



# Social Housing Pact Objectives and Resources 2013-2015

Between the French State  
and the Hlm Movement

*Housing investment plan implementation*

Signed on the 8 July 2013

# ► Social Housing Pact





# Context of crisis

- ➔ **Highly unfavorable context**
  - Tax and other levies affecting financial potential of HLM organizations
  - Increased VAT rate (5.5% → 7% → 20%)
  - Tensions in the face of persistent unmet housing demand in some regions
- ➔ **Downward trend in Hlm construction approvals**
  - 101,000 in 2010 – 92,000 in 2011 – 82,000 in 2012
- Recessionary employment market**
- ➔ • Construction sector job losses: - 13,800 in 2012

Hlm congress in Rennes in September 2012 : Social Housing Union proposes stimulus pact with French State



On 21 March 2013, President of French Republic announces Housing Investment Plan



# Pact sets 6 key Objectives

1. **Construction** of 120,000 units of social housing for rent every year
2. **Energy renovation** of 100,000 units of social housing for rent every year.(ERDF)
3. **Economic growth boosted** through investment and preservation of **local employment**.
4. Better **social housing provision**.
5. Improved **management of demand** of social housing (allocation)
6. **Sustainable development of territories** in support of social cohesion

Hlm moderate rent housing:

**€16.5**  
billion invested per  
annum

**1,700,000**  
on waiting list for  
social housing

**10,000,000**  
people in Hlm  
accommodations



# Challenges and Objectives of Social Housing Pact



## 5 objectives

- Develop construction of new housing
- Support tenants associations
- Support reform of social housing allocation procedures
- Develop socially-oriented missions
- Develop innovation



## National and regional follow-up



# Conditions for recovery

## ➔ State commits to

- **VAT rate 5%** for building new social housing (PLAI / PLUS / PLS / PSLA), and for refurbishment and access to social housing in Anru zones (300m)
- Reduced rate **Eco-loan** in social housing
- Extension of **TFPB remission in ZUS** until adoption of new geographical priority
- **No more levies financially penalizing** organizations
- **State-owned building land** mobilized
- Extraordinary mobilization of **Action Logement Scheme**
- Reinforced obligations under **Article 55 of SRU law**

## ➔ Hlm Movement commits to

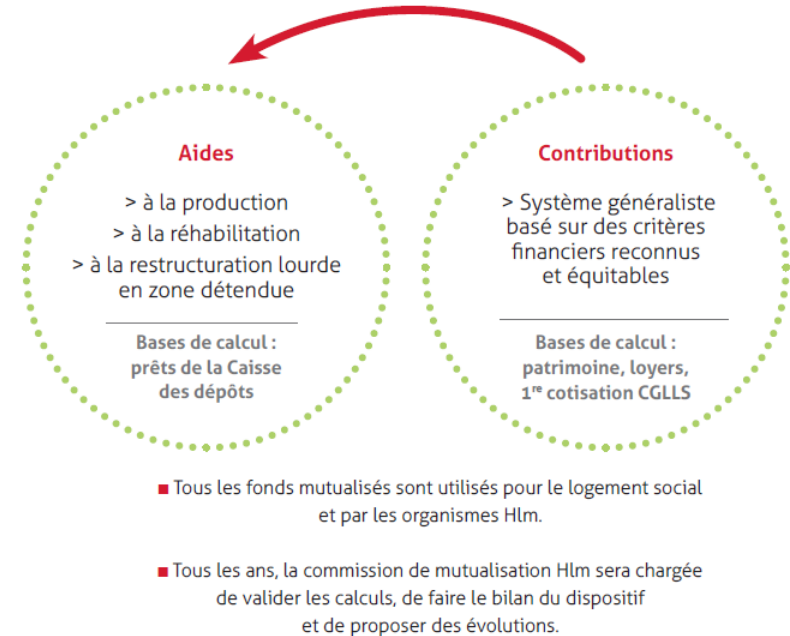
- **120,000 new social housing units for rental** scheduled for 2015
- **Energy efficiency renovation of 100,000 social housing units for rent** per annum
- Creation of **financial pooling** arrangement between HLM's



# Zoom on pooling resources

LA MUTUALISATION,  
un dispositif collectif solidaire au service  
de la réussite du Pacte.

- ➔ €3,300 per newly constructed or acquired units of accommodation in zones 1 or 1 *bis* (PLUS or PLAI finance)
- ➔ €1,300 per new or acquired unit of accommodation in zones 2 and 3 ( PLUS or PLAI finance)
- ➔ 5 % of total amount of “eco-loans” and PAM loans
- ➔ €600 per unit of accommodation assistance in heavy duty restructuring of obsolete accommodation across geographically wider areas



## Pooling

- **System for internal activity support in Hlm Movement.**
- **Financial call limited to outstanding balance of aid/contributions for Hlm moderate rent housing activity in year n+1.**



# Support

## Tenant Representative Organizations

- ➔ **Consultation in the rented housing field**
  - State and Union Sociale pour l'Habitat (USH –Social Housing Union) reaffirm their attachment to dialogue with Tenants associations in the Hlm social housing sector.
- ➔ **Election of tenant representatives 2014**
  - Support for tenant mobilization as part of 2014 election of their representatives to Housing Association Boards of Directors
  - Media campaign for communication and information
  - Recommendations on best practice in local election procedures





# Support

Greater reliability of SNE and the reform of social housing allocation procedures



## Better management of demand and of information

- Setup joint projects for knowledge-sharing and collective management
- Improved services to applicants for social housing
- Response focused on needs of priority households and on mobility in the labour market



## National registration system

- Greater reliability and quality of the national registration system
- Steering Committee set up by State / Union sociale pour l'habitat (USH – Social Housing Union)



## Improved social housing allocation procedures

- Implementation of local housing allocation policies
- Facilitating tenants moving between social housing organizations when they move to new jobs in new areas (closer links between social housing landlords)
- Working group on the technical and organizational procedures best suited to policy adjustments in the rented housing market



# Develop

## Social missions of Hlm's

- ➔ **Support construction of 10,000 Hlm moderate rent social housing units**
  - Target: **Ease access for disadvantaged households**
  - Launch **call for projects** to promote experimental cooperation between landlords and housing associations (suitable offer, fit-out of existing accommodation or building new accommodation at affordable rents)
  - National Monitoring Committee at State / Union sociale pour l'habitat (USH – Social Housing Union) level
- ➔ **Preventing tenant evictions and combating rental arrears**
  - Reinforced active participation of landlords in **departmental commissions for coordination of preventive actions against rental housing evictions (CCAPEX)**
  - Generalization of policy for **early identification of payment difficulties**



# Develop innovation

Creation of an innovation support fund as part of Garantie fund



## Innovation support funds

- Fund intended to **support actions for innovation, research, development and modernization in the Hlm Movement**, notably involving strategic, technical, urban and social planning
- Fund acts through subsidies and low-interest loans
- Carefully monitored intervention by **CGLLS Reorganization Committee**
- **Orientation Committee** set up on basis of joint representation of State, housing professionals, social housing experts and qualified personalities in the scientific, sociological and business management fields
- Funding **€ 5 million** in 1<sup>st</sup> year





# Implementation and follow up

## ➔ Support from Union sociale pour l'habitat (USH - Social Housing Union)

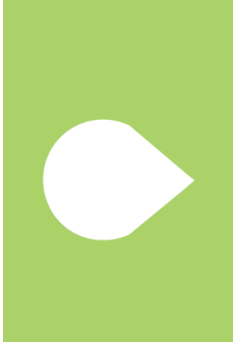
- USH supports implementation of Pact and is involved at all levels of Movement: federations, regional associations and social housing organizations

## ➔ National joint steering committee State/Hlm moderate rent housing movement

- ➔ Monitoring implementation of commitments
- Monitoring construction and rehabilitation of social housing

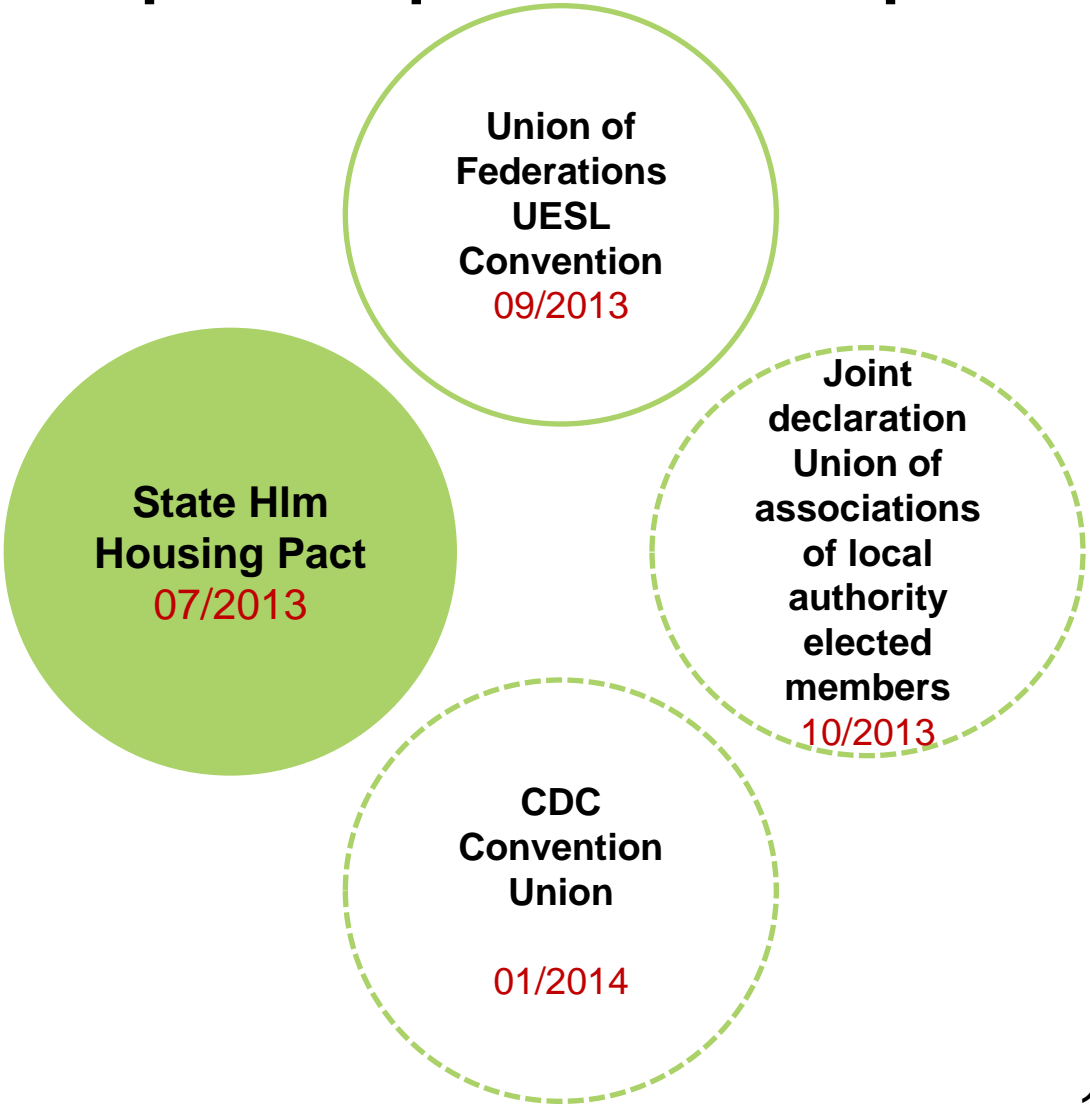
## ➔ Local steering

- ➔ State representatives, elected members and their representatives including specially qualified persons, regional Hlm associations, social housing landlords, CDC Action Logement



# Broader scope of partnership

- ➔ **Developing partnership** with all actors in housing field
- ➔ **Reaffirming critical role of local housing policy** as defined by local authorities and associations



# Broader scope of partnership ... not yet with private Landlords 😊

## Les aides aux HLM dans le collimateur de Bruxelles

Saisie en mai 2012 d'une plainte des propriétaires privés français, Bruxelles réclame des comptes à l'Etat sur le système des aides publiques au logement social.

« **L**e 5 novembre, nous avons répondu à ses dernières observations. La Commission est plutôt satisfaite de nos réponses. » Dans l'entourage de Cécile Duflot, la ministre du Logement, on reste de marbre face à la nouvelle offensive de l'union des propriétaires privés. Hier, l'UNPI (Union nationale de la propriété immobilière, qui regroupe 250 000 adhérents) a dit avoir bon espoir de voir aboutir la plainte qu'elle a déposée le 5 mai 2012 à Bruxelles afin que la Commission ouvre une enquête sur le système actuel de soutien public au logement social : 21 Mds€ par an, selon l'Unpi.

« Aujourd'hui, l'aide publique pour les bailleurs privés est deux fois moindre. C'est à nos yeux de la concurrence déloyale », s'indigne Jean Perrin, le président de l'UNPI. « La vocation première du logement social est de loger ceux qui n'ont pas les moyens de se loger dans le parc privé, poursuit Jean Perrin. Or, actuellement, près de 380 000 foyers occupent des logements HLM alors que leurs revenus mensuels dépassent 4 000 € par mois et que la liste des demandeurs s'allonge. »

“L'argent public est manifestement mal orienté”

Jean Perrin, président de l'Union nationale de la propriété

### LE PARC LOCATIF SOCIAL EN CHIFFRES

**4** millions de ménages vivant en HLM gagnent en moyenne 1 700 € par mois et par foyer.

**4 652 300**  
c'est le parc de logements sociaux en France.  
Il en manquerait entre 800 000 et 900 000.

**33 %**  
des ménages pourraient prétendre



