

EFSI Operation Scoreboard¹

PROJECT PRESENTATION	
Project name	LOGEMENTS INTERMEDIAIRES VILLES & REGIONS FRANCE
Promoter and financial intermediary	LIVIE SA
Country of implementation	France
Summary project description	<p>Affordable housing ("logement intermédiaire") ranges between social housing and the free market. It meets real expectations from companies and employees, including young working people, who want to live in affordable housing near decision centres and employment areas. Affordable housing therefore constitutes an essential link in residential and professional career paths.</p> <p>Affordable housing is mainly intended for large cities, and finds its full legitimacy in areas of rental tension (high demand / little supply) with market rents becoming inaccessible. Thus, where the real estate market is very tight, the price gap between the free and affordable sectors creates a relevant market space.</p> <p>Urban sprawl (60,000 hectares of natural or agricultural land disappear every year in France because of urbanisation) contrasts with the geographic concentration of jobs. Combined with a lower level of construction, it has led to increased travel times to work and tensions in the housing market, with rents increasing faster than inflation in recent years. The supply of affordable accommodation intends to address such situations.</p> <p>The number of affordable housing units is however insufficient today. The target population, excluded from social housing because of its income, therefore turns to the free market. The level of rent for affordable housing ranges between social housing prices and market prices, with a ceiling fixed by decree, which is around 15% to 20% below market prices.</p> <p>The project concerns the construction of 1,500 affordable rental housing units in France.</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5.5 (protection of commercial interests) and 5.6 (protection of the Bank's internal decision-making process), have been replaced by the symbol [...].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	33.00%
EIB Cohesion Priority Regions / Economic and Social Cohesion	20.00%
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	Moderate
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

The operation addresses the EFSI objective in the field of Social infrastructures, social services, social and solidarity economy as it will significantly contribute to the expansion of the affordable housing segment in France. Equally, the operation will address the objective of supporting less-developed regions and transition regions as up to 20% of the operation is expected to be deployed in Cohesion regions. It will thus contribute to the European Union priorities on convergence and social cohesion, helping reduce regional disparities by supporting investment. The operation will provide an energy efficiency impact through the construction of new residential NZEB constructions, hence contributing to the EU and national objectives in this field. Up to 33% of the project will contribute to the EIB Climate Action objective.

The operation will have an important social impact by offering the opportunity to thousands of citizens to benefit from affordable rents and possibly become owners over time. The construction period will generate a significant employment impact as housing construction is typically labour-intensive. The expansion of the affordable housing construction supported by the operation is expected to bring along positive externalities such as CO2 emission reduction and increased safety deriving from the decrease of commuting.

The project addresses the market failures in the supply of affordable housing that is well below the very high demand especially in the largest cities of France. This permanent lack of housing solutions forces people to commute long distances, increasing negative externalities arising from it. Promoters of affordable housing solutions are facing funding constraints from both private and public funding providers, as the relatively better households' economic situation of this segment provides for a low level of regulatory support. Therefore, the promoter would face an enduring sub-optimal investment situation leading to a most-needed availability of flexible funding solution in order to start new residential projects.

The operation falls under the Special Activity category, in particular because it will finance a recently created company on a fully unsecured basis and with a significant loan amount at a very long tenor. Such a long tenor is required to match a payback period that would contribute to the affordability of the rents for the final beneficiaries.

The EIB loan will be subordinated to other mortgage lenders and it will be fully exposed to the market risk, which is also relevant in light of the business model supported. 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.

The EIB loan to an affordable housing company will send a strong signal about the lack of financing in this specific segment, and its subordinated nature vis-à-vis other commercial lenders is likely to attract a pool of real-estate specialised banks in order to complete funding for the project. The operation will allow the EIB to expand its activity to the affordable housing segment in France.

The promoter will be a new counterparty to the EIB.

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	31,052.71
GDP growth (%)	1.58	1.97	2.86	1.90
Potential GDP growth (%)	1.21	1.60	2.24	1.78
Output gap (% of potential GDP)	0.36	0.62	0.74	1.69
Unemployment Rate (%)	8.90	6.60	3.90	8.50
Unemployment Rate (%) - Y/Y change (% points)	-0.20	-0.60	-0.20	-0.19
Bank-interest rates to non-financial corporations (%)	1.37	1.26	--	3.53
Bank-interest rates to non-financial corporations (%) - Y/Y change (% points)	-0.03	-0.06	--	0.00
Investment rate (GFCF as % of GDP) - Total	22.92	20.54	20.84	21.76
Investment rate (GFCF as % of GDP) - Public	3.39	2.86	3.31	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	5.49	5.37
Employment in Construction (% of total employment)	6.64	6.47	6.28	6.21	6.33

Urban development

	2014	2015	2016	2017	EU (latest available)
Urban population as % of total population	79.29	79.52	79.75	--	--
Urban population exposure to air pollution by particulate matter (Micrograms per cubic metre)	18.20	--	--	--	22.50
Unemployment rate - Cities (%)	11.50	11.70	11.30	10.40	7.60
Unemployment rate - Towns and suburbs (%)	12.10	12.10	12.00	10.30	6.80
Unemployment rate - Rural areas (%)	7.60	7.70	7.50	7.70	6.00
At risk poverty rate - Cities (%)	14.20	13.90	14.20	14.30	16.70
At risk poverty rate - Towns and suburbs (%)	15.20	15.30	15.90	16.30	15.70
At risk poverty rate - Rural areas (%)	11.60	12.60	12.10	10.80	18.90
Severe housing deprivation rate - Cities (%)	3.50	3.30	--	--	1.70
Severe housing deprivation rate - Towns and suburbs (%)	2.20	2.20	--	--	1.90
Severe housing deprivation rate - Rural areas (%)	0.80	1.10	--	--	1.10
Households level of internet access - Cities (%)	85.00	84.00	87.00	89.00	91.00
Households level of internet access - Towns and suburbs (%)	81.00	81.00	85.00	83.00	89.00
Households level of internet access - Rural areas (%)	81.00	82.00	85.00	85.00	85.00

- 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	31.12.2024
Project investment cost [MEUR]	250.00 MEUR
EIB/EFSI eligible investment mobilised [MEUR]	144.60 MEUR
External EFSI multiplier	1.15
External EIB (non-EFSI) multiplier	
Amount of private financing [MEUR]	125.00 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]	143.00 MWh/a
Climate Action indicator	33.00% Mitigation - Energy Efficiency (transversal)
Employment during construction - temporary jobs [person years]	3,300 person years
Employment during operation - new permanent jobs [FTE]	5 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.