

Interreg North-West Europe SHICC European Regional Development Fund

CASE STUDY: Organisme de Foncier Solidaire Métropole Lilloise (OFSML)

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1 – Introduction & context

- Name: Organisme de Foncier Solidaire de la Métropole de Lille
- Location: Lille
- Year created: 2017
- Geographic area of influence: Lille European Metropolis – 1.140 million inhabitants - 90 municipalities.

- Description of the housing market in Lille

The City of Lille has 228 000 inhabitants. It is the **10th largest city in France, with 138 000 housing units.**

70% of Lille's inhabitants are tenants, whereas at the agglomeration level (Métropole Européenne de Lille), the ratio between owners and tenants is more balanced (49.8% of owner households).

It is a very specialised housing stock with **57% of small housing units within Lille's city walls.** The sociological structure contains **50% singles.**

It is a tight housing market with an average of 25% turnover, 5% real vacancy and more than 16 500 requests for social housing.

Lille is also an expensive city: 4th largest provincial city and the most expensive in the existing market (€3130/m²), and 3rd largest provincial city on the rental market (market rent of €13.9/m² in 2017).

However, Lille's median income is 17% lower than the national median income.

Lille's population continues to grow while the agglomeration and the region stagnate. This **attraction** is mainly due to students and young single workers.

The city's tertiary vocation has been confirmed: **155 000 jobs** available in total in Lille - **70% of employed people working in Lille do not live there.** This clearly generates **home-work commuting that can be optimised.**

- Type of CLT: urban CLT

This was for the first OFS operation in Lille to act on the scarcity of supply due to its very advantageous position right in the city centre to attract households from the middle classes. In this way, the housing offered by the OFSML is very affordable (€2110 inc VAT per m² without parking). These prices come under the local definition of social home ownership, which is aimed at populations with modest resources (respecting the resource thresholds for access to intermediate-

level social rental housing). Indeed, the city has sought to promote ownership between €2050 inc VAT and €2400 inc VAT.

The unique situation of the first housing in BRS (Bail Réel Solidaire – a Ground Lease), close to various urban services in the heart of town, makes it attractive. The objective is to protect land located in an area where there is strong land speculation. The land on which the operation is taking shape belonged to the municipality of Lille, which facilitated its purchase by the OFSML for the symbolic euro (free acquisition). The OFS/BRS system makes it possible to counter the speculative phenomenon, because the OFSML guarantees by the legal system known as the Bail Réel Solidaire, the destination of the housing and its affordability in the long term.

- **Political and legal context**

The Métropole Européenne de Lille (MEL) was created in 2015, but has existed as an urban community since 1967. The status of metropolis testifies to the French Government's desire to operate a relative decentralisation of power, the MEL having skills in terms of regional economic planning, the organisation of transport, as well as housing policy: the metropolises take care, in particular, of financial aid for social housing, the improvement of the housing stock, as well as urban development schemes as part of the city's policy.

Since 1896, the city of Lille has been led by elected members of the socialist party. More recently, the mandates of Pierre Mauroy (1973-2001) and Martine Aubry (2001-present) have focused on housing policy, taking into account the particularities of the Lille market described above.

The mandates of Martine Aubry have clearly focused on producing housing in all districts and for all types of families to promote social diversity. Thus, more than 12 000 dwellings were produced between 2008 and 2014, with more than 30% social housing and 15% affordable housing. The current mandate is for the production of 10 000 dwellings with the same objective of producing at least 45% affordable housing and in particular 30% social housing.

This policy is based on a set of tools:

- **An operational method:** close partnership (promoters and social landlords, notaries, developers, public institutions, architects, etc); the "club of 10 000"; innovation (participatory housing, intergenerational housing, FSO...)
- **A land action:** urban planning tool, pre-emption
- **Programme rules:** constraint of social diversity and constraint of housing size, local definition of social ownership
- **Financial tools:** support from the MEL, support from the City, benefit of reduced VAT in certain sectors

The French scheme inspired by the CLTs was also taken up by the Deputy of Nord and Local Councillor in charge of diversity and social innovation in Lille, Audrey Linkenheld. An amendment within a law relating to housing (law ALUR - March 2014) created the 'Organisme de Foncier Solidaire'.

Regarding social housing policy in France, it is about building, allocating and managing housing intended for people whose income is below certain thresholds, as is the case for Lille's policy. This trend is part of a desire for social diversity and housing diversity.

As far as home ownership policy is concerned, French politicians generally claim its benefits for the middle class and even the working class. This is why access to property has become a strong ideology and a social dream in France.

2 – Projects

- Current number of projects: 3 projects, one under construction with 15 housing units within an overall project of 210 units (Cosmopole site), another at the building permit stage with 17 units within a total project of 91 housing units (Renan site) and a final one at the project stage within the St Sauveur development zone with 60 units.



All projects are sold according to the classic CLT system: dissociation of land ownership from the building property itself. The goal is to maintain long-term housing affordability for middle-class households through a resale formula.



Operation Cosmopole

- **Common spaces**

BRS dwellings are part of broader housing-dominated operations that potentially have spaces that promote usability or accessibility to essential services residents need.

3 – Financial and legal framework

It is a non-profit organisation, approved by the State on 20 July 2017, currently in associative form and which aims to evolve into a Foundation housed within the Territorial Foundation recognised as the Foundation of Lille, one of the founding members.

Buyers can take out a mortgage loan with a partner bank, Crédit Foncier de France, which has historically supported social home ownership. Dialogue is underway to mobilise another retail bank.

The OFSML is supported by its members including the City of Lille and the metropolis of Lille: capital input, provision of engineering etc.

Support from the Region has been confirmed in particular to enable the production of about 50 housing units.

4 – Accessibility mechanism

- Type of target audience

In France, social diversity is perceived as a stabiliser of the social system. The use of this term as an ideal and regulatory principle of society is culturally different from the community principles put in place by the first CLTs in the United States and defined through the “classic CLT” model. This observation feeds into the analysis of the use of the word "solidarity" rather than a reference to the "common" in the name "OFS". Audrey Linkenheld reminded us at the Lille conference that resident participation in the city’s production is carried out at municipality level in Lille (observation of 22 May 2018). The city of Lille also supports community led-housing projects.

In concrete terms, the objective of the first OFS housing project is to enable middle-class households to come and live in the city centre, in a neighbourhood where only the most affluent households can live without the financial support of public authorities. The target audience of the OFSML was reached via articles in the press detailing the OFS/RSL system and informing them about the future housing operation.

- Allocation criteria

Applicants are eligible if they meet the income thresholds for the purchase of a home under "rent-to-buy" known as PSLA (Prêt Social Location-Accession – Social loan):

Number of people intended to live in the dwelling	Zone A	Zone B and C
1	31 825	24 124
2	44 554	32 169
3	50 920	37 210
4	57 922	41 232
5 or more	66 070	45 243

OFS can also develop rental housing for households that meet the thresholds for access to social housing (PLUS thresholds – Prêt Locatif à Usage Social).

- Resale formula

The OFSML, in accordance with the regulatory framework, has indexed property to the reference index of rents of the INSEE (the last published on the day of the resale). These are re-estimated in positive or negative depending on whether the owner has done work to improve the apartment or has not maintained the apartment and there are works needing to be done.

5 – Governance

- Number of members: 6:
 - La Fondation de Lille (Foundation created in 1997, under the mandate of Pierre Mauroy at Lille Town Hall to collect donations to finance actions of general interest),
 - La Ville de Lille
 - La Métropole Européenne de Lille (MEL)
 - La Fédération des Promoteurs Immobiliers de la région Hauts-de-France (the federation of real-estate developers)
 - Action Logement (a private structure involved in social housing, Action Logement facilitates access to housing to promote employment),
 - Union Sociale de l’Habitat (a group of 4 federations of social housing organisations).

- Number of employees: 1 (part-time)

