

MARSEILLE

European Capital of Housing, Speculation (and Repression)



If you had taken a early stroll down the Rue de la Republique in Marseille on Sunday morning the 22nd of November the first thing that would have struck you was that it appeared that nobody lived there. This might have been because of all the vacant shop and apartments, or alternatively due to the infamous icy Mistral wind blowing down from the North of the city and the 'Port Autonome' area which dares you to brave its Siberian wind chill factor. Further on a more surreal vista would have surprised even the most hardened activist. Across the wide boulevard stretched a line of black clad CRS special force police, blocking all car traffic and the recently opened tramway, jewel in the crown of Marseilles' regeneration projects. In one of many cruel ironies in this irony of irony story what Hausmann had intended as a formal planning mechanism to forestall uprising, even popular revolution had been surpassed. Behind the ranks of Police a group of around 50 mainly young people were dancing, singing, shouting and generally goading the massed ranks of "guardian de la paix."

Timed to coincide with the informal meeting of Housing, Sustainable Development, Urban Planning and Territorial Cohesion Ministers from all the European Union Countries this autonomous group had occupied N0 62 Rue de la Republique, a vacant apartment building belonging to Atemi SA, a unit of Lehman Brother Holdings Inc's Lehman Brothers Real Estates Partners LP managing the so called flagship regeneration project. (Part of Marseille Euromediterranee regeneration vison)

Why is this street so historically important and iconic?

For answers we have to go back in history and La Belle Epoque when Marseille was the Porte de l'Orient (Gateway to the East) and the French colonies, and consider the most recent debacle caused by Lehman Brothers bankruptcy.

"The old port gateway to North Africa has fast become a fast-developing city that is vying with Barcelona for the title of "Mediterranean capital", which means becoming a hub for business and finance with the southern rim."
THE BANKER - February 2005

<http://www.euromediterranee.org/html/print.php?sid=75&ppt=1>

La Rue de la République: story of a social and real estate gamble forever non successful, always trying

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“Urbain renovation or financial speculation” Residents and merchants are victims of the financial speculation and the inadequacies of the local authorities”

From the beginning, the big project of real estate investors in the second half of the 19th century has battled with the lack of interest of the Marseille elite. The buildings of the Société Immobilière Marseillaise (SIM) were rented to craftsmen, tradesmen and those working in the ports.

The SIM maintained rent at a low rate. This extended to those households protected by the law of 1948 who installed themselves after the destruction of “the Basket” in 1944.

Despite these laws, since the 1970's, the local areas have seen a progressive degradation due to the lack of upkeep from SIM real estate. Those that can move do; only the poorest stay in these areas: park property becomes “a park social fact”.

Today, the huge rehabilitation project started in 2002 under the name of OPAH (Programmed housing improvement operation) and the Euroméditerranée project, with the support of public authorities, spotlights successful financial investors. This operation very quickly became game for financial speculation, not only harming the renovation of living conditions and a community, but also countering elementary needs of the inhabitants and merchants. Without any convincing results. Between the Sadi Carnot center and the Joliette, the street appears to be void of social activity: with closed stores on the first floor and the apartments on the other floors mostly vacant.

What about the waltz capital and the successful owners? What about the profits made from the losses of the residents and the citizens of that city?

From 1987 to 2004: a first speculative wave brings in big profits without rehabilitation.

In **1986**, the government throws the law of 1948 out which attracts investors, and in 1987 the SIM sells its assets to Danone-Cofinda. This first investor allows the buildings to deteriorate and then resells, at a higher value in 2000 to the company P2C for 82M€. The first assistant, Renaud Muselier, congratulates himself on this “new energy”.

In **2002**, the State decides to give massive aid to Marseille, in the the name of the Euroméditerranée national interest project. Confronted by the risks of tenants being evicted because of a grand renovation project, the negotiates with the city two conditions: 1 – The city must commit to the restoration of 500 buildings in the ancient area by offering government housing which will give rise the “protocol determining the destruction of the unworthy resident”, an accord between the city and the State. 2- The city commits itself to uphold the rule 3/3 foreseen in l'OPAH (1/3 free housing, 1/3 government housing, and 1/3 interim housing). All protocol applying these concepts are signed by the Euroméditerranée Public Establishment and the owners of P2C and Eurazéo in return for public subsidies.

In **April 2004**, a part of the street sees new ownership: P2C, who has not carried out an investment in 4 years, sells its property assets for total of 117M€ (1,350 housing establishments and & 50,000m² of retail space) to an American pension fund (Lone Star Fund IV); 553 owners still reside in the resold apartments: for P2C that represents a loan of close to 30M€ without having done anything! Lone Star Fund – Marseille is created in a tax haven (double advantage – evade taxes and receive a discreet loan of 100M€, on behalf of Société Général and the group Caisses d'Épargne).

In keeping with the image of a real estate investment operation of medium term, and not purely as a speculative financial project, Lone Star creates a company with a local name, Marseille République (with a French CEO, Eric Foillard). However it was necessary to “sell” this plan to the residents of Marseille. A project is organized with the local authorities to present this as a chance for Marseille and its inhabitants. The city quickly agrees to the plan and the speculative money being brought into the urban areas. A press conference of the town hall and Marseille République announces the transfer of property.

“We are in agreement with the goals of Marseille-République” states Danièle Servant, assistant to the Urbanism campaign. However, confronted by journalists, the organizers make two confessions:

Danièle Sevant states: “the 650 families do not have a right to stay on the street of the Republic”, and “we are not permitted to give government housing”. The municipal support to Lone Star is clear. Eric Foillard announces a financial goal of an annual profit of 18% (cf. 20 minutes, August 24, 2004) which is 3 to 4 times more than the average profit for real estate investors. He announces this with sweat and tears). The following will show by what illegal means and pressure the group resort to to achieve this objective.

In **May 2004**, by way of a merger, the group Eurazéo inherits the other half of the street (140 buildings, 1,350 housing establishments and 60,000m² of retail space).

From 2004 to 2008 the intervention of **Marseille République** and **Eurazéo** – ANF in the renovation project, each on a part of the street of the Republic – what were the results?

In the 2004-2008 period, the State, via Euroméditerranée and the local authorities, spend considerable amounts of money on public facilities that give value to the area: a tramway (from the Joliette to Sadi Carnot), an underground parking lot with 700 spots, an underground area for retaining water, a recasting of the public roads, a substantial contribution to improving the facades of buildings to the benefit of the owners. Euroazéo – ANF receive 4,74M€ in grants for the rehabilitation under OPAH 2002-2006. These investments, beneficial for a building that has appreciated in value, come with no public controlled rent.

Eurozéo -ANF master in renovation, organizes its property tax loan for the duration.

Throughout these years Eurozéo-ANF have finished work on a part of its 140 buildings, apartment complexes, and retail space (7000m²). Its investment wager is based on an average term project that is very different from Lone Star: banking on the rent of franchised shop owners and changing the population little by little by slowing, over time, raising the rents of tenants and shop owners.

From an aesthetic standpoint, in the Vieux Port-Sadi Carnot area, the renovation was effective: the buildings are in good shape, the apartments and small shops have been touched up, storefront signs have appeared (H&M, Vert Baudet, Sephora, Mango, Celio, Hilton...) In order to higher its property tax profit, Eurozéo-ANF insists, when each lease is up for renewal, that the rent be comparable to the new buildings or those that were restored in the area, even if there was still work to be done.

Un Centre Ville pour Tous, once being permanently open to residents, were able to read dozens of letters from Eurazéo-ANF to residents warning them that their rent was going to increase by as much as 3 times the amount!

Long time residents have the threat of not being able to stay due to the raise in rent at the time of renewing their lease: they can dispute this with the departmental commission of conciliation that the landlord is obliged to get if the tenant refuses to pay the higher rent. But you have to ask how many are not aware of their rights in order to defend themselves from this?

Marseille République, master of short term speculative renovation.

Between 2004-2008, Marseille République, by implementing often very questionable methods of property trading, is beginning a massive operation to destabilize tenants and traders, in order to “liberate” the most amount of buildings possible which they will in turn sell to cut.

Tenants receive notices of them having to leave due to their apartments being part of this vast renovation project.

At the same time, a project of suppressing business is launched by using legal means more or less ethical to make a clean sweep benefiting franchises, those who raised the rents, and that will be more suitable to future tenants. The distress of the social structure is beginning.

Pressure and threats were carried out by the intermediary of the pseudo mediators of Marseille République in order to oust holders of leases from 1948. Today many have left, frightened or worn out by the intolerable conditions that they were subjected to (blackmail, violence on building sites, or unfulfilled promises) where after having been “bought” with a weak compensation package upon leaving.

Many tenants were able to withstand, with the support of local associations, and move back. Their anger, solidarity, and petitions manifesting at the demonstration on November 27, 2004 in front of l'Hôtel de Ville led the head of the regional administration, Christian Frémont, to establish from Lone Star Marseille République adherence to the rules in OPAH of 2002: the rehousing of tenants at a level equivalent to the rent they pay. Lone Star had to give up its wild profitability ideas and give away (at 650€ the m²) 356 homes to 6 social property lessors.

The “reality” of speculation

Beginning of 2008, 255 apartments (of 1.350) are being renovated to be sold at 3.800 €/m². If we take into account the other 356 housing that were sold back to the “social housing sector”, not even half of the housing units have been effectively renovated. Despite this, the investors of Lone Star are already cashing in their profit.

In between 2007-2008 the speculative investment fund Lone Star Marseille-République sell almost all their remaining real estate portfolio (with the exception of the “lot 30” in front of the sea) to two companies :

-to Buildinvest (Paris) 13 buildings not yet renovated comprising of 154 apartments vacant from tenants (lot 12) for 16M €

-to its american mirror-company « Atemi/Lehman Brothers Real Estates Partners », around 100 of buildings for a total price of 200M € (around half of these money are in form of dubious credits)

The surplus value created from Marseille République is on the range of 94M € in 4 years !

This is the price “paid” by the speculators of Marseille République for a renovation never completed where the tenants, the inhabitants and the local traders are the only victims, whereas the municipality did not cease singing the praises of the investors, without taking care of the compliance with the legal provisions, enacting rigorous principles for a restoration whose social stakes were obvious.

The company ATEMI, subsidiary company with 80% of Lehman Brothers, keeps the name Marseilles-Republic and place the funds under a company called : Marina Baie of the Angels, on **March 7, 2008**. Another ambitious 5 years capital spending program is announced by the newly formed company. For the 3rd time, although the crisis of the “poisoned” mortgages (subprimes) starts to touch the American large banks, and while the French real estate market started to drop, the city is pleased with this transaction:

“Such financial signatures regild even more the image of Marseilles” declares J.C. Gondard, general secretary of the city.

2008 and after...the financial crisis and the call to the responsibility for the public authorities: don't let the speculators on their own !

The bankruptcy in September 2008 of Lehman Brothers in the USA, and the general sense of unsecurity in new real estate investments, is likely to leave once again this part of the city to a state of urban waste land and social desert. The financial crisis touches the whole of the real estate sector. The other sectors will suffer indirect economic loss in this “credit cruch-desert” deliberative created. 600 apartments today are still to be renovated and nearly 60.000 sq.m of commercial space is available! The few tenants that are still in the buildings (in a derelict kind of state) are in a total uncertainty about their own future.

“The restoration of rue de la République, it is finished” said the public authorities in 2007.

The Municipality of Marseilles, that many times tried to “clean” the center of the city from their “poors”, will this time come out from its opacity and engage towards politics that will respect their own population? The town hall of Marseilles must produce a local and financial balance sheet of this operation and put it on the table to set out again on new bases. For a Centre Town For All, the public authorities - and in particular the State, the municipality and the all urban conglomerate of Marseille - must take the responsibilities against the defective plans of these speculative investors. They have tools to do that (capacity of negotiation the right price and possibly use, as municipality, priority aquisition rights) to reclaim this part of the city as common and public use.

Marseille, 14 octobre 2008
Patrick Lacoste, Antoine Richard

PRESS and Web-Links :

<http://marseille2008.no-vox.org/>

Les ministres européens du Logement sous pression

<http://www.metrofrance.com/x/metro/2008/11/23/eKbjCd2tVsYM/index.xml>

La faillite de Lehman Brothers se fait sentir jusqu'à Marseille

<http://www.rue89.com/marseille/2008/09/17/la-faillite-de-lehman-brothers-se-fait-sentir-jusqua-marseille>

Abus et dérives de la rénovation urbaine à Marseille

<http://www.rue89.com/marseille/2008/11/21/abus-et-derives-de-la-renovation-urbaine-a-marseille>

Marseille : des militants délogés du toit d'un squat par le GIPN

<http://www.laprovence.com/articles/2008/11/24/637454-Region-Des-militants-deloges-du-toit-d-un-squat-par-le-GIPN.php>

Marseille : la police met fin à la "réquisition" d'un immeuble

<http://www.rue89.com/marseille/2008/11/23/marseille-la-police-met-fin-a-la-requisition-dun-immeuble>

Jeunes squateurs arrêtés puis libérés

<http://journal-lamarseillaise.com/justice-faits-divers/jeunes-squateurs-arr-t-s-puis-lib-r-s-2.html>

Des squateurs délogés par le GIPN

<http://www.laprovence.com/articles/2008/11/23/636935-Region-en-direct-Des-squateurs-deloges-par-le-GIPN.php>

Marseille 23/11 European Housing Ministers with no roof over their head

<http://www.laprovence.com/articles/2008/11/25/638595-A-la-une-Et-soudain-une-mini-tornade.php>

<http://bellaciao.org/fr/spip.php?article75236>

http://mostlywater.org/fr_expulsion_occupation_de_toit_et_gipn_marseille

<http://lgvsite.canalblog.com/archives/2008/11/29/11551415.html>

<https://toulouse.indymedia.org/spip.php?article32138>

VIDEOS :

Manifestation pour le Droit au Logement à Marseille (and Repression)

<http://dailymotion.alice.it/video/k2hjOtrpI7cDvnQP07>

Marseille capitale européenne du logement

VIDEO I

http://tvbruits.org/spip.php?article1071#outil_sommaire_0

VIDEO II

http://tvbruits.org/spip.php?article1071#outil_sommaire_1

VIDEO III

http://tvbruits.org/spip.php?article1071#outil_sommaire_2

VIDEO IV

http://tvbruits.org/spip.php?article1071#outil_sommaire_3

Rue de la République

http://tvbruits.org/spip.php?article845&var_recherche=rue%20de%20la%20republique



OCCUPATION AND EVICTION OF THE “Toit du globe” IN MARSEILLE.

28th NOV. 2008

Original message from the occupants of the <<Toit du globe>>

<http://squat.net/fr/news/marseille281108.html>

<< We don't demand anything. We wait for nothing or for anybody. We are against repression and exploitation, we organize resistance ourselves. They will have to understand. We don't care about rights >>

It is 11.50 am on the night of the 23th Novembre 2008 when a small crew of people that congregate in solidarity at the bottom of the number 69, rue de la République, in Marseille, receive this sms announcing the occupation of the building, signed by the occupants of the “roof of the globe” (the name of the bar located at 69 rue de la République) .

During the day of the Sunday 22nd of November, the group displayed banners outside the building (<<They invest, so are we... >>) after it was occupied few days before of the public day of action and call in Marseille – Reclaiming Housing Rights in Europe! . The demonstration way pass under the windows of the newly occupied building in rue de la République...

While the Ministers for housing, urban development, sustainable development and regional cohesion policy meet the next days from the 24th to the 26th November in Marseille, a small group of people decided to “reclaim” one of the numerous empty buildings in the rue de la République.

After many years, the entire building portfolio of this road assembled under the name of “Euromed”, has been transferred to many investors : banks, pension funds, etc.. that slowly emptied the neighbourhood of its inhabitants, using different methods, evictions, intimidation, fires, aggressive squatters etc.. Today, half of the road is owned by ATEMI, and indirectly, by the now bankrupted investment bank, Lehmann brothers, as the main shareholder ATEMI.

Here are some of the slogans that were written in the banners : << rue de la république is empty, let's reclaim it >>, « Lehmann brothers is dead vive la crise ! »

That same night, a public discussion was planned in the “bar du globe” at 69 rue de la république, <<to build together answers and solidarity against urban management and expulsions >> (extract from the invitation flyer) The invitation also suggested proposing a collective management of the empty hotel and bar (le Globe). The project was not to make a spectacular and ephemeral occupation but rather to reclaim a space for living together and create a space for discussion and meeting that could help building concrete solidarity against the oppression from city planners and developers.

It is 8.30 pm. Around sixty people are eating a delicious pumpkin (donated by a wellwisher) soup cooked by a local autonomous restaurant collective and are peacefully discussing together in the packed bar. At some point, suddenly, a group of police (in riot uniforms – CRS) are coming towards the bar ready to attack. They blow up the plate glass of the shop window, some people are immediately behind, calmly eating. After that , in between panic and determination, all the people run inside the building and start going up the stairs; doing so, some sort of “emergency” barricades are built floor by floor, to slow up the police who are chasing the group up the building. This is revealed to be a particular efficient deterrent against the police. Everyone manages to reach the last floor of the building and a small group climb up onto the flat roof. All these people are not especially local inhabitants of the road and the action is not really premeditated. The fifty people that remain on the last floor are escorted down, encircled by the police outside the building and temporarily arrested. In the meantime the road and tramway has been blocked by the police but the occupants on the roof are determined!

Meanwhile a few people came together in rue de la République chanting << no evictions!>>. Little by little passers by joined the group and the traffic and the tramway is blocked by a large police squadron : CRS, special forces, anti-criminal brigades...

On the roof and in the street, no one is intimidated by the police operation, << come down from the roof and we will free everyone here>>, and psychological pressure from the anti-criminal brigades... Around 40 people from the “caravane du logement” (network of associations for the right to housing) are arriving in the Rue de la République. Meanwhile the police free all the 50 people that were en-circled and all are congregating in solidarity together in the street.

Over the all night lots of people come and go. There are at least 150 / 200 people at some point despite an extremely cold “mistral” wind blowing.

At the beginning the situation is very confused : the police are clearly deluded. We can image that the authorities are phoning left, right and centre to decide what to do with this embarrassing incident.

In parallel the occupants on the roof, now barricaded, are expecting the police to come since all the roads and exit of the building have been secured and surveilled. A dustbin burst into flames, a police car is stoned and then quiet. Everybody just waits.

Inside the police are trying to put pressure on the occupants of the roof and they start destroying all toilets and sinks of the hotel making lots of noise. They start mobilizing a network of people to try to make people descend from the roof, from the chief of the police to the sub-prefect, but with no result.

Below in the street, the “caravan du logement” bring hot drinks and food that is very helpful in the cold night of the mistral wind. Meanwhile, some covers, food and a megaphone arrive – with a solidarity rope – on the roof ; this just to say that determination can not be overcome by fatigue or the wind. On the street again, the group is smaller but the spirit still strong. La rue de la République has never been so lively for many years : people singing, slogan that echo between the roof and the street, football matches, spectacles... All night long, and all under the “vigil” eye of the police...

In the early hours of the morning, twelve coaches of CRS arrive at the building, together with a group of GIPN (the anti-terrorist brigade). The prefect is even called on the roof to try to make the last attempt at negotiations in vain.

He can not do anything with the revendications of the occupants :

the abolition of the class society and capital

the rehousing of all the previous inhabitants of rue de la République who have been evicted while their old flats renovated

In the meantime, some people that still live in the neighborhood (the very few that are still left there...) bring coffee and croissants to the people in the street in solidarity.

Finally at around 10 am, the GIPN (the anti-terrorist police brigade-all in black and with masked faces) climb up on the roof and proceed to secure the building. All the occupants are arrested and brought to the nearby police station where after few minutes all people from the street congregate in solidarity. The solidarity presence at the police station carry on until 4 pm when the occupants are freed without any charges. Here, one more time, there has been solidarity from the neighborhood : some workers from the nursing home nearby prepare coffee and bring sweets to the people in the street, while some old people stand around in solidarity...

24h in the life of Rue de la République : a convivial congregation in the street, the determination not be intimidated by the police territorial occupation and the attempt to live together and realise collective dreams.

All this must have been very expensive for the state : the enormous police operation, the all tramway blocked for more than 12 hours, and the roads blocked for almost an entire day.

We are not tired, we are determined.
On n'est pas fatigués, on est déterminés.

No Police – No to forced evictions
Ni flic, ni fric, ni expulsions

-The occupants of the “Toit du Globe” -