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Community Land Trust Advocacy

5 FRIENDS STARTER KIT

Founder group guide · 2026

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PURPOSE

What is the 5 Friends Guide?

This guide is for groups ready to move beyond general interest. It helps a serious founder group test whether they can organise collaboratively around governance, land, money, feasibility and long term affordability. If you are still building local support, start with the **Community Advocate Pack**.

For founder groups

Use after local interest forms

Before commitments

Use the **Community Advocate Pack** to gather people. Use this guide to test whether the group, place and pathway are ready for deeper support.

ETHICAL RETURN FOR FOUNDING FRIENDS

Founding Friends help make the first project possible by contributing early capital towards land, infrastructure or setup costs.

The model is designed so that founding contributions can be repaid over time, with a modest inflation-linked return.

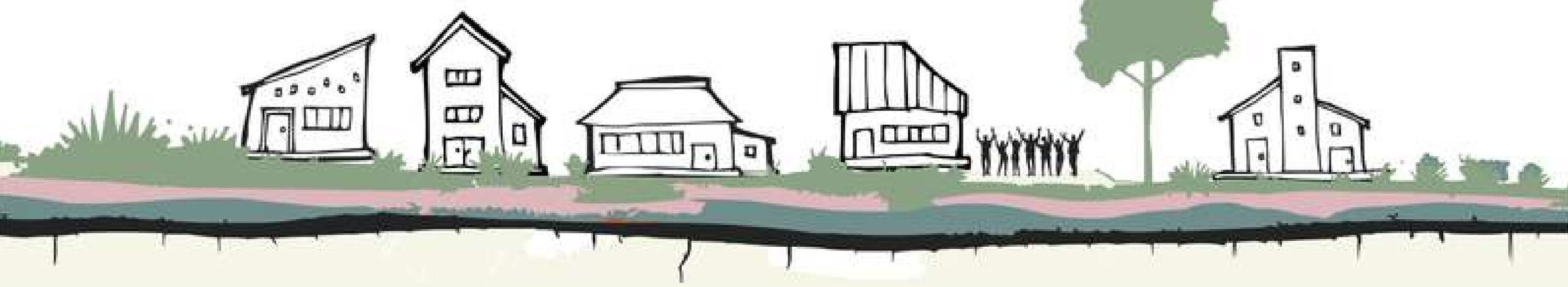
That return comes through the project's stewardship structure, including:

- Ground lease fees
- Patient capital refinance at year 3
- A reduced stewardship fee when founder-residents sell

This means founders can be repaid fairly, while the homes remain affordable for the next household, and the next.

Founders help unlock the first homes.
The affordability lock protects every future buyer.

Five to ten friends.



A worked example with 8 friends: six two-storey homes in a cluster on a 1,100 square metre block in a regional Victorian town. The friends buy the land and set up the trust. Each household buys its home at cost and leases the land.

$52,259

Put in by each of eight friends, for land, duty, legal and set-up costs.

45%

Of founders' capital back within five years, mostly through a patient capital refinance in year 3.

$22,094

Saved each year by a resident household, against buying at the local median price.

396 sq m

Of shared commons, after private courts and pooled parking.

Every figure moves with your town, land price and group size.

Try your numbers in the Founder Investment Tool

Read how the numbers work

Illustrative figures for discussion only. Growth rates and median prices from the Valuer-General's Guide to Property Values 2024.

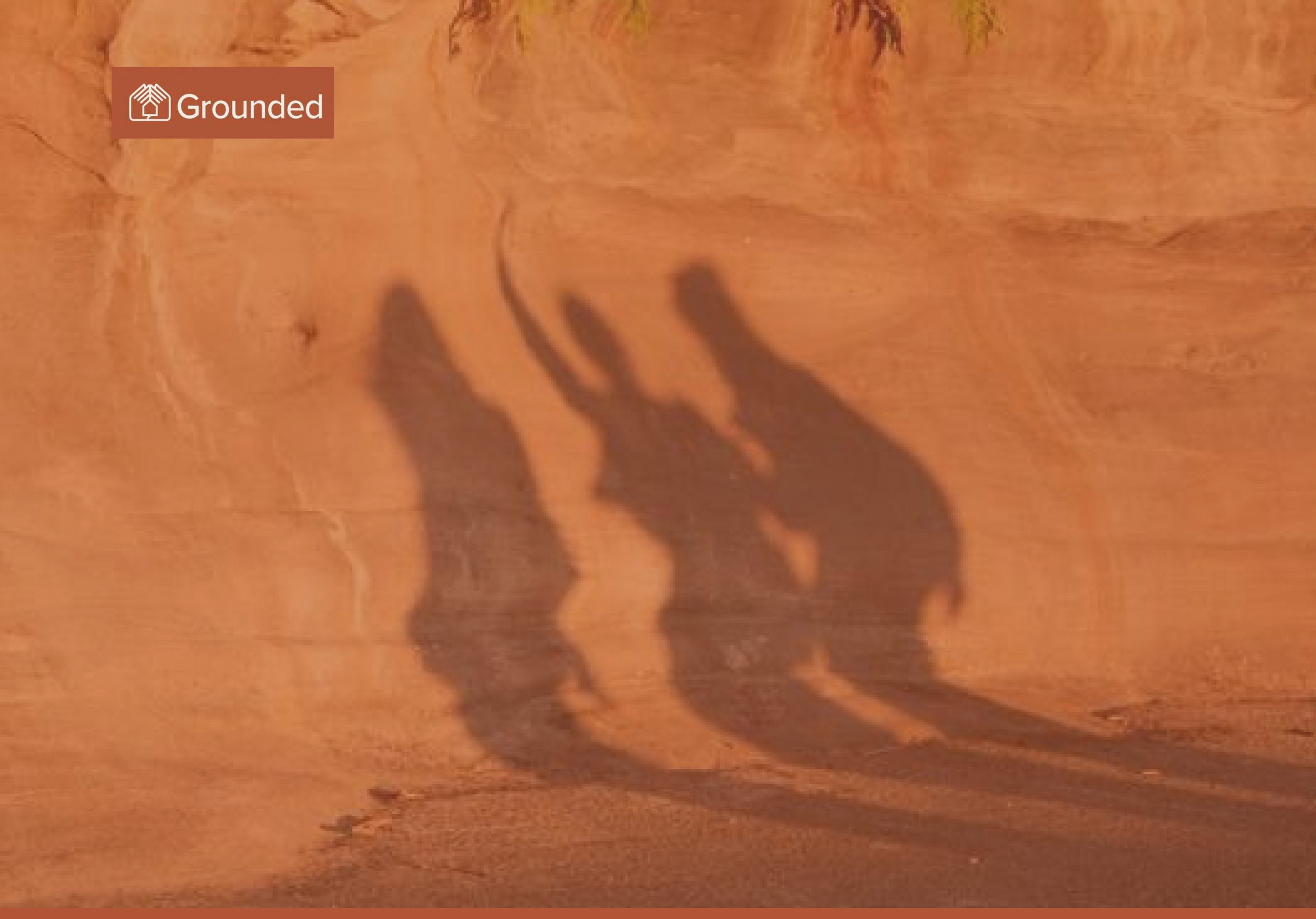
WHAT 5 FRIENDS IS

A founder group pathway, built on shared purpose.

Households, communities and friends come together to test whether land, governance, finance and stewardship can support permanently affordable homes.

- Community-led
- Mission-locked
- Founders repaid
- Affordability protected
- Discussion only

This kit is for early discussion only. Exact repayment terms, legal structure and financial settings need to be tested with professional advice before anyone makes a commitment.



THE AFFORDABILITY PROMISE

Keep the land in community hands.

People can still build equity, but the upside is shared so homes stay affordable for future households too.

Resource checkpoint: read the **Grounded in Affordability** report and ask Grounded some hard questions in your 1:1 before discussing resale caps, ground leases or stewardship fees publicly.

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THE MODEL, SIMPLIFIED

Five readiness questions.

Before money, land or legal commitments, test whether these five pieces are credible for your group and place.

1. **Mission-locked entity**
2. **Land pathway**
3. **Homes at cost**
4. **Secure tenure**
5. **Stewardship**

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WHO IT CAN SUPPORT

Housing for every life stage.

5 Friends can support groups with shared values, clear roles and enough commitment to test a project pathway. If you are still recruiting interest, use the Community Advocate Pack first.

Young renters

Values-aligned stability and skill sharing.

First-time buyers

A clearer path into secure housing.

Mid-career households

Community, resilience and shared purpose.

Retirees + elders

Legacy, support and intergenerational care.

FROM FOUNDER CIRCLE TO 5 FRIENDS

Start with the households you have.

Bring across what you have already built: your **Founder Circle Charter**, **stakeholder map**, **local affordability evidence** and questions from **kitchen-table conversations**.

Early focus

- Shared purpose
- Defined roles
- Decision log
- Simple records

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FIRST 90 DAYS

Three milestones and gates.

This keeps energy practical and creates pause points before larger commitments.

Day 30: Align

Form the core group, agree purpose, roles and decision-making.

Day 60: Organise and reach out

Develop the governance pathway, public story, online presence and stakeholder relationships.

Day 90: Test

Identify possible land, check zoning and constraints, outline feasibility, and choose the next Grounded support pathway.

BY DAY 30

Form the Founder Circle

- Shared purpose, values and non-negotiables
- Named core group
- Initial roles
- Meeting and decision protocols
- Shared records and decision log

Grounded support:
Founder Circle Charter, role templates and governance templates

Gate: Are enough people prepared to do the work?

BY DAY 60

Establish governance and public presence

- Define the transition from Founder Circle to steering committee
- Agree steering committee composition and selection standards
- Set membership, conflicts, delegations and exit principles
- Develop the project name, story and basic online presence
- Begin community outreach and stakeholder mapping

Grounded tools:
Governance framework, committee templates, communications tools and stakeholder mapping.

Gate: Does the group have legitimate authority, sound governance and sufficient community support?

BY DAY 90

Prepare the entity and test feasibility

- Choose the entity and landholding pathway to investigate
- Draft the purpose and constitutional objects
- Identify prospective trust board skills and recruitment needs
- Confirm zoning, overlays and planning constraints
- Test site yield, servicing, costs and affordability
- Prepare council, landholder, lender and funding questions

Grounded tools: Entity-readiness guidance, preliminary Feasibility Check, affordability modelling and Incubator pathway.

Gate: Can the group establish a suitable landholding entity and demonstrate a credible project pathway?

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BEYOND THE FIRST 90 DAYS

A staged, gated and supported pathway

Move through readiness gates. Use the **Resource Hub** as a companion toolkit, and only download the resource that matches your current stage.

1 **Foundation**

Group, values, roles and records.

2 **Land + legal**

Site pathway, diligence and advice.

3 **Planning + finance**

Council pathway and lender readiness.

4 **Delivery + stewardship**

Build, move in and care over time.

5 **Overview**

Founder Circle → Steering Committee → Incorporated CLT entity → Trust Board

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LAND AND PLACE

Before falling in love with a site, test the basics.

Planning pathway

Could the use, yield and timing be plausible?

Services + access

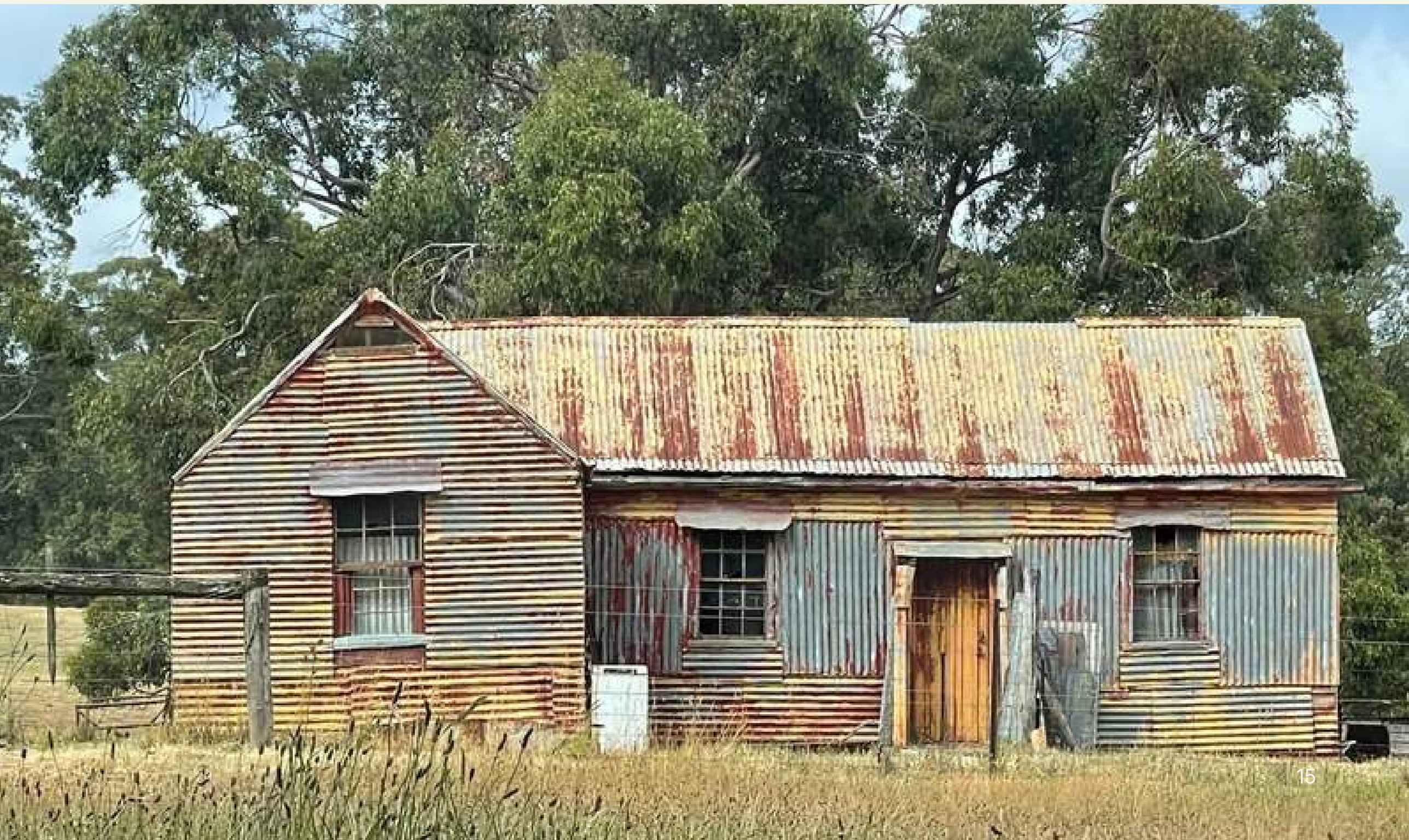
Will servicing and access costs stay manageable?

Affordability fit

Does the site support enough homes to keep prices fair?

Community context

Can neighbours and council understand the benefit?



THREE CONVERSATIONS

Council, lenders and future members need different clarity.

Council

Use the Advocate Pack for public story, snapshot and stakeholder mapping.

Finance

Use Grounded’s feasibility tools to prepare tenure, affordability, cost and borrower questions for lenders.

Community

Explain who it helps, why it matters and how concerns will be heard.

GROUNDED SUPPORT

The right support, with clear boundaries.

Grounded can provide education, templates, feasibility guidance and pathway support. Independent legal, tax, planning, credit and financial advice still comes first.

- Feasibility and modelling
- Governance and decision templates
- Planning pathway advice
- Founder Workshops
- Incubator and Accelerator programs

FIRST GATHERING

A simple agenda for the first conversation.

Keep it human. Aim for alignment and agreed next steps.

1. **What brought each person here?**
2. **What would make housing feel secure and fair?**
3. **What values are non-negotiable?**
4. **Who can take which role next month?**
5. **What resources, skills or capital might each person be willing to contribute if the project proves feasible?**

NEXT STEPS

Ready for a feasibility conversation?

The next step is to test whether the group, place and pathway are worth exploring in more detail.

1. Share

Send this guide to your founder group.

2. Check

Confirm values, roles, records and decision rules.

3. Resource

Use the Resource Hub tool for your current stage.

4. Contact

Book a Grounded feasibility check.

A Grounded Feasibility Check tests the group, land pathway, indicative costs, dwelling yield and affordability settings before major commitments are made.

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Start with people.
Then test the pathway.

hello@grounded.org.au

grounded.org.au/resource-hub/

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