



## **ACTION PLAN**

# Developing a financing strategy for CLT & Collaborative Housing in Europe

September 2020

#### **BACKGROUND** | What has been done ('Financial Models' Work Package)



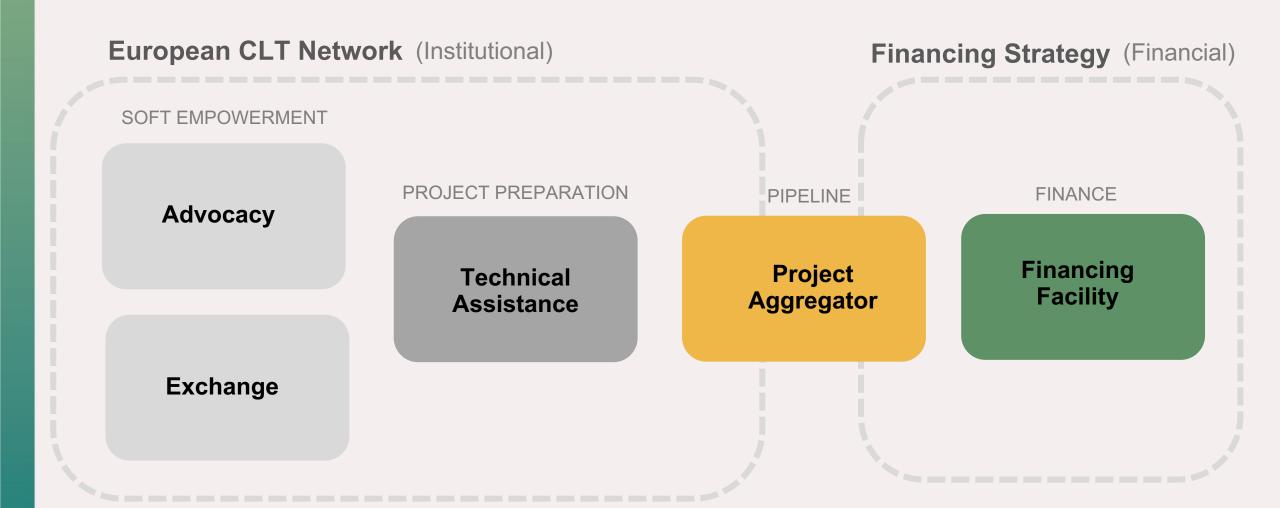
SHICC 1.0

Post SHICC

### KEY FACTS | CLT and Collaborative Housing in Europe

- As of November 2019, there were 170 CLT established or under creation in cities across Europe
- Population target: low- and middle-income households with, sometimes, a focus on specific publics (elderly, mental health issue, migrants)
- Capacity to develop deliver very affordable homes: Between 20 to 50% of the free market on average (depending on the model adopted and local context)
- Diversity of tenure developed: rental, affordable ownership, shared ownership
- They develop bespoke small and middle size projects focusing on qualitative approach: average projects size 10-20 units
- It is a niche but growing market: 76% of the organisations surveyed have projects in the pipelines over the next 5 years (43%: 10-50 units, 29% >50 units)
- Short term estimates (<5 years): 1,300-1,500 units in the pipelines of surveyed organisations, representing an estimated potential market of 300 M €</li>
- Long-term estimates (5-10 years): 7000 units representing a potential market of
   1,4 Bn€

## FINANCING STRATEGY | The two pillars



#### FINANCING STRATEGY | Implementation proposal

DEVELOPME NT AREAS

> STRATEGIC FOCUS

> > **OBJECTIVES**

IIMEF

Institutional Structuring

**European CLT Network** 

Interdependency

**Financial Structuring** 

Financing Strategy

Pursuing European advocacy

Supporting exchange of practices

Bringing Technical Assistance

Setting up a Project Aggregator Connecting projects to a dedicated Financing Facility

Gain recognition of the CLT model as a complementary solution to other affordable housing in the face of the housing crisis

Short: ongoing

Support national networks:

- Act as umbrella org. to showcase the movement
- Represent a 'seal of excellence'

Perpetuate a network of technical expertise:

- i.e. Start-Up Fund
- Technical Hub

Build a pipeline of projects selected according to specific SRI criteria and in dialogue with CLT practitioners Develop a long term instrument to finance CLT projects:

- mobilise fin. partners to invest in CLT
- Develop a 'one stop shop' to finance CLT projects

Short: ongoing

Short: ongoing

Medium: 2020-2021 and beyond

Long: Post 2021

### FINANCING STRATEGY | Feasibility Study - First step

#### A threefold content:

- Component 1 (binding): Refine the demand and the scale of financing needs;
- Component 2 (binding): Link the supply and demand through the structuring of a project pipeline;
- Component 3 (conditional): Clarify the appropriate legal structure and operational setup.

#### Methodology:

FMDV to lead the study, assisted by an external consultant who will provide technical support to the team, and in collaboration with SHICC partners.

**Budget**: 40,000€ - 60,000€ (50% of which will be delegated to external expertise covered by SHICC)

#### Provisional calendar:

Mid-October	Draft ToR submitted to partners
November 2	Invitation to Tender
November 20	Submission deadline
November 23-27	Selection process (interviews)
November 30-3	Contracting process
December 4	Project Inception (kick-off meeting in parallel of the SHICC conference)
March 2021	SHICC SC: presentation Component 1
June 2021	SHICC SC: presentation Component 2
September 2021	SHICC SC: presentation Component 3



## **OPERATIONAL PHASE** | What's next?

2020

N+1

N+2

EARLY STAGE DEVELOPMENT

LATE STAGE DEVELOPMENT

**FINANCING** 

Format to define: SPV, credit line, contract-based

co-financing or risk-sharing arrangements ...

**IMPLEMENTATION** 

Implementation details

Feasibility Study
(what, how to?)

Creating a
Pipeline of
projects

Setting up a Project Aggregator

Connecting projects to a dedicated Financing Facility

Projects being financed

**SHICC 2.0** 

Towards SHICC 3.0?

**Search for additional funding is required**: application to a new cooperation project (e.g. Horizon Europe: January 2021), and/or grants and technical expertise from project preparation facilities (e.g. EIBAH).