European Alliance for
Collaborative Housing

Collaborative Housing Lending & Finance

Answer to request by the EU Affordable Housing Task Force

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Collaborative Housing Lending & Finance

Collaborative housing models embed legal and governance structures that apply price-capping mechanisms on resale and rental rates, limit speculative price-hikes, and prioritise resident participation in decision-making that lock in affordability in perpetuity. **These core characteristics of collaborative housing present the following advantages for lenders:**

1. **Asset-lock and permanent affordability mechanisms:**

- **Secures long-term asset stability and lower credit risk** by ensuring lower vacancy rates and lower delinquencies and foreclosures.[1]
- **Anti-speculation clauses lock in initial investment** to create value not just once but in perpetuity, buffering it against market dynamics (including value depreciation) over time.

2. **Community-led governance:**

- **Promotes neighborhood buy-in for construction, renovation and regeneration projects** - effectively turning NIMBYs into YIMBYs - as a result of collective decision-making and community-driven development.
- **Developments are more flexible, agile, and attuned to place-appropriate measures.** They deliver higher-than-average standards of social and environmental outcomes as a result of aligned stakeholder incentives.
- **Collaborative housing organisations leverage local resources, partnerships, and grants more effectively** as a result of wide stakeholder participation in their governance, therefore reducing delivery risks.

By definition, collaborative housing solutions generate capped financial returns (in the form of rent ceilings, land lease caps and the capture of land value), and this is one of the main conditions to delivering permanently affordable housing. As a result, these models are poorly

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[1] Research (Thaden, 20111) shows that mortgage delinquency and foreclosure rates among the owner-occupants of resale-restricted houses and condominiums in CLTs across the United States was lower than that of other owner-occupants of conventional market-rate housing. While the affordability offered by the CLT model to low-to-moderate income households who enter home ownership helps to explain the low rates of delinquency and foreclosure in CLTs, the research found that the stewardship activities and policies of CLTs also contribute to these outcomes. Many CLTs oversee loan acquisition, educate and support their homeowners during both the pre-purchase and post-purchase periods, interact and intervene with mortgage lenders, and intervene with homeowners at risk of foreclosure.
Read more about the report:
https://www.lincolninst.edu/app/uploads/legacy-files/pubfiles/1846_1154_lla10102_foreclosure_rates.pdf
Since the foundation of CLT Brussels in 2012, the largest CLT in continental Europe, there have been no loan repayment defaults by its residents. For more details, see the impact report of CLTB:
https://cltb.be/en/a-second-impact-report-for-community-land-trust-brussels/

served by mainstream commercial financial products and investors, as returns are generally low and long-term. To bridge this financing gap, collaborative housing providers need to be met by financial mechanisms that are aligned with the long-term social value they bring, such as public and ethical banking, resilient long-term impact investment portfolios, concessionary and blended capital.

While collaborative housing solutions reduce systemic risks by enhancing asset and return stability and delivering genuine affordability across housing markets, most initiatives are small non-profit entities with limited capacity and collateral to absorb the risks commonly faced by housing developers. This results in significant barriers to accessing financing by national and promotional banks, the EIB, and similar lenders.

These barriers - as well as possible solutions - have been captured in our recommendations to the EIB for a lending architecture that recognises collaborative housing as social infrastructure**:** ***Brief - Improving the Financing Pipeline for Collaborative Housing (July 2026).***

When assessing the financing models for collaborative housing, the conditions outlined below have to be taken into account.

De-risking collaborative housing through public support and an enabling policy environment

Where public authorities recognise and support collaborative housing models, there is greater long-term regulatory and investment certainty for lenders and investors. Direct support by the public authorities can ease finance burdens and decrease development risks, which contribute to “unlock” delivery and justify increased access to finance. Public support guarantees long-term commitment and strong alignment with the policy objectives of delivering affordable housing.

Collaborative housing solutions have access to the following public measures that improve their bankability in local contexts in Europe: (a) an enabling legal and policy framework, (b) public guarantees, (c) public loans, (d) access to land as collateral and (e) blended finance. These are outlined in greater detail below.

A. Enabling legal and policy frameworks

Legal recognition of collaborative housing models guarantees their anti-speculative mechanisms, such as the legal separation of land and building ownership, the enforcement rights, step-in rights, tenant/member obligations and long-term governance. **What this means for lenders is secured long-term, low-interest return on investment, as the enabling policy frameworks derisks the real estate market, particularly for collaborative housing providers.**

Additionally, it gives collaborative housing actors access to supportive policy frameworks (such as favourable conditions for land acquisition, land leasing, and taxation) that levels the playing field on the private market and support expansion and scaling.

Examples:

- In **France**, the mainstreaming into housing policy of the *Organisme de Foncier Solidaire* and the *Bail Réel Solidaire*, the equivalent of the community land trust model translated to the French context, provides a supportive legislative framework as well as access to preferential tax regimes and long-term loans, resulting in its expansion and scaling.
- In **Switzerland**, cooperative housing is supported by a dedicated multi-layered policy framework that provides public-interest financing instruments. This alleviates project risk at each phase of development and improves bankability, which in turn makes it easier for cooperative housing actors to access and combine wider financing instruments.
- In **Brussels**, the recognition of the community land trust model in Regional housing policy and the attribution of a multi-annual subsidy agreement recognising the CLT Brussels as social housing provider were key in improving its bankability.

B. Public guarantees

Public guarantees backed by municipalities, local or national authorities are crucial to leverage and de-risk loans. Public guarantees can also serve to reduce delivery risks by covering development cost overrun.

Example:

- In **France**, national legislation adopted in 2022 (Article 109 of the 3DS law) extended to departments and regions the possibility of guaranteeing loans granted to *Organismes de Foncier Solidaire*. This enables Organismes de Foncier Solidaire to access long-term loans, such as the Gaïa loan offered by the Caisse des Dépôts.[2]

C. Public loans

Public loans provide low-interest capital that reduces cash-flow risks for pre-development or bridge phases, which is particularly crucial for newer or smaller collaborative housing organisations.

[2] Read more about the 3DS Law: https://www.legifrance.gouv.fr/jorf/id/JORFTEXT000045197395

Examples:

- The **French NPBI Caisse des Dépôts** offers low-interest, long term Gaïa loan for the Organismes de Foncier Solidaire.[3]

- **Switzerland**[4] has a layered system of public-interest instruments for cooperative housing: At federal level, the *Fonds de roulement* (revolving fund) 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.

D. Access to land as collateral

To reduce the delivery risk and costs, public processes related to land disposal and acquisition can enable facilitated access to land for collaborative housing, for example through long-term leaseholds of public land, land banks, community right-to-buy or pre-emption rights.

The recognition of land owned by collaborative housing organisations as collateral would be crucial in many local contexts to facilitate access to commercial and public lending, in particular for newer and smaller organisations.

Examples:

- In **Barcelona**, the ESAL Agreement[5] enables the city to mobilise publicly owned land and buildings for affordable housing by allocating them to non-profit entities, foundations, and housing cooperatives with the goal of developing 1000 units. Rather than transferring ownership, the municipality grants long-term surface rights, allowing these organisations to develop and manage housing while ensuring that the land

[3] Read more about the Gaïa loan:
https://www.banquedesterritoires.fr/produits-services/prets-long-terme/pret-gaia-bail-reel-solidaire
[4] Read more in the Q&A on Barriers & Bottlenecks to Collaborative Housing shared with the Housing Task Force on March 18 2026.
[5] 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

remains in public ownership and is permanently dedicated to social and affordable use.

- In **Switzerland**, the city of Zurich prioritises giving municipal land for non-profit housing through leasehold. In Geneva, the cantonal *Plan d'action coopérative* makes available public land for the production of 1000 cooperative housing through land leaseholds or "droits de superficie distincts et permanents" (DDP). These policies allow local authorities to retain landownership, while collaborative housing organisations build and manage the homes.

E. Blended finance

Public grants and subsidies can sometimes be used by collaborative housing organisations as a guarantee and means to cover interest repayments, partial capital repayment and operational costs in the early stages of development, thus allowing to leverage additional capital.

Blended finance tools designed specifically for land acquisition can de-risk early-stage investment or provide concessional terms, enabling CLTs to compete more effectively in land markets and bidding processes while aligning with investors' broader impact goals.

Examples:

- **CLT Leuven** uses a one-off grant from the local authorities to develop a blended finance model leveraging low-interest long-term loans, such as bullet loans with deferred capital repayment.
- In **Ireland**, one promising mechanism for collaborative housing providers is the Secure Tenancy Affordable Rental (STAR) Investment Scheme[6], 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. This needs to be complemented by private debt.

Collaborative Housing & Developer Partnership

Partnership arrangements between collaborative housing and housing associations, developers and landowners offer mutual benefits that reduce financial and delivery risks. Housing associations and developers can offer scale, capacity and absorb risks, whilst collaborative housing organisations provide alignment with policy requirements (ex: inclusionary zoning) and community buy-in that prevents delays and thereby reduces costs.

[6] Read more: https://www.housingagency.ie/star-secure-tenancy-affordable-rental-investment-scheme

- **Public housing provider partnerships reduce risk** by co-financing the pre-development, raising finance, building the homes and transferring the land to the CLTs whilst managing the homes using the lease. It is easier for housing associations to raise finance due to their mixed model financing structure which involves some grant funding and some external finance. Their existing portfolios also offer them assets to borrow against.
- **Private developer partnerships reduce risk by** co-financing the pre-development work, financing and building the homes, and selling the land and homes to the collaborative housing organisation. They can improve the viability of schemes by creating the opportunity for cross-subsidy (for example with private market-rate housing) and income generation (for example from the commercial uses).

Examples:

- In **Brussels**, several projects by CLT Brussels were developed in partnership with public housing providers (ex: Fonds du Logement).
- In **France**, the Organismes de Foncier Solidaire mechanism is in many cases implemented by housing associations (ex: Organismes de Foncier SolidaireML) in partnership with private or public housing developers.
- In the **UK**, 76% of CLTs are developed in partnership with large scale housing associations and developers. See the report, *Community-led Place Stewardship: Lessons from and pathways towards transforming management of large, housing-led sites in England and Europe*, for more details.

Intermediaries for collaborative housing aggregation

Given the small size and limited capacity of collaborative housing organisations, intermediaries can play an essential role in pooling multiple projects so that the pipeline scale becomes meaningful for EIB, national promotional banks, guarantee providers and institutional co-investors. Such intermediaries can also mitigate risks by supporting local organisations with due diligence, risk-assessment and financial monitoring capacity.

Examples:

- **Sostre Civic,** a social non-profit cooperative housing developer, received a loan of 31 million from the Council of Europe Development Bank in 2024 to finance an aggregated pipeline of 300 housing units.[7]
- The European Alliance for Collaborative Housing proposes the **MOBA Accelerator** as an aggregator pilot for the EIB. Its financial architecture is presented in the *Brief - Improving the Financing Pipeline for Collaborative Housing (July 2026)*.

[7] Read more: https://coebank.org/en/project-financing/projects-approved-administrative-council/expanding-social-and-affordable-housing-in-catalonia/

Collaborative housing as enablers of brownfield development

Brownfield redevelopment is more than a technical exercise in environmental remediation and economic revitalisation: its outcomes are shaped by good governance, local community participation and the balancing of diverse - and often competing - interests.[8]

Brownfields disproportionately affect low-income and marginalised communities, who in turn face higher risks of health hazards and economic disinvestment, and are more likely to face displacement as a result of regeneration projects and increased gentrification.[9] Collaborative housing is better positioned to buffer against the negative externalities of regeneration and brownfield redevelopment than conventional development models, as outlined below.

Challenges of brownfield development

Financial risks associated with brownfield re-development include:

1. **Growing gentrification:** as areas shift from warehouse and industrial use to designated regeneration, this risks spillover gentrification, increasing land and building costs in surrounding residential areas.
2. **High remediation costs** can put strains on brownfield development and jeopardise their financial viability.
3. **Unclear planning trajectory:** brownfield regeneration typically requires complex coordination across fragmented ownership structures, involving multiple landowners and occupiers with competing interests, often leading to contestation.

Collaborative housing provides solutions to address these risks:

1. **Lower opposition risk, ensuring community buy-in**: Brownfield redevelopment, like any large-scale development, tends to generate community opposition, legal challenges, and political delay. Embedding collaborative housing in the scheme from the outset can pre-empt this challenge and speed up delivery, while also counteracting the rent and price increases that typically follow brownfield regeneration and are thus a driver of community opposition.[10] Evidence from the US, where the Environmental Protection Agency has promoted community engagement and anti-displacement strategies in brownfield reuse, supports this: early, meaningful community involvement in the cleanup and reuse process helps minimise

[8] Mehrjou, M., Ahmadi, H., & Baghernejhad, E. (2026). Power and resistance in brownfield redevelopment: a systematic review. *Urban, Planning and Transport Research*, *14*(1). https://doi.org/10.1080/21650020.2026.2710082
[9] Smart Growth America, *Strategies to Minimize Displacement: Community Land Trust* [Source]
[10] Parker-Tong, L. (2023) *Government as an enabler of Community Land Trusts in urban development programmes. The case of Bristol Temple Quarter.* [Source]

displacement.[11] In the UK, this is not a standalone approach: **76% of CLTs are developed in partnership with large-scale housing associations and developers.**

"We have to change the narrative that communities are slowing projects down. That's just not true." - igloo Regeneration's Development Director Kym Shaen-Carter, who has led a series of award-winning community-led schemes across the UK.[12]

> ***Case Study 1*** - *Martín Peña, Puerto Rico:* In Puerto Rico, the Martin Peña CLT, "the world's first favela community land trust", was developed in reaction to the dredging of the polluted San Juan canal, which threatened to gentrify the area. 5.000 informal homes were set up next to the canal after a devastating storm almost a century ago, leading to up to 30.000 people eliciting residence in the area. The CLT was set up to protect the inhabitants from relocations.[13]
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> ***Case Study 2*** **-** *Cova da Moura, Portugal:* : In Portugal, Cova da Moura, an informal settlement home predominantly to residents of Cape Verdean descent on the outskirts of Lisbon, has faced decades of exclusion from basic urban infrastructure and formal land rights, alongside recurring threats of clearance and displacement as the surrounding area has been targeted for regeneration. The community has organised for decades to resist eviction and demand recognition, leading to a deadlocked re-development. A CLT model has been proposed as a framework to secure collective land ownership, formalise infrastructure, and lock in long-term affordability, protecting residents from "renoviction" as urban regeneration moves forward.[14]

2. **Unlocking land, de-risking acquisition and delivery**: Collaborative housing can unlock sites that are unviable for conventional developers, including land available below market value or with faster procedural clearance, because mission-locked buyers prioritise non-displacement and long-term affordability over profitability. Collaborative housing schemes are often able to take on "*difficult sites which weren't on anyone's allocation list*"[15] precisely because they are not competing with commercial developers for the same land, suggesting a natural fit with brownfield redevelopment.

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[11] US EPA / Smart Growth America, *Strategies to Minimize Displacement: Community Land Trusts*, [Source].
[12] ECLTN, *State of the Sector event of 27 May 2026* [Source]
[13] Bachman, L. (2017) *An Informal Settlement in Puerto Rico Has Become the World's First Favela Community Land Trust.* RioOnWatch [Source]
[14] ECLTN, *Feasibility Study Launch: CLT-led Renovation in the Self-Built Neighborhood Cova da Moura, Portugal* [Source]
[15] Quote from the Founding Director of WeCanMake CLT. Source: Parker-Tong, L. (2023) *Government as an enabler of Community Land Trusts in urban redevelopment programmes. The case of Bristol Temple Quarter.* p. 51 [Source]

Case Study 3 - *Bristol, UK*: Bristol's Housing Enabling Manager, the municipal arm in charge of the Temple Quarter redevelopment, observes that some sites "may not be developed unless they are community-led," while also cautioning that even where community-led groups secure access to land, development can remain difficult and expensive.[16]

Case Study 4 - *Aciers Wauters, Belgium* : Revive, a commercial developer, and its Aciers Wauters project, split mandated social housing into a CLT-purchased block and a separate long-term leasehold block for institutional investors, de-risking each independently. As Revive's Geoffrey de Hemptinne puts it, partnering with a CLT on a block sale "***allows you to de-risk a significant part of the development without jeopardizing the rest of the project"*** and can also help developers hit the pre-sales rates banks require to release financing.[17]

Beyond access and delivery risk, collaborative housing also helps absorb the cost and uncertainty of remediation itself, turning contaminated sites the market has written off into deliverable assets:

Case Study 5 **-** *Dudley Neighbors Inc., Boston, US:* This pattern is not limited to Europe. The Dudley Neighbors Inc. in Boston, US, shows that even severely degraded, seemingly unviable land can become a community asset once collaborative housing takes charge of it: the site, long used as an informal trash depot, was contaminated and considered unfit for conventional development. Community land trust-led regeneration restored the site, turning environmental liabilities into long-term community infrastructure.[18] [19]

Case Study 6: *Sawmill Community Land Trust in Albuquerque*: Sawmill-Wells Park neighborhood was designated as a “blighted area” as a result of pollution and contamination, and slated for redevelopment in the 1990s. The community organized to reclaim and clean-up 7 acres of land polluted by a particleboard factory, and ended up revitalizing 27 acres of former industrial land.[20]

> “*Instead of a polluting factory whose only interest was in making money, we have a thriving community,*” says Sawmill CLT executive director Connie Chavez.[21]

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[16] Parker-Tong, L. (2023) *Government as an enabler of Community Land Trusts in urban development programmes. The case of Bristol Temple Quarter.* [Source]
[17] ECLTN State of the Sector event of 27 May 2026 [Source]
[18] RioOnWatch, *The Diversity and Global Applicability of the Community Land Trust Model, from Boston to Kenya* [Source]
[19] International Center for CLT, *Dudley Neighbors Inc.*, [Source].
[20] Adaptation Clearinghouse *Case Study: Sawmill Community Land Trust - Albuquerque, New Mexico* [Source]
[21] Simon, H., Emmeus Davis, J., Axel-Lute, M. (2012) *Cheaper Together: How Neighbors Invest in Community* Yes! Solutions Journalism [Source]

3. **Lower vacancy risk, securing revenue certainty:** Traditional brownfield development often produces private accommodation designed with little regard for the needs of the people already living nearby, creating a mismatch between what gets built and what the local market can actually absorb, directly threatening occupancy and rental income. Collaborative housing, shaped together with existing residents, is built to match real local housing needs, reducing the risk of unsold or unlet units.

   Case Study 7: CLT Brussels' Indépendance project began life as a private brownfield reconversion that failed to sell premium apartments in a low-income neighbourhood. A clear case of the mismatch described above, the site was subsequently taken on under the CLT model.[22]

4. **Institutional synergies, between community-led and -supported institutions:** Effective brownfield reuse starts with community engagement, stakeholder identification, and site prioritisation built around what the community actually needs. Many CLTs emerge from years-long social struggles, including environmental justice movements that drive de-pollution initiatives in the first place. Because the process is community-centred, it surfaces local context and needs through participation, leading to better decisions on long-term sustainability, health, and climate resilience.

   Case Study 8 - *ENLACE, San Juan*: In San Juan, the movement behind the Martín Peña CLT went further, contributing to the creation of ENLACE, an independent public corporation (45% community-led) that coordinates project implementation across housing, infrastructure, and the canal's dredging and canalisation, while guaranteeing mechanisms for citizen participation and promoting community empowerment.[23]

[22] CLTB, *Indépendance Une rénovation de 2 bâtiments à caractère industriel transformés en 21 logements à Molenbeek* [Source]
[23] Bachman, L. (2017) *An Informal Settlement in Puerto Rico Has Become the World's First Favela Community Land Trust.* RioOnWatch [Source]

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Sources:

- Questions & Answers - Barriers & Bottlenecks to Collaborative Housing - shared with the HTF on March 18 2026
- Brief: Improving the Financing Pipeline for Collaborative Housing - shared with the HTF on July 2026
- European Parliament report of July 2026 on speculation and financialisation in the housing markets
- Living at the Crossroads - 2026 Report of the Task Force on Affordable and Sustainable Housing (TASH) report
- Tools to boost CLT and OFS financing - FMDV Report 2020
- ECLTN 2025 Report on Community-led Place Stewardship: Lessons from and pathways towards transforming management of large, housing-led sites in England and Europe
- State of the Sector Report: Impacts of Community Land Trusts in Europe (2025)
- Paper on financial barriers and opportunities for CLTs (2022)
- A **Financial Playbook for CLTs** is currently being developed by the Green Financing Institute Europe and European CLT Network. We'll share it with you as soon as it is finalized.