



## BRIEFING - LONDON COMMUNITY LAND TRUST

### GENUINELY & PERMANENTLY AFFORDABLE HOMES, OWNED & RUN BY LONDONERS

Decent, secure and affordable homes are getting harder and harder to come by in London. Increasing pressure on local authority provisions and ever increasing house prices mean people are having to choose between living in terrible conditions or leaving their friends, family and community for good.

Community Land Trusts (CLTs) come in many different shapes and sizes, but are all set up and run by local people to develop and manage homes as well as other assets important to that community. London CLT in particular currently delivers genuinely and permanently affordable homes to buy, offering up one model to address the growing gap in the housing market between people who qualify for a council property and people who can afford to buy their own home.

At St Clement's, London's first CLT residents moved in in the summer of 2017. St Clements, which has already won several national housing awards, has been built by Linden Homes in partnership with the Greater London Authority (GLA) and Peabody. The project provides 252 new homes, 35% of which are affordable including 58 units for social rent and 23 CLT homes. This was made possible by the Mayor of London and the GLA as the landowner including a CLT as part of the section 106 requirements for the site after a campaign by thousands of east Londoners. The Mayor of London's Revised Housing Strategy published in May 2018 now includes a commitment 'to identify a pipeline of schemes by 2021 that have the capacity to deliver at least 1,000 homes'<sup>1</sup>.

<sup>1</sup> [https://www.london.gov.uk/sites/default/files/md2290\\_-\\_london\\_housing\\_strategy\\_-\\_signed.pdf](https://www.london.gov.uk/sites/default/files/md2290_-_london_housing_strategy_-_signed.pdf)

## LONDON COMMUNITY LAND TRUST – THE DETAILS

### How much do London CLT homes cost?

London CLT homes are priced according to local earnings, ensuring that people are no longer priced out of the neighbourhood they grew up in. 'Local earnings' are taken as the median income, using data published by the Office for National Statistics in November each year. For example, based on the most recent confirmed figures, this means we could offer homes in Lewisham at approximately:

*£162,000 – 192,000 → 1 bedroom property*

*£210,000 – 244,000 → 2 bedroom property*

*£258,000 – 292,000 → 3 bedroom property*

*£305,000 – 344,000 → 4 bedroom property*

London CLT homes are about providing people with a home, not just an asset. The contract signed upon moving in makes sure that all residents have to sell the home to the next household again at a price according to local earnings. This means the homes can be sold on again at a similarly affordable level every time a new family moves in.

### Delivery Options

#### *Building CLT homes **with a development partner***

A development partner is the primary organisation responsible for delivering the homes, and London CLT will look to play an active role before purchasing the homes once they're complete. The price paid to any development partner is net of CLT development on-costs, which are calculated on an open book basis to show 'full cost recovery', e.g. CLT staff costs, overheads, professional fees, marketing etc. This is the model used at London CLT's first site, St Clement's in Mile End.

#### *Building CLT homes as **direct development***

London CLT to act as a direct developer. This model relies on landowners selling land at a subsidised rate, or release that land at nil value in order to help deliver affordable homes. This allows the site to be 100% CLT homes targeted at local people on average incomes. The CLT homes in Brasted Close in Lewisham are being developed in line with this model.

***Other Delivery Options:*** *London CLT are open to other ways to deliver genuinely and permanently affordable homes owned and run by local people.*

## Who gets a CLT home?

London CLT develops a local allocation policy for each site in discussions with local members and the local authority. At St Clements, the allocations criteria were sourced through a survey of members, subsequent local workshops and discussions with the council. This resulted in the following criteria:

1. **Finance** – priced out of the housing market and able to afford a London CLT home.
2. **Housing Need** – require a property more suitable than their current accommodation.
3. **Connection** – have a minimum of five years' connection to the borough.
4. **Involvement** – belong to and participate in the local community
5. **Be supportive** of the London CLT.

You can find a more detailed summary of the allocations process established for our first site on our resources page.

## What are CLT purchasers buying and how does the mortgage work?

A London CLT purchaser will get a minimum 125 year lease from the CLT. The CLT could be the freeholder of the building or site, or a head leasehold of several properties across a development. The price paid by the occupier buys them the right to full ownership subject to buying and selling the lease at a price determined by a formula based on local incomes. Residents applying for a London CLT home are welcome to source their own mortgage. However, to guarantee residents are covered, London CLT line up bespoke mortgage options too.

## How does the management work?

Every development including London CLT homes must include a resident-led management plan. In most cases, this would mean a Resident Management Company overseeing the site's management.

*For any queries regarding this submission, please contact Calum Green on [calum@londonclt.org](mailto:calum@londonclt.org)*