with the most relevant rights and obligations.

The Cooperative Law, the statutes, the assembly agreements

The general and governing councils are binding on all members of the cooperative; however, both agreements that are contrary to law (void agreements) and those that are contrary to the bylaws (voidable agreements) can be challenged in court. In the first case, within one year, and in the second, within 40 days (Article 38 of the LCCM).

In some cases, the Law regulates internal procedures (hearings

and resources) to settle disputes, either before the resources committee, if one exists, or before the general assembly. Therefore, every member should possess, in addition to a copy of the Bylaws and the Internal Regulations, if they exist, a copy of the Law.

HOW DOES A HOUSING COOPERATIVE WORK?

According to the Law, the cooperative must have social bodies, appointed, controlled, and served by the members (however, the position of independent director is permitted with limitations). The most common and important bodies are: the general assembly, the governing council or administrative body, and the auditors. If the

cooperative does not exceed ten members (in cooperatives of

housing not frequent except in the initial phase) and provided for in the statutes, the governing council could be replaced by a sole administrator or two administrators (joint or several).

The general assembly is the meeting of the partners to deliberate and make decisions.

agreements, as the supreme body of expression of the will of the

Cooperative. The agreements reached within it, adopted in accordance with the laws and bylaws, are binding on all members. All matters pertaining to the cooperative may be subject to debate and agreement at the general meeting, and each member has a voice and vote, in accordance with the democratic principles on which the functioning of cooperatives is based.

The annual accounts, together with the management report and the proposal for application of the result, will be submitted for approval to the ordinary general meeting that must be held annually.

It is important to highlight the transcendental role played by the assembly general meeting of partners as the supreme body for expressing the corporate will. However, its agreements may be judicially reviewed, since "majority agreement" is not synonymous with "valid agreement" and could be contrary to the law or the bylaws, or harm the interests of the cooperative to the benefit of one or more partners or third parties.

The governing council is the governing, management and representation body of the cooperative society (art. 39 LCCM); and, consequently, it is the governing body, which must act in accordance with the law, the statutes and the general policy established by the general assembly and the agreements it adopts in the exercise of its jurisdiction.

The governing council must consist of at least three members and may include up to fifteen (though this is rare), with the exact number specified in the cooperative's statutes. Within the governing council, the essential roles are President and Secretary. Additional roles may include Vice President, Treasurer, and Member (a board member without a specific designated function). All members of the council (directors) must be elected by the general assembly through a secret ballot.
The assignment of specific roles can be carried out as established in the statutes—either directly by the general assembly, by the governing council from among its members, or through a mixed method. Unless otherwise stated in the statutes, directors may be re-elected indefinitely. In all cases, the statutes must define the term of office, which may not exceed four years (the most common duration). However, terms do not automatically expire upon completion; the governing council continues to perform its functions until a new council is elected and its members explicitly accept their positions.

It should be noted that the directors (art. 43 LCCM) will perform their duties with due diligence, respecting the cooperative principles and will be jointly liable to the cooperative, the partners and the third parties for damages caused by fraudulent or negligent actions and whenever they exceed their powers, without being exonerated by the fact that the general assembly has ordered, consented or authorized the act or agreement when it is the exclusive competence of the

Governing Council; a responsibility that must be emphasized in the eyes of the management team, so that they clearly limit their role and the cooperative's governing body assumes the full scope of its governance and administrative functions.

It should be noted that, by law, the president holds legal representation of the cooperative, which is combined with the fact that said legal representation is also held, collectively, by the governing council, which is also the only body empowered to grant powers (art.32.3 LC).

Regarding incompatibilities, it should be noted that no person can be member of the governing council simultaneously in more than one housing cooperative and that likewise no one can be simultaneously a member of the governing council, an auditor and a member of the resources committee, which also affects family members (spouse and, analogously, the common-law partner, and other relatives up to the second degree of consanguinity or affinity: art. 41 LC); nor can one hold the position of auditor if during the period to be audited he has been a member of the governing council (art. 46 LCCM).

The general assembly or the governing council may agree on the existence in a director's cooperative, whose powers conferred must be recorded in a notarial deed and register in the registry of cooperatives. In housing cooperatives, since there are managers, the figure of the director is not common.

The auditors are the supervisory body of the cooperative and Their main function is to audit the annual accounts. Like the governing board, the auditors are elected, like the governing board, by secret ballot by the general assembly. It is important to note that the Law provides that housing cooperatives must submit their accounts to external audit in certain circumstances, such as when more than 40 projects are being promoted.

homes or premises or when there is more than one phase or promotion (once the homes are handed over to the partners, the obligation to audit ceases), in which case the auditor will not exercise his usual supervisory function, although this does not invalidate his existence since he has other functions that the law attributes to him (such as promoting assemblies or challenges).

RIGHTS OF COOPERATIVE MEMBERS

The most important rights of the member according to the Law are:

• Be an elector and eligible for social bodies and positions.

• Formulate proposals and participate with voice and vote in the adoption of agreements by the general assembly and other corporate bodies of which

be part of it. • Receive the information necessary to exercise your rights and fulfill your obligations.

• Enter the amounts you must advance for housing financing through the special account.

• To the cooperative return, normally generated by net profits obtained from the sale or lease of commercial premises, the proceeds of which are usually used to reduce the price of the property or to cover expenses incurred by services provided to the cooperative or to the members (for example, gardening).

• Approve the accounts for the financial year at the general meeting.

• Voluntarily withdraw from the cooperative without prejudice to its classification as justified or unjustified.

• Be reimbursed for capital contributions and amounts paid to finance their housing, once they have left, within the maximum legal periods established: 18 months for voluntary withdrawals, 3 years for unjustified voluntary withdrawals, and 5 years in the case of expulsion, after applying the applicable deductions; and in the event of being replaced by another partner or by a third party (new partner) who takes over their rights and obligations, immediately after the subrogation takes place.

• That the amounts delivered to the cooperative to finance its Housing must be guaranteed, from the moment the building permit is obtained, by a surety bond or bank guarantee in case construction does not begin or is not completed within the planned timeframe. Any potential contract for joining or incorporating into the development will include mention of this insurance and the special account of the cooperative or development, where these amounts are to be deposited.

T•Orequest from the corporate bodies any information on the progress and The cooperative's activity (right to information); a right of utmost importance and essential to the concept of cooperativism. In the event of unjustified failure to comply with the obligation to inform, any member may file a complaint with the cooperative's governing bodies and also report it to the Public Administration body responsible for cooperative supervision or, directly, to the Inspectorate of Labor and Social Security, this body whose intervention is, in any case, necessary to initiate a sanctioning procedure by violations of cooperative legislation committed by the cooperative or by members of its corporate bodies (art. 132 LCCM).

That the general principle of equal treatment of partners be respected, a principle of parity that must be an effective right.

WHAT ARE THE OBLIGATIONS OF THE PARTNERS?

Cooperative members, of course, not only have rights, but also obligations to fulfill, which are regulated by law and bylaws and which, as will be seen, derive, like rights, from the concept of members as self-promoters of housing. The most important of these are:

• Attend meetings of the general assembly and other collegiate bodies of which he/she is a member and/or is summoned.

• Comply with the agreements validly adopted by the cooperative's governing bodies.

• Participate in the activities carried out by the cooperative to fulfill its social purpose.

• Maintain confidentiality regarding those matters and data of the cooperative whose disclosure could harm the company's interests.

• Do not carry out competitive activities with business activities developed by the cooperative, unless expressly authorized by the governing board.

• Accept the positions for which they were elected, except for just cause excuse (this obligation is no longer included in Madrid law, so to exist it must be included in the statutes).

• Make the disbursement of its contributions to the share capital and those other mandatory ones agreed upon by the competent body, in the form and timeframe provided (Promotion Financing Plan).

• Respect the notice periods, according to the statutes, for unsubscribing and minimum permanence in the cooperative (maximum of 5 years), without prejudice to the right to cause unjustified withdrawal.

• Participate in training activities that the cooperative may develop.

WHAT ARE THE ADVANTAGES OF ACCESSING COOPERATIVE HOUSING?

Apart from the possibility of participating from the beginning in the cooperative's activity, the main advantage lies in the cost

end of housing.

Another advantage is that partners can modify the
projects in some aspects, always by majority agreement, and make improvements to the quality of their homes. These improvements may not, under any circumstances, affect basic aspects of the "construction project."

It should be noted that the average duration of a housing development
In a cooperative, the term is two to three years if the land is already developed and suitable for construction; otherwise, the terms can be considerably longer. The longer terms, in any case, allow for greater accessibility to the payment plans characteristic of housing cooperatives.

In short, if the partner is fully informed of the situation of
the cooperative to which it joins and assumes its particularities, the advantages of this form of housing promotion are indisputable.

WHAT SHOULD BE CHECKED BEFORE ACQUIRING MEMBERSHIP? WHAT SHOULD THE COOPERATIVE PROVIDE TO NEW MEMBER?

The right to information in housing cooperatives, as we have already stated, is a basic right that lies at the heart of the cooperative concept: cooperatives are founded to build homes for members and with their participation.

Currently, the operation of the cooperative model differs
noticeably in cooperatives promoted by managers, so the future member must request, and the manager must provide, clear, simple and truthful information.

Before joining the cooperative, the aspiring member must
Check that the company meets a series of requirements, especially if you are going to acquire financial commitments with it:

• That the cooperative is legally constituted and registered in the Registry of
Cooperatives of the Andalusian Government, or if it is of a scope
national in the Registry of Cooperatives of the Ministry of Employment and
Social Security. Registration can be verified by requesting information from the corresponding Registry.

• That he has an open bank account owned by the cooperative
in which the contributions of the partners are entered: the so-called special account of the promotion (if the cooperative has several promotions, it will have separate accounts for each promotion).
• That these contributions are insured by an insurance company

or guaranteed by a bank or savings bank, which the cooperative must provide proof of. Insurance is required by law upon obtaining the building permit or construction permit, with the understanding that the amounts contributed must also be insured or guaranteed before obtaining said permit.

• That in the case of a pre-registration fee or similar,
non-refundable nature, its concept, amount and purpose are clearly defined.

• That the share capital is included either in the bylaws (statutory minimum share capital) or by agreement of the General Assembly and in any case that it is securitized (that there are securities: paper documents that prove the contributions to subscribed capital and their disbursement).

Before joining a specific promotion, what it means to assume
The commitment to make the corresponding financing payments (advance amounts) must be verified:
• The situation of the land where the project is intended to be built must be perfectly clear.
build, in particular the property: If it is public land, if it is already owned by the cooperative, if there is a purchase option contract, a sale, an exchange, or any other form of ownership (all of this can be verified in the Property Registry).

• The urban situation: If the land is already urbanized or to what degree
of urbanization has acquired. Otherwise, it must be at least
The Partial Plan has been approved, which can be verified at the City Hall where the promotion is located. In this regard, it means that the Cooperatives can acquire land pending development urban planning, but in these circumstances, the experience of these years in the Andalusian Government shows us that it contains many dangers for the cooperative partner, so even though this may make it cheaper land prices, it is currently inadvisable.

• If you have a building permit or, at least, the possibility of obtaining one with a guarantee, which may nevertheless involve risks.
It should also be checked

• That the corresponding technical architectural or basic project exists or, at least, the Preliminary Draft.
• That payment plans are clearly established, as well as the financing program.

• That they existestimated deadlines for the execution of the works .

When becoming a member, you must ensure:

• In the case of non-refundable cooperative maintenance fees or similar, their concept and amount should be clearly defined.

• That the subscription (and disbursement) of the mandatory contributions to the share capital in accordance with the provisions of the bylaws or the agreements of the general meeting.

• That the cooperative provide you with a copy of the bylaws and internal regulations, if any.

• That all the particularities of the socio-cooperative relationship are are reflected in the incorporation contract or, where applicable, in the rules of the promotion (which must be provided to you), so that the partner know at all times what your rights are and obligations.

PRELIMINARY INFORMATION: RECOMMENDATIONS

It is advisable to obtain external references from the housing cooperative. To do this, you can obtain information from the Union (Federation) of Housing Cooperatives of Andalusia, from the technical services or Urban Planning Department of the corresponding City Council, from the Credit Institutions related to the Cooperative, from the Property Registry corresponding to the land where it is intended to build, and, where appropriate, in the Board of Compensation for developing said land. It's also advisable to inquire about several cooperatives and select the offers.

CONTRIBUTIONS AND FINANCIAL CONTRIBUTIONS FROM MEMBERS TO THEIR COOPERATIVE

There are three types of contributions: 1) contributions to the share capital; 2) entry and/or periodic contributions; and 3) contributions to directly finance the home and its annexes.

1. Contributions to share capital. The amount is always refundable in the event of withdrawal, although deductions may be made if the withdrawal is not justified and is so provided for in the bylaws. Repayment is made under the conditions and timeframes set forth in Article 114.5 of Law 4/99. Contributions to the share capital are normally small, but it is also possible for the housing to be partially financed with significant amounts contributed to the share capital and even for the development to be entirely financed with share capital, in which case the award of the housing presupposes a reimbursement to the shareholder, in kind, of the share capital; these experiences are still scarce, so the final assessment of their

operability is not yet finalized and must be carefully considered.

2. Entrance fee and/or periodic fees.

Regulated by Article 57 of the Cooperatives Law. They do not constitute share capital nor are they refundable. Their purpose is to cover the expenses generated by the cooperative's operations and the services it provides, both in the initial stages of its operation and subsequently: incorporation, maintenance, administration, etc.

3. Delivery or contributions to finance the home and annexes.

Quantitatively, these are usually the most significant. They will be determined as a result of the financing plan that must be approved by the general assembly and must be reviewed and contractually accepted by the cooperative member. In the event of a cooperative member's withdrawal, the reimbursement of their contributions to finance the home must be made at the time they are replaced in their rights and obligations by another member, as stipulated in Article 114.5 of the Cooperatives Law.

These contributions are made through an initial payment for the purchase of the land, development costs, if applicable, technical fees, etc., and the remainder is paid in installments during the execution of the works. It should be noted that the cooperative normally only has these advances contributed by its members as its own income, which are usually not sufficient to cover the expenses. Therefore, financing must also be obtained from banks (loan to the developer), the amount of which is determined by the cooperative's own funds.

It will be divided when the homes are awarded, and the awarded partners and co-owners of the homes will be subrogated at that time in the part of the loan that corresponds to them.

Surety insurance for amounts paid on account or as collateral. Ten-year insurance.

Law 57/1968 of July 27th required developers of non-official housing to guarantee, through insurance or a bank guarantee, the possible return of amounts paid by the buyer before starting construction or during the construction period, in the event that construction did not begin or was not completed within the agreed timeframe.

On the other hand, Law 38/1999, of November 5, on the Organization of the Building (first additional provision) established the obligation to take out insurance to guarantee, in a manner similar to that established in Law 57/68, the amounts advanced to building developers. In the case of housing, it was established that the 1968 law would apply to all types of housing (also therefore to those of

official protection, previously excluded), the provision expressly highlighting the inclusion of those promoted by communities of owners and cooperatives.

Currently, as of January 1, 2016, Law 20/2015, of January 14, July (LOSSEAR: third final provision) Law 57/1968 was repealed, its content being replaced by the new wording of the first additional provision of the Building Regulations Act (LOE), establishing that the insurance of the amounts advanced must be done after obtaining the building permit (or, works) and not from the first deliveries of the amounts for the Financing (land purchase, project, etc.) as, in strict application of Law 57/68 and consumer protection legislation, was understood by the Supreme Court's case law as of 2013 (STS of 13-9-2013). The 2015 reform, however, maintains the requirement for these amounts to be deposited into a special account for the development or phase and clarifies that the insurance policy must be individual for each home purchaser, and that the policyholder must be the cooperative (not each member), who, consequently, is responsible for paying the premium. The insurance may be replaced by a guarantee issued by a credit institution, which is becoming more common.

The Building Regulations Act (LOE) also requires Promoters in general to take out insurance that guarantees for ten years (ten-year insurance) the possible structural defects of the building: damage to the foundation, beams or floors, etc. In relation to this insurance, the cooperative will normally hire a third company, which as an independent technical control body will monitor the correct execution of the works and the entire promotion process.

These precautions, required by law, represent a slight increase in costs and therefore housing prices, which logically partners must assume, but, in return, they provide a greater guarantee of the proper fulfillment of obligations of cooperative with its members and possible reimbursement in case of non-compliance, so they must be fulfilled willingly.

COOPERATIVE RETURN AND MANDATORY RESERVE (MANDATORY RESERVE FUND)

The homes in cooperative developments are awarded to members at cost price (production cost); therefore, as the members' periodic contributions are calculated according to these costs (partly financed by the mortgage loan obtained), there are no cooperative surpluses and therefore no returns; and, consequently, mandatory reserves are not created through this means. However, there could be surpluses or, in this case, more properly, profits (as the surpluses are non-cooperative) if commercial premises were built in the development and sold to non-members (which is freely permitted by law, without requesting authorization), and whose cost of

Production attributable to the building would be lower than the sale price, which would generate a profit; a situation that could also occur, more theoretically than in reality, in the sale of homes to third parties.

non-members, which is legal with prior authorization from the Administration,

and provided there are not enough applicant partners. We understand that these potential benefits, subject to the liquidation of the corresponding corporate tax, may be used, by agreement of the General Assembly, to reduce the cost distributable among the partners of the development, that is, to reduce the award prices of the homes (Article 114.3 of the LCCM).

However, in terms of mandatory reserve, it must be taken into account

that it is also endowed with the deductions that apply to

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necessarily.

HOW IS THE COST OF A COOPERATIVE HOUSING DEVELOPMENT DISTRIBUTED?

Merely as a guide, the distribution of the cost to be financed with contributions from partners and external financing may be:

Land ..... 25%-35% Construction . . . . . .
30%-40% Project 4-5%
Management .... 8-10% Developer loan
expenses .... 5% Other expenses ..... 3% VAT on housing
and other taxes 13%

Regarding VAT, it should be noted that the cooperative, in carrying out its activity, has borne the VAT invoiced to it and, likewise, that the final award price of the housing assumed by the members must include 10% VAT (current rate), which is ultimately what the members must bear and not the one invoiced to the cooperative, which will be offset against the Treasury.

COOPERATIVE REGULATIONS

1. Law 14/2011, of December 23, on Andalusian Cooperative Societies.
2. Order of July 26, 2012, regulating electronic processing.

3. Decree 123/2014, of September 2, approving the Regulations of Law 14/2011, of December 23, on Andalusian Cooperative Societies.

4. Law 14/2011, of December 23, on Andalusian Cooperative Societies, amended by Law 5/2018.

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