

Social leasing

Proposal for a green and innovative scheme

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Social leasing : 2 objectives for T&E

1. “EVs for all, nobody left behind”

=> Improve the accessibility and reputation of EVs, thanks to an inclusive concrete scheme.

1. Stir the transformation of the auto industry towards more affordable EVs

=> Give regulators a tool to incentivise/drive the production of small and rightly sized EVs (and offset the industry upmarket push), thanks to a new industrial narrative

Context : The social leasing in France is a political promise



- *A presidential candidate's promise for an EV at 100€/month (March 2022).*
- *Supporting the precarious households to make the transition.*
- *The scheme will be launched in Novembre*
- *First orders in 2024*
- *100 000 people concerned*





Our approach

- A Cways study on feasibility and costs
- Qualitative panels to test the social leasing offer with target population groups.
- A Syndex analysis for T&E on production conditions in France/Europe for small vehicles suitable for social leasing.
- Ongoing discussions with industry players.



The principle

Leasing is designed to enable low-income households to rent an electric vehicle for a low monthly fee: from 100 euros for a small city car (including maintenance).

The vehicle models considered are: segments A, B, C and micro-cars.

The price will vary according to income and model (microcar, city car, compact car).

Vehicle production

- The State must contract with manufacturers for vehicles adapted to the needs.
- Less expensive, less equipped, a pre-set order, lower marketing costs. -30%

In use

- Maintenance and repairs are included in the rent. It is carried out by a network on a regular basis.
- the vehicle is leased for a minimum of 2 years.
- terms and conditions of contract closure are specified.
- After 10 years, the vehicle is resold on the second hand market.



Leasing

- Local players relay the offer to target groups.
- Eligible households sign up with a dedicated organization.
- What is the role of the national administration?

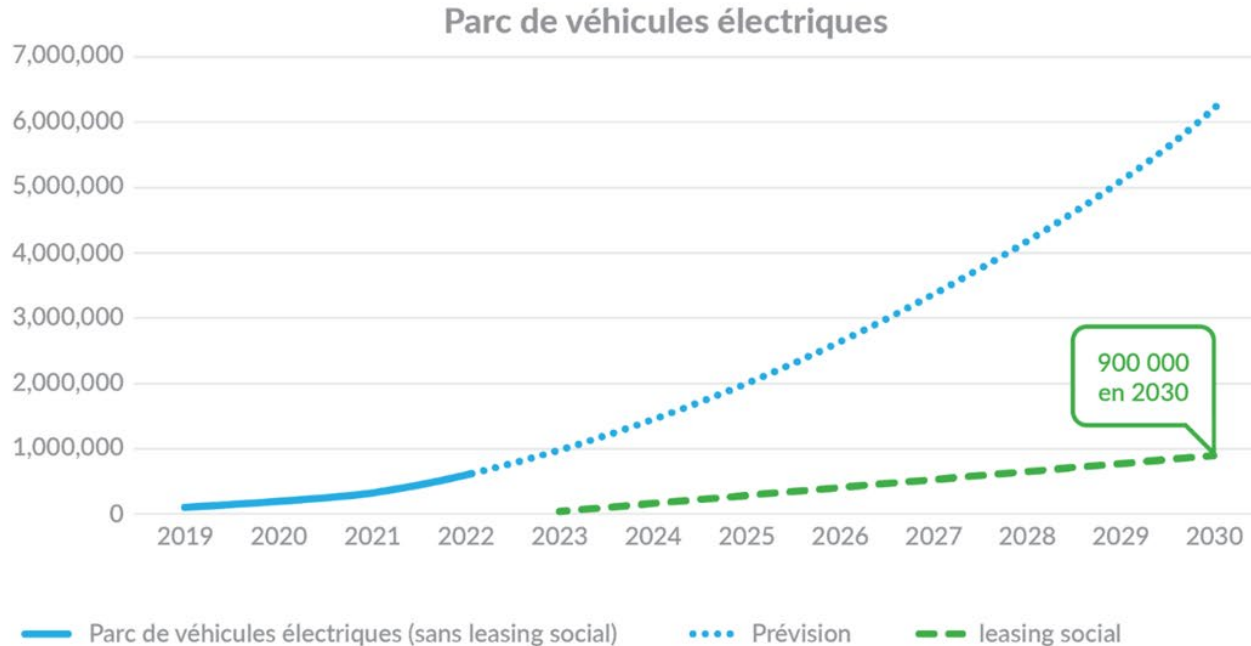
End of life

The vehicle is recycled as close as possible to 100%.

4 stages of social leasing

- The number of potential beneficiaries in France is estimated at 8.4 million by 2030.
- Not everyone will be interested, but it is estimated that the take-up rate could be around 900,000 people.
- The economic opportunity for the industry and services (maintenance and repair) is real, as leasing is an additional market.
- This market could represent up to 900,000 electric vehicles by 2030, or 15% of all electric cars on the road by that date.

Social leasing could account for 15% of vehicles on the road



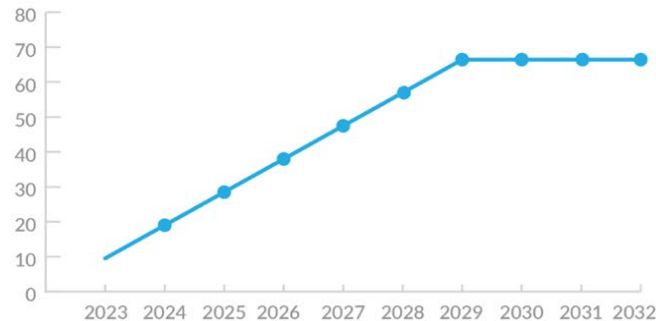
Source: Modélisation C-Ways, 2023.



Our budget estimation

- There is currently a budget of 1 billion a year for electric vehicle subsidies.
- We estimate the budget required for social leasing at an equivalent amount.
- We recommend that social leasing be substituted for the existing subsidy, which is not conditional on any social criteria and primarily benefits the wealthiest people.

Budget à provisionner pour
la garantie des loyers (M€)



Aides annuelles de l'Etat (800M€)

	235	449	98
D1	70	133	29
D2-3-4	166	316	68
Quadricycles	segment A	segment B	segment C

Our recommendations 1/2

1. First, take into account the needs of low-income households with a limited budget for transportation and keeping risk to a minimum.
2. Gradually transition the existing Evs subsidies to the social leasing programme under a multi-year financing scheme.
3. Establish an agreement between the government and manufacturers to produce electric vehicles specifically for the social leasing programme that are more economical and fit for everyday needs.
4. Establish agreements with maintenance and repair providers to pool risk.



Recommendations 2/2

5. Include requirements for circular economy principles in these agreements.
6. Involve manufacturers as well as regional, social and financial stakeholders, with the central government playing a coordinating role.
7. Involve local authorities as facilitators or leasing agencies.
8. Establish a transparent monitoring and evaluation process.

