

HOUSING POLICY IN France
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HOUSING in FRANCE OVERVIEW

Key figures

- 28.8 million primary residences (housing growth average: 1% per year)
- 58% owner-occupiers: 16.6 million
- 42% tenants, of which
 - Private rental sector: 6.8 million (56%)
 - Social housing: 5.4 million (44%)
- Percentage of individual housing: 57 % (located for 78% in urban units)
- Average number of people per household: 2.3 (2.7 in the 1980s)
- Average surface area of accommodation: 91 m²
- In 2013, less than 1% of accommodation had insufficient comfort, versus 15% in 1984
- Overcrowding issues : 2.7 million (in urban units of over 100,000 inhabitants)

Economic share of the housing sector

- Total housing expenditure: 22% of GDP, i.e. €471 billion
 - 30% investment
 - 70% running costs (rent, utilities, water, etc.), an increasing percentage.
- Housing is the main component of household's spendings (21.9% in 2013, 17.4% in 1984)
- Total housing subsidies: 1.9% of GDP, i.e. €40 billion

HOUSING POLICY FRAMEWORK

Main objective: to enable everyone's access to adequate and affordable housing, in accordance with the objective of urban social diversity and sustainable development.

A national competency,... shared with several key stakeholders

- Political and governing bodies: State, Regions, Districts (Départements), Municipalities
- Financial bodies : Banks, Insurance companies, Action Logement
- Operational acting public or semi-public bodies: Social landlords, national housing agency (Anah), national urban renewal agency (Anru), ...
- Private operators and associations: private owners, real estate managers, NGOs, ...

Local level is key for implementation and tackling current challenges

- Governance of efficient housing policy in the context of decentralization
- Integration of the vulnerable groups in the housing market
- Urban integration and renovation of deprived urban areas
- Limit urban sprawl and promote urban density
- Adaptation of existing housing (energy efficiency, ageing population, ...)

COMPLEMENTARY PILLARS OF FRENCH HOUSING POLICY

Regulating for a fair market

- Relations between economic agents (co-owners, owner/occupier, sellers/buyers)
- Standards and regulations for construction
- Transparency and information (National and local information agencies, rental market observatories)

Securing demand (financially and legally)

- For owner-occupiers: financial support for the first-time buyers
- For tenants: direct rental housing subsidies (means-tested benefits) for low-income families covering part of housing expenses of renters who are free to choose where to live
- Enforceable right to housing (DALO-Act)

Developing qualitative/quantitative offer

- Tax saving programs for private investment in rental housing
- Subsidies, low-interest loans and tax free programs securing social housing bodies, other social landlords and associations for construction of low rental housing
- Housing local plans in urban development schemes/ 25% of social housing mandatory in most important cities
- Ambitious new/renovation standards coupled with subsidies for “green” renovation

FOCUS ON SOCIAL HOUSING

1- Regulated low profit Social Housing Companies (Public or private)

- Regulated profits and management
- Owning more than 12000 dwellings
- 5.4 million dwellings

2- Financial general scheme

- Costs :
 - Construction 142K€ for 69 sqm (average)
 - Management/ maintenance
- Incomes:
 - 32% Investment aids
 - 18% State (Reduced VAT, Tax exemptions, low interest loans, grants)
 - 14% Others: (Action logement direct grants, Loan guarantee, local tax exemptions, local authorities grants)

 - 58% Rental incomes
 - Personal aids : 20%
 - 48% rental incomes

3- Lower rent for means tested households

FOCUS ON SOCIAL HOUSING

1- General public aids

- Reduced VAT
- National and local Tax exemptions
- Low interest loans
- National and local grants
- Loan Guarantees

1- Action Logement

- Since 1953, collecting 0.45% of the wage bill, managed by inter professional committees
- Annually about 3,5 billion € of which about :1.4 b€ for Construction, 1 b€ for Social interventions, 1 b€ for Public policies (National Agencies)
- Counterpart : Housing for workers

2- Livret A

- Day to day saving accounts (liquid and tax free)
- Deposits capped (22950 €)
- 55,8 million Livret A in 2016, about 260 billion € deposits
- Annually about 13 billion € long term and low interest loans
- Managed by the Caisse des Dépôts et Consignations

THANK YOU

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