

PRESS RELEASE PUBLIC REAL ESTATE

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Conference of June 23, 2022: the Directorate General for Structural Reform of the European Commission (DG REFORM) and the Directorate of State Real Estate (DIE) of the Ministry of Economy, Finance and Industrial and Digital Sovereignty (MEFSIN) present the public real estate in the European Union benchmark results.

European member states, including France, face significant challenges resulting from the Ukraine crisis and global warming, and are faced with new opportunities to become more resilient and implement reforms that will help achieve the green and digital transition.

It is within this framework that the European Commission, through DG REFORM, is cooperating with the Direction de l'Immobilier de l'Etat in its efforts to improve the French real estate management model, through a comparative study on European public real estate, financed by the European Union.

Public real estate management is indeed a major area of reform for every member state. Improving public real estate policy not only supports the green transition and the digital transformation of public administration, but also leads to an overall improvement of public financial management.

This study is at the heart of the structural reforms encouraged by the European Union, in the framework of the European Semester and the Green Pact for Europe. It is also a key issue in the NextGenerationEU Recovery Plan, which directs funding to projects that contribute to climate change mitigation and adaptation.

This study, conducted with technical support by Ernst and Young (EY) and Jones Lang LaSalle (JLL) in some twenty countries (77 interviews), provides an overview of practices and political choices in the area of public real estate in Europe. The study was supported by the European Pure-Net network, which brings together all national real estate agencies and the ministries responsible for public real estate.



Despite the specificities linked to the administrative and political organization of each country, many common points have already emerged from this study:

- converging strategic priorities: improving efficiency in the management of public real estate, modernizing the stock, reducing costs for public finances, adapting to climate change, and improving services to users and agents,
- and difficulties that are often shared: difficulty in making an exhaustive inventory of assets and obtaining a global vision, lower priority given to real estate compared to other public policies, existence of administrative red tape specific to the public sector, public users who are not aware of the costs of managing real estate.

Like France, the priority of public real estate policies in European countries over the last 10 to 15 years has been to increase the efficiency of public real estate holdings in order to optimize costs. To achieve this, European countries have generally reorganized their real estate function around one or two major players (often semi-autonomous public agencies). Most countries have instituted internal rent systems, thus encouraging users (ministries, prefectures, government agencies, etc.) to rationalize their real estate footprint.

Significantly, in addition to real estate and financial performance indicators, governments are increasingly focusing on measuring user satisfaction, positioning users as customers in their own right.

The fight against climate change has also become a major priority for public buildings in European countries. However, the ambitions, actions and results in terms of ecological transition are heterogeneous. In France, the ecological transition is at the heart of our recovery plan. More specifically, the government has devoted 4 billion euros to the energy renovation of public buildings. For public buildings of the State and higher education, more than 4,000 projects - for a total of 2.7 billion euros financed by the European Union under the NextGenerationEU Recovery Plan - are being implemented in all territories.

Five keys to the success of the reforms were identified: their progressiveness, an already favourable political environment, the involvement of existing teams, the management of relations with suppliers and service providers and communication with users.

Alain RESPLANDY-BERNARD, director of the French State Real Estate Directorate

« This comparative study was launched to share common European knowledge because we need - more than ever - to work together on all public policy issues, especially on the environmental transition. With a real estate portfolio of nearly 100 million square meters, the French State's real estate must be exemplary and in compliance with our national and international commitments."

Press kit: https://www.portail-immo.gouv.fr/documentations/d/b13a5c715cba4e2aa1b2/

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