
Community land trusts in Australia

What is a community land trust?

A community land trust (CLT) is a non-profit entity holding title to property in perpetuity, for the dual purposes of creating and stewarding perpetually affordable housing and community benefit.

But that's social housing, right?

Wrong. CLTs can provide everything from boarding houses to single-family, owner-occupied housing and can house people across a range of incomes, usually up to 120% of median income. Householders can rent or own their homes, but cannot access the land value, 'flip' properties for profit, or sub-let for profit. Due to their focus on community benefit, CLTs can and do also underlie community and commercial facilities including aged care, childcare, community gardens, health centres, refugee centres, businesses, open spaces, and many others.

CLTs often refer to themselves as "developers who don't go away" as they are community-based and community-driven. Their ongoing place in their community means they are committed to better construction, environmental performance, and other housing and planning outcomes.

What do householders have title to?

Householders either rent their home from the organisation on a long-term renewable lease or own it in partnership with the organisation. Their rights are inheritable, so the home can be left to heirs.

Do householders get their money back?

That's where the legal agreement comes in, whether it's a lease or co-ownership deed. It spells out the resale formula for the home (if the resident has paid for an equity component) to balance the equity gain to the resident with the retention of affordability across sales. So, if a home is sold, any public subsidies or private donations are locked in and the home stays affordable. The agreement also spells out criteria regarding maintenance, appropriate use, eligibility, inheritance, and renovations.

Where are these?

Over the past four decades, more than 200 CLTs have been established in the USA, where low- to moderate-income homeowners in CLT homes withstood the 2008 mortgage meltdown, with a foreclosure rate one-eighth of the national average *across all income levels*. Over 200 CLTs have been established in the UK in the last 10 years and they are growing across Europe and other parts of the world.

What's the relevance here in Australia?

Housing based on CLTs principles in Australia could foster mobility and stability in housing, combining community development and high-quality design with a range of much-needed affordable housing options *that stay affordable*. Like any other form of housing, CLT models require homes, land, and/or funds to start.

Australia has a growing community housing sector that currently provides affordable rental housing for very low- to moderate-income households; resale-restricted home ownership based on CLT principles could be a natural extension of their activities. Local communities and municipalities may also want to start up organisations to create affordable housing and deliver diverse benefits through non-speculative development. Increasingly, global cities, including London and New York, are choosing to not sell public land, but to support and partner with CLTs as innovative placemakers to develop and perpetually steward high quality and affordable residential and non-residential spaces.