

COMMUNITY LAND TRUSTS

Building Common Ground Across Europe

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POLICY PAPER

Towards stronger EU support for Community Land Trusts

While the interest is growing at the EU level to encourage and support initiatives for affordable housing, this policy paper aims to demonstrate how the **Community Land Trust** model (CLT) is meeting current EU priorities in terms of both supporting inclusive urban development, social cohesion and fight against climate change. This paper invites **EU institutions** to collaborate and coordinate their efforts to **support the rise of the CLT movement in Europe** through better **knowledge**, better **regulation** and better **funding**, respectively:

- a **wider recognition** of the model, detailed monitoring of their growth, as well as support for the structuring of an EU CLT network;
- a **supportive legislation** reinforcing the inclusion of CLTs as part of an integrated strategy for affordable housing at EU level;
- easier **access to funding**, in particular through technical and financial assistance for the implementation of a transnational CLT Investment Platform.

1. Community Land Trusts: a proven solution for implementing inclusive urban and housing policies

Since late 2010s, European cities are experiencing a [structural crisis in affordable housing](#). Rising costs primarily [affect the most vulnerable households](#), endangering the social and spatial cohesion of our cities. More and more households in Europe are deprived of their fundamental right to access decent and adequate housing, with the current pandemic exacerbating housing insecurity, household over-indebtedness, and risk of homelessness.

In that context, the Community Land Trust (CLT) model, which flourishes over Europe since the late 1990s, represents a viable option in a wider portfolio of solutions to tackle the current housing crisis.

CLT are non-profit and democratic organisations. They develop and manage homes affordable to low- and medium-income households, as well as other assets contributing to thriving local communities. They act as long-term stewards of these assets, ensuring they remain permanently affordable.

This is achieved through mechanisms – such as the dissociation between the land and the building ownership, or the implementation of a resale formula – enabling that any additional value generated is retained within the CLT. **As of today, CLT are one of the best instruments to tackle land speculation, providing affordable housing (20-50% of the open market prices) and enabling tenure security in cities across Europe**, especially for the most vulnerable households at risk of eviction or unable to access traditional housing markets.



The dynamism of the CLT model was notably supported by [SHICC](#)¹, a **four-year cooperation project (2017–2021) funded by Interreg North Western Europe** and led by a consortium of 10 organisations.

With a budget €3.8m, it aims to support the growth of CLTs through capitalisation, support to pilot projects and the establishment of a European network. Ultimately, it will lead to the implementation of 500 urban CLTs, for 7,000 urban CLT homes delivered, and 21,000 people housed. The programme gained the recognition of the European Commission through the [RegioStars Award](#) awarded in

October 2020 in the “Citizens’ engagement for cohesive cities” category.

The CLT model is also internationally acknowledged as a successful collaborative and anti-speculative model that helps promote cohesive neighbourhoods. It has been recognised as a best practice in the [Habitat III UN’s New Urban Agenda](#) (UN, 2017, Art. 107 and 137) and in the most recent “[Cities for Adequate Housing Declaration](#)” (UCLG, 2018).

Key facts about CLT in Europe: As of 2019, there were 170 urban CLT, established or under creation, across Europe.

- CLT target low- to middle-income households with, sometimes, a focus on special needs (elderly peoples, mental health issues, undocumented populations...)
- They have the capacity to deliver very affordable homes: between 20% to 50% of the open market price on average (depending on the model adopted and local context)
- They mobilise a diversity of tenure from rental to affordable ownership, shared ownership, cooperatives...
- They develop bespoke small and middle size projects focusing on a qualitative approach: average projects size 10-20 units
- It is a niche but growing market: 76% of the surveyed organisations have projects in the pipelines over the next 5 years (43%: 10–50 units, 29% >50 units)
- Short term estimates (<5 years): 1,300–1,500 units in the pipelines of surveyed organisations, representing an estimated potential market of 300 M€
- Long-term estimates (5–10 years): 7000 units representing a potential market of 1.4 Bn€

(Source: SHICC, 2020–survey of 20 pilot organisations)

¹ Sustainable Housing for Inclusive and Cohesive Cities.

2. CLTs meeting current EU priorities on social cohesion and inclusive cities

CLTs work in complementarity with existing affordable, social and cooperative housing providers. However, not only do CLT help increase affordable housing supply, but they also provide inestimable social, economic and environmental benefits which meet current EU priorities. **CLTs are indeed valued as inspiring practices by the Housing Partnership in the framework of the Pact of Amsterdam (EU Urban Agenda) led by the Council of the European Union** (see HO04: "[Affordable Housing Good Practices Database](#)" and, HO05: "[Housing Policy Guidance](#)" brochure, p. 31). They directly align with the 8 recommendations of its Action plan on "good housing policies" in particular regarding protection of vulnerable groups, anti-speculation, renovation, encouraging co-ownership, co-management and co-design models, social mix, land use, rent stabilization, security of tenancy.²

These issues were at the heart of the discussions relating to affordable housing accessibility during the informal meeting of European ministers held on 6 November 2020 under the German presidency of the Council of the European Union. They were notably informed by the study "[Housing Policies in the EU](#)" commissioned by the presidency.

An instrument to tackle land speculation and the financialisation of the housing market

Under the CLT model the land is removed from the speculative market and placed in a Trust³ in perpetuity, thus enacting a collective ownership of land. A democratic governance⁴ exerts control on land uses and ensures that land cannot be resold. Concisely, whereas land is owned by the

CLT, the built environment is sold or rented to individual or collective users.

A long-term land lease contracted between the CLT and the household governs this dissociation between the land and the building ownership. It defines allocation criteria and a resale system that provides for sharing the capital gain from reselling the units. It thereby controls the increase in housing prices over time. This system ensures that the efforts made by the CLT, public authorities and households to ensure housing affordability upon construction are sustained and benefit future generations. That way CLTs contribute to the implementation of inclusive and non-extractive housing markets.

A tool to combat housing discrimination through capacity building and social mix

In addition to housing supply, the CLT model contributes to strengthening the capabilities of its residents throughout the whole project cycle. It creates value and social capital at the neighbourhood level, thus providing a concrete tool and a platform to enable the right to the city.

CLT development processes promote cooperation with future residents through community organising to access land and/or co-design practices. It involves residents in the governance of the organisation, in the management of the building (resident-led strategies) and in neighbourhood life (event organisation, job creation...).

Parallely, the model's flexibility enables the creation of socially mixed neighbourhoods. CLTs mix a diversity of tenure from rentals to affordable ownership, shared ownership or cooperatives. They thus improve access to housing for the least affluent sections of the population. CLT thus provide suitable accommodation for key workers and their families as close as possible to their place

² See monitoring of the EU Urban Agenda and the Housing Partnership (Pact of Amsterdam) [here](#).

³ or any other form of entity, depending on local legal contexts and contextualised modes of governance.

⁴ To that end, CLTs typically adopt a specific form of governance in which current and future residents, neighbours as well as public officials are represented within the board of trustees, with one third of the votes each.

of living and promote their residential mobility.

A model that responds to concerns about the ecological transition

In addition to social aspects, the sustainability character intrinsic to the model implies projects with high environmental benefit, thus responding to current priorities in the fight against climate change. Designed to benefit several generations, CLT homes are built with sustainable materials and techniques.

Energy efficiency is at the heart of the CLTs' design process, as it helps to provide security for the most precarious groups who often suffer from discomfort or high energy bills. Numerous CLT projects are thus energy-efficient buildings and include dedicated strategies for households to decrease and monitor their energy consumption.

Besides newly built constructions, CLTs as a niche market, often redevelop difficult plots of land or renovate decaying buildings with little, or even negative, commercial value. The model makes it possible to fight against absentee landlords or enhance the asset value of fragile occupiers. Providing them with stability and security in neighbourhoods sometime threatened by gentrification or, conversely, by abandonment, CLTs are used as a tool for fair and just urban renewal processes.

CLTs at the heart of a circular, local and social economy

CLTs are an integral part of a circular economy. They create urban land-based commons⁵, opposed to a linear and extractive mode of consumption. Going beyond waste recycling, the resources mobilised by CLTs (land, but also social and economic values, etc.) are recovered and reinvested locally for the benefit of residents and local communities. CLTs can

foster mixed programmes including homes but also productive and commercial and associative spaces, community centres, public facilities...

In conclusion, CLTs contribute to meeting Europe's most pressing urban societal challenges, exacerbated by the impact of Covid-19, around inequalities, ageing, social exclusion, and sustainability. They are a key ingredient of inclusive urban policies.⁶

3.3. Towards increased EU support for CLTs

We are today at a turning point where hundreds of CLT projects have emerged and enabled to prove the case for the model across the continent.⁷ While this dynamism has led to significant innovations related to housing affordability, inclusiveness, and social diversity, recent developments also highlighted implementation challenges as well as certain legal and financial limitations preventing the model from thriving. **It therefore appears necessary to take a step further to obtain better recognition and political support at the European level in order to scale up the model.**

In this context, we invite the European Commission and the European Investment Bank to reinforce their support for the development of CLT as part of a broader rights-based approach to affordable housing and the Cohesion policy.

In the continuity of the recommendations made as part of the own-initiative procedure "[Access to decent and affordable housing for all](#)" (2019/2187 (INI)), we:

⁵ CLT are an example of "commoning" (a process of creating commons), whereby a resource (land) is managed by a collective entity (a community) based on specific rules that organise collective action.

⁶ See Urbact, [Community-led housing – a key ingredient of urban housing policy](#) (2020, June 02).

⁷ See SHICC, [Urban Community Land Trusts in Europe: Towards a Transnational Movement](#) (2020, December).

Better Knowledge—wider recognition

- Ask for CLTs to be further considered, discussed and disseminated as inspiring practices in EU debates and urban policies;
- Call for CLTs to be further analysed through in-depth research, their data collected, and their developments monitored as part of existing systems in order to calibrate specific actions for this affordable housing subsector;
- Urge to support the formalisation of a European CLT Network.

Better regulation - supportive housing legislation

Call on the Commission to develop an integrated strategy for affordable housing at EU level notably:

- Urge European Commission services to reinforce the inclusion of CLTs in their policies as efficient tools to ensure the provision of affordable housing for all, including in the framework of urban renewal programmes, the Renovation Wave, and the Affordable Housing Initiative;
- Engage in a general revision of the SGEI decision in order to enable the acceptance of sustainable goals like social mix and social cohesion as valid public policy objectives;
- Call on the Commission to assess the impact of EU policies and regulations on the financialisation of the housing market;
- Support the extension of the Urban Agenda of the EU and the implementation and monitoring of the actions included in its Housing Partnership.

Better Funding - sustainable investment

Ask the European Commission and the European Investment Bank to support the [EU CLT financing strategy](#) as an illustration of o capacity to increase investments towards innovative forms of affordable housing, notably through:

- Assessing and supporting the capacity of cities and affordable housing providers to access existing EU financial instruments for housing finance, including: structural funds (FEDER, FSE, ReactEU), investment programmes (InvestEU, Just Transition Fund as part of the Green Deal Investment Plan), EIB facilities etc.;
- Bringing technical and financial support to the European CLT Investment Platform currently under development to get easier access to centrally managed EU funds and EIB products (for instance InvestEU guarantees);
- Bringing technical and financial support to the wider institutional structuration of the EU CLT Movement and network in order to support the structuration of a pipeline of projects on the ground (e.g. through unlocking funding from EU programmes such as Horizon Europe or Interreg Europe);
- Asking European Commission services to improve the European Semester procedure to better reflect on housing and support better financing conditions (notably developing dedicated Investment Platforms to finance social infrastructure in cities).

On the behalf of the SHICC project partners



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