

Resales Report

City of Lakes Community Land Trust Resale Analysis

Report to Affordability Investment Funders

Report Summary

As of November 15, 2019 The City of Lakes Community Land Trust (CLCLT) has facilitated 79 homeowner resales. There have been 69 first resales and 10 second resales. Given the low number of second resales, this summary only looks at the 69 first resales that have occurred through the life of the organization. The average time between initial sale and resale was just over 6 ½ years with the range of 16 months to 14 ½ years. CLCLT resales offer the opportunity to resell an already affordable home to another low- to moderate-income household in Minneapolis without needing to re-subsidize the home to keep in permanently affordable. On average, of the homes that have now resold via the CLCLT, \$48,540 in affordability investment into each home. This average, multiplied over the 79 homes experiencing a resale, equates to \$3,193,526 in primarily public funding that was “reinvested” into the homes without needing to raise funds to keep the homes affordable. Essentially, by utilizing the CLCLT to make the initial affordability investment, the Community Land Trust way of homeownership saved the public sector and other funders \$3,193,526. CLCLT resales demonstrate the leveraged impact of the CLCLT long-term affordability and commitment of utilizing limited public resources and growing them over time.

The table below shows the Market Price, Effective CLCLT Buyer Price, Affordability Investment (difference between first two columns), and Average Median Income (AMI) served at time of initial sale for the 69 homes that have resold. It’s important to note that the majority of these sales and resales occurred when the Minneapolis housing market was in a significant decline and the figures below reflect these market realities. Additionally, disproportionate numbers of condos and townhomes make up 36% of CLCLT resales despite them only representing 15% of the CLCLT housing portfolio. Both of these property type values have not rebounded as quickly as single-family homes in Minneapolis. What’s further important to note is that while these prices and affordability investments have decreased over time, the homes have remained affordable and were not lost to the market. The figures also demonstrate that not only have the market rate and CLCLT home prices remained constant over the life of the organization, the homes have remained relatively affordable to low income households with the average household income served over time slipping from an average of 53.2% of AMI to an average of 56.5% of AMI. All of the homes have remained relatively affordable to low-and moderate-income households, which demonstrates the effectiveness of the Community Land Trust way of homeownership.

	Average Market Price	Average CLCLT Buyer Price	Average Affordability Investment	Average Area Median Income (AMI) Served	% Community of Color Household Served
Initial Sale (69)	\$164,903	\$118,620	\$46,283	53.2%	56.5%
1st Resale (69)	\$165,063	\$118,935	\$46,128	56.5%	50.7%
<i>Change</i>	<i>+.1%</i>	<i>+.3%</i>	<i>-.3%</i>	<i>+3.3%</i>	<i>-5.8%</i>