



BANQUE des
TERRITOIRES



Financing social housing in France

Yannick Kirchhof
Economist at the Research Department

Paris
26 January 2021

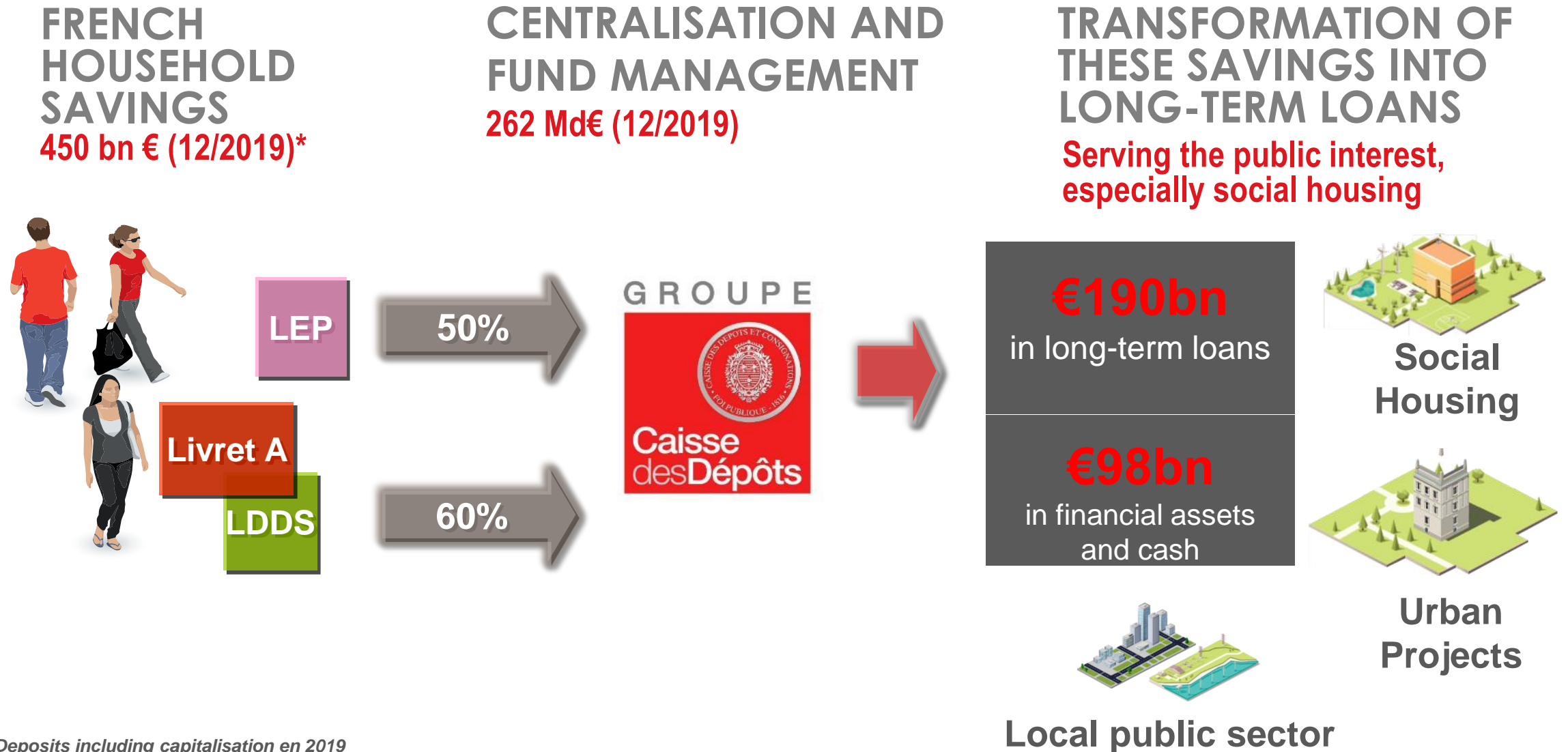
Agenda

- 1** A unique financing model of social housing in France supported by the *Caisse des Dépôts*
- 2** The pivotal role of the *Banque des Territoires* in social housing
- 3** Our flagship study on the financial sustainability of the social housing sector: « *Perspectives* »

01

A unique financing model of social housing in France supported by the *Caisse des Dépôts*

French savings accounts as a resource for social housing



* Deposits including capitalisation en 2019

The “*livret A*”: a regulated passbook savings account

- **A historic financial product in France, created more than 200 years ago**
 - 60 million *livret A* savings accounts held in France
 - 4/5 of French citizens hold a *livret A*
- **Maximum deposit** of €22,950 (with an average deposit of €4,800)
- **Interest rates** of passbook savings accounts are defined by the Banque de France and the Ministry of the Economy and Finance (0.5 % for the *livret A*)
 - **All interest earned is free of income tax and social security charges**



Stable resource guaranteeing our long-term financing

Long-term loans in the public interest – some examples

- **Bus rapid transit (BRT)** in Nouméa (New Caledonia), entry into service in 2019



- **Renovation projet of the university campus** of Montpellier (Hérault), carried out between 2017-2019
- **Water and sanitation infrastructure** of the city of Lyon carried out between 2018-2022



- **Urban renewal** projet of the Grand Parc in Bordeaux (Gironde): **thermal renovation** of 530 social housing units (2016)

- **Emergency Shelter « La promesse de l'aube »** in Paris, entry into service in 2016

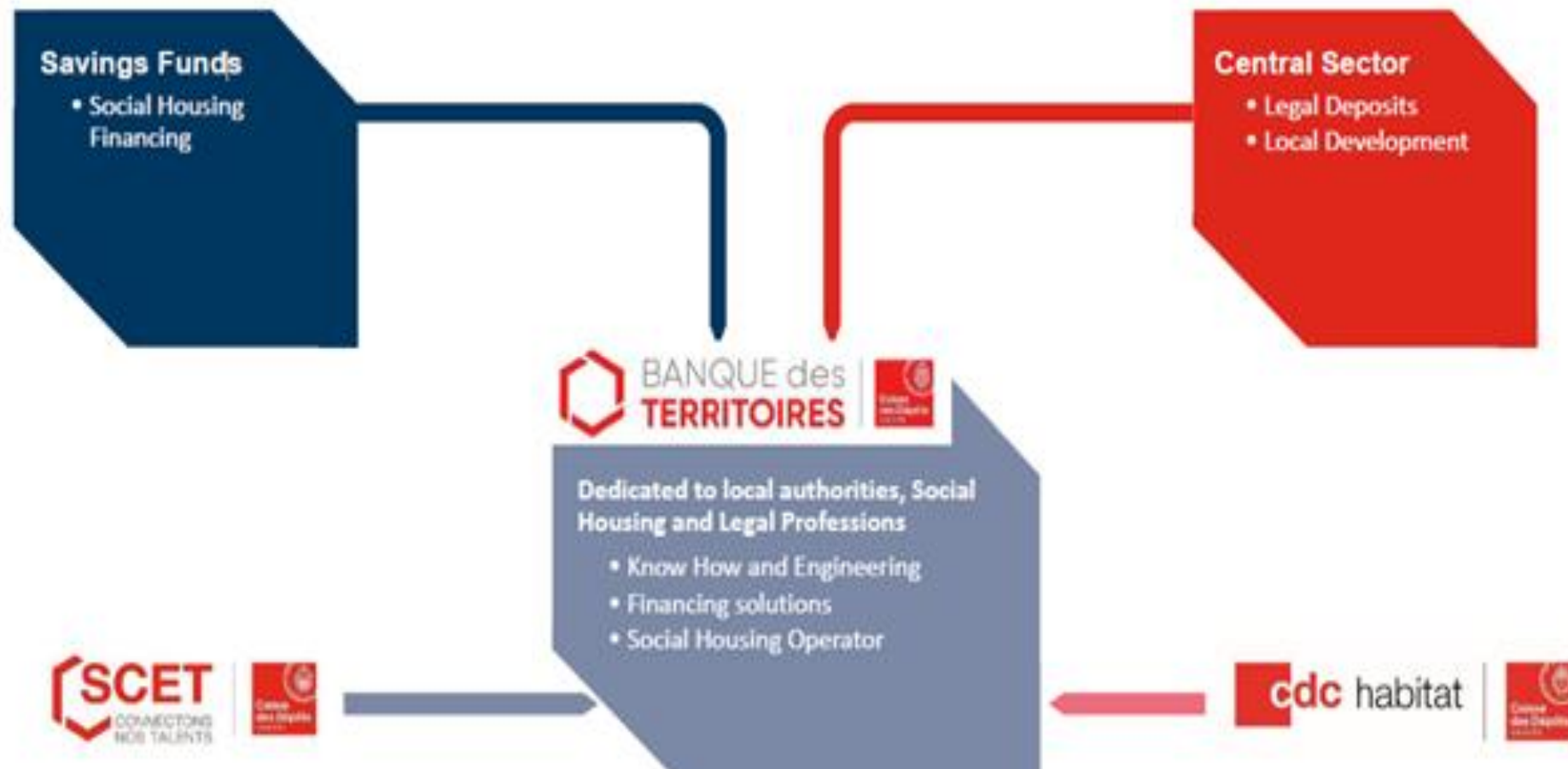


- **Tramway extension project** in Basel (Switzerland) to Saint-Louis (Haut-Rhin), entry into service in 2018

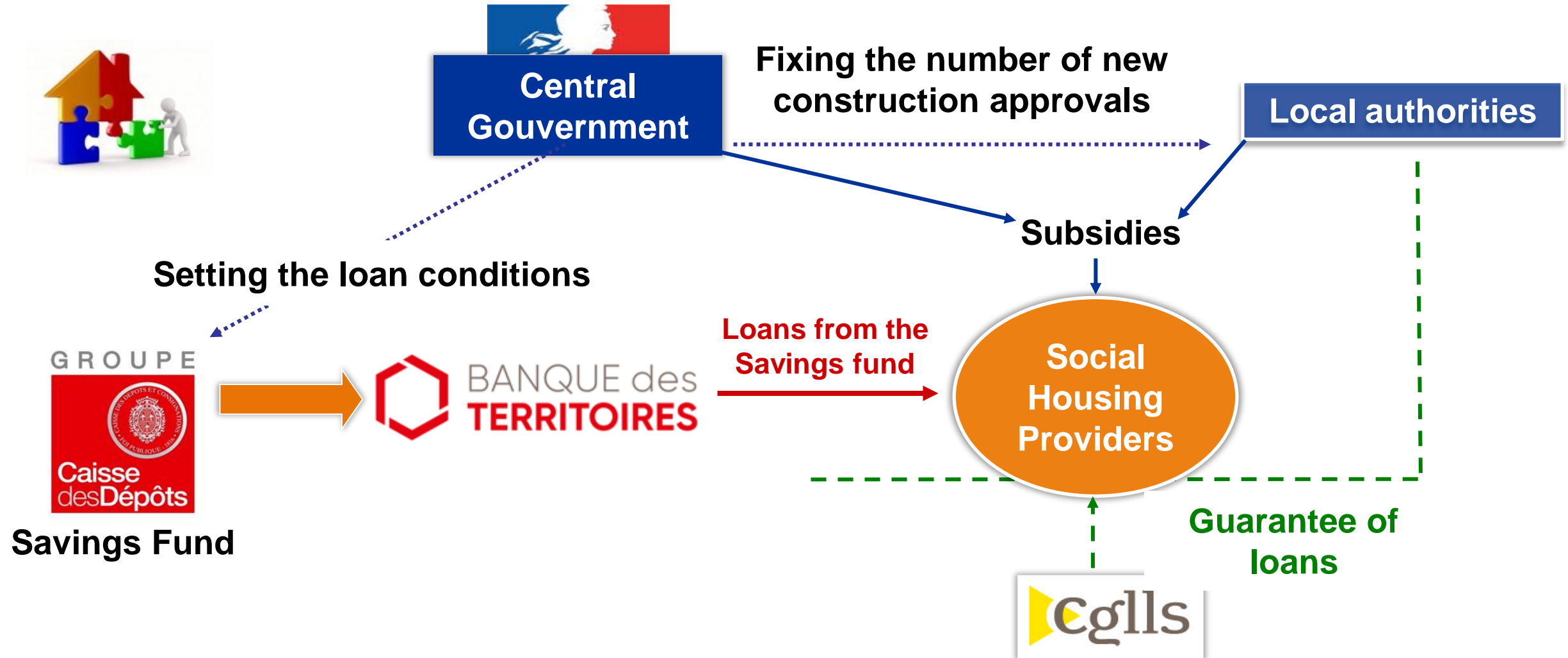
02

The pivotal role of the *Banque des Territoires* in social housing

The Banque des Territoires



Pivotal role of the *Banque des Territoires* in the regulated financing system of social housing



The virtues of financing social housing by means of reglemented savings (1)

The Banque des Territoires holds almost 80 % of the debt of the social housing sector

PERENNIALITY

Stable and sustainable support for the sector due to the capacity to **respond massively and rapidly**.

INCLUSION

Loan pricing is based on the social and environmental nature of the projet.
This helps to reduce social inequalities and territorial divisions and to meet environmental goals.

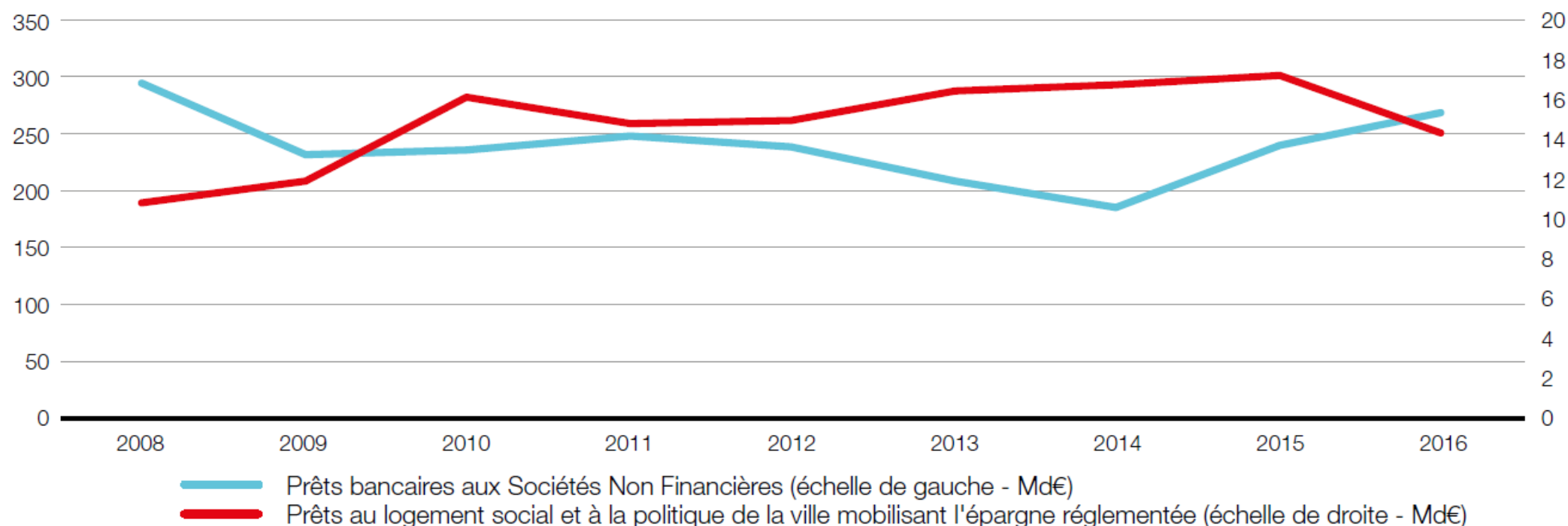
FAIRNESS

No interest rate discrimination between credit borrowers
A financing model that is based on the solidarity of the sector.

The virtues of financing social housing by means of regulated savings (2)

Constant access to liquidity for the social housing providers : no credit rationing during crises

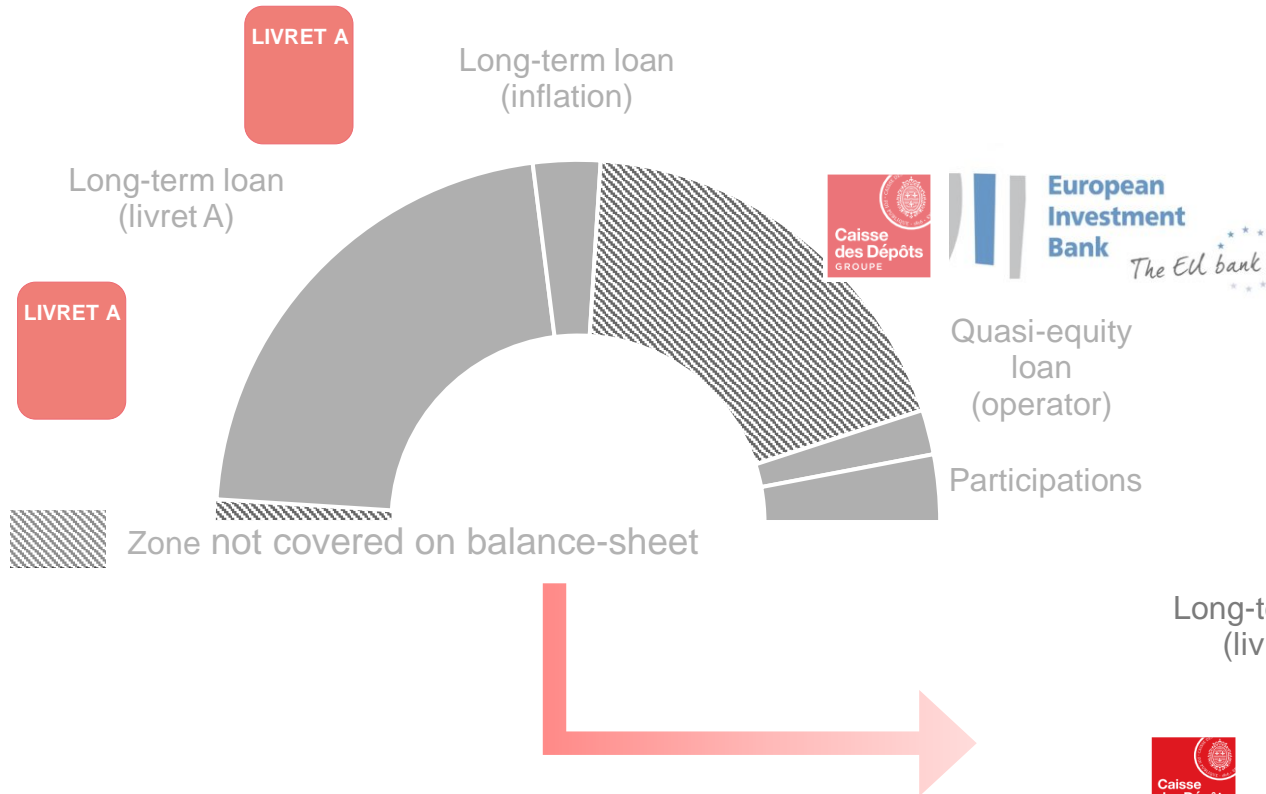
Graphique 3 : Productions comparées des prêts aux entreprises et des prêts au logement social suite à la crise financière



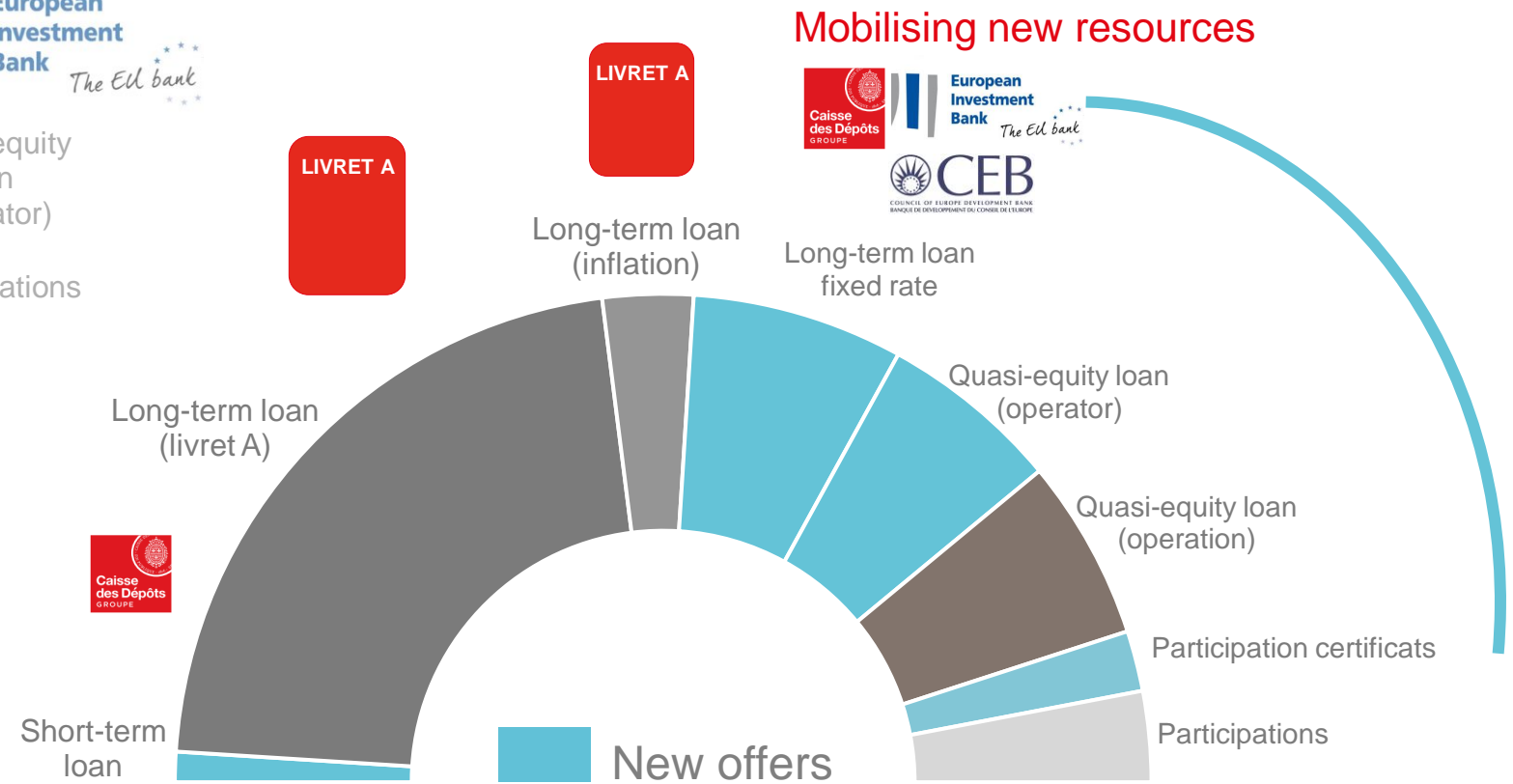
Source : Banque de France et rapports annuels du Fonds d'Epargne.

Wide range of interventions

2016

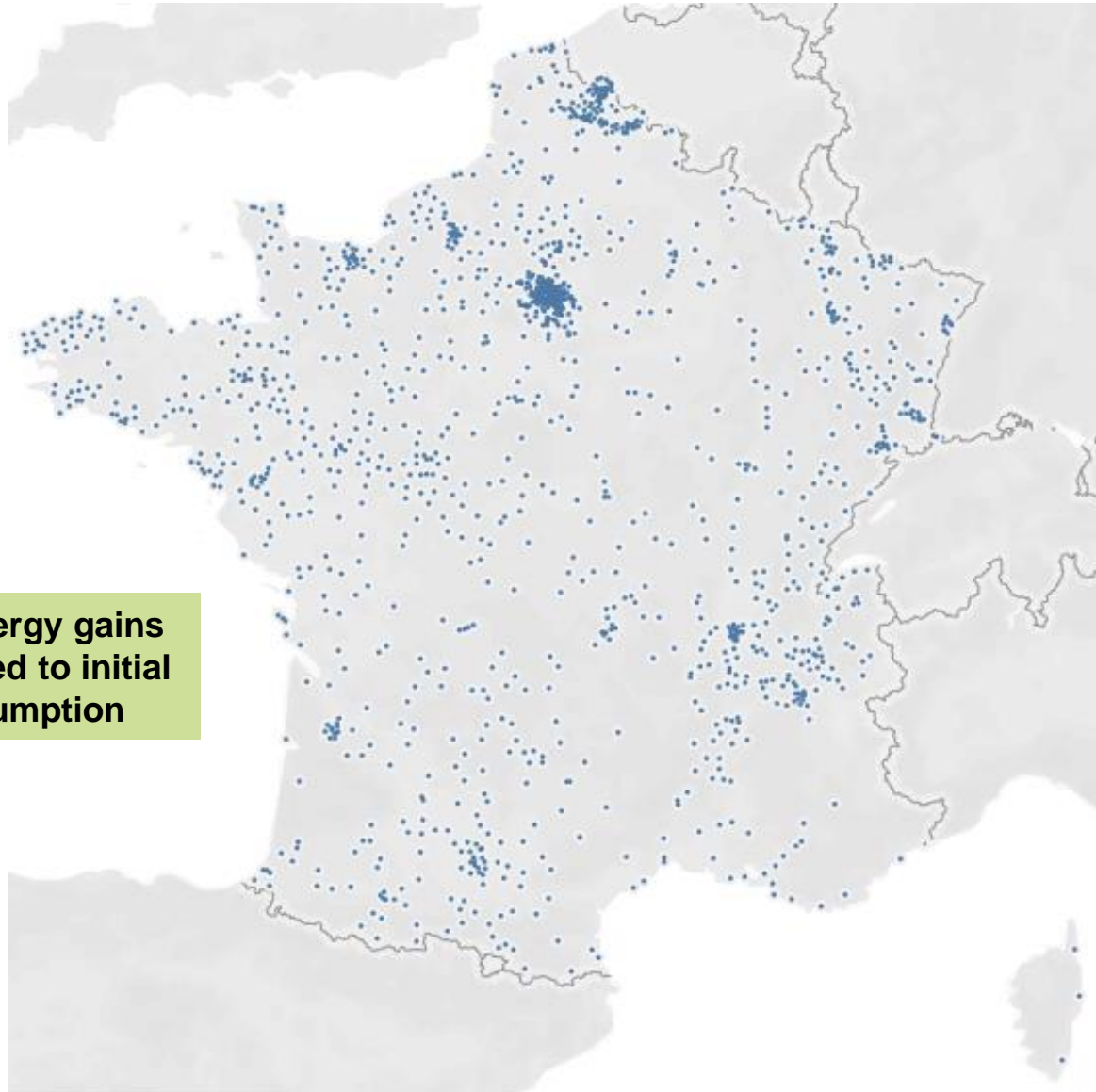


2021

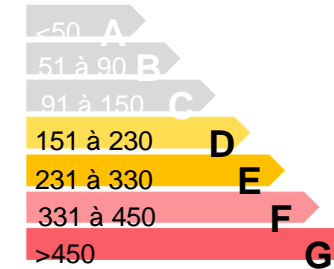


Strong territorial footprint of the « Eco-Prêt »

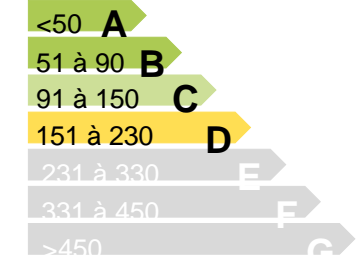
« Eco-Prêts » (engl. « éco-loan ») during 2014-2017



Initial consumption



Target consumption



Between 2014 and 2017 :

- **3 514** projects financed via the « Eco-Prêts » of the Banque des Territoires
- More than **190 000** social housing units have been renovated
- **1 356** « communes » concerned
- Total amount of **2.4 bn €**

The **interactive map** is available on the platform of the Banque des Territoires

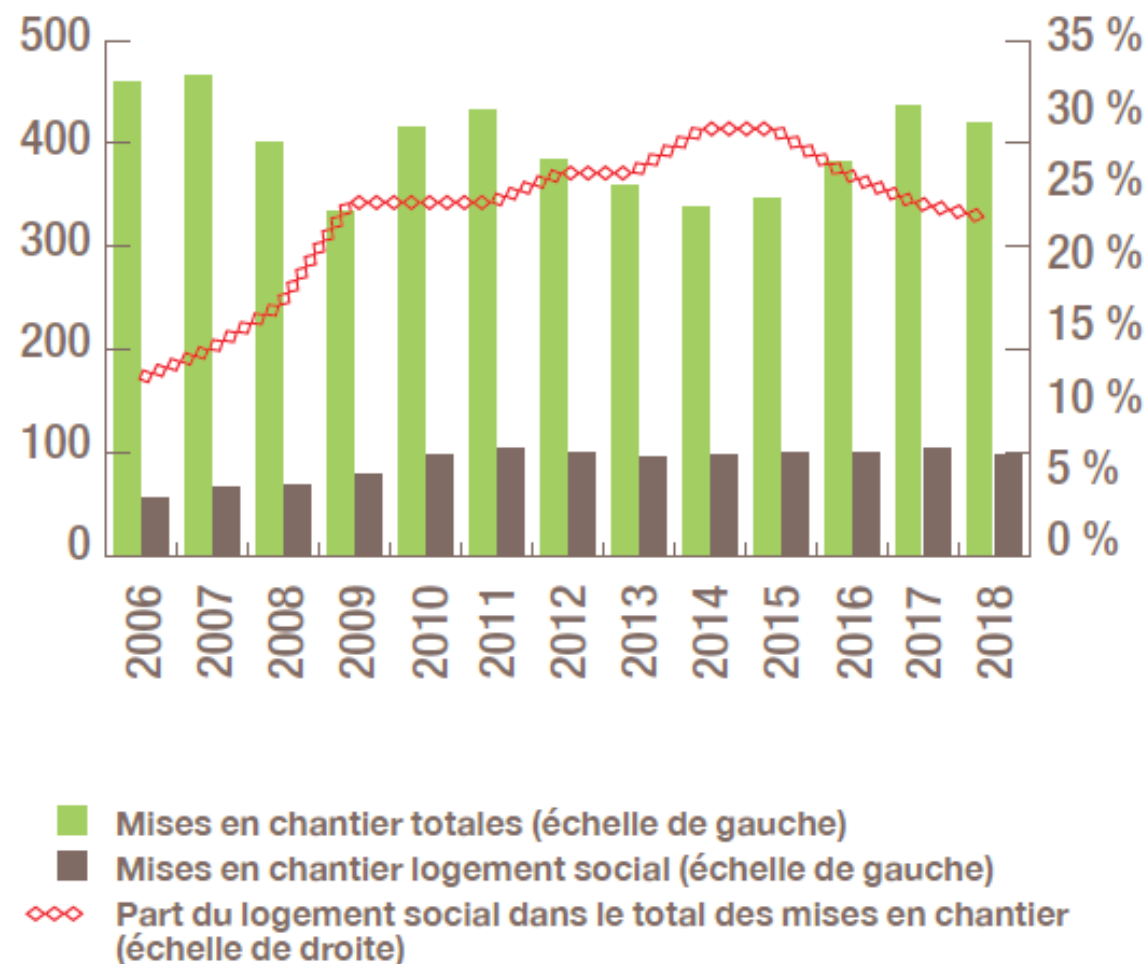
03

**Our flagship study on the
financial sustainability of the
sector: « *Perspectives* »**

Construction activity

- 100 000 social housing units produced on average per year since 2010
- Share of social housing in the construction activity doubled between 2006 and 2016.
- Decline in investment in 2018 in response to budetary measures (RLS, TVA)

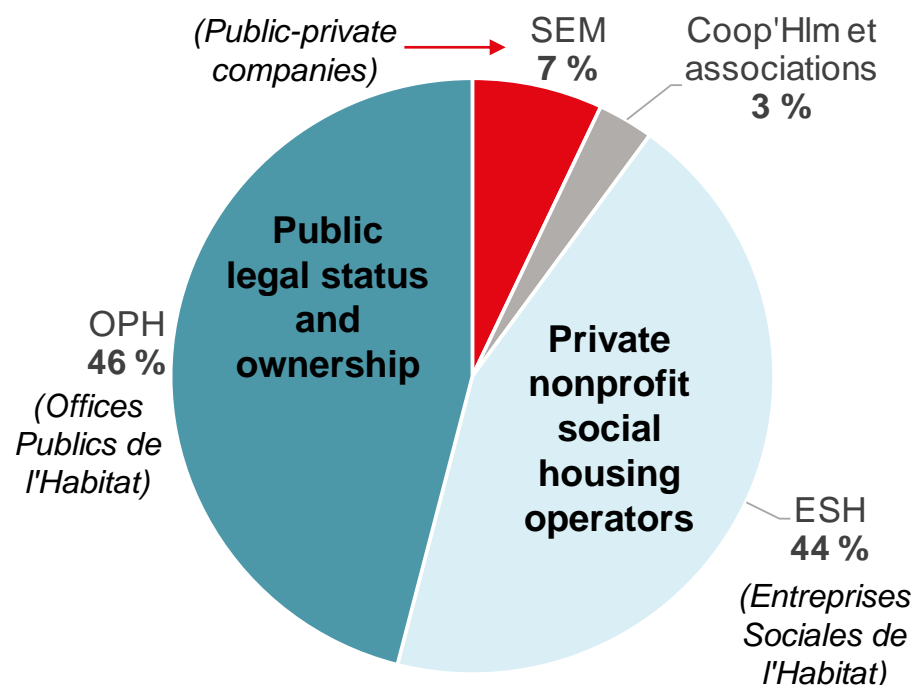
• **Graphique 1 : Part de la construction de logements sociaux dans le total de la construction**
(en milliers de logements)



Social housing stock

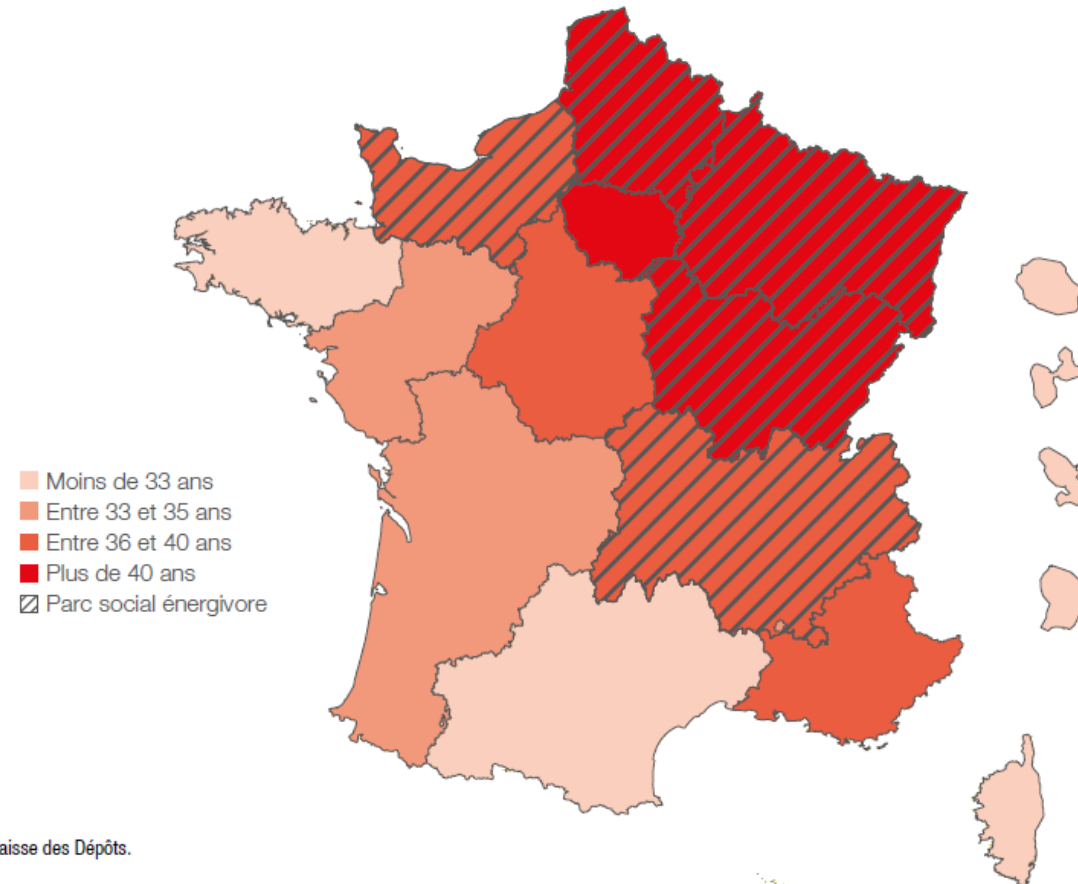
Social housing stock : 5.4 million units
(5 million units are family accommodation)

Breakdown of the social housing stock by provider



Source : Atlas du logement et des territoires 2018, d'après RPLS.

Graphique 2 : Âge moyen du parc et performance énergétique

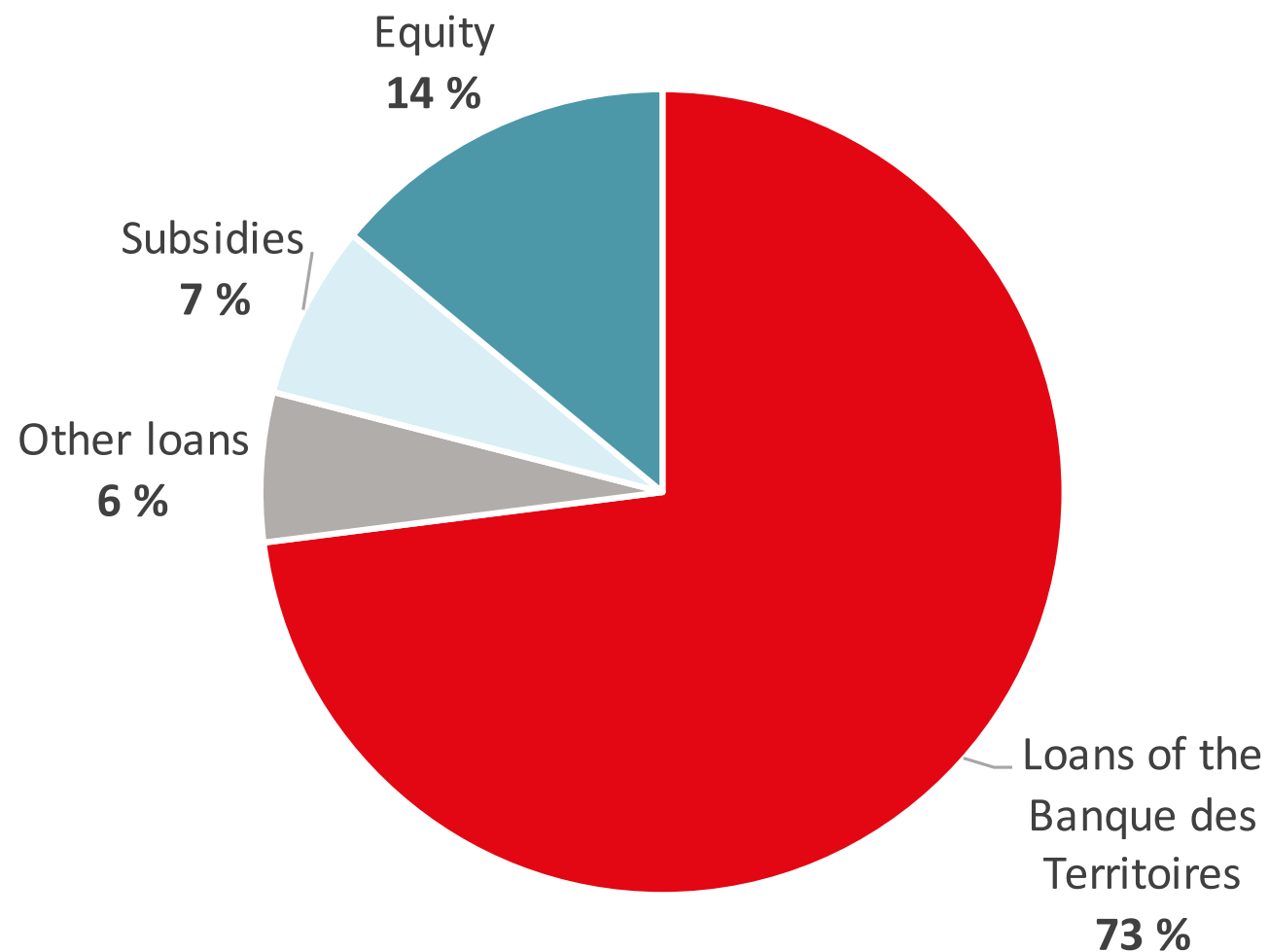


Source : Caisse des Dépôts.

Note de lecture : un parc social énergivore est un parc comportant plus de 25 % de logements situés en classe E, F ou G.

Relatively old housing stock : average age is 39 years
The younger the housing stock, the better the energy performance.

The financing plan of social housing construction (in 2019)



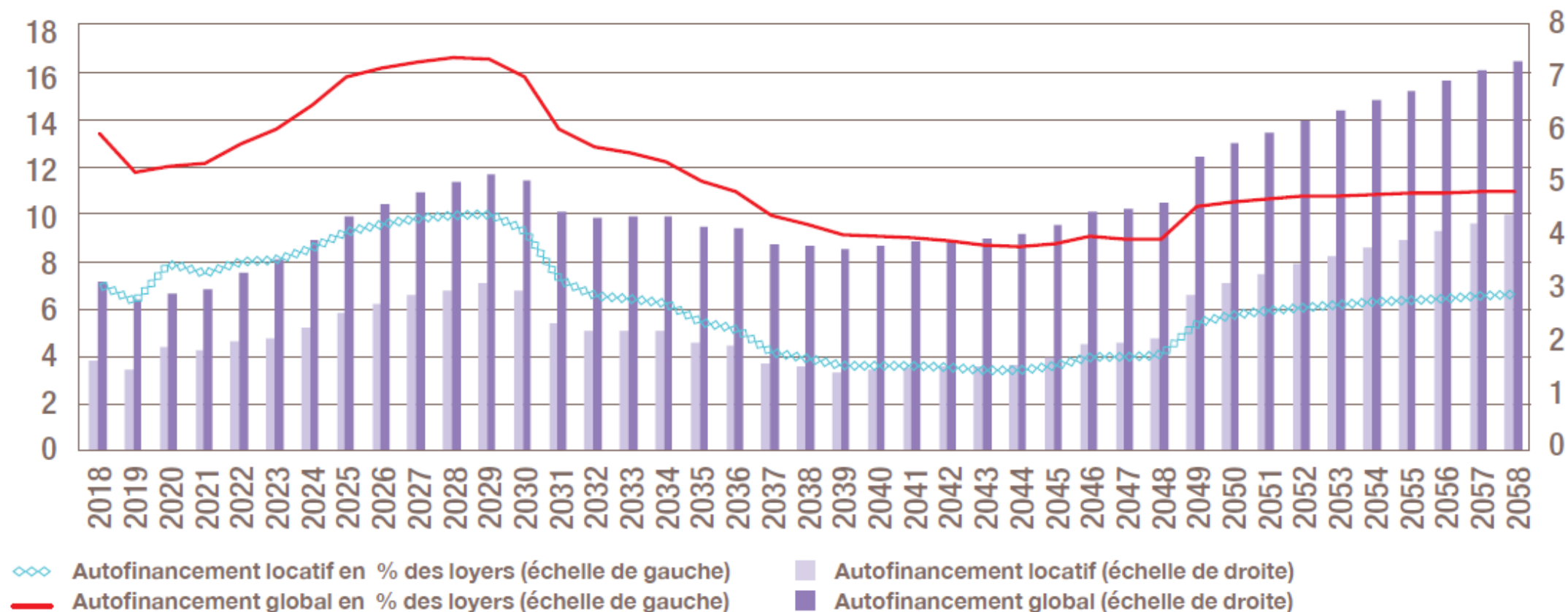
Source : Banque des Territoires.

A look forward...

• Graphique 11 : Évolution des ratios d'autofinancement

En % des loyers

En Md€





BANQUE des
TERRITOIRES



Financing social housing in France

Yannick Kirchhof
Economist at the Research Department

Paris
26 January 2021

Please find our work following this link:

banquedesterritoires.fr/nos-etudes

And subscribe under :

etudesBanquesDesTerr@caissedesdepots.fr

Our latest publications :



Eclairages n°22 : Panorama du logement social en Europe

Quelle est la situation du logement social en Europe ?

Quelles sont les différences liées au fonctionnement et financement du secteur et aux priorités des politiques du logement entre les pays européens ?



Eclairages n°23 :

Quelle est la dynamique de concentration des bailleurs sociaux dans les années récentes ?

Quelle est la part du parc social géré par des groupes ?

Quels sont les organismes concernés par l'obligation de regroupement de la loi ELAN et où se situent-ils ?



Eclairages n°24 :

Quel est le volume d'Eco-Prêt distribué de 2015 à 2019 ?

Quel est l'impact sur la typologie du parc social et en matière de gains énergétiques ?

Quelle analyse coûts-bénéfices peut-on faire de ce prêt à taux bonifié ?