

Why isn't there enough housing in France?

Jean-Claude Driant

*The idea that France is experiencing a serious housing deficit, requiring a massive home-building policy is the starting point for many debates. Previously in *Metropolitiques*, Jean-Claude Driant questioned the relevance of this solution, asking “Why build new housing?”.¹ Here, he re-examines the causes of the affordable housing deficit and, in particular, the notion of a lack of available land.*

What is the true extent of the housing deficit in France? In the initial analysis, if there really were a shortfall of between 800,000 and 1 million dwellings (the figures most frequently cited), those inhabitants living as part of a household should logically have become increasingly cramped within the existing housing stock: between 1999 and 2008, the population of mainland France and Corsica grew by 3.614 million, while the number of people living “outside households”² over the same period increased by less than 175,000 (from 1.294 million to 1.469 million). If there really were a lack of housing, the average household size would have grown; however, according to census data, it has continued to decrease, falling from 2.40 persons in 1999 to 2.27 persons in 2008.

Deficit? What deficit?

The notion of a significant national housing deficit is therefore a difficult one to defend. And yet the difficulties of finding accommodation are altogether real and fully justify the continued use of the term “crisis”: considerable numbers of people still live in substandard housing, households are still under increasing financial pressure, and families have to overcome numerous obstacles before achieving residential mobility. There is therefore a real housing supply problem, which, though not strictly quantitative, nonetheless requires an explanation.

In my previous contribution,³ I suggested two key questions that must be answered in order to obtain such an explanation: first, where exactly is there a lack of housing? And second, what sort of housing is in short supply? To specify the terms of these questions, the two issues must be considered jointly.

Location is clearly a key factor – in France, it is much easier to find somewhere to live in many provincial towns and cities than it is in Paris, on the Mediterranean coast or close to the Swiss border around Geneva. These differences are obviously linked to more abundant supply and lesser demand in certain areas, resulting in much lower property prices.

1 See: Jean-Claude Driant & translated by Christina Mitrakos, “Why Build New Housing?”, *Metropolitiques*, 28 January 2011. URL: <http://www.metropolitiques.eu/Why-Build-New-Housing.html>.

2 People living in collective institutions (boarding schools, university halls of residence, residential care centres, prisons, etc.), those living in hostels or accommodation centres, travellers, and homeless people living on the street.

3 *Ibid.*

A lack of affordable housing

A cursory glance at the data provided online by the FNAIM (French Real-Estate Federation) for the first quarter of 2011 reveals significant variations in average purchase prices across France: Paris comes in at €7,500–8,000 per square metre, sought-after towns in Provence and on the Riviera at around €4,000/m², most large provincial cities at €2,500–3,000, and the rest of France at less than €2,000/m². These geographical differences highlight a strong attractiveness differential and, above all, show the importance that must be accorded to making housing available at regulated prices to low-income households in areas with expensive property markets. And yet it is not in the most expensive cities that the greatest numbers of new homes have been built in recent years: 2.6 new homes per 1,000 inhabitants per year were constructed between 1998 and 2009 in the Île-de-France (Paris) region, 4.3 in Provence–Alpes–Côte d’Azur, compared to 4.8 in Franche-Comté, 5.7 in Poitou-Charentes and 6.9 in Brittany!

However, even if more housing were to be built where it is most needed, this housing would also have to be affordable. A simple analysis of housing production in Île-de-France between the mid-1990s and 2007 shows that, in 1994, the respective market shares for property developers and social housing bodies were more or less the same, at around 40%. By 2007, however, a large gap had grown between the two, with private developers representing over 65% of the market and social landlords accounting for less than 15%.⁴ Not only was housing production in Île-de-France low in quantitative terms; it was also concentrated in the private sector, where it commanded high prices. The same trends can be identified for the Provence–Alpes–Côte d’Azur region.

The nature of the deficit is now somewhat clearer: it is significantly localised, and characterised in terms of affordability.

A lack of floor space rather than a lack of land

This situation owes a great deal to the issue of land availability, which also deserves an explanation that goes beyond the simplistic assertion that there is not enough land on which to build. The issue of land availability for home-building is, above all, a question of there being not enough land with planning permission for projects of a sufficiently high density to ensure profitable housing developments. In other words, what is lacking is square metres of net floor space⁵ rather than square metres of land. This is therefore a matter for local urban development plans and local political decisions.

With this in mind, it is now easier to identify where the problem lies in Île-de-France, a region where urban planning and development decisions remain in the hands of some 1,281 mayors (including 412 in the contiguous built-up area around Paris), whose inclination to densify land use is limited, to say the least. Yet again, it is the question of governance of the Paris metropolitan area that needs to be reconsidered: today, there is nothing in place to incite local councils to proactively help resolve the housing problem that now affects the whole Paris area.

The result of this is a lack of development sites in the low-density outer suburbs combined with relative inertia in terms of operational urban development (in 2007 in Île-de-France, only 19% of new housing units were produced as part of designated urban development zones, or ZACs⁶). The consequent pressure on the market is reflected in high property prices that disadvantage social landlords and favour private developers. All the conditions are therefore present to encourage

4 Source: Sitadel. Unfortunately, statistics by contractor are not available for years later than 2007: <http://www.statistiques.developpement-durable.gouv.fr/theme/logement-construction/752.html> (in French).

5 Known in France as SHON (*surface hors œuvre nette*), i.e. the total surface area of floors in a building, excluding roof space and basement space that cannot be used as living spaces, terraces/patios, balconies, etc.

6 ZAC stands for *zone d’aménagement concertée* (literally “coordinated development zone”). Source of data: Observatoire Régional du Foncier, latest year available: <http://www.orf.asso.fr/Publications.html>.

housing production that is both low in volume and high in price, and thus unable to satisfactorily meet the needs of low- and medium-income residents in the Paris region. These inhabitants pay over the odds for their home, requiring significant financial efforts of various kinds, while at the same time having to accept geographical remoteness or inconvenience combined with impossible or severely constrained mobility.⁷

Improving integration between housing and urban planning

What lessons can be learned from these analyses with regard to housing policy, both nationally and at local level? One thing is for sure: new housing should not be built exclusively in those cities and regions where there is most pressure on the property market. There are many other reasons to build new housing, notably as part of spatial planning measures or urban renewal programmes.

Nevertheless, it is essential for increased housing production to be concentrated in those areas where needs are greatest. Furthermore, land-related obstacles must also be eliminated at the same time. In particular, this means establishing new organisational links between housing and urban planning: local urban development plans need to be transferred to intercommunal structures,⁸ and the governance of housing policy in Île-de-France needs to be completely overhauled.

In addition, the proportion of affordable housing among these new dwellings must be increased. This depends on two conditions: first, that the sustainability of funding for social housing is not compromised, and second, that the land-related production costs of home-buying schemes are more effectively reined in. This latter point, in turn, is dependent on an upturn in ZAC-based urban development and a profound transformation of the relationships between city authorities, planners and developers. Certain cities, such as Rennes, Grenoble or Toulouse, have made successful attempts in this regard; however, no such action has yet been brought to fruition on the scale of the Paris metropolitan area.

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Jean-Claude Driant's web page (in French): <http://urbanisme.u-pec.fr/presentation/enseignants/jean-claude-driant-249928.kjsp>.

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⁷ See Jean-Pierre Orfeuil, "Dix ans de « droit à la mobilité », et maintenant ?", *Metropolitiques*, 16 September 2011. URL: <http://www.metropolitiques.eu/Dix-ans-de-droit-a-la-mobilite-et.html> (in French).

⁸ Translator's note: in France, most *communes* (municipalities) belong to "intercommunal" bodies that carry out certain functions for a whole group of *communes*, typically covering an urban area or a cohesive rural district.