

Social housing and metropolitan urban dynamics: the case of Paris

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METROPOLITAN HOUSING POLICIES : BALANCING BETWEEN HOUSING AND URBAN CHALLENGES

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Presentation : Social housing in a global city

As a global city, Paris is characterized both by a high degree of competition for land between housing and other land uses, as well as between social groups for housing, and by high degrees of price volatility, and huge spatial discrepancies. In this context, it is more and more difficult for the social rental sector to afford new supply of dwellings. At the same time, the social rental sector remains an important component of the stock, and plays a role in maintaining some kind of social mix, especially in the central part of the urban area. The ongoing crisis represents another challenge, and possibly offers new opportunities for reshaping the social rental sector. The paper is organized as follows :

Section 1 deals with the historical structuring of the social rental stock, and what is its current role and position in the metropolitan housing system.

Section 2 describes the state of social polarisation between different tenures, and inside the social rental sector. It shows how social housing contributes to social mix in neighbourhoods, even if it partially reproduces polarisation of other tenures. The spatial heterogeneity of the social rental sector within the metropolitan area is then resumed through a classification of municipalities according both to the characteristics of the population and those of the social rental stock.

Finally, section 3 examines what has been the answer of supply to growing housing needs in the metropolis. In the years preceding the crisis, new constructions remained dramatically low in the urban area, while on a national level the building activity had never been so high for 3 decades. Apart from economic factors which make more and more difficult to deliver new social housing units, institutional and political causes of this “supply gap” have to be questioned. The lack of political will, and deficiency of urban planning give an important part of the explanation, as shown by the case of Paris municipality who could, since 2001, give a new impulse to social housing delivery through municipal social landlords, and overcome land market constraints, through “non conventional” forms of supply, including purchase and refurbishing of deprived privately rented buildings.

I – SOCIAL HOUSING AND THE MARKETS: THE URBAN CHALLENGE

1.1 A short history of social housing in Paris area

Experiments in social housing occurred in Paris between 1852 and 1890, but the legal framework for social housing was introduced in 1889, with the creation of the Société Française des Habitations Bon Marché (HBM), followed in 1894 by the Siegfried Act creating the local Committees for Cheap Housing. But in 1912, when the Offices de l’habitat were created, only 2525 housing units had been built. The true beginning of social housing was in the 20’s, when significant programs were initiated inside Paris, while the Loucheur Act of 1923 impulsed the development of social homeownership in the form of single family houses in the suburbs. The HBM became HLM in 1949, and large scale social rental housing programs were built in the late 50’s, and until the mid-70’s.

Along with some other industrialized big cities, Paris has been at the heart of social housing beginnings in France: almost one half (47%) of social housing units built before 1956 were located in Paris and its near suburbs (36% for the whole region). This proportion was reduced to 30% in the sixties, and since 1995, it is about 20%. The location of newly produced social

units also changed through time; before 1955, social housing was concentrated in the inner city. In the period 1955-1975, massive construction was engaged in large estates (under the ZUP¹ procedure), built in more and more remote areas within and outside the industrial belt. Social housing programs were located in those parts (mainly North and East) of the urban area where industries and working class had gone. In the late 70's and 80's, the New Towns offered new concentrations of social housing programs, while in the municipalities of the "red belt" social rental programs social housing represented a growing part of new construction. This spatial "containment" of social housing was reinforced in the 80's by the development of business districts in the West, and the enlargement of superior residential spaces in the West South-West peripheries. At the same time, the decline of stable industrial skilled workers and the development of home ownership after the change in housing policy in 1977 induced a change in the demographics of the social rental sector, which caused a continuous impoverishment of social tenants. Along with the ageing of the stock, this induced a process of deprivation in a number of large estates of the late 50's and 60's.

1.2 Current position on the markets and within the city

1) Tenure structure

The structure of tenure is very different in Paris urban unit from what it is in the rest of France, and also very different in central Paris from the other parts of the metropolitan area.

Social housing accounts for 25% of the total stock of dwellings (national % = 17%) and up to 31% in the first belt (the former "red belt" of Paris). This stock of 1.2 million units is owned and managed by 158 social landlords, of which 69 are public "Offices" (Ophlm and Opac, owned and managed by local authorities), and 71 are social firms for housing (private non-profit social builders), the others being SEM (mixed capital housing companies).

In Paris inner-city, it is only 21%, but the private rental sector is the largest, with more than 35% in 2006, and up to 46% if it is merged with "other tenures"² (11%), which can be considered as "special rental regimes". The city of Paris is thus characterized by a very low rate of homeownership and a large private rental sector for affluent households, mainly located in the western parts (7°, 8°, 15°, 16° and 17° districts).

The low-quality (and cheapest) rental stock being located in the eastern and central parts of the city. Another specificity of central Paris is the relative weight of non-HLM social landlords, representing 10% of the social stock, and 2,4% of the total, mainly the town itself, through the SIEMVP³. Inside Paris, 2.3% of dwellings were still in 2006 under the 1948 Act regulation. This small residual segment⁴ of the private rental sector is *de facto* social housing, located in the oldest part of the stock.

Table 2 - Structure of tenure in the Paris area (1,000's and %)

	Ile-de-France 1999*	2006**	Second belt**	First belt**	Inner Paris**	France**
Home-ownership	1 997 (44,3%)	48.4	61.8	44.1	32.6	57.2
Private rental	1 148 (25,5%)	20.7	13.4	19.6	35.1	20.4
Social rental	1 055 (23,4%)	24.7	21	30.6	21.1	17.1
Other tenures	355 (6,8%)	6.2	3.8	5.7	11.2	5.3
Total	4 510 (100,0%)	100	100	100	100	100

*Source : INSEE – General census of population 1999. ** INSEE -ENL 2006.

¹ Zones à Urbaniser en Priorité.

² Representing different kinds of non-owner occupation.

³ Société Immobilière d'Economie Mixte de la Ville de Paris.

⁴ Abolished in 1986 by the Méhaignerie Act on housing.

2) How much of what ?

25% of the French social stock are located in Paris area (where 17.5% of the population lives). As shown in table 2 below, the Parisian social rental stock has a number of distinctive characteristics :

- *Older* than on average: one third was built before 1965 (national: 25%), 10% since 1995 ; in central Paris 45% of units were built before 1956 ;
- In *larger estates* (12% large estates of more than 500 u.; national: 6%)
- Smaller ?? distribution of sizes (national: 25% small dwellings < 3 rooms)
- In multi-family buildings : houses < 3% (national = 14%) ;
- And relatively large estates : building programs > 100 units = 57% (national = 32%)
> 50 units = 75%

Table 3 Structural characteristics of the social rental stock of housing

Distribution between urban units	<10 000	<100 000	≥100 000	≥200 000 only	Paris area only	
% of the total social stock	13,7	24,5	61,8	53,9	24,9	
% of the French population						
Building type	Collective		Individual			
		In Paris agglomeration		In Paris agglomeration		
	86,2	97,4	13,8	2,6		
Provider	Offices		ESH			
	54	43,8	46	56,2		
Age of construction	<1956	1956-1965	1966-1975	1976-1985	1986-1995	After 1995
Total	6,8	19	29,1	19,5	15,3	10,3
Paris area	7,9	23,6	28,2	18,1	13,8	8,5
% Paris	46,8	30,9	24	23	22,4	20,6
Size of programs	Individual houses	<10 u.	10≤X<50	50≤X<100	100≤X<500	Large estates (≥500 u.)
Total	13,8	5,0	32,3	17,7	25,6	5,6
1966-1975	4,3	1,8	30,0	19	36,9	8,3
Paris area	2,6	1,9	19,9	19,1	44,6	11,9
Size of dwellings	1 room	2 rooms	3 rooms	4 rooms	5 rooms and more	
Total	5,2	17,9	36,4	30,1	9,3	
After 1995	6,0	18,9	36,4	30,7	8,0	
Paris area						

* Source : EPLS 2004.

3) Distribution of the social rental stock in the urban space

As exhibited on Map 1 below, the social stock is geographically oriented (North Est and the valleys – river Seine and Marne)

a) General locational pattern

On the whole, 18% of the regional stock are located in the city of Paris (nearly 190,000 units, of which 143,000 are concentrated in 7 districts (“arrondissements”)); 12 towns with more than 10 000 units totalise an other 15,5% of the stock (153 461 units); another 29% are located in 44 towns with more than 5 000 HLM or more.

Thus Paris and 56 other communes (over more than 300 in the agglomerated area, and more than 1,300 in the whole region) represent more than 60% of the stock, of which 85% are located in 10% of municipalities.

Weight of social housing as % of total dwellings

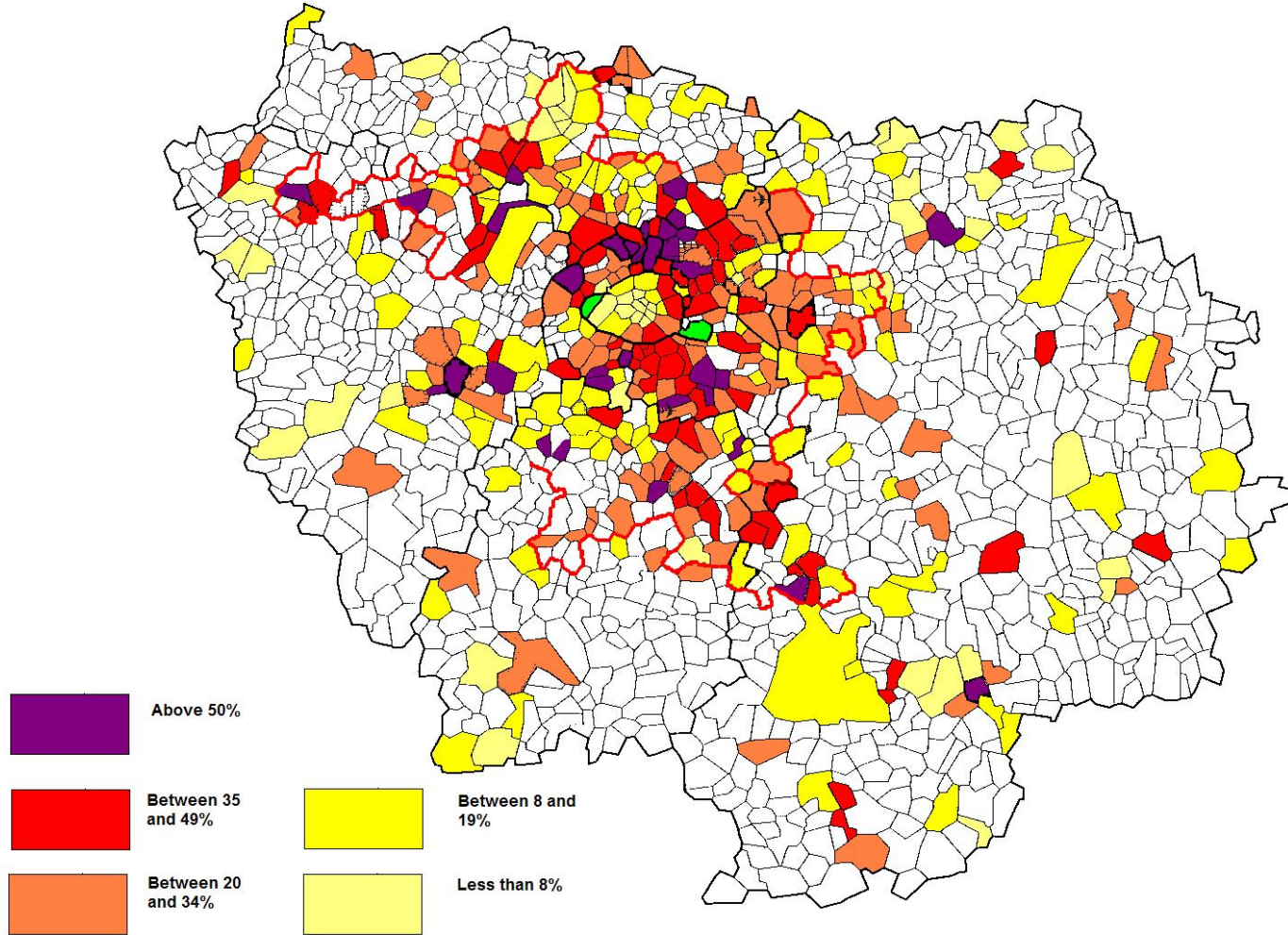


Table 3

Nb of HLM units		Nb of towns		% Cumulé
Paris	187 389	20		
10 000 and over	153 461	12	340 850	32
Between 7 500 and 9 999	116 194	14	457 044	42,9
Between 5 000 and 7 499	189 729	30	646 773	60,7
Between 2 500 and 4 999	242 195	68	888 968	83,5
Less than 2 500	176 315			
Together	1 065 283			

- 1998 : source DREIF (EPLS)

In the towns where the HLM are most concentrated, the percentage of social housing may jump till 72% (Orly, Verrière) ; 48 communes have a social rental stock accounting for more than 40% of their total stock of housings. At an infra-communal level, the degree of concentration may be still higher (till 100%).

The proportion of social units classified in the so-called ZUS (sensitive urban zones) in the Paris agglomerated area is broadly equal to its proportion of the social housing stock at the national level (26%); but their distribution within the urban area is very unequal, just like the distribution of the social stock is.

b) Social space of the area and tenures

Focusing on social conditions, the Paris metropolis combined various type of neighbourhoods. Tabard's typology about social and economic space is relevant. This typology is regularly updated nationwide thanks to data collected through national census. Clustering a partition made of areas housing approximately 2000 households, it's dividing the space in 8 major types. Most of neighbourhoods of Paris metropolis belongs to three of them:

- 41% of households live in upper neighbourhoods of the typology, where upper service sector work force (from B to B services workforce to artists, including university teachers) is over-represented. These areas are mainly in the inner Paris city or in the western suburbs. At a national level this kind of neighbourhood counts 12% of households.
- 36% of households live in neighbourhoods where middle classes working are overwhelming, in suburbs. At a national level this kind of neighbourhood counts 11 % of households. At a national level this kind of neighbourhood counts 12 % of households.
- 11% of households live in the neighborhoods where the social status is the lowest. Unemployed people, and cleaning industry workforce are overrepresented here. These areas are most of the deprived areas, with large social housing units or not. At a national level this kind of neighbourhood counts 8 % of households.
- The remaining 12 % of Parisian households live in one of the other 5 type of neighbourhood, mostly administrative workforce or qualified industrial workforce neighbourhoods, rarely agricultural ones.

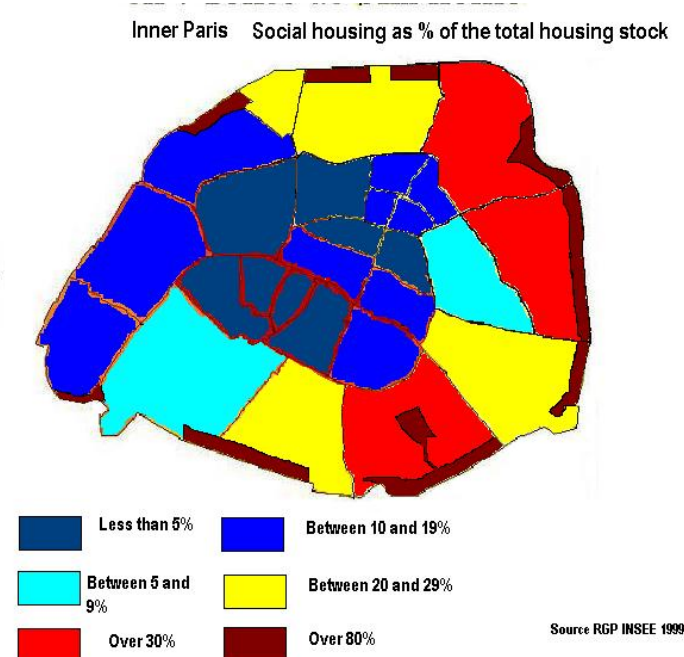
Looking at tenures, we can see that every of the first Three type of neighbourhoods is specific. In upper areas Private rental sector is overrepresented (29% to compare with 21% for the whole metropolis) and social sector underrepresented (17% to compare with 26%). In the second type, private rental sector is underrepresented (14% to compare with 21%) when to over tenures are slightly over represented. In unemployment areas, social rental sector is actually overrepresented (56% t compare to 26%).

	upper areas, West and central	technical middle classes suburbs	Unemployment/ cleaning workforce areas	Other areas	All
Home ownership	54%	59%	30%	52%	53%
Social Rental Housing	17%	27%	56%	27%	26%
Private Rental Housing	29%	14%	14%	20%	21%
All	100%	100%	100%	100%	100%
Number of households	1 900 000	1 670 000	520 000	430 000	4 590 000

So the main part (38%) of the social housing stock is located in middle class areas, when a quarter (27%) is located in upper areas, another quarter (25%) is in unemployment areas, and a tenth of it is in other neighbourhoods.

c) Paris inner-city

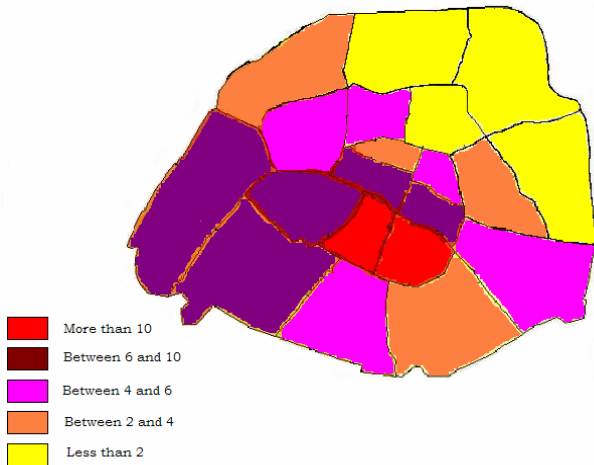
Within Paris city (see map below), the percentage of social housing ranges from a low 2% in the 8th district to a high 36% in the 20th district. 3 districts (13th, 19th and 20th), with 25% of the city’s population, represent almost one half of the social rental stock inside Paris, while 6 other districts (2nd, 3rd, 6^o, 7^o, 8^o and 9^o “arrondissements”) have less than 5% “HLM”. It is worth notice how map 1 presents some similarities with maps 2 and 3 representing social composition of neighbourhoods, and house price levels respectively. The HLM’s map is the “reverse” of the price map, which is broadly speaking a reproduction of the social demographics of the city.



Social composition of Paris city

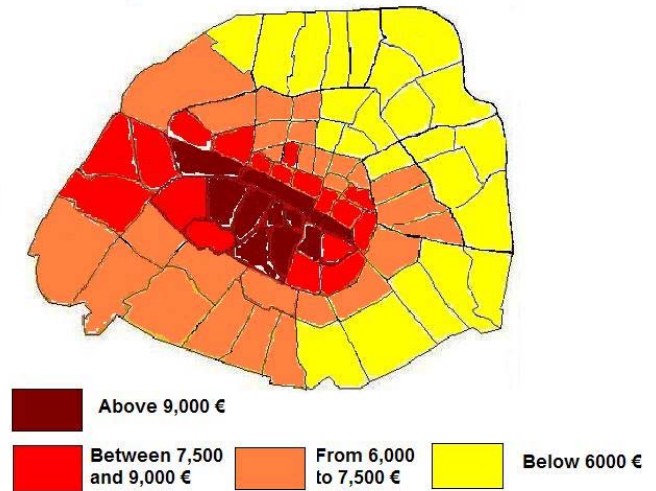
1999

Number of executives for one worker

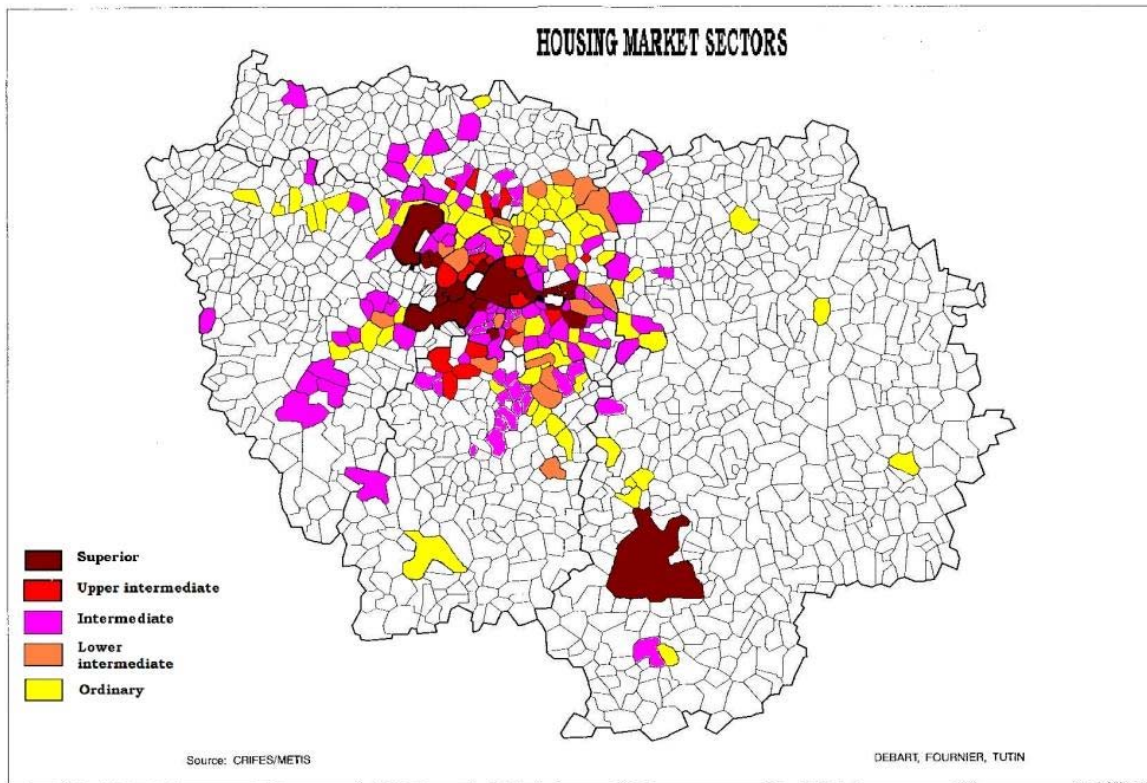


Source: Tutin (2005), from RGP INSEE

House prices in Paris - Old flats - 2007



Source: CINP



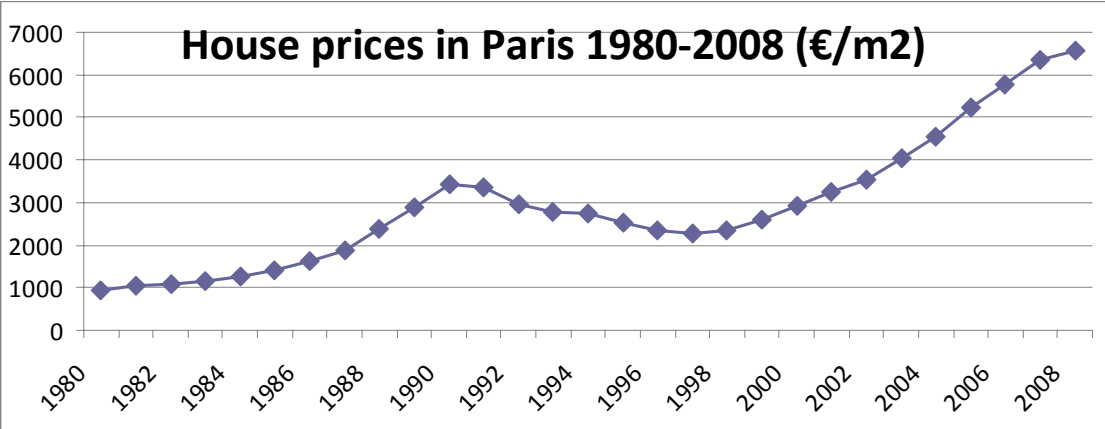
1.3 Social housing and the dynamics of real estate markets

The social rental sector has faced in the last 2 decades with growing pressures from the private housing market and the office market, which make more and more difficult to produce social housing outside the areas where it has been historically confined.

1) Prices and rents

During the recent boom, the average price for old flats has jumped from a minimum of 2,300 €/m² in 1997, up to 6,500 € at the end of 2008. Prices have not declined since the very end of 2008 in Paris⁵.

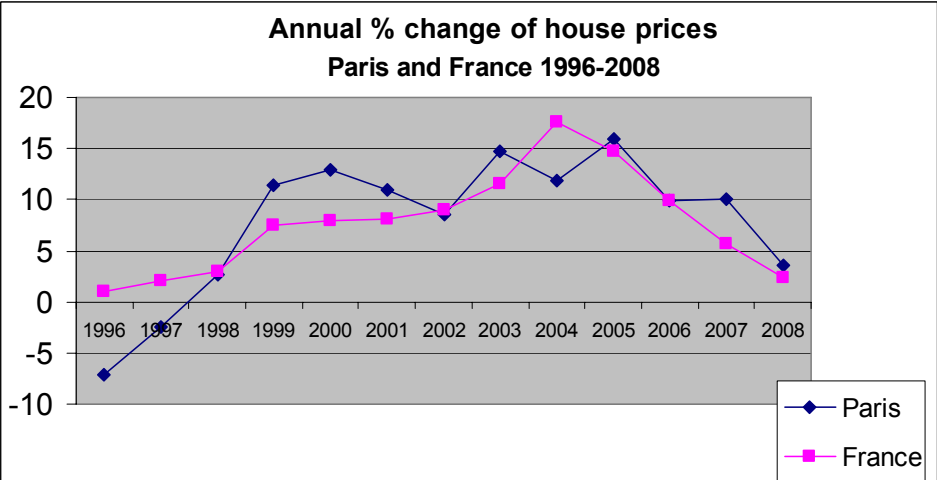
Graph 1



Source: INSEE/CINP

Nominal house prices reached their 1990' level in 2002, and real prices in 2004. Contrary to what happened in the 80's, the ultimate price rise was not stronger in Paris than in the rest of France, but rather in line with it (see graph 4 below).

Graph 2



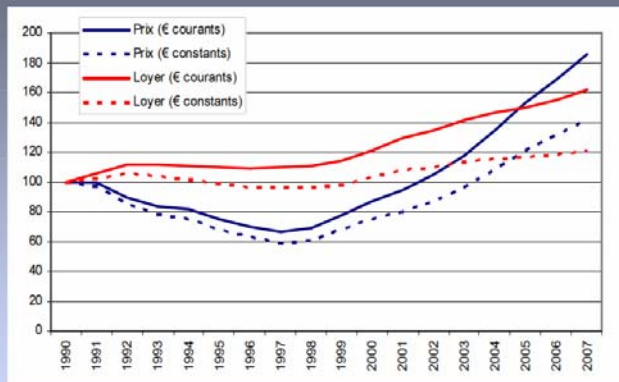
As illustrated by graphs 3, the observed price volatility contrasts with the relative viscosity of rents, which did not follow the decrease in prices during the 90's, and did not rise as fast as the prices did during the 2000's.

Rents in the private sector follow, with important lags, sale prices ; and social rents are based on historical costs.

⁵ And a small decrease of 3-4% is expected for the first quarterly data of March.

Graph 3

EVOLUTION DES PRIX ET DES LOYERS A PARIS DEPUIS 1990 (base 100 en 1990)



OLAP 7 octobre 2008

Private rents are directed by sale prices, with important lags and discrepancy between rents and prices (for at least 30 years, prices in Paris are not determined by « fundamentals »), while social rents based on historical costs, and not directly connected with market rents. This market regulation results in high levels of private rents, and growing discrepancies between social and private rents.

Private rents at least twice social rents, and up to 4 times in Paris ;

- average rent in Paris is above 20€/m² monthly in the private sector ;
- average social rents are 6€/m².

The discrepancy is much smaller in the suburbs.

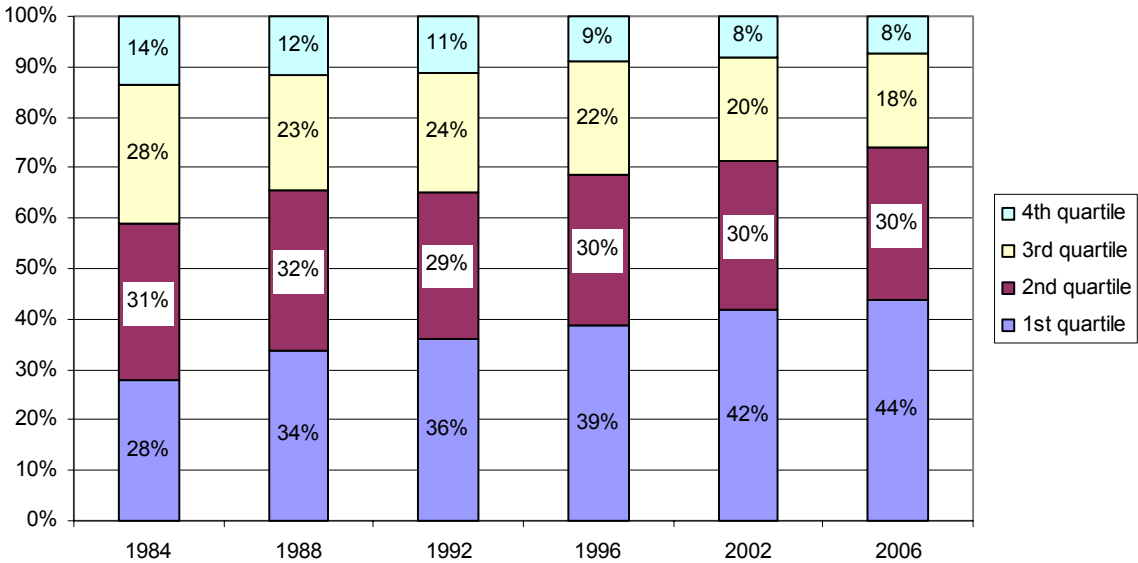
Rent levels in the social sector do not influence rent levels in the private sector⁶. Thus the Parisian market is clearly not “integrated” or “unitary” in Kemmeny’s sense, in which a strong social rental sector behaves as a competitor to the private rental sector; but neither is it a “dual” market system, where social housing and the market would operate in a completely separated way. The French housing markets system belongs to a third category, for two reasons at least: first, there do exist a strong private rental sector, but for a large part it deserves housing needs for populations who are not eligible to social housing ; this is particularly true, as seen above, of the Paris metropolis ; second, the social sector is opened to large categories of the population, and not only to the poorest.

⁶ Which is partly due to housing benefits (APL). This is a strong argument in favour of supply-sided housing policies.

II - SEGMENTATION AND IMPOVERISHMENT: HETEROGENEITY AND DYNAMICS OF THE SOCIAL RENTAL SECTOR

2.1 A general background: impoverishment process

In Paris metropolis as nationwide, the Social housing sector is impoverishing. This is documented at a national scale by Chodorge [2009]. This impoverishment is characterised by a growing part of social tenants belonging to the more modest part of the population. One can observe the evolution of the distribution of standard of living of the social tenants relatively to the whole population (figure X). From 1984 to 2006, the weight of the social tenants' households belonging to the more modest quarter of the population has grown from 28% to 44%. It is shown that is mainly the results of the flow of middle class moving out and poorer households moving in.



2.2 Segmentation of the housing stocks and space

a) Spatial similarity with other tenures through life cycle: overrepresentation of families in suburbs.

Figure 7 shows the tenures at each step of the life cycle in Paris urban area. Young people are mainly (>60%) private tenants. The rate of homeowners is increasing advancing in age cycle, except for the oldest. The proportion of social tenants is the highest among families with children, but is less prone to change with the familial status than for other tenures.

Figure 7

Distribution of households according to tenure and life cycle position in Paris urban area

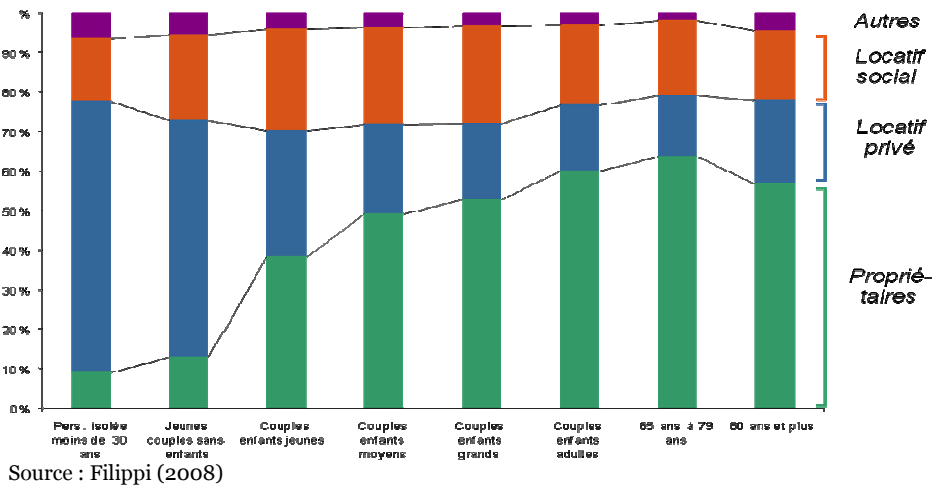
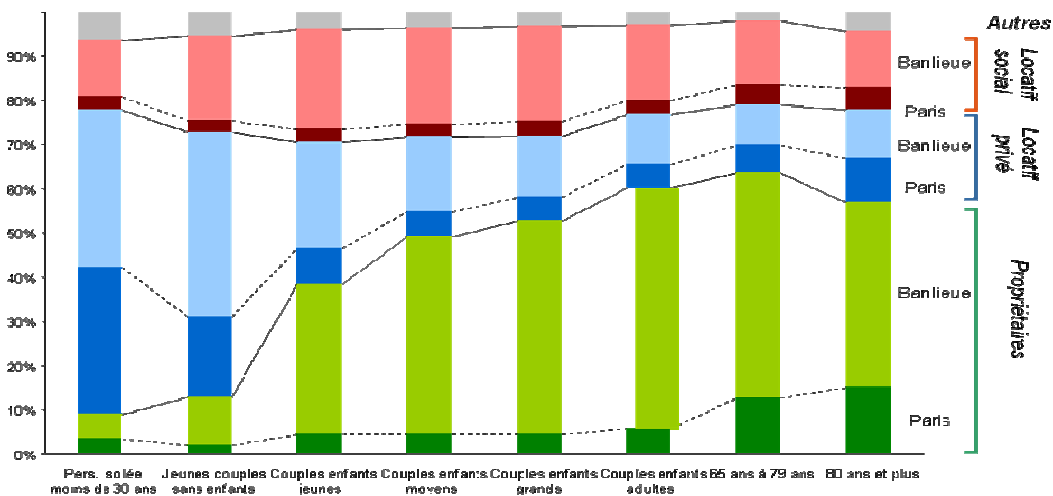


Figure 8 distinguished households living in the central area (Paris city) and in the suburbs. It can be observed that, for every tenure, the part of households living in Paris is higher for youngest and the oldest ones. Whatever is their statut the families are living more frequently in the suburbs than the small households (young or old ones)

Figure 8 Distribution of households according to tenure, location and life cycle position



b) Similarity within tenures looking at standard of living: Wealthier households in wealthier neighbourhoods.

Looking at spatial aspects, the metropolis can be divided in three parts: the city of Paris, that is the centre, the first belt and the second one.

Figure 6 shows the differentiation between tenures and according to location, through the observation of the standard of living, the income divided by consumption unit. Before looking at spatial aspects, we can note that the wealthiest households of quintiles 4 and 5 are over-represented in the home ownership sector, and especially in Paris, where they represent nearly 80% of the households (60% for the 5th quintile alone).

The first quintile is over-represented in the private rental sector within Paris as is also the 5th quintile. This tenure is highly polarized between a relatively cheap and low quality stock, mainly located in the Eastern districts, and a very expansive high quality stock located in the Western district.

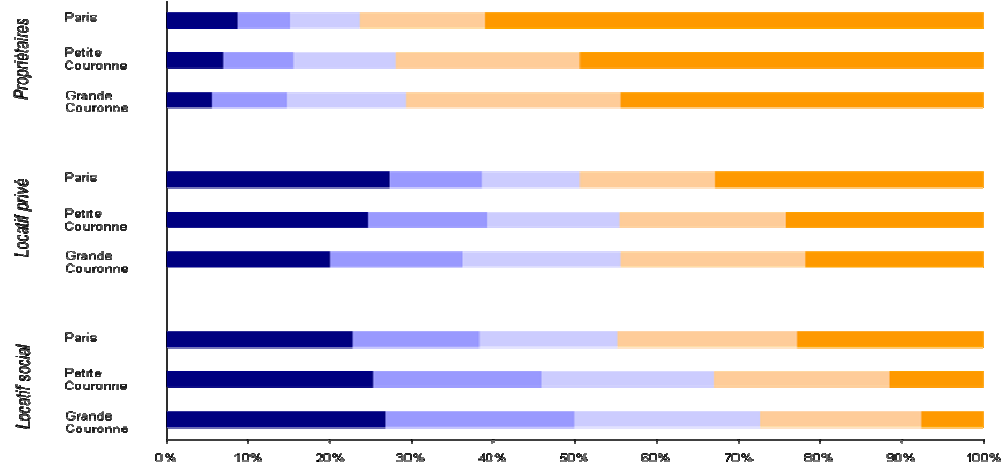
Low income households (identified as 3rd and 4th quintiles) represent 50% of the population of the social sector in the second belt, 47% in the first belt, and less than 40% in Paris city.

For every tenure, the 5th quintile is over-represented within Paris, and when getting away from the center the weigh of the whole 2 highest quintiles is decreasing when getting away from the center.

For the first Quintile, homeownership and private rental sector show the same phenomena: the more central the more important. At the opposite, the first quintile weights more when getting away from the center. But when looking at the whole two lowest quintiles, those weight the same in every space, excepted for the social housing sector. In that case it weights more when getting away from the central area.

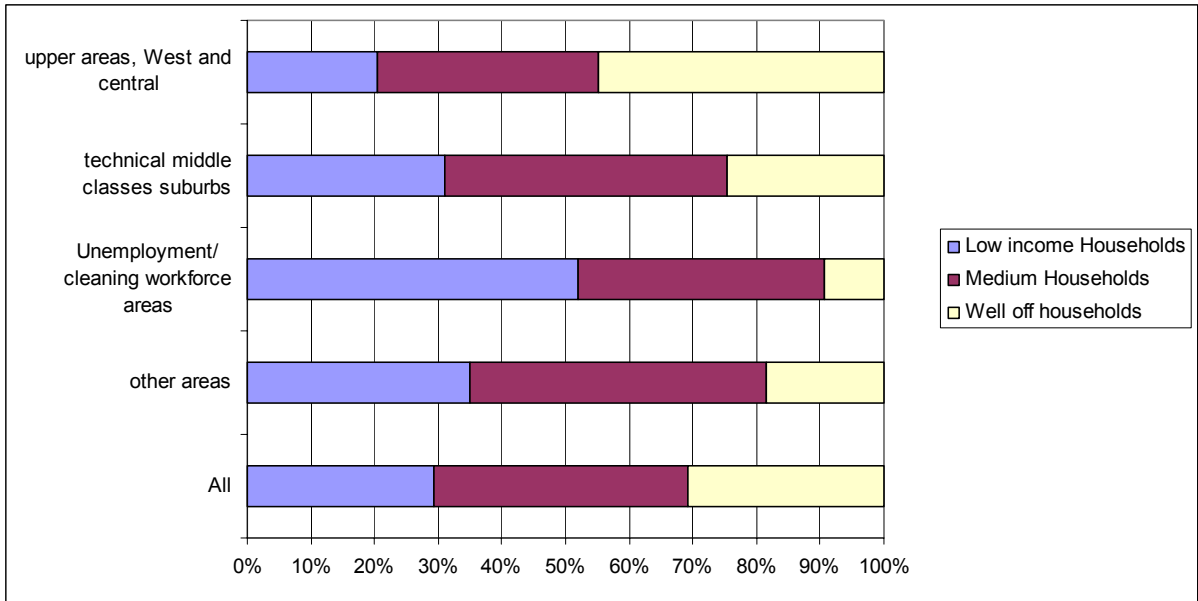
Another characteristic is that the distribution of households according to their income is not significantly different between private and social rental sectors, especially in Paris municipality.

Figure 6 - Distribution of households according to location, tenure status and income by consumption unit



Source : Filippi (2008)

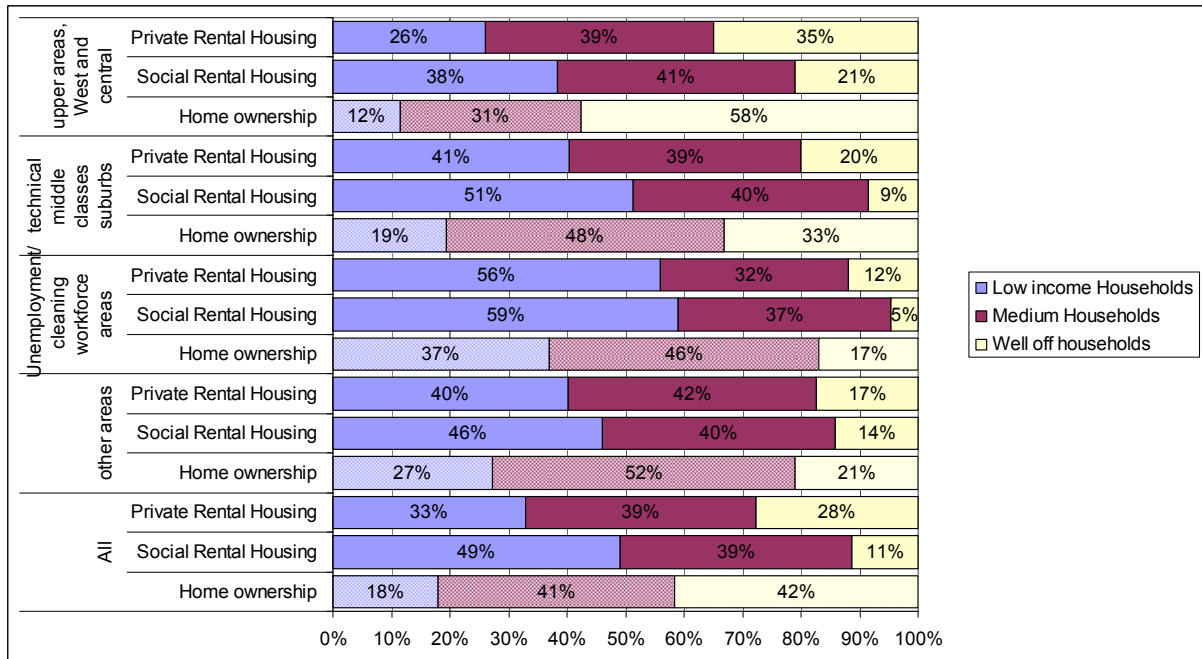
One fact is that the first belt and the second one are not socially uniform. The west part of the metropolis is, on average, wealthier than the eastern one. Using Tabard’s typology presented in the first part, we can precise the former picture. Indeed, this typology is relevant to show the shape of distribution of standard of living in the metropolis (using a 30%/40%/30% to segment groups of standards of living).



Looking at each type of area tenure by tenure, it can be observed that distribution of households according to their income are quite similar, specially in less upper areas. In every case, the homeowners are by far less frequently modest.

In deprived areas, 56% of private tenants belong to the more modest group and 59% of social tenants do; in middle class areas, 41% of private tenants belong to the more modest group and 51 % of social tenants do. The wealthier tenants, whether in social or rental sector, are more present in the upper areas, representing respectively 21 and 35% of the population.

Figure X : Distribution of households according to tabard cluster, tenure status and income by consumption unit



So it appears that in the less wealthy areas, the social housing sector is dwelling less wealthy households than in other ones. And at the opposite, in the more wealthy areas, the social housing sector is dwelling relatively more wealthy households than in other ones.

2.3 The social mix nexus : polarized, but not dualistic

This could imply a picture showing a dualized social housing, housing separately wealthy and poor households. Thus, the social rental sector could work oppositely to the objective of social mix it is assigned. But it can be shown that rather to be dualized, it is polarized: if the poorest area are housing more poor households, if the upper areas house more well off households,

a) A partition of the social housing stock in various neighbourhood

In a study of vacancy in the social rental sector of Paris agglomeration, made in 1999 for the regional association of HLM, we had defined 5 geographical sectors, corresponding to 5 distinct vacancy risk profiles. Those sectors combined populational characteristics of the municipalities, structural characteristics of the social rental park (such as age), housing market and labor market indicators (price and transaction levels, for the housing market, unemployment, activity for the labor market).

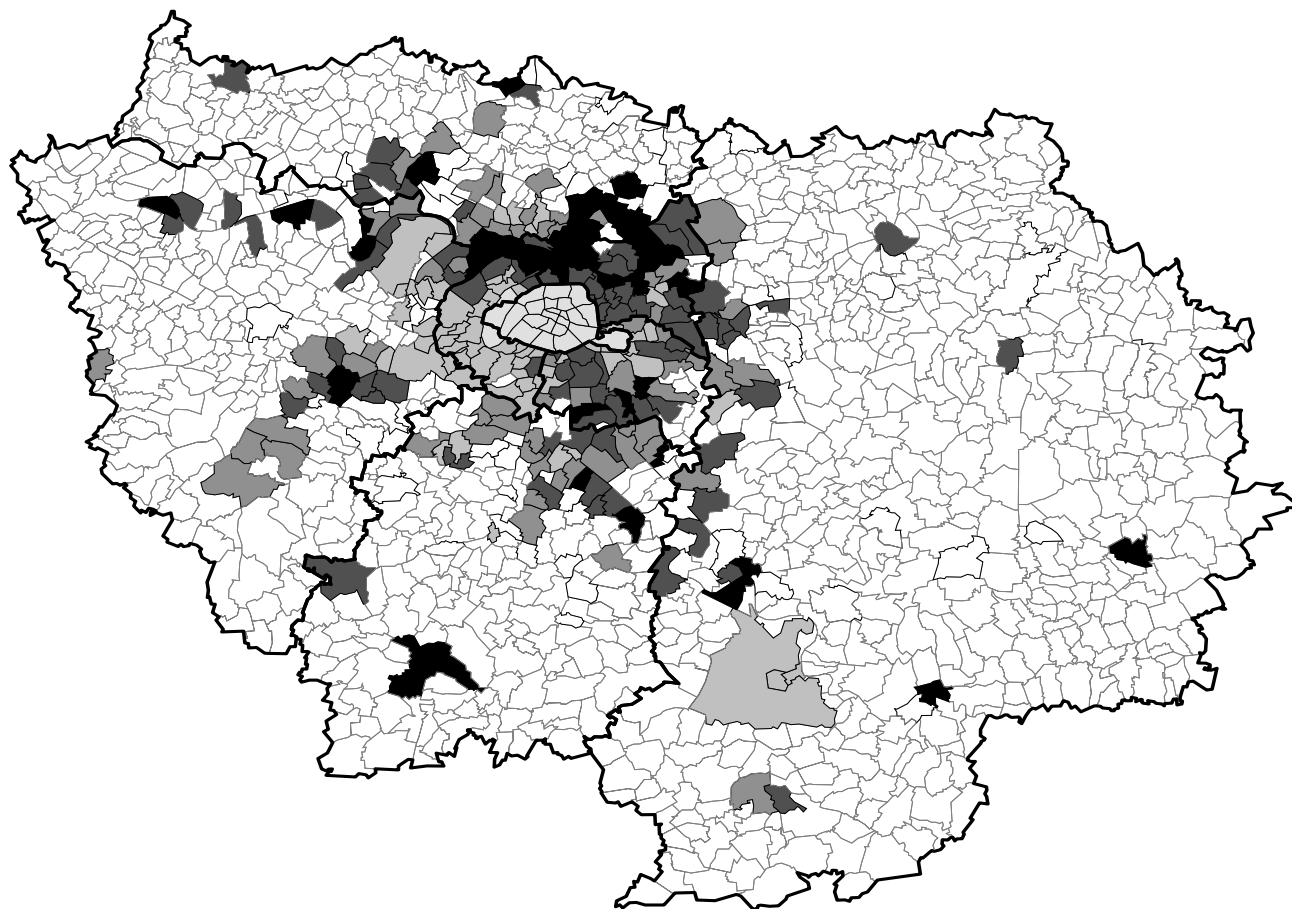
Table X

	Sector	Nb of HLM units*	%	Housing price**		
1	Parisian	204 651	19,2	1910		
2	Favoured	158 493	14,9	1025		
3	Intermediate	151 000	14,2	565		
4	Fragilized	348 910	32,8	635		
5	Deprived	202 229	18,9	510		
Together		1 065 283	100			

* 1/01/1998 ; source DREIF (EPLS). ** Price of 1997 for 1 m² of collective flat, in constant euros of 1980.

Putting together zones 1 and 3, and zones 4 and 5, we can picture a social rental sector polarized around to functions : regulating the market corresponds to what can be labelled as “integrated” social stock ; housing the disadvantaged being the role devoted to “fragilized” and “deprived” stocks, which represent one half of the total.

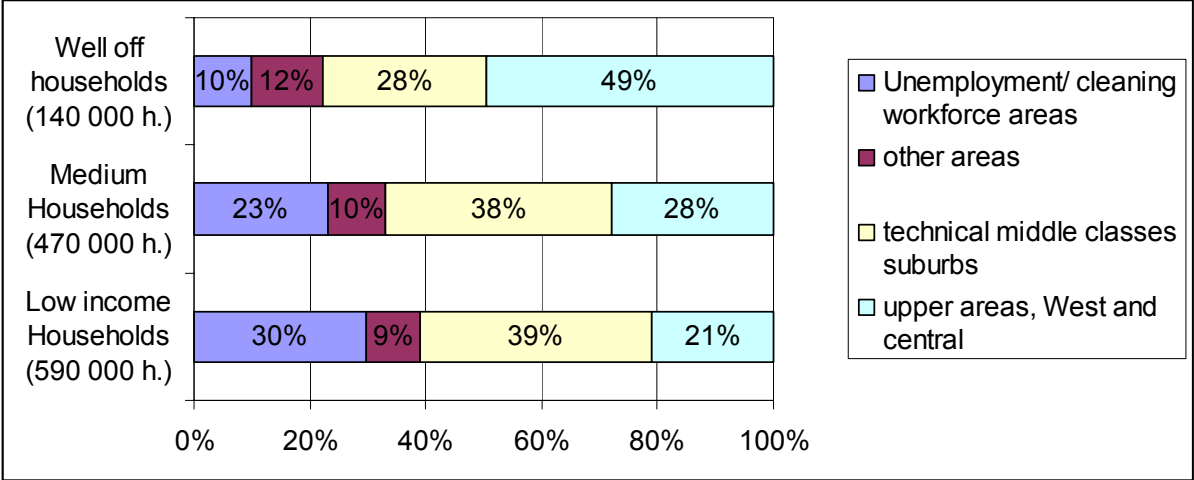
The deprivation process is clearly related to the age of construction, and the related building type (ofently big estates). Nearly one half of the total number of social units in ZUS were built between 1966 and 1975, representing 39% of the units built during this decade.



Typologie du parc

- Parc parisien
- Parc privilégié
- Parc intermédiaire
- Parc fragilisé
- Parc en difficulté

Social rental housing as a factor of social mix;



It must be insisted that intermediate residential spaces do exist, even if threatened by the rise in real-estate values.

But social housing represent a small part of the total housing stock in those spaces.

Existing tendencies towards deprivation and segregation in large sectors of the stock could lead to a residualisation process, which would result in a dual housing market

III – DELIVERING SOCIAL HOUSING IN TIGHT MARKETS: THE POLICY CHALLENGE ?

The first challenge for housing policy in the Paris metropolis is : how preventing the enlargement of the supply gap which is enduring for now nearly 20 years in the area as a whole, and particularly in Paris inner city ?

3.1 The supply gap

1) Demand

In the 90's, vacancy rates in the social rental stock were relatively high, and steadily growing. Since the recovery of the market in 1997, and after 10 years of price rise, the situation has totally changed : vacancy rates have never been so low, and the unsatisfied demand has never been so high. More than 350,000 demands for social housing are registered in Ile-de-France, of which 120,000 in central Paris.

The number of households (for a constant population) is still increasing (lower households size), but slower than in other regions of France.

2) Construction trends in social housing

During the 3 years preceding the crisis, the construction rate at national level has reached historically high levels (425,000 units in 2007), following a slow descent since the beginning of the 80's, and 10 years of stagnation around 300,000 units / year.

In the social rental sector, the historical decline in construction has been even more severe, from nearly 70,000 units in 1994 to only 34,000 in 2003, followed by a slight recovery till 46,000 in 2007, below the objective of the PNRU (50,000/year).

In Ile-de-France, the situation is worse, both for total housing starts and for social housing. The recovery of 1998-2000, at the very beginning of the boom, with more than 50,000 units built, was followed by a new decline, around 35,000 units. The sharp rise in prices between 2000 and 2007 was practically ineffective as a stimulator for housing starts. For social housing alone, the new starts fell from 18,000 in 1994 to 4,600 in 2005, with a limited recovery in 2007, at 5,300 starts.

On the whole, the estimated supply gap is of 30,000 to 40,000 in the Paris metropolitan area. The explanation relies both on economic factors (rising costs) and deficiencies in urban planning (especially land use planning) at the regional level. In the case of social housing, the Nimby effects (reluctance of local councils to deliver building permits to social landlord) reinforce those general difficulties encountered by any developer, either private or social.

As regards the other components of the stock variations, the purchases to private developers broadly compensate the demolitions urged by the urban renewal plan, and the sales to social tenants has been very low till 2007⁷.

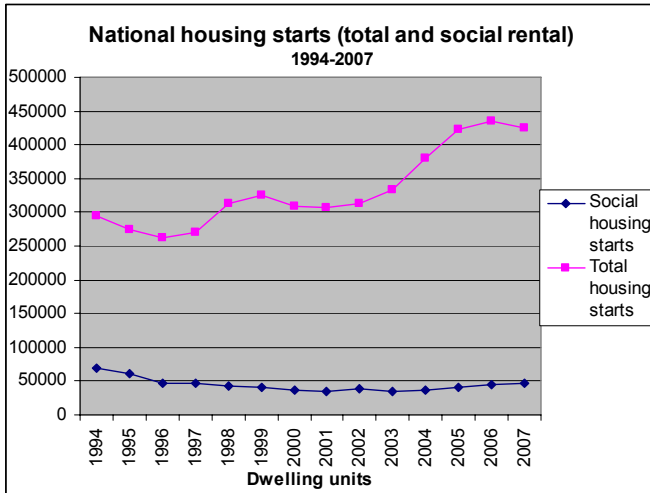
	2001	2002	2003	2004	2005	2006	2007
Purchase to private developers*			492	868	913	2262	2135
Demolitions	1041	1236	853	901	2633	1685	
Sales to tenants	281	447	219	214	622	132	

* Corresponding to mixed tenure programs led by private developers.

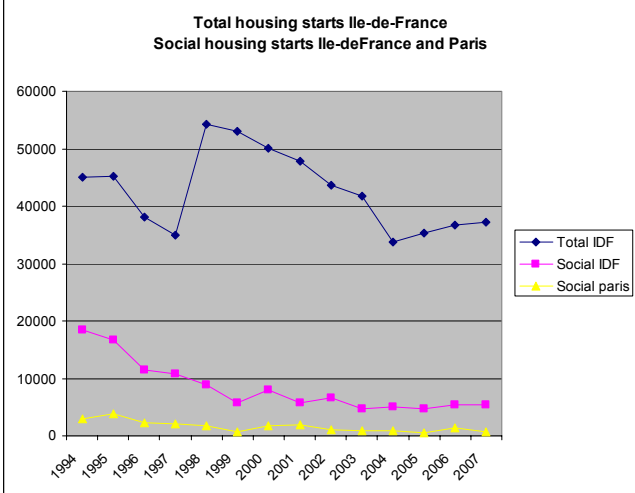
Source : Meeddat, EPLS et USH île-de-France

⁷ Even in 2008 and 2009, those sales remained rather symbolic.

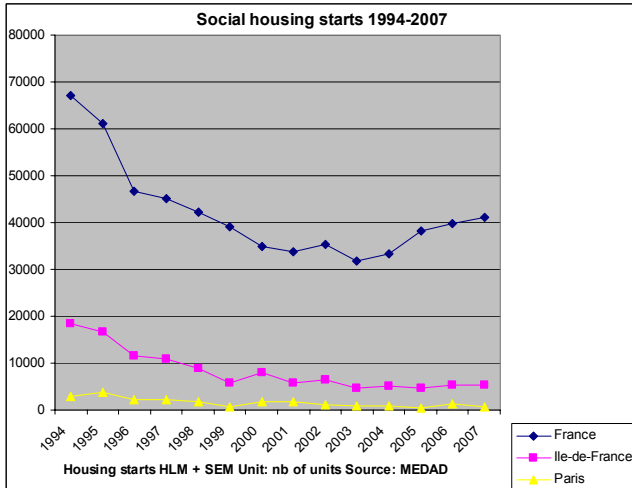
Graph 1-a



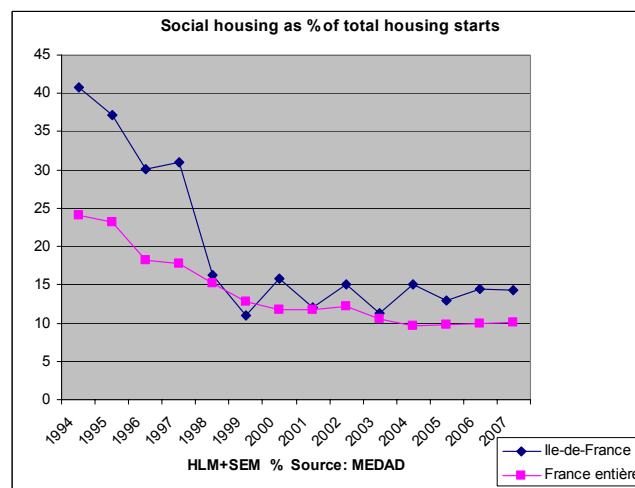
Graph 1-b



Graph 1-c



Graph 1-d



3.2 The institutional puzzle

1) National regulations

a. A better distribution of social housing in the urban area

- Legal enforcement for all urban municipalities to reach 20% of social housing at the latest in 2020 (section 55 of the so-called “SRU” Act).
- In Ile-de-France, this social mix policy is of peculiar importance, with the second-rank objective to allow families and young people to stay in the central area

Results are not so bad, despite the fact that some municipalities did not comply, nor intend to, with the objective. But might be better to make Neuilly or Paris 8th pay a larger contribution, rather than spend huge funds to build very few social units. The true stake is on “upper intermediate” zones; at least, section 55 has given “a move” towards more balanced tenure mix.

b. The national urban renewal program (PNRU)

Launched in 2004, this program aims at:

- Urban redevelopment in large estates (mainly social, but not only) from the 60’s and 70’s
- Regeneration, demolition, diversification of the housing supply

- 200,000 demolitions and 200,000 new constructions planned over 8 years (2003-2011)
- Organized and funded by the « National Agency for Urban Renewal » (ANRU) to which municipalities must apply to get approval for the projects initiated in collaboration with the local landlords (HLM)

- In Ile-de-France, at the moment : 53 ANRU projects over a total of 184 in France. But those projects are no more financed by state funds, but rather by transfers from the “1% patronal”, which was till last year one of the resources used for financing investments by social landlords.

Chiffres démolitions / reconstructions ¿?

c. Changes in social housing regulation

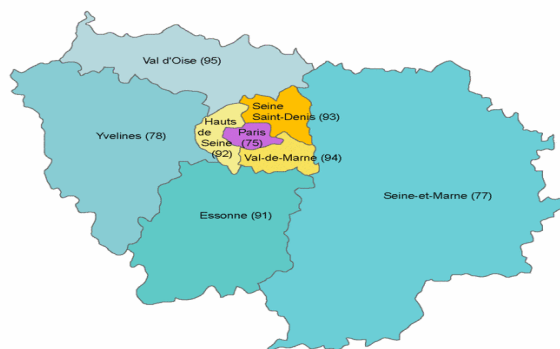
The MOLLE Act of 2009 introduced a number of changes in the regulation of social rental housing, including :

- higher income ceilings, and obligation to leave for wealthier tenants ;
- contractual compromise between the State and the social landlords about qualitative objectives.

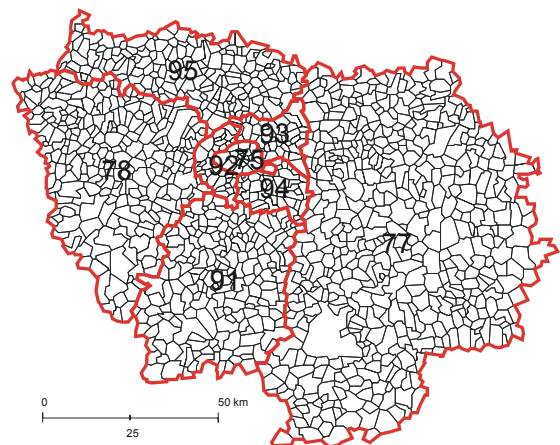
2) The regional level

Along with public transportation, housing is among the fields of public policies which is suffering of a governance deficit.

8 “departments”



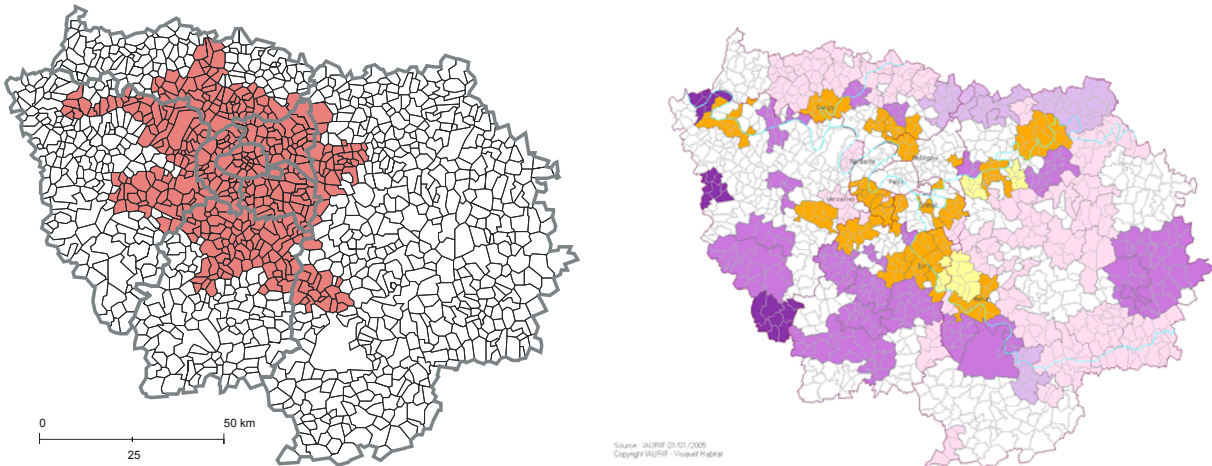
1 300 municipalities



Within Paris : 20 “districts” (arrondissements)

The urban area doesn't correspond to any administrative division

94 multi-communal structures



Housing policies are impulsed and controlled at the local level, which means either municipal, or multicommunal. There is no authority at the metropolis level for housing policy decisions. The region Ile-de-France has no real powers in the field. The building permits are entirely at hands of the lord-maires, so that there are very diversified local housing regimes within the urban area.

According to the future Sdrif⁸ (yet not approved)

- Objective : 60 000 new housing units yearly from 2007 to 2020 (50% above the average level between 1990 and 2008);
 - of which, 20 000 social units
- Provision of constructible plots :
 - Creation of a regional land agency;
 - Conversion of land from the State or large public companies (military barracks, railway plants...)

But those 2 aspects remain pure discourse, given the Nimby effects affecting local councils behaviours.

2. Promoting higher densities (sustainable urban development)

- Favouring the growth of dense areas :
 - Protection of the regional natural spaces
 - Limiting car traffic
 - Promotion of public transportation
- Construction regulations in dense areas and active land policies in the core of the agglomeration

Given that the region does not have the legal competences on housing, any increase in the housing supply depends upon the willingness of local authorities (municipalities or multi-communal bodies).

Given the political context in other “départements” (Yvelines, Seine et Marne and Hauts de Seine) and the economic cost of construction in central Paris, the Seine St Denis and the Val-de-Marne will be those where the construction of new social housing will be the more important. In Seine St Denis, the average proportion of social housing would reach 44% in

⁸ Schéma directeur de l’Ile-de-France.

2030 (instead of 36% in 2005) if the Sdrif would be complied. Which is to say that spatial polarisation of social housing will not diminish.

3.3 Paris inner-city: a special case

Since 2001, a “volontarist” housing policy has been impeded by the new socialist municipality ; their what that, even in the economic conditions of inner Paris, it was possible to develop the social rental stock, necessary for maintaining both low income and lower middle class households in the city (“key workers”).

Specific conditions

- Scarcity of land versus necessity to increase the provision of social rental units for families
- Existence of a residual stock of unsane housing (logements « indignes »)

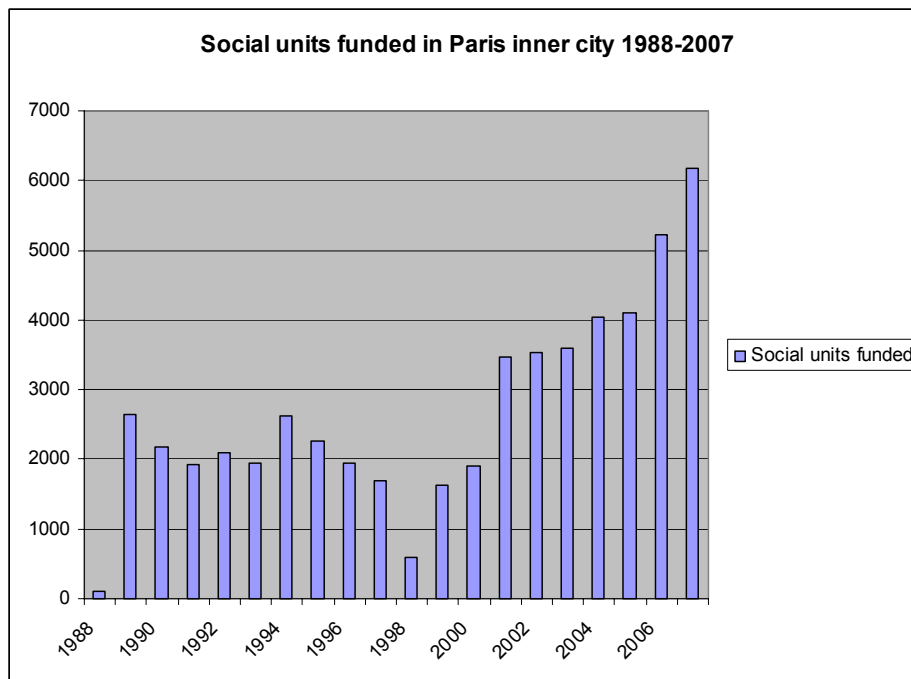
Special means and goals

- Purchase of deprived private buildings in order to transform them in social housing
- A rule of de 25% of social housing in every building program of more than 10 units in the districts with the lower rates of social housing;
- Priority to family dwelling units
- A regeneration plan for the refurbishment of insane buildings
- In the owner occupation sector: a special zero interest loan from the city
- Interference on the “ventes à la découpe”
- Rooms for students

The results have been rather spectacular, in comparison with the tendencies at work under the previous municipal team:

- more than 30,000 social housing units have been funded since 2001 (see graph below), among which one third is made of intermediate housing (PLS) ; 40,000 units funded is the objective for the next 6 years (2008-2014);
- 80% of the “registered” slums have been or are going to be refurbished ; 19 000 people have been offered a new dwelling;
- 6,000 households have benefited from the special zero interest loan;
- 3,700 students’ rooms have been funded.

For a global cost exceeding 2 billions €



CONCLUDING REMARKS : TOWARDS CONTAINMENT ?

In the case of Paris, the social housing sector does not fulfil anymore its role as a price moderator, and less and less as a segregation reducer. Its role is ambivalent in the structuring of the metropolitan space, being both “inclusive” (or anti-segregative) in the core of urban area, and “excluant” in the deprived zones where the most fragile groups are housed.

It is not clear whether this is due to the globalization process, or to a path-dependancy effect. For example, the high concentration of deprived social rental programs is the product, as we have seen, of industrial and political history of the city: the segmentation of the housing sector, joined with the high concentration of its more deprived components in old industrial vicinities, resulted from political design and land affordability constraints.

But the relationship with globalization is indirect: on one hand, desindustrialisation has been one of the factors explaining the impoverishment of some social rental neighbourhoods ; on the other hand, the price rise on housing markets is directly linked to the reshaping of the whole housing system due to the rise of new high skilled categories of employees from the financial and other “B to B” service activities.

Finally, the offices market put pressures on land prices in the whole built environment. Globalisation is clearly responsible for the boost in house prices in the long run⁹, and the tremendous rise in land prices, which makes almost impossible to built new social units not only in central Paris, but also in a large first belt of surrounding municipalities. Thus, it is very difficult for local housing policies to counter-act, and reverse segregative processes, deeply rooted in the long run tendancies of housing markets.

How far the on-going process of polarisation will go depends crucially upon the policy answers to the crisis.

A pessimistic view of the future is suggested by the fact that the political compromise on the “generalist” French model (as opposed to “universal” or “targeted” models) has broken.

⁹ Till the mid 80’s, Paris was not the top of house price scale.

Fastly rising unemployment rates could rapidly reinforce segregative trends at work, while recent trends in housing policy could accelerate a move towards a targeted and spatially confined model of social housing.

The optimistic view could put the stress on the experience of Paris municipality since 2001 showing that it is not impossible to produce new social housing units. The fall in prices and slowing down in private building programs could offer new opportunities for implementing social rental housing in intermediate residential spaces (for example through mixed tenure programs). But for this scenario to be set on, a strong political will should be applied in order to untighten land affordability constraints.

The median way, and the more likely to occur, consists in a reinforcement of the polarized / segmented pattern. With a move towards “containment” as long as the “generalist” pole of social housing would be residualised, and the “targeted” pole would expand.

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