



REDUCING  
HOUSING  
INEQUALITIES

# National report on housing inequalities – France

An extract from Deliverable 2.1, “*Contextualized analysis of the housing situation – Papers on (sub)national trends*”, of the ReHousIn project

December 2024

## FOREWORD

This report is an extract from Deliverable 2.1, “*Contextualized analysis of the housing situation – Papers on (sub) national trends*”, of the ReHousIn project. The deliverable examines the housing landscape in nine European countries from 1990 onward: Austria, France, Hungary, Italy, Norway, Poland, Spain, Switzerland, and the United Kingdom.

The full version of the deliverable is available [here](#).

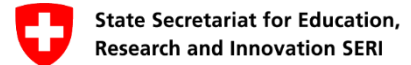
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The ReHousIn project aims to spark innovative policy solutions towards inclusionary and quality housing. To achieve this, it investigates the complex relationship between green transition initiatives and housing inequalities in European urban and rural contexts and develops innovative policy recommendations for better and context-sensitive integration between environmentally sustainable interventions and socially inclusive housing.

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# NATIONAL REPORT ON HOUSING INEQUALITIES – FRANCE

## Executive Summary

France's comprehensive approach to achieving carbon neutrality by 2050 highlighted a few key initiatives in residential renovations, energy efficiency, heating system transitions, and construction waste management. These measures underscore the challenges and advancements in France's sustainability journey.

Carbon neutrality requires reducing greenhouse gas emissions to one-sixth of 1990 levels, which will impact all sectors, including transportation, industry, and residential. Central to this endeavour is the National Low-Carbon Strategy (SNBC), which prioritizes the building and public works sectors due to their substantial contribution to emissions and resource consumption. These sectors are essential to achieving France's ambitious climate targets and play a crucial role in the country's transition to sustainability.

France has intensified its support for residential renovations through programmes like MaPrimeRenov', which provides grants to low- and middle-income households, and Éco-prêt à taux zéro, which offers interest-free loans (Cremaschi 2022). The government aims to complete 200,000 comprehensive renovations, tripling the number from 2022. The budget for renovation subsidies has also increased from EUR 3.4 billion to EUR 4 billion, helping cover up to 90% of renovation costs for low-income households.

However, despite significant public support, upfront renovation costs remain a financial burden for low- and middle-income households, often requiring borrowing, which can contribute to high household debt levels. Administrative complexity also hinders access to interest-free loans. Additionally, the renovation sector must train 170,000 to 250,000 additional workers by 2030 to meet demand. The Mon Accompagnateur Rénov program, now mandatory for certain financial aid, provides professional advice and support. At the same time, the France Rénov online platform has become the single point of entry for public services related to renovations. The REPowerEU initiative will also contribute funding to energy renovations, with impacts expected by winter 2023-2024.

France's Loi Climat et Résilience (2021) introduces criteria to define "residential housing". Significantly, the Diagnostic de Performance Énergétique (DPE energy efficiency rating) must be prominently displayed in all property advertisements, whether for rental or sale. For properties rated F, G, or G+, sale advertisements must explicitly state logement à consommation énergétique excessive ("housing with excessive energy consumption").

Social housing represents 17% of occupied dwellings, with 9% classified as thermal sieves (housing rated F or G) and 20% classified as E. This situation raises significant concerns regarding energy efficiency and the comfort of residents.

A series of strategic actions must be implemented to reduce emissions to 30 MtCO<sub>2</sub> from the sector by 2030.

- One crucial step involves transitioning away from oil heating by replacing 75% of oil boilers. This initiative would impact 2% of the tertiary sector's boiler fleet and requires 300,000 households to switch from oil heating each year leading up to 2030. This shift is essential for reducing emissions and promoting cleaner energy alternatives in residential heating.

- Additionally, a gradual exit from gas heating will be initiated in the tertiary sector, targeting a 15% reduction in gas consumption, with an annual decrease of 2% in the gas boiler fleet. In the residential sector, the goal is to replace 40% of individual home boilers by 2030. To achieve this, we assume that 7% of the fleet—comprising 5.7 million gas-heated individual homes—will transition away from gas each year, alongside the replacement of 10% to 20% of boilers in collective housing. Collectively, these efforts aim to remove one-quarter of gas boilers by 2030 compared to current figures, significantly lowering our carbon footprint.

- Enhancing insulation is another vital component of this strategy. According to the tertiary decree, approximately the gas-heated tertiary sector buildings will be insulated by 2030, covering an area of 116 million sqm., insulation efforts will extend to residential buildings that continue to rely on gas for heating. This dual approach not only saves energy but also improves comfort and reduces heating costs for occupants.

In 2023, France's construction sector produced an estimated 230 million tons of waste, of which 46 million tons were attributed to the building sector alone (France's Environmental Performance Review). Notably, 90% of this building waste arose from demolition and renovation activities: 49% originates from demolition, 38% from renovation, and the remaining 13% from new construction. Recycling rates in this sector are variable, largely contingent on the work carried out. Demolition activities, for example, achieve the highest recycling rates, with estimates ranging between 60% and 80%. Conversely, renovation activities see lower rates, fluctuating between 10% and 30%, while new construction falls somewhere in between at 40% to 60%.

In summary, France's strategy for decarbonization combines ambitious policy frameworks, financial incentives, and structural changes to the building sector. Despite hurdles like high costs, workforce gaps, and administrative complexities, the country is making significant strides in reducing emissions, enhancing energy efficiency, and managing construction waste to align with its 2050 climate targets.

## Introduction

France's economy is highly developed and features significant state involvement, particularly in key industries like energy, transportation, and defence. After WW2, robust growth lasted until the first oil price shock in 1973, this was followed by a decline in performance and a slowdown in growth up to 1982. Since then, the economy has entered a phase of slow growth (Nicolas, Miotti, Sachwald 2004). The economy is bolstered by thriving sectors in tourism, aerospace manufacturing, pharmaceuticals, and heavy industry. However, the country faces challenges such as high public debt and ongoing pension reforms.

France housing condition has changed dramatically in the last 50 years, with a constant quantitative improvement though the signs of alarm are continuous. Recent housing statistics

reveal several key trends shaping the landscape of residential development in France. One notable insight is that the number of housing units has been growing at a faster rate than both the population and the number of households. However, this growth is accompanied by a rising vacancy rate, with vacant homes increasing at a quicker pace than the overall housing stock since 2006.

Regional differences are notable: urbanization, development, and demographics strongly influence dwelling types and tenure structures. Divergent trends between metropolitan densification and continued expansion in other regions highlight the ongoing challenges in managing housing supply and land use.

The proportion of new homeowners rose sharply in the 1980s but declined until the mid-2000s and has remained stable since then, particularly in metropolitan areas. Households renting their primary residence have remained stable at around 40%. Paris and other large metropolitan areas experience higher concentrations of homeownership and newer housing developments, often tied to employment growth and urban densification. At the same time, rural and coastal regions display a prevalence of secondary and vacant homes.

In line with its commitment to sustainability, France is transitioning towards a green economy, guided by the "France 2030" strategy. Electricity generation is primarily driven by nuclear energy, which accounts for more than 62%, while renewable sources accounts for 25%. One crucial step involves households and firms switching from oil heating and gas boilers while enhancing insulation.

# 1 SOCIO-ECONOMIC AND HOUSING CONDITIONS

Metropolitan France is in Western Europe, bordered by the Bay of Biscay and the English Channel to the west, and by Belgium and Spain to the north and south, respectively. It borders the United Kingdom, while to the south, it faces the Mediterranean Sea between Italy and Spain. As of 2024, France's estimated population stands at more than 68 million inhab. with a slightly higher number of women among the 22% aged 65 years and over (17.3% between 0-14 years, 60.7% between 15-64 years). In addition to its metropolitan territory, France includes several overseas regions, such as French Guiana, Guadeloupe, Martinique, Mayotte, and Réunion, which are considered integral parts of the country, though they are not included in this study for climatic reasons.

France is a high-income, advanced, and diversified economy, a member of the European Union and the Eurozone. Since 1958, the country has developed a hybrid presidential-parliamentary system of government, which has proven resilient so far though being exposed to political instability and parliamentary disagreements in the last years. The country has a long-standing tradition of secularism, enshrined by its 1905 law, which formally established the separation of church and state. This policy is further reinforced by laws that prohibit state authorities from gathering information on individuals' ethnicity, race, or religious beliefs.

## 1.1 Demography, Economy, Environment and Society

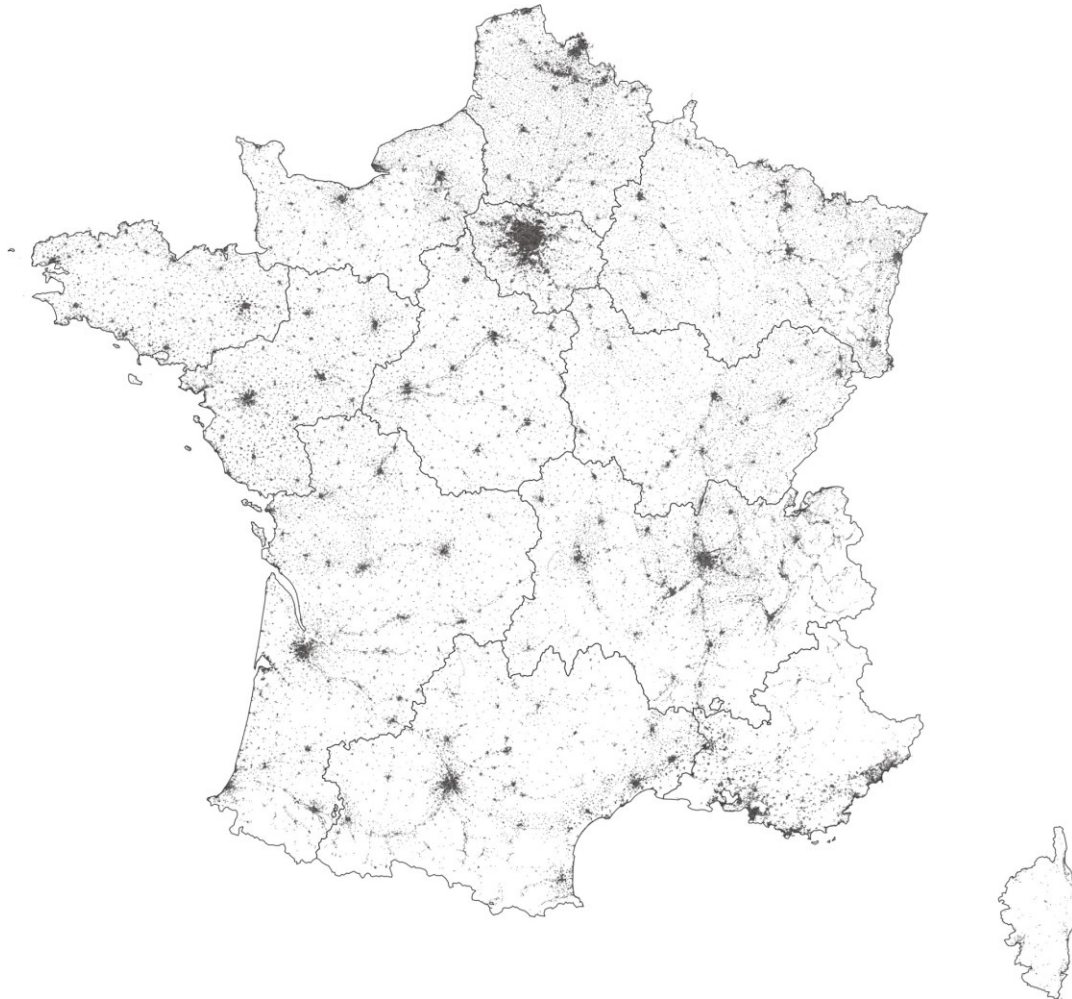
France's housing condition has consistently improved in the long term. Since the late 1960s, the average number of people per household in France has decreased from 3.1 to 2.2. This downward trend continued until now, albeit at a slower pace. Concurrently, from 2013 to 2020, the average living space of primary residences increased by one square meter, reaching 93.2 square meters, an outcome of the construction of suburban detached houses (Driant 2014). This rise in housing size, combined with the decline in the number of individuals per household, has led to an increase in living space per person. The increase has not only concerned the quantity of living space, but also its quality given the improvement of basic comfort: while in-house, private restrooms and shower/bath was available in respectively 50% and 34% of dwellings in 1970, it was included in 92% of them as of 2013 (Driant, 2015).

This is not without apparent contradictions. Currently, there are approximately 8.9 million under-occupied homes, particularly in high-demand areas, primarily inhabited by households of one or two individuals, often aged 55 and older. In contrast, there are 1.5 million overcrowded homes that have fewer rooms than occupants, typically occupied by young families of four or more. The increase has not only concerned the quantity of living space, but also its quality given the improvement of basic comfort: while in-house, private restrooms and shower/bath was available in respectively 50% and 34% of dwellings in 1970, it was included in 92% of them as of 2013 (Driant, 2015).

A 2024 report (Cahiers Français 2024) emphasised “a general under-utilization of the housing stock” as the number of available rooms nationwide exceeds overall demand (same for the number of dwellings compared to households); the social geography of housing is incoherent with trends, while territorial disparities are significant. While some regions experience low



occupancy rates, others face a particularly tight housing market. At the national level, under-occupation and inadequate housing coexist (Cahiers Français 2024) while prices have kept increasing for a long time. This increase has been particularly concentrated in major metropolitan areas, most notably Paris where notarial records show that in 2021, apartments traded for 4.5 times their price in 1999 (Paris Notaires, 2021).



*Figure FR1: France, an urban country Artificial surfaces in 2018, according to Corine Land Cover classification and regional boundaries: Source: Corine Land Cover, 2018.*

At the start of the 1990s, a renewed emphasis on public housing led to a series of laws that ensured everyone had the right to state assistance in achieving and maintaining a decent housing situation. These laws set a threshold of 20% social housing in cities aimed at promoting social diversity within housing projects, a provision that was reinforced by new legislation in 2000. They supported urban redevelopment and demolition of dilapidated social housing estates to promote middle-class housing and foster social diversity. This “social mix is politically accepted”. However, the implementation of this policy has faced opposition, particularly from the Right (Baqué et al. 2010), and criticism for inadequacy and classism from the left.

Even more consistent government intervention supported the declining homeownership rates among low- and middle-income families. Also, government-backed mortgage securities and zero-interest loans boost the construction industry and encourage homeownership.

This distribution, however, varies significantly across different regions in France, reflecting the diverse housing conditions shaped by local economic, social, and geographic factors. This regional diversity, as represented by the land urbanisation rate in FR1 is a recurring theme: France is often describe through the main divide between Paris and the rest of the country, or between the major metropolitan cities and the countryside. This regional diversity will be further explored in the sections that follow.

### 1.1.1 Macroeconomic Trends at the National Levels

The paragraph provides a short analysis of France's economic structure and performance, focusing on sectoral contributions to GDP, foreign investment, and innovation delving into recent economic trends, including inflation dynamics, labour market changes, and fiscal challenges, while outlining projections for growth, unemployment, and public finances through 2025 (OECD 2024).

The analysis highlights France's diversified economy, resilience in navigating economic downturns, and robust labour market. Despite challenges like inflation, a rising public debt ratio, and slowing investment, projections suggest moderate recovery driven by private consumption, improving real wages, and favourable inflation trends. However, fiscal adjustments and external economic conditions remain pivotal to sustaining long-term growth.

The service sector contributed 78.8% to GDP in 2017, the industrial sector accounted for 19.5%, and agriculture made up 1.7%, though it leads the EU in agriculture. In 2020, France was the top destination for Foreign Direct Investment (FDI) in Europe and ranked second in Europe for research and development spending (OECD 2024). It is consistently recognised for innovation, being named among the ten most innovative countries in the 2020 Bloomberg Innovation Index<sup>1</sup> and the 15th most competitive globally in the 2019 Global Competitiveness Report<sup>2</sup>.

France is the fifth-largest trading nation globally. In 2023, its GDP per capita was 33.750 euro (Eurostat 2024<sup>3</sup>), ranking 23rd according to the International Monetary Fund<sup>4</sup>. France also has a comprehensive social security system, which accounts for 31.7% of its GDP (-1,2 pts of %

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1 See the Bloomberg site : <https://www.bloomberg.com/news/articles/2020-01-18/germany-breaks-korea-s-six-year-streak-as-most-innovative-nation>.

2 See the site of the World Economic Forum and its annual reports : <https://es.weforum.org/publications/global-competitiveness-report-2019/>

3 National accounts indicator (ESA 2010): Gross domestic product at market prices.

4 <https://www.imf.org/en/Publications/WEO/weo-database/2022/October>.

compared to 2022, with the mean standing at 27% for EU countries, according to DREES 2023). Itand is the most visited country by tourists worldwide.

France navigated the post 2008 recession more effectively than many other economies, experiencing just four quarters of contraction and an earlier recovery. However, between 2012 and 2014, the economy stagnated before showing improvement from 2015 to 2018. Looking ahead, economic activity is expected to remain weak in 2024, with a projected growth rate of 0.7%, following a slowdown in late 2023. Growth is forecast to accelerate to 1.3% in 2025 (EU Commission 2024).

International business oriented organisations expect private consumption to be the primary driver of France's economic growth in 2024 (OECD 2024), supported by a rebound in real wages. However, investment from both households and businesses is anticipated to slow (OECD 2024). Net exports are forecast to make a modest positive contribution to growth, mainly due to increased momentum in transport equipment exports.

The government's deficit-reducing measures, where details have been disclosed, are factored into this forecast and are expected to reduce economic growth (OECD 2024). Overall, the government projected a growth of 0.7% of GDP in 2024; in 2025, too, the economic momentum is expected to strengthen, with GDP growth forecast at 1.3%, driven by more favourable financial conditions and lower inflation (EU Commission, May 2024). This recovery will likely be fueled by strong domestic demand, preserved household purchasing power, growing real wages, and a resilient labour market. While exports are expected to grow, the increase in imports due to rising household consumption will result in a neutral contribution from net exports to growth. Investment from households and corporations is set to recover gradually. Although the government has announced significant cutbacks, they have yet to be included in the forecast due to a lack of detailed information, which could influence future growth projections once specified.

The labour market remained robust in 2023, with the unemployment rate dropping to 7.1% in the first quarter, its lowest since 2008, while the employment rate reached a record high. A slight rise in unemployment throughout 2023 was primarily due to a surge in the active population. Employment growth is expected to decelerate in 2024 and 2025, with projected increases of 0.2% and 0.3%, respectively, down from 1.1% in 2023 (OECD 2024). This slowdown is driven by a reduced impact from apprenticeship contracts, a return of working hours to pre-2019 levels, and increased labour productivity. As a result of the 2023 pension reform and strong population growth, the unemployment rate is forecast to rise to 7.7% in 2024 and 7.8% in 2025.

Also, nearly 10 million new jobs have been created over the past 40 years, with half of these positions concentrated in metropolitan areas. Since 1975, managerial and high-level intellectual professions have significantly increased (+3 million jobs), benefiting from the concentration of resources in large urban zones. These metropolises have reached a scale that allows for agglomeration economies—such as resource diversity, positive interactions, economies of scale, and capital accumulation—often accompanied by specialisation that drives job growth at nearly twice the rate of other areas.

After reaching a peak of 7.0% in the first quarter of 2023, inflation, measured by the Harmonized Index of Consumer Prices (HICP), gradually fell to 4.2% by the end of the year (FR2), largely due to declining energy and commodity prices. By the first quarter of 2024, inflation had further decreased to 3.0% as lower energy and commodity prices spread to industrial goods. The decline in inflation is expected to continue, although at a slower pace, as wage increases are likely to sustain inflation in the services sector. Inflation is projected to average 2.5% in 2024 and drop to 2.0% in 2025, mainly due to lower energy and commodity prices.

France's general government deficit rose to 5.5% of GDP in 2023, driven by weak tax revenues amid slow growth and decreasing inflation, but also multiple tax cutbacks for corporate and individual contributors motivated by a neoliberal, supply-side fiscal policy. After falling to 110.6% of GDP in 2023, public debt is expected to rise again, reaching 112.5% in 2024 and nearly 114% by 2025. This increase is primarily driven by high primary deficits and rising interest payments. At the same time, the debt-reducing effect of nominal growth is expected to be more modest compared to recent years. However, the interest burden on public debt dropped to 1.7% of GDP, thanks to lower yields on inflation-linked bonds, despite higher interest rates on new debt issuances. Energy-related measures in 2023 accounted for 0.9% of GDP.

Although economic activity is expected to remain weak, tax revenues should recover after the significant shortfalls in 2023 (OECD 2024). Measures were introduced to keep the revenue-to-GDP ratio stable at around 52%. However, rising interest payments are expected to reach 2.0% of GDP due to higher borrowing costs on new issues. In 2025, the deficit is forecast to decrease to 5.0% of GDP. While revenue is projected to increase only slightly, the expenditure ratio is expected to fall by 0.5 percentage points, mainly due to a recovery in growth.

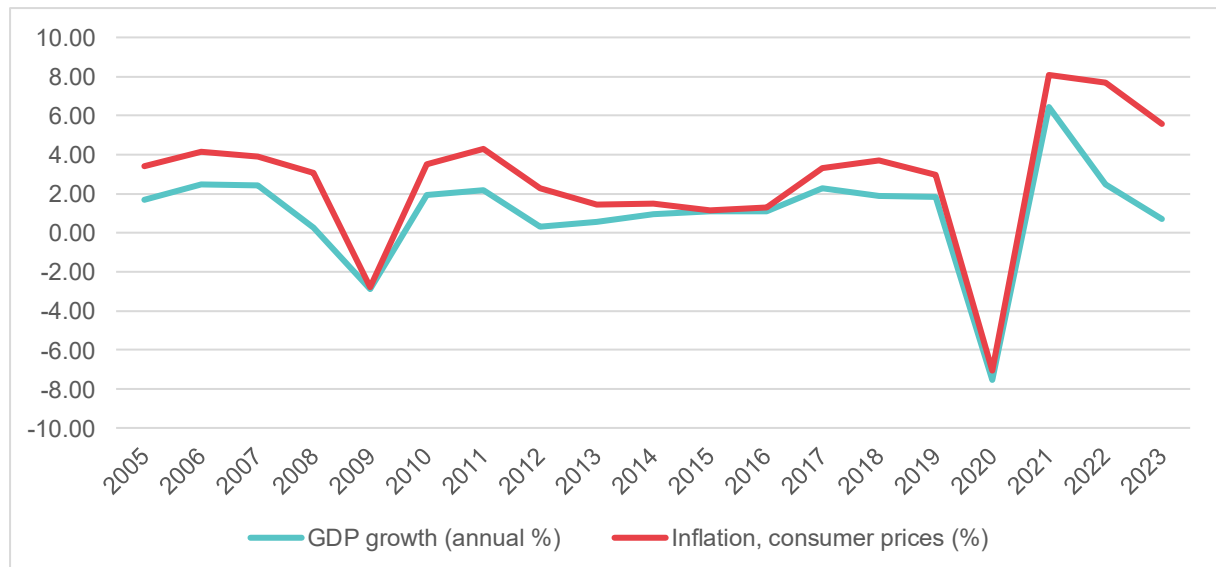


Figure FR2: GDP and Inflation index (changes over time) in France from 2005 to 2023 Source: Eurostat

### 1.1.2 Socio-economic and Demographic Trends

The following paragraph delves into demographic and migratory trends in France : shifts in population growth, aging demographics, marriage, and household structures add to a nuanced dynamics of migration. The discussion underscores France's dynamic demographic evolution (FR3), marked by aging populations, changing household compositions, and consistent migration flows shaped by historical and socio-political factors. Despite progress in narrowing gender pay gaps and stabilizing divorce rates, socio-economic challenges such as poverty, youth unemployment, and income inequality persist, requiring targeted policies.

#### Demography and migration

In the early 21st century, France experienced one of the highest population growth in Europe. Over the past 30 years, the country has added 9.4 million inhabitants, with half of this increase concentrated in metropolitan areas. Since 1975, France's population growth rate has slowed considerably, though it remains above the early 20th century average, excluding the exceptional post-World War II period.

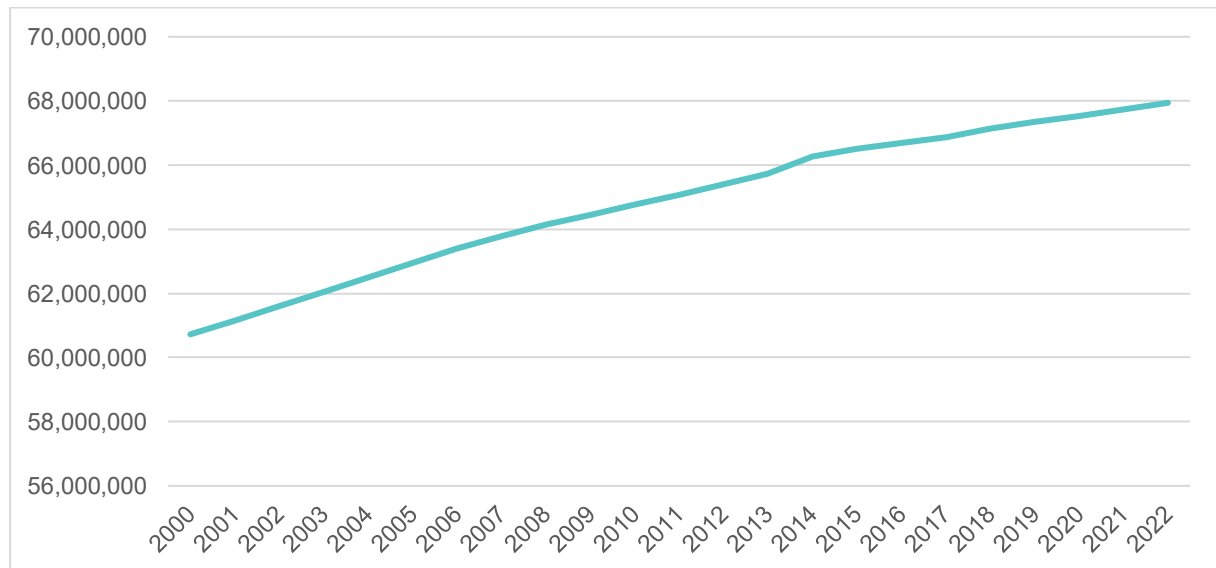


Figure FR3: Total population in France from 1990 to 2022. Source: Eurostat

Demography has also changed qualitatively (FR4). In 2021, France had 31 million households, marking a 0.3% year-on-year increase. Between 2010 and 2021, the total number of households grew by 4.9%. Again, according to the INSEE, the number of households will keep rising slower than before 2018. By 2050, projections estimate between 32 and 36 million households, compared to 22 million in 1990. The primary driver of this growth will shift from population increase to changing living arrangements, with more adults living alone or in single-parent families, while the proportion of couples declines. Territorial disparities may persist, leading to a significant decrease in households in some regions (INSEE 2023).

Individuals aged 60 and over represent just over a quarter of the population (27.7%) in 2024, up from 19.6% in 1994. The over-75s alone comprise 10.4% of the population, an increase of 1.6 percentage points since 2010 (INSEE 2023). According to the Institut National de la Statistique et des Études Économiques (INSEE) projections, the share of the population over

75 is expected to rise to 16.4% by 2050, equaling that of the 60-74 age group. The average age of the French population will be 42.6 by the end of 2023, compared to 39.1 twenty years ago.

The number of marriages has decreased since 2004, reaching 220,000 in 2021, down from 236,826 a decade earlier. Same-sex marriage has been legal since 2013, but civil partnerships, introduced in 1999, have become more popular. In 2010, over 205,000 civil partnerships were contracted, offering a legal union option regardless of gender.

In 2020, France recorded 57,437 divorces, with a divorce rate of 55 per 100 marriages. Although not among the highest in Europe, this figure highlights the significant impact of divorce in Western countries. Since a peak of 152,020 separations in 2005, the number of divorces has stabilised, with an 8% decline between 2004 and 2014. While divorce rates have remained steady since then, there was a slight decrease between 2016 and 2017. In 2019, most divorces were by mutual consent, with marriages typically ending between 4 and 7 years.

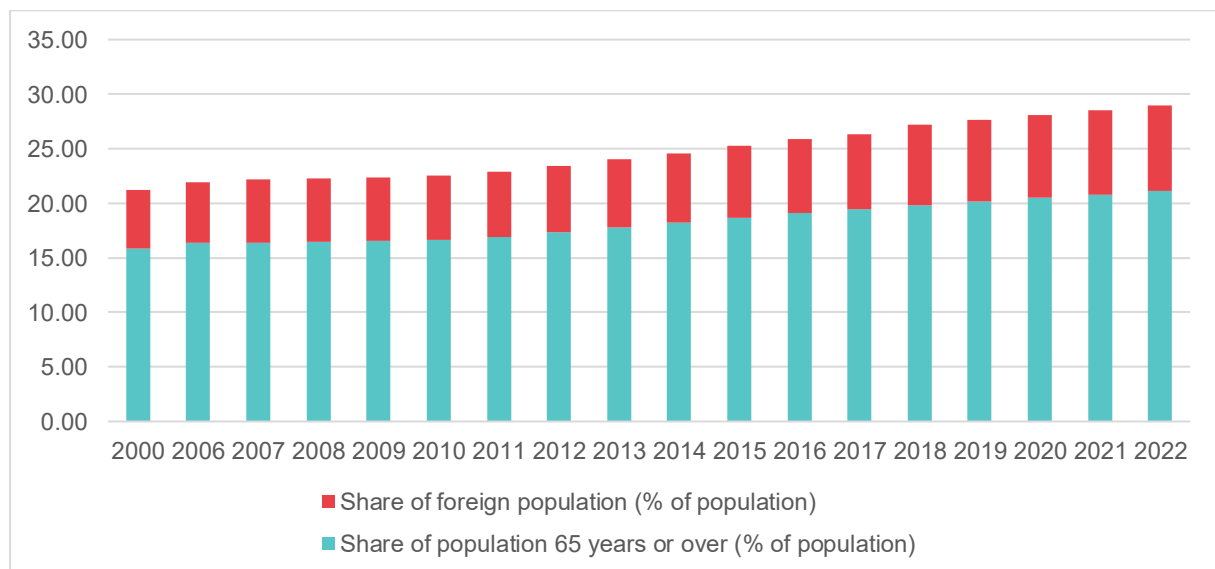


Figure FR4: Share of elderly people in the French population. Source: Insee, estimations de population.

Migration in France has deep historical roots (Cremaschi 2021), with migrants comprising 4% of the population as far back as 1920 (INSEE 2012). However, the diversity of migrant experiences and aspirations is often underestimated. France has a higher percentage of immigrants and children of immigrants than any other major country in Europe, with estimates ranging from 21% to 27% of the population (OECD 2018; INSEE 2012). These statistics may shape public perception of migration more significantly than the actual figures.

In 2020, migrants (foreign-born residents) made up 10.2% of France's population, totalling 4.4 million individuals, with an additional 2.4 million having acquired French citizenship, bringing the total to 6.8 million. Moreover, nearly 0.8 million foreigners were born in France, leading to a total of 5.1 million foreigners (INSEE, 2021). In the Paris Urban Area, there is a population of 2.2 million immigrants, representing 38.2% of the area's total population (INSEE 2020). Recently, the Paris Urban Area has become slightly less attractive, though the share of migrants has been growing at a rate higher than the national average (Cremaschi, Vitale 2024).

Regarding migration flows, only half of annual migrants fit the typical image of migrants from the Global South. For instance, in 2018, one-third of the 265,000 residence permits issued in France were for students. Additionally, France hosted 30,000 minors and 76,000 new immigrants from Europe that same year under the EU's freedom of movement treaty (France Stratégie, 2019).

The composition of migration remains consistent across various scales, including regions, metropolitan areas, and cities.

Migration in France is heavily influenced by its colonial history, resulting in a distinct regional structure. Approximately half of all migrants come from Africa, 27% from Europe, and 18% from Asia. Notably, the number of migrants from Europe has halved since 1982, while the proportion from the Maghreb has remained stable. In contrast, the number of migrants from Asia and sub-Saharan Africa has more than doubled during this period (Boussad, Couleaud, Sagot, 2017).

A small number of national groups account for a significant portion of the migrant population, with just 8 countries contributing to half of all migrants: Algeria, Morocco, Tunisia, Turkey, China, and Mali from outside the EU, alongside Portugal and Italy from within the EU.

Regarding asylum seekers (Cremaschi 2021), the Île-de-France region received around 40% of those who arrived in France in 2016, totalling 24,020 out of 63,649. This makes it the third-largest region in the national accommodation system, with nearly half of these individuals in Paris (OECD, 2018).

## Socio-economic trends

The paragraph provides insights into France's socio-economic landscape, focusing on wage trends, poverty, and unemployment. It examines the impact of inflation on wages, the gender pay gap, and living standards, alongside shifts in poverty rates and income disparities. Additionally, unemployment rates across different age groups, gender, and educational qualifications, highlight key challenges in the labor market.

The analysis reveals the challenges posed by inflation and wage stagnation, particularly for middle- and low-income earners. Although minimum wage protections have mitigated some disparities, poverty rates and living standards remain areas of concern, especially for vulnerable populations. Unemployment remains disproportionately high among young people and those with lower qualifications, emphasizing the need for targeted interventions in education and the labor market to address systemic inequalities.

In 2022, private sector employees in France earned an average of €2,630 net per month (INSEE 2024) in Full-Time Equivalent (FTE). Due to high inflation, average net wages fell by 1.0% in constant euros, marking the steepest decline in 25 years, aside from anomalies in 2020 and 2021 caused by the pandemic.

Half of private sector workers earned less than €2,091 per month, with the lowest 10% earning under €1,436 and the top 10% earning over €4,162 (INSEE 2024). Only the lowest earners, protected by minimum wage adjustments linked to inflation, saw their purchasing power

maintained, narrowing wage disparities. On average, women earned 14.1% less than men, though the gender pay gap has shrunk by 0.7 points since 2021 and 6.8 points since 2008.

In 2021, the median annual standard of living for people living in ordinary housing in mainland France was 23,160 euros (INSEE 2021). However, 9.1 million people are estimated to live below the poverty threshold (Pen, Rousset 2024), which is 1,158 euros per month for a single person. The increase in economic activity in 2021 has led to a rise in income for households, particularly for the wealthier ones, resulting in an improved standard of living for them. Conversely, the discontinuation of exceptional solidarity benefits given in 2020 due to the health crisis has negatively affected the standard of living of the least affluent households, causing it to decline in 2021. As a result, the poverty rate is projected to increase by 0.9 points from 13.6% to 14.5% in 2021 (*ibidem*). Additionally, the intensity of poverty will also rise from 18.7% in 2020 to 20.2% in 2021. Despite uncertainties in the data, it is evident that the rate of poverty will be higher than it was prior to the start of the Covid-19 pandemic.

The unemployment rate for young people, specifically those aged 15-24, is significantly higher than other age groups. In 2023, it is projected to average 17.2% for this age range, while it is only 6.7% for those aged 25-49 and 5.1% for those aged 50 or over. However, this calculation is based on the working population only. Since most young people are still studying before the age of 25, the actual number of young people in work could be a lot higher. When looking at the proportion of unemployed individuals compared to the total population, the percentage of unemployed 15-24 year-olds (7.3%) is similar to that of 15-64 year-olds (5.5%). In terms of gender, the unemployment rates for men (7.5%) and women (7.2%) are expected to be close in 2023, whereas before the 2008-2009 economic crisis, the rate for men was noticeably lower than that for women. The unemployment rate is also higher for individuals with lower qualifications, reaching 13.3% for those with no more than a 'brevet des collèges' compared to 5.0% for those with higher education qualifications. It falls somewhere in between for individuals with a Brevet d'Études Professionnelles (BEP) or Certificat d'Aptitude Professionnelle CAP (7.3%) or a baccalauréat (8.8%).

### 1.1.3 Environmental and Energy Trends

The paragraph provides an analysis of greenhouse gas emissions and energy consumption in France. Primary energy production in France nearly tripled between 1973 and 2020, rising from 514 TWh to 1,423 TWh (SDES, 2022).

Fossil fuel extraction saw a sharp decline until the mid-2000s and is now minimal, following the cessation of coal and natural gas extraction. Renewable energy production, including wind, biofuels, and biogas, has steadily grown since the mid-2000s, gradually reshaping the energy mix. However, the majority of energy continues to come from nuclear power, whose contribution increased from 9% in 1973 to 75% in 2020, despite a recent decline in production due to outages across the nuclear fleet.

Energy consumption trends reveal a shift towards cleaner sources, with notable regional variations in heating methods and growing adoption of district heating. After peaking at 3,155 TWh in 2005, France's (climate-adjusted) primary energy consumption has slightly declined (SDES, 2022). Long-term trends vary significantly by energy source: since 1990, coal and oil



consumption have fallen by 72% and 27%, respectively, while nuclear and natural gas usage increased by 15% and 44%. Renewable energy consumption, meanwhile, has more than doubled.

France's primary energy mix now consists of 40% nuclear, 28% oil, 16% natural gas, 14% renewables (mostly wood burned for heating) and waste, and 2% coal (SDES, 2022). These figures highlights France's progress and ongoing challenges in reducing greenhouse gas emissions and energy consumption. While emissions have declined significantly since 1990 (FR5), the building sector still requires accelerated efforts to meet 2030 targets, particularly through reducing reliance on oil and gas boilers and improving insulation.

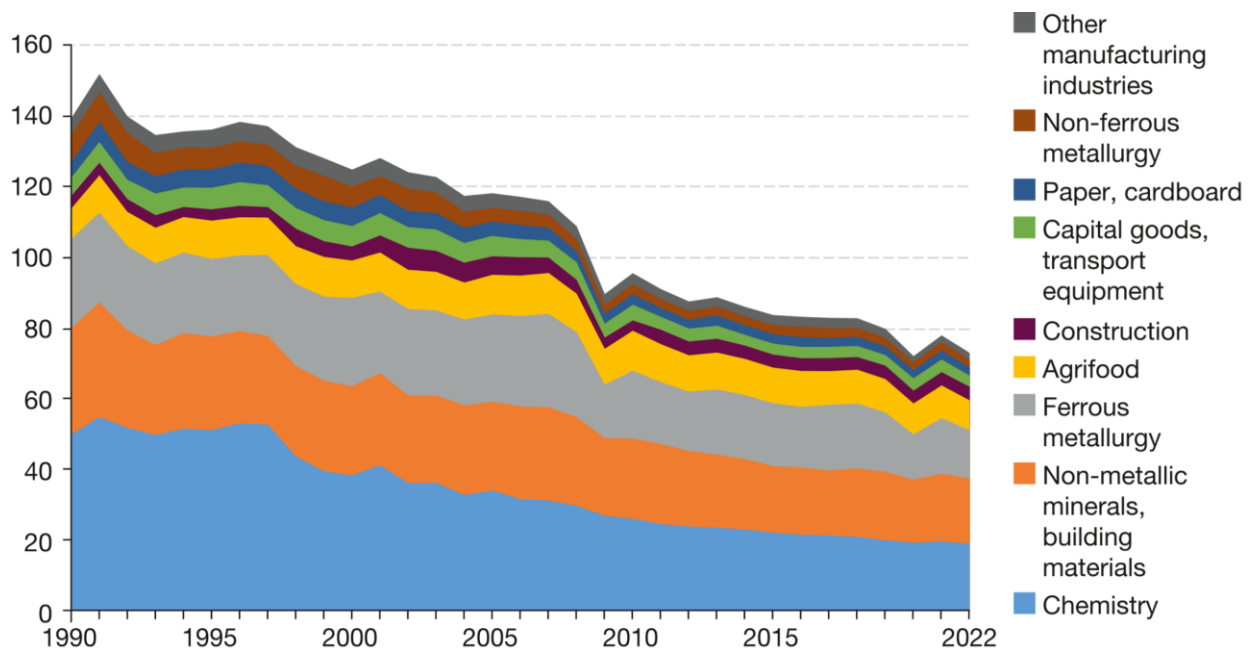


Figure FR5: GHG emissions in manufacturing and construction in France, in Mt CO2 eq. Source: SDES-2022 on Secten format - Citepa, 2023; NB: 2022 data are a preliminary estimate.

## GHG emissions

The discussion on GHG emissions highlights the reliance on fossil fuels, the role of gas and oil boilers, and strategies like insulation and boiler replacement to achieve climate objectives.

In 2022, France's greenhouse gas emissions (excluding LULUCF1) reached 403.8 Mt CO2 equivalent, with CO2 making up 76.1% and methane 15.2%. Emissions dropped by 2.7% compared to 2021 and were 25.1% lower than in 1990. The transport sector was the largest emitter, responsible for 32.3% of emissions, followed by agriculture (19%), manufacturing and construction (18.1%), and the energy industry (11%). France's energy sector emissions are relatively low due to its reliance on nuclear power.

Emissions from the building sector were 75 Mt CO2 in 2021, down from 83 Mt CO2 in 2017, reflecting an annual reduction of about 2 million tons—only half the rate needed to meet the EU's goal of a 55% reduction by 2030 (Source: données d'émissions Secten 2022, Citepa). These emissions are divided between fossil fuels used for heating, hot water production, and

cooking—specifically, 21 MtCO<sub>2</sub> from oil and 44 MtCO<sub>2</sub> from gas—and other emissions, contributing 10 MtCO<sub>2</sub> (including waste burning, refrigeration, air conditioning, etc.).

To reach a target of 30 MtCO<sub>2</sub> by 2030, emissions must decrease by approximately 45 MtCO<sub>2</sub> per annum. Given that the potential for reducing other emissions (primarily non-CO<sub>2</sub> greenhouse gases) will be limited to a few MtCO<sub>2</sub>, nearly all of the required reductions must focus on emissions from the combustion of oil and gas, totalling 40 MtCO<sub>2</sub>. This necessitates a drastic decrease in oil-related emissions; for example, eliminating 75% of the current oil boilers by 2030 would account for 16 MtCO<sub>2</sub>. Additionally, significant decreases in gas-related emissions will be achieved through the replacement of a large number of boilers and the insulation of residential buildings.

The building sector accounts for approximately 25% of national greenhouse gas emissions, with 18% attributable to the operation of buildings. Additionally, building operations represent 47% of France's annual energy consumption. In 2021, emissions from the sector were distributed as follows: the residential sector accounted for 64% of direct emissions; the tertiary sector contributed 36% of direct emissions, covering approximately 1,000 million square meters, equivalent to 315,000 buildings. Among these, 53% are privately owned and 47% are publicly owned (including state, social action, and local authorities).

This section on energy consumption examines trends in primary and final energy use, the shift in heating methods over decades, and regional variations, particularly in the Paris area.

Considering primary energy consumption by source in 2023, the total (primary) energy consumption in France was 2582 TWh, made up of 39% nuclear, 30% oil, 13% natural gas, 16% renewable energy and waste (including 1% non-renewable waste), and 2% coal (SDES, 2023). Since 1990, coal and oil consumption have decreased by 77% and 24%, respectively. Natural gas consumption has increased by 19%, and renewable energy has more than doubled. In 2021, France consumed 472 TWh of natural gas (in terms of lower calorific value), nearly all of which was imported, accounting for 15% of the country's primary energy consumption—an amount that has remained relatively stable over the past 20 years. The production of injected biomethane remains low, with an installed production capacity of 7.6 TWh per year as of June 30, 2022. However, it is experiencing dynamic growth, with the sector expected to exceed the target set by the multiannual energy programming for 2023 (6 TWh per year).

Considering final energy consumption by sector in 2023, the total (final) energy consumption in France was 1,496 TWh, distributed as follows: 34% for transportation, 28% for residential, 19% for industry, 16% for services, and 3% for agriculture (SDES, 2023). From 1990 to 2023, the share of transportation has slightly increased (from 30% to 33%), while the shares of residential (30%) and agriculture (3%) have remained stable. The share of services in total consumption has increased from 13% to 16%, while the industry share has decreased from 24% to 18%.

The multiannual energy programming, published in 2020, already aimed to significantly reduce natural gas consumption to meet France's energy and climate objectives. The targets were set to reach 467 TWh by 2023 and 420 TWh by 2028, primarily through energy efficiency measures. Additionally, considering the production of renewable gas, the programming

established medium- and short-term targets for reducing fossil gas consumption relative to 2012 levels: a 10% reduction by 2023 and a 22% reduction by 2028. Achieving these objectives now requires a reduction of approximately 100 TWh in fossil gas consumption by 2028 compared to 2021.

Beyond reducing greenhouse gas emissions, decreasing energy consumption is crucial for securing our energy supply (including electricity networks and biomass) and, in the long term, achieving carbon neutrality. Further reductions of 34 Mt CO<sub>2</sub>-equivalent are targeted for 2030, two-thirds being expected to come from phasing out oil- and gas-fired boilers, while the remaining third will result from better insulation. Achieving this will require an annual investment of EUR 21 billion in residential buildings and EUR 27 billion in commercial buildings by 2030 (OECD, 2024).

Over the past five decades, there have been notable shifts in the predominant heating methods employed. The dominant heating methods in 1968, wood and coal, have all but disappeared, with gas, electricity and district heating becoming the primary heat sources. Over the past five decades, the utilisation of fuel oil has declined by a factor of six.

In Paris, electric heating is the most prevalent heating method, accounting for 41% of households. At the regional level, gas is the dominant heating source, with 41% of households using it, and a higher prevalence of 45% in the inner suburbs.

While marginal in 1968, district heating has experienced significant growth, serving almost the 8% of primary residential units (Cerema 2022), a result likely due the provision of European incentives and the strong framework provided by local policies (Rotondo, Abastante, Cotella, & Lami 2020).

In 2018, 73% of primary residences in the Greater Paris region were connected to heating networks, representing a significant proportion of the total primary homes in Ile-de-France (approximately six out of ten).

Since 2005, GDP growth and the expansion of the housing stock in France have increasingly diverged (FR7). Using 2005 as the base year (indexed at 100), nominal GDP has grown significantly more rapidly than the housing stock, which has seen only modest growth. Despite the overall availability of resources, allocation choices have favored investments in other sectors. This trend raises questions about whether the homes being built are indeed the ones that are needed, useful, and affordable. As a result, the gap continues to widen between potential housing capacity and the actual availability of suitable homes.

Between 1982 and 2024, France's housing stock increased to 38.1 million dwellings while the population reached 68,4 million (Insee, 2024) from 53.7; 31.4 million primary residences hosted 30,4 million households. Thus, 82% of these dwellings were primary residences, of which 55% were one-family homes. There were also 3.7 million second homes and occasional dwellings, making up 9.8% of the stock, and 3.1 million vacant dwellings, accounting for 8.0%.

The proportion of second homes and occasional accommodation has increased more than the total number of homes in recent years. In the past, the proportion of second homes and occasional dwellings had risen between 1982 and 1990 but then declined steadily until 2011.

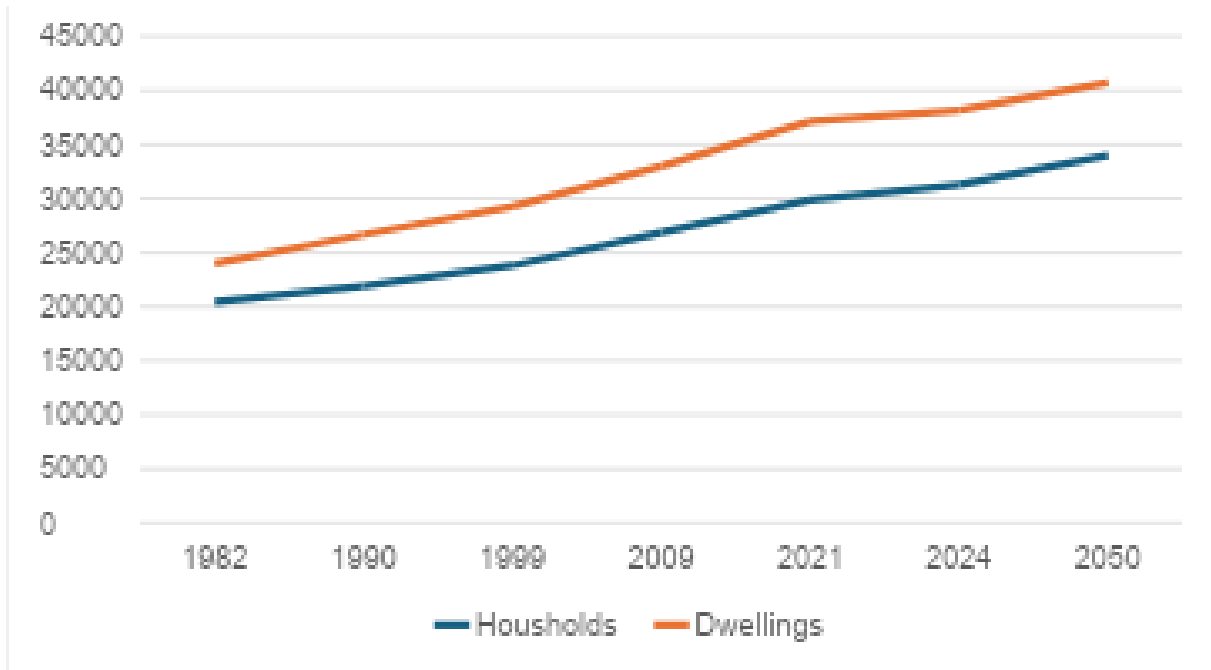


Figure FR6: Housing construction and number of households. Source: own elaboration on Insee Census Data and estimations de population.

The gap between the number of dwellings built in France and the number of households remains relatively constant over comparable time intervals (FR6). This is a curious aspect of the paradox of growth. Although it appears that more homes are being constructed, this increase does not meet the actual housing demand, which remains unchanged; in fact, the gap between these two indicators tends to widen. In other words, the number of households is consistently growing at a faster rate than the number of new dwellings, not due to demographic growth but as a result of the reduction in the average number of people per household, driven by factors such as ageing, divorces, separations, and multiple residences. Furthermore, new homes do not always contribute to the housing stock used by families, often remaining vacant, intentionally left as second homes, available for future use, or awaiting occupation. In both cases, new construction fails to address the actual need. Over the long term, there is a continuous tightening effect: building more does not provide an effective solution, yet the response remains the same—construct more.

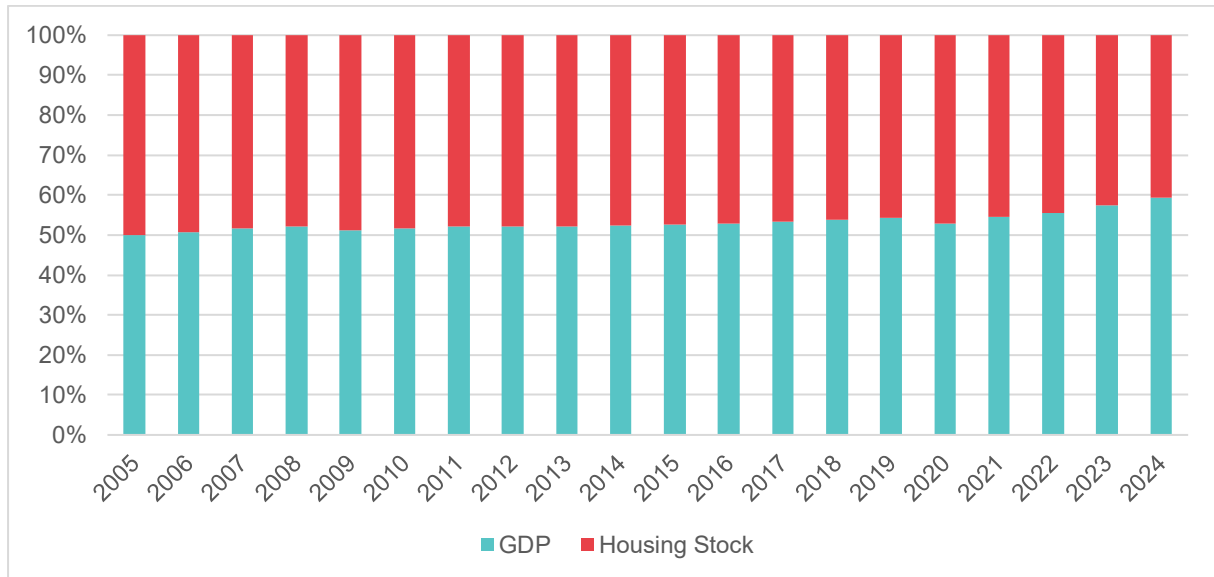


Figure FR7: Trends in GDP growth and housing stock. Source: SDES- 2023 on Secten format - Citepa, 2023; NB: 2022 data are a preliminary estimate.

## 1.2 Housing Sector

The housing sector in France has undergone significant transformations, with urban concentration, a growing gap between GDP and housing stock growth, and mounting pressures on affordability. In 2024, France’s housing stock included 38.1 million dwellings, a 60% increase since 1982, with an annual growth rate of 1.4% (Insee, 2024). Single house accounts for 55% of the stock. Since 2007, the growth rate of the housing stock has slowed slightly, and the share of main residences has declined, with a rise in vacant homes, second homes, and occasional dwellings, particularly since 2010.

The evolving nature of housing, from ownership trends to the rise of second homes, highlights the need for policy adjustments to address these challenges. The trends also show a shift in housing types, with collective or housing growing faster than individual homes in the last years, a reflection of urban concentration, especially in metropolitan areas outside of Paris. The widening gap between potential housing capacity and the actual availability of affordable homes raises important questions about whether new construction is meeting the needs of the population.

### 1.2.1 Housing Stock Development and Tenure Structure

The housing sector in France has undergone significant transformations, with urban concentration, a growing gap between GDP and housing stock growth, and mounting pressures on affordability. In 2024, France’s housing stock included 38.1 million dwellings, a 60% increase since 1982, with an annual growth rate of 1.4% (Insee, 2024). Single house accounts for 55% of the stock. Since 2007, the growth rate of the housing stock has slowed slightly, and the share of main residences has declined, with a rise in vacant homes, second homes, and occasional dwellings, particularly since 2010.

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### 1.2.1 Housing stock development and tenure structure

This section provides an overview of the trends in housing expenses in France, highlighting the growth of the housing stock, changes in homeownership, and the financial pressures faced by households.

The period between 2012 and 2017 saw relatively higher levels of construction permits for both individual and collective housing, followed by a slowdown in the following years (SDES, 2024); post-2017, a decline occurred in building permits, with individual housing permits showing a more consistent decrease post-2017 and, for the first time, the construction of new apartments surpassed that of new houses.

The highest number of individual housing permits was recorded in 2021, at 173.9 thousand, but this figure gradually decreased in subsequent years, reaching 125.1 thousand in 2023. In contrast, collective housing permits have exhibited more variability, but with a noticeable decrease after 2017. The peak for collective housing was also in 2017, with 261.2 thousand permits issued, but subsequent years show a decline, stabilizing at around 170 to 180 thousand permits in 2022 and 2023. This shift reflects a broader trend of urban concentration, which is more marked in metropolitan areas outside of Paris than in the early 1980s.

Moreover, homeownership rates have also evolved. In 2020, 58% of households owned their primary residence, a significant rise from 50% in 1982 (Bonvalet & Bringé, 2013; INSEE, 2019), driven partly by an ageing population. This share has remained stable since 2013, which might indicate a stagnation of homeownership growth (Driant, 2015).

However, the real estate sector has reached historically high levels of unaffordability. Since 2000, inflation-adjusted real estate costs have surged by over 70%, marking an unprecedented level of unaffordability (Friggit, 2017). Households have largely relied on lower interest rates and extended credit terms to mitigate the effects of price inflation and sustain their purchasing power. Nevertheless, the impact of these trends has been socially (and spatially) uneven. While middle- and upper-class households have reaped the benefits of rising property values, low-income households face increasing vulnerability to price fluctuations, resulting in heightened financial burdens and challenges in reselling their properties (Le Corre, 2019).

A significant proportion of homeowners in France are still repaying loans linked to the purchase of their residence. Additionally, 40.3% of households are renters of their primary residence. Nearly half of renter households consist of individuals living alone while homeowners live in households of two, three, or four people.

Like many other countries, intense pressure has been put on homeownership. According to INSEE, first-time homebuyers increased by 30% from 1980 to 2000, stabilising after that (FR9). This trend has led to a notable rise in equity-based financial stress, with only 38% of homeowners currently free from housing debt (INSEE, 2019).

Scholars point at the marked shift toward a model of 'privatised Keynesianism' (Wijburg, 2019): tax incentives, subsidies for the building and banking sectors, homeownership political narratives (Pollard, 2010). As a result, subsidies for private rentals and homeownership now surpass public-sector grants (Le Goix et al. 2021).

The annual mortgage interest rate, which was 5.2% in 2003, dropped to 1.2% by 2020. Over the past 20 years, the average price of existing homes has more than doubled, increasing by a factor of 2.4. Additionally, since 2016, the number of annual transactions involving existing homes has reached record highs, surpassing 1,067,000.

According to INSEE (2024), 24% of households now own 68% of all housing units held by individuals. In 2024, 3.5% of households owned at least five dwellings, a figure that rises sharply to 33% among the wealthiest 1% of households—and even 42% among the top 0.1%. In contrast, private market renters typically represent the opposite demographic of owner-occupiers, often being singles or young people.

Even though homeownership has grown in the past decades, with the support of proactive governmental policies, the rental sector has remained important, and equally distributed between social and private rental (Driant, 2015). The share of households renting their primary residence has remained around 40% since 1990, slightly lower than in 1982. FR9 shows data that remains relatively stable since 2005.

In term of social rental, housing units owned by public landlords represent 17% of the primary residence stock. France has one of the largest social housing stocks in Europe, second only to the UK and maintains a higher proportion of social housing, underscoring its importance in the national housing policy. This share has been stable since the 1990s after experiencing a net increase in the preceding years.

Social housing (HLM) provides affordable housing to around 10 million people. The HLM stock includes 4.6 million ordinary housing units, with approximately 5.5 million total units, 84% of which are managed by HLM organisations. These are primarily divided between ESH (Social Housing Companies), which manage 2.26 million units, OPH (Public Housing Offices) with a similar share, and smaller cooperative organisations such as COOP'HLM.

The HLM stock expanded significantly during the mid-20th century, with 37% of units constructed before 1971. Recent construction trends focus on smaller housing units (primarily two rooms). Meanwhile, energy efficiency is a growing priority, with 39% of units now certified energy-efficient (rated A, B, or C).

HLM tenants represent a broad cross-section of lower-income demographics, including a significant proportion of single-parent and large families. Approximately half of HLM tenants are employees or manual workers, with median incomes substantially lower than homeowners. The proportion of HLM tenants and application success rates vary by region, with the northern

and the Paris region (Hauts-de-France and Île-de-France) seeing the highest demand. Of late, the number of applicants is steadily increasing (Fondation Abbé Pierre 2024) as well as the share of poor households, due to the middle class exiting social housing (Driant, 2014).

Rented housing units owned by private landlords account for the remaining 23%. Most landlords in the residential market are individuals, as institutional investors like insurance companies and property trusts largely exited the sector in the 1990s and have only recently returned, focusing on limited volumes concentrated in Paris (Guironnet et al., 2023). While housing research traditionally characterized residential landlordism as fragmented among numerous small-scale investors (Driant, 2015), recent studies reveal growing ownership concentration among the wealthiest households.

While the percentage of principal residences has slightly decreased, the distribution between houses and flats shows a growing preference for flats of late, reflecting ongoing urbanization. In 2010, principal residences accounted for 83.4% of all housing units, a percentage that slightly decreased to 82.5% in 2015, and further to 82.2% by 2021. The breakdown between houses and flats has remained relatively stable in terms of their share of the total housing stock. The increase in vacant accommodations and the steady rise in secondary residences suggest evolving housing preferences and potential challenges related to housing availability in certain regions (FR8).

| Year | Principal Residence (%) | Secondary Residences (%) | Vacant Accommodations (%) | Houses (%) | Flats (%) |
|------|-------------------------|--------------------------|---------------------------|------------|-----------|
| 2010 | 83.4%                   | 9.4%                     | 7.2%                      | 56.2%      | 42.6%     |
| 2015 | 82.5%                   | 9.5%                     | 8.0%                      | 56.0%      | 43.0%     |
| 2021 | 82.2%                   | 9.7%                     | 8.1%                      | 55.0%      | 44.0%     |

FR8: Types and categories of housings Sources : Insee, RP2010, RP2015 and RP2021, main operations, geography as of 01/01/2024.

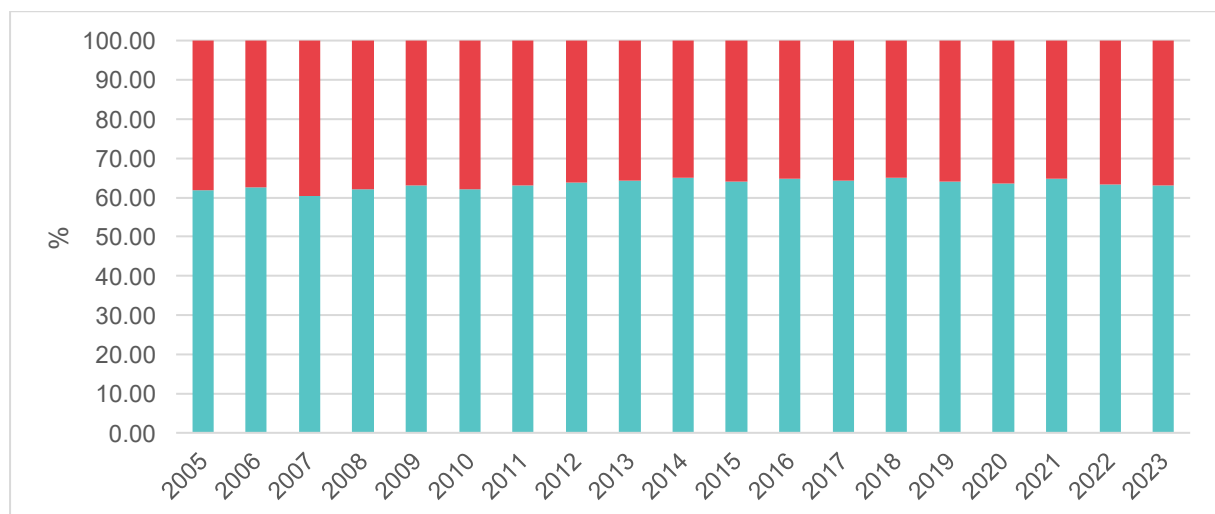


Figure FR9: Tenure structure since 2005 (%): owner (blue), and tenant (red). Source: EU-Silc



### 1.2.2 Housing Expenses

France allocates significant funding for social rental housing, with national government expenditure amounting to 0.20% of GDP in 2020. This places France among the nations with a higher level of public investment in social rental housing, similar to the US but far from countries like New Zealand (0.35% of GDP) and Austria (0.25%).

To simplify a complex system (with over 65 public housing programs in France), Madec (2022) suggests that public support for the housing system can be broadly categorised into three main areas:

- Housing allowances: In 2016, these amounted to €21 billion and aimed to subsidise households in both the social and private housing sectors to reduce their housing cost burden. The goal is to lower the "effort rate," or the proportion of income spent on housing.
- Social housing support: This category, totalling €6.2 billion in 2016, was directed at increasing the supply of affordable housing. These funds are distributed through various mechanisms, including tax incentives, interest rate advantages, and subsidies.
- Private sector housing support: This form of aid is designed to promote homeownership (€800 million), encourage rental investment (€2.3 billion), and support programs that claim to promote "energy-efficient housing renovations" (€9.2 billion), while renovation implies other indirect and sometimes perverse effects.

These categories reflect the multifaceted approach needed to address housing challenges across different sectors and objectives. HLM rents are generally 30% lower than private sector rates, making them an essential resource for low-income families. Eligibility for HLM housing is determined by family size, location, and type of financing, with income limits varying across regions.

Social housing financing often occurs through special circuits like the Caisse des Dépôts et Consignations, enabling social housing providers to pool resources and access credit. This approach mirrors systems in other countries, such as Norway's Housing Bank. Beyond government funding, many housing providers increasingly rely on private capital (OECD 2020), using their housing stock as collateral to borrow or issue bonds, as seen in England. Some organisations also leverage their resources, while non-profit sectors in countries like Austria and Denmark have established revolving funds for long-term sustainability (OECD 2020).

In several countries, social housing providers may sell portions of their housing stock to generate funds, a practice also observed in France consistent with broader European trends. Between 2000 and 2019, approximately 180,000 HLM units were sold in France. The sales rate fluctuated, with around 11,000 units sold annually in more recent years, including in 2019.

While these sales have generated much-needed capital, (even more so given austerity measures through which the government reduced rental revenues collected by social landlords), concerns remain about their long-term impact on the availability of affordable housing, particularly given the increasing demand in certain regions. In Île-de-France only, scholars estimated that 13,932 social housing units (HLM) were sold between 2009 and 2019 (Boulai, Fol, Gimat 2023), with 19% of these units being rented in the private market by 2019.

Smaller units are notably overrepresented in this trend, with half of the HLM units sold under 50 square meters now privately rented. Re-rentals are particularly prevalent in buildings constructed before the 1980s, especially in large apartment complexes and tower blocks. Additionally, a significant portion of non-occupant buyers appear to purchase former HLM units primarily as rental investments.

Financing for social housing involves a mix of loans, subsidies, and direct investments from HLM organisations. On average, building a new social housing unit costs €2,000 per square meter. Considerable investment also goes into renovation projects to improve the housing stock.

Data on government expenditures related to housing (as a percentage of total government expenses) shows fluctuations across different housing-related categories from 1995 to 2022 (FR 10); they also show a modest but steady government commitment to housing expenditures, with a slight increase in community development spending over time. The share of government spending on housing development remained relatively low but showed some variation over the years, peaking at 0.80% in 2015 and generally staying between 0.22% and 0.80%. Community development saw a slight upward trend, with expenditures ranging from 0.96% in 2005 to 1.44% in 2020. The largest portion of housing-related expenditures, accounting for 1.44% to 1.73% of total government expenses, remained relatively stable over the years.

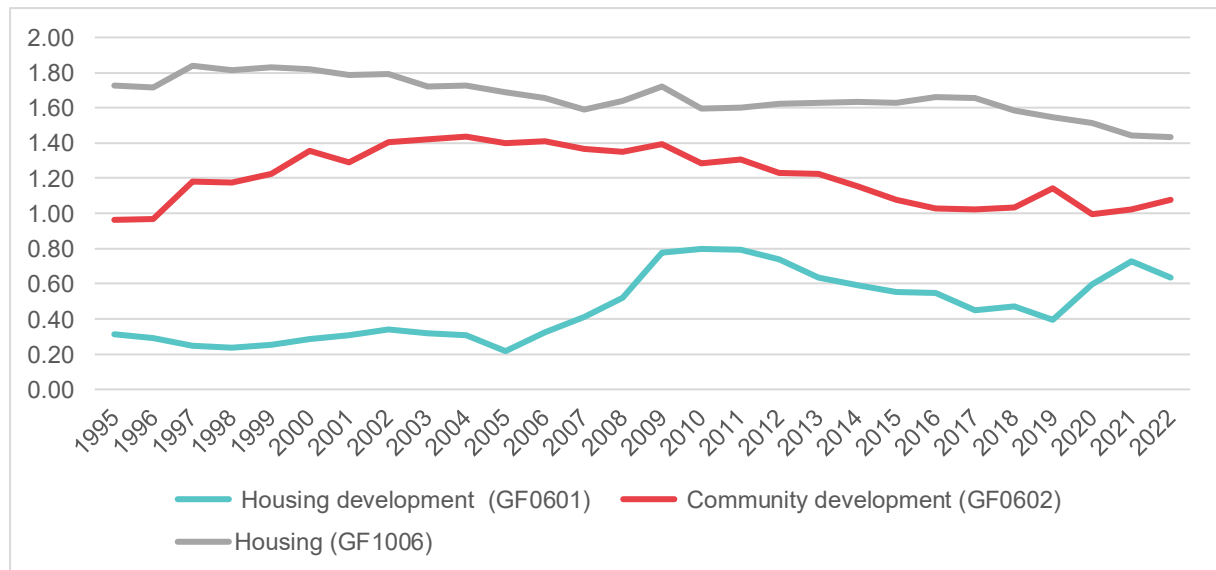


Figure FR 10 General Government Expenditures on housing. Source: EU-Silc

## 2 MAJOR TRENDS IN HOUSING INEQUALITY DEVELOPMENT IN THE 21<sup>ST</sup> CENTURY

The dataset from the 2005-2020 EU-SILC surveys on housing and neighborhood quality includes a few indicators at the country level (FR11 for quality indicators assessed at the country level) and also focus on densely populated areas, intermediate and thinly populated areas.

Satisfaction with housing in France has improved across most market segments, except for social housing, where opinions have remained stable. Overall, 79% of households rate their housing conditions as satisfactory or very satisfactory, a slight increase since 2013. Homeowners report higher satisfaction levels compared to renters, with individual homes outperforming collective housing across both tenure types. Despite these positive trends, issues such as overcrowding and affordability remain critical, particularly in urban areas, where higher housing costs and increased demand exacerbate pressures. Rural areas face challenges too, including affordability concerns and rising shares of subsidized or free accommodation. These dynamics highlight persistent disparities in housing satisfaction across settlement types and tenure forms.

A few insights highlight the multifaceted nature of housing challenges in France:

- while overall satisfaction has risen, disparities persist, renters and social housing tenants continue to report significantly lower satisfaction than homeowners, particularly those in individual houses.
- urban areas face higher costs, overcrowding, and noise, in particular for students, the unemployed, and those renting apartments in larger buildings.
- urban regions see higher costs and satisfaction disparities, whereas rural areas contend with rising subsidized rentals and affordability challenges.
- ownership remains dominant but shows regional and demographic variations, with notable increases in subsidized or free accommodations in thinly populated areas.
- addressing affordability and satisfaction gaps requires targeted measures, particularly for vulnerable groups and high-cost urban areas, alongside balanced strategies for urban densification and rural affordability.

## 2.1 Housing and Neighbourhood Quality

Over the last period, satisfaction levels have increased significantly across all segments of the housing market, apart from social housing, where average opinions have remained relatively stable. Satisfaction with housing is generally high, with significant, minor variations according to the type of settlement: humidity, problems, which are felt more in the countryside, poor lighting, outdoor noise, and crime in the city.

Of late, 79.0% of households rate well their housing conditions (satisfactory or very satisfactory), marking an increase of 2.4 percentage points since 2013. Homeowners expressed significantly higher satisfaction with their housing (90.3%) than renters (63.6%). Additionally, satisfaction levels were notably higher in individual homes than collective housing. For example, among homeowners, satisfaction was 91.2% for individual homes versus 87.0% for collective housing, while for private renters, satisfaction rates were 71.8% compared to 67.5% for collective renters. In the case of social housing tenants, satisfaction was 66.1%, up from 54.0% for those living in collective housing.

The percentage of respondents reporting issues with their dwelling (leaking roof, damp walls, or rot) is relatively low across all categories, ranging from 11.31% in densely populated areas to 12.59% in thinly populated areas.

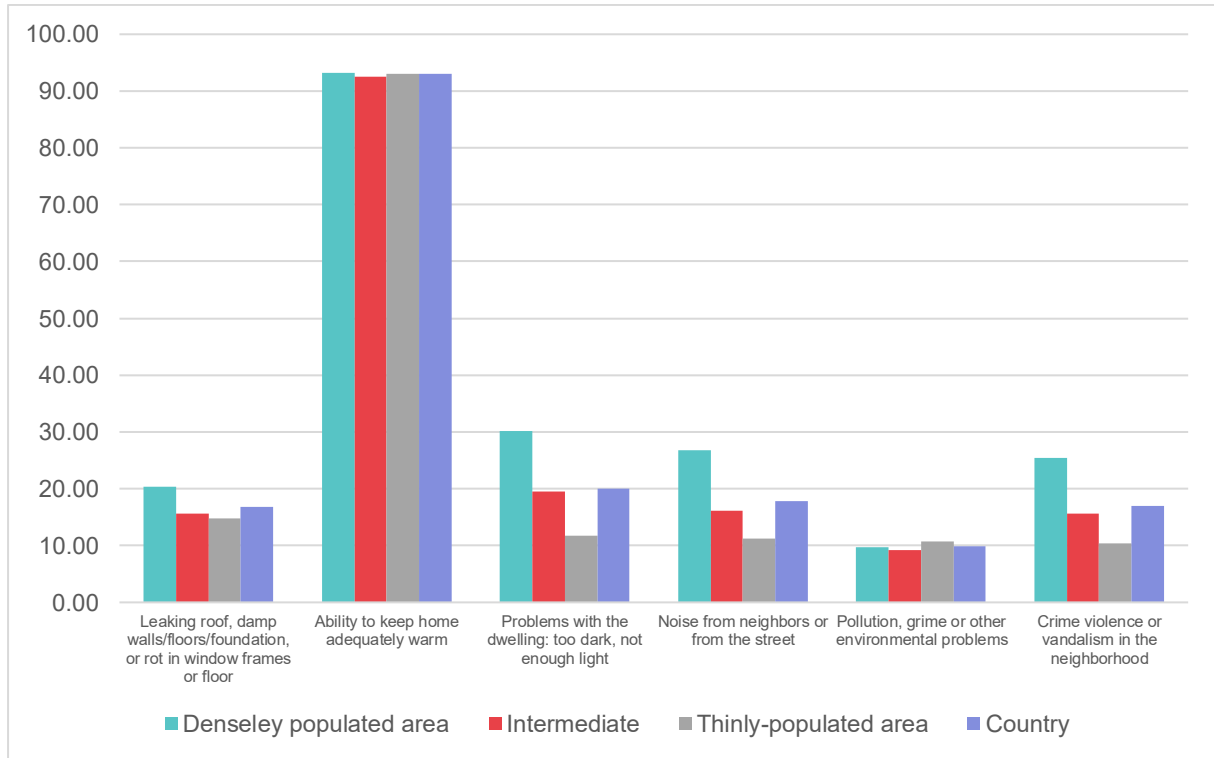


Figure FR11: Share of positive answers on housing and neighbourhood quality in 2020. Source: EU-Silc

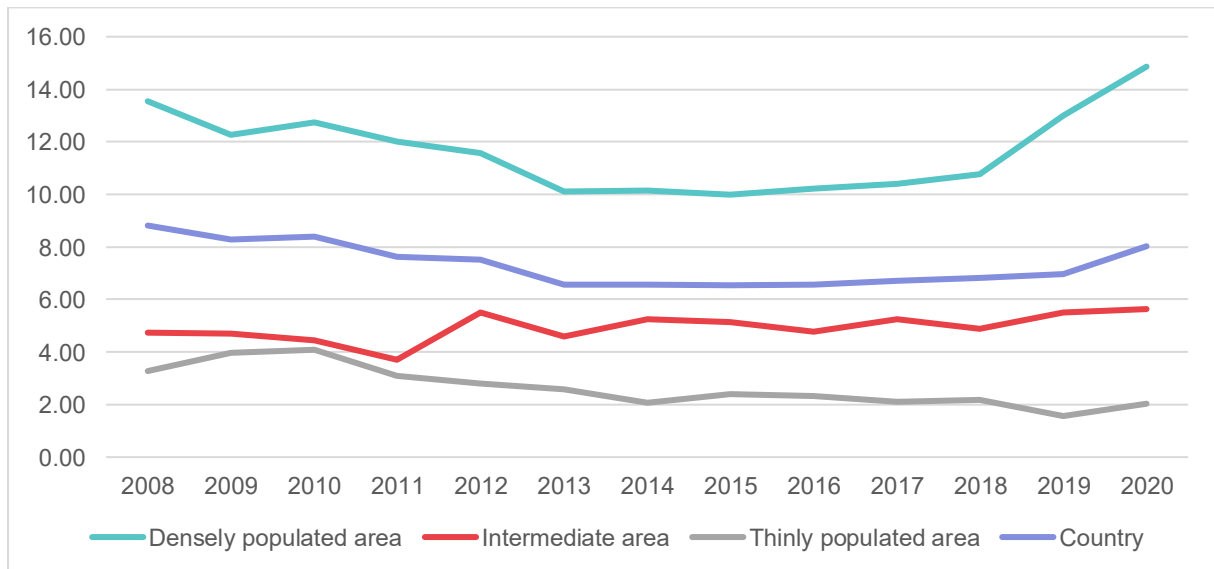


Figure FR12: Housing overcrowding per different urbanization model. Source: EU Silc

Around 24.1% of households reported experiencing cold in their homes, up by 4.8 percentage points from 2013, while 10% live in overcrowded conditions. Noise from neighbors or the street

is reported as a problem by 17.21% of respondents in densely populated areas, while it decrease in intermediate and thinly populated areas, with the lowest incidence in rural areas (7.85%). Crime, violence, or vandalism is reported as a concern by 22.55% of respondents in densely populated urban areas, the highest rate among the categories. This is followed by rural areas (15.21%) and intermediate areas (10.99%), while thinly populated areas report the lowest concern at 6.13%.

Additionally, 9% of individuals have experienced prolonged periods without personal housing at some point. In 2019, there were 154,000 emergency shelter places provided by state-run systems, an increase since 2013.

Overcrowding (FR12), one of the historical reasons for dissatisfaction, has recently risen again in urban areas, while it remains lower and often negligible in the countryside.

## 2.2 Housing expenditures

The persistent rise in housing prices following the global financial crisis presents a paradox. Despite a growing disparity between property prices and household incomes, which should theoretically deter homebuyers and investors in metropolitan areas (Friggit, 2017), the housing market has remained active, with price trends continuing to escalate—an occurrence described by Timbeau (2013) as a "resilient bubble."

In 2019, households in France dedicated an average of 18.3% of their income to their primary residence, a 3.9 percentage point increase compared to 2013. The effort for housing remains high and stable especially for tenants, and similar for public and private tenants.

Between 2005 and 2020, the financial burden of housing costs has generally declined for many groups, though with notable variations based on employment status, education level, and housing type. While the overall perception of housing costs as a heavy burden fluctuated, it remained a significant concern for certain demographics, such as students and the unemployed.

Over the period from 2005 to 2020, the data indicates a general decline in the perceived financial burden of housing costs (FR13). A heavy burden response has fluctuated over the years, with a slight increase from 20.74% in 2005 to a peak of 28.12% in 2013. After 2016, this figure remained relatively stable through 2020. The percentage of respondents who feel their housing costs are somewhat a burden decreased over time, from 29.70% in 2005 to 19.84% in 2020.

Over time, there appears to be a general decline in housing cost burdens for full-time workers and part-time workers (FR 14), but an increase for those in unemployment and students. The share for those working full-time remained relatively stable, ranging from 15.50% in 2005 to 16.50% in 2020, showing a slight decline in housing costs relative to disposable income: Individuals working part-time generally had higher housing cost burdens, fluctuating between 22.10% in 2005 and 17.60% in 2020. Unemployed: Unemployed individuals experienced the highest share of housing costs, peaking at 36.00% in 2020. This represents a clear increase over the years, highlighting financial difficulties faced by the unemployed. Housing costs for

students were notably high, peaking at 49.30% in 2018, before slightly decreasing to 41.20% in 2020. Individuals in retirement had relatively stable but lower housing cost shares. The data indicates that students and the unemployed face the highest housing cost burdens, while working full-time individuals and those in retirement generally experience the lowest. Other groups, such as the disabled, working part-time, and those engaged in domestic tasks, show moderate to high shares of housing costs.

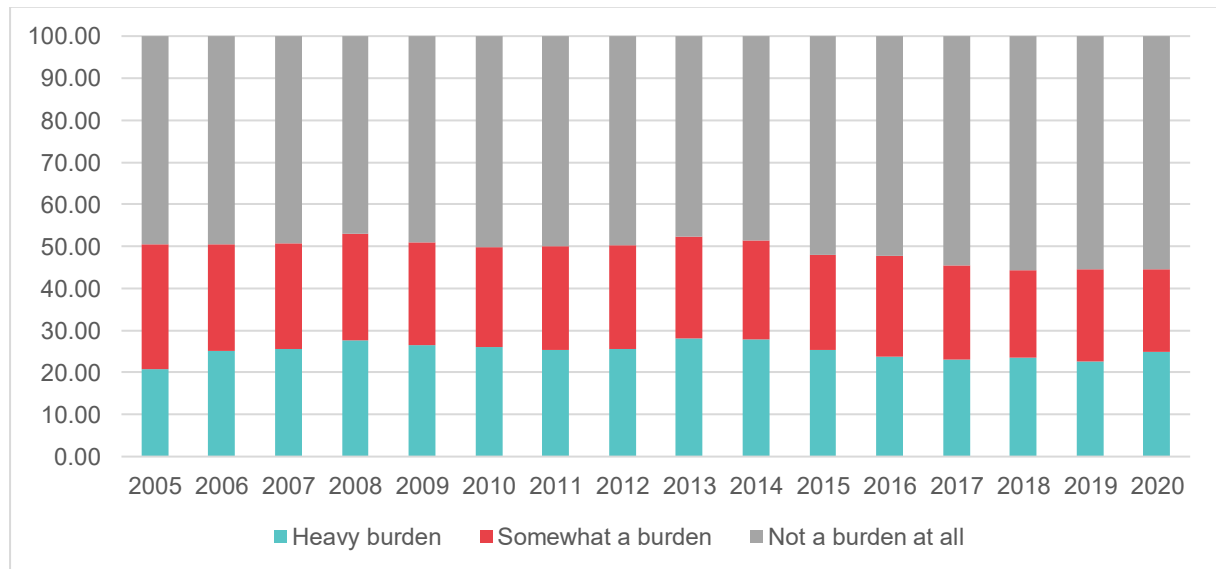


Figure FR13: Self-perceived financial burden of total housing costs from 2005 to 2020 Source: EU Silc

Individuals with primary and lower secondary education (FR 15) consistently had higher housing cost burdens compared to those with upper secondary or tertiary education. The share of housing costs was lowest for those with tertiary education, suggesting that higher educational attainment may be associated with lower housing cost burdens. However, values generally fluctuated across the years with a slight divergent trend over the years.

Housing costs as a share of disposable income have been highest for apartments in larger buildings (FR16), with significant increases around 2015. Detached houses typically represented the lowest share, while semi-detached and smaller apartment categories experienced moderate fluctuations over time. Apartments in Buildings of all size saw a general increase with a peak in 2015 and values remaining around 26-27% in subsequent years.

Overall, the data suggests a growing affordability in housing for full-time workers and those with higher educational attainment. However, vulnerable groups, including the unemployed and students, have faced increasing housing cost pressures, particularly in larger apartment buildings. These trends highlight the complex relationship between economic status, education, and housing affordability, suggesting that while some segments of the population have experienced relief, others continue to struggle with housing costs.

Typical urban-rural disparities in housing affordability reflects all these trends, where more urbanized regions generally see higher housing costs. Individuals living in densely populated areas (FR17), consistently face the highest share of housing costs, while Thinly populated areas consistently report the lowest share of housing costs, . Interestingly, intermediate areas show a gradual increase in the share of housing costs, starting from 0.15 in 2005 and rising to 0.19 by 2015. The share slightly decreased in 2020 to 0.17, but it generally remained higher than in thinly populated areas and lower than in densely populated areas.

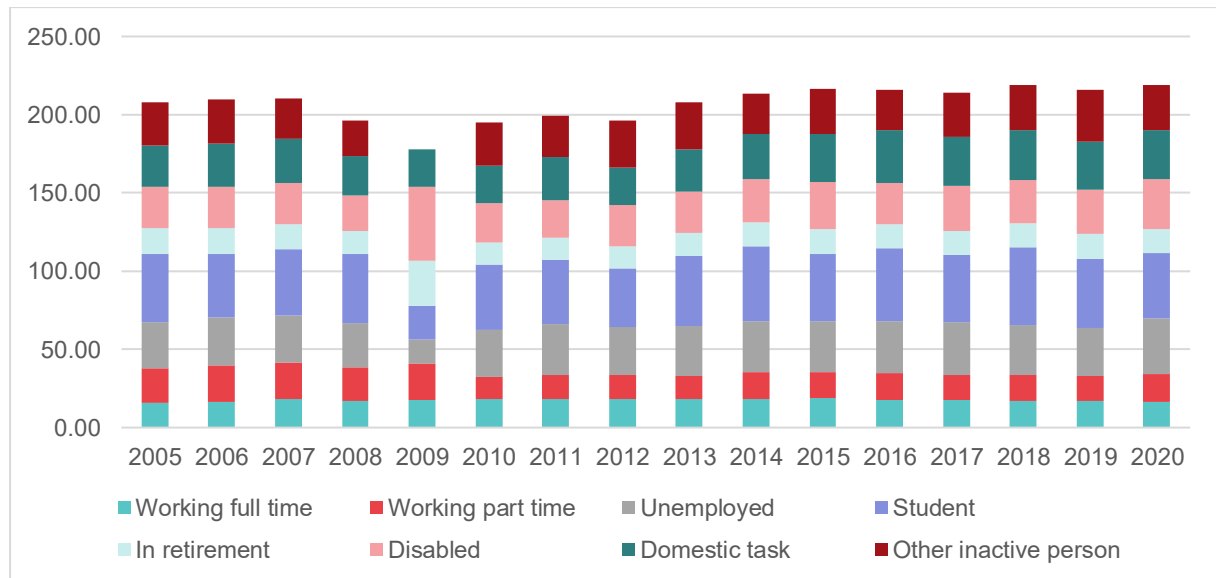


Figure FR14: Share of total housing costs in total disposable income by self-defined economic status. Source: EU Silc

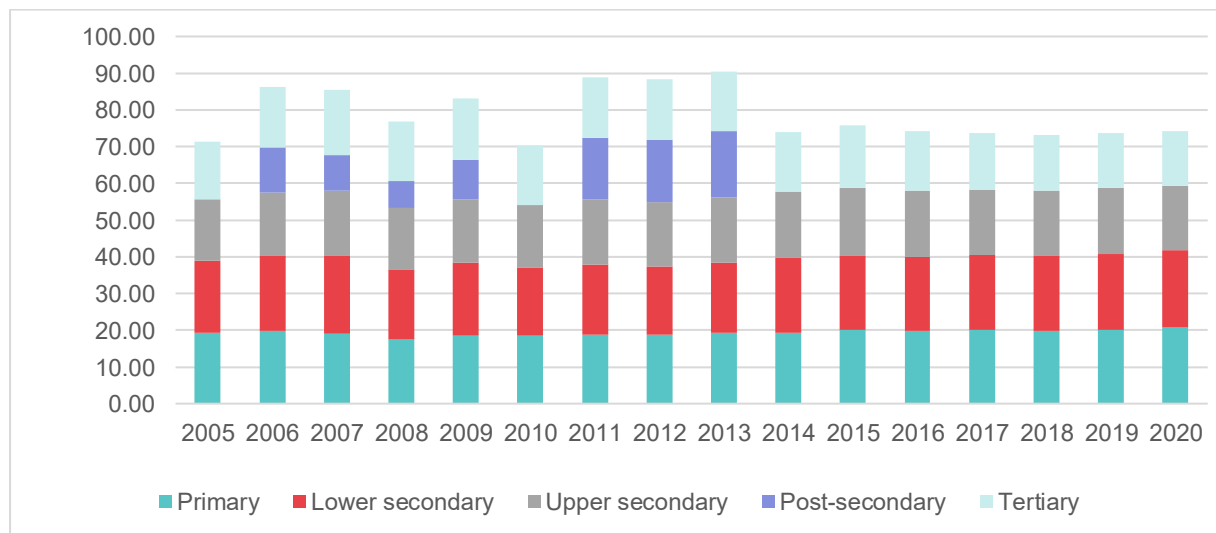


Figure FR15: Share of total housing costs in total disposable income by educational attainment level. Source: EU Silc

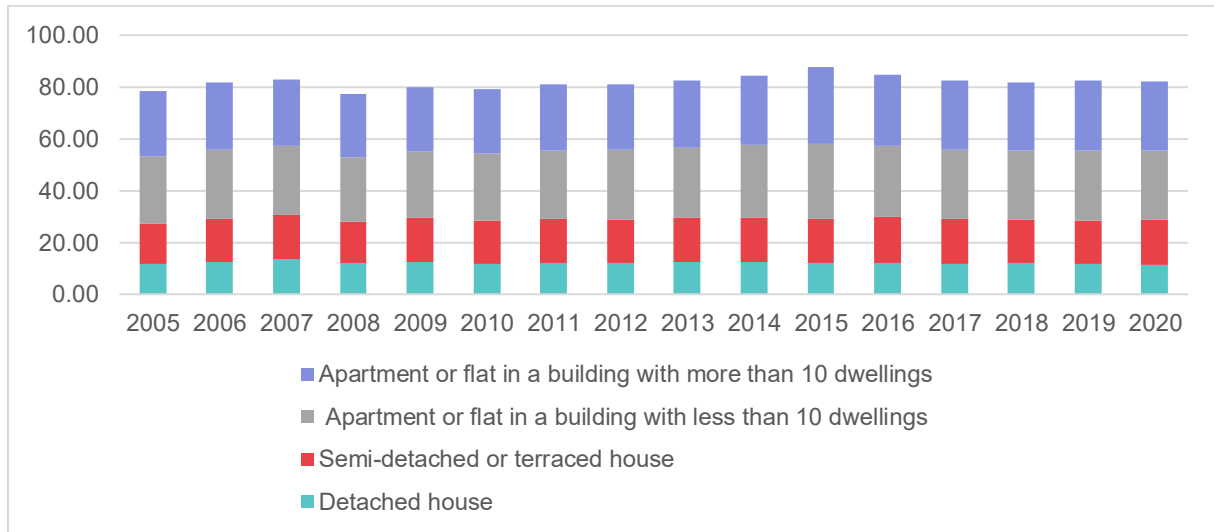


Figure FR16. Housing cost burden per building type and tenure. Source: EU Silc

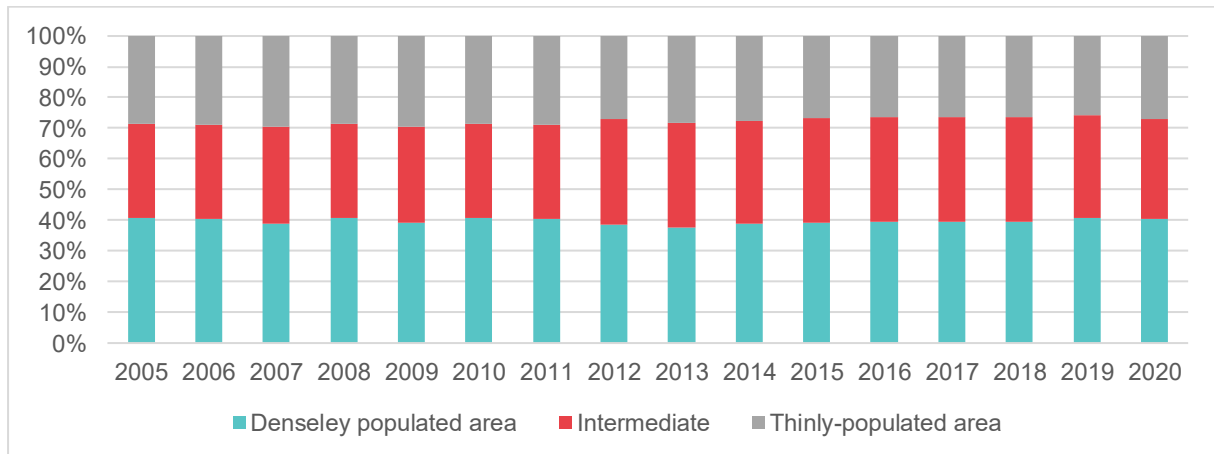


Figure FR17. Total housing costs in total disposable income by urbanization level from 2005 to 2020.. Source: EU Silc

## 2.3 Housing segmentation

This paragraph explores the segmentation of housing types across France, focusing on regional and metropolitan differences, tenure categories, and urbanization trends. It highlights variations in ownership, rental patterns, and demographic shifts within urban and rural areas.

Housing segmentation in France reflects a complex interplay of urbanization, regional dynamics, and tenure categories. While homeownership generally increased across all urbanization levels, the decline in market-rate renting and rise in subsidized or reduced-price rentals reflect changing affordability conditions, particularly in urban areas. The increase in subsidized or free accommodation in rural and thinly-populated areas suggests that affordability challenges are not limited to urban centers but are also present in less urbanized regions.



The proportion of homeowners generally increased over time, with a particularly strong trend in densely populated areas and intermediate areas. For instance, ownership in densely populated areas (FR 18) increased from 46.39% in 2005 to 52.01% in 2018, before slightly decreasing to 46.82% in 2020.

The share of tenants paying rent at market rates showed a steady decline, especially in densely populated areas, where the proportion of tenants paying the prevailing market rent dropped from 28.19% in 2005 to 22.63% in 2020.

However, there has been a significant increase in the share of people renting at reduced rates or receiving free accommodation, particularly in thinly populated areas and rural areas. For example, in thinly populated areas, those renting at a reduced rate rose from 9.40% in 2005 to 15.80% in 2020 .

Ownership increased steadily in intermediate areas, and remains the dominant form of tenure in rural areas, though the trend fluctuated slightly over time. The share of renters paying market rates fell from 17.96% in 2005 to 16.44% in 2020. Both type of areas saw an increase in subsidized or free accommodation, reflecting affordability pressures, especially in thinly-populated areas.

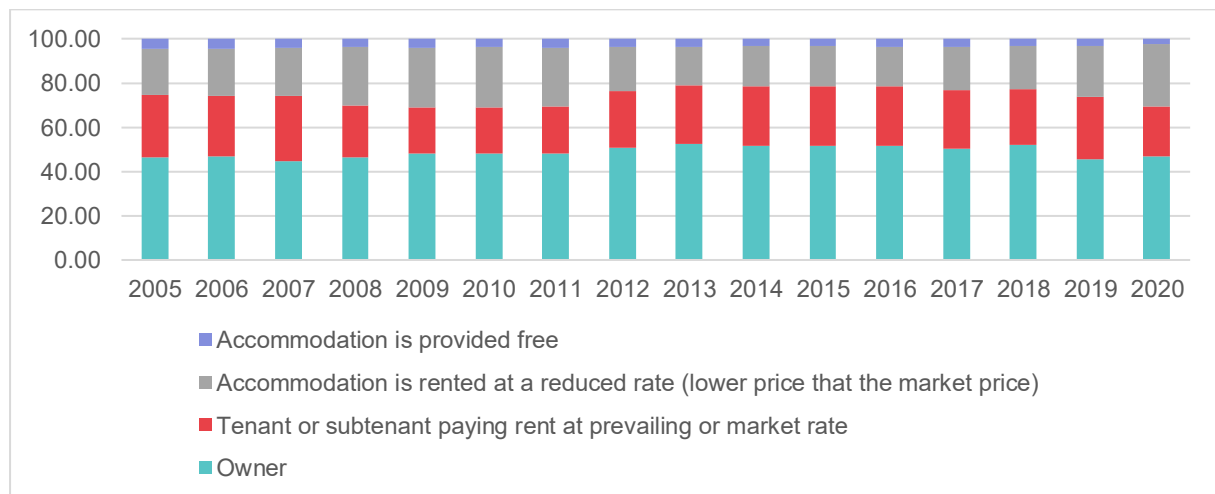


Figure FR18. Tenure structure in Densely populated area. Source: EU Silc

Out of every 100 housing units, 82 are primary residences, 10 are secondary or occasional residences, and 8 are vacant. In 2024, 3.7 million homes were categorized as secondary residences or occasional housing, a figure that has remained stable after a slight rise between 2011 and 2017. Similarly, the share of vacant homes, representing 3.1 million units, has stabilized over the past four years. Among primary residences, 57% are owner-occupied, though this proportion has seen a slight decline since 2014. Ownership rates are higher in metropolitan areas, where 58% of households own their homes, a figure that has remained consistent since 2010. Conversely, approximately 40% of households rent their primary residence, a percentage that has been stable since the 1980s, with public and private rental sectors accounting for roughly equal shares.

In France, in 2024 3.7 million homes were secondary residences or occasional housing; after a slight increase between 2011 and 2017, their share of the total housing stock has stabilized.

Similarly, the proportion of vacant homes has stabilized over the past four years; in 2024, 3.1 million homes are vacant but 57.0% of households owned their primary residence, a proportion that has been slightly declining since 2014.

Regional differences are notable: Paris and other large metropolitan areas experience higher concentrations of homeownership and newer housing developments, often tied to employment growth and urban densification. In contrast, rural and coastal areas display a higher prevalence of secondary and vacant homes. Additionally, urban expansion and land consumption trends vary significantly across regions. In some metropolitan areas, such as Lyon and Montpellier, population growth outpaces land consumption, reflecting densification, while other regions continue to expand their artificialized surfaces per capita.

58% of households in metropolitan areas owned their primary residence in 2018. This share steadily increased from the 1980s until 2010 and has remained stable in recent years. The proportion of new homeowners rose sharply in the 1980s but declined until the mid-2000s and has remained stable.

Meanwhile, the proportion of households renting their primary residence slightly declined in the 1980s and has remained around 40%.

Among homeowners, about one-third are still repaying their mortgage to purchase their home. Over the past thirty years, the share of homeowners without outstanding mortgage payments has increased from 28% to 38% of households.

In summary, France's housing segmentation underscores the influence of urbanization, regional development, and demographic patterns on dwelling types and tenure structures. The contrast between metropolitan densification and continued expansion in other regions highlights the ongoing challenges and opportunities in managing housing supply and land use.

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