

# Interreg



EUROPEAN UNION

## North-West Europe

### SHICC

European Regional Development Fund

## CASE STUDY: CLT GHENT



## CASE STUDY: CLT BRUSSELS

### 1 – Introduction & context

#### Key information:

- Name: Community Land Trust Ghent
- Location: Ghent
- Geographic area served: Ghent
- Establishment: 2014
- Projects: 1 project in construction (34 units), 2 other housing projects (social renovation projects: 19 and 5 units)
- Members: 140 in total, including, 70 (candidate) owners, 65 supporting members, and 5 non-profits.
- Workforce: 2,7 FTE.
- Yearly budget: € 175.000 staff (agreement with 'Community Development Ghent')

#### Description of the housing market in Ghent:

While Belgium is a country of property owners ("Belgians have a brick in their belly"), 50,3% of households in Ghent are tenants, compared to the Flemish average of 34%.

Social housing barely represents 12.1% of the total housing stock in 2017. Most Ghent residents thus live in private market housing. However, demand for social housing remains high. Today, more than 11,000 households have applied for social housing.

In the private rental market, the average private rent in Ghent was 625 euro in 2011. Ever since the Flemish renter associations have reported a rise in this figure year after year (at the rate of the inflation)<sup>1</sup>. The poorest households are the most affected by these increases. In 2017, 23 % of the households in Ghent pay more than a third of their total household income for their rent (and other housing costs)<sup>2</sup>. The Flemish Housing survey (2013) concluded that more than 50% of all tenants are in this situation<sup>3</sup>. This increase also applies to property prices. According to a 2018 inquiry the median sale price of houses in Ghent

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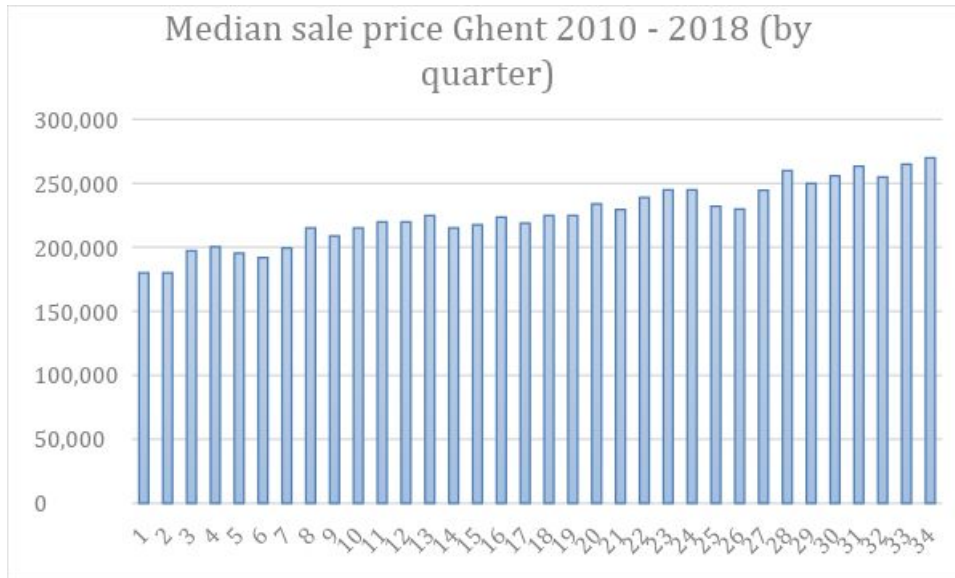
<https://huurdersplatform.be/hb/actualiteit-hb/gemiddelde-huurprijzen-volgen-inflatie-maar-opvallende-stijging-in-goedkoper-segment/>

2 [https://gent.buurtmonitor.be/jive/report?id=wo\\_evolutie](https://gent.buurtmonitor.be/jive/report?id=wo_evolutie)

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[https://steunpuntwonen.be/Documenten\\_2012-2015/studiedagen/Studiedag\\_Wonen\\_in\\_Vlaanderen\\_ann\\_o\\_2013\\_3\\_maart\\_2015/deelmarkten-woonkosten-en-betaalbaarheid-kristof.pdf](https://steunpuntwonen.be/Documenten_2012-2015/studiedagen/Studiedag_Wonen_in_Vlaanderen_ann_o_2013_3_maart_2015/deelmarkten-woonkosten-en-betaalbaarheid-kristof.pdf)

increased from €180,000 in 2010 to €270,000 by the second half of 2018. It has therefore become difficult to become a homeowner in Brussels<sup>4</sup>.



Source: Stabelstat 2018

**- Type of CLT: Urban CLT**

The land obtained by CLT Ghent is located in Meulestede, a former harbour-district and part of the 19<sup>th</sup> century belt surrounding Ghent centrum. In the future, CLT Ghent will acquire land below market rate and develop it.

**- Legal and political background:**

The Flemish Region is one of the three regions forming Belgium, together with Brussels-Capital Region and Wallonia. Ghent is the second city of Flanders, the third in Belgium (if you count the different Brussels communes as one city).

As a federal state, political competences at the regional level are important. Each region has its own areas of exclusive competence and many competences in economic and urban development (urban planning, urban renewal, land use policy). The current government of the Flemish Region is a coalition of centre-right parties led by Flemish nationalist Party (N-VA).

Flemish (Belgian) housing policy traditionally is very committed to private ownership. Social housing policies have been stagnating since long. The hybrid 'community land trust'-model can be fitted within the social legislation once meant for former social ownership programs,

<sup>4</sup> <https://statbel.fgov.be/nl/themas/bouwen-wonen/vastgoedprijzen#figures>

while gaining attention and support because of its link to private property (instead of rental models). Because the area is densely populated recently ideas of a public land policy have been gaining ground.

- **History:**

- In **2011**, we were inspired by the work of CLT Brussels and decided to set up a Flemish CLT. We started with a feasibility study commissioned by the then Flemish minister of housing and social economy, Freya Van den Bossche.
- 29 March **2012**, we drew up a charter signed by 49 partner organizations in the meantime and started a candidate savings program.
- **6 December 2012**, we founded our non-profit organization.
- In **2015**, we made an agreement with the city for our first CLT land
- End of **2017** we finally succeeded to start our trust (recognized by the king in 2018)
- In **2018**, We selected together with the social housing company (builder) the architects that will design our first 34 CLT Homes.

## 2 – Assets

### CLT Gent Meulestede: first Flemish CLT-project

Our first CLT will be completed by the end of 2023 and will have 34 unites. It will be located in the neighborhood of Meulestede and developed by social housing company WoninGent.

The houses will be built in an urban renewal neighbourhood, this building will be built according to NZE-standards and we will investigate the possibility to work with an ESCO construction (Energy Service Company) to reduce the price and work towards passive standards.

The design chosen by the residents exist out of 34 stacked houses with private roof gardens and a collective garden of approximately 1500m<sup>2</sup>. The site will be located in an inner area in neighbourhood with a lot of social housing and is a part of a city renewal operation that will create a large park in the surrounding area of our CLT-project. Located in an increasingly popular area, this development is set in one of the growing areas of the city, through the construction of loft projects in former harbor pilots.

- The largest grouping is aged between 20 and 60 years old at 51%. 24% of the neighbourhood is younger than 19. One quarter of the district consists of people over 60.

- The district has a large number of people classified as single. More than half of the neighbourhood is single, 44% of which are single without children and 11% are single with children. The number of single parents in Meulestede is higher than the rest of Ghent.
- More than half of the homes in the area are 50 years old or more, that's 77% of the housing in the area. Or 679 of the 875 homes. In the past 34 years only 7 new homes have been built in Meulestede.
- The population density is 4.716 inhabitants / sq. km (1.584 inhabitants / sq. km for Ghent), which makes it a dense neighbourhood.
- About half of the neighborhood inhabitants belongs to the active population and are in work at 68%, 26% is at home (integration income, unemployment benefit etc). One quarter of the district residents of Muide-Meulestede-Afrikalaan must therefore survive on a replacement income. These figures are almost twice as high as the Ghent average.
- **Communal spaces**

CLTG strives to include non-housing spaces in its projects. We are investigating the start-up of a cooperative supermarket in our project or other sites in the neighbourhood. In response to the demands in the area. As there is a lack of good public transport and shops.

On the CLT Land we are currently having community gardens, which we will try to integrate once the houses are built. In our design we also have a common building for the residents with a community kitchen, guest room and laundry.

### 3 – Legal & financial framework

CLT Gent consists of a Public Purpose Foundation (SOP in Dutch) which will obtain the land, and an NGO (ASBL in French), which ensures the social guidance of the inhabitants and the community work. The land remains in the FUP while housing units are owned by individuals, who commit to living there (or occupying the premises in the case of non-profits, social economy firm etc). CLTG never sells the land (unless in exceptional cases) and makes it perpetually available to pursue its objectives. It thus manages its assets as a common good.

Land use is legally arranged with a 50-year leasehold given by CLT Gent to the owner of the property. This deed includes a number of clauses that reflect CLT's principles and provides for a monthly payment of average € 25 per month by the owners.

Another legal mechanism ensures this deed is perpetuated; the inclusion of a novation clause. Every time there is a transaction (sale or inheritance) or at the end of the 50-year period, CLT Ghent issues a new deed for another 50 years. This ensures it will never end.

CLTG currently relies on a variety of subsidies that allow paying the staff. The city of Ghent gives the land in leasehold for 99 years.

Candidate-owners are free to contract mortgages with any financial institution. However, CLTG has an agreement with the VMSW that makes it possible to get a social loan for CLT homes at favourable rates (2%). Monthly repayments are usually capped to 40% of household incomes at the time the mortgage is contracted and all families close to the 40% get social guidance to prevent affordability problems.

## 4 – Affordability mechanism

### - Type of targeted population

CLT Ghent's objective is to help the most deprived find a decent home. Yet we work within the framework of Flemish 'social ownership' legislation<sup>5</sup>. This is a form of support for people buying houses, with an income up to 40,000 euro for singles. Our approach is to maintain a goal of 65% of CLT-residents who will have an income based on the maxima of another system, that of social rent, which is much lower<sup>6</sup>.

The community-building aspect is put forward as a means to emancipate deprived populations. The target population of CLT Ghent are residents of the city of Ghent. Therefore, the goal is to provide opportunities for local residents, rather than bringing in better-off populations. CLT Ghent has thus chosen to target households that struggle the most to find decent accommodation in the private market.

### - Attribution criteria

CLT Ghent homes are attributed in the chronological order of registration as candidate-owner. People will be able to buy the houses that are suited to their actual needs as an individual or family unit (rational occupation). This means no extra rooms for hobbies or planned family expansion.

Based on their incomes, if it is too low, candidate owners might get an allowance that matches the house price. This allowance is intended to help achieving the goal of 65% owners from a lower income category.

### - Resale mechanism

The CLT Ghent formula diverts from that of CLTB or the Champlain Housing Trust. The household recovers the full amount it has invested for the purchase of the home, by indexing the initial price paid (following the Belgian income index). Following preliminary calculations, the share of the increase in value the CLT-owners would obtain, might in most cases be lower than the amount built up by the indexations. The second-generation buyers

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<https://www.vmsw.be/Home/Ik-ben-particulier/Kopen-van-een-sociale-woning/Wanneer-mag-u-een-sociale-woning-of-bouwgrond-kopen/Voorwaarden-voor-de-aankoop>

6 <https://www.wonenvlaanderen.be/sociale-huur/de-inschrijvings-en-toelatingsvoorwaarden>

will still be paying an affordable price. CLT Ghent and the house-owners will agree on an exit-fee of €5,000, covering all administration costs and providing the CLT with some income.

The formula therefore limits property prices to keep them affordable for other low-income families without the need for an additional subsidy. In this formula land and houses are totally separated. In deciding the price of the property for future CLT-owners no connection whatsoever is left to the market value of the land. Instead, the price of the house will always refer to its construction value, until new construction is needed.

## 5 – Governance

CLT Ghent has based its governance on the “classic”, namely tripartite-shared democratic governance. The two legal entities, the FUP in charge of acquiring the land and the ASBL in charge of daily operations, are governed by a Board of Trustees (CA in French). Within the two CA’s both civil society and future habitants are included. We also attracted some housing or social innovation experts. Within the FUP local authorities are participating.

The CA of the ASBL elects its President and suggests CA members for the FUP. The current President is an expert. CLT Ghent support the CA meetings.

### - How can we put the “C” into CLT Ghent?

There are three types of “community” in CLT Ghent.

The first type is the community in the broader sense, including current and future inhabitants, supporters, partner associations, and CLT Ghent workers. This community gets together each year during the Annual General Meeting of CLT Ghent, which is a time for taking stock and celebrating achievements and is concluded by a social event that allows community members to interact.

The second form of community found in the CLT Ghent “habitants group”. It gathers households that will be part of the Meulestede-development thinking about the way they want to live together and giving input to the board on financial and legal matters.

The third form reaches out to the neighbourhood we are working in. In 2015 we interviewed one hundred residents in the neighbourhood, asking them about their needs. The things we heard the most were: “We want a shop/supermarket” and “We want to meet more people”. So we started community gardens on the site where we will develop our first CLT homes. And we are investigating the start of a residents driven solidary neighbourhood store.