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# Community land trusts in Australia

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## What is a community land trust?

A community land trust is a not-for-profit entity that holds title to land in perpetuity, to create and steward perpetually affordable housing and provide community benefit. Community land trusts also steward land for agriculture, recreation and conservation. They underpin comprehensive community development through community-based, accountable governance and engaged membership.

## But affordable housing is public housing, right?

Wrong. Community land trusts can hold land under everything from boarding houses to single-family, owner occupied housing and can house people across a range of incomes. Householders can rent or own their homes, but cannot speculate or sub-let. Community land trusts also underlie community facilities including aged care, child care, community gardens, businesses, charities and open space.

## So what do householders have title to?

Householders own or rent their apartment or house and have a ground lease which grants full rights of land usage.

## But the house is a diminishing asset!

That's where the ground lease comes in. The ground lease spells out the rental price or the resale formula for the property to balance the equity gain to the individual with the retention of affordability across property sales. So, when an owner-occupied house is sold, the resale price is limited and equity is shared with the community land trust, locking in subsidies or donations. The ground lease also spells out criteria regarding maintenance, use, eligibility, inheritance and renovations.

## Where are community land trusts?

Currently these are mainly in the USA, where the sector is a few decades old and where low- to moderate-income households in community land trust homes have withstood the mortgage meltdown, with a foreclosure rate of 0.5% compared to 3.3% *across all income levels* in the open market during the collapse of 2008-9. This success is helping drive rapid growth of the model in the USA. Community land trusts in Australia could add more rungs to the housing tenure ladder between renting and owning outright, foster community development and provide affordable homeownership *that stays affordable*.

## So what's the challenge?

Translating key USA and UK legal templates into legal Australian documents and finding local, state and federal champions, donors, members and programs, plus suitable land and/or properties. Supporting community land trusts could make much better usage of public monies such as the first home owners' grant. Community land trusts would span the gap between affordable rental and market-rate homeownership and complement the activities of existing community housing providers and organisations such as Habitat for Humanity, a major partner to community land trusts in the USA.

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Video of a community land trust seminar, Sydney 2009: <http://vimeo.com/7631760>

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