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Press release

Eiffage / Arcade-VYV consortium signs concession with the French Ministry of Armed Forces to manage its housing stock in France

In 2019, after having defined its Family Plan centred on the everyday lives of military families, the French Ministry of Armed Forces launched a consultation to select a sole partner with responsibility for enhancing its real estate assets, and for using housing to improve quality of life for its nationals, through a programme named “*Ambition Logement*” (“Housing Ambition”).

Eiffage and Arcade-VYV which combined their skills and know-how in the 50/50 dedicated joint venture Nové win France’s first-ever concession contract for outsourced management of state-owned housing stock, across the entire country for a period of 35 years. The contract signing took place on Monday, 14 February, at the Ministry of Armed Forces in Paris, in a deal worth more than €7 billion in total.

Financing for the programme will partly come from Nové shareholders’ equity capital and a €1.3 billion loan, subscribed by Nové, from the European Investment Bank (€474 million), the EPFP military pension fund (€100 million) and a pool of 10 commercial banks: Auxifip, BBVA, BNP Paribas, Caisse d’Épargne et de Prévoyance IDF, CaixaBank, Crédit Agricole CIB, LB Saar, NordDeutsche LB, KfW IPEX-Bank and Société Générale.

Nové will be responsible for improving the housing stock’s energy performance with the renovation of almost 8,000 housing units, and for expanding it, through the construction of around 3,000 new-build housings across 55 sites. These projects will be realised during the first years of the contract.

Almost 4,000 additional housing units currently managed by other providers under administrative long term leases will gradually be brought into the housing stock during the course of the contract and also duly refurbished.

Nové will also manage the servicing and maintenance of all housing stock, as well as modernising and improving the quality of the lease management service. It will provide a digital customer experience and dedicated service packages to enhance day-to-day life of the resident families.

Regional subsidiaries of Arcade-VYV and Eiffage Construction, which form a comprehensive network across mainland France, will develop their expertise within Nové Gestion and Nové Construction; these two companies will respectively provide lease and asset management services, and design-build for the initial construction work.

The French Ministry of Armed Forces expects a high level of environmental ambition throughout the concession period, to which end Nové plans to create a carbon and climate arbitrage fund dedicated to the project. This will help to finance innovative solutions for improving environmental performance for the benefit of military personnel and their families.

Following a handover period with the incumbent management provider, full management will begin in early 2023. Design studies for the first construction projects should begin quickly, and preparatory works on several sites are expected to start this year.

About Eiffage

Eiffage is one of Europe's leading construction and concessions companies. The Group's activities are organised around the following business lines: construction, real estate and urban development, civil engineering, metal, roads, energy and concessions. Thanks to the experience of more than 72,000 employees, Eiffage generated revenue of €16.3 billion in 2020, of which 26.5% was outside France.

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About Arcade-VYV

Created through the merger of VYV Group, France's leading mutual in health and social protection, with Arcade Group, its fourth-largest social housing provider, Arcade-VYV is a general housing group with two divisions: one social and one private. Through 35 regionally established companies, it builds an average of 5,500 homes every year, and manages more than 200,000. The Arcade-VYV Group covers every aspect of the real estate business, building and managing a full range of homes and serviced residences in every housing sector.

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