



**MINISTÈRE
DE LA TRANSITION
ÉCOLOGIQUE
ET DE LA COHÉSION
DES TERRITOIRES**

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GENERAL OVERVIEW OF THE HOUSING POLICY IN FRANCE

Japanese – French workshop on housing
13th – 14th May 2025

Summary:

- I. Housing market in France
- II. Public subsidies to housing
- III. Social housing
- IV. Private housing
- V. Current challenges

I. Housing market in France

A majority of owners

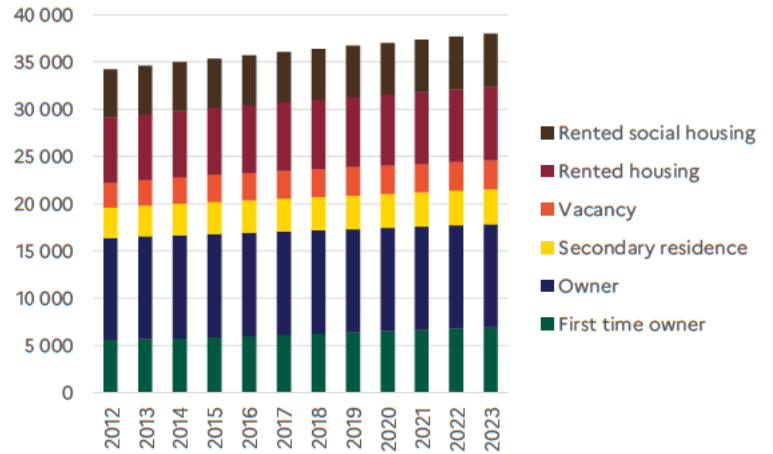
Number of housing +1%/year

65% homeowners (incl. secondary residence and vacancy)

35% tenants (55% private vs. 45% social)

10% second homes, 8% vacancy

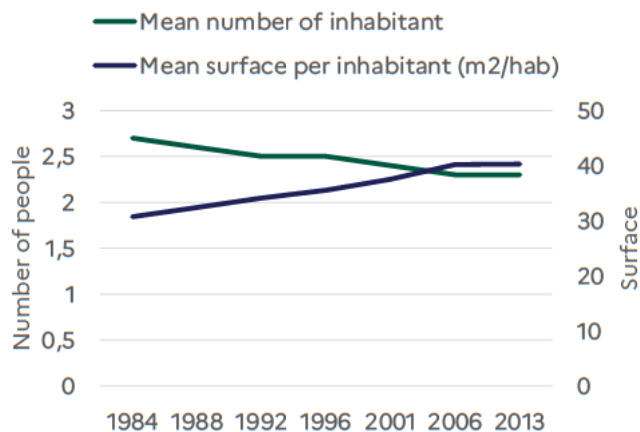
Number of dwellings
(in 1,000 dwellings)



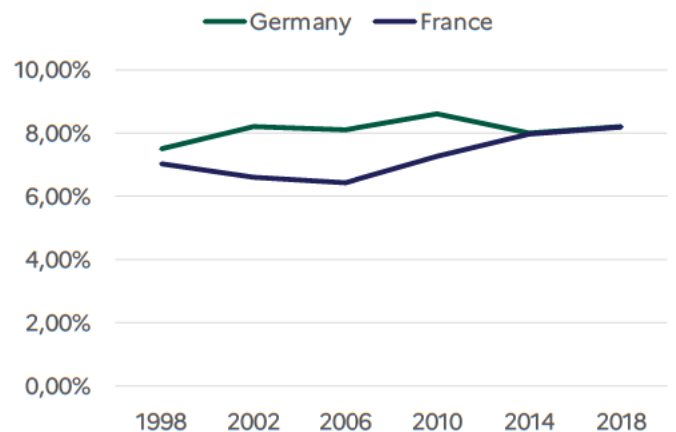
Source: compte logement 2023, Insee et Sdes, estimations annuelles du parc de logements

Two long-term trends : The rise of decohabitation and vacancy

Decohabitation phenomenon



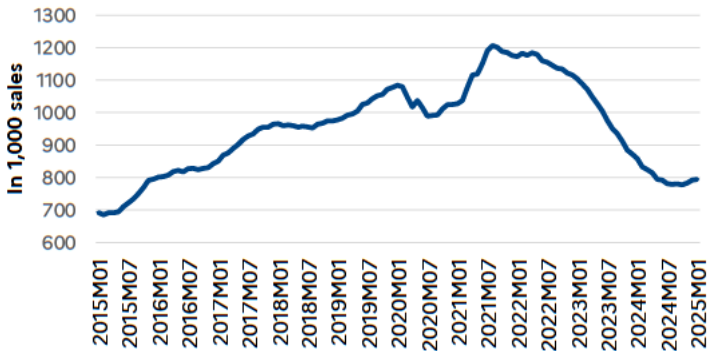
Vacancy rate



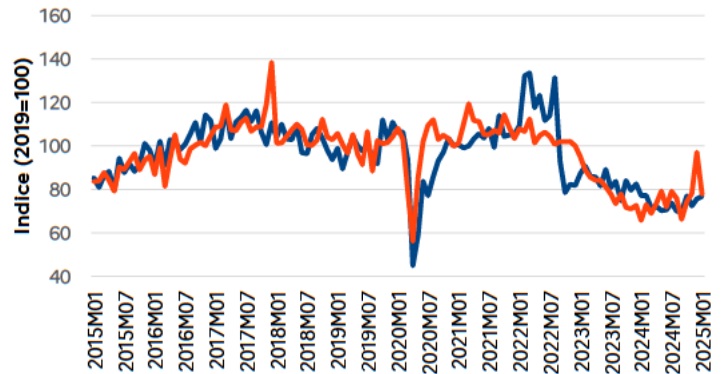
Housing production

The onset of an « housing crisis »

Number of sales of old housing
(running average on 12 months)

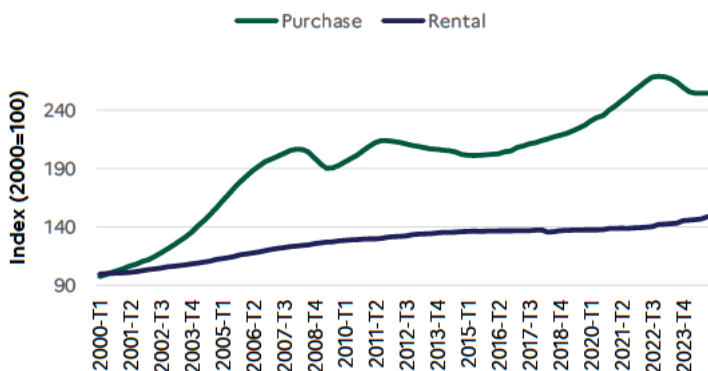


Authorized and started buildings

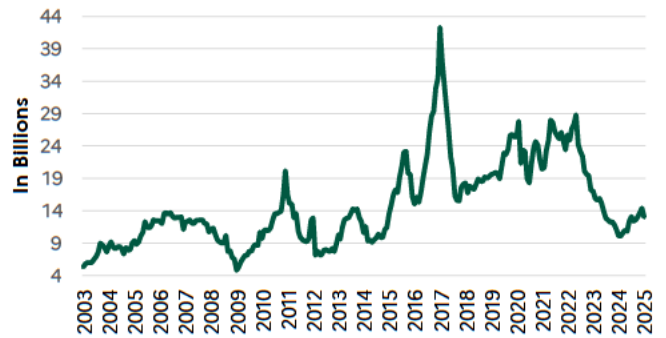


An adjustment not (yet) fully reflected in real estate prices

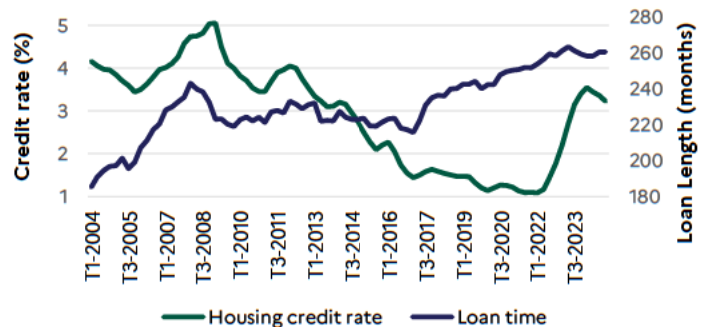
House price and rent indices



Number of housing credit



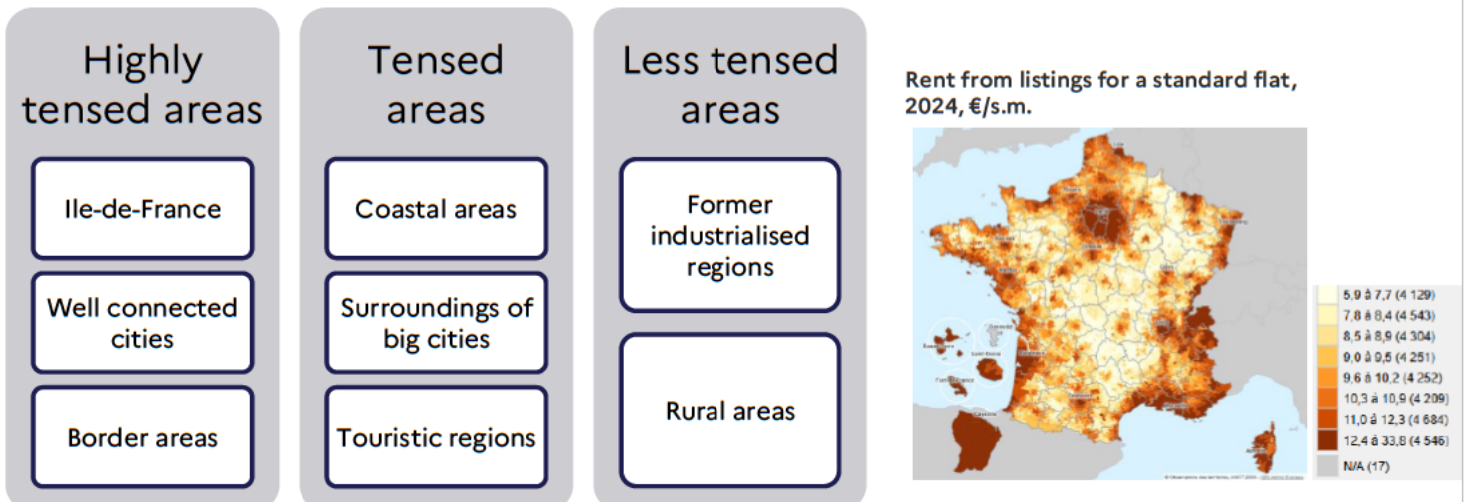
Credit access



A major economic sector

20 % household consumption (361 Bn€ in 2022)	Building sector : 2 million jobs (2021)	5,5 % Gross value added (2023)
+ Impact of the housing price on the equilibrium of the labor market		

An heterogeneous market Disparities that tend to accentuate

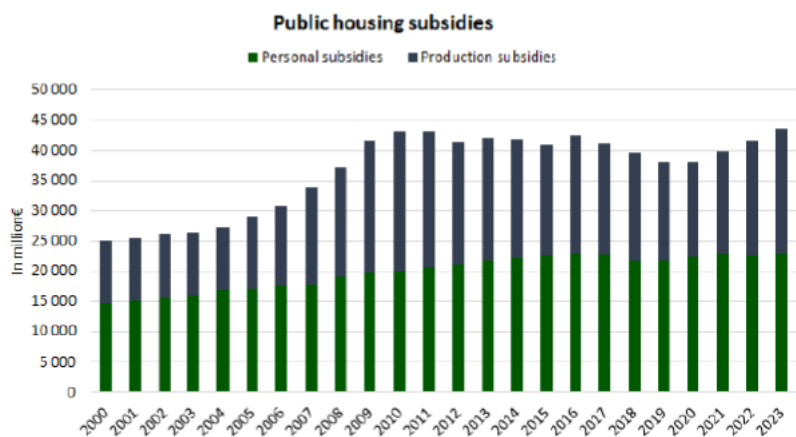


II. Public subsidies to housing

Public subsidies increasing over the last three years... ...But decreasing in terms of %GDP

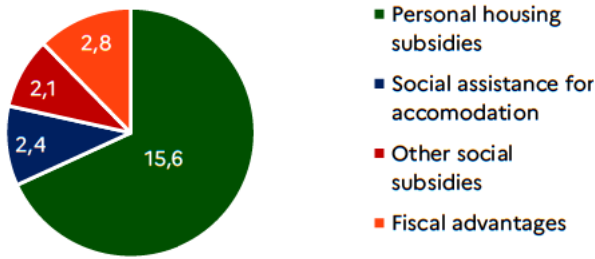
43,5 Bn€
(2023)

2,16 %GDP in 2010
1,54%GDP in 2023

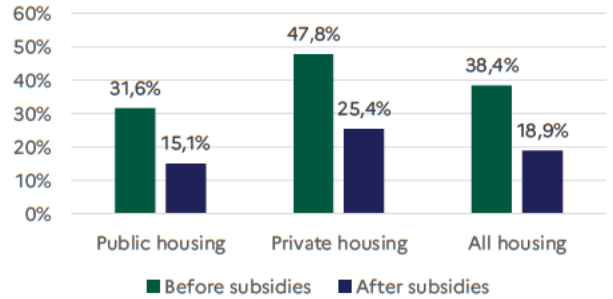


Personal subsidies that efficiently reduce the effort rate

Public expense for personal subsidies (in Bn€)

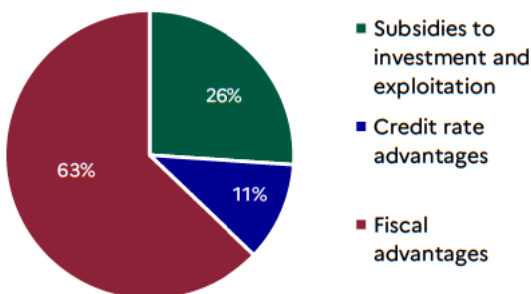


Effort rate of households benefiting from a subsidy (June 2024)

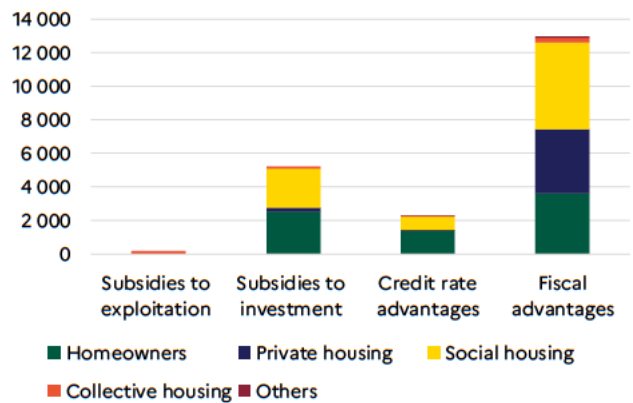


Production subsidies A shift towards renovation

Public spending for production subsidies by type



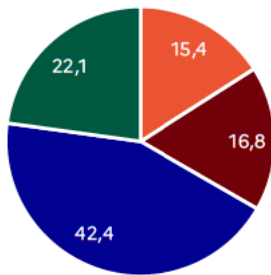
Public expense for production subsidies by sector (in million €)



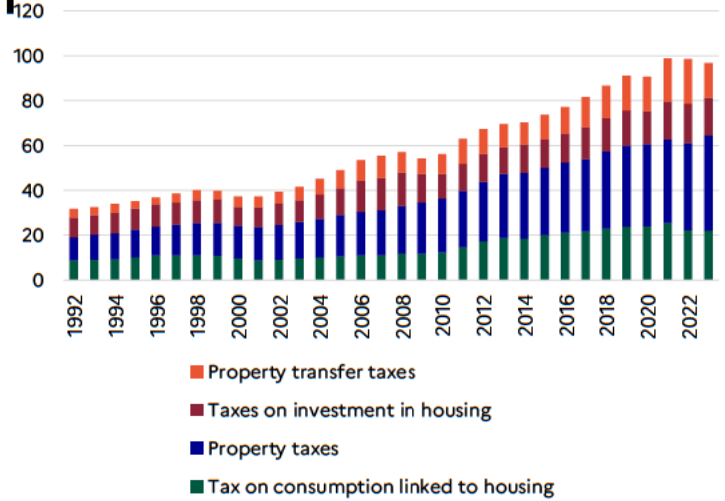
Taxes related to housing

Source of income for local authorities

Taxes related to housing in 2023
 (billion €)
 Total : 96,7Bn€



Taxes related to housing (in Bn€)



III. Social housing

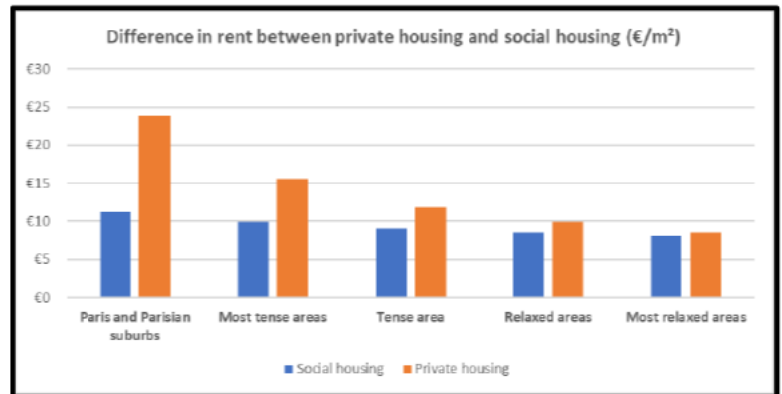
1. What is the French model of social housing?

A large volume of long-term, low-rent housing, characterized by their good quality

Definition of social housing in France :

- housing benefiting from public aid granted after approval by the public authorities
- reserved for tenants with resources below a regulatory ceiling
- with regulated rents

The landlord must sign a contract with the State – called the "convention APL" – in which it undertakes to maintain the social vocation of the housing for a long period



1. What is the French model of social housing?

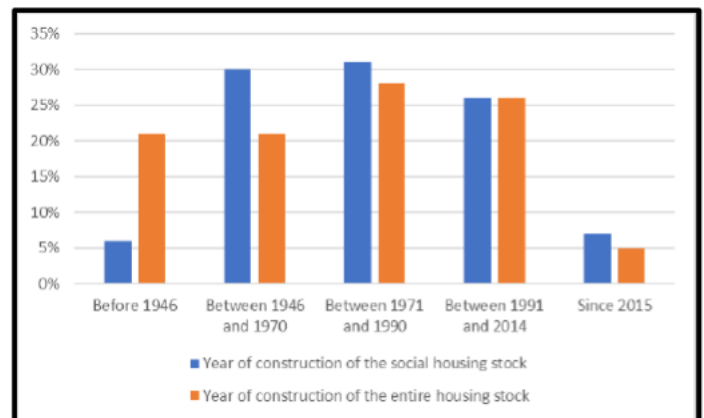
A large volume of long-term, low-rent housing, characterized by their good quality

5.2 million social housing units out of 30.4 million main residences in France

10.2 million people housed in social housing (18% of households)

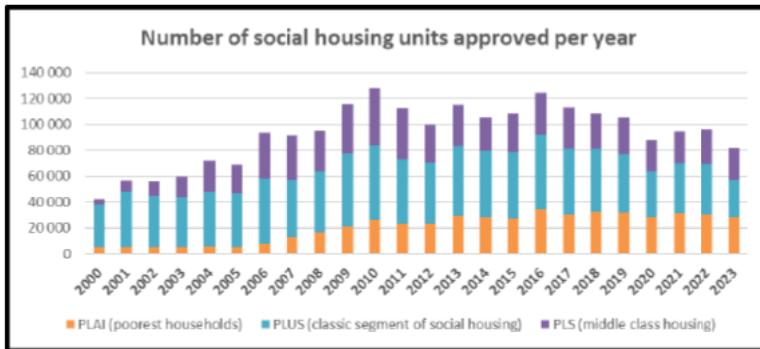
7% of social housing stock is qualified as "thermal sieves" (worse energy performance), compared to 19% in the private housing stock

State plan to support the renovation of social housing: 400 M€ (2024-2025)



1. What is the French model of social housing?

A large proportion of households are eligible for social housing, but allocations are targeted to priority groups



Today, social housing is divided into **three types of offers**, depending on the loan mobilized for financing, which corresponds to three types of households (*max income per year, outside Paris region, for a couple with one child*) :

- PLAI, for the housing of the poorest households (21,8k€)
- PLUS, which is the classic segment of social housing (36,4k€)
- PLS, for the middle class (47,3 k€)

Offers adapted to the diversity of eligible households:

PLAI-adapted = for the poorest households, who encounter economic and social difficulties. Very low rent and social support.

PLS = more liberal approach, can be proposed by any person (including individual owner)

70% of households are eligible for social housing (20 million households)

24% are eligible for housing financed by PLAI, intended for the poorest households

1. What is the French model of social housing?

A large proportion of households are eligible for social housing, but allocations are targeted to priority groups

If eligibility for social housing is broad, **allocations are targeted towards households experiencing the greatest difficulties.**

- The attributions are carried out within **commissions organized by the social landlord**
- **Certain households have priority:** homeless people, victims of family violence, families living in substandard housing, people threatened with eviction from their homes, etc.
- Public or private actors who finance social housing have **the right to reserve allocations to households they choose** (employees, people from the municipality, etc.)

Due to these priorities, **social housing allocations are particularly concentrated on the poorest households.** Only 1% of allocations concern middle-class households (PLS-income ceilings).

2. Who produces social housing in France and where is it produced?

A regulated sector, structured around large non-profit organizations

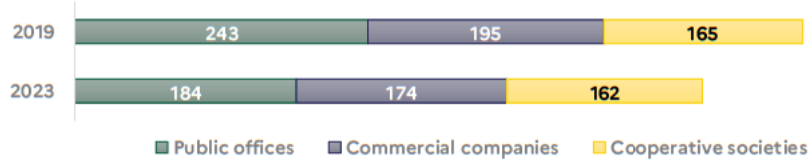


Excluding housing financed by *PLS* (middle classes), the sector is only accessible to social landlords, who are non-profit organizations approved by the State.

Social landlords are divided into two categories:

- **Public offices:** organizations created and managed by local authorities;
- **Private non-profit companies:** commercial companies or cooperative societies, with limited dividends and obligations to reinvest profits

To strengthen their efficiency and pool their operating costs, the ELAN law (2019) requires the smallest social landlords to merge. The concentration process is underway.

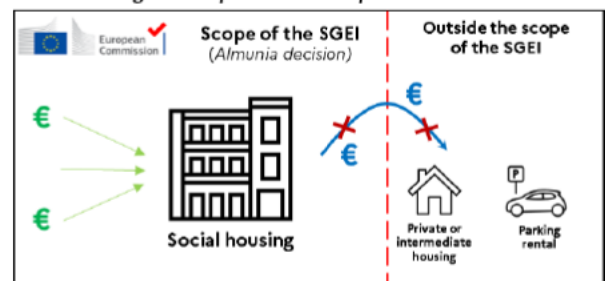


2. Who produces social housing in France and where is it produced?

A regulated sector, structured around large non-profit organizations

Activities linked to social housing by social landlords fall within the scope of the **service of general economic interest (SGEI)** authorized by the European Commission. Strict rules for financial and accounting separation of the activities of social landlords.

Regulation of the activities of social landlords



An agency dedicated to monitoring the rules imposed on social landlords: **ANCOLS** (national agency for monitoring social housing)

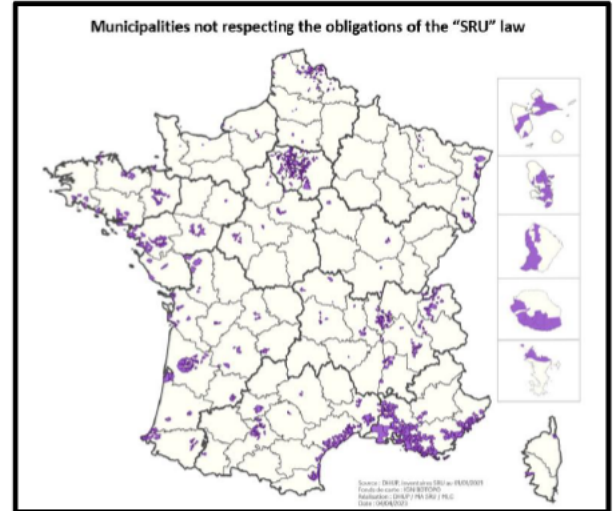
2. Who produces social housing in France and where is it produced?

A production articulated with the challenges of social diversity

For a balanced distribution of social housing: **SRU system (2000)**, requires the 2k main municipalities to have 25% social housing in their territory. If they do not respect this obligation: financial sanctions, transfer of town planning skills to the State.

- Since 2000, half of the 1.8 million social housing units have been built in municipalities catching up in terms of social housing.

To avoid concentrating poverty in the same places: refusal of social housing approvals in certain neighborhoods, urban renewal policy (ANRU = national urban renewal agency).



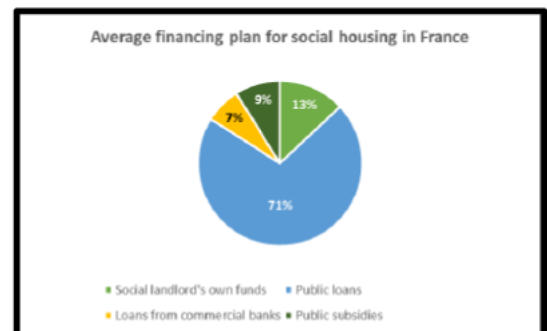
3. How is social housing financed in France?

A strong mobilization of public loans, fueled by popular savings

Main characteristics of social housing financing in France:

- Mobilization of centralized popular savings at the national level (Livret A, managed by Caisse des dépôts)
- Employer participation in the construction effort (PEEC): funds managed by an organization (Action Logement)
- Limited share of social landlords' own funds
- Significant tax expenditures (exemption from property taxes and VAT)

Direct subsidies - from the State and local authorities - aim to financially balance the most complex operations to set up (very social housing, very tense areas).



4. A growing role for local authorities

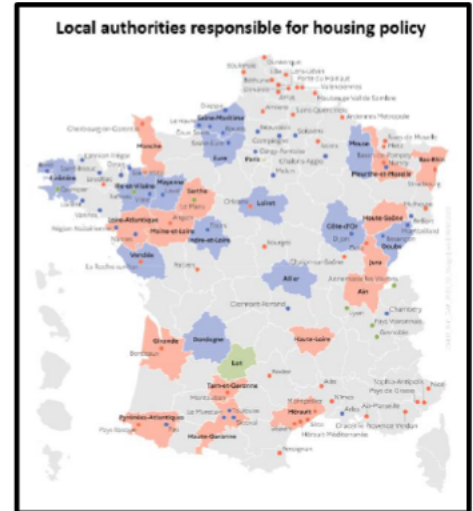
From a delegation to a decentralization of competence in matters of social housing

Historically, housing policy is a centralized responsibility at the national state level.

Since 2004, local authorities can be delegated powers in terms of aid for the construction and renovation of housing. Today, 115 territories exercise this competence in place of the State.

In 2022, the legislator created the status of "housing organizing authority", which the intermunicipalities most invested in housing policy can adopt, allowing them to acquire additional powers (zoning, local adaptation)

In recent years, discussions have been underway to go further in terms of decentralization of housing policy.



IV. Private housing

Improving private housing quality

Agence nationale de l'habitat (National Agency for Housing)

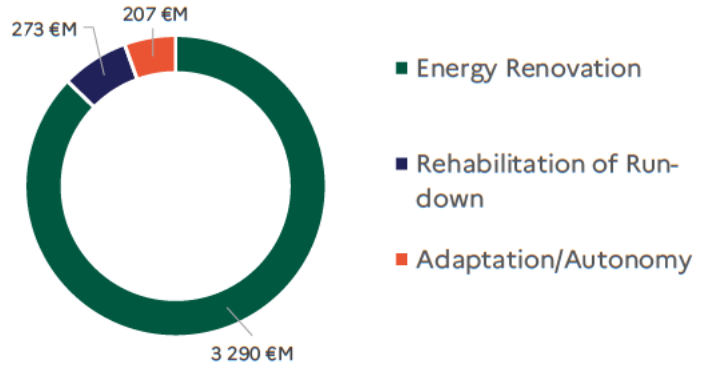
The agency subsidizes 3 main types of work:

- renovations to increase energy efficiency
- adapting homes to suit the needs of elderly or disabled residents
- rehabilitation of run-down housing

Subsidies are available to :

- owners (means-tested)
- landlords (rent constraints)
- co-owned residential buildings ("condominiums")
- local authorities to implement programmes to improve housing quality and rehabilitate run-down housing
- organisations running short-stay centres for homeless people

Anah Subsidies in 2024



In 2024, the agency authorized nearly €3.8 billion in subsidies, generating a total volume of work worth around €7.3 billion.

Improving private housing quality

Putting an end to poorly insulated homes ("energy strainers")

To cut greenhouse gas emissions (by 55% between 2021 and 2030), two measures are being implemented:

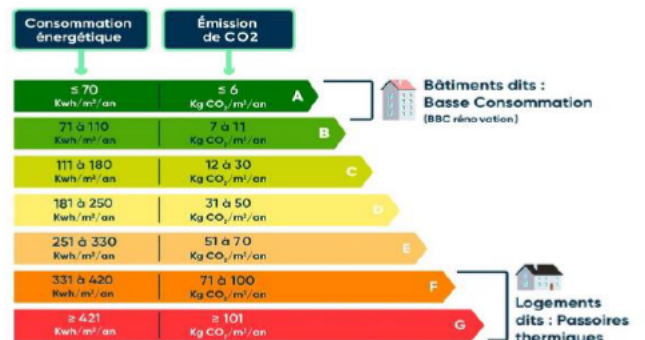
- **rent freeze** for energy-inefficient homes started in 2022
- **rental ban** on energy-inefficient homes started in 2023

Energy performance diagnostics:

- is mandatory
- ranks homes on a A-to-G scale
- helps potential buyers and tenants make an informed decision

An energy strainer is a dwelling whose insulation performance is among the worst on an A-to-G scale.

In 2023, 18% of the French housing stock was an energy strainer (ranked F or G).



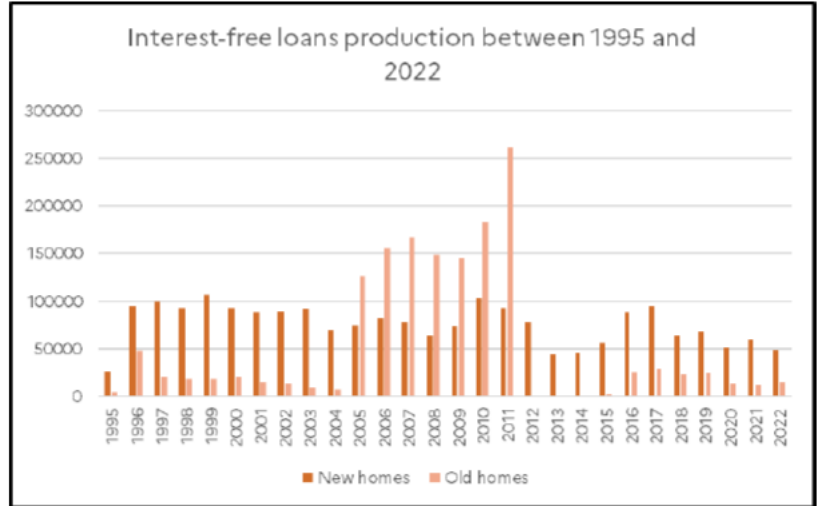
Encouraging private housing supply

Interest-free loan (IFL)

Interest-free loan:

- is a government regulated loan, with no interest or administration fees
- is granted by regular banks under certain conditions (e.g. financial resources, 1st-time buyers...) to acquire a primary residence
- doesn't cover 100% of the home price – a traditional loan has to be taken and/or a down payment made
- presents different characteristics depending on the borrower's situation (deferred repayment plan, maximum loan amount, location of the home...)

Other similar schemes can supplement or replace IFL (1% interest rate *Action Logement* loans for private sector employees...)



Encouraging private housing supply

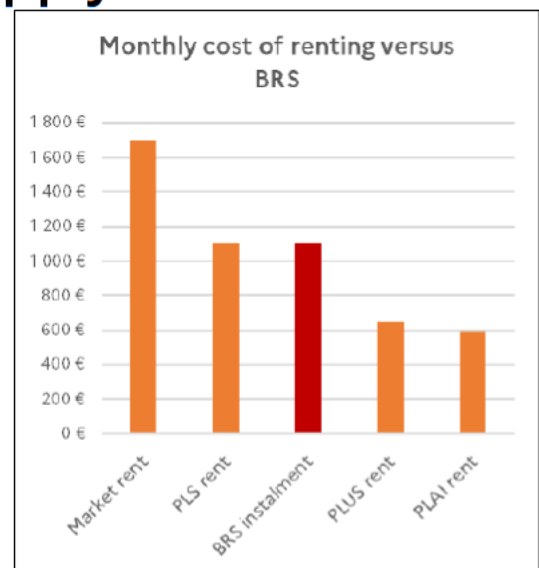
Bail réel solidaire (BRS): becoming a homeowner at a lower cost

What is it

A recent legal framework that separates land ownership from building ownership to make home ownership more accessible to low-income households.

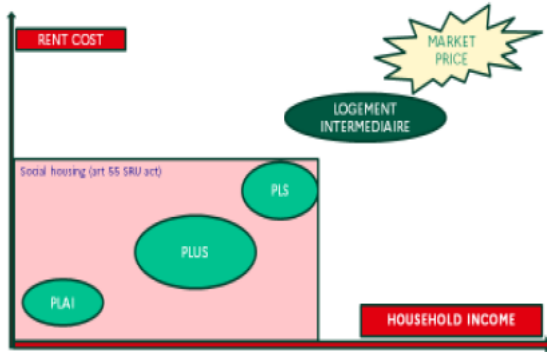
How it works

- **Separation of land and building:** low-income households purchase the building but lease the land from an *office foncier solidaire* (OFS) for a period of 18 to 99 years.
- **Reduced purchase price and low monthly rent:** the dwelling purchase price is reduced (by 20 to 40%) thanks to a low land price; in return, a low monthly rent is paid to the OFS.
- **Supervision by OFS:** OFS are non-profit organizations that oversee the scheme, approve property sales and ensure that buyers meet income criteria.



Intermediary housing

Challenge : in stretched areas, some households exceed the income requirements for access to social housing, without being able to access market prices.



Created in 2014, aimed at institutional investors

Advantages :

- reduced VAT rate on construction (10% instead of 20%)
- exemption from property tax for twenty years.
- corporation tax credit

Counterpart:

- Reduced rent (in practice 10% to 20% below the market price)
- Means-tested households (family composition and geographical area)

In 2024, nearly 37 500 dwellings (up 130 % on 2022).

Encouraging private housing supply

Tax breaks

Whereas low-income households get direct subsidies, middle to high-income households typically get tax breaks.

Unlike previous schemes, where increasing housing supply was achieved through lower-income households buying their first home, upper middle class households contribute to increase housing supply by:

- buying new-build homes to rent them out
- putting back on the rental market previously vacant housing after renovation

Different schemes co-exist:

- renovating heritage buildings' dwellings
- renovating old-city center dwellings
- renting previously vacant dwellings
- buying new-build dwellings

Beneficiaries usually get a tax break based on:

- The purchase price of the dwelling (new-build)
- The renovation cost of the dwelling (existing)

Typical compensations:

- regulated, low-price rents with minimal lease periods
- minimum period of ownership

Co-owned buildings: situation and public action

In France around 10 million co-owned properties: 30% of primary residences.

National co-ownership register (compulsory registration), supplied by the managers and available for consultation by the public authorities and buyers.

Difficulties: Legal, financial, building condition, social

- 215,000 have unpaid bills amounting to at least 20% of their annual budget (estimate)
- 115,000 condominiums are considered fragile, 80% of which have fewer than twelve units.

- Observation and prevention: monitoring and observation of condominiums (VOC) set up by local authorities

- Programme opérationnel de prévention et d'accompagnement des copropriétés (POPAC - operational programme for the prevention and support of condominiums): designed to support condominiums in order to prevent their problems from worsening.

- Shared diagnosis and intervention strategy

- The programmed housing improvement operation OPAH, enables assistance to be put in place to help condominiums improve their living conditions.

- The safeguard plan (PDS). Public decision

Plan Initiative Copropriété : 660 co-ownership properties, 58,000 homes. €3 billion is available over 10 years.

V. Current challenges

Adapt construction to climate and biodiversity issues

→ Improve the energy performance of housing

Gradually, energy-intensive housing will no longer be considered decent for rental

→ Limit the artificialization of land

Objective of zero net artificialization (2050)

Densification, prioritize rehabilitation or transformation rather than demolition or urban sprawl

Adapt construction to current obstacles

→ Facilitate construction by simplifying procedures

Relax standards and allow local adaptations

Fight against abusive appeals

→ Reduce production costs by supporting innovation, off-site production or modular construction

Adapt construction to changes in society

- **To demographic transition**, by adapting housing to ageing and loss of autonomy
- **To the phenomenon of decohabitation** (decline in average household size), by increasing the production of small housing
- **To the growing tension** in medium-sized cities (home office, post-covid attraction for coastal cities)