



## CASE STUDY

# Keswick, Cumbria

**This community led housing project was based in Keswick, Cumbria. The project was completed in December 2013.**

With the community behind you and the right support, this project is proof that community led housing can be delivered and managed locally.

**Location:** Keswick, Cumbria

**Key aspects:** 11 3 bedroom homes - 1 for open market sale, 5 affordable rent and 5 shared ownership



## Background

**Keswick (population 4,821) has a low-wage, tourism and retail based economy with a long-standing shortage of affordable homes.**

In 2009, members of Keswick Churches Together consulted their community and decided to take practical action.

Keswick Community Housing Trust (KCHT) was set up to deliver and be accountable for the new homes. Key drivers for KCHT were to provide homes in Keswick which would remain affordable in perpetuity, maximise affordability and act as champions for affordable housing within the community.

Land was purchased from St John's Church after the diocese agreed to sell part of their graveyard that was unsuitable for burial, at a price which helped to ensure affordability.



## Funding breakdown

**Eleven plots of land were purchased from the Church at £10,000 each, the capital receipt providing the Church with an endowment for the upkeep of the rest of the graveyard.**

£18,000 of revenue support was secured from local and national organisations to cover the legal and administrative costs of setting up KCHT.

KCHT became a registered society with exempt charitable status to enable it to raise investment through community shares and at the same time to raise funds from charitable sources.

As a Community Land Trust, KCHT was able to bid for funding through the Homes and Communities Agency and secured a £230,000 grant.

The financial package relied on the sale of one of the eleven homes on the open market and the sale of 50% of another five, on a shared ownership basis, to release enough capital. This arrangement required bridging finance which was provided by a local building society on the basis of the Community Land Trusts (CLT) business plan which included the introduction of a community share scheme which would raise at least £50,000. In the end the community share scheme managed to raise £60,000 in total.

The residual mortgage (maximum £293,000) is repayable over 25 years and the rental income from the properties covers mortgage repayments, day to day expenses, insurance, audit fees, repairs and contributions to a 'sinking fund'.

Rental charges currently stand at £500 per calendar month for the six fully rented properties; no rent is charged on the shared ownership properties.



Photos courtesy of Andy Lloyd, CLT Network Community Housing Technical Adviser

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## Key points:

**The partnership with the churches and in particular St John's Church was crucial in terms of securing both local support and land at an affordable price.**

The community shares offer for the original scheme not only raised £60,000 in total but also helped galvanize local support.

The properties sold at 50% of open market value are free from any rental charges – affordability in perpetuity is achieved by a restrictive covenant – properties can only be sold on at 50% of their open market value. These properties had a 106 agreement in place therefore for local occupancy only.

This project was the catalyst for the development of another two successful schemes in Keswick – Banks Court and Calvert Way resulting in a total of 37 homes.