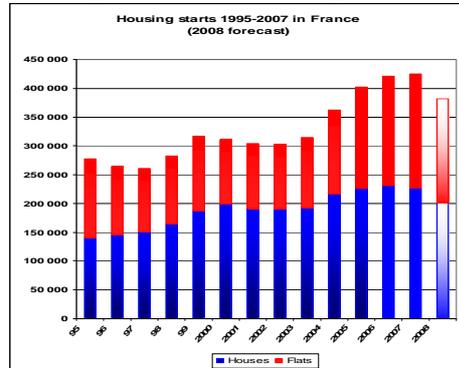


Commitment to social housing in France

LSE
 december 2008
 JP Schaefer

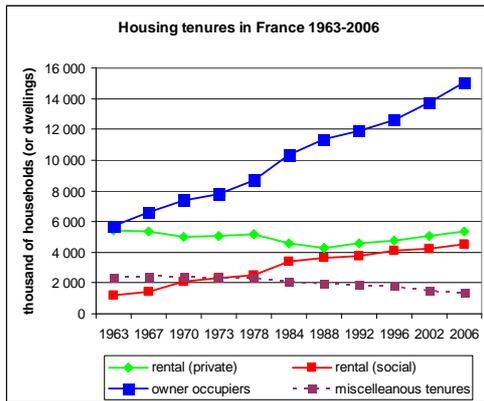
1

1- A large-scale housing construction



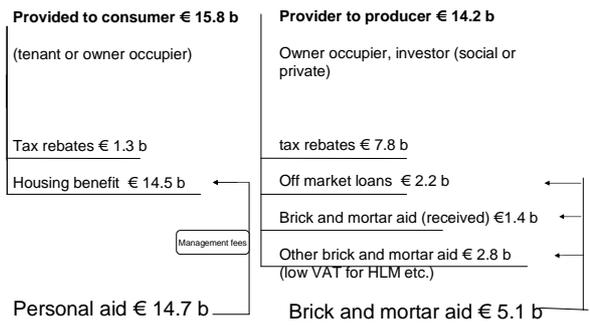
2

2 - Structure of tenures



3

3 - Housing benefit, brick and mortar aid, tax rebates, off-market loans € 30 billion



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3 – Housing benefit is now half of the aid

1985
 Brick and mortar aids 50%
 Housing benefit 35%
 fiscal rebates 15%

2008
 Brick and mortar aids 20%
 Housing benefit 50%
 fiscal rebates 30%

Trend 2009
 increasing fiscal rebates (tax deduction for home buyers)

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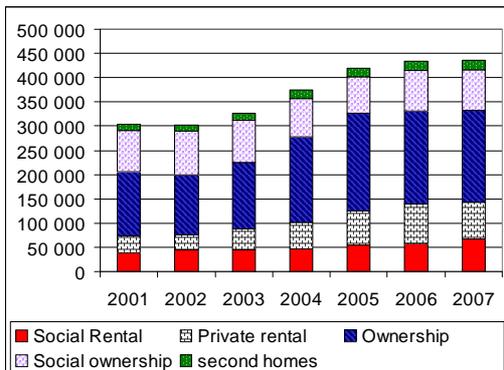
3 Where does the money come from budget 2009 34 Md€

	State budget (housing)	Social security	1% (employers)
Housing Benefit	14 %	30 %	1 %
Brick and Mortar aid	11 %		11 %
Tax rebates			33 %

local authorities aid (land, guarantee, directs) subsidies) are not included in this financial outlook

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4 - Structure of housing production



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5 - Social housing production

number of dwellings

	2007
social rental construction (new)	53 300
existing dwellings bought by HLM	10 400
HLM sold to tenants	4 900
HLM demolished (urban renewal)	14 700
social ownership (built and sold by HLM)	9 600

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6 - Financing a social rental dwelling

Price/housing (VAT 5,5 %)	100 000 €
State subsidy	3 %
Local Authority subsidy	7 %
Off market loan (CDC)	70 %
equity	7 %
Other loans	13 %

6 - Financing a social rental dwelling

Brick and mortar aid (equivalent)

- Reduced VAT (5,5%)	14 100 €
- State subsidy	3 000 €
- Local authority subsidy	7 000 €
➤ Local Tax rebates #	8 800 €
➤ Offmarket loan #	12 500 €
➤ Local authority guaranty #	1 800 €

7 - Where are the social rental dwellings? (% of principal homes)



7 - Target 20% of HLM

Communes above 3500 inhabitants (1500 in Ile de France- Paris region)

1691 communes (56% of population)
731 do not fulfill this requirement

- 20 years to improve
- A fine of € 150/missing dwelling
- after control by State Authority and debate about local housing policy

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7 Where are the social housing dwellings ?

2000 communes 60% on the population
90% of the HLM stock
25% of homes are HLM

13000 communes 28% of the population
10% of HLM stock
7% of homes are HLM

21300 communes 12% of the population
0% HLM

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