

## **The economic potential of intergenerational solidarity homesharing**

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On the one hand, students and young people in employment are facing major difficulties in finding housing. On the other hand, the demographic development of our country means that more and more elderly people find themselves isolated in oversized housing. In the background, there is also the question of the benefits of keeping older people in their homes. The aim of the Cohabilis study is to highlight the benefits for both parties of coming together in an intergenerational solidarity homesharing (ISH). Starting from the average price paid by the young person to the senior citizen with whom he or she is living, the work presents the savings made by the community, in this case the National Family Allowance Fund (Caisse nationale d'allocations familiales (CNAF)), and the savings made by the young people. The overall analysis includes a statistical description of the young people and seniors involved in the scheme over three years.

The main characteristics of the senior citizens' profiles are as follows: 88.9% are in a situation that suggests that they live alone, 58.2% are women owners aged 75 and over. Senior citizens involved in the ISH seem to live more in urbanised areas, which are more suitable for students, who represent 79.2% of young people involved. Among the young people, there are twice as many women as men, and the majority are between 18 and 25 years old. The share of young foreigners is 33.1%, with a preponderant share of African nationals. 51.8% of the dwellings are over 100 m<sup>2</sup>. They are both houses and flats.

The potential supply is then estimated based on the typical characteristics of these young people and seniors. This estimate of housing supply varies between 400,000 and 1,000,000 in a context where the shortage of student accommodation managed by the University student services National Centre (Centre national des Oeuvres Universitaires et scolaires) is estimated at 175,000 units. Almost all French departments are concerned by this supply.

The calculation of the savings for young people on their rent, and for the CNAF on the housing allowance, is then carried out and applied to the potential, according to a market penetration rate. The results suggest that (i) Young people in intergenerational cohabitation save 261 euros/month on rent. This saving differs according to the type of formula subscribed to by the young person, since the saving made in the so-called "solidarity" formula represents 1.34 times that made in the "convivial" formula. (ii) The standard of living of the young person in intergenerational homesharing is higher than that which he or she would have had in

ordinary housing. (iii) Intergenerational homesharing also allows the national family allowance fund to make savings on housing benefit expenditure. This is more important if the young person is in a so-called "solidarity" scheme, since under this scheme rents are generally very low or even equal to €0 and are associated with low or zero allowances. (iv) If no housing allowance is paid to all young people in intergenerational homesharing, even those whose rent and socio-economic characteristics would make them eligible for housing allowance if they were in ordinary housing, then the CNAF would capture part of the improvement in young people's living standards.

The savings made by young people and the CNAF are then associated with the potential market according to the market penetration rate. It emerges that for a penetration rate of 0.5%, the number of intergenerational cohabitation contracts is 2077 and the savings achieved in this case are respectively 3.5 million euros/year for young people and 1.27 million euros/year for the CNAF.

Secondly, the likely impact on the well-being and mental health of older people is considered. The literature review on the links between all types of cohabitation and physical and mental health and well-being found a positive effect on mental health and well-being through social ties and the perception of mutual support. However, the link established is not causal, given the sample size and the type of methods used. Furthermore, it was not possible to identify an effect on physical health. With regard to the use of survey data from the Cohabilis network sample of cohabitants, it was shown that a common motivation for both young and older people is to 'help out'. For young people, the lower cost of housing is also a determining factor and the main reason for abandoning this type of housing solution is a disagreement with the senior citizen; this last point is also shared by the seniors. Seniors involved in the Cohabilis scheme, at least those who responded to the survey, also appear to be "selected by their health". In this respect, they are in better health than the average of the comparable general population. They are also more likely to belong to a higher social class. However, a non-negligible percentage mentioned limitations in their activities, which should be taken into account if they are to continue participating in the scheme. More extensive support appears to be necessary for the very old.

In addition, a study of the economic model of the member structures of the Cohabilis network was carried out. In this part, the cost structure of the member associations and the distribution

of the different sources of income were taken into account. This modelling work highlights the great diversity of the models, linked to the territorial anchoring of the projects studied. However, an analysis of the cost of a pairing shows an average amount of €1510 all inclusive (reception, introduction, follow-up until the end of the cohabitation), an amount that could increase in the future given the need to better structure the financing of the associations' operation and development.