

# Community land trusts

**A community land trust (CLT) is a type of non-profit organisation that acquires, owns and stewards land so that it is used for benevolent purposes. Housing on the land can be owned individually or collectively. By holding the land in perpetuity, housing that is built and offered on the land can be made more affordable both to purchase and to rent. Successful community land trusts exist in the US, UK and New Zealand, and several CLTs are currently being established in Australia.**

## Key issues:

- CLTs aim to provide affordable homeownership for people who cannot afford to purchase a home on the open market. Opening up homeownership opportunities to low and moderate income households provides those households with greater housing security than if they were renting.<sup>i</sup>
- By taking the cost of land out of the purchase price, housing can be available for a private owner-occupier or a non-profit provider of rental housing (ie community housing provider) at a reduced rate. It can also help build a bank of land that is outside of normal market processes.<sup>ii</sup>
- According to the US-based National CLT Network, benefits to a land trust homeowner include: homeownership at an affordable price, stable monthly payments, security from eviction, tax advantages, opportunity to build equity, and opportunity to take a leadership role in the organisation by serving on the board of directors or board committees.<sup>iii</sup>
- Benefits to the community of CLTs include: home-buying opportunities for neighbourhood residents, preservation of affordable homes into the future despite rapidly escalating housing prices, opportunity for renters to become owners, and wise use of tax dollars (public subsidy). In addition, many CLTs help buyers gain access to down-payment assistance and special financing.<sup>iv</sup>
- Key features of a community land trust are: non-profit tax exempt corporation, dual ownership, leased land, perpetual affordability and responsibility, open, place-based membership, community control, tripartite governance, expansionist acquisition of land, and flexible development.<sup>v</sup>
- Some models of community land trusts that exist in New Zealand, the USA and Canada may be relevant for Australia, adapted to the local context. For example, community land trusts may allow Aboriginal peoples to purchase their own home, individually or collectively, without compromising the communally-held title to land.
- Community land trusts can also work in urban and regional settings in order to make housing more affordable for low and moderate income households and to promote social inclusion.

## Resources and links:

Community Land Trust Network (UK) [www.communitylandtrusts.org.uk](http://www.communitylandtrusts.org.uk)

National Community Land Trust Network ( US) <http://www.cltnetwork.org>

Community Land Trust Resource Center <http://www.burlingtonassociates.com/resources>

Institute for Community Economics <http://www.nhtinc.org/ice.php>

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<sup>i</sup> National Community Land Trust Network , Frequently Asked Questions, <http://www.cltnetwork.org/index.php?fuseaction=Blog.dspBlogPost&postID=28>[Accessed 31 October 2010].

<sup>ii</sup> Johnston, Craig (2009) *Community land trusts: what are they?*, Shelter Brief 39, Shelter NSW: Sydney, p.19.

<sup>iii</sup> National Community Land Trust Network.

<sup>iv</sup> National Community Land Trust Network.

<sup>v</sup> Johnson, Craig.