Commitment to social housing in France

LSE
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1- A large-scale housing construction

2 - Structure of tenures

Housing tenures in France 1963-2006

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

Provided to consumer € 15.8 b
(tenant or owner occupier)

Tax rebates € 1.3 b

Housing benefit € 14.5 b

Personal aid € 14.7 b

Provider to producer € 14.2 b

Owner occupier, investor (social or private)

tax rebates € 7.8 b

Off market loans € 2.2 b

Brick and mortar aid (received) €1.4 b

Other brick and mortar aid € 2.8 b

(low VAT for HLM etc.)

Brick and mortar aid € 5.1 b

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)

3 Where does the money come from

budget 2009 34 Md €

<table>
<thead>
<tr>
<th>State budget (housing)</th>
<th>Social security</th>
<th>1% (employers)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Housing Benefit</td>
<td>14 %</td>
<td>30 %</td>
</tr>
<tr>
<td>Brick and Mortar aid</td>
<td>11 %</td>
<td>11 %</td>
</tr>
<tr>
<td>Tax rebates</td>
<td>33 %</td>
<td></td>
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</tbody>
</table>

Local subsidies (old, pavilion, block) are not included in the financial outlook.
4 - Structure of housing production

5 - Social housing production

<table>
<thead>
<tr>
<th>number of dwellings</th>
<th>2007</th>
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</thead>
<tbody>
<tr>
<td>social rental construction (new)</td>
<td>53 300</td>
</tr>
<tr>
<td>existing dwellings bought by HLM</td>
<td>10 400</td>
</tr>
<tr>
<td>HLM sold to tenants</td>
<td>4 900</td>
</tr>
<tr>
<td>HLM demolished (urban renewal)</td>
<td>14 700</td>
</tr>
<tr>
<td>social ownership (build and sold by HLM)</td>
<td>9 600</td>
</tr>
</tbody>
</table>

6 - Social housing production

7 - Financing a social rental dwelling

<table>
<thead>
<tr>
<th>Price/housing (VAT 5.5 %)</th>
<th>100 000 €</th>
</tr>
</thead>
<tbody>
<tr>
<td>State subsidy</td>
<td>3 %</td>
</tr>
<tr>
<td>Local Authority subsidy</td>
<td>7 %</td>
</tr>
<tr>
<td>Off market loan (CDC)</td>
<td>70 %</td>
</tr>
<tr>
<td>equity</td>
<td>7 %</td>
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<tr>
<td>Other loans</td>
<td>13 %</td>
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</tbody>
</table>

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
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