

BELLINGEN SHIRE CLT

FAQs



With rising prices, falling home ownership, and growing housing stress, there's a need to get creative about our housing. That's where Community Land Trusts (CLTs) can play a role. The CLT model is new in the Australian context so these FAQs will unpack the basics.



What is a Community Land Trust (CLT)?

A CLT is a form of shared home ownership that is run by and for the community that makes it possible for people on local wages to live and work here.

CLTs give residents access to many of the benefits which typify home ownership such as long-term security and greater autonomy in the use of their home.

How do they operate?

A CLT is a not-for-profit, community-based entity that enters into a long-term agreement with residents, typically through co-ownership or a 99-year lease model. CLTs take the land value component of the property off the market which locks-in affordability into perpetuity. This makes them affordable to current and future generations of residents.

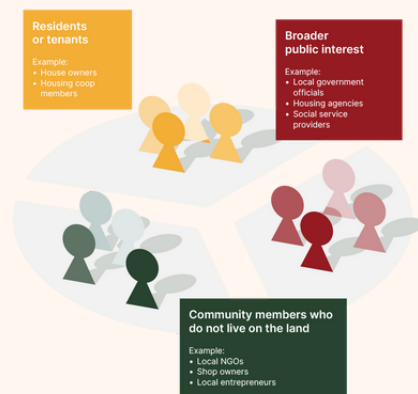
If an owner decides to sell their home, the resale price is capped or limited via a legally binding and pre-determined formula, often called a 'reversionary formular.' Whilst residents may be able to realise some capital gain, they will not be able to access windfall gains which would take housing out of reach of future potential participants. This delivers affordable housing into perpetuity!

By removing the property from the speculative market, CLTs stabilise communities impacted by rapid rises in house prices, ensuring that local people on local wages can afford to 'stay put.'

How are they governed?

CLTs are typically managed to encourage community stewardship and representative governance. This commonly requires the establishment of a governing board drawn from three key groups: CLT residents, CLT membership and the community.

This form of 'tripartite' representative governance ensures that the CLT is effectively managed on behalf of the broader community. In the overseas context, the tripartite board structure has allowed the CLT sector to emerge as a robust, transparently managed, and trusted affordable home ownership model.



How will the CLT acquire land?

There are multiple sources of local land that could potentially be used to create a CLT, such as faith-based land, government land and philanthropic donations. The Bellingen Shire CLT Establishment Project will work hard to explore all these possibilities.

There is also a range of ways through the planning system that could enable the acquisition of land for a CLT. For example, voluntary planning agreements (VPAs) could be a mechanism for developers to contribute land to the CLT in return for concessions from council.

The upcoming Rural Land Strategy consultation process could also explore introducing incentives to rural land holders to carve off small parcels of land for the CLT. The CLT is also a mechanism that local people can donate land to if they are keen to make a difference and are able to help.

How does housing get built on a CLT's land?

When a CLT acquires a parcel of land, there may already be a single-household dwelling or a multi-unit building on the land. In other cases, CLTs become active developers, constructing new housing on lands they have recently acquired or previously "banked" for future development. CLTs may also work with residents to individually manage the development of their future home.

In some overseas examples, CLTs make land available to another non-profit organisation, such as community housing provider (CHP), for the construction of affordable housing. In a growing number of communities, affordably priced homes come into a CLT's portfolio because of planning provisions, including inclusionary zoning, density bonuses, or other regulatory mandates or incentives.

What types of housing are developed on a CLT's land?

CLTs are very flexible in the types of housing they develop - or allow to be developed - on their land. They work with local communities and residents to deliver the kind of housing that best meets local needs.

Some CLTs focus on detached, single-household dwellings. Others are engaged in the construction and stewardship of multi-unit residential projects that deliver higher-density outcomes. Whilst others have a mixed portfolio.

CLTs can be co-located on the one block of land, or peppered throughout the community, or a mixture of both approaches. CLTs are flexible and responsive to local needs and opportunities.

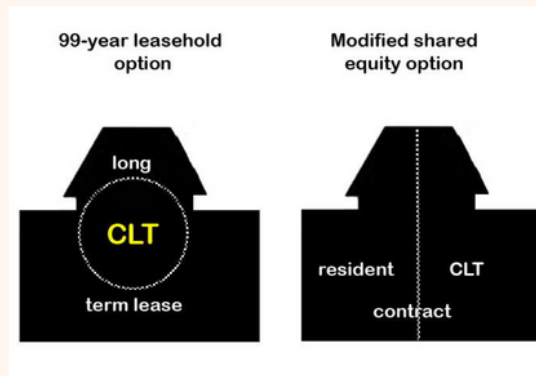
Who is the missing middle?

The model is not a silver bullet that will solve the local housing crisis overnight. In the short term, it will work best for moderate income households and/or households who have access to some equity. We know that these households are struggling in the current housing market, often priced-out of home ownership and into a tight and expensive rental market.

The CLT model can deliver better housing outcomes for households who are stuck in the middle – they are ineligible for social housing and cannot access expensive private home ownership. Over the longer term, we hope that the CLT can serve the unmet housing needs of lower income residents too.

What are the eligibility criteria for potential residents?

- The CLT will prioritise households in the 'missing middle' who can demonstrate the following
- o Local workers and/or local people with access to some equity
 - o Demonstrated local connections



How to get involved?

o Connect with us:

- Instagram @bellingenshireCLT
- Facebook @bellingenshirecommunitylandtrust
- LinkedIn @bellingenshirecommunitylandtrust

o Join our [CLT mailing list](#) to receive regular updates

o Join the [CLT Working Group](#) that is open to residents keen to support the project

o To discuss donating land and/or resources please contact clt@housingmatters.org.au or call 6655 1121 extension 2