Community Led Housing: How to Guides

2. Site

Down to Earth

2. Site

Contents

1. Introduction

Finding a suitable site is certainly one of the biggest challenges any CLH group faces, and will take perseverance and creative thinking. There is a UK wide scarcity of land and buildings which are both suitable for housing, and acceptable within planning policy, which is one of the primary reasons we have the housing crisis we do in the UK. There will be pitfalls or roads that lead to nowhere, and finding a site may involve some disappointments along the way. The 'perfect' site probably doesn't exist, especially in the price range a CLH group is likely operating, therefore there will always be limitations or issues with the site that you will need to work with, and ideally turn into a positive feature!

However despite the challenges, many CLH groups have been successful in securing sites, and creating amazing and unique housing for themselves and their communities. CLH groups are able to be responsive and agile, thinking outside the box in a way which gives them a significant edge over the large, well-resourced and profit motivated developers they are competing with. Every CLH story is unique and there is no standard way of doing things. The groups behind almost every inspiring project, will have explored countless other options, some of them in great detail, so don't be disheartened if a site turns out to not be the one you end up going with.

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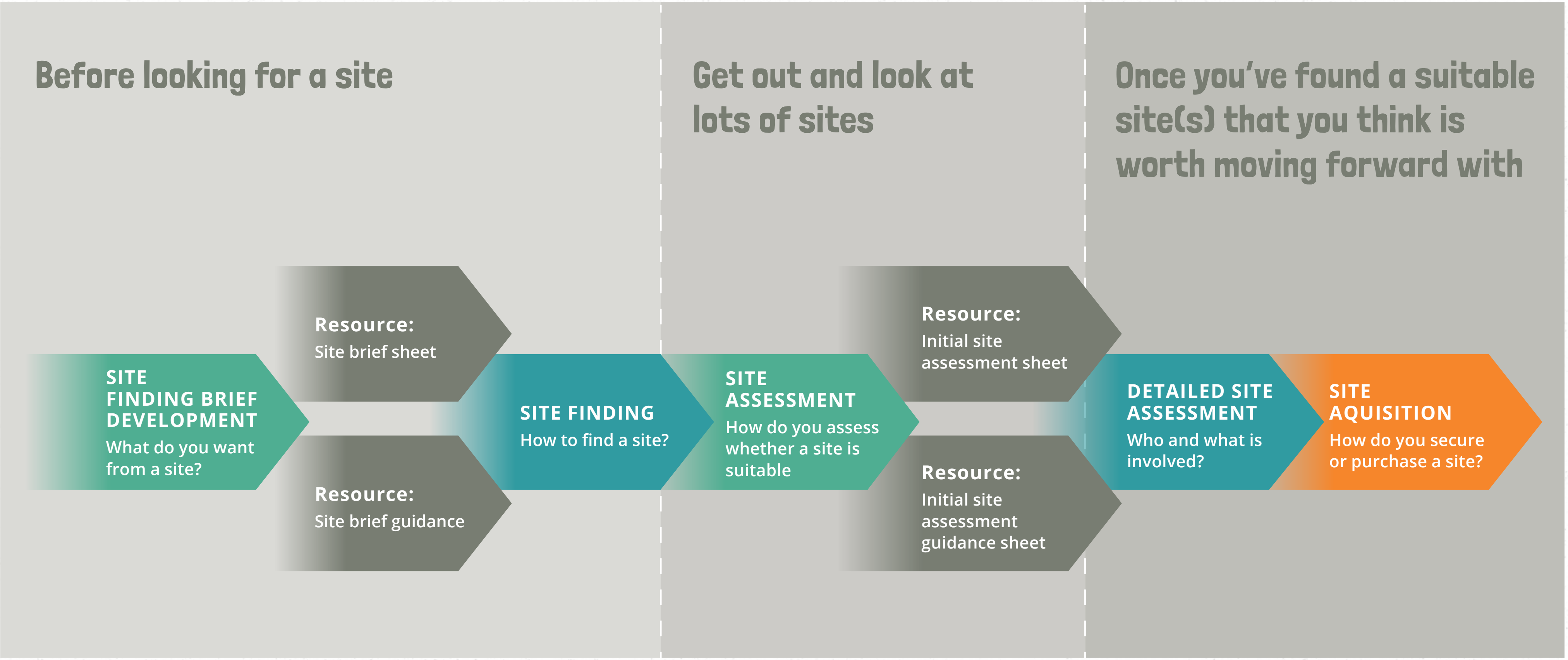
A note on terminology – for simplicity, in this chapter we refer to a '**site**', this encompasses all possible site options, including greenfield land, brownfield sites and existing commercial or residential buildings.

It can be useful to see the site finding process in three stages:

1. **Before looking for a site** – Define what you are looking for, what is non-negotiable, and what you could compromise on.
2. **Looking for a site** – getting out there yourselves, whether what's online or on the mean streets, assessing sites against your vision. You can do this yourselves on a shoestring budget if you need to.
3. **Detailed site assessments and acquisition** – When you've decided this site could make a really awesome place to live, you will need to explore your options in much more detail, and figure out how you will acquire it. For this you will likely need some professional help.



2. Site finding brief

Creating a site-finding brief

Before starting your search for a site, you need to define what you are looking for. It is useful to put together a site finding brief which gives consideration to the following:

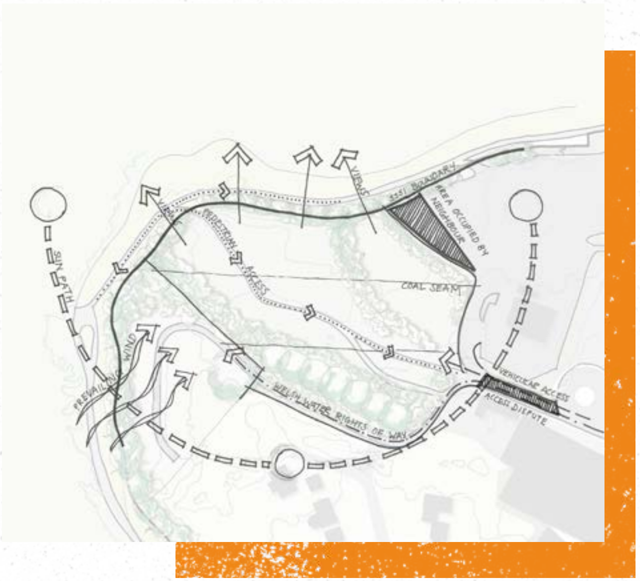
- Define housing requirements - what are the number of houses and mix of house types?
- Define other requirements for the site - what are the space or specific quality requirements?
- Geographical location.
- Location requirements.
- Tenure of the site - is it available for leasehold or freehold?
- Planning - does the site have full planning permission, outline planning, or could feasibly be granted permission?

Before you start looking for sites in earnest, create a site development brief to save time and resources from being invested into sites which are not suitable. Make sure this is written down and that the whole group has helped to create it. You can use the resources below to help you create this.

Resources

Site brief sheet – for using before starting your search for a site.

Site brief guidance sheet – to help understand the site brief sheet.

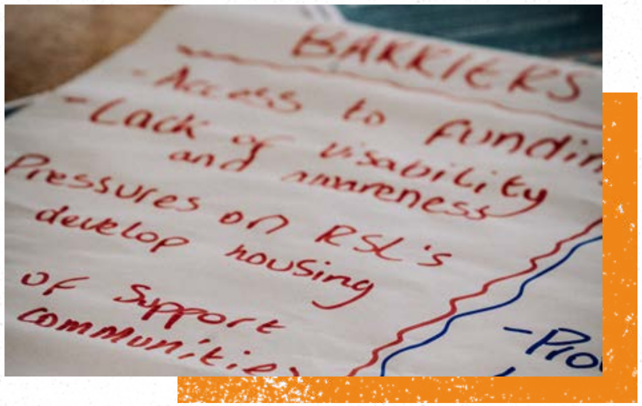


> *Finding a suitable site is one of the biggest hurdles any CLH project will face. If you have a suitable site then you are already many steps ahead!*

Site Types

You can start to narrow down what type of site you are looking for by exploring the following options:

- **The type of area you are confining your search to** – Urban, suburban, peri-urban (edge of settlement) or rural.
- **The geographical area** – The geographical location, whether that's a particular village, ward/parish, county or country.
- **Capacity and timescale** – Do you need housing quickly or are you willing to invest potentially years of your time looking for the perfect site.
- **Design requirements** – You have a vision that would not work in an existing building or are you more flexible, i.e. cohousing design.
- **Affordability** – Do you have a small budget, or do you anticipate building more expensive homes.
- **Availability** – What is actually on the market or available at the time.



Not all sites that meet your requirements will be open fields with nothing on them. There are several options when looking for sites:

- Existing residential buildings.
- Existing non-residential buildings.
- New-build.
- A mix of the above.

Existing residential buildings:

This is the simplest and usually quickest option, as the homes are already built. The existing buildings may require renovating, adapting or extending, but the work required is much less than starting from scratch.

Examples: flats in a block, a large shared house, a large house split into multiple units, individual houses in a specific area or even new-built housing bought straight from a developer as a group.

Examples:

- Granby 4 Streets, Liverpool
- Brithdir Mawr, Pembrokeshire
- Princess Park Housing Co-operative,
- Phoenix Housing Co-operative, London
- Earth Worm Housing Co-operative, Herefordshire
- Golem Housing Co-operative, Swansea
- Machynlleth Housing Co-operative, Mid Wales
- Trelay Farm Cohousing, Cornwall

Benefits:

- Planning permission is already in place, or easier to get if you are extending an existing residential building.
- It is usually quicker and less energy intensive.
- It is usually more sustainable to reuse existing buildings than build a new one.

Challenges:

- It is more expensive as you will be competing on the open market.
- You are less able to influence the design as you are limited by what already exists.
- Retrofitting with high performance insulation can be expensive and difficult to fund.

Existing non-residential buildings

Converting an existing non-residential building to housing is a great option if you can find the right building. It usually involves splitting up larger spaces into residential units, as well as upgrading the fabric of the building to residential standards.

Examples: Splitting up commercial or office space; converting industrial units or warehouses; or turning disused schools / churches into housing.

Examples:

- Harringay Warehouse District, London
- The Rising Sun Housing Co-op, London
- Housing People Building Communities, Liverpool
- Ty Brethyn Housing Co-operative, Llangollen
- Ekarro Housing Co-operative, London

Benefits:

- Planning permission for change of use can be easier than for new build.
- Usually cheaper per m^2 to buy than residential buildings.
- Often these buildings are derelict or unused, so converting them can help save the buildings.
- Previous use can make interesting design features.

Challenges:

- A full planning application necessary for change of use will be necessary.
- Converting a building can often be more expensive than building from scratch.
- Buildings are often not designed to residential standards so may need significant work to make them habitable.
- It can be hard to find buildings suitable for your needs.
- Some buildings are listed, so must be converted very sensitively.
- Suitable buildings simply may not exist in the area you are looking e.g. rural areas.

- The building may be located in an area not suitable for living in e.g. surrounded by heavy industry.

New-build

Whether this is a greenfield site or a brownfield site which may need to be demolished or cleared, sometimes it is necessary to build housing from scratch.

Examples: a greenfield site on the edge of a settlement suitable for a rural exception site, a derelict light industrial unit which could be demolished or parcel of unused land previously containing buildings.

Examples:

- RUSS CLT, London
- Broadhempston CLT, Devon
- Marmalade Lane, Cambridge
- Bridport Cohousing, Dorset
- Lancaster Cohousing, Lancashire
- Bunker Housing Co-operative, Brighton
- Coflats, SpringHill Cohousing, Stroud
- Cornwall CLT
- Lyme Regis CLT
- Eastington CLT
- LILAC, Leeds

Benefits:

- Offers maximum flexibility with layout and design to accommodate vision.
- Opens up options, especially in rural areas.
- Community groups may be able to access undeveloped land cheaply for affordable housing.
- Brownfield sites are often ugly, and developing them will improve the local area.

Challenges:

- Land with planning permission is expensive, and land without it is always a risk as planning may be refused.
- Greenfield sites may be valued as open green space by local people and/or important to nature.

A mix of the above

Nothing in housing is ever clear cut, so you may need to be creative. There are some very successful schemes which have converted existing buildings and extended / built new housing on the same site to maximise the site's potential.

Examples: Agricultural buildings suitable for conversion to housing with an opportunity to build additional houses within the site. A brownfield site with an office block, which can be converted to flats, along with new housing in the surrounding area.

Examples:

- Threshold Centre, Dorset
- Fishponds Road (Bristol CLT)
- Cannock Mill Cohousing, Colchester
- Coed Hills Community, Vale of Glamorgan
- Trelay Cohousing, Cornwall
- Ashley Vale, Bristol

Benefits:

- Maximises the number of homes on a site.
- Can be easier to get planning than for an undeveloped site.

Challenges:

- This will require careful and thoughtful design to ensure the new and old housing works together.

3. Site-finding strategy

Finding a suitable site is one of the biggest hurdles any CLH project will face. If you have a suitable site then you are already many steps ahead!

Essentials for a site will be:

- A site or building which is or could be suitable for your needs (size, location, etc.).
- A site which already has, or could feasibly get planning permission for residential development
- A site which the landowner is willing to sell or agree a long term lease on.
- No practical issues which will make development very difficult (flooding risk, old coal mining, etc.).

Desirable for a site (things that will make your life easier) will be:

- A supportive landowner willing to work with a CLH group - by either selling or leasing land more cheaply, or allowing time for your group to put together a viable business route.
- Public support for development in that area, or at least not active opposition.
- Located in an area your members have some connection and can raise public support.
- Has existing road access, or where it could be easily created.

Where to look for a site

When searching for a site, assuming that it is not already in the ownership of the group promoting the project, there are numerous sources of both a formal and informal nature that exist to initiate a search, based on your site finding brief:

- **Landowners willing to engage with community-led housing groups** – Try asking around in your group's own networks, sharing your vision and story. You could even put up posters in your area advertising that you are looking for a site.
- **Local farmers or land owners** – Local farmers may be willing to sell or gift a small parcel of land, especially if the homes are for local people (many CLTs have accessed affordable land this way). Farmers tend to sell land privately to neighbours before going to estate agents, if land ends up with an estate agent, it has usually already been turned down by the local farmers.
- **Local knowledge and on the ground search** – Get out there, walk around your area and have a look for sites which might be suitable, whether that's land which has potential for housing, empty buildings or even complete houses, and find out who owns it by either asking around, or doing a land registry search (details page 38).
- **Estate Agents** – Estate agents will often list land or buildings suitable for conversion on their website. It is also worth speaking directly with local estate agents, as they may be able to keep a look out for potential sites. There could also be options to split larger holdings into smaller parcels.
- **Adverts** – It is worth checking online sites and paper publications, such as Gumtree, specialist Facebook pages and Facebook Marketplace as people sometimes list land or buildings for sale and lease. Some popular websites include: Addland, Rightmove and Zoopla.
- **Large estates** – Large estates (think Dukes and Marquises) own huge amounts of land, and often in places you wouldn't imagine and may be willing to sell land for housing.
- **Land agents and land buyers** – Land agents (work for landowners) and land buyers (work for buyers) organise and broker the sale of land. They may have smaller sites on their books which could be suitable. They will obviously take a cut of the value, which will push up the cost.
- **Housing associations** – Housing associations may have sites on their books which are not suitable for their purposes or if you are considering partnership with a Registered Provider (England) / Registered Social Landlords (Wales), they may have sites they think could be suitable.
- **Developers** – Developers may be willing to offer a parcel of land for CLH, which could count towards their Section 106 commitments for building affordable housing. This is usually, but not necessarily part of a larger development. They might also have smaller or less profitable sites on their books which they may be willing to sell, obviously at a profit.
- **Self-build Wales** – The self-build Wales website lists plots suitable for self-build housing, although as of 2024 they are very limited due to the scheme being fairly new.
- **Neighbourhood or local development plan allocations** – Local authorities prepare a plan (usually every 15 years) for their area which designates sites for

development of new housing. It is worth checking these, especially smaller scale sites, as they are often submitted by landowners who are intending to sell the land once they are approved. Bear in mind though that sites with full development permission will attract a high price. Some councils have allocated land specifically for self-build housing. This could be private land or land owned by the local authority.

- **Publicly owned land** – Land owned by the local authority, the government (UK and Welsh) or public health boards, sometimes come up for sale or lease. Many councils list sites for sale on their websites, and both the UK government and Welsh Government websites list sites for sale. It is also worth speaking directly with your council about sites they may have which are not registered.

  Some local authorities have gifted land to community led housing groups, and others have given priority purchase on sites, which is crucial in giving enough time to source funding and planning on the site. Persuading local authorities can be easier if the site is actually costing them money to maintain and keep safe, for example older derelict buildings.

  Websites listing government owned land for sale:

  www.gov.wales/finding-public-sector-property-available-let-or-buy

  www.gov.uk/find-government-property

- **Church bodies** – Churches sometimes have land or property that is surplus to requirements. They often have land and need extra capital to maintain buildings, so may be willing to sell or lease a site for affordable housing.

How to find out who owns a site – Land Registry

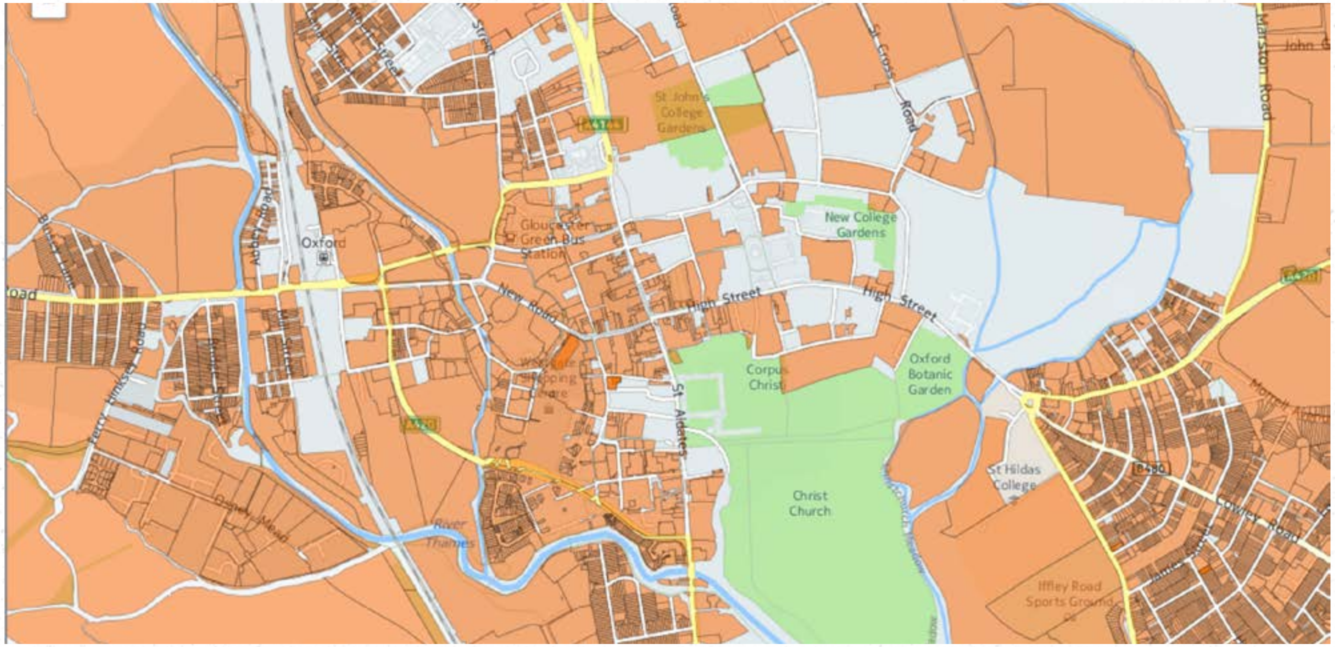
If you find a site which you think could be suitable but do not know who currently owns it, carrying out a land registry search will give you the name and address of the owner, the boundary of the parcel and the deeds of the site, which will show you if there are any restrictions or covenants. It may not give the details of these covenants, but would make mention of it, which would be something to be aware of if moving forwards with the site.

This service costs £7 for each search, and £14 if including a map.

You can however access a map showing the parcels or polygons of land nationwide under the same ownership for free (you still have to pay to find out the owner), which can help with identifying the owner of a site, especially if it is a large area owned by the same person/organisation. It's a bit complicated to do, but if you've got a time, it can be quite useful.

How to use polygons:
anna.ps/blog/how-to-use-land-registry-data-to-explore-land-ownership-near-you

Where to get polygons: www.gov.uk/guidance/inspire-index-polygons-spatial-data



4. Site Assessment

Initial site assessment

Once you have started looking at sites, hopefully you will find one or more which meet your criteria set out in your site finding brief. It is then time to carry out an initial site assessment, which will involve discussions with the landowner/landlord, site visits and online research. Here you are trying to 'rule out' any sites which wouldn't be suitable, rather than make a final decision to move forwards with a particular site. You can carry this initial stage out yourselves with a bit of know-how and digging.

Once complete you will move on to a detailed site assessment where you will carry out surveys and start planning a viable route to development. This second detailed assessment will require professional input, and is where costs will soon start to add up. Therefore trying to identify any issues early on will save you a lot of time and money.

Keep records of these early assessments for future reference, and to help justify why you chose this site later down the line to funders or your planning department. It will also be useful for future development aspirations or in the event that for one reason or another you are unable to proceed with your preferred option.

> *Trying to identify any issues early on will save you a lot of time and money*

Resources

Initial site assessment sheet – A checklist to help assess a site when you visit to establish it's suitability. (You can use this as is, or use it to help create your own).

Initial site assessment guidance sheet – To explain some of the more complex points in the site assessment sheet.

Detailed site assessment

Now you have decided that a particular site is worth moving forward with and you are ready to start investing some time, energy and money into it, you will need to carry out a more detailed site assessment. Some of these will be more detailed versions of items explored in the initial assessment, some will be new and some will require external professionals. These are likely to be site specific, so you may not need to carry out all of the below for your site, or there may be others which aren't listed here. Your professional team (the professionals you appoint to do the work) will be able to advise you which are necessary for a particular proposal.

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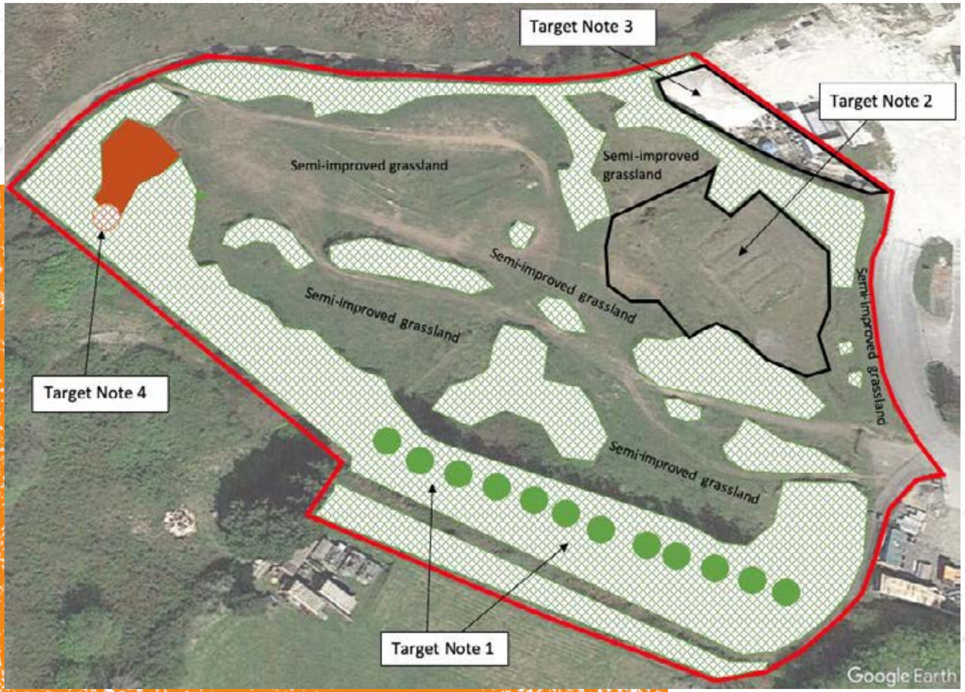


Ecological surveys

Undertaken by - *Ecologist*

A preliminary ecological survey (PEA) is the starting point for conducting ecological surveys. The report will recommend which further surveys are necessary and will be included in a planning application along with any species specific surveys. The planning ecologist, who works for the local authority may request further surveys beyond those recommended in the PEA for a full planning application, although it is usually a good guide.

Some of these surveys can only be carried out at certain times of the year, and often over a set period of time, so it is worth knowing which you will need early on so you don't miss the window. If protected species are found, mitigation measures may need to be designed into your proposal, so you need to be aware before finalising a design.

Some of the common additional surveys required:

- Bat survey
- Tree survey
- Over-wintering bird survey
- Reptile survey
- Dormice survey
- Badger survey
- Hedgerow survey – (usually only necessary if you are removing any hedgerow)

Structural surveys

Undertaken by - *Structural Engineer / Building Surveyor*

Necessary if purchasing an existing building, this establishes the condition of the building and identifies any issues, as well as usually providing recommendations on how to rectify or mitigate these issues. Surveys range from a condition report (least thorough) to building survey (most thorough) depending on the age and use of the building. This is compiled into a report which often uses a colour coded system to highlight low, medium and high cost repairs.

Contaminated land survey

Undertaken by - *Land Surveyor / Building Surveyor*

This is necessary for existing brownfield sites where there is risk of contamination from industry or waste disposal on the site. An initial phase 1 survey would be undertaken to decide if a more in-depth phase 2 intrusive survey would be necessary. If the ground is heavily contaminated, the design of the site may need to be treated very differently or the ground may have to be decontaminated, which could prove costly, so would have to be factored into the design. (For example Ashley Vale Bristol, where houses were built on a concrete raft poured over the entire site to avoid contamination from the ground of the ex-industrial site).

Topographical survey

Undertaken by - *Land surveyor*

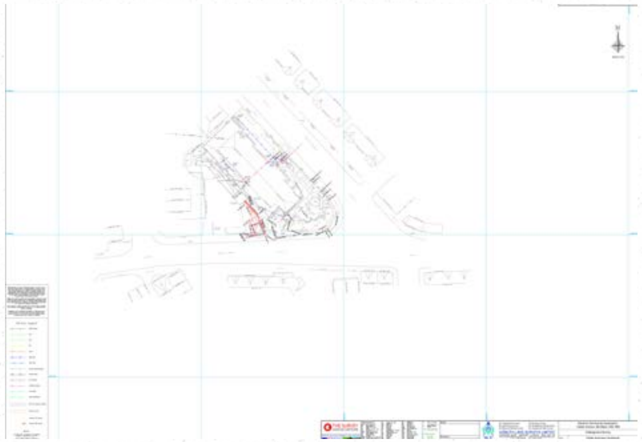
A topographic survey, sometimes called land or terrain survey, is the method for plotting the features of a site to produce a detailed 2D or 3D map used for planning and designing a site. For an architect to produce a design beyond a basic layout, and for a full planning application you will require a Topo survey. It is not usually expensive to have one done.

Utilities survey

Undertaken by - Land surveyor

This would be a more detailed survey of all the main services passing through or near to your site, and which would include: electricity, sewers, gas and water mains, fibre optics, heating, lighting cables, communication networks and traffic signalling cables. Using ground penetrating radar the surveyor can figure out which services are under the ground without the need to dig anything up, the survey will also plot the location of overground services.

Firstly this gives you a clearer idea of how far away connections to these services would be and secondly it maps any services which run under your site, which may need to be diverted and/or impact on the design of your development. This may not always be necessary, but if your site has previously had something built on it, or is in a built up area it would be advisable, as hitting a pipe during construction could be very costly, highly dangerous, and even fatal.



Down To Earth

Geotechnical survey

Undertaken by - *Geotechnical engineer*

A survey looking at the make up for the ground, e.g. the composition of soil, subsoil and bedrock to see what sort of development is possible, and what the potential hazards would be. At the very least a phase 1 desk study will be required for a planning submission and building control but it is always advisable to get a physical intrusive geotechnical survey, to make sure the ground you are developing can take the weight of the building you are proposing.

Flood risk assessment

Undertaken by - *Flood risk consultant/environmental consultant*

If there is flood risk, you would require a flood risk assessment to be prepared from a specialist consultant. This could involve engineering or design solutions which mitigate the risk of the site flooding or decrease the severity of flooding of nearby areas from run off. Flood risk doesn't mean building is completely impossible, but could make things more difficult. With sea levels set to rise and flooding becoming more common due to global heating, it is important to weigh up the risks over a long period of time.

Drainage survey

Undertaken by - *Land surveyor/specialist drainage surveyor*

A survey looking at the state of existing drains and sewers, usually using remote controlled cameras to explore drains. This will highlight if any damage or repairs are needed to drains, which can be costly. With existing buildings this can be a requirement of mortgage lenders.

Water quality survey

Undertaken by - *Geotechnical engineer / Hydrogeologist / Environmental engineer*

Necessary only if you are looking to drill a bore hole, i.e. not connect to mains water, you will need a water quality survey to ensure water is drinking quality. In this case it will be required for a planning application.

Legal searches

Undertaken by - *Solicitor*

This would be where a solicitor would check all of the legal aspects of the site, some of this would be casting a professional eye over things you may have looked at in the initial site assessment, and some maybe much more in depth. The list below is just an idea, a good solicitor will advise you as to what is needed.

- Reviewing the title documents
- Covenants, restrictions and charges – As discussed in the initial site assessment guidance.
- Ransom strips - As discussed in the initial site assessment guidance.
- Easements and wayleaves – These are both agreements which relate to access to lay utilities services (pipes and cables) which run under a site, either services which run under your own site and feed another property or vice versa, both are important. An easement is a permanent agreement for access to lay and repair services usually bought with a one off payment, and a wayleave is a temporary annual agreement, which usually involves an annual payment to the landowner, and can be terminated by either party.
- Services - Who owns and maintains services
- Grazing rights / common land
- Current tenancies – Whether there are currently tenants on the land or living in the building and what rights they hold.
- Highways issues
- Public rights of way

Existing tenancies / vacant possession

Undertaken by - *Solicitor*

It is likely that, whether you are considering a piece of land or an existing building, you'll want it to be 'vacant possession', so free of existing tenants. This will be written in the sales contract, and if it turns out that there is a protected tenancy, the seller would be in breach of contract, and would have to pay you all of the money you may lose because of this. However this is a lengthy and expensive legal process, so making sure the property really is vacant before actually paying for the land is highly advisable.

- **Protected residential tenancies** – Whilst the most common type of tenancy for rental housing is shorthold assured tenancies, where the landlord can end the tenancy with the required notice (England – 3 months, Wales - 6 months), some older tenancies, or tenancies offered by housing associations are assured tenancies (or protected tenancies) which, unless the tenant breaks their contract, are very hard to end.
- **Agricultural tenancies** - If there is currently a tenant farmer on the land you are purchasing, they may have a protected tenancy, especially if they or their family have been farming this for a long time. This does not have to be in writing and can be based on a verbal agreement many decades ago. It is only possible to end these tenancies in certain situations, the most relevant being that you intend to develop the site, and have received a full planning application, and which requires 12 months' notice from receipt of planning permission. Getting a written guarantee that the site is vacant possession from the seller would help protect you if this turned out to be the case.

- **Illegal occupiers** – There could be people living in a property or on a piece of land illegally. They can be evicted but this may involve going through courts, which is expensive and time consuming. Therefore physically checking there is no one occupying the property directly before the sale would be sensible, as this would mean the responsibility of removing them would lie with the seller.

Planning appraisal

Undertaken by - *Planning Consultant*

If you need to secure planning permission, then it is useful to get a planning appraisal carried out by a reputable planning consultant with experience of working in the local area. This will give an indication of how likely getting planning permission will be, which planning policies you will need to align with and whether there are precedents of similar proposals being granted permission. Planning consultants will work with the planning authority on a regular basis, and have often been local authority planners in the past, so therefore know what planners would need, and would be willing to accept.

If necessary - Defective title or indemnity insurances

Where it may not be clear on the title deeds whether a restrictive covenant, access agreement or other restriction exists, indemnity insurance will cover the costs if you find out later and are not able to use the site for housing e.g. you cannot access the site or a covenant restricts residential use. Currently Land registration in the UK is an incredibly aged and medieval system, with 15% of land not even being registered and the title deed existing only in a drawer in someone’s house. So if there are questions about the site, it may be worth considering buying indemnity insurance. It is however expensive, and can be as much as 30% of the value of the land, a solicitor should be able to advise you if this was necessary.

5. Site Acquisition – how to buy or secure a site

Once you have carried out detailed site assessments and you have a viable scheme on your hands, and after patting yourself on the back there are several options for securing a site you can look to which will allow you to put together a business plan, work up a model, secure finance and get planning permission if necessary.

Outright purchase

If you have found a site or building with the necessary planning permission in place, for new houses or residential use, or are very confident you will get planning permission and you have members with money they can invest, then you could purchase the site outright at this point.

Capital investment - If there are enough members with significant capital savings, you may be able to purchase the site without borrowing money.

Loan finance – If planning permission is in place you may be able to borrow money from a bank or building society, to purchase the site and carry out any works whether that is renovating, converting to or building housing.

See chapter 3. Funding for more details on funding routes

Asset transfer- If the site is publicly owned i.e. by the local authority or government, and you are very convincing, they may be willing to transfer the site or building to you for free or below market value, for use for affordable housing. It is usually with smaller low value sites which may not be profitable for developers. This requires significant buy-in from the local authority and a willingness to see the value

in CLH beyond the financial value of the land sale. Councils are legally required to seek 'best value' for their assets, some CLH projects have managed to convince local authorities of the value beyond purely monetary.

Although asset transfers are far from a common occurrence, it has been achieved by several CLH groups, notably Bristol CLT and Calder Valley amongst others, so it always worth exploring this with your local authority.

Legal agreements

If outright purchase is not an option, you may need to secure your site another way.

For example, if planning permission isn't in place already, you are always taking a risk that the planning application will be refused and you will be unable to move forward with your plans for the site. If the planning application is refused, the site may even lose value, as other developers with an eye on developing the site will be less likely to buy it. Therefore you may want to secure a site, without purchasing it, whilst you go through the planning system. Alternatively, the site could have planning permission already, and you may just need time to get together a plan and the funding package.

In these cases you may need to explore legal options for securing the site so the seller doesn't sell to someone else whilst you are getting planning permission and putting together a viable proposal. These can take several forms, listed here from the most flexible and least secure, to the least flexible and most secure.

Exclusivity (lock-out) Agreement

This is a legal agreement between a buyer and seller that the seller won't negotiate with any other party for a set period of time.

- Not a legally binding commitment from either party to complete the deal, and the seller may let the time period run out and then put it back on the open market.
- There is no price agreed when signing the agreement, as this is negotiated afterwards.
- Often there is a non-returnable deposit paid by the buyer.

Options Agreement

A legal agreement that the seller must sell a property to the buyer within a set period of time, if and when the buyer chooses to buy, known as 'exercising the option'.

- During the options period, the seller must sell to the buyer for the agreed price.
- The price and the terms of sale are agreed before signing and are written into the agreement.
- This can be conditional on receiving planning permission, although it could just be whether the buyer decides to 'exercise the option'.
- The buyer can back out of the sale at any point.
- Usually a non-returnable options fee is paid by the buyer, although sometimes this is taken off the final purchase price if the sale goes forwards.
- These agreements are relatively similar across the board and fairly simple to negotiate.

Conditional Contract

An agreement between landowner and buyer that once certain conditions are met, often receipt of planning permission, the sale of the property is automatically triggered.

- Effectively a sales contract, save that during the period between exchange of contracts and sale, certain conditions must be met before the sale proceeds.
- Negotiations can be complex, and time consuming to define exactly the conditions required.
- Neither party can easily remove themselves from the sale once the agreement is in place
- Offers more certainty to the seller but less flexibility to the buyer.

Joint Development Agreement

An agreement between two or more parties who enter into a contract to carry out a certain development, it can take many forms but usually the eventual profits are shared between the parties.

- This is usually a landowner and a developer (or CLH organisation), although it could be between a CLH housing organisation and a housing provider/housing association or even involve all three.
- The developer (or CLH group) does not need to find the initial purchase price for the land, and pays for it with a share of profits, which reduces the need for large amounts of capital at the start of a project.
- The landowner will usually receive a larger amount of money for the site than if they sold without the development, so it is attractive to them.
- The agreement could stipulate that the CLH organisation buys the properties on completion.

The sale process

Once you have chosen to purchase the site, there is a process which must be gone through to get there. This isn't always identical, but usually follows the steps outlined here.

Offer submitted

This can be done by yourselves personally, through an estate agent or your solicitor. You may need to include proof you have the right funds, in the form of bank statements, a mortgage in principle or possibly proof of grant funding if held by a third party.

Offer accepted

The seller agrees to a price and terms.

Memorandum of sale

A simple written document recording that a sale has been agreed, subject to contract. It will contain details of the property, the agreed sale price and terms, contact details of both sides solicitors and any special conditions. This can be drawn up by a solicitor, estate agent or auctioneer. This document isn't legally binding, and both parties can back out of the sale.

Contract package

This will contain a draft sale contract prepared by the sellers solicitor and proof of ownership

Raise enquiries and submit searches

The buyer, or their solicitor, will now carry out due diligence e.g. surveys & legal checks. Depending on whether you had an initial legal agreement in place before starting the sale process, you may have carried out some of these already, and some may need to be carried out at this point.

Report on title

As the buyer, your solicitor will produce a document stating that the enquiries and searches have been done. This is usually required by any bank or lender, to ensure you have complied with their instructions

Exchange of contracts

After all information has been gathered, and both sides are ready to proceed, contracts are exchanged. At this point the agreement is legally binding, and it is hard for either side to back out of. A date for completion will be set now.

Deposit

At this point a deposit is usually paid by the buyer, the amount of which would have been agreed in the contract (often 5-10% of the purchase price).

Completion

The sale has gone through, funds will be transferred to the seller or their solicitor's account. The transfer deed or land transfer document will be provided by the seller's solicitor, and the land is officially yours!

Registration with land registry

The seller will need to complete a land transfer deed, called a TR1, with the land registry, after which you will be the legally recognised owner of the land or building. Most leaseholds need to be registered if they are over seven years in length.

Payment of Stamp Duty or Land Transaction Tax liabilities registry

You pay tax on the value of a property when sold over a certain threshold. In Wales this is called Land Transaction Tax (even when buying a house) and in England it is called Stamp Duty. This is self-assessed and is the buyers responsibility to pay any tax due.
In Wales the threshold is £225,000 and in England it is £250,000.

Case studies: Existing residential buildings

Granby 4 Streets, Liverpool

Site: Victorian two up two down terraced houses which were derelict for many years in the Toxteth area of Liverpool, an area which has seen many years of social decline.

Homes: 10 two bed terraced houses were extensively renovated and made available for affordable rent and sale, with an indoor 'winter garden' community space converted by knocking through two adjoining houses.

Acquisition: The houses were offered by the council for £1 each on the agreement that the residents would live there for a set number of years, in a bid to bring regeneration to the area. The CLT only needed to raise finance for the renovation of the homes.

↓ Granby 4 Streets, Liverpool

↑ Golem Housing Co-operative, Swansea

Golem Housing Co-operative, Swansea

Site: Two large terraced houses on opposite sides of the road near to Swansea city centre one with seven and the other with five bedrooms.

Homes: Residents rent rooms and share living spaces such as kitchen, living room and gardens. The houses have been adapted for co-operative living and the basement of one house has also been converted to living space.

Acquisition: The first house was bought by the co-operative, through a mortgage for 80% of the value of the property, with the further 20% being raised through loan stock. Members pay a very low 'rent' which covers running costs and repayment of mortgage and loans. Due to the success, a second home was bought eight years later using the first house as security for lenders, to accommodate growing interest.

Brithdir Mawr, Pembrokeshire

Site: A medium sized farm in rural west Wales with a large farm house and agricultural buildings.

Homes: The farm house is occupied by multiple individuals and families, with the other rooms converted to shared spaces. External agricultural buildings have been converted to homes, with some additional low impact homes being built.

Acquisition: The site was originally purchased by a couple and rent was paid informally by individuals, after which a co-operative was formed who rented the entire farm. They are currently raising finance through loan stock and crowd funding to purchase the freehold for the site.

Case studies: Existing non-residential buildings

↓ Ty Brethyn Housing Co-op, Llangollen

Ty Brethyn Housing Co-operative, North East Wales

Site: A converted 19th century mill and out buildings in a rural valley in North East Wales, with five acres of land surrounding

Homes: The three storey mill and outbuildings were extensively renovated and converted to separate individual living units ranging in size from 1-3 bedrooms. These are self-contained, with communal spaces and gardens being shared.

Acquisition: The mill was purchased by the co-operative with an interest only loan from a private benefactor. This was then repaid through a commercial loan and loan stock. Members pay a rent and service charge, or lend the co-operative the value of their home (a proxy for purchasing, which is repaid when they sell).

↓ Housing People, Building Communities, St Bernards Church, Liverpool

Housing People, Building Community, Liverpool

Site: A large former church which had stood empty for over five years and was falling into disrepair in the inner city Toxteth area of Liverpool.

Houses: The church has been converted into eleven 3-4 bedroom affordable houses, with four new 2-bed apartments and a 3-bed house in the grounds. Residents, called housing partners, contribute 500 hours to physically working on their homes or supporting the charity in a range of other ways, in return for a £10,000 reduction in the cost of their new home. This allows those on low incomes to get on the property ladder.

Acquisition: The church and grounds were donated by the Liverpool Roman Catholic Archdiocese to allow for the provision of affordable housing, and due to the church being underused and costly to maintain.

↓ The Rising Sun Housing Co-operative, East London

The Rising Sun Housing Co-operative, East London

Site: A former pub in a residential area of east London, earmarked for demolition for building luxury flats, and which had sat unused for many years.

Houses: The pub was converted to a housing co-operative, with bedrooms for 9 people and shared spaces including a studio/rehearsal space.

Acquisition: The pub was initially rented from the private landlord by the co-operative with co-op members paying rent to the co-op. The co-operative are now raising money to purchase the pub outright, through a combination of commercial lending for 80% of the value, a loan from Co-operative and Community Finance, which specialises in lending to co-operative groups, as well as creative fundraising themselves.

Case studies: New build housing

Marmalade Lane Cohousing, Cambridge, photo courtesy of David Butler ↓

Marmalade Lane Cohousing, Cambridge

Site: The 2.2 acre site was a small part of a large area allocated for housing on the northern edge of Cambridge, with planning permission for 37 market sale houses, owned by the local city council.

Houses: 42 affordable private homes in a range of sizes from 4 bed terraced houses to 1 bed apartments designed using cohousing principles, for example keeping cars to the outside of the development and designing in a shared common house. Due to the clever design, the cohousing group were able to increase the number of homes by roughly 20% over the original application.

Acquisition: The council who was the landowner worked with the cohousing group to select a developer who would work with the group, and who would fund and deliver the development. The council was supportive of cohousing but needed to maximise the sale value of their land. Individual households then purchased homes from the developer, having paid a small deposit when planning permission was secured.

Lancaster Cohousing, Lancashire

Site: A 2.5 acre former derelict industrial site on the outskirts of a village three miles from Lancaster. The site had previously been bought by a developer who had acquired outline planning permission

Houses: 35 leasehold homes with both 2-3 bedroom homes, designed using cohousing design principles including a common house and guest bedrooms.

Acquisition: The site was purchased using capital invested by individual members, who loaned the money to the cohousing company 30% of the value of their new home. The additional amount for developing the site was covered by a development loan from Triodos bank. Individual households lease their homes, with the cohousing company retaining the freehold. Six more conventional homes were built on the site and sold to cross subsidise the development.

↑ Forgebank Community, Lancaster Cohousing, Lancashire

↓ Broadhempston CLT, Devon

Broadhempston CLT, Devon

Site: A two acre agricultural field on the edge of the village of Broadhempston in rural Devon, which was owned by a supportive landowner, and which the local council agreed could be considered a rural exception site for the delivery of affordable housing.

Houses: Six self-build houses with very spacious gardens and a public access play park. The homes must be affordable and inhabited by a person with a local connection.

Acquisition: The site was purchased from a local farmer who supported the project and knew several of the members. The group waited until after planning was approved to purchase the site. This meant the land cost was more than without planning but a lot less than a market sale site with planning permission. There was no legal agreement in place due to the trust between the group and landowner.

↓ LILAC, Leeds (Photo courtesy of Andy Lord)

LILAC - Low Impact Living Affordable Community, Leeds

Site: A 0.7 acre former school site in a suburban area of Leeds, which was owned by the local authority, which they wanted to sell to a developer for housing.

Houses: 20 eco-homes using cohousing design principles built around a central pond, with a portion of the site retained as an open green space.

Acquisition: The site was owned by the local authority who insisted on getting full market value, but was willing to negotiate exclusively with the CLH group, which allowed them time to raise the necessary finance and get planning permission.

Case studies: Mixed site type

Bristol CLT, Fishponds Road, Bristol

Site: A former derelict school building and car park owned by the council, which was seen as a difficult to develop site due to poor access and small size.

Houses: The school building was converted to six studio apartments alongside six new build three bedroom homes. All homes must remain affordable, the council have nomination rights on 5 of the properties - all the rented ones. The rest are shared ownership. The buildings surround a central shared garden area.

Acquisition: The site was asset transferred to the CLT by Bristol City Council for £1, in the belief that the benefit of community led affordable housing outweighed the financial amount they would receive for the land.

↑ Fishponds Road, Bristol CLT, Bristol

Threshold Centre, Devon ↓

Threshold Centre Cohousing Community, Dorset

Site: A farm house with holiday cottages and agricultural buildings suitable for conversion to housing.

Houses: 14 residential units, 7 of which are managed by a local housing association as affordable housing, with the other seven being owned leasehold by individual households. The freehold of the whole site is retained by Threshold CIC. The farmhouse contains three rooms, which are rented directly from the CIC. The site has shared facilities including guest rooms, a communal kitchen, sitting room and laundry facilities. The site is focused around a shared garden, with units having very small patio gardens outside of their front doors.

Acquisition: The site was purchased outright from a private seller using a combination of mortgage finance and personal investment through the sale of people's existing homes. The planning application process took a long time, and stipulated that social housing needed to feature in the mix of housing, which led to the partnership with the housing association.

Cannock Mill Cohousing, Colchester

Site: A 2.4 acre site, just outside of Colchester, with a historic mill which was included in the sale.

Houses: 23 new build flats and houses alongside communal spaces such as a common house and shared kitchen in the converted mill building. There are a further three flats in a converted Victorian townhouse on the site. The houses are leasehold on 999 year leases, with a service charge payable for maintenance of the communal spaces.

Acquisition: The site was bought outright by members before the planning application was approved using savings or sale money from existing houses, which amounted to roughly half of the full land and building costs. The rest was secured with commercial mortgage finance.

Trelay Cohousing, Cornwall ↓

Trelay Cohousing, Cornwall

Site: A 32 acre farm with farm house, holiday cottages and other agricultural dwellings in rural Cornwall.

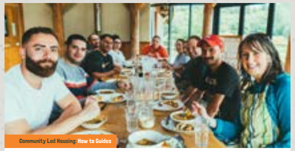
Houses: Fifteen living spaces have been created by retrofitting the existing buildings and adapting them for residential use, with the number of homes increasing over time. The holiday cottages were registered before planning laws changed to require a change-of-use permission to become residential housing, so they could move in to those homes straight away. Today they would have needed to apply for a change-of-use through the planning process, which would have added a layer of complexity.

Acquisition: The site was purchased through capital raised by eleven of the founding members selling their existing homes, and through a large mortgage from Triodos bank. This allowed members with less or no capital to join and repay the lending members through monthly payments. This did rely on having a majority of members with significant capital to invest.

Community Led Housing:

How to Guides


Introduction


1. Organisation


2. Site


3. Funding


4. Business Plan


5. Tenure Model


6. Planning Permission and Building Control


7. Self-build


8. Design


9. Procurement Routes


10. Construction

Tel: 01792 232 439
Email: info@downtoearthproject.org.uk

downtoearthproject.org.uk

CRONFA GYMUNEDOL COMMUNITY FUND

Down to Earth