A Structural Understanding of the Management System of Condominiums in the French Metropolitan Area

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Abstract
Currently in Japan, a situation exists where condominium buildings and the established residents are aging. Additionally, the mixture of housing tenure within condominiums has increased. Therefore, some studies argue that asset management is becoming increasingly important from an economic standpoint. However, few studies have been conducted on both the sustainability of the buildings and the residents’ lives.

This study attempts to understand the condominium management system in a French metropolitan area, owing to its longer history of condominium use compared to Japan, and focuses on the legal framework used for housing management in France.

The investigation revealed that half of all sectional-owned units are rented in the French metropolitan area. The French use a management system based on suitable third parties employed to prevent problems and protect the inherent value of the real estate. There are two types of third parties employed. The first is the gardien, who is a functionary within an informal framework formed to care for a building and its residents. The other type is a professional manager called a syndic, who is considered a legal functionary. A gardien maintains the residential value for the residents, while the syndic aids in the owners’ decision-making.

Keywords: Management system, third party management, apartment house, caretaker, gardien

1. Introduction
1.1. Background
In Japan, many apartment houses encounter pressure to prolong their lifecycle. Concurrently, there has been an increase in the number of sectional-owned units (condominiums, hereafter) being rented, as well as an increase in the average age of residents (Saito, 2016). Therefore, there is growing interest in restructuring apartment housing management systems to support the extension of both building and resident lives.

We examined the management systems for condominiums in the French metropolitan area (Fig. 1), which has a long history of condominiums, to gain knowledge that can be applied in Japan. In the French metropolitan area, 60% of all apartment buildings have caretakers called gardiens. Our previous studies have identified several important roles of gardiens, not only in terms of building maintenance, but also with regard to overall welfare that supports resident independence (Sekikawa and Takada, 2015a and 2015b). However, a structural understanding of the management system involving gardiens remains controversial on the grounds that gardiens are not covered within the legal framework of the “Act of July 10, 1965” (Act of 1965, hereafter).

1.2. Aims of the Study
This study was designed to investigate French apartment housing management law, in order to gain a thorough understanding of the management system. We examined the arrangement of its components and the management duties performed by each component.

With regard to the management systems of condominiums in Japan, some researchers have emphasized the importance of creating an asset
management system (Itaya, 2006) in order to popularize real estate investing (Japanese Ministry of Land, Infrastructure, Transport and Tourism, 2009). However, little attention has been paid to management systems with the goal of sustaining both the infrastructure and resident lives in developed urban areas. Therefore, it is important to investigate how these systems can be improved through the analysis of cases in overdeveloped countries.

1.3. Before the Act of 1965 and the Current Situation

During the 19th century, there were three primary factors contributing to increased chaos within the apartment housing management system: 1) a generalization of condominium ownership (copropriété\(^1\)) (Konuma, 1992 and Suzuki, 1994), 2) a mixture of housing tenure within condominiums from an increase in rental house businesses\(^2\), and 3) a mixture of residents with different standards of living within the same condominium complex\(^3\) (Daumard, 1965).

To alleviate these chaotic conditions, owners employed a third party (portier or concierge as antecedents of the gardien) to perform services concerning the quality of the residents’ living experience. Additionally, for property management of real estate, the Act of 1965 provided regulations requiring each condominium to have a general meeting for management and install a property manager called a syndic de copropriété (syndic, hereafter).

As Fig. 2 indicates, in 2002, the number of existing apartment houses was about twice that of detached houses in the metropolitan area. Moreover, condominium units comprised over 80% of all apartment housing units (Table 1). In these condominiums, 46% of the dwellers were tenants. In the case of the Japanese metropolitan area, the ratio of tenants in condominium units was 21% (Morimoto, 1997).

### 2. Methods

#### 2.1. Definitions

The present study focused on understanding the structural management system involving gardiens. Therefore, we defined the management system in this study as having three parts: “components,” “space,” and “management duties.” The components can be further classified into three categories: the owner, the residents, and a third party (such as gardiens or management companies).

The management duties can be classified into three categories as well: decision-making, implementation of duties, and cost management. This classification is consistent with the concepts put forth by Takada (1991). It is normal for concrete housing management to be completely different because the technical terms and names of components vary depending on the language. With respect to this, it is not possible to establish clear differences and commonalities between management systems without implementing systematical classification. Takada succeeded in developing a logical approach that combined the house and housing management as a subsystem within the entire housing system. We agreed with Takada’s proposition that the management composition is best described systematically.

#### 2.2. Methods

There were three parts to this study: first, components that perform housing management duties in condominiums were verified through documents. Second, management duties were sampled from the text of the law, and were classified according to the three categories previously described in section 2.1. Third, the condominium management system was structurally organized using the components and the management duties, in order to clarify differences and similarities between the French metropolitan area and Japan.

The results were analyzed to gain an understanding of the essential character of the management system of condominiums in the French metropolitan area.
3. Results and Discussion

3.1. Components of Housing Management

Fig. 3 shows the components of housing management established in the Act of 1965. First, there are the homeowners’ association, called the syndicat, which consists of all of the sectional owners. Each sectional owner has the authority to make various decisions regarding condominium management in general meetings.

Secondly, it is the syndic who carries out property management business (clerical work) according to the decisions made by the syndicat in general meetings. Moreover, the syndic is supervised and supported by the directors of the association called the conseil syndical. There are two approaches to electing a syndic; the “loi Hoguet” French property law allows the syndicat to elect a pro-syndic or a non-pro-syndic. Pro-syndics have a license, technical knowledge, and the capacity to compensate for his/her professional negligence. Pro-syndics are generally not selected from the members of the syndicat (Fig. 4a). Pro-syndics have the right to charge his/her remuneration. Non-pro-syndics, on the other hand, are amateurs. Unlike for pro-syndics, syndicat members


<table>
<thead>
<tr>
<th>Management Duties</th>
<th>Syndicat</th>
<th>Conseil Syndical</th>
<th>Syndic</th>
<th>Gardien</th>
<th>Management Company</th>
<th>Residents</th>
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<tbody>
<tr>
<td>Decision of the Convocation of General Meeting</td>
<td>X</td>
<td>O</td>
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<td>Decision of Budget for Condominium Management (Common-area Charge)</td>
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<td>Scheme of Management Works about Common-area</td>
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<td>Scheme of Improve Construction of Common-area</td>
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<td>Decision of Employment Plan Concern with Common-area Management</td>
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<td>Decision of Contract Duties with the Employees (Duties, Payments, etc.)</td>
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<td>Decision of Contract of Equipment Company in Common-area (Gas, Electricity, etc.)</td>
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<td>Supervision and Reception of the Contractors for Repair or Improve Constructions</td>
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<td>Having Some Insurances Concern with Common-area</td>
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<td>Recruitment and Selection of the Employees</td>
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<td>Cleaning the Common-areas, Garbage Disposal, Guarding the Building, etc.</td>
<td>X</td>
<td>O</td>
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<tr>
<td>Cost for Activities of the Syndicat (Homeowners’ Association)</td>
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<td>Cost for Partial Repair Construction in Common-area</td>
<td>X</td>
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<td>Fuel and Light Expenses in Common-area</td>
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<td>Management Cost for Elevator</td>
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<td>Cost Incurred in the Establishment of Equipment in Common-area</td>
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<td>Cost for Improve Construction of Common-area</td>
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<td>Compensation for Professional Negligence of the Condominium</td>
<td>X</td>
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Legend  X: Legal Component, O: Component Decided by Regulation of Each Condominium.
are able to elect a non-pro-syndic from among themselves (Fig. 4b). The license and right to compensation of a non-pro-syndic are dispensable as he/she is a member of joint liability. The non-pro-syndic is often a volunteer.

Thirdly, there are other third parties such as gardiens and management companies. They carry out day-to-day management business (manual work), such as cleaning the common areas, garbage disposal, or performing security responsibilities. Regarding this third party, the need to employ a third party and the choice to employ a management company or a gardien are decided in a general meeting. It is possible for residents to carry out the day-to-day management business cooperatively; however, when problems occur, the syndic may freely reconsider the employment of a third party in a general meeting.

### 3.2. Management Duties

Table 2 shows the management duties extracted from the manual-book for condominium management (Lacroux, 2007), the Act of 1965, and Décret N° 67-223 du 17 mars 1967.

Regarding decision-making, as the table indicates, the syndic typically decides the schemes proposed by the syndic in a general meeting. However, in terms of implementation of duties, the syndic acts as the main driver. As mentioned above, the syndic performs clerical work, but manual work, such as cleaning the common areas, is often performed by the gardien, the management company, or the residents themselves.

In addition, regarding costs, the expenses paid by the syndic include the costs of the activities of the syndic, a common-area charge, and compensation for the asset value damage of the condominium. Depending on the regulations, it is possible to have the residents bear a part of the common-area charge. In terms of costs for recruitment of employees and compensation for his/her professional negligence, the syndic usually bears the cost.

### 3.3. Characteristics of the French Condominium Management System

We studied the patterns of various management components, as outlined by the five possible combinations and three patterns shown in Fig. 5. O-1 and O-2 represent the pattern in which the manager is the same person as the owner (owner-management). U represents the pattern in which the manager is same person as the user or resident (user-management). In addition, M-1 and M-2 represent the pattern in which the manager is a third party (third party management).

Taking this study into account, Table 3 summarizes the relationship between a management duty and its component in order to compare the characteristics of management systems in France and Japan.

As Table 3 indicates, the step of decision-making in the French case comprises the syndic as a third party having technical knowledge. It is frequently possible for owners to be ignorant regarding condominium management. The intervention by a professional third party enables the syndic, or owners’ association, to lighten their load significantly, so that the owners are
merely responsible for ratifying the schemes. Moreover, the step of implementing duties consists of the legal framework within which the syndic is responsible for clerical work, and the informal possibility of a third party, such as a gardien, responsible for manual work. If the syndicat, or owners’ association, decides to employ a third party such as a gardien, it enables the owners or residents to save their time for day-to-day management and significantly lighten their physical obligations.

Considering the diversity of individual resident lifestyles, the physical condition of residents, their ages, and the mixture of housing tenure, it can be presumed that a management system involving a third party is a viable solution to alleviating some of the challenges previously mentioned.

In addition, the management costs involve not only those of sectional owners, but also those of the syndic because the syndic is required to provide compensation if they commit a fault. Therefore, the syndic has the responsibility not only to perform clerical work and scheme development, but also the recruitment or selection of the third party. This results in the allocation of all management duty steps.

Finally, it can be said that, as far as Japanese management systems are concerned, it is impossible to free sectional owners from all management responsibilities. In recent years, there have been a growing number of management companies and financial institutions interested in condominium management from an economic standpoint; the homeowners’ associations should decide whether to employ them. Considering the lack of manpower, knowledge, and time, it can be presumed that many homeowners’ associations are too overworked to restructure their management systems.

4. Conclusions

It has been noted that many apartment houses have remained intact for long periods of time in the French metropolitan area. Over half of these apartment buildings have gardiens who support residents’ independent lives.

However, there are several disadvantages to managing apartment buildings, particularly condominiums, in the French metropolitan areas (e.g., the mixture of tenure). The aim of this study was to identify an approach to manage both building and resident lives in developed urban areas sustainably.

It should also be noted that the condominium management system structure in French metropolitan areas is composed of a double framework. One part is a formal framework established to protect the asset value of the condominiums by the Act of 1965. The other is a traditional informal framework established to carry out the day-to-day management affairs by a gardien, for example. This type of third party executes not only manual work for the maintenance of the building, such as cleaning the common-area, but also life support service for residents (Sekikakwa, 2005a). It can be said that this informal framework reinforces the formal framework.

It should be noted that both frameworks use a third party judiciously. Considering the characteristics of the French condominium management system, to improve Japanese condominium management, more attention should be given to developing a management system that involves a third party.

5. References


6. Endnotes

1. Suzuki (1994) describes the genesis of French condominium ownership. Initially, “the sectional-owned floor” developed as a practice in the 16th century, in the southeastern, southern, and northwestern regions of France. During the postwar housing crisis in France, the government legally recognized condominium ownership (copropriété) in order to accelerate prompt housing construction through private initiative (No.644, Civil Code of France, 1804).

2. Suzuki (1994) explains that the following were familiar sights in Paris of the early 19th century for an investment. The owner of the building rented some units to somebody while dwelling in one of them, or he/she rented all of the units of the building to somebody while living in another place (absentee owner).

3. Daumard (1965) explains, “the tenants on every social level had lived vertically in the buildings” in Paris of the 19th century as “Une tradition tenace veut que dans les maisons de Paris : au XIXème siècle, des locataires de condition sociale très différente se superposaient d’étage en étage (sic).”

4. INSEE means Institut National de La Statistique et des Etudes Economiques.

5. The author added the designation for the person who does the management business to the figure from Funahashi (2002).

6. According to the 21st article of the Act of 1965, the presence of a conseil syndical is generally obligatory in a condominium. However, in the case that the condominium is small scale, it may be excluded from condominium regulations.

7. The questionnaire by ANIL-ADIL (2011) network in 2001 (N = 1,400 homeowners), it states, “more than three fourths of homeowners, and almost all of them who are in condominiums consist of more than 20 houses. They are managed by a pro-syndic. However, in the condominiums of less than 10 houses, it is frequent that the management is ensured by a non-pro-syndic: they are 38% in this case”, as “plus de trois copropriétés sur quatre, et la quasi-totalité de celles qui regroupent plus de 20 lots, sont administrées par un syndic professionnel. Toutefois, dans les copropriétés de moins de 10 logements, il est fréquent que la gestion soit assurée par un syndic bénévole : elles sont 38% dans ce cas (sic)”. 

7. Acknowledgements

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