

Bottom-Up | Top-Bottom

-Comparing the current state of Community Land Trusts between Germany and England-

Architectural History Thesis
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Introduction



Fig.1: The photograph was taken during an annual meeting of the London Community Land Trust.

- It is a foggy Sunday morning in London. In the large hall of a community center, a larger group of people is meeting. The adequate yet a bit disappointing buffet gives the whole situation its formal framing. Some of the people are dressed in suits, some attend the meeting in a more legère manner. There is a vivid ambiance of chatter in the room. People are engaged and write down notes on paper. Divided into tables with groups they are discussing a variety of topics. Although more than 100 people are attending, the meeting also seems to have a very intimate layer. Personal talks and exchange of ideas. Sheets of paper cover the tables, many write down their thoughts, and the more motivated ones hold up a sheet of paper and proudly present their thoughts to the group. Some just enjoy their coffee and some spill it over the table.-

Hidden behind the trivial character of this scenery there is a far more exciting scenario taking place than expected. The fictional play takes place during an annual meeting of the London Community Land Trust. The tables turn once again and all members can take their democratic votes on various topics and a representative on the trust's board, consisting of one-third of residents, community representatives, and investors. Linking the public and private sectors within one organization, Community Land Trusts aim more directly at nonhierarchical structures than other forms of housing cooperatives.

By re-establishing power relations and combining aspects of bottom-up and top-bottom movements, this new form of housing cooperative has proven to bring up successful and resilient housing projects in many countries. Combining these democratic elements and following a strict non-sale policy for any acquired property, CLTs can form strongholds for tenure security.

They allow residents to regain power over the ground they live on and enables them to shape their living surrounding in an active and participatory manner. With over 200 CLTs England has the largest amount of these types of projects in Europe. Although Germany, shares a similar history in cooperative housing, the phenomenon of CLTs has only come up very recently in this country, with only one project nationwide in Berlin.

What are the reasons for this large difference in numbers? Can they be found in the societal context of the two countries? Or were there developments in law and policies that led to the different developments? To answer these questions, I aim to pull on the thread of cooperative history in both countries step by step. Historic events and changes within law and policies will be considered. Digging deeper into the productive chaos of annual member meetings and focusing on actors and their relations, I will leave the path of history and take a closer look at various forms of cooperative case studies, their actors and relational structure.

Ranging between historical texts and recent newspaper articles, I aim to present an insight into the variety of aspects influencing the sector of Community Land Trusts in the two countries. For the historical derivation of the topic, I will primarily use the article *The hidden history of co-operative housing in Britain* by Johnston Birchall. Combined with theoretical texts such as *Genossenschaften: Geschichte, Aktualität und Renaissance* by G. Notz, and journal reports from the Interreg NWE initiative of the European Union, I aim to generate a broad understanding of the topic of Community Land Trusts.

The thesis will be structured into a historic introduction, where I will show the development of the cooperative movement in Germany and England, continued by a close look at specific types of housing cooperatives from both countries. I will then continue by introducing the topic of Community Land Trusts, followed by an analysis of different projects and actors. To conclude my research, I will finally compare the historical, and societal context of housing and cooperative policies of the two countries. Herein I wish to present the chances and possibilities that lay within CLTs and show the steps that would be necessary for countries or municipalities that motivate more people to start taking back control and start their CLT projects.

Cooperative Movements in Germany and England - a Derivation

Concerning the drastic difference in numbers of Community Land Trusts from England to Germany, it seems only logical that the two paths of cooperative history are far from similar. Did differences in the early developments in the cooperative sector lead to different legal frameworks and outcomes in the two countries? To answer this question this chapter will shed light on certain events and important key figures for cooperatives in England and Germany.

Cooperative models go back to Babylonian times, but in Germany and the UK, they can be traced back to the effects of the industrial revolution. Technological innovation fuelled the fast development of a new industrial sector in Europe in the 19th century. In contrast to the harsh living conditions in the countryside the cities now held the promise of jobs for everyone and better living conditions due to higher income. Many people left their homes behind and moved to the cities to find work in the newly built factories. This new “working class” became a new attractive sector for landlords. A general housing shortage forced many working families into inhumane living and tenancy conditions. To provide affordable housing

the cooperative thought started to evolve, especially in Britain and France. The cooperatives “offered sound shelter at affordable prices relying on self-help efforts of members to reduce costs” as Pentiuk, Couvreur & Kobiljak point out in their *History of Housing Cooperatives* (Pentiuk, Couvreur & Kobiljak, n.d., p. 2). As the industrial revolution in Germany started later than in the UK, these models can be seen as the first templates that also influenced the German movement later on.

Although the housing shortage was a big problem, the first modern-day cooperative organizations formed as consumer cooperatives or cooperative stores. These would allow groups to pool money and thus gain access to a better quality of products at better prices. An important example in the early stages of the cooperative movement is the Rochdale Pioneers, a group of tradesmen who formed a cooperative store in England in 1844, often recognized as the founding date of the cooperative movement (Pentiuk, Couvreur & Kobiljak, n.d., p. 2). Following a simple yet precise and effective use of rules, the stores began to expand their offer, becoming the first flourishing cooperative in history (Pentiuk, Couvreur & Kobiljak, n.d., p. 2). Since the values or principles had proven to be successful, many cooperatives nowadays are still organized around these basic principles (Birchall, 1991, p. 4), which I will come back to later:

1. Open membership
2. Democratic control
3. Distribution of surplus in the proportion of trade
4. Payment of limited interest on capital
5. Political and religious neutrality
6. Cash trading (no credit extended)
7. Promotion of education

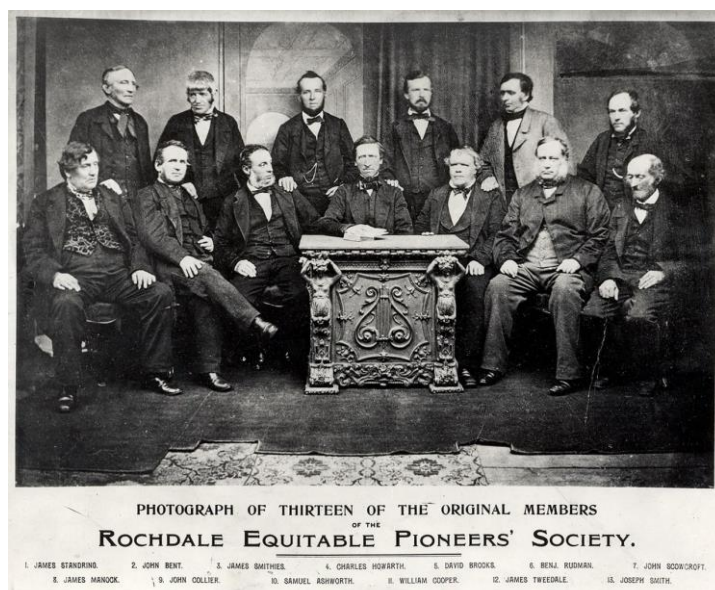


Fig.2: The black and white photograph shows thirteen original members of the Rochdale Equitable Pioneers' Society, whom are named below the title of the photograph.

After the cooperative stores had become such a success the members of the cooperative moved on to expand their activities by forming the Rochedale Pioneer Land and Building Society. This society provided cooperative housing in Spotland Road, arguably the first housing co-op in Britain (Birchall, 1991, p. 4). This early example soon started to face the problem that the rents were still too high considering the low wages at the time (Birchall, 1991, p.4). Yet the Rochedale Society was still the most important model of a housing cooperative with eighty-four homes built for members in 1867.

British models and especially the Rochedale Pioneers set an example for cooperative movements all over Europe, also in Germany. Inspired by these examples in 1862 the first homeownership cooperative came to life in Hamburg, followed by a first rental cooperative 1885 in Hannover. Limiting the members' liabilities, the Co-operative Act (*Genossenschaftsgesetz*) led to a breakthrough in co-op housing development and a rising number of projects (Germany Archives, n.d.).

After these first footsteps of the cooperative movement, as described by social scientist Johnston Birchall, a second wave followed in the early 1900s in England. The founding of a cooperative at Brentham Garden Suburb then marked the beginning of tenant-co partnerships in 1901 (United Kingdom Archives, n.d.). Brentham and a variety of other projects in garden suburbs reveal how closely related the co-op and garden city movements were during this period. This first flourishing period of cooperative housing was then followed by the first World War, which led to a vast decrease of new housing projects, also in the cooperative sector. Due to great demand and with help of British governance the movement was able to acquire dwellings out of the council housing portfolio. Although the chances for successful projects were big, nevertheless the councils mostly focused on their housing stock. Finally, the big influence of outside investors, who created pressure on sales in regards to the chances of personal profits, caused the movement of co-partnership cooperatives to dissolve (United Kingdom Archives, n.d.).

Between the two world wars, the housing market in England was mainly dominated by council housing for working people or private homeownership for emerging middle classes. Whilst the cooperative sector fell back, it reappeared in the 1960s when the third wave of cooperative housing development began to develop, as the first real cooperative models in terms of ownership and management. With the rents, service costs and the mortgage from the cooperative for the dwellings were paid, which were made affordable by tax reliefs. With the connection of interest rates on the rise and housing prices on the market, this model became more and more expensive in the late 1970s (United Kingdom Archives, n.d.).

After the destructive effects of World War II, many European countries were facing severe housing crisis. Losing many homes through bombardment, Germany was no exception. This led to the fast development of a cooperative housing sector. 58% of all current housing cooperatives in Western Germany were developed between 1949 and 1970, which were mostly financed through the social housing system. In East Germany, most cooperatives emerged as an effect of the Law of Workers' Housing Co-Operatives in 1953. These housing cooperatives were supported financially by the government significantly, mostly related

to the form of state governance, which was focused entirely on state control in all economic sectors, whereas social housing in West Germany was led by companies working on the communal level (Germany Archives, n.d.).

England is until now regarded as the birthplace of the cooperative movement. Inspired by European examples of cooperatives during the 1970s a new cooperative movement came into being in a very different context. As a bottom-up organization, the first Community Land Trust was founded in Georgia in the United States. A model that should, later on, find its way to the European continent (Smith, 2017).

In the early 1980s, Thatcher's conservative government allowed residents of co-ownership cooperatives to terminate their organization and become individual owners of their properties. This meant the end for many co-ownership societies in the early 1980s. The cooperative model started to lose its role as an important form of housing. New programs for housing focused on dwellings for low and middle-income families and were organized in associations with a not-for-profit operation. Ironically many of these were transformed into cooperatives at a later stage. A changing political agenda with a neoliberal attitude in the 1990s then supported big housing associations as the main apparatus for social housing instead of cooperatives. As government involvement in cooperative housing practically stopped in England, the growth of the movement decreased dramatically (United Kingdom Archives, n.d.).

In Germany, during the year 1986 state involvement started to decrease drastically due to the withdrawal of financial support. Terminating the non-profit law and the changing of focus away from social housing can be seen as a consequence of neoliberal politics at the time similar to the developments in England. The reunification led to major financial investment in the federal states of the former GDR cooperative dwelling portfolio, which went mainly into rehabilitation and maintenance. Yet due to ongoing migration and high vacancy rates, the investments dropped in 1999. After the Social Democrats became the ruling party, soon first measures were taken to strengthen the cooperative sector again. In 2000 the legal framework was simplified in the social housing reform and the people most in need were emphasized as a target group. The state government took the initiative and build up an expert commission in 2002 that had the task to investigate and point out housing cooperatives as an appropriate form of housing compared to rental and ownership (Germany Archives, n.d.).

In the UK new models such as Community Land Trusts, with the first one being founded in 1983 and becoming an emerging movement since 1999 (Smith, 2017), as well as experiments with other types of organizations have led to a reoccurring interest in the field of cooperative housing. The political agenda has now realized the potential of these operations. The government has therefore taken steps and established a fund of 60 million £ in 2016 to support community-led housing, the biggest since the 1970s. This funding is now triggering an important new wave of cooperative housing production (Baiges, Ferreri & Vidal, 2020). In Germany, the movement remains an important player in the housing market. Yet increasingly large and bureaucratic structures of large cooperatives are being criticized, which leads to an emergence of smaller models that are not regulated under the Co-op act (*Genossenschaftsgesetz*). New cooperatives are still heavily

dependent on support on a communal level, mostly in form of access to municipally or communally owned land (Baiges, Ferreri & Vidal, 2020).

The developments of the cooperative movements in Germany and England share a lot of similarities. The historical starting point of the cooperative movement in England had a big influence on most European countries and also inspired the movement in Germany. Regarding the neoliberal era in the 1990s, both countries took a swift away from the cooperative movement and favored big scale housing associations, private ownership, and rental. Since the 2000s the focus in England changed back towards more support for housing cooperatives on the state level in forms such as large funding, in contrast to Germany. Here the conservative politics during the last 16 years have shown relatively little interest in new models of housing cooperatives and their support heavily remains on local governance.

The next chapter will concentrate on presenting the current situation of cooperative housing in England and Germany. By combining statistics and connecting them to the legal frameworks as the outcome of the historical developments, the power relations and the impact of stricter or not-so-strict sets of rules will be revealed.

The Consequences of Legal Frameworks

As presented in the previous chapter the history of cooperative housing in the UK and Germany shares many similarities such as a tendency to neoliberal politics in the 1990s. To compare the outcome of these developments a look at the statistics might give us a first glimpse of the current situation.

In 2018, the total co-op housing stock in Germany was at 5-10% (Baiges, Ferreri & Vidal) of the total national housing stock, with a total of 214.000 social housing organized in co-ops. In 2010 in Germany the co-ops counted “2,8 million individual members and 4,6 million people living in housing cooperatives representing 6% of the German population” (Germany Archives, n.d.). The UK, on the other hand, counts 677 co-op housing organizations, with 607 located in England. With a count of 45.000 units for the whole United Kingdom, the relation of co-op housing to the complete housing stock is far smaller than in Germany (United Kingdom Archives, n.d.).

Now the outcome of the historical developments regarding the housing stock is present in numbers. Yet these might draw a wrong image of the current situation, as it might lead to the false assumption that new projects in Germany find great support and legal frameworks work accordingly, whereas the British legislation is sticking with its agenda of large housing operations as the main focus. But as this might be too hasty of a conclusion it is also necessary to look more closely into the legal frameworks of the two countries. By doing so, different types of cooperatives and their differences in detail will come to light, giving a better understanding of what the key elements of cooperatives in the two countries are and which various shapes they can take.

The legal frameworks in the two countries are far from similar. Whereas all cooperatives in Germany have to be formed after the cooperative law and therefore follow certain standards, in England there is no specific legal form for these organizations. Yet the cooperatives have to follow certain principles. The specifics and differences will be clarified in the following.

Regarding the German cooperative law, the organizations in Germany have a set legal form, making them a registered cooperative (*eG*). This leads to a framework concerning all legal relations between the cooperative and its members. In German cooperative law, there are certain basic aspects that every cooperative has to follow. Firstly, cooperatives in Germany legally consist of a business operation (*Geschäftsbetrieb*) and an association of persons (*Personenvereinigung*), the latter parallelly acting as a holder of the business operation. This leads to the so-called **identity principle** (*Identitätsprinzip*), which describes that all holders of the business operation are also recipients of the services. Residents, therefore, are not only customers or clients but also owners of the complete stock. This supposedly avoids conflicts of interest within the operation, since there is no division between investor and customer. A second important aspect of the law is **member support as the key objective** of the operation. Herein the members are supposed to benefit from the model, maximation of profit is not seen as the main goal. As a next key principle, the organizational structure of the cooperative is structured in a way that automatically leads to self-help as a main trait of the model, leading to **self-management**. The management, therefore, has to be done by members, by democratic vote. The last aspect is **self-responsibility**, meaning all members have a solidary liability towards the cooperative. By following this legal framework, cooperatives allow their members, in contrast to “normal” tenants, to act socially but also benefit economically from the operation (Bündnis für bezahlbares Wohnen und Bauen, 2016).

In the most basic but also by far most spread form in Germany the members participate in the general meeting with a democratic voting right, electing the advisory board which then elects the management board. Yet there are also non-representative forms where the members elect the management board directly. As the name says, the management board manages the cooperative independently. Members can rent housing owned by the cooperative through a rental agreement, giving them their voting right (Haffner & Brunner, 2014). This is the very basic form of cooperative housing in Germany. So far so good. Yet there are some extensions in the German cooperative network, which either entail more ownership rights and responsibilities for the members, build up more housing equity, or a combination of both. As varieties of models, there are still mainly two types: cooperative models based around a housing stock with often less engagement of the tenants and models that form around a specific project, with more direct engagement of tenants. In their base structure these models still function around the legal framework described before (Bündnis für bezahlbares Wohnen und Bauen, 2016). In extension to these organizations, Germany has seen the evolvement of a new generation of cooperatives since the 1980s. After many squats were legalized and other social movements became more widely accepted, new models emerged with a stronger focus on member participation. Most of these organizations follow different legal forms than the classical cooperative and are therefore not incorporated under German cooperative law, often posing challenges in terms of

support from the public bodies. These models are heavily reliant on the help of willing representatives of the community and still small in number (Baiges, Ferreri & Vidal, 2020).

In comparison, the cooperative stock in the UK is mainly characterized by not having a set legal form, but they are all incorporated under the Community Benefit Societies Act 2014. Contrary to German law this Act doesn't provide any specific legal form for cooperatives but still makes them obey certain cooperative key aspects. These are internationally acknowledged as cooperative principles and consist of seven key aspects.

The **membership in a cooperative is open and voluntary**, which means everyone able to take part in the cooperative and eager to take on the shared responsibilities can join the organization. A second key aspect is the system of **one member – one vote**. This makes cooperatives democratically controlled organizations. This democratic control combined with equal contribution to the organization leads to the third principle, which is the possibility of **economical participation**. As a fourth aspect, cooperatives are self-help organizations, making them **autonomous and independent structures**. Additionally, to their core business, cooperatives enable their members to contribute by **offering education, training and information**. Furthermore, cooperatives serve their members by **cooperating locally, regionally and even internationally**. Finally, the cooperatives field of activity is expanded further. Next to working for their members, cooperatives have to be concerned for the **sustainable development of their communities** (Peninsula Light Co., n.d.). These principles are not specifically mentioned in German law, yet most cooperatives in Germany also oblige them. When compared to the before-mentioned German legal framework, it also becomes obvious that the seven principles surely inspired many aspects of the cooperative act (*Genossenschaftsgesetz*).

By following these principles cooperatives are then registered under the before mentioned act, yet their forms can vary strongly. There are five main types in the field of housing cooperatives in the UK. As the “most successful form housing providers in terms of performance and resident satisfaction” (United Kingdom Archives, n.d.), **Ownership Housing Cooperatives** are the first important type in the UK. These cooperatives are assisted by the government in the form of capital grants. Furthermore, they are characterized by certain aspects. Firstly, all members must be tenants and the other way around. Secondly, they are democratically controlled by the members. All members collectively own the property but do not have individual equity. As a second type **Stock Transfer Housing Cooperatives** emerged from the transformation of council housing into private housing associations. This came mainly from a need for renovation of the local council stock. Transferring the stock was voluntary and the tenants were enabled to take a democratic vote if their stock should be converted. After the transfer from the council housing, the stock is registered to a low-cost rental housing provider. After 1994 all tenants of council housing were enabled to manage their dwellings on their own. This led to a model with quite different traits, **Tenant Management Housing Cooperatives**. Here the actual ownership stays within the council, residents only do the management through the cooperative. After conducting a feasibility study, the cooperative is formed by a majority vote of residents. When formed the cooperative signs a management agreement with the local authorities, including management responsibilities and financial agreements. The board of management in the cooperative consists entirely of tenants and is elected democratically. A fourth type is the model of **Short-life Housing Cooperatives**. Instead of owning the

grounds, tenants were allowed to get access to not profitable dwellings, with the obligation to keep them in good shape, and then got a lease contract with a landlord, such as councils. Because many of the housings were sold or taken back for renovation, this type has seen a heavy decrease. As a last model **Self-build Housing Cooperatives** involve their members in the building of their properties. Their labor is then rewarded by getting a “sweat equity”, meaning getting parts of the property stock (United Kingdom Archives, n.d.).

After the investigation of the two different legal frameworks and contexts in the two countries, some first relations can be revealed. The legal framework in Germany allows mainly one type of cooperative, nevertheless, this main type can extend into different subforms. But to be incorporated under the law, the structure of the cooperatives remains very similar. New smaller organizations nowadays form different legal entities, which often leads to challenges in terms of acceptance as housing providers in society and support from the state. In comparison, the much looser set of rules in England leads to various types of cooperatives under the same legal framework. These are also directly linked to certain historic momentums such as the privatization of council housing stock. When compared it is telling that Germany only has a registered type of housing cooperative, which seems very closely related to the Ownership Housing Cooperatives in England. But also Self-build Housing Cooperatives can be found in both countries, although in Germany they are called building-groups (Baugruppen) and are not necessarily formed cooperatively.

These legal perimeters show some first difficulties for the emerging form of Community Land Trusts in the German context. The very strict set of laws might function as an obstacle in the way of founding a CLT. The first proof can be found in the presented differences in types of cooperatives between the two countries. To get a better understanding of how Community Land Trusts can or can not act according to their needs well within the two countries, the following chapter will introduce these types of cooperatives and their structural parts more closely.

Community Land Trust - a typical cooperative?

Whereas the main focus for almost all models of housing cooperatives stays within the field of appropriate and affordable housing, Community Land Trusts present themselves as a model that exceeds its field of activity beyond these topics. Within this chapter, a close look at the basic structure of a CLT will be taken and the historical backgrounds will be thematized.

As mentioned before CLTs were founded in the southern rural areas of the United States in the 1970s. Through the new approach of a Community Land Trust black farmers, excluded by racist and discriminating ground politics, were enabled to gain access to housing and land for agriculture. In the early stages of the movement, the protagonists took inspiration from different contexts, such as the Commons in England or the Gramdan-movement in India, the latter being characterized by a trusteeship of towns or villages for agricultural land. As an answer to a period of gentrification in American cities during the 1980s and the displacement of residents with a low income, the first urban CLTs were founded. The agricultural model was

transformed and applied to the problem of supplying affordable ground and socially sustainable living environments in cities. Until today hundreds of Community Land Trusts have been formed around the world, mainly in the US and the UK. Regarding their success around the globe, it finally also caught the attraction of the European Union, which has started the project “SHICC” (Sustainable Housing for Inclusive and Cohesive Cities) to support the founding of CLTs in North-West Europe (Horlitz, 2017).

To understand how CLTs can become actors against social inequalities either in housing or also agricultural practices a close look at the basic elements and the structure has to be taken. A good starting point for a disassembling of this model is to start with its word itself and its components: Community, Land, and Trust. Let’s start with disassembling.

Community:

One of the big differences between CLTs in comparison to other forms of housing cooperatives lies within their structure of the organization and the decision-making mechanisms. They are based on democratic and locally linked or anchored organizations. Furthermore, they are characterized by an open form of membership, which allows all residents that live in the (geographically defined) neighborhood of the CLT to become members eligible to vote. People living outside of this neighborhood can also become members, but won’t have a voting right within the organization. Similar to other cooperatives the rules for all members are formulated within its constitution. Nevertheless, the CLTs focus more on the surrounding neighborhood and therefore limit their members and support democratic apparatus with the more direct influence of the neighborhood. To do so, they split their board into parts. It consists not only of members but also community representatives and experts. This board is responsible for the orientation of the organization. The body of the organization is therefore constructed in a way that conveys long- and short-term goals, preventing negative tendencies such as a shift towards more profit-oriented actions (Horlitz, 2017).

Land:

Another important aspect of a CLT’s structure is its special form of property. Comparable to the German model of “Erbbaurecht” (hereditary property rights) the property within the organization is split into two parts, meaning the ground and the buildings erected on it are legally separated. The members can buy or rent the built structures, such as single-family houses or commercial buildings, but the ground underneath stays within the hands of the organization or trust. Within a trustee structure the ground is leased often for a period of 99 years but never sold to the members. This is the key structural legal element of a Community Land Trust. It is renewable, causing obligation for all users in the future and holding all the key criteria for the permanent assurance of affordable ground, such as a price limit for all sold structures on the ground, bans of property in the absence or even limitation of income for users. Also, the CLT holds a pre-emptive right for all built structures on the property, maintaining its future functioning and preventing unwanted influence from outside actors (Horlitz, 2017).

Trust:

As socially-oriented organizations, CLTs are mostly recognized (depending on the specific laws within the country) as charitable and non-profit organizations. Although the term trust leads to the false assumption of the structure of a certain type of legal structure as in “Trust Company”, it actually derives from the idea of the trusteeship. This originates from the management of the properties in trust for the members. Central to the model of a CLT is the assurance of sustainable operability. By withdrawing ground from the housing market and limiting profits from it, CLTs ensure the affordability of working and living environments for many people. This trustee model is combined with the explicit priority for households with below-average income. CLTs can therefore not be seen as a model for all, but especially for people that lack economic means or have been disadvantaged by the political mainstream. CLTs can herein be seen as a catalysator for social justice in equity.

Working in this multifaceted way allows Community Land Trusts to have an agency on various levels and reach different added values. They can be seen as a new supplement to the existing supply of housing providers for social, affordable, and cooperative living environments, therefore contributing to the current housing crisis in many European cities. But Community Land Trusts extend their functions beyond the limit of housing. As local organizations, they empower collective action by placing citizens back in the center of urban development processes (Urban Community Land Trusts In Europe, 2020).

In a report of the before mentioned SHICC, five different goals for results of CLTs are named. These are part of a certain social framework that gives CLT projects certain directions and allows them to make better decisions. For the successful development of a Community Land Trust according to the SHICC five different main aspects can be named:

Firstly, to describe the actual impact of a CLT it is necessary to take a close look at its **progress in the acquisition of land** and other assets. As a tangible solution, their impact has a physical form in land and buildings that are in control of the CLT. As a second aspect, the level of **local ownership and management** should be already high and ideally increasing. The CLT should give sense to the personal agency of people and empowerment to motivate people in campaigning locally and more widely. Thirdly the **rebalance of local housing provision** should enable access for people who would otherwise struggle to find stable and suitable homes. By doing so the CLT has also positive effects on the civic life of the families or even on their wider communities through the impact of greater equity and equality. Next, the **constant challenging of their areas through the engagement of housing** can be seen as the next impact. This is mainly done by organizing and influencing policy or demonstrating better ways of housing. Finally, CLTs as durable solutions have an **impact on fostering sustainability**. They capture and protect wealth for multiple generations, on levels such as the homes, the organization, the local area, and the environment (Social Impact Tool, 2021).

Considering the explained structure of the CLT and their impact goals, their benefits become obvious as well as the levels on which they can act. As new actors on the market, many projects have grown

out of this concept and presented great results. Especially in the UK, there is a great variety of CLTs to observe and get insight into their ways of practice. But it also leads to the question of why Germany as a country has such a small culture of CLT projects so far. In the next chapter, an investigation into the projects and their legal environments will be taken and compared.

London vs. Berlin - comparing two Community Land Trusts

To compare and find the reason for the big difference in the numbers of Community Land Trusts between Germany and England, a close look at the current situation and a thorough study of specific projects will help. In this chapter, I will elaborate on two case studies. Firstly I will present the situation in England and specifically the *London CLT* as a successful example. Secondly, I will show the *Stadtbodenstiftung* as the first and only operation of a CLT in Germany.

The modern movement of CLT in England started already in the 1980s as a consequence of state-owned housing stock sales, a strong decrease of newly built houses, and non-regulated mortgage financing. After a period of developing a base for the movement, it began to grow rapidly from 2008 on, due to anchoring it in the Housing and Regeneration Act and a governmental support program. Until today almost 100 housing units have been built and 23.000 more are in planning. The quick growth of the movement mainly derives from three aspects. Firstly, the movement was able to build up a national and regional infrastructure to support future CLT projects. Secondly, the movement raises its voice for all the small projects, leading to a big success in 2016 when 240 Mio £ were given to the Community Housing Fund by the government. Finally, the movement offers financial help for funding gaps. In the current situation, the Community-Land Trust Model is acknowledged as a legitimate option for offering affordable housing and captivated many politicians in the country. Yet there are still minor problems with the realization of projects, such as a lack of knowledge about CLTs in the population or little support from local authorities (Urban Community Land Trusts In Europe, 2020).

To investigate more thoroughly how a CLT can act within a real context and what a successful outcome can look like, the *London CLT* is a great project to investigate. It was founded in 2007 as a reaction to the debate of the future use of the infrastructure for the Olympic Games 2012. After intense campaigning and negotiations, the first 23 housings were built on the plot of the St. Clements Hospital as a part of a bigger operation of 252 housings. In 2014 the CLT moved on to acting within the whole city by supporting various projects. The organization dedicates itself to households with an income on the average level (31.234 £ in 2017 for the St. Clements project). The housing was then distributed through a procedure that benefits low-income households. Until now the CLT has achieved to finish one project, one project is approved, 3 projects are in an approval process and nine campaigns are currently running. Internally the CLT is structured in the three-part model, consisting of residents, community representatives, and investors or experts. Until now the CLT counts 2500 members and 40 residents. This also shows great participation of people without a direct connection to the trust in the means of housing. Every member holds a share of 1 £ of the support

organization (Community Benefit Society). The CLT is very active in the political realm of the city and is also a privileged partner of the London city government (Urban Community Land Trusts In Europe, 2020).



Fig.3: The photograph shows the freshly elected board of the London Community Land Trust.

Structurally the *London CLT* consists of the three-part model described before. As a trading style of London Citizens' CLT Ltd, it is incorporated under the Co-operative and Community Benefit Societies Act 2014. In England, CLTs are not a set legal form in themselves, but they have certain aspects they have to follow. Firstly the CLT must be set up to benefit a defined community and it is not for private profit. The surpluses the "company" makes must be reinvested in the community. Furthermore, it is open to join for anyone who lives or works in London for a fee of 1 £. By entering the organization each member earns the democratic voting right at the annual general meeting where the board is elected. One-third of the board is required each year. The board consists of one-third of each *London CLT* residents, residents from the community surroundings of the projects, and independents and experts, supporting the organization in multiple ways (Case Study London CLT, 2016).

As Germany is currently facing a strong increase in prices for grounds and rents in booming cities, migration from the countryside, and subsequently high vacancies, there is a strong need for innovative projects and solutions in the housing market. As a consequence of the federal system, housing is an issue that also concerns city governments and some choose different paths from the state politics. While the state

government still chooses the direction of private property as the key aspect of the housing market, the city of Berlin is now trying different approaches. To gain back control over properties to withdraw them from the free housing market, the city can present a variety of non-profit projects. One of them is the first CLT in Germany, the *Stadtbodenstiftung* in Berlin. There is an abundance of groups and initiatives trying to prevent the exploitation of tenants in the free market. Currently, residents with a low income are regarded as a problem in the city, since they are obstacles to increasing rents because of old and affordable rental contracts (Urban Community Land Trusts In Europe, 2020).

The main goal for a CLT in Berlin can therefore be seen in the protection of residents and preventing further displacement also for commercial holders. The *Stadtbodenstiftung* orients itself on the model of CLTs and was founded in 2020 as a legal trust. Inspired by the success stories of other CLTs such as the London project, in 2017 an informal group started a planning initiative in the district Friedrichshain-Kreuzberg as an answer to rising ground prices and rents. A key aspect of the initiative was the close cooperation between citizens, local authorities, and private investment. It derives from a strong sense of community in the district and various projects in the neighborhood. Currently, the CLT counts 50 active members, 9 were elected to the board. The CLT was founded as a non-profit and charitable organization with the main goal to withdraw ground from the free market, over hereditary property rights and leasing contracts with buildings with a duration of 99 years. As a first project, the initiative is planning to offer 50 housing for around 100 people in cooperation with existing cooperatives. Encouraging the neighborhood's close cooperation is a key objective for the CLT. As a first step, the organization wants to secure old buildings with the current residents to withdraw these grounds from the market. Tenants momentarily living in the buildings could therefore obtain new contracts, the property would go into the hands of the trust and the buildings would be brought into hereditary contracts. In the early phase, the initiative was supported by the local authorities of Friedrichshain-Kreuzberg by doing a feasibility study and offering 40.000 € of further help for communication and development. In the next years, the trust is hoping to gain 200.000 € of funding from the Berlin city government (Urban Community Land Trusts In Europe, 2020).

Legally the *Stadtbodenstiftung* is formulated as a trust and therefore not a cooperative in front of German law. It is registered as a non-profit, following means like help for refugees, protection of nature, citizens' education, arts, and culture. Structurally the trust consists of three parts: the board, the board of trustees, and the trust committee. The board of the trust is named by the curatorial for a period of three years and is responsible for the management of the trust as a head organ. The curatorial consists of ideally 13 people and it has a fixed ratio of representatives. Four people represent the users, four neighborhood representatives, one representative of the trustees, three experts of the public realm (ideally engaging in non-profit urban politics), and one person representing investors for the trust. The third organ is the committee, which represents the interests of the users and elects the curatorial in parts (*Stadtbodenstiftung*, 2016). This structure is a very typical model of a CLT in general and a great example of how these organizations aim to moderate various interests to produce socially sustainable projects.



Fig.4: The photograph was taken at the founding event of the Stadtbodenstiftung in Berlin in 2021.

The two organizations show many similarities. Both are supported by the local government, and they aim to maintain these close contacts to get more funding and a variety of means. Moreover, structurally both operations follow the three-part model, yet the structure of the *Stadtbodenstiftung* is a bit more specified in its policies, and the legal structure is split up into more parts. Furthermore, both CLTs can act very specifically within their two contexts. The goals can be set very precisely and negotiated democratically throughout time, which is a key aspect of CLTs and makes them very agile organizations. The main model can therefore adapt to many different situations, which makes them attractive because many citizens can identify with the goals for their specific neighborhood. The most important similarity is the reason how these structures came into being. Both cities face a severe crisis of tenant insecurity and increasing rents, which made it necessary for residents to team up and create the CLT as a bottom-up movement. In their common goals and their birth moments, the CLTs are both very close to the main characteristics of the first trust in the US. Looking at the example of the *London CLT* it is already possible to see what a successful operation can look like. The following years will have to show if the *Stadtbodenstiftung* can follow up on this.

Conclusion

Now that the historic derivation of the cooperative housing network in the two countries is known to us, the legal frameworks are analysed, CLTs as structures are elaborated and two case studies are presented, an attempt to conclude the initial question can be done.

Firstly, an interesting difference can be found in the countries' statistics on cooperative housing in general. Whereas Germany still has a very large number of residents in cooperative housing, the movement in England has shown a stronger decrease over time and is now much smaller than in Germany. But in comparison, England offers a greater variety of cooperative housing forms incorporated under the

Cooperative act. The cooperative housing stock in Germany is mostly from a period right after the Second World War and consists almost entirely of organizations that are made up in a very similar way. The many models that exist today in England can be seen as a great chance since there is a variety for future residents to participate in according to their wishes and needs. Nowadays the scene in Germany is shifting and many smaller cooperative housing projects are starting to appear. Nevertheless, cooperative housing is still a very classical model and not necessarily regarded as very innovative or attractive.

Secondly, regarding the legal frameworks, another interesting difference can be found. England has a much looser set of legal frameworks than Germany when it comes to cooperatives, as explained in chapter two. This leads to the possibility of incorporating Community Land Trusts under the Co-operative and Community Benefit Societies Act 2014, meaning that they are legally regarded as cooperatives. In Germany, with a much stricter set of requirements towards the legal structure of cooperatives, this is currently not possible. The legal structure of CLTs in Germany is a non-profit trust. It is possible that this is one reason which makes it harder for CLTs in Germany to set foot and campaign for their cause, which would require more thorough research on specificities in German law. Trusts in Germany are not necessarily seen as legal structures that concern themselves with housing. It is therefore harder for them to present themselves as appropriate solutions for affordable housing or to be seen as a cooperative approach. This is also the reason why the first CLT was founded in Berlin because for now it still needs actors that are willing to experiment and go new ways to tackle the problem. In other German cities where the problem of increasing rents and tenant insecurity is not as severe as in the capital, the society doesn't see any necessity yet to try out different legal forms for cooperative housing.

Finally, as the movement was adopted in the UK in the 1980s, only 20 years after its first appearance in the US, it could, therefore, set foot earlier and till today had much more time to build up a network in comparison to Germany. This already led to a state-wide support program for CLTs. Since the movement in Germany is still very young it is heavily reliant on specific willing community representatives as in Friedrichshain-Kreuzberg, who support the movement out of personal belief in the model.

If Community Land Trusts in Germany will ever become a known model for affordable housing is yet to be waited for. Regarding the more traditional market for cooperative housing it will surely take its time to set foot. But regarding the great successful projects in England and their impact on their communities, this would surely be a momentum to wish for. In Germany, the new models, like Community Land Trusts, or other cooperative projects like the *Mietshäusersyndikat (Rental Housing Syndicate)* (Baiges, Ferreri & Vidal, 2020) are not very well known in the population. As they are not formed in the legal form of a cooperative, it is more difficult for them to acquire support from governments. Here a new law could help to incorporate them under the status of non-profit housing organizations, making them eligible for more funding and additionally helping them to find more acceptance as legitimate housing providers in society. The support programs of the European Union are a good starting point for such a development. Maybe in future years, the German government will change its legal framework, which would allow CLTs to be incorporated under the cooperative act. This is all still in the future, but regarding the manifold impacts and levels on which CLTs act

in comparison to other cooperatives, it would be a development benefitting many citizens in Germany. For me supporting these projects on a governmental level would be a necessary step to tackling many problems in the urban realm of today's cities.

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Figure 1: London Community Land Trust. (n.d.). [The annual meeting]. https://static.wixstatic.com/media/9b1760_70ed508698c34091b24c01a529000f0d~mv2.jpg/v1/fill/w_1140,h_393,al_c,q_85/105_YK2017_0041D_MG_3922-1140x400.jpg

Figure 2: Rochdale Equitable Pioneers' Society. 1865. https://wikiimg.tojsiabt.com/wikipedia/commons/thumb/8/8d/Rochdale_Society_of_Equitable_Pioneers_1865_photograph.jpg/1280px-Rochdale_Society_of_Equitable_Pioneers_1865_photograph.jpg

Figure 3: London Community Land Trust. (n.d.). [The freshly elected Board]. <https://www.londonclt.org/the-board>

Figure 4: Stadtbodenstiftung. 2021. [Unsere Gründungsfeier 2021]. <https://www.stadtbodenstiftung.de/2021/11/08/unsere-gruendungsfeier-2021/#>