Innovative Business Plan Expands Mission


Real estate agents are key players in the success of community land trusts. Some CLTs even have them on staff to help facilitate the buying and selling of CLT homes. Proud Ground, a CLT-based organization in Portland, Oregon, is using its in-house real estate expertise in an enterprising way, and it’s leading to big gains for both Proud Ground and the community they serve.

In 2015, Proud Ground launched a full-service real estate firm, Proud Ground Community Realty, as a new line of business for the organization, becoming Oregon’s only non-profit real estate brokerage.

“We already had been licensed in real estate brokerage for several years, primarily to conduct the CLT real estate transactions,” said Tyler Koski, real estate broker and project manager at Proud Ground. “We had the systems in place, so why not open our real estate services to the public and help buyers and sellers in the open market, while creating an additional revenue stream for our land trust?”

In 2014, Proud Ground turned to Grounded Solutions Network for help converting the business idea into reality. The CLT applied for assistance and was competitively selected as one of 10 organizations across the nation to participate in Grounded Solutions Network’s Business Planning Fellowship.

With a focus on social venture business planning, the fellowship was designed to support established affordable-housing programs who wanted to increase sustainability and advance their missions in new ways.

The program connected Proud Ground with business planning consultants, who guided Proud Ground staff through creating a business plan to expand their real estate services to the open market. During the year-long process, they assessed the market, developed costs and revenue projections, considered marketing strategies and set a timeline for launching the new line of business.

“The fellowship gave us an important forum to build a thoughtful and feasible business plan,” said Diane Linn, executive director of Proud Ground and a Grounded Solutions board member. “It’s not a difficult concept to expand on services you already have, but this intensive planning process got us to focus on the details.

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Beyond a business plan, the experience left Proud Ground with something else: confidence they could make it happen.

“The fellowship was really invaluable and instrumental in the early-stage planning for opening Proud Ground Community Realty,” Koski said. “Before we could open this new line of business, we needed to go to our board of directors for approval. Having a solid business plan in place made it viable and not just an idea in our heads.”

In Proud Ground Community Realty’s first full year in 2016, the non-profit real estate brokerage facilitated 12 closings and generated approximately $100,000 in revenue in commissions earned. Commission proceeds are split between the CLT’s operating budget and a pool of subsidy funds that directly support permanent affordability in the community.

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“In our area, there’s definitely a significant section of the homeownership and homebuying consumer base that is community minded and believes in the social benefit of non-profit work,” Tyler said. “It’s a pretty easy choice to make… if you’re going to be paying for real estate services anyway, you can get fantastic service from Proud Ground, while also supporting affordable homeownership in our community.”

Koski said Proud Ground is one of few CLT-type organizations in the nation to also operate as a non-profit real estate brokerage. He encourages others to explore the option.

“There is a real need for what land trusts provide, but there never seems to be enough subsidy or funding to make it happen,” he said. “By being creative, CLTs can create value for communities and potentially find really powerful ways to generate subsidy for permanently affordable homeownership.”

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