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The social housing policy of a large transportation company

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France housing figures

- France: 60 millions of inhabitants
- 60% homeowners (50% 20 years ago)
- 65% homeowners in Europe (45% in Germany)
- 33 millions housing units
- Decline in the occupation rate: 2.4 person / housing unit
- Average home: 85 square meters
- 50% of the population spend at least 18% of their income on their main residence
The Ile-de-France region in France

- Ile-de-France accounts for:
  - 1/5 of the country’s total population
  - 1/4 of all jobs
  - 2% of national territory
  - > 1/4 of GDP
  - 8 counties
  - 25% of social housing stock

- The epitome of a centralized country
Social housing figures

- 5 million units of social housing
- 90% of the stock of social housing units belong to affordable rent housing associations
- Average social housing rent: 7€ / sq meter / month
- Average Private rent in Paris center: 30 € / sq meter / month
How is it financed?

**State level**
- Loans (preferential rates)
- Reduced VAT (5.5 vs 19.6%)
- Exemption of property taxes (25 years)

**Local level**: subsidies versus a certain number of rights to put people in the apartment

**Companies**: so-called 1% contribution. All companies contribute about 0.35% of their total wage bill to regional agencies that finance employee's housing with the funds collected. Companies can either rent flats to employees or provide them with first-time property purchase loans.

**Equity** invested by each developer (or building society)
New operation break down

- Loan 75%
- Employer 1% 3%
- Equity capital 14%
- Local authority subsidy 8%

From a tenant's perspective, housing subsidies (allocations) are income related + contingent on geographical area, and family circumstances. To qualify, for instance, a single person must not earn more than €23,000; a couple no more than €34,000; and a couple with two children no more than €53,000.
Levers for a social housing policy

- These figures illustrate the implication of the private or public owned companies in the financing of the social housing policy in France.

- Through the so-called 1% tax, building societies companies can benefit from a kind of quasi equity whilst the companies pay the right to designate the tenants of the flats.

- In my company, we take advantage of this regulation + a resolute urban planning policy.
Ratp and the Ile de France region

- RATP: €5 billion annual turnover; a state owned company
- 10 million journeys a day
- 80% of the french transport market
- A multimodal transporter in Ile de France: metro, bus, tramway, RER
- The world’s leading multimodal transport company
- 4,400 buses for 7050 stops, 4,600 Train carriages
- 380 stations and 67 RER regional express network stations
- 740 hectares of land, 16 metro lines, 350 kms of tracks
- 45,000 employees / a total wage bill of €2,000 Million
  (24,000 drivers; 5,000 station employees; 10,000 maintenance personnel)
A company that continues to employ industrial workers in the city center

Blue collars in the city center
Given its presence in the greater Paris region and how difficult (and costly) it would be to delocalise its activities in the suburban area, RATP is one of the last companies to employ industrial workers in the city center. This means that it carries out a significant number of industrial interventions on a daily basis right in the heart of Paris, often revolving around its Metro depot or bus garage maintenance activities.

Scheduling constraints
With the exception of a few night buses, the Paris public transportation system generally operates from 5 AM to 1:30 AM, with teams working three shifts. This means that employees often face problems with their commute, making it a real advantage for them to live near their place of work. Which is why RATP has long pursued a social housing policy aimed at employees enduring severe scheduling constraints, and whose income is below certain minimum thresholds.
Paris: Mapping social housing
The diverse nature of RATP’s asset portfolio

- 740 hectares
  - Inc. 500 hectares of tracks
  - 50 hectares of railroad workshops
  - 70 hectares of bus depots
  - 120 hectares of miscellaneous land (used for social, sporting, logistical purposes)
  - 400,000 m$^2$ of office buildings
- €150 Millions paid annually in upkeep charges
Singularity of RATP’s asset portfolio

- The biggest property owner in the greater Paris region
- Extensive assets
- A production tool
- Old industrial assets in the city center
- Capital intensive assets
- 1 social housing subsidiary (7,000 flats)
Specific funding for housing

- RATP spends about €10 million / year on its social housing policy.
  - home purchase loans (€2 million)
  - rental property reservations (€8.5 million for 350 units reserved every year).

- Corporate headquarters has a service center where employees’ situations and location preferences are analyzed. There is currently a backlog of around 2,000 rental requests against a total of 12,000 employees who have received housing.

- Where rentals are concerned, RATP uses these sums to acquire the rights that property owners have to choose their own tenants. This is called the company’s "reservation" system.
An unusual company’s urban planning policy that affects the general interest…

- Usually it is the City of Paris that leads on large urban redevelopment schemes... But:
  - Because we own large scale locations in the center
  - Because RATP has developed an rather good expertise in the combination of urban / industrial planning
  - Because the industrial tool remains located where it is....

- The company is in a position to suggest to the City its own large scale redevelopment and housing production scheme.

- From an urban planning perspective, what is clear is that as in all historical cities, the new property challenge is to develop acceptable building volumes above existing facilities. It is at this level that future construction possibilities will be determined.

- This assumes complex engineering, since - from a technical perspective – some facilities remain underground.
Our doctrine for functional and social integration: density, and compactness

- **Industrial lever**: keep the plants inside the city
- **Financial lever**: help financing their redevelopment with real estate
- **Social lever (social contract aspect)**: create social housing
  - This helps employees who start early, to live closer to where they work.
  - Designed for large development areas, housing programmes tend to involve 50% social housing, in line with the City of Paris’s goal of socially integrated development.
- **Urban planning lever**:
  - closer linkage between transportation and urban issues by re-design of the City.
  - re-balance of the urban environment by preserving industrial jobs in the city center.
  - co-existence of a non-polluting industrial activity with housing, public facilities and offices: urban intensity that is rarely witnessed otherwise.
Density

Juxtaposition of functions

Zoning adaptations

Cash

Construction

Mixity
AN EXAMPLE OF URBAN AND INDUSTRIAL DENSIFICATION

- Inside of Paris, one of the most important operations of social housing implemented in the coming years.

- Programme: +50 bus added to the 135 existing vehicles, about 650 flats (170 social housing, 350 student house, 100 private housing) + nurseries and parking lots

- Architectural competition. 4 years of production.
An example in Paris of development of flats to help financing the regeneration programme
Vue aérienne depuis la Porte d'Orléans: Opération Montrouge - projet
- Density: 650 flats
- Social integration: more than 50% affordable housing
- Functional integration: industrial equipment (bus depot) nurseries...
THANK YOU FOR YOUR ATTENTION