

EFSI Operation Scoreboard¹

PROJECT PRESENTATION	
<u>Project name</u>	IN LI LOGEMENT INTERMEDIAIRE
<u>Promoter and financial intermediary</u>	IN'LI SA
<u>Country of implementation</u>	France
<u>Summary project description</u>	<p>Affordable housing meets a genuine expectation on the part of companies and employees (including young workers) wishing to live in accommodation with affordable rents near to decision-making and employment centres. This makes affordable housing key to the residential and professional sectors.</p> <p>Affordable housing is mainly targeted at large urban areas, and is justified in places with high rent pressure (strong demand/limited supply), with market rate rents becoming inaccessible. In areas where the real estate market is very stretched, the gap between the private (open) and affordable markets creates a sizeable market space.</p> <p>Urban sprawl (60 000 hectares of natural or agricultural land is lost to urbanisation each year in France) contrasts with the geographical concentration of jobs. Together with a construction rate below what is needed, this has resulted in increased commuting time and pressure on the real estate market, with above-inflation rent increases over the last few years.</p> <p>The current number of affordable homes is insufficient, leading the target demographic - excluded from social housing due to their income level - to turn to the open market. Affordable housing rents are between those of social housing and the private market, with a ceiling - set by decree - of around 15% to 20% below the market rate.</p> <p>The project concerns the construction of 2 580 affordable rental homes in Île-de-France. Around 6 000 people will benefit from the 2 580 homes.</p>

¹ This Scoreboard of indicators reflects the information presented to the EFSI Investment Committee (IC) for its decision on the use of the EU guarantee for this operation. Therefore, the document does not take into account possible developments that could have occurred after this decision.

Parts of this document that fall under the exceptions for disclosure defined by the EIB Group Transparency Policy, notably under articles 5.5 (protection of commercial interests) and 5.6 (protection of the Bank's internal decision-making process), have been replaced by the symbol [...].

PROJECT PILLAR ASSESSMENT

Pillar 1

Contribution to EU policy	Significant
Cross-cutting objectives	
Climate Action	90.00%
EFSI	
Contribution to EFSI	100.00%
EFSI: Human capital, culture and health	100.00%
Social infrastructures, social services, social and solidarity economy	100.00%

Pillar 2

Quality and soundness of the project	Good
1. Overall strategic intent and investment quality	[...]
2. Promoter capacity	[...]
3. Sustainability	[...]
4. Employment	[...]

This pillar evaluates the quality and soundness of the operation. This pillar is composed of up to four indicators, as relevant, among which:

- (i) "Growth" i.e. for example and where relevant the economic rate of return ('ERR'), which considers the project's socioeconomic costs and benefits, including its spillover effects;
- (ii) "Promoter capabilities" i.e. the capacity of the promoter/intermediary to implement the project and create the expected impact at the [final] beneficiary level;
- (iii) "Sustainability" i.e. environmental and social sustainability²;
- (iv) "Employment" i.e. the project's direct employment effect;
- (v) "Increasing access to finance and improving financing conditions including for final beneficiaries".

Pillar 3

EIB Technical and financial contribution to the project	Significant
1. Financial contribution	[...]
2. Financial facilitation	[...]
3. Advice	[...]

This pillar measures the EIB's particular contribution to the project and its financing scheme in the form of financial and non-financial benefits which go beyond what commercial players would normally be able to offer. This dimension of value added is assessed through up to three indicators:

- (i) "Financial Contribution" i.e. improving the counterpart's funding terms compared to market sources of finance (interest rate reduction and/or longer lending tenor);
- (ii) "Financial Facilitation" i.e. helping to attract private financiers (for example through positive signaling effects), promoting synergies in co-financing with other public sources of funds including National Promotional Banks or EU financial instruments;
- (iii) "Technical Contribution and Advice" i.e. providing advice with a view to optimizing the financing package (financial structuring), or technical advisory services in the form of expert input / knowledge transfer - provided in-house by the EIB or in the form of assignments to external consultants - to facilitate the preparation or implementation of a project.

² For additional information on the EIB's assessment of the project's environmental and social aspects, please refer to the project's Environmental and Social Data Sheet (ESDS) published on the EIB website.

Pillar 4 - Complementary indicators

Additionality

In line with the EFSI objective of developing social infrastructures, social services and social and solidarity economy, the operation will support the construction of 80,000 affordable housing units in Ile-de-France. The operation will also promote the adoption of Near Zero Energy Buildings (NZEB) standards in line with the Energy Union priorities - moderation of energy demand - and the EU directive on Energy Performance of Buildings. The NZEB high performance residential buildings are expected to generate a number of benefits (reduced energy bill, lower maintenance costs, longer asset life, and thermal comfort benefits). Approximately 90% of the operation is expected to contribute to EIB's Climate Action objective.

The operation addresses the market failure of insufficient supply of affordable housing in certain regions of France, particularly those affected by high urbanisation such as Île-de-France. Investments in the area of affordable energy efficient residential buildings are affected by high regulation of the residential property market affecting the rent levels and on the other hand by high production costs, notably because of the very high costs of land and construction. In addition, the borrower, is facing a sub-optimal investment situation due to the limited availability of long-term unsecured financing.

The operation is expected to contribute to urban regeneration and in the long-term better social integration of different income groups. The operation will contribute to make neighbourhoods more diverse, attractive and better integrated. It will also contribute to improve the living conditions of beneficiary tenants, which will gain in purchasing power and will shorten their commuting time to work.

The operation is expected to fall under EIB special activities in particular due to the unsecured characteristic and longer tenor of the EIB loan compared to existing debt. The EIB would not be able to provide such type of financing support during the period in which the EU guarantee can be used, or not to the same extent, without EFSI.

By offering long-term financing to the borrower, EIB provides a quality stamp on the project. EIB's involvement will also have a signalling effect for potential investors and will support the borrower's access to capital markets to obtain additional funding. This will help to achieve the objectives of the Capital Markets Union.

The loan will be the first for the EIB with the borrower.

Set of indicators related to the macroeconomic environment

France - Economic environment

Economic Performance

	FR 2018	EU 2018	US 2018	FR 2001-2007
GDP per capita (EUR, PPS)	31,988.40	30,935.11	43,569.11	31,052.70
GDP growth (%)	1.58	1.96	2.85	1.90
Potential GDP growth (%)	1.21	1.60	2.23	1.77
Output gap (% of potential GDP)	0.35	0.61	0.74	1.68
Unemployment Rate (%)	8.90	6.60	3.90	8.50
Unemployment Rate (%) - Y/Y change (% points)	-0.19	-0.60	-0.20	-0.18
Bank-interest rates to non-financial corporations (%)	1.37	1.26	--	3.53
Bank-interest rates to non-financial corporations (%) - Y/Y change (% points)	-0.02	-0.06	--	0.00
Investment rate (GFCF as % of GDP) - Total	22.92	20.54	20.84	21.75
Investment rate (GFCF as % of GDP) - Public	3.38	2.85	3.30	3.91
Investment rate (GFCF as % of GDP) - Private	19.53	17.68	17.53	17.84

General Sector Indicators

	2014	2015	2016	2017	EU (latest available)
Value added in Construction (% of total VA)	5.71	5.48	5.44	5.48	5.36
Employment in Construction (% of total employment)	6.64	6.46	6.27	6.21	6.32

- Country average for "GDP per capita (EUR, PPS)" is calculated in real terms

- EU value for "Bank-interest rates to non-financial cooperations" corresponds to Euro Area average; Country average is the simple average between 2003 and 2007

- The EU value is displayed as the value in the year that corresponds to the latest value of the indicator in a particular country

Other indicators³

Key project characteristics	Expected value at PCR
Start of works	01.01.2020
End of works	31.12.2023
Project investment cost [MEUR]	500.00 MEUR
EIB/EFSI eligible investment mobilised [MEUR]	310.20 MEUR
External EFSI multiplier	1.24
External EIB (non-EFSI) multiplier	0.00
Amount of private financing [MEUR]	0.00 MEUR
Quick start (% of expenditure during 2015-2018) [%]	
Co-financing with national promotional banks [MEUR]	0.00 MEUR
Co-financing with structural funds (ESIF) [MEUR]	0.00 MEUR
Co-financing with other EU instruments (i.e. Horizon 2020, Connecting Europe Facility, etc) [MEUR]	
Energy efficiencies realised [MWh/a]	1,244.00 MWh/a
Climate Action indicator	90.00% Mitigation - Energy Efficiency (transversal)
Employment during construction - temporary jobs [person years]	5,000 person years
Employment during operation - new permanent jobs [FTE]	15 FTE

³ For additional information on the EIB's assessment of the project's environmental and social aspects, please refer to the project's Environmental and Social Data Sheet (ESDS) published on the EIB website. The abbreviation PCR stands for Project Completion Report. If applicable, a difference between the amount of Project investment costs and EIB/EFSI eligible investment mobilized might derive from the fluctuation of the underlying exchange rate.