THE STATE OF HOUSING IN EUROPE – 2025

FRANCE

	# OF DWELLINGS	% OF TOTAL PRIMARY RESIDENCE	% OF TOTAL
Social housing	**5,636,100**	**18.0**	**14.8**
Of which: HLM	4,651,440	14.9	12.2
Of which: Other social	984,660	3.2	2.6
Other rental	**7,773,130**	**24.9**	**20.5**
Owner-occupier	**17,832,440**	**57.1**	**46.9**
Total (Primary Residence)	**31,241,670**		**82.2**
Secondary residences	**3,714,790**	-	**9.8**
Vacant	**3,053,230**	-	**8.0**
Total	**38,009,690**		

SOURCE: Ministry for Housing and Urban Regeneration – 'Compte du Logement 2023'.
NOTES: 'Social housing (HLM)' equates to dwellings provided by OPH, ESH and COOP'HLM. 'Other social' equates to 'Local Public Enterprises' (EPLs), the State, local authorities and public agencies, and other approved providers; including charities.

THE ROLE OF PUBLIC, COOPERATIVE, AND SOCIAL HOUSING PROVIDERS

In France, social housing is mainly provided through publicly regulated but diverse actors known as 'organismes HLM' (*Habitation à Loyer Modéré*). These include public housing offices (OPH) linked to municipalities or inter-municipal bodies, private non-profit housing associations (ESH), and social housing cooperatives. These are represented at the national level by the Union sociale pour l'habitat (USH).

Municipalities play a central role by setting local housing strategies, allocating land, and ensuring compliance with the 'SRU law', which requires communes over a certain size to maintain at least 20–25% of their housing stock as social housing. Some direct (e.g., grants) and indirect (e.g., tax breaks) public financial supports are available, but loan financing from various credit institutions, and the own equity of housing providers are typically far more important for development.

Central government sets overall policy and funding frameworks, but it is the 559 housing providers represented by USH that develop, own, and manage close to 4.7 million homes; housing around 10.4 million people in France.

DYNAMICS OF HOUSING SUPPLY

France in the largest single producer of social housing in the EU, with the HLM sector typically adding around 70,000-75,000 additional social homes each year. This is despite recent increases in construction costs, and higher interest rates. In 2023, €11.9 billion was invested in new homes.

Year	New builds	Acquired (VEFA)	Acquired (existing)	Total Additional
2020	34,640	25,890	5,778	66,308
2021	38,479	30,994	7,098	76,571
2022	36,381	28,026	6,847	71,254
2023	35,835	30,162	6,503	72,500

SOURCE: USH.

At present, there is a roughly equal split between new homes developed by social housing providers and various forms of acquisitions, including turn-key arrangements (e.g., VEFA). As in other countries, acquisitions often reflect a lack of access by social providers to developable land. It also may help increase annual supply of social housing and achieve a level of social mix in certain communities that would otherwise not be possible.[1]

At present, there is a strong emphasis on the renovation and improvement of the existing social stock, with over 60% of homes built prior to 1990. In 2023, USH members renovated 136,000 homes, with nearly 85,000 homes seeing an improvement in their energy performance after undergoing deep renovation. The cost of these improvements was €5.7 billion.

HOUSING NEEDS TODAY

According to a recent study, 518,000 homes need to be supplied (through newbuilt and rehabilitation) every year until 2040. Out of these, 198,000 each year should be social housing[2].

1 _ USH (2014). Les Cahiers: Aménagement, partenariats, montages - les outils de production du foncier en faveur du logement social [*The Notebooks: Development, partnerships, assemblies - land production tools in favour of social housing*]. Actualités habitat, 158, p. 39.
2 _ Habitat & Territoires Conseil (2023). Quels besoins en logements sociaux à l'horizon 2040?.

There has been a steep rise in applications to access social housing in recent years. This figure reached 2.77 million households in 2024, though about a third of these are households already living in social housing but who are requesting a move.

However, just 385,000 allocations of social housing could be made in 2024, a historic low. This partly reflects insufficient additional supply, but also a lower turnover of social tenants, many of whom remain in a particular home for longer than in the past. Another issue is that almost half (48%) of those seeking social housing are now single-person households, with only 27% of households on waiting lists containing two or more adults.[3] However, a large part of the existing social housing stock was developed in previous decades to accommodate 'traditional' family-based household structures.

RECENT DEVELOPMENTS IN HOUSING

In recent years, the French government has introduced measures to protect social housing tenants from rising living costs, notably by capping rent increases and maintaining the '*Réduction de Loyer de Solidarité*' (RLS). The RLS, in place since 2018, reduces rents for low-income households but places the cost of this on social landlords rather than the state. Restrictions limit social providers' ability to offset inflation and higher operating costs.

Higher energy prices in recent years have been acutely felt by many low-income social tenants. While government rent policies have helped safeguard affordability for them, they have significantly reduced income for social housing providers. This creates something of a paradox in public policy, as the state keeps rents low, while at the same time it expects the HLM sector to generate operating surpluses each year to reinvest in new construction and renovations. Thus, one aspect of the current government policy systematically undermines the other. Indeed, operating surpluses have declined steeply since 2021, reaching a multi-decade low in 2023.[4] In addition to higher costs and reduced means, USH also notes that providers suffer under the weight of complex, protracted, and costly public administration (e.g., permitting).

Despite these challenges, in February 2025 USH agreed a target with the Government to support the development of 100,000 social housing units in 2025.[5] This came in the context of some reduction in borrowing costs versus the two previous years, and the provision of some additional public capital for investment. The new additions of social housing should particularly target the delivery of homes more suitable for the aforementioned single-person households.

3 _ Ancols (2024). Les attributions des logements sociaux 2024 – Tableau de bord 2024.
4 _ USH (2025). Les Hlm en chiffres – 2025.
5 _ Ministry for Climate (2025, February 7). Press Release – 'Relance du logement social : Valérie Létard et le Mouvement HLM actent une stratégie nationale'.

POLICY GUIDELINES FOR PUBLIC, COOPERATIVE, AND SOCIAL HOUSING

Available funding is insufficient to achieve the ambitious targets for sustainable housing and renovation. New funding opportunities are needed, alongside measures to speed up delivery, and reduce overall development costs for social providers.

THE EU'S ROLE IN BETTER SUPPORTING THE SECTOR

European Union funding has had a positive impact on numerous projects in France. However, more is still required, and additional funding for social housing (at favourable terms) is needed.