HOUSING: IT’S IN OUR HANDS

A post-election manifesto for Community Land Trusts
We have a housing problem on our hands. It is hurting communities in every part of the country, from London, the South East and rural areas, where people are struggling to get onto the housing ladder or are facing high rents, to parts of cities like Liverpool that struggle to retain their citizens.

In the face of this, a rising number of communities are taking control and ‘doing it themselves’. They are setting up Community Land Trusts to build genuinely and permanently affordable homes. By having genuine control over the new homes, these Community Land Trusts are able to get the wider community behind new development and create housing opportunities.

Community Land Trusts will have developed 3000 new affordable homes by 2020. However, with the right funding and support, we could see that triple.

WE ARE ASKING THE GOVERNMENT TO MAKE COMMUNITY LAND TRUSTS A KEY PART OF THE SOLUTION TO THE HOUSING CRISIS.

There are FIVE KEY MEASURES that are needed for the Community Land Trust sector to achieve scale and make a meaningful contribution to housing supply. These are required as a package of measures that together could form a HELP COMMUNITIES TO BUILD PROGRAMME.
HELP COMMUNITIES TO BUILD PROGRAMME

FEASIBILITY AND TECHNICAL SUPPORT FUNDING

1 Establish a feasibility and technical support fund for community-led housing groups available on a long-term and revolving basis.

Without feasibility and technical support communities cannot deliver for themselves. The current grant funding programme is a one-off fund, is not sufficient to meet demand and excludes a number of community-led housing models. We urge that a fund is established that is sufficient in size and available on a long-term and revolving basis. This could be a recyclable pot where initial grant payments are repaid from the New Homes Bonus receipts for the homes completed.

CAPITAL FUNDING

2 Establish a social investment revolving loan fund, backed by Government guarantees, to allow community-led housing groups to access lower cost development finance.

Community-led housing providers often lack the asset base or track record to access capital funding from the market at reasonable rates. There is a growing market of social investors, but the rates are still prohibitive. A Government guarantee would de-risk lending for social investors, thereby attracting social investment into the sector. The interest rates would be variable responding to the viability of development in different housing market areas.

As part of the Government’s commitment to devolving power to boost local growth, the Government should encourage local authorities to lend to community-led housing organisations, using borrowing from the Public Works Loan Board, New Homes Bonus or Second Homes Council Tax.

MORTGAGE LENDING

3 Create a Government-led guaranteed buy-back scheme of last resort on mortgage products that incorporate a ‘perpetuity’ arrangement to encourage lender participation. As the Building Societies Association recommend, this could be funded using NS&I Pensioner Bonds.

Encourage the Council of Mortgage Lenders to produce a standard mortgage form for mortgage products that incorporate a ‘perpetuity’ arrangement.

We need increased lending on intermediate housing mortgage products, and not just on shared ownership, but also on the resale price covenant mortgage, which ensures that homes remain permanently affordable. This is not only an issue for Community Land Trusts but also for rural affordable housing in Protected Areas, where there is a requirement for homes to remain affordable in perpetuity.

RIGHT TO BUY

4 Exempt all Community Land Trust tenancies from the proposed Right to Buy.

The extension of the Right to Buy to Housing Association tenants goes against the ability of a Community Land Trust to meet their basic aim of keeping homes affordable in perpetuity; it poses a significant threat to the current supply of Community Land Trust homes and could have a chilling effect on the future growth of the Community Land Trust sector.

We are also part of the wider community-led housing movement and therefore support the case for an exemption for all forms of rental community-led housing. A statutory definition of community-led housing is needed on the face of the Housing and Planning Bill.

RIGHT TO BUILD

5 Extend the proposed Right to Build to community-led housing organisations.

The proposed Right to Build is welcomed and could be a significant boost to the community-led housing sector. However, the Government’s definition of ‘group custom build’ excludes some forms of community-led housing, including Community Land Trusts. We propose that Community Land Trusts are included in the definition of group custom build.
Despite efforts to revive house building, the number of new homes being built remains at record low levels. Last year we built less than half the homes needed just to keep up with the new households forming each year. In many parts of the country private rents are soaring and house prices are predicted to by 6% per year until 2020 (10% in London).

At the same time, in other parts of the country there are whole neighbourhoods blighted by empty properties, disinvestment and failed regeneration initiatives.

This is a big worry for people. For some, they cannot fulfil their aspiration to buy a home or are suffering because of overcrowding or poor private rented conditions. For others, they are struggling to maintain the character and social fabric of the place they love as they witness the boarding up of homes, the closure of shops and the disintegration of services.

A RICS report from April 2014 predicts an average annual increase of 6% until 2020. London is expected to experience a 10% annual increase.
HOUSING TOMORROW... COMMUNITY LAND TRUSTS ARE A KEY PART OF THE SOLUTION

Community Land Trusts are local organisations set up and run by ordinary people to develop and manage homes as well as other assets important to that community, like community enterprises, food growing or workspaces. The Community Land Trust’s main task is to make sure these homes are genuinely affordable, based on what people actually earn in their area, not just for now but for every future occupier.

There are over 170 Community Land Trusts in England and Wales, half of which formed in the last two years. The largest Community Land Trusts have over 1000 members each.

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COMMUNITY LAND TRUSTS TACKLE THE ISSUES THAT CONCERN US ALL...

Community Land Trusts **build new homes...** and they want to build them now.

Community Land Trusts **create community consent for new housing...** they can win over local people to support new housing. They can also bring forward land that would not otherwise be developed for housing.

Community Land Trusts **build homes that people can afford and will always be able to afford...** the homes built are genuinely affordable to rent or buy, based on what people actually earn in an area, and will remain affordable for this and future generations.

**AVERAGE PRICE OF A FLAT IN THE BOROUGH OF TOWER HAMLETS** = £471,080

**PRICE OF A TWO BEDROOM FLAT FROM EAST LONDON CLT** = £181,111

**PRICE OF HOMES FROM EAST LONDON CLT AT ST CLEMENTS ARE LINKED TO MEDIAN INCOME.**

**TOTAL ANNUAL HOUSING COST WILL BE NO MORE THAN ONE THIRD OF MEDIAN INCOME (CURRENTLY £31,378)**

(assumes one income earner for a one bedroom flat and 1 and 1/3 income earner for a two bedroom flat)
Community Land Trusts **create a resilient house building industry**... they are small and medium sized providers of housing and are important customers to SME house builders.

Community Land Trusts **bring innovation** to house building... they are not using the same tried and tested models of building housing, but take innovative approaches to raising finance and engaging people in housing.

Community Land Trusts **make good places**... they are about more than bricks and mortar. They achieve environmentally friendly homes, green spaces and communities where people want to live.

Community Land Trusts **take responsibility and control** of the future of their community... these are local organisations formed in response to local problems and embody the principles of communities taking control.

...THEY CAN AND SHOULD BE A VITAL PART OF THE SOLUTION TO THE HOUSING CRISIS
WHO WE ARE

The National Community Land Trust (CLT) Network is the national Charity for CLTs in England and Wales. We support and promote the work of CLTs and our goal is to see a CLT in every community.

SHOW YOUR SUPPORT FOR COMMUNITY LAND TRUSTS AND BACK THE CAMPAIGN

Whether you’re involved in a Community Land Trust or just want to support the cause, there are four simple ways to get involved in this campaign and show your support for the movement:

- Join the Network mailing list.
- Provide an endorsement – send a quote to info@communitylandtrusts.org.uk with your name and organisation (if applicable) and we’ll put it on the website.
- Tweet us @Community_land using the hashtag #MoreCLTs
- Show your support or share your views on our Facebook page Community Land Trusts - National CLT Network

GET IN TOUCH

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