

European Alliance for Collaborative Housing

Q&A with the Housing Task Force

March 2026



Questions & Answers with the Housing Task Force: Barriers & Bottlenecks to Collaborative Housing

“The question should not be: how can we help communities circumvent the system at the fringes? It should be: how can we rewire the system so that community agency becomes a normal part of the process, community ownership a normal outcome?” - [Community Land Trust Policy Manifesto, 2024](#)

Introduction: What is ‘Collaborative Housing’?

Collaborative housing, also referred to as community-led housing, encompasses a range of housing models grounded in two core principles: long-term affordability and community stewardship.

- **Permanent Affordability:** These models maintain affordability over time by limiting speculative price increases and ensuring that housing remains accessible to future residents. In practice, this can be achieved through mechanisms such as separating land and building ownership, capping resale values, using long-term land leases, or adopting cooperative ownership structures.
- **Community-led:** Residents and local stakeholders play an active role in shaping, owning, and managing land and housing. Community land trusts (CLTs) and housing cooperatives are developed in response to local needs and often include shared spaces and amenities—such as green areas, community rooms, or workspaces—that contribute to broader neighbourhood cohesion and belonging.

Collaborative housing can take multiple forms, and for the purposes of this document, we focus on examples from community land trusts (CLTs) and cooperative housing models.

The Purpose of This Document

The newly established European Alliance for Collaborative Housing met with the European Commission's Housing Task Force (HTF) at the end of February 2026. During this meeting, members of the HTF asked for additional information that can feed into the reflections and drafting of the European Affordable Housing Act.

The text below draws on the diverse, local experiences of community land trusts and cooperative housing providers from across Europe, and organises this input according to question and theme. Please note that this information is neither exhaustive nor complete, but is our best effort to compile existing research and experience to address some of the most pressing barriers for collaborative housing to expand and scale.

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Section 1: Technical & Regulatory Barriers and Bottlenecks:

While the EU cannot change national or local housing legislation, it can provide policy frameworks and recommendations that would enable collaborative housing development. What are the recurrent technical and regulatory barriers that housing cooperatives and CLTs face?

1. Lack of legal recognition

The lack of legal recognition of collaborative housing models, including community land trusts (CLTs) and cooperative housing, creates significant barriers to their development and scaling. Without a clear legal status, these models struggle to secure the anti-speculative mechanisms necessary to ensure permanent affordability. For example, it can be contractually challenging to separate land and building ownership without a legal framework for this, as well as guaranteeing a cap capital gains at resale, as these can go against pre-existing property laws. This lack of legal status also limits access to public support, constrains private financing, results in unfavourable taxation, and forces organisations to rely on complex legal arrangements to operate.

Many of the challenges identified in this document are underpinned by the lack of legal recognition of collaborative housing models. The EU could play a key role in changing this dynamic by encouraging Member States to establish an “Affordable Housing Provider” status that explicitly includes CLTs and cooperatives. This could be supported through funding conditionalities and frameworks such as the New European Bauhaus, helping to ensure these models gain equitable access to land, including pre-emption rights, and are treated similarly to public housing providers within urban planning systems.

2. Inadequate policy frameworks

Many housing cooperatives and community land trusts cite a variety of policy bottlenecks to development, including procurement rules, property law interpretation and social housing regulations. A short-list of examples are included below:

A. Procurement challenges

In the Netherlands, there is uncertainty around public land allocation due to procurement rules. The 2021 *Didam* ruling by the Dutch Supreme Court is widely interpreted by municipalities as requiring *public land to be allocated through open competitive procedures*. Although the ruling does allow exceptions when a clear public interest justifies selecting a specific partner, municipalities rarely make use of this possibility because they are uncertain about the legal risks. This was the experience in the municipality of Bijlmer (Amsterdam), in the development of the Community Land Trust H-buurt (CLT-H), and similar hesitancy was observed elsewhere in Amsterdam. Clearer EU policy frameworks recognising community-led housing models could help public authorities justify allocating land to community organisations without defaulting to purely market-based tendering.

Similarly, in **Berlin**, acquiring land for cooperative housing is a persistent challenge due to procurement rules. When the city sells properties for affordable and social housing projects, they are unable to provide favourable terms to non-profit providers, citing EU competition rules. Coupled with this, as there is no formal framework for cooperative models, they are considered private entities as any other developer entering the tender process and often cannot compete.

Case Study: Italy's fragmented policy environment

The Italian context illustrates how fragmented policy frameworks on housing and property can constrain the emergence of collaborative housing models. A first barrier relates to strong protections of private property, which limit the application of long-term affordability mechanisms. While legal tools exist to impose restrictions on property (e.g. under Article 2645-ter of the Italian Civil Code), these are only applicable to narrowly defined beneficiary groups. This constrains the ability of CLTs to develop financially sustainable models that rely on a broader range of income groups.

In Italy, collaborative housing providers are negatively impacted by a lack of a coherent national housing strategy. Although housing is referenced in the Italian Constitution, its interpretation remains ambiguous and there is no comprehensive definition of “social housing” at national or regional level. Existing frameworks tend to define social housing narrowly as a temporary service, rather than as a long-term, structural component of the housing system. This creates obstacles to partner with public authorities and contributes to fragmented regulatory conditions across the country. It also limits access to supportive measures such as tax exemptions or reduced urbanisation fees, and can hinder access to land.

Further barriers arise from institutional and administrative constraints. Public entities face significant challenges in participating in governance structures such as those used by CLTs, partly due to regulatory limitations on how they can participate in external bodies. At the same time, key operational requirements, such as land valuation procedures, are often complex and costly, creating additional burdens for emerging organisations.

Finally, regulatory asymmetries affecting third-sector organisations can generate disproportionate constraints. For example, properties owned by non-profit entities that are more than 70 years old are automatically subject to heritage protection rules, even when newly acquired, requiring lengthy and complex procedures to lift those restrictions. This does not apply in the same way to private investors, creating an uneven playing field.

B. State subsidy models

More broadly, state subsidy schemes are typically designed for traditional ownership or rental models. Collaborative housing models where land remains in collective ownership and housing is sold with permanent affordability conditions, does not always fit these frameworks. This leads to unpredictable financing and oftentimes results in one-off support. For example, in **Flanders**, CLT Leuven was able to secure one round of funding from the city, which will be completed by 2028, and leaves the future uncertain.

The **Swiss example** shows that collaborative housing needs an enabling ecosystem, not only project subsidies. The main transferable lesson is that affordable housing cannot be scaled if land policy, planning, finance and legal recognition pull in different directions. At EU level, this means supporting Member States and cities in reducing red tape, improving administrative capacity, making land available, and creating legal and financial conditions in which non-profit and cooperative providers can grow according to local context. The Commission's plan already points in that direction by stressing that housing remains primarily a competence of Member States, regions and cities, while the EU can support reforms, data, investment and technical assistance.

In the case of **France**, which generally has a supportive policy environment (as highlighted below), there are still persistent regulatory bottlenecks, including the classifications of services of general economic interests (SGEIs). There's a demand for Organisme de Foncier Solidaire (OFS) - the CLT-equivalent in France - to be classed as providers of a SGEIs (in French: *service d'intérêt économique général, or SIEG*), which would simplify the question of State Aid.

In the case of OFS Metropole Lilloise (OFSML), it works directly with the landlords and developers. The OFSML does not play the role of developer, but rather formalises contracts with either social landlords, themselves SIEGs, or with private developers, to produce affordable housing. The latter are regulated by local authorities through policies such as inclusionary zoning and social diversity obligations.

Case study: France's enabling policy environment

“10 years later, after the end of the anti-speculation clauses, a two-bedroom apartment bought for €152,000 was resold for €400,000 to become a vacation home. At the same time, other areas such as Lille, Paris, and Lyon were experiencing similar difficulties, to the point of questioning local public support for

homeownership in France's most densely populated cities, where the need is greatest." - H  l  ne Morel, University of Toulouse¹

In 2025, the Lincoln Institute of Land Policy released the report, [*International commentaries on preserving affordable homeownships: Public Partnerships with Community Land Trusts*](#), which dives into various global examples explaining the local housing context and how and why CLTs emerged. From page 35, an excellent summary of the French model, Organisme de Foncier Solidaire (OFS), is provided - detailing not only how this model works today, but explaining the process for layered laws that support CLT expansion and scaling.

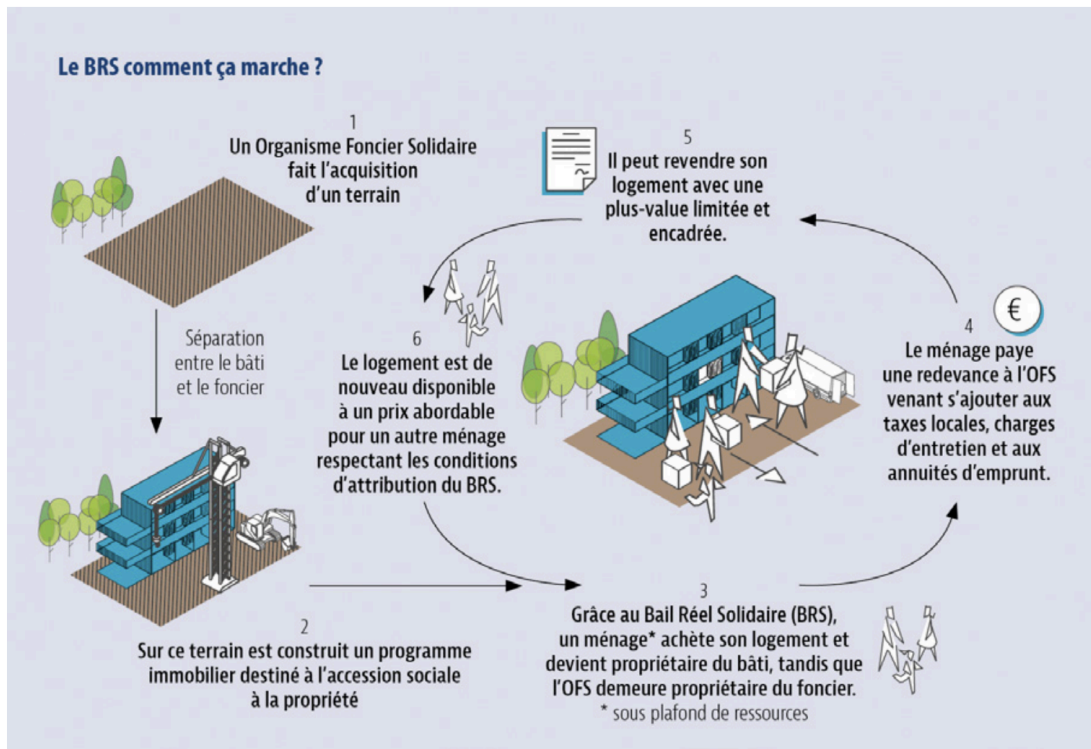
France provides an example of how national policy frameworks can enable the scaling of community land trust models through clear legal recognition and institutional support. The introduction of the Organisme de Foncier Solidaire (OFS) and the Bail R  el Solidaire (BRS) created a legal structure that separates land ownership from housing ownership while embedding long-term affordability. This framework allows nonprofit landholding entities to retain ownership of land and lease it to households purchasing homes, while resale conditions ensure that properties remain affordable to future buyers. By formally recognizing this shared-equity model in national legislation, France has created a standardized system that municipalities, lenders, and housing providers can use to develop permanently affordable homeownership.

In summary, France's legislative framework allows:

- Simplification of the long-term lease (FR *bail    long terme*), ultimately reducing the price of BRS properties to the intended buyers.
- Application of a reduced VAT rate on the acquisition of new property (5,5% against the regular 20%)
- Municipal authorities are allowed to adapt their local land tax which, when they decide for it, must grant a reduction of at least 30% over the regular charge.
- Possibility (for OFSs) to obtain long-term loans (up to 80 years)
- First buyers can benefit from a 0% interest rate loan, applicable to a share of the principal (up to 50%, with applicable limits depending on factors such as household income, value of the property, etc.).

The French model also demonstrates the importance of strong public partnerships. Local authorities can support these initiatives by providing land, facilitating the creation of OFS entities, and integrating the BRS mechanism into local housing strategies. This alignment between national legal frameworks and local implementation has helped make community-led housing models part of mainstream housing policy.

¹ Lincoln Institute of Land Policy. *International Commentaries on Preserving Affordable Homeownership: Public Partnerships with Community Land Trusts*. Cambridge, MA: Lincoln Institute of Land Policy, 2024. See chapter on France (H  l  ne Morel), p. 36-46.
<https://go.lincolninst.edu/intl-commentaries-preserving-affordable-homeownership.pdf>



More broadly, the French experience illustrates how enabling legislation and institutional recognition can create the conditions for scaling community ownership models. By establishing dedicated legal instruments and integrating them into existing housing policy frameworks, governments can support mechanisms that preserve affordability over the long term while expanding access to homeownership.

Case study: Ireland's policy wins and losses to scaling community-led housing

Ireland has taken an important first step in recognising community-led housing into national legislation, but this formal recognition has yet to translate into meaningful support or scale.

Community land trusts are referenced for the first time in Irish legislation in the *Affordable Housing Act 2021*, which amended housing law to allow local authorities to “enter into arrangements with a community-led housing organisation, a housing co-operative or a community land trust” as part of affordable housing delivery. This provision marks a rare policy acknowledgement of community-led models that seek to de-commodify housing and embed community agency in addressing local housing needs.

However, legal recognition is not enough: there is no statutory definition of what constitutes a CLT or community-led housing project within the Act or wider regulatory frameworks, leaving implementation ambiguous and local authorities without clear operational guidance. Community-led housing thus has no designated budget, workstream, or mandated support structure that enables their development. As one housing commentator put it at the time of legislative change, this “is a start, but doomed to failure unless infrastructure follows.”²

In practice, centralised planning processes and limited institutional capacity have constrained uptake. Ireland’s housing system remains highly centralised, with national bodies such as the Land Development Agency (LDA) and the Housing Agency driving affordable housing delivery, aggregating public land, and initiating large-scale developments. Local authorities have limited decision-making authority, and local councils lack the mandates, resources, and know-how to effectively partner effectively with community-led housing providers.

The absence of a supportive infrastructure also creates practical barriers on the ground. Community-led housing groups struggle to navigate planning, secure land, and finance early-stage development because there is no pre-development grant stream or risk-sharing mechanism to support them - a constraint that research and CLT practitioners elsewhere have identified as a key bottleneck. Without mechanisms to underwrite costs such as planning risk or to provide low-interest early capital (as done in some European contexts, like France and Switzerland highlighted above), community groups face a disproportionate barrier to develop housing.

Local pilots illustrate these challenges well. In rural areas of southwest Ireland, such as in Kerry County where Irish-speaking villages seek to remain and maintain community viability, are increasingly being pushed out due to rising home prices as a result of short-term rentals and second-home buy-up. A recent analysis identified 1,009 short-term lets (e.g. Airbnbs), compared to just 33 homes available for long-term rent (a ratio of 31:1),³ illustrating the extent to which an unregulated housing market can rapidly displace residential supply and local communities.

At the same time, community groups attempting to deliver housing solutions encounter rigid and often ill-suited regulatory thresholds. For example, in County Kerry, proposed developments of fewer than 10 homes were deemed too small to qualify for cost-rental and other state-supported schemes, which are designed to operate “at scale” and typically require a minimum of 10 units. In small, rural communities, however, developments of 4–8 homes can represent a significant intervention relative to local housing need. The exclusion of such projects highlights a structural mismatch between national funding criteria and the

² Breda O’Brien, Irish Times (2021) *Ireland needs to fully embrace community-led housing*. <https://www.irishtimes.com/opinion/ireland-needs-to-fully-embrace-community-led-housing-1.4634996>

³ Brennan, C. (2026, March 13). *Some counties have 25 times more Airbnbs than homes to rent, new report finds*. Irish Examiner. <https://www.irishexaminer.com/news/arid-41809421.html>

realities of rural housing delivery, reinforcing a policy architecture that prioritises large, standardised developments over smaller, community-driven solutions.⁴

Although community-led housing groups and advocates are building momentum - as seen in the creation of Cork Community Land Trust⁵ and Trí Síolta Community Land Trust⁶ - the absence of dedicated fiscal frameworks, statutory definitions, and institutional support means that these models remain marginal rather than mainstream tools in Ireland's affordable housing toolbox.

In summary, Ireland's key policy win is the formal recognition of community-led housing in the Affordable Housing Act 2021, a foundational milestone that legitimises these approaches in national housing law. Yet the major policy losses lie in the implementation gap: recognition without definition, strategy, funding streams, or local authority capacity has left community-led housing under-resourced, poorly understood, and unable to scale.

3. On- and off-balance sheet debate

In **Belgium**, when municipalities provide guarantees or low-interest loans to cooperatives or CLTs, these often appear "on-balance sheet," counting toward a Member State's public debt under the Stability and Growth Pact. This discourages local governments from investing in housing for fear of breaching deficit limits. As confirmed by the regional governments of Brussels and Flanders, public guarantees are not considered ESA-neutral and are therefore debt in the budget sheet.

Similarly, in **the Netherlands**, municipalities are often reluctant to engage in long-term land arrangements (such as long-term leaseholds, guarantees, or revolving affordability mechanisms) because these can affect municipal balance sheets and financial reporting rules.

Tied to the challenge of legal recognition, in many examples, public financial institutions raise their Risk-Weighted Assets (RWA) rates for housing cooperatives and CLTs as they are not recognised by the competent national/regional authorities.

The EU could provide guidance on "Housing Investment Neutrality." By classifying long-term investments in non-profit, community-led housing as "strategic investment" rather than "ordinary expenditure," and treat it as a new private-public partnership model in which collaborative housing is acting as a private partner, Member States can leverage the Social Economy Action

⁴ We highly encourage you to review SOA's publication that builds out potential pathways for community-led housing development within Ireland's policy framework and housing context: SOA Research CLG. (2021). *Roadmapping a viable community-led housing sector for Ireland: Overview handbook*. Dublin: SOA Research CLG.

https://soa.ie/wp-content/uploads/2021/05/roadmapping_clh_overview.pdf

⁵ See more: <https://www.cclt.ie/>

⁶ See more: <https://www.trisiolta.ie/>

Plan to treat these as assets with high social returns, potentially moving them off-balance sheet or allowing for more flexible fiscal treatment.

4. Unfair taxation

When CLTs and housing cooperatives are not legally recognised as social or affordable housing providers, they are taxed according to existing real estate regulations for private actors, often at higher rates than other social housing providers.

In Flanders (Belgium), because CLTs do not fit neatly into existing housing categories, taxation rules are often unclear. In practice, CLTs frequently end up paying the highest VAT rates or registration taxes, while at the same time being required to follow complex public procurement procedures. This combination significantly increases development costs and administrative burden, meaning community-led affordable housing projects often face more complex and expensive procedures than both private developers and traditional social housing providers.

Section 2. Barriers to investment & frequent financing bottlenecks:

Investment mobilisation for non-profit housing is a priority and is already included under Action 7 of the Affordable Housing Plan. What are the frequent bottlenecks in accessing financing?

1. The hard-to-fund activities: Pre-Development & Land Acquisition

A. Land Acquisition

The main financing bottleneck lies in long-term financing for land acquisition. Land represents one of the greatest expenditure items, ranging from 20% to 60% of the total cost of development in areas under land pressure.⁷

In **Sweden**, access to land is a huge challenge. Legislation does not permit municipalities to allocate land at a reduced price to collaborative housing projects, as a result of competitiveness in procurement processes. One solution would be to provide early stage, pre-development funding that could support or balance land acquisition costs - however, this model of financing does not exist and is uncertain from a legal perspective.

In **Flanders**, the main financing bottleneck lies in long-term financing for land acquisition. The CLT model generates most of its income through resale formulas that preserve long-term affordability, while the ground lease fee (canon) remains intentionally low to keep housing affordable. As a result, there is often a time gap between initial investment and stable revenue streams. To address this, CLTs need financing structures that include a grace period during which repayments are postponed, allowing projects to reach a stage where resale revenues or lease payments can cover costs. Bridging this initial period requires patient, long-term capital that is adapted to the financial logic of permanently affordable housing models.

In **Switzerland**, the biggest structural obstacle is land: in high-demand areas, land prices and competition from speculative investors make it difficult for non-profit actors to secure sites. Planning and approval processes are often lengthy and fragmented, which increases pre-development risk and penalises smaller, community-led actors. In addition, renovation, densification and adaptive reuse are technically and socially complex, especially when projects aim to preserve affordability, minimise displacement and meet high environmental standards. The Swiss example shows that the real bottleneck is often not construction lending alone, but the absence of patient, low-cost finance across the whole project cycle.

B. Pre-Development Financing

In **Sweden**, collaborative housing projects take 5-10 years to come to fruition and there is almost no support for this pre-development stage (only a government start-up grant of 400' SEK which is only enough for a small fraction of the costs). Grant support, coupled with low-interest loans are needed, where the payback begins only once residents have moved in. In addition,

⁷ https://vb.nweurope.eu/media/11599/fmdv_financial-guide_en_feb2020_light.pdf (page 10)

state and municipal support is needed for the collaborative housing sector in the form of collateral for loans to keep interest rates low and affordable land allocation.

In **Switzerland**, Cooperative housing creates stable, low-speculation value over decades, but banks often assess it through short-term collateral and return metrics. Smaller or newer cooperatives are especially exposed because they need support before construction starts: acquisition finance, guarantees, project development finance and bridge finance.

Flanders: For Community Land Trust Leuven, access to pre-development finance (for project preparation and development) is generally manageable and can be obtained at reasonable interest rates.

2. Lack of appropriate financial mechanisms and tools

A key barrier to scaling collaborative housing across Europe is the lack of appropriate financial mechanisms and tools. Affordable and non-profit housing models typically generate lower or capped returns, making them less attractive to conventional investors and poorly served by mainstream financial products. As a result, providers often operate within a “funding vacuum”, where financing is either unavailable or only accessible under unfavourable conditions. Addressing this gap requires the development of tailored financial ecosystems, including public and ethical banking, patient capital, and mechanisms such as guarantees or grants that can unlock additional lending. At the same time, there is a need to better align financial regulation and investment frameworks with the long-term social value of these models.

In the **Netherlands**, Dutch banks are still unfamiliar with ownership structures where residents own the building and not the land. This creates uncertainty around mortgage provision for CLT homeowners and can result in higher perceived risk or more complex financing processes.

More broadly, urban development processes in the Netherlands are largely structured around commercial developers and housing associations. Community-led initiatives often struggle to access land, planning processes, and development expertise within this system.

In **Germany**, cooperative housing providers face structural financing barriers linked to equity requirements and regulatory frameworks. To access favourable loans, cooperatives are often required to provide up to 30% equity, while key elements of their model - such as lease value - are not recognised as equity substitutes. This creates significant entry barriers, particularly for projects targeting low-income households who cannot contribute capital through share purchases.

In addition, prudential regulations, including the Basel III framework, result in newly established cooperatives being classified as higher-risk borrowers, limiting access to affordable credit. While past programmes (e.g. through KfW) have demonstrated the value of targeted public financing,

there remains a need for grant-based instruments, equity-like support, and stronger public guarantees to enable cooperatives to leverage private finance.⁸

Across countries, these examples point to broader systemic issues: financial institutions are not sufficiently equipped or incentivised to support collaborative housing, and existing regulatory frameworks can disproportionately constrain smaller, high-impact actors such as ethical banks and cooperatives.⁹ Developing a more enabling financial ecosystem—including tailored lending products, public guarantees, and better integration of social value into investment criteria—will be essential to unlocking investment at scale.

Section 3. Possible or existing financing solutions

There are already innovative and successful financing mechanisms and models that support community-led & non-profit housing - what are the existing experiences and reflections for how these financing models work in practice?

In Italy, a particularly promising tool could be to give anti-speculative housing models like CLTs access to the vast, unused public real estate portfolio - with precise rules to prevent speculative outcomes. Past Italian experiences with subsidized housing had a similar starting point, but after a few years, the land was reunited with the housing unit, which then fully entered the speculative real estate market and the initial public investment was 'lost'.

Furthermore, financial instruments could be activated, for example, by the Italian Cassa di Risparmio e di Credito or European public banks, which combine grant elements with patient, low-cost credit instruments. This could mirror aspects of the **French approach**, who leverage patient capital in the Caisse de Dépôts to reinvest in affordable housing, including for OFS - the CLT equivalent in the French context.¹⁰

The current Public Sector Loan Facility is an interesting move, however, the minimum amount of €12.5 million remains too high for community-led entities, which ultimately remain excluded from such instruments. The issue of financing thresholds is frequent - for example, direct EIB loans start around €25 million (often much higher), which exceeds project size of most collaborative housing projects.

⁸ European Community Land Trust Network. 2022. *Policy Barriers to Growth + Opportunities*. July 2022. <https://static1.squarespace.com/static/62a1f10a62a5e9291081c078/t/65e0815b46cf15572944252e/1761125835838/Copy%20of%20European%20Community%20Land%20Trust%20Network%20-%20policy%20barriers%20and%20opportunities%20.docx.pdf>

⁹ Ghilardi, Anna. 2025. *From Assets to Access: Ethical Finance to Leverage Social Housing*. Brussels: The European Federation of Ethical and Alternative Banks and Financiers (FEBEA). https://febea.org/wp-content/uploads/2025/04/Policy-Paper_Social-Housing-1.pdf

¹⁰ We encourage you to read the history and case study from the French OFS, starting on page 35: Lincoln Institute of Land Policy. *International Commentaries on Preserving Affordable Homeownership: Public Partnerships with Community Land Trusts*. Cambridge, MA: Lincoln Institute of Land Policy, 2024. See chapter on France (Hélène Morel), p. 36-46. <https://go.lincolnst.edu/intl-commentaries-preserving-affordable-homeownership.pdf>

Case Study: Switzerland's financing solution for cooperative housing

In Switzerland, the most relevant lesson is that housing cooperatives are financed through a layered system of public-interest instruments, not through a single grant.

At federal level, the *Fonds de roulement* provides low-interest, repayable loans for the construction, renovation and acquisition of affordable rental housing, and in some cases even land acquisition. The federal housing office also supports the EGW/CCL bond-issuing cooperative, which raises capital on the bond market with federal backing and on-lends it to non-profit housing providers at cheaper fixed rates. This is coupled with the HBG/cch guarantee cooperative, whose guarantees can support financing up to 90% of investment value and reduce interest costs. On top of that, the sector has created its own complementary tools: the *Solidaritätsfonds* offers low-interest, repayable loans to capital-poor but viable cooperatives, including for renovation, while Solinvest can provide temporary equity participation for small or new cooperatives that otherwise could not close their financing gap.

What makes this particularly relevant for collaborative housing initiatives is that these models encounter many barriers before the construction phase: they struggle with land acquisition, early feasibility work, equity requirements, and the need to carry a project for years before rental income begins.

Swiss instruments are effective because they address those specific gaps. The *Fonds de roulement* works as residual or bridge finance; the HBG/cch lowers the collateral hurdle; EGW/CCL gives access to long-term fixed-rate debt on better terms than a standalone borrower could secure; and Solinvest helps with the equity problem that is often decisive for smaller, community-led actors. In other words, the Swiss system does not assume that collaborative housing should compete on the same terms with mainstream developers; it recognises that if public authorities want permanently affordable, non-speculative housing, then finance has to be structured differently.

In practice, this means that local authorities play the crucial role of determining whether and which collaborative housing projects will move ahead, as the key bottlenecks frequently arise at local level: access to land, planning risk, upfront development costs and the conditions attached to public support.

Municipalities can therefore play a decisive role by making land available on affordable long-term leasehold terms, reducing uncertainty in planning and permitting, offering local loans or targeted contributions, and ensuring that public support is linked to long-term affordability and non-speculative use. In this sense, local authorities do not simply add another subsidy layer; they help lower total project risk and improve bankability, which in turn makes it easier for collaborative housing actors to access and combine wider financing instruments.

In relation to the EAHP, the EU should build financial instruments and MS guidance for collaborative housing around the same four functions.

1. First, it should support cheap long-term debt, for example through EIB-backed lending windows or housing bonds channelled via national promotional banks.
2. Second, it should create revolving or subordinated loan funds for acquisition, renovation and bridge financing, because collaborative housing actors often need patient capital before conventional lending becomes available.
3. Third, it should expand guarantee instruments, especially for smaller cooperatives and CLTs that do not have large balance sheets but do have strong long-term affordability commitments.
4. Fourth, it should make room for equity-like support, whether through recoverable grants, temporary equity participation, or dedicated seed-capital facilities, because this is often the missing piece for new and growing community-led organisations.

That is the real Swiss lesson: collaborative housing becomes financeable when public investment reduces the cost of capital, socialises part of the early-stage risk, and rewards long-term stewardship rather than short-term yield.

Case Study: Ireland's Ethical Banking Ecosystem and STAR Investment Scheme

From a financing perspective, Ireland's community-led housing sector faces a structural gap at the early development stage, where projects require relatively small but high-risk capital that is currently unavailable through mainstream channels.

Existing ethical and cooperative lenders such as Clann Credo¹¹ and Community Finance Ireland,¹² as well as the credit union sector, represent important emerging sources of aligned finance. However, these institutions operate under tight regulation from the Central Bank of Ireland, limiting their ability to lend to collaborative housing projects without strong collateral (typically land).

Existing examples suggest viable alternatives, including philanthropic revolving funds such as the CAF Venturesome,¹³ which provide early-stage finance that is repayable only if

¹¹ <https://www.clanncredo.ie/>

¹² <https://communityfinanceireland.com/>

¹³ Read more about the CAF:

<https://www.cafonline.org/services-for-charities/funding-for-charities/social-investment/venturesome-impact-fund>

projects succeed, and public financial institutions such as Caisse des Dépôts, which offer long-term, low-interest capital to social and cooperative housing providers.

In the Irish context, there is growing consensus among practitioners that blended and state-backed financing models are required to unlock scale. One promising mechanism is the Secure Tenancy Affordable Rental (STAR) Investment Scheme,¹⁴ managed by the Housing Agency, which provides substantial upfront public investment (e.g. up to €200,000 per unit) that functions as a form of patient, conditional equity - recoverable only in cases such as demutualisation.

However, even with such support, collaborative housing providers must still secure private debt (often at relatively high interest rates) and contribute equity, which remains challenging without tailored financial products. Practitioners have therefore called for the creation of a dedicated community-led housing fund, potentially evolving into a revolving fund that recycles public and philanthropic capital over time, as well as the establishment of a state-backed lender or guarantee mechanism to de-risk participation from credit unions and mainstream banks.

More broadly, the SOA roadmap¹⁵ emphasises the need to shift from a purely on-balance-sheet model of delivery - where projects are treated as extensions of the state - towards enabling not-for-profit, off-balance-sheet developers, supported through clear regulatory frameworks, capacity-building “hubs”, and improved understanding among lenders of collaborative housing features such as resale restrictions.

¹⁴ See more: <https://www.housingagency.ie/star-secure-tenancy-affordable-rental-investment-scheme>

¹⁵ SOA Research CLG. (2021). *Roadmapping a viable community-led housing sector for Ireland: Overview handbook*. Dublin: SOA Research CLG.
https://soa.ie/wp-content/uploads/2021/05/roadmapping_clh_overview.pdf

Case Study: The emergence of a European Municipal Housing & Infrastructure Bank (EMHIB).

Goran Jeras, member of the European Alliance for Collaborative Housing, is currently securing the initial financing and plans to develop a pan-European ethical bank, referred to as a European Municipal Housing & Infrastructure Bank (EMHIB). Below is a brief outline of the goals and mode of operation:

Instead of relying on commercial banks or complex subsidy schemes, this model creates a "Public Banking Utility" on the European level owned by the cities themselves in addition with existing development banks. It acts as a last-mile development bank and follows the proven logic of the Dutch and French systems: transforming public credibility and citizen savings into the cheapest possible long-term loans for public infrastructure.

The EMHIB acts as a bridge. It pools the financial strength of hundreds of European municipalities to leverage existing cash flows of municipalities, borrow money at near-zero rates and then distributes it to public infrastructure, including affordable housing projects.

The bank doesn't just "give out money." It operates through three specialized instruments to ensure projects actually get built:

1. **Stable Long-Term Loans:** 30–50 year loans at very low interest to municipalities, local ethical and social banks, non-profit financial intermediaries (as MOBA) and large non-profit housing providers
2. **The Safety Net (Guarantees):** The EMHIB, acts as a "co-signer" for small co-ops and CHA organisations who lack their own collateral.
3. **The "Jumpstart" Fund:** Small amounts of "early money" for testing new renovation technologies, new complementary projects related to housing, etc.

To make this work for a small cooperative housing project or CLT, we use a "Local-to-European" chain. This ensures that even a group of 20 families can access the same financial power as a major developer.

1. **The Seed Stage:** A local municipal or cooperative revolving fund provides a small advance to hire architects and prove the project is viable.
2. **The Land Bridge:** The municipality (or a Land Bank) secures the land, removing the biggest cost of development from the collaborative housing provider's shoulders.
3. **The Construction Phase:** A local ethical or public bank (where it exists) provides the construction loan, but the EMHIB provides a "guarantee," so the interest rate stays low.
4. **Alternatively,** where the local ethical or public bank doesn't exist, EMHIB provides loan directly to the collaborative or public housing provider through a local agency acting as an intermediary.

5. The Forever Loan: Once the building is finished and people move in, the debt is "refinanced" into a 50-year low-cost loan from the EMHIB. This keeps rents permanently low.

The model is actually replicating a MS Success: The Role Models are The Dutch Model (BNG/NWB): These banks are owned by the state and local authorities. They borrow billions on the market very cheaply because they are seen as "safe" as the government itself. We have combined it with The French Model (Caisse des Dépôts) which uses "Patient Capital" - money from citizen savings accounts that is locked away for decades—to fund housing that lasts for generations.

Section 4. Boosting supply through renovation and unlocking latent stock:

The Affordable Housing Act (AHA) will guide how Member States prioritise renovation and tackle vacancy and renovation. Please share examples of successful community-led renovation projects that overcome hurdles related to:

- a. Construction and development costs
- b. Deliver quality, sustainable housing that enables strong social and environment outcomes.

Community-led renovation projects across Europe demonstrate how collaborative housing models can unlock vacant or underused housing stock while delivering strong social and environmental outcomes. These projects often combine incremental renovation, circular construction practices, and long-term affordability mechanisms, enabling cost control over the building lifecycle rather than only at the point of construction. However, their success frequently depends on assembling hybrid financing models—including public support, ethical finance, and community capital—and on regulatory frameworks that allow access to existing buildings and land.

There is a lot to learn from the mainstreaming of energy renovation and energy communities - and there is a need to further link this with housing communities. CLTs and housing coops should be recognised as a key enablers in citizen-led renovation schemes, alongside with energy communities, and therefore should be recognised as such and supported by the DG ENER Citizen-Led Renovation initiative. Several existing CLTs housing projects are working together with energy communities, such as CLTB with Brupower in Brussels.

Research shows that community-led models encourage circularity in housing projects.¹⁶ Community ownership creates favorable conditions for circular building designs such as

¹⁶ M Lespagnard et al 2024 IOP Conf. Ser.: Earth Environ. Sci. 1363 012109

pre-form and re-use¹⁷ and reduces costs through the implementation of reusable building materials. Once homes are built and residents are moved in, community-led housing projects use a number of circular methods that reduce household and community carbon footprint. In a study conducted by the Circular Building Coalition, researchers found that community-led housing initiatives used 61 unique circular methods, including both circular design and circularity in use.¹⁸

1. France (Lille, Rennes Métropole)

In Lille and Rennes, public authorities have used the Organisme de Foncier Solidaire (OFS) mechanism - the CLT equivalent in France - to enable district-level renovations.

In Lille, municipalities are acquiring vacant or underused social housing units, renovating them at scale, and transferring them into OFS schemes to create permanently affordable homeownership. This approach generates economies of scale in renovation, supports phased refurbishment by providing temporary housing solutions, and ensures that public investment translates into long-term affordability.

Feasibility studies under the Upcycling Trust¹⁹ and AREC Reno²⁰ projects further show that CLT-type mechanisms can facilitate collective renovation of condominiums, combining technical coordination with community governance to support and engage vulnerable residents, prevent 'renovictions', and unlock additional supply of housing.

Guidance on how CLTs can be used by public authorities to accelerate collective renovation will be published in November 2026 under the AREC Reno project (LIFE) based on pilots in France, Italy, Germany and Ireland. Key advantages identified of using CLTs in collective district-level renovation:

1. Investments in renovation double as creation of affordable housing thanks to the anti-speculative mechanism,
2. Community-led governance facilitates social support to include vulnerable residents, while it drives collective decision-making among residents

¹⁷ Preform building, also called open building, involves separating structure and infill, often resulting in structural differentiation based on the building layer's life span. Room series is a design method where the functions of different spaces can be interchangeable. As a result, the dwelling can respond to the changing needs of residents without construction interventions.

¹⁸ Parker-Tong, Laura, Thieme Hennis, and Thijs Gieben. 2024. *A Social Foundation for Material Impact: Community Land Trusts as Drivers of Circularity for a Just Transition*. Circular Building Coalition. https://assets-global.website-files.com/6540cf880126ab97b2f349fc/65d3ca8c9a4ac088583ed959_240215-Whitepaper-And_The_People-Social_Foundation_for_Material_Impact_compressed.pdf

¹⁹ Read more on the Upcycling Trust project: <https://upcyclingtrust.nweurope.eu/about>

²⁰ Read more on the AREC Reno project: <https://www.energiesprong.org/project/arec-reno/>

2. Spain (Catalonia: Barcelona, Manresa, L’Hospitalet de Llobregat)

In Catalonia, cooperative housing models have successfully unlocked existing housing stock through acquisition and renovation.

Case Study: Cooperative housing in Mandresa prevents evictions and ensures permanent affordability

In Manresa, the Cal Bloke project²¹ transformed a recently built but speculative asset—previously held by investment funds—into a cooperative housing project under a right-to-use model, ensuring long-term affordability while preventing eviction.

The Cal Bloke project, a new housing cooperative in use-right located in Manresa (Barcelona province), was recently constituted at the end of the last year. It is the first inhabited housing block in Spain to transition from ownership by an investment fund to cooperative ownership. The right-to-use housing model represents an alternative between ownership and renting, operating outside the speculative housing market while fostering community living and collective responses to housing insecurity.

The building consists of seven dwellings built in 2013 in the Vic-Remei neighbourhood, an area that has recently increased in value, particularly after the Polytechnic University of Catalonia (UPC) began restoring a former factory in 2024 to host its new technology campus. This development triggered new speculative real estate pressures.

Originally, the property belonged to Solvia (Banco Sabadell’s real estate branch) but later passed to Promontoria Coliseum, a company linked to the US investment fund Cerberus. The building was first recovered for social use in 2015 by housing activists associated with the PAHC (Platform for People Affected by Mortgages and Capitalism) in the Bages region.

After years without interest from the owners in renting or selling the building, Promontoria Coliseum decided in February 2025 to sell the entire block. Facing eviction orders, the residents sought alternatives that could provide long-term housing stability and eventually connected with the housing cooperative movement, particularly La Dinamo Fundació, which supported the process of transferring the building to a cooperative structure.

Through this process, the building was removed from the speculative market and converted into cooperative housing in use-right, contributing to a broader effort to transform housing ownership structures.

²¹ Read more: <https://ladinamofundacio.org/project/cal-bloke/>

Case study: Cooperative housing and renovation financing in Catalonia

In L'Hospitalet de Llobregat, one of the most densely populated cities in Europe, the Les Junes cooperative²² adopts a dispersed renovation strategy, acquiring individual apartments at risk of speculation or eviction, and integrating them into a collectively managed housing network, with renovation works partly supported through mutual aid.

Similarly, in Barcelona, partnerships between tenant movements (e.g. Sindicat de Llogateres) and cooperatives (e.g. Sostre Cívica) have enabled residents to remain in their homes following acquisition and renovation. In 2024, Sostre Cívica received the first and largest CEB loan to a housing cooperative in Europe: 31 million to finance over 350 cooperative housing units on public land.

Catalonia offers one of the most supportive regulatory frameworks for cooperative housing in Spain. Key policies underpinning this include the Decree-Law 1/2015, which introduced pre-emption rights (tanteo) allowing the regional government to acquire properties from foreclosure processes, with the possibility of transferring this right to housing organisations.

Financial support through the Institut Català de Finances (ICF) to facilitate acquisitions for social housing purposes. These mechanisms enable cooperatives to acquire housing, maintain it in cooperative ownership for decades (typically 75 years), and eventually integrate it into the public housing stock.

However, challenges remain, particularly regarding access to sufficient financing, as current credit limits often fall below market prices in cities like Barcelona.

3. Italy (Torino)

In **Italy**, CLT Torino²³ illustrates how community-led renovation can deliver both environmental and social value in a context of limited structural support. The project renovates an existing building using energy-efficient design and material reuse, while ensuring permanent affordability through a CLT approach.

Due to limited access to conventional financing and public support, the project relies on a blended financing model, including crowd-lending, bank loans, grants, and crowdfunding, alongside significant volunteer input. While effective at pilot scale, this approach highlights the need for more stable and scalable funding mechanisms, such as facilitated access to public buildings or dedicated financial instruments, to replicate such models more widely.

²² Les Junes was an award winner in 2026 for the World Habitat Awards, recognising innovation in housing around the world:

<https://world-habitat.org/awards/winners/les-junes-for-housing-cooperatives-and-social-cohesion/>

²³ You can read more about CLT Torino here:

<https://www.fondazioneportapalazzo.org/per-un-community-land-trust-a-torino/>

Section 5. Access to Land

What are concrete examples for how public authorities or non-profit housing providers are able to address and unlock access to land, and what are the recommendations for land use - i.e. land lease terms, structure and governance?

Case Study: A good example of public land use and retention in Switzerland

The Swiss experience strongly suggests that an effective long-term tool is public land retained in public ownership and allocated to non-profit housing through long leasehold arrangements.

A strong Swiss example is Zurich. The city prioritises giving municipal land for non-profit housing through leasehold (DDP), allowing the city to retain landownership, while a non-profit housing provider builds and manages the homes. This approach is significant: there are currently around 225 such leasehold contracts. The city has also anchored a political target of raising the share of non-profit housing to one third of all rental dwellings by 2050, with leasehold identified as one of the core tools for reaching that goal.

This land instrument keeps land in public hands, and allows the city to attach affordability conditions through cost-rent and control mechanisms. Zurich also requires that supported non-profit providers must rent on a cost-rent basis, and that the city monitors compliance with rent and occupancy rules. In other words, leasehold is not just a legal form: it is a way to convert public land into permanently affordable housing rather than one-off discounted development.

Another example is the Geneva cantonal Plan d'action coopératives. The canton put in place a package of measures in 2016 that included making available more than 100,000 m² of land from the State or the FPLC (public rights foundation which aims to acquire land for the State) for cooperative housing, with the objective of producing around 1,000 dwellings for cooperatives. Cooperatives benefit from land leaseholds or "droits de superficie distincts et permanents (DDP)", which give access to land on advantageous terms for housing delivery.

The Fondation pour la promotion du logement bon marché et de l'habitat coopératif (FPLC) is one of the clearest Swiss examples of a public land instrument dedicated to affordable and cooperative housing. Its core role is to acquire land in the canton of Geneva, hold and develop it, and then make it available for housing of public utility, including cooperatives, often through long-term DDPs rather than sale. This gives Geneva a permanent public tool to secure land before prices rise further, steer development toward affordable housing, and preserve long-term public control over strategic sites. According to its 2024 activity report, the FPLC had 19 development perimeters in progress, representing 1,207 potential dwellings, and between 2020 and 2024 it acquired 10 parcels.

In Geneva, the canton stated in 2025 that the annual ground rents paid by housing cooperatives amount to CHF 5.4 million per year to the State of Geneva and CHF 1.6 million per year to the FPLC. The same official answer says that, over the full duration of the DDP and without rent indexation, the ground rent yields on average 2.8 times the land acquisition price for the State and 3.4 times the land acquisition price for the FPLC. The land is not given away, and over time the public owner receives substantially more than the original acquisition cost while also keeping the land in public ownership. DDPs are generally lasting between 75 and 99 years. Geneva's 2026 budget discussions state that the canton has around 300 DDPs, and that these remain on the State's balance sheet because the land stays publicly owned and valued, even though the building belongs to the leaseholder during the term of the DDP. That matters financially because a sale removes the land asset from the public balance sheet, whereas a DDP preserves the asset while also generating revenue.

At the municipal level, another important family of instruments is the new Wohnraumfonds model. In Zurich, voters approved a CHF 300 million municipal housing fund that can support public and non-profit housing providers that buy land and buildings and then build or renew affordable housing. This is not a land bank in the same way as the FPLC, but it is a powerful land-acquisition instrument because it gives the city and non-profit providers dedicated capital to secure sites before they are lost to the market.

A useful regulatory complement to financial instruments is a combination of pre-emption rights and planning tools. In the Swiss debate, housing cooperatives have argued that a municipal pre-emption right would give public authorities a real chance to step in when strategic land or existing buildings come onto the market and then transfer them to non-profit providers instead of losing them to speculative buyers; this remains a gap at federal level, since the National Council rejected two such proposals in December 2024, even though 80% of surveyed urban municipalities and cities said they support a pre-emption right. Alongside this, planning tools can help create opportunities even where public authorities cannot buy directly: municipalities can reserve sites or a share of development potential for non-profit housing, attach affordability conditions to zoning or development agreements, or use density bonuses and similar incentives to improve the viability of cooperative projects. Together, these tools matter because they act upstream of finance: they give public authorities a better chance to secure land and shape development conditions before cooperative or community-led projects are priced out of the market.

Pre-emption rights and planning tools are relevant to the EU Affordable Housing Act because they help public authorities and collaborative housing actors such as cooperatives and CLTs secure land before it is lost to speculative competition. While land law remains national or local, the EU can encourage Member States and cities to strengthen municipal land powers, mobilise public land, reserve sites or development rights for non-profit housing, attach affordability conditions through planning, and simplify procedures for community-led

projects. This matters in practice because EU finance is far more effective when public authorities can also shape access to land and reduce development risk upstream.

1. Barcelona: Right-to-use for non-profit and cooperative housing

In Barcelona, the ESAL Agreement²⁴ provides a strong example of how land access barriers can be addressed, with the goal of developing or refurbishing around 1,000 housing units for affordable rent and cooperative use. The framework enables the city to mobilise publicly owned land and buildings for affordable housing by allocating them to non-profit entities, foundations, and housing cooperatives. Rather than transferring ownership, the municipality grants long-term surface rights, allowing these organisations to develop and manage housing while ensuring that the land remains in public ownership and is permanently dedicated to social and affordable use.

A key feature of the model is its organised and transparent allocation process, which combines sector expertise with public oversight. Projects are first reviewed by committees representing the social and cooperative housing sector, which identify the most suitable proposals for each site. Final decisions are then made by a municipal designation committee. This approach not only safeguards public land from speculative pressures but also strengthens the role of non-profit actors in housing delivery and decision-making, enabling a significant pipeline of affordable and cooperative housing across the city.

2. Amsterdam: Public leasehold allocation to housing associations

In Amsterdam, land access is structured through a long-standing public leasehold system (erfpacht), which enables the municipality to retain ownership of most urban land while facilitating its development for public interest purposes. Rather than selling land, the city grants long-term lease rights—typically for periods of 50 to 75 years or more—to developers, housing associations, and, in some cases, cooperative initiatives. Leaseholders are granted the right to build and use the land in exchange for a ground rent (canon), ensuring that land remains under public control while still enabling development.

A central role in this system is played by housing associations (woningcorporaties), which are non-profit organisations responsible for a significant share of affordable rental housing in the city. Through the leasehold model, these organisations can access land under conditions that support long-term affordability, allowing the municipality to align land policy with housing objectives. This approach demonstrates how public land ownership, combined with long-term use rights, can provide a stable foundation for non-profit housing provision while preventing land from entering speculative markets.

²⁴ Read more:

<https://ajuntament.barcelona.cat/economia-social-solidaria/en/actualitat/noticias/barcelona-city-council-signs-the-first-use-of-land-rights-of-the-esal-agreement-with-the-housing-cooperatives-abril-and-la-domestika-2-1200200>

3. Croatia: Public land transfers to cooperative housing providers

In Croatia, the legal framework places non-profit housing cooperatives in a position comparable to public housing providers, particularly in relation to land access. Public authorities can transfer land to cooperatives free of charge, recognising their role in delivering affordable, non-speculative housing and lowering one of the primary barriers to development.

This arrangement is underpinned by safeguards that ensure the long-term public value of these assets. In cases where a cooperative is dissolved, ownership of its property reverts to the municipality. This provision reduces the risk of asset privatization and helps justify the initial public contribution of land, while reinforcing the principle that housing developed through such mechanisms should remain within a non-speculative and socially oriented framework.

4. Italy: Fragmented housing policy and privatisation of public assets

In Italy, the absence of a coherent national policy framework for social and collaborative housing significantly constrains access to land and buildings for models such as Community Land Trusts (CLTs). Without structured mechanisms to prioritise or facilitate land allocation for non-profit housing, public authorities lack the tools to systematically support these initiatives, limiting their ability to scale.

At the same time, this gap persists despite the significant availability of publicly owned vacant and underused properties across the country. In practice, current legal and administrative frameworks often make it easier for public entities to dispose of these assets through sales to private, speculative investors rather than transferring them to organisations committed to long-term affordable housing. This represents a missed opportunity to leverage public land and buildings for social purposes and to support the development of non-speculative housing models.

5. Sweden: Leasehold system for housing providers

In Sweden, municipalities have the possibility to facilitate access to land through the *tomträtt* system, a long-term leasehold arrangement that allows housing providers to use land without purchasing it outright. By spreading land costs over time and retaining public ownership, this model can improve affordability and limit speculative increases in land value. However, in practice, *tomträtt* has not proven sufficient to ensure access for households with average or lower incomes, nor to effectively prevent processes of gentrification.

Additional constraints arise from the financial and institutional context. Banks often have limited familiarity with leasehold structures such as *tomträtt*, which can lead to higher borrowing costs or even loan refusals compared to projects on freehold land. At the same time, emerging efforts to introduce Community Land Trusts (CLTs) in Sweden highlight both potential and uncertainty. A growing national network is exploring pilot projects, but questions remain about how existing legal frameworks—particularly provisions such as “three-dimensional property formation”—can support the long-term separation of land and buildings required for CLT models.

6. Flanders: Leveraging private partnerships where public land is lacking

Community Land Trust Leuven is exploring expansion beyond Leuven to neighbouring municipalities where land may be more accessible and neighbouring cities are more likely to support the model following the example of the city of Leuven who already put 5 million aside for the first projects.. By developing projects in surrounding cities and towns, the organisation aims to build a critical mass of land and housing projects, generating financial stability that could later enable the acquisition of land in high-demand urban areas such as Leuven.

Within the city we are looking for win-win partnerships: CLT is exploring partnerships with local employers who rely on key workers within its target group, creating potential win-win solutions for affordable housing provision. One of the biggest aims is to keep these keyworkers in the city, since they need to be physically present to do their job within the city.

Opportunities are also being investigated through cooperation with long-term institutional landowners, such as KU Leuven and UZ Leuven, who could help safeguard land for permanently affordable housing through long-term land leases.