## #ECONOMICSFOREVERYBODY



# 17 MILLIONS PEOPLE LIVE IN FLOODZONE AREAS IN FRANCE\*.

17 million people are exposed to flooding from overflowing rivers and 1.4 million to the risk of marine submersion.

\* Source: DGPR / Ministry of Ecological Transition (2020).



# CONTEXT

According to the IPCC, climate change will lead to an increase in the frequency and intensity of extreme natural events (floods, forest fires...).

Territories will be exposed to ever-greater risks, against a backdrop of population and housing growth.

# HOW TO BUILD RESILIENT URBAN DEVELOPMENT?





# REGULATION

One possibility is to regulate construction in high-risk areas.

→ To limit damage to buildings caused by natural disasters.

In France, this policy takes the form of urban planning regulations: Natural Risk Prevention Plans (PPRN).

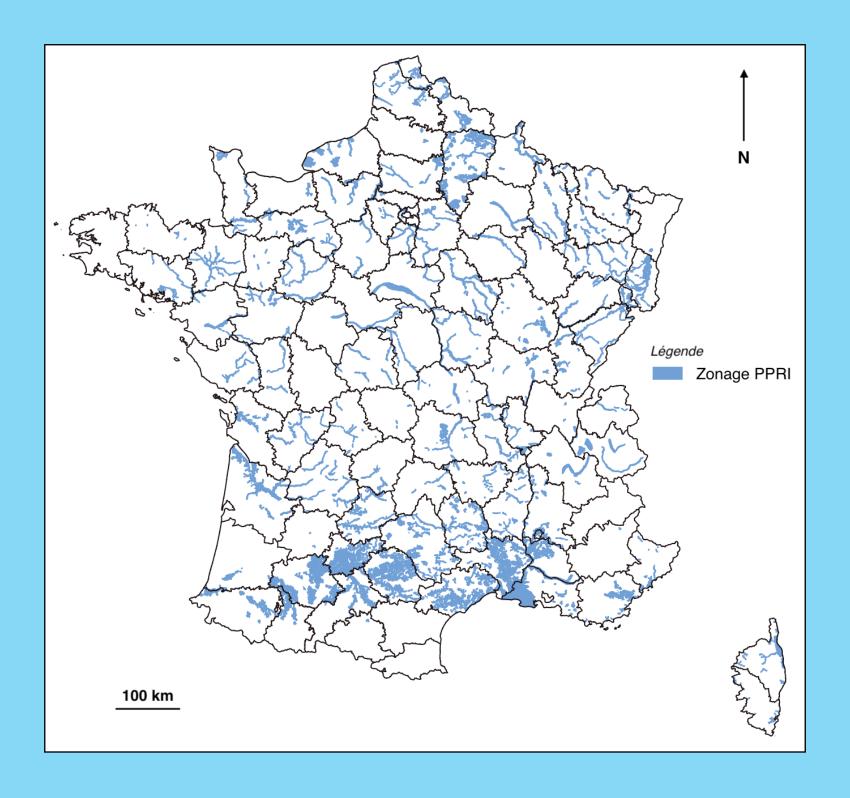
- These plans have been gradually implemented since 1995.
- By 2021, 57% of municipalities at risk of flooding were covered by a plan.





### **FOCUS ON FLOOD RISKS**

# Spatial distribution of the Flood Risk Prevention Plans (PPRIs)



- All PPRIs in force in 2021 that have not been revised
- Coverage: Mainland France (except *Pyrénées Orientales*)
- Source: Julia Paul-Venturine. Build at your own risk.
  Integrating disaster hazards into land use regulations, 2023.



# **STUDY**

• Administrations have made new geolocalized data available.



- → This makes it possible to find out which regulations apply to each plot of land.
- Sample selected: all PPRIs that have never been modified since their inception.
  - → We can therefore study the evolution of land markets before and after the introduction of new plans.





# **MECHANISMS**

- People are often unaware of the risks to which their homes are exposed.
- When they are set up, PPRs reveal this information to to residents.
  - → This can reduce the valuation of, and demand, for exposed goods.
  - → The new standards increase construction costs for new buildings.
- What is the effect of all these mechanisms?
- Can the adoption of a plan limit the exposure of homes in risky areas?





# CONCLUSIONS

- On average, the adoption of plans has no significant impact on new construction or land use at national level.
- Urban development in flood zones continues at the same pace as before a plan was adopted but with new and safer buildings.
- But these results can mask considerable heterogeneity between territories...





# **DYNAMIC**

- Most areas were undeveloped prior to the introduction of a plan, and remain so after its introduction.
- In areas where demand for housing is very high (urban centers, coastal areas), it far exceeds supply.
  - → This leads people to ignore the risks to which their homes are exposed.

From Julia Paul-Venturine, Build at your own risk. Integrating disaster hazards into land use regulations, 2023.

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