

GOLD VI

**Case-Based Contribution
to Chapter 4: Commoning**
*GOLD VI Report on Pathways
to urban and territorial equality*

The Community Land Trusts

movement in Europe: implementing

public-civic partnerships in the

production of affordable housing

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The Community Land Trusts movement in Europe: implementing public-civic partnerships in the production of affordable housing

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CHAPTER

4: Commoning

SUMMARY

Community Land Trusts (CLTs) are non-profit organisations that develop and manage affordable housing for low- and middle- income households, based on a dissociation between the land and the building ownership. Currently, CLTs are known as one of the best models to tackle land speculation, provide affordable housing and common assets (cooperative-held supermarkets, common areas, etc.) and enable tenure security in cities across Europe. Over time, a variety of types of CLT have been established in Europe, using different governance or business models. Today, what brings European CLTs together is their joint vision of the right to the city and the need to find innovative solutions for affordable social housing. The four-year European Sustainable Housing for Inclusive and Cohesive Cities (SHICC) programme has been built around the three avenues for action that seek to scale-up the CLT movement in Europe: (i) demonstrating the legitimacy of the model as a mainstream option for housing supply and urban renewal; (ii) promoting a financial and regulatory environment conducive to the establishment and expansion of CLTs; and (iii) developing a structured CLT movement in Europe through capacity building for existing and emerging initiatives. In that sense, FMDV (Global Fund for Cities Development) is currently conducting a feasibility study aiming at exploring the implementation of financing instruments for CLTs in Europe with the technical support of EIB. Other innovative initiatives are emerging all across the region, for instance in Eastern Europe, and are seeking to spread and adapt the model to different needs and realities.

1. Community Land Trusts: a response to the housing affordability crisis in European cities

Since the late 2010s, European cities have been experiencing a structural crisis in affordable housing.¹ Rising costs primarily affect the most vulnerable households, endangering the social and spatial cohesion of our cities.² More and more households in Europe are deprived of their fundamental right to access decent and adequate housing. The current COVID-19 pandemic has made the essential role of decent and affordable housing even more explicit to enable the right to the city, reinforcing the link between rising inequalities (mobility, mental health, school performance) and poor housing conditions.

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

CLTs are non-profit and democratic organisations. They develop and manage homes affordable to low- and medium-income households,³ based on a dissociation between the land and the building ownership, as well as other assets⁴ contributing to thriving local communities. They act as long-term stewards of these assets, ensuring they remain permanently affordable. **As of today, CLTs 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.**⁵



The CLT movement in Europe is characterised by the stated intention from an alliance of people to instigate social change in how land ownership is collectively organised as a common good around the dissociation between the land and the building, which in turn allows increased social inclusion and appropriation. In this sense, CLTs bring commoning as a form of social process and organisation around the right to housing, local ownership and local development.

Visit of a project under the CLT Brussels
Source: Community Land Trust Bruxelles (CLTB), 2018

1. See: <https://www.housingeurope.eu/resource-1540/the-state-of-housing-in-europe-in-2021>

2. See: https://www.feantsa.org/public/user/Resources/OHEE/2020/Fifth_Overview_of_Housing_Exclusion_in_Europe.pdf

3. Especially for the most vulnerable households at risk of eviction or unable to access traditional housing markets.

4. Including pubs, cafes, sports facilities, workspaces and even a local brewery.

5. According to FMDV's Pre-Feasibility Study to set-up an investment platform for CLTs in Europe (2020).

2. CLTs' added values: responding to current priorities in terms of social cohesion and inclusive cities

CLTs work in complementarity with existing affordable, social and cooperative housing providers. Not only do CLTs help increase affordable housing supply, but they also act as a political model by providing inestimable social, economic and environmental benefits.

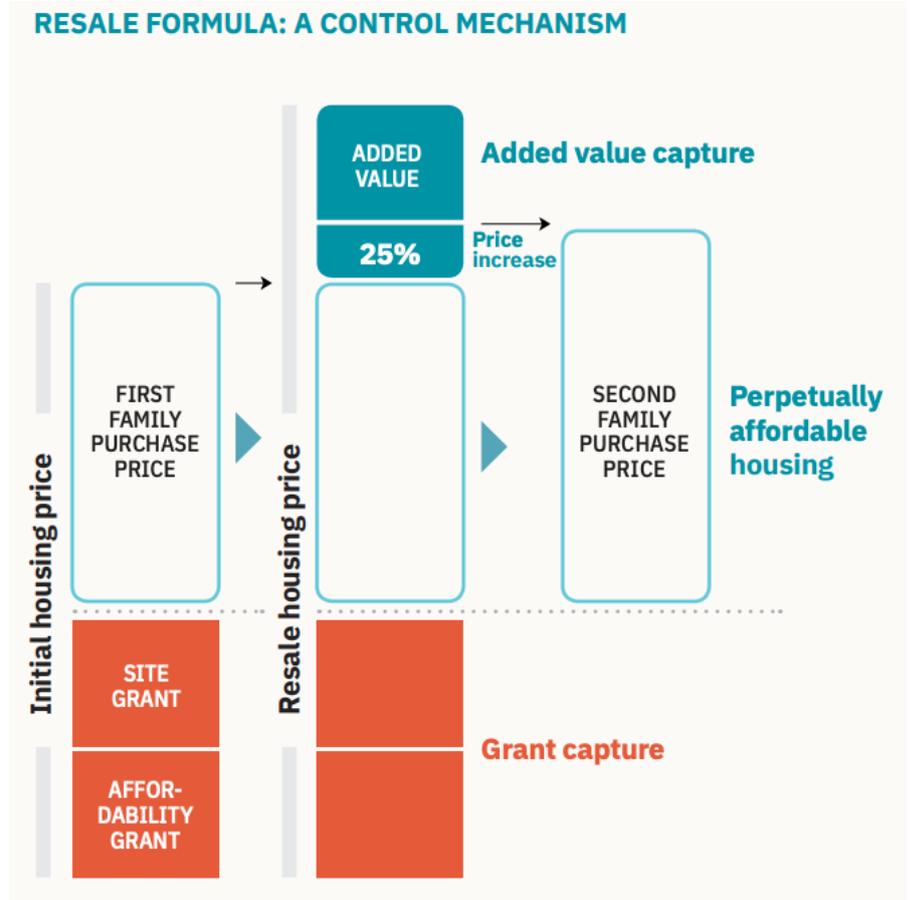
a. An instrument to tackle land speculation and the financialization of the housing market

Under the CLT model the land is removed from the speculative market and placed in a Trust⁶ in perpetuity, thus enacting a collective ownership of land. A democratic governance⁷ exerts control on land uses and ensures that land cannot be resold. **In this sense, 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...).

A long-term land lease contract between the CLT and the users governs this dissociation between the land and the building ownership enabling that any additional value is retained within the CLT.

b. The transformative potential of CLTs through setting up mixed social economy projects

When the CLT model was created in the United States of America, the mechanism was initially designed



in an agricultural context to allow African-American populations to achieve food and economic self-sufficiency. **Today, some of the most innovative CLTs are developing inter-generational and mixed projects seeking to link public space and employment for the benefit of a local social economy.**

These spaces, which generate the income necessary for their financing, can also help strengthen the business model of the CLT (e.g. a cooperative bakery in a renovated building in CLT Liverpool; a cooperative market managed by several associations in CLT Ghent; a community center composed of rent spaces in CLT London). The Arc-en-Ciel CLTB project (Molenbeek-Saint-Jean, Brussels) includes

Source: FMDV, EU CLT Guide, 2020⁸

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

7. 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, usually with one third of the votes each.

8. See: https://fmdv.net/admin/Images/Publications/124/0_190904_FinancialCS_VF2-light.pdf

32 housing units, a collective garden, the offices of the local branch of the “*Vie Féminine*” association, and a multi-purpose room shared between residents and the association.

Grassroots initiatives behind the set-up of CLTs are the basis for the success of this collaborative and anti-speculative model,⁹ which has gained the recognition of European institutions.¹⁰ **In recent years,**

CLTs have been increasingly established as a key ingredient of inclusive urban policies¹¹ and consequently gained recognition as an institutional tool for social and affordable housing, especially in France (through the *Organismes de Foncier Solidaire* (OFS) model) and in Brussels Capital Region, where a regulatory framework to have CLTs recognized and thus funded by the government has been recently approved.

3. Overview of the model through its development and its current diversity

The dynamism of the European CLT movement was actively supported by **SHICC,¹² a four-year cooperation project (2017–2021) funded by Interreg North Western Europe** and led by a consortium of 10 organisations. With a budget of €3.8m, it aims to support the growth of CLTs through capitalisation, support to pilot projects and the establishment of a European network.

Legal recognition, the definition of common practices and better access to resources have enabled CLTs to develop and diversify across the continent. This process has led to typological differences (see below). It can nonetheless be observed that the establishment of public/civic partnerships¹³ remains an essential component contributing to the model’s recent successes.

a. “Top-down” or “bottom-up” organisations at the interface between collective action and urban production

Originally, the Anglo-Saxon CLT model is based on grassroot organisations.¹⁴ In the United Kingdom for example, project leaders mostly come from the civil society and are organised at the local level, often with the assistance of technical

hubs. At the other end of the spectrum, some CLTs are more institutionalised. In France, the OFS are led by municipalities, social landlords within a national legal framework and policy, etc. A final, more hybrid and common example is that of CLTs stemming from associative initiatives; partially professionalised, they support groups in the field.

These specificities greatly influence CLTs’ mission and activities. While a shared objective is to improve access to affordable housing for low-income households, CLTs are nevertheless responsive to a variety of local issues. Some chose to focus solely on land and lease management, like most French OFS through the *Bail Réel Solidaire*, where the cost of land is borne by the OFS through long-term leases with social landlords, which allows households to access housing at a lower cost; others take the role of real estate developers to gain greater margin of manoeuvre (e.g. London CLT, where residents pay a symbolic monthly ground rent to the CLT, e.g. £20 per month); and they sometimes even provide social support to households, as well as organise neighbourhood life by introducing community-managed facilities that contribute to social cohesion (e.g. CLT Brussels – see above).

9. 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). See: <https://citiesforhousing.org/fr/>

10. See “Housing Partnership” in the framework of the Pact of Amsterdam (EU Urban Agenda); H004: “Affordable Housing Good Practices Database”, <https://www.google.com/maps/d/u/0/>, H005: “Housing Policy Guidance” [p. 31], https://ec.europa.eu/futurium/en/system/files/ged/policy_guidelines_for_affordable_housing_2018.pdf; and the latest European Parliamentary report on “Access to Decent and Affordable Housing for All” which “calls on the Commission, Member States and regional and local authorities to recognise, support and fund community-led, democratic, and collaborative housing solutions, including CLTs, as legitimate and viable means to provide housing...” (see art. 56), https://www.europarl.europa.eu/doceo/document/TA-9-2021-0020_EN.pdf

11. See Urbact, Community-led housing – a key ingredient of urban housing policy [2020], <https://urbact.eu/community-led-housing-key-ingredient>

12. See: <https://www.nweurope.eu/projects/project-search/shicc-sustainable-housing-for-inclusive-and-cohesive-cities/>. The Sustainable Housing for Inclusive and Cohesive Cities programme gained the recognition of the European Commission through the RegioStars Award awarded in October 2020 in the “Citizens’ engagement for cohesive cities” category. See: https://ec.europa.eu/regional_policy/en/projects/Belgium/community-managed-land-and-affordable-housing-trialled-in-four-cities-in-north-west-europe

13. Public-civil partnerships (as opposed to conventional public-private partnerships) provide opportunities in which local communities can be involved in the provision of basic public services – here adequate housing. This movement is opposed to the privatisation of public goods.

14. In this sense, CLTs belong to the broader Collaborative Housing Movement. Collaborative Housing models help put residents back at the centre of urban development processes. Residents are involved at different levels in the governance of organisations, in the design process and in building management.

This diversity in terms of operational features illustrates different approaches to urban policies and housing production in Europe as well as a different understanding of commoning.

Indeed, some locations have developed CLTs as an anti-capitalist alternative to housing through rental housing since real estate sale is perceived as being contrary to the right to housing for the most vulnerable. Others have in turn allowed a certain re-appropriation of the model by the traditional market: CLT projects can complement the existing social housing stock by making it both more accessible and affordable, especially for middle-income brackets that would not have access to real estate. FMDV's exploratory research has shown that despite the diversity of models implemented, **local authorities' contributions are crucial in the preliminary phases to enable CLTs to get off the ground.** Most commonly, they provide technical assistance and grant funding as well as facilitate access to land through land discount or favourable use of regulatory obligations.

b. Housing the “squeezed middle” up to the most vulnerable households

In Europe, the model receiving most attention from public authorities intends to meet the needs of the lower middle class, or the “squeezed middle”. As for London CLT for example, this type of model aims to close the gap between people qualifying for Council property and people who can afford to buy their home on the open market. It is aimed at key workers, who are finding it increasingly difficult to find suitable housing in dense urban centres.

However, the added value of the CLT model in terms of capacity building and empowerment (see above) also makes it possible to

meet the needs of the most vulnerable households excluded from traditional housing markets.

This is the orientation taken by the CLT Brussels or the CLT Bijlmer (in Amsterdam), which both target households with ethnic minority background, often first-generation migrants. In addition, a growing number of CLTs provide living solutions to populations with special needs (e.g. people with disabilities, elderly, women...). This is the case of the Dumfries CLT in Scotland, where a housing survey allowed to identify specific demand groups (mostly young professionals, elderly, and working people). This project aims to entirely revitalise the urban centre of Dumfries through community ownership in order to address the issues of town centre decline and absentee ownership, via the acquisition and redevelopment of all properties within an urban neighbourhood.

c. Defining access to housing to ensure social mix through the CLT's economic model

The current focus on the middle classes favours the development of CLT housing for home ownership, in order to allow an exit from the social rental market and the building up of capital. It is notably the approach that motivated the development of the OFS movement in France.

However, the issue of social income mix raises the question of supply, as well as the need to go beyond individual ownership. This issue is leading many European CLTs to start exploring rental models or more inclusive types of property, so that a sense of commoning can also be reflected by gathering different types of beneficiaries into the same project. Rental, “shared ownership” in the United Kingdom or the cooperative model (wooncooperatie in the Netherlands) allow some CLTs to diversify their

portfolio, generate income and reach less solvent segments of the population. For instance, placing citizen involvement at the heart of their organisation, London CLT has gathered more than 2,500 members over the years, including 130 stakeholder members and 40 resident members. Each member holds a £1 share in the Community Benefit Society, which allows them to make part of the governance even for non-residents. In Scotland, the Midsteeple Quarter project in Dumfries will incorporate

mixed-use development of seven apartments (one of which linked to a light-industrial artist workspace), workspaces oriented towards the creative industries and a co-working office space. CLT Brussels has proactively chosen to target the most deprived households, especially among the migrant population, with a maximum income ceiling of €22,560 per year. The number of bedrooms and the price of each housing unit depends on the household category as follows:

Household Category		Number of bedrooms					
		0	1	2	3	4	5
A. (max. social housing)	Max	126,309€	142,348€	178,076€	223,522€	255,718€	318,366€
	Min	109,225€	124,475€	157,304€	198,237€	227,425€	284,445€
B. (above unemployment benefit)	Max	109,225€	124,475€	157,304€	198,237€	227,425€	284,445€
	Min	92,141€	106,602€	136,531€	172,953€	199,133€	250,523€
C. (below unemployment benefit)	Max	92,141€	106,602€	136,531€	172,953€	199,133€	250,523€
	Min	75,056€	88,729€	115,759€	147,669€	170,840€	216,602€
D. (min. legal income)	Max	75,056€	88,729€	115,759€	147,669€	170,840€	216,602€
	Min	57,972€	70,885€	94,987€	122,385€	142,548€	182,681€

Social-homeownership income ceilings in the Brussels Capital Region (Source: CLTB, 2018)

15. See: <https://www.cltb.be/?lang=en>

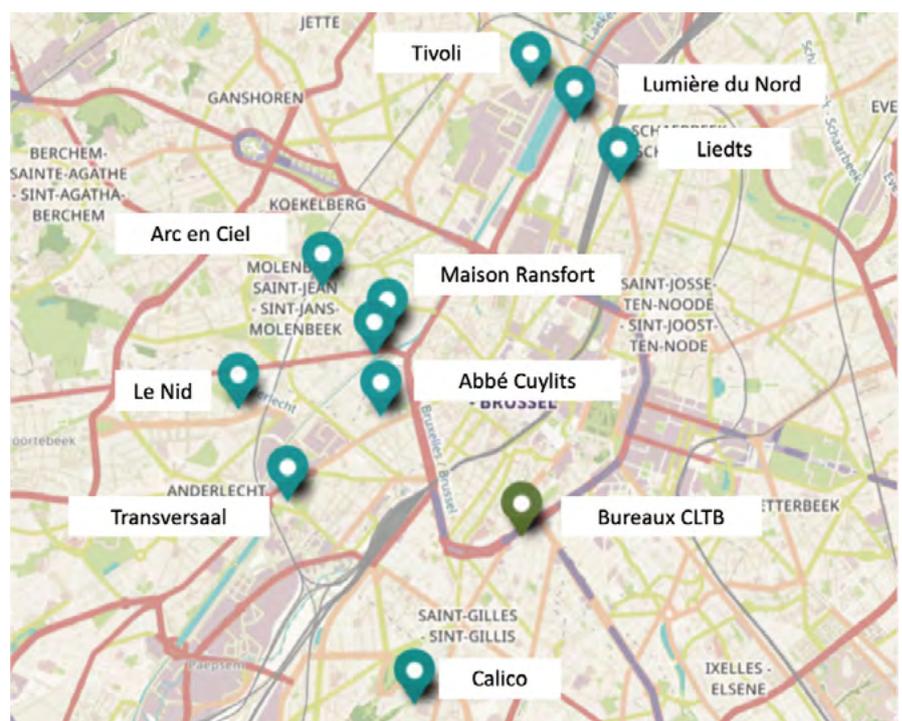
Social-homeownership income ceilings in the Brussels Capital Region
 Source: Community Land Trust Bruxelles (CLTB), 2018¹⁵

4. Challenges and next steps: What future for the European CLT movement?

Today, hundreds of CLT projects have emerged and enabled to prove the case for the model across the continent (see the image below). **While this dynamism has led to significant innovations related to housing affordability, inclusiveness, and social diversity, recent developments also highlighted implementation challenges preventing the model from scaling up and thriving.**

In most countries outside North-West Europe (the scope of the SHICC project), CLTs have not been formally replicated, nor do they benefit from legal recognition. Challenges related to inadequate financial and legal environments (need for capacity building and lack

CLTB projects currently established and under creation
 Source: Community Land Trust Bruxelles (CLTB), 2018



of recognition for project developers as legitimate housing providers, inability to mobilize finance from various sources at advantageous rates since CLT projects are small and anti-speculative by nature) prevent the model from thriving. **However, the model attracts great interest. Other collaborative housing initiatives which have adopted values and operating modes similar to CLT have been created in Switzerland, Spain, Italy, and Central and South-East Europe.**

Initiated in 2017, MOBA Housing SCE takes a leading role in Central and South-East Europe fostering this reinvention in order to set up a dedicated housing development fund to channel affordable financing for the construction, purchase and repurposing of buildings. It started as a network of five emerging community-led and cooperative housing initiatives developing pilot projects – in Belgrade, Budapest, Ljubljana, Prague and Zagreb – and it has adopted a cooperative model through five national organisations and it aligns with CLT values: putting housing affordability first, and being centred around inhabitants who collectively develop, own and operate multi-apartment buildings while actively challenging and influencing unsupportive legal frameworks. According to the MOBA model, the cooperative develops, owns and operates the real estate while taking on the necessary loans to pay for the construction.¹⁶ A total of 110 housing units should be developed through 5 pilot projects between 2020 and 2025, at a rent level of 60% of market prices.

In order to overcome these barriers, the European CLT movement, through the SHICC programme, will work jointly on three axes:

- Enlarging and structuring a European CLT Network;
- Gaining further recognition at the national and EU levels through multilevel advocacy campaigns,



European CLTs currently established and under creation
Source: FMDV, EU CLT Guide, 2020

following (i) MEP Kim van Sparrentak's 2020 own initiative procedure report to the European Commission to tackle the housing crisis, which calls to ensure the security of tenure and the inclusiveness of housing markets,¹⁷ and (ii) the inclusion of the CLT model as an efficient financial mechanism for access to affordable housing among the European Commission's Urban Innovative Actions (UIA) initiative;

- Improving CLTs' financial environments to explore the opportunity to set up a transnational financial instrument for CLTs in Europe, with a Feasibility Study currently under development by FMDV (February-September 2021).

All this while pursuing the SHICC project's initial objective of supporting 500 urban CLTs, representing 7,000 urban CLT homes delivered, and 21,000 people housed.

16. For more information, see: <https://moba.coop/>

17. See: <https://twitter.com/kimvsparrentak?lang=en>

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In particular, the present paper has contributed to Chapter 4 on “Commoning”, which focuses on the trends and pathways in relation to the governance, planning and provision of access to housing, land and basic services. The chapter explores how local and regional governments can promote approaches focused on collective action that contribute to urban equality.

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