

The Land Trust: The Key to Affordable Homeownership at South Avon

What is Shared Equity Homeownership (SEH)?



A one-time investment makes a home affordable for purchase by a working family with modest means, and the home remains affordable for any family after that purchases it.



In return for being able to buy a home below its market-rate value, the family agrees to limit their proceeds when they sell so another family with a modest income can afford to purchase the home.



The first family builds wealth and then “pays it forward.” The affordable house is self-sustaining, and the use of the public funds is prudent since that one-time public investment serves an endless number of families.

Almost half of South Avon’s housing units will form part of a **land trust**. RHDC owns the underlying land, and residents can buy the homes that sit on it through affordable, long-term (generally 99-year) leases. Homeowners in a land trust can improve their properties, make renovations, and even pass it on to children or relatives. Like other SEH models, residents share the proceeds of the house once sold so that RHDC can further maintain the property and affordability.

Shared Equity

Homeownership (SEH), is one of the keys to housing affordability at the South Avon Development. It is a model of housing in which residents can buy homes at affordable rates, so long as they agree to limit their share of the proceeds when they eventually sell the house.

Mission-driven organizations like Rockford Housing Development Corporation (RHDC) subsidize residents’ purchases of these homes and use part of the proceeds to **maintain the neighborhood and overall affordability.**

What are the Benefits of Shared Equity Homeownership?



- 1 Provides greater likelihood of attaining and sustaining homeownership.
- 2 Builds wealth among lower income and families of color.
- 3 Ensures public investments go further and do more.
- 4 Builds stronger, safer and higher-quality neighborhoods.
- 5 Contributes to greater educational and job attainment.
- 6 Creates jobs through the construction and rehab of housing.