

STUDY ON THE FINANCING OF CLTs, AFFORDABLE & SOCIAL HOUSING PROJECTS

Questionnaire for Financial Institutions

Introduction

- Feasibility study by FMDV

In the context of the [SHICC Ineterreg project](#)¹, the FMDV (Fonds Mondiales pour le Développement des Villes – Worldwide Fund for Development of Cities) is conducting **a feasibility study for an investment platform to finance Community Land Trust (CLT) projects. Hefboom, founding member of FEBEA, is in charge of this task.**

The scope of the project is the North West region of Europe, including Spain, Italy and Switzerland. In order to finance CLT-projects a thorough insight is needed on the demand side and on the supply side for CLT. The demand side quantifies the number of projects, the number of housing units in a project and the investment volume needed to finance these projects. On the other hand, the supply side an insight is needed on the availability of financials resources willing to invest in these projects.

This is a €3m European Interreg programme, carried out over a three-year period (2017-2020) by the City of Lille (France); the National CLT Network (UK); the CLT of London, Brussels and Ghent; and FMDV (France).

What is a CLT-project?

Community Land Trusts (CLT) can be defined as local not-for-profit organisations which develop and manage affordable housing (see box below) and urban facilities in perpetuity. In practice, the CLT withdraw land from speculative markets, keeping it in a trust. In this way, they help control property prices and preserve access to housing for low-income households. They have thus been internationally recognised as legitimate participatory and anti-speculative models that strengthen social cohesion.

The CLT-project realises housing units for households that can rent or can buy those units. A mix of both is also feasible.

¹ SHICC stands for Sustainable Housing for Inclusive and Cohesive Cities. The SHICC aims to develop, support and disseminate the CLT and OFS model in Europe. The SHICC programme is structured around three main themes: Firstly, recognition of the legitimacy of the model, the establishment of a financial and legislative environment conducive to the establishment and expansion of CLT/OFS, and capacity building for existing and emerging CLT/OFS.

Due to the fact that the members of SHICC are CLT-project owners, it is possible that in your country CLT-projects are members of SHICC.

What is affordable housing?

For target audiences with low income basis or even with an income that is nearly too low to acquire a regular financing on the market have difficulties to acquire a decent house. Housing units that are designed and constructed to be acquired by these audiences are affordable houses. Consequently the CLT scope of audiences is larger than only the lowest incomes of the population.

- Why this questionnaire?

In order to quantify the supply side for CLT-projects, **Hefboom is looking for information about the available financial resources**. In this respect, Hefboom is very happy to be able to address to you questions that help to acquire an insight on the availability of these resources. Because this study is on an European wide base, Hefboom is very grateful to contact the FEBEA members and stakeholders.

- European Investment Bank (EIB)

Hefboom got the assignment from FMDV to participate in this feasibility study. Additionally the EIB is advising FMDV, SHICC and Hefboom based on their experience in financing large European wide projects, evaluating the possibility of setting up a dedicated investment platform at European level. In this respect contact between Hefboom and EIB are on a regularly basis. If the investment platform considered feasible, there could be **financing opportunities for the interested partners of Hefboom, including FEBEA members**.

Questionnaire

[ONLINE VERSION HERE](#)

Experiences in financing social building projects

Has your organization experience with the financing of building projects like **CLT, social housing or affordable houses** (from now on we use the term “social housing” to indicate all these types of projects)?

YES/NO

If NO

What are for your organization **the barriers to finance** social housing projects?

Can you indicate organizations in your market who did finance such social housing projects?

Do you know why they did finance?

If YES :

1. Can you **briefly describe the building project(s)** that your organization has financed or is financing?

if your organization did finance one or more projects, please indicate the main properties on which you can differentiate the projects (type of housing (house, apartment,...), private/public project, who initiated the project, top-down/bottom-up initiative, private housing only or communal spaces included...)

If weblinks or documents are available: please add them here.

2. Did your organization **finance the whole project, did you co-finance or did you finance particular parts of the project** (if so, specify which phase: land purchase, project development, construction/ building phase)?

3. In case of co-financing: **can you describe the partners** for the financing of the building project ?

Were there specific financing structures (venture capital, loans,...) / type of partners (commercial banks, investment funds, institutional funding, government partners, private investors...)?

4. Can you describe **the funding mix of the building project** ?

(Loan, equity, venture capital... own resources, with indication of approximate % of total funding)

Can you indicate **the time horizon** of the specific funding types?

5. What are the/**your experiences in general with the financing of social building projects**?

Did you experience difficulties in the setup of the funding of the projects? If yes, can you explain.

6. Is your organization willing/looking to **finance similar social building projects in the future** ?

Is there still appetite in your organization to finance these social housing projects?

If yes, would you be willing to finance **on a national level only or would you be willing to finance other projects in the European area** or aggregate financing on an European level as well?

Necessary information for a credit analysis : which information does your organisation require to start the assessment of financing request for such projects?

In general

How do you evaluate the risk? What are your metrics to evaluate the risk?

Which information do you need from the initiators of a CLT project ?

To clarify: this is the level of information that you require in order to start the ANALYSIS of the dossier (regardless of the result of your decision). The information listed here is needed to initiate your analysis, not to base your (positive or negative) decision on yet:

Subject	Yes	No
Who are the initiators of the CLT project		
Legal structure		

Statutes/articles of association of the organization		
Members of the board of directors		
Members of the managing board		

Additional information required from the initiators - if any, please describe if possible:

Which information do you need about the CLT project ?

To clarify: this is the level of information that you require in order to start the ANALYSIS of the dossier (regardless of the result of your decision). The information listed here is needed to initiate your analysis, not to base your (positive or negative) decision on yet:

Subject	Yes	No
The objectives of the CLT project		
The reasons why the initiators have chosen for a CLT Model		
Target audience for the CLT project (income levels, family composition...)		
Construction of the CLT Model (ownership model, construction model)		

Size of the CLT Model (total project financing needed, number of housing units,...)		
Number of houses intended for rental		
Number of houses intended for sale		
Partners in the CLT Model (which stakeholders: governments, financiers, civil society organizations...)		
Ecological, environmental and social impact of the CLT project		
Subject (continued)	Yes	No
Purchase price of the land (donation; lease, acquisition, if the latter: commercial pricing or below/above market rates)		
Development costs (indication/estimation of costs preceding the building phase)		
Building costs (cost of construction)		
Total cost of the CLT project (including funding social aspects not related to construction)		
Average cost/building m2		
Selling price of the houses		
Annual rent yield of the rental properties		
Revenues of the CLT project (e.g. annual fees for land use or administrative/logistical expenses of the CLT...)		
Time schedule of the complete project, from idea to realization		

If you have additional information or clarifications you would like to share, please describe below:

Which financial information do you need ?

To clarify: this is the level of information that you require in order to start the ANALYSIS of the dossier (regardless of the result of your decision). How much detail do you require?

Subject	Yes	No
Investment plan, a detailed overview of all the costs and investments to realize the CLT project		
Funding mix, the way the costs and investments will be financed		
Forecast, a detailed overview of all the costs and revenues of the project for the next (x) years		

If you have additional information or clarifications you would like to share, please describe below:

Contact

If you have further questions on the questionnaire, the following persons are available to you

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If the feasibility study regarding the CLT projects will prove to be successful, can we contact you for possible financing opportunities at national/European level?

If yes, who can we contact within your organization?