

# HOUSING POLICY PERSPECTIVES FROM ACROSS THE OECD

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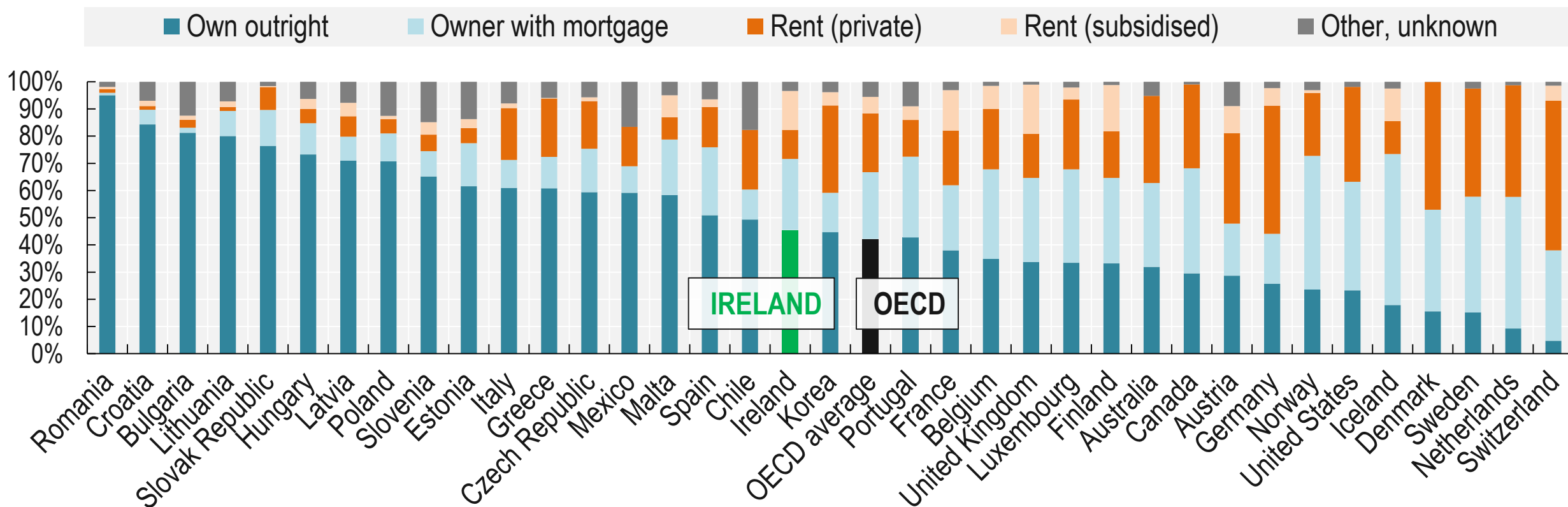


# COMMON HOUSING CHALLENGES ACROSS THE OECD



# Like many countries, Ireland is dominated by homeowners: Seven in ten households own their home.

## Share of households in different tenure types, in percent, 2018 or latest year



Note: Tenants renting at subsidised rent are lumped together with tenants renting at private rent in Australia, Canada, Chile, Denmark, Mexico, the Netherlands and the United States, and are not capturing the full extent of coverage in Sweden due to data limitations.  
Source: OECD Affordable Housing Database, [Indicator HM1.3](#). OECD calculations based on European Union Statistics on Income and Living Conditions (EU SILC) survey 2018 except for Ireland, the Slovak Republic, and the United Kingdom (2017), and Iceland (2016); the Household, Income and Labour Dynamics Survey (HILDA) for Australia (2017); the Canada Income Survey (CIS) for Canada (2016); Encuesta de Caracterización Socioeconómica Nacional (CASEN) for Chile (2017); the Korean Housing Survey (2017); Encuesta Nacional de Ingresos y Gastos de los Hogares (ENIGH) for Mexico (2016); American Community Survey (ACS) for the United States (2016).



# Despite differences, several housing challenges are common across countries.



**Rising housing prices** (especially in the private rental sector), and **increasing household spending on housing** in recent decades



**A need to maintain and upgrade** the stock



**Growing rates of homelessness** in many countries, and an increasing diversity in the composition of the homeless population



**Declining public investment** in housing development, including a decline in the relative share of social housing in most countries

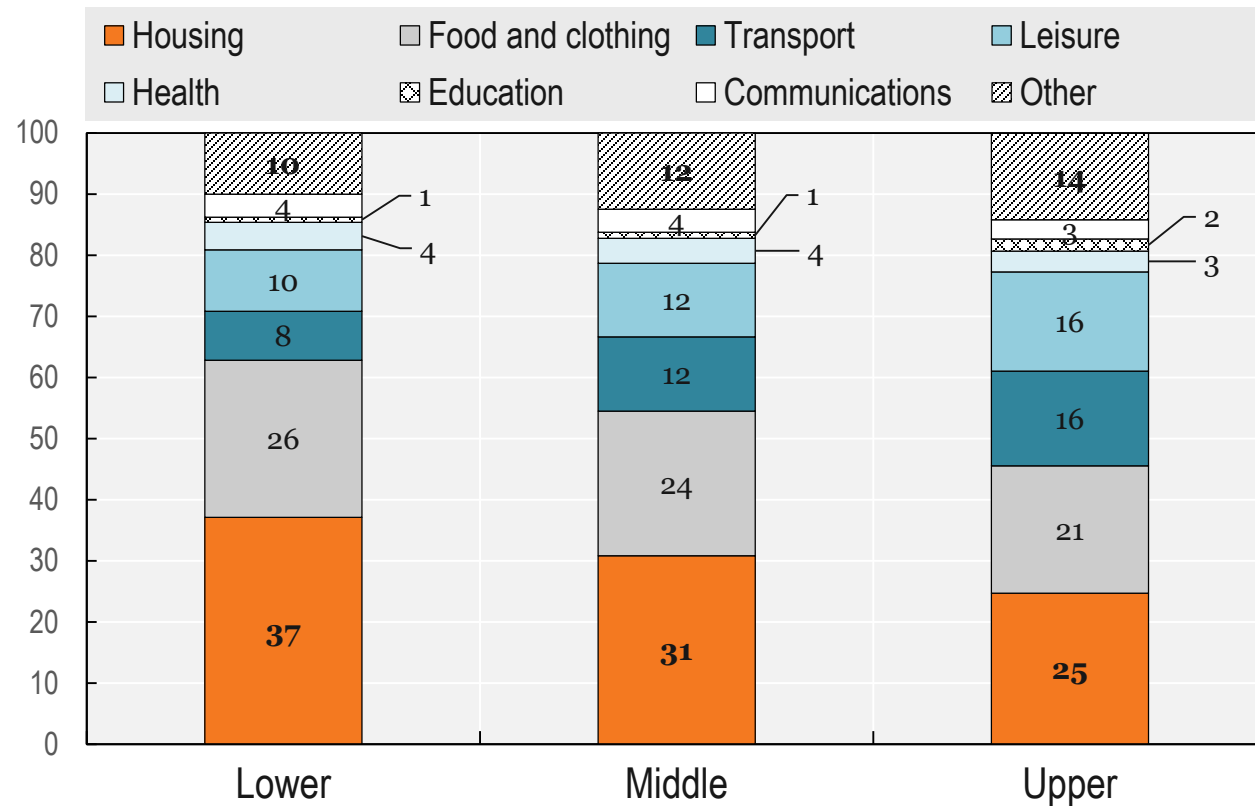


**Impacts of COVID-19:** Navigating the challenging, uncertain road ahead

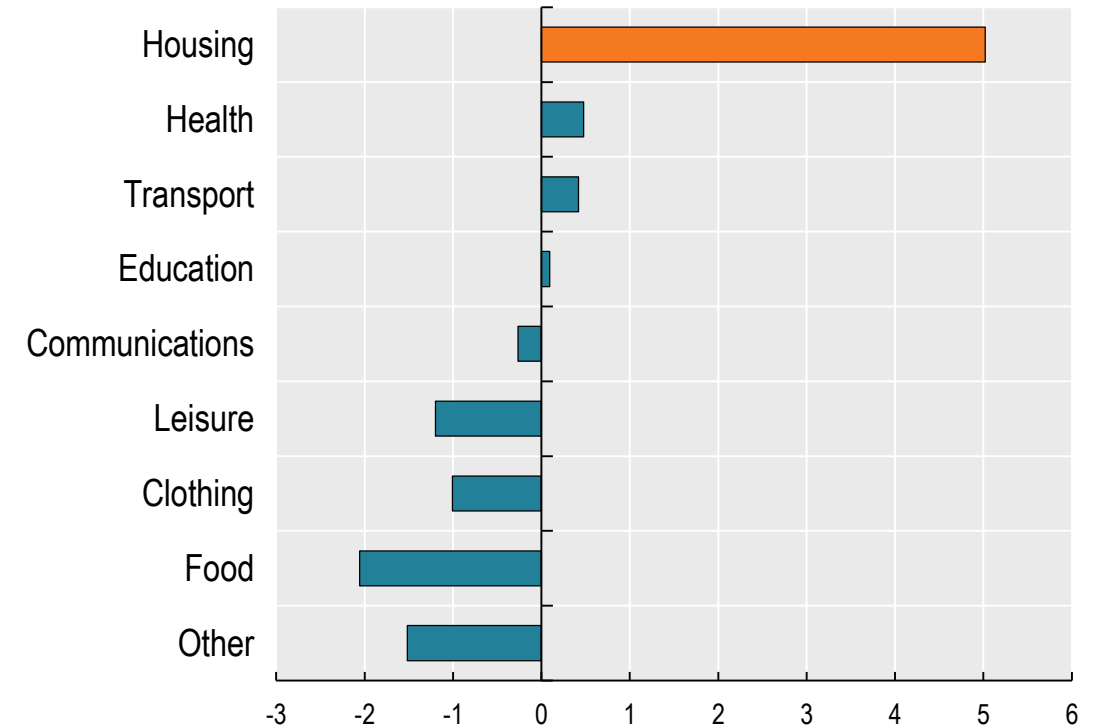


# Housing is the biggest household spending item – and its share in household budgets has grown.

**Items as shares of household budgets by income class**  
OECD average, 2016 or latest year available.



**Percentage point changes in shares by item of household budgets**  
OECD-20 average, 2005-2015



Note: See explanatory note in OECD (2019), *Under Pressure: The Squeezed Middle Class* for details on household the consumption expenditure data. Panel B: OECD 20 unweighted average refers to the following countries: Austria, Belgium, Czech Republic, Finland, Germany, Greece, Hungary, Ireland, Lithuania, Luxembourg, Latvia, the Netherlands, Norway, Poland, Portugal, the Slovak Republic, Slovenia, Spain, Sweden and Turkey. OECD 10 unweighted average refers to the following countries: Austria, Belgium, Finland, Germany, Greece, Ireland, Luxembourg, the Netherlands, Portugal and Sweden.

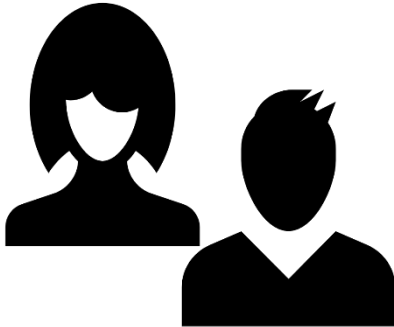
Source: OECD (2020), *Housing and Inclusive Growth*, drawing on analysis prepared for OECD (2019), *Under Pressure: The Squeezed Middle Class*.





# Homelessness rates have risen in many countries, and the faces of the homeless are increasingly diverse.

## Youth



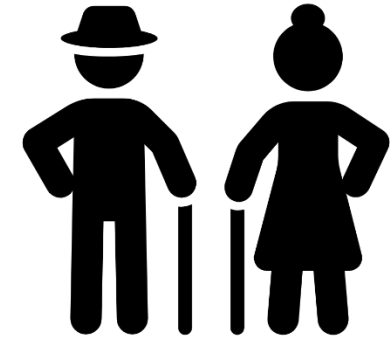
- Youth homelessness increased in **Australia**, **Ireland** and in **New Zealand**.
- Youth homelessness declined in **Denmark**, after increasing for over a decade.

## Families



- Family homelessness nearly quadrupled in **Ireland** over a four-year period.
- Family homelessness rose in **New Zealand**, **England (UK)** and in some **US** states.

## Seniors



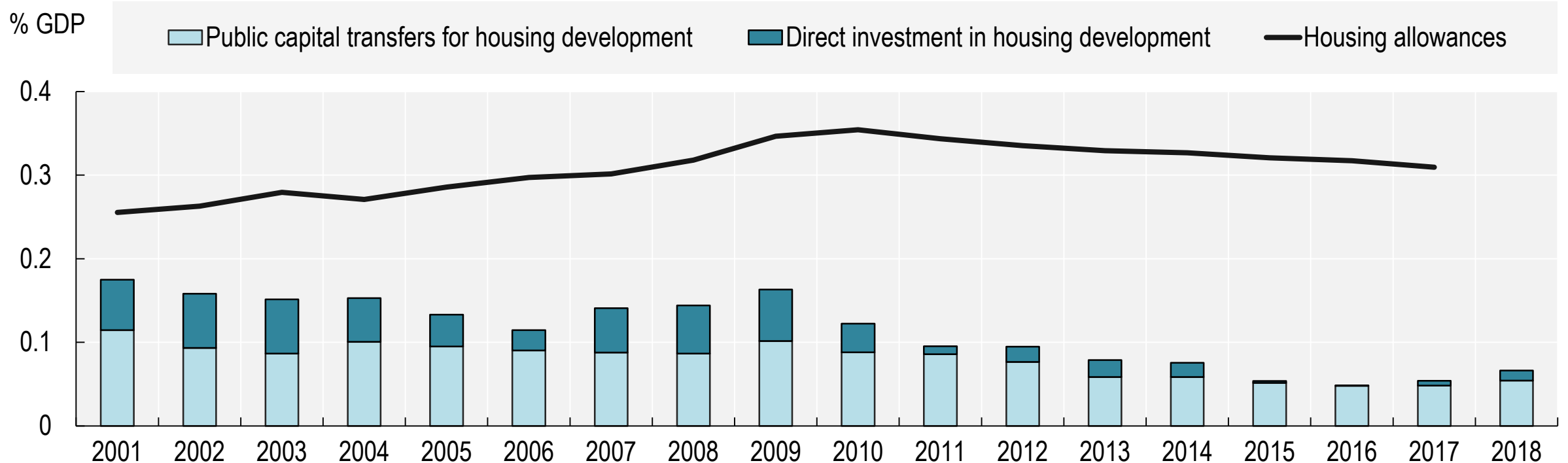
- The share of seniors in homeless shelters in **Canada** increased by 50% from 2005 to 2016.
- In 2018, England (**UK**) recorded the highest rate of senior homelessness in 10 years.
- In NYC (**USA**), senior homelessness has more than tripled in 10 years.



# Over the past two decades, public investment in housing development has been cut in half.

## Public capital transfers and public direct investment in housing development, and public spending on housing allowances and rent subsidies

OECD-25 average, as % GDP, 2001 to 2018



Note: The OECD-25 average is the unweighted average across the 25 OECD countries with capital transfer and gross capital formation data available for all years between 2001 and 2017. It excludes Australia, Canada, Chile, Iceland, Israel, Japan, Korea, the Netherlands, New Zealand, Turkey and the United States.

Source: OECD National Accounts Database, [www.oecd.org/sdd/na](http://www.oecd.org/sdd/na) and provisional data from the OECD Social Expenditure Database, [www.oecd.org/social/expenditure.htm](http://www.oecd.org/social/expenditure.htm).



# The impacts of COVID-19 on social and affordable housing. Preliminary evidence from OECD countries



**Renewed focus on gaps in housing quality and access to services during extended shelter-in-place orders.**

- Higher infection rates recorded among people living in overcrowded + high density environments.



**Heightened housing insecurity, resulting from the economic fallout.**

- Impacts differed across tenures, income quintiles, other household characteristics.

*(Eurofound Survey, US Household PULSE Survey)*



**Many governments introduced temporary emergency housing support in response to COVID-19.**

- Mortgage forbearance, eviction bans among the most common types of support.





# Many countries introduced emergency housing support in response to COVID-19

Type of measure / support	Country
<b>For tenants:</b>	
<ul style="list-style-type: none"><li>Prohibit <b>evictions</b> due to missed payments</li></ul>	<ul style="list-style-type: none"><li>Australia*, Austria*, Belgium*, Canada*, France, Germany, Hungary, <b>Ireland</b>, Israel*, Luxembourg, the Netherlands, New Zealand, Portugal, Spain, UK, US*</li></ul>
<ul style="list-style-type: none"><li>Deferment of <b>rent payments</b></li></ul>	<ul style="list-style-type: none"><li>Austria, Mexico, Portugal*, Spain*</li></ul>
<ul style="list-style-type: none"><li>Temporary reduction/suspension of <b>rent payments</b></li></ul>	<ul style="list-style-type: none"><li>Greece, Portugal*, Spain*</li></ul>
<ul style="list-style-type: none"><li>Prohibit <b>rent increases</b></li></ul>	<ul style="list-style-type: none"><li><b>Ireland</b>, New Zealand, Spain*</li></ul>
<ul style="list-style-type: none"><li>Reforms to <b>financial support for renters</b></li></ul>	<ul style="list-style-type: none"><li>Japan*, <b>Ireland</b>, Luxembourg, Portugal, Spain</li></ul>
<b>For homeowners:</b>	
<ul style="list-style-type: none"><li>Deferment of <b>mortgage payments</b></li></ul>	<ul style="list-style-type: none"><li>Australia*, Austria, Belgium, Canada*, Colombia, the Czech Republic, Germany, Greece, <b>Ireland</b>, Israel, Italy, Lithuania, Mexico*, Portugal, the Slovak Republic, Spain, UK, US*</li></ul>
<ul style="list-style-type: none"><li>Prohibit <b>foreclosures</b> due to missed payments</li></ul>	<ul style="list-style-type: none"><li>US*, the Netherlands, Portugal</li></ul>
<b>For all households:</b>	
<ul style="list-style-type: none"><li>Deferment of <b>utility payments</b> and/or continued service even if payment missed</li></ul>	<ul style="list-style-type: none"><li>Austria, Belgium*, Colombia, Germany, Japan, Korea, Portugal*, Spain, US*</li></ul>
<ul style="list-style-type: none"><li>Reform to <b>housing subsidy</b></li></ul>	<ul style="list-style-type: none"><li>France (planned reform postponed), Spain</li></ul>
<b>For the homeless:</b>	
<ul style="list-style-type: none"><li>Emergency support to provide shelter to <b>homeless</b></li></ul>	<ul style="list-style-type: none"><li>Australia, Austria, Canada, France, <b>Ireland</b>*, New Zealand, Portugal, Spain, UK, US*</li></ul>

\*Measure applies only to some jurisdictions/cases



# ASSESSING HOUSING POLICIES: EXPERIENCES FROM THE OECD



# Lessons from the OECD: Effectively assessing housing policies and outcomes

## A strong evidence base to anchor a comprehensive policy assessment

- Assess the many **different dimensions** of affordability
- Conduct a **cross-cutting assessment** of the range of housing policies + supports
- Identify **who is struggling** or poorly served by the current policy framework, as well as **what information may be missing**

## Broad stakeholder engagement

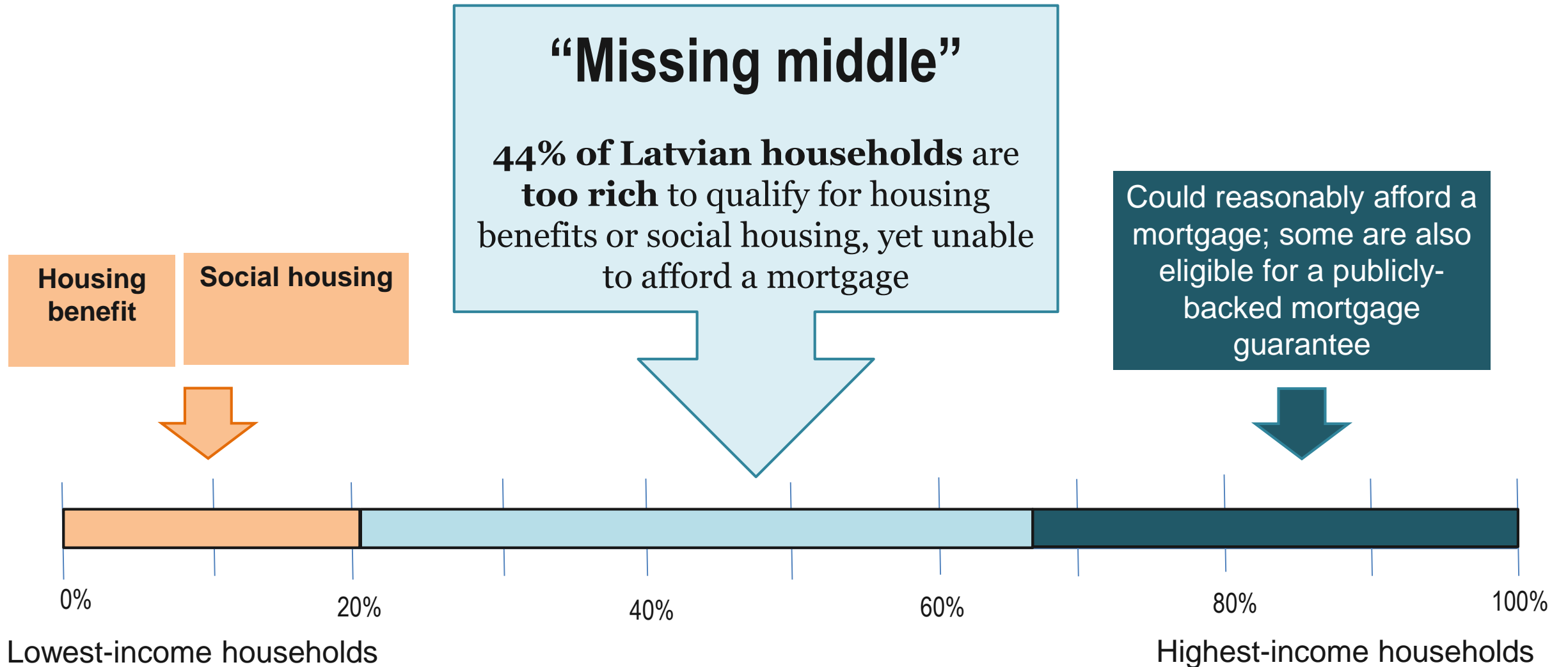
- Engage with a **broad range of stakeholders**:
  - Policy makers, housing developers, local governments, Parliamentarians, academics, think tanks, NGOs, banks...
- Invite **outside perspectives and expertise** (e.g. Peer Reviewers)

## Estimates of the potential impacts and costs of reforms

- Develop **simulations** to estimate:
  - the potential beneficiaries
  - the potential budgetary impact(s)of different policy scenarios



*Example:* Mapping who is ineligible for public support for housing in Latvia, yet still struggles to afford housing (1/2)





## Example: Understanding who is Latvia's "Missing Middle" (2/2)



*The "missing middle" = people who are "too rich" to qualify for housing allowances/social housing, but unable to afford a mortgage*

### By income level

People across the income spectrum – but the majority of households in the second & third income quintiles

### By household type

The majority of single-person households and a large share of single-parent households

### By tenure

Many renters in the private market, as well as a large share of homeowners

### By age

Over half of people aged 65+, and around a third of people aged 30 to 64



# Example: Estimating the potential impacts & costs of selected housing reforms. Who would benefit? How much would it cost?

## Aim of simulations:

1. Estimate **potential beneficiaries** (# of households & household characteristics)

**Financial support schemes**  
(*subsidies/loans to households & developers*)

- A **grant to households** to finance dwelling improvements could benefit thousands of households upgrade their home.
- A **long-term government loan to households** could help increase housing affordability, especially for larger apartments for families.

2. Estimate **potential budgetary impact**

**Reforms to the housing benefit scheme** (*using EuroMod simulation*)

- Introducing an **earnings disregard** in calculating households' eligibility for the housing benefit could **meaningfully increase the coverage and generosity** of the benefit.
- Such a reform could extend coverage to more **single parents, dependent children and working adults** and could help **lift up to 19,000 people out of poverty**.





# OECD work on affordable and social housing

## Policy briefs

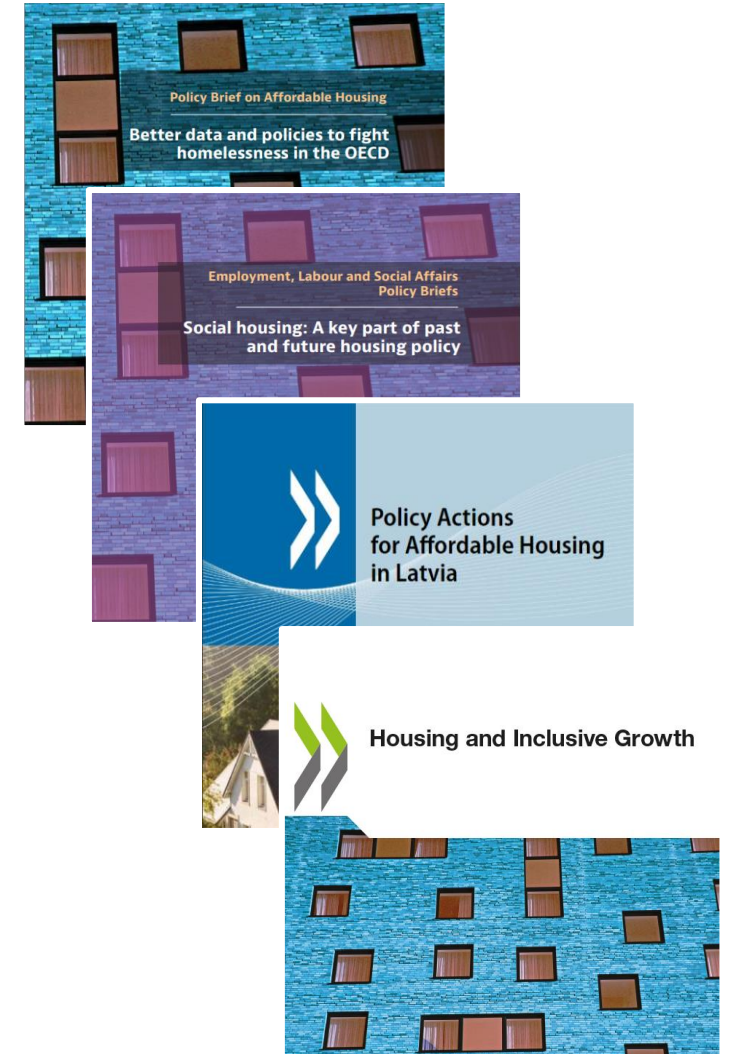
- Homelessness (<http://oe.cd/homelessness-2020>)
- Social housing (<http://oe.cd/social-housing-2020>)
- Affordable housing policies – *To be released 18 January 2021*
- Housing for people with disabilities - *May 2021*

## Cross-national data & evidence

- Updates to OECD Affordable Housing Database (<http://oe.cd/ahd>) - *Spring 2021*
- OECD Housing Gateway ([www.oecd.org/housing](http://www.oecd.org/housing))

## Thematic reports & Country reviews

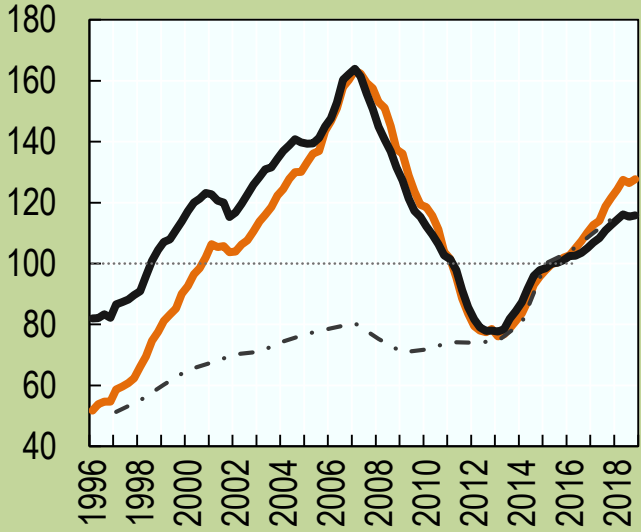
- Policy Actions for Affordable Housing in Latvia (<http://oe.cd/latvia>)
- Housing and Inclusive Growth (<http://oe.cd/hig2020>)
- OECD Housing Synthesis Report - *Spring 2021*



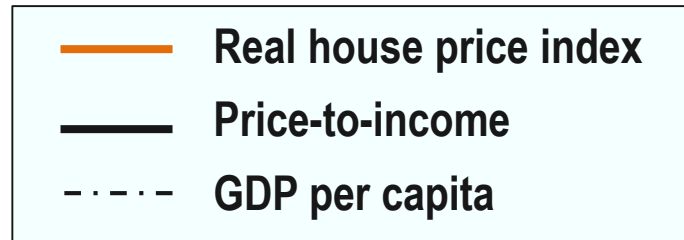


THANK YOU

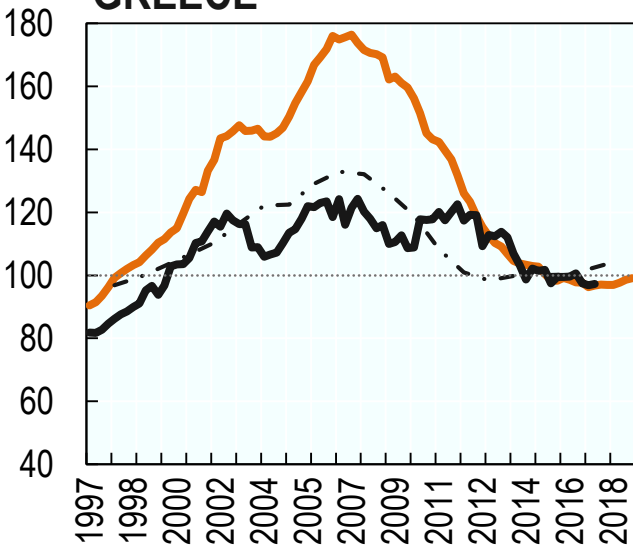
## IRELAND



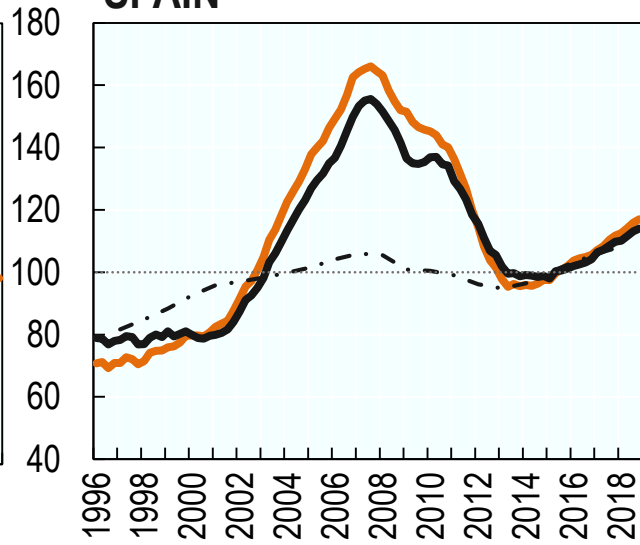
## Evolution of housing prices from mid-1990s: Selected OECD countries (1/2)



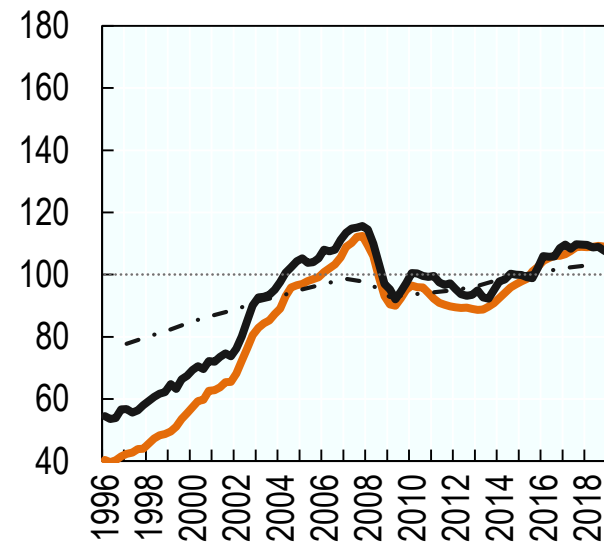
## GREECE



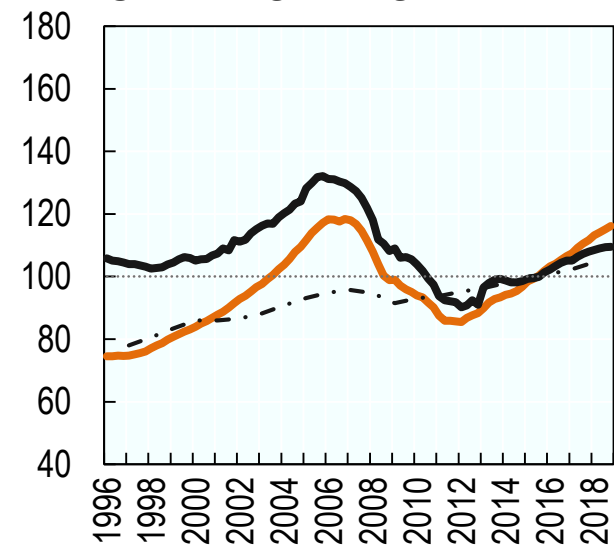
## SPAIN



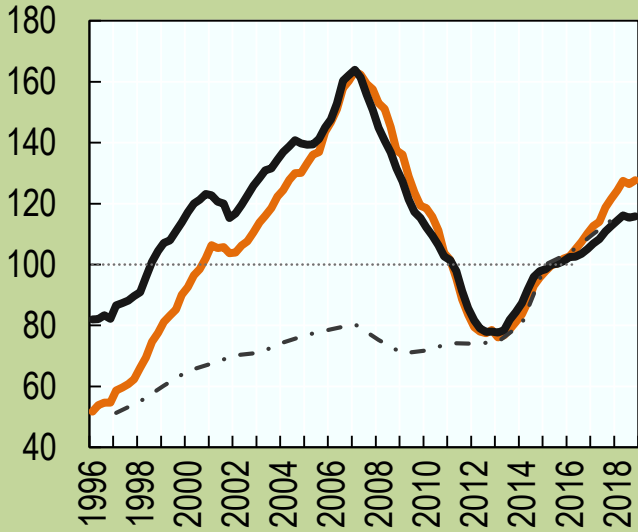
## UNITED KINGDOM



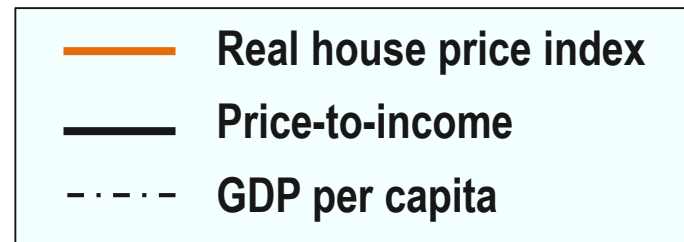
## UNITED STATES



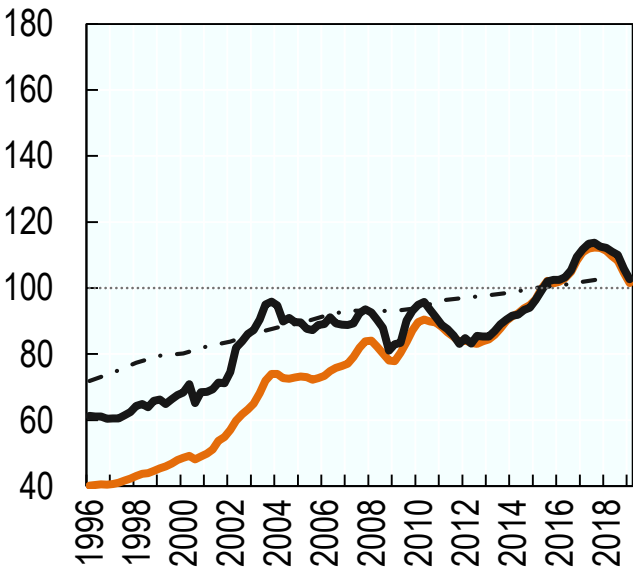
## IRELAND



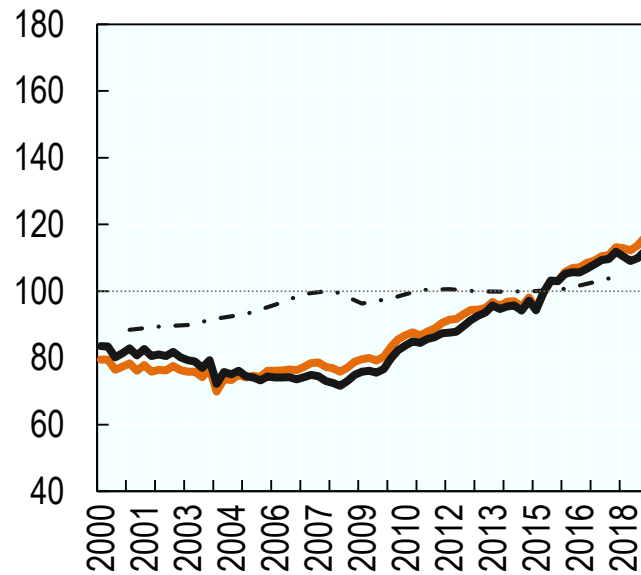
## Evolution of housing prices from mid-1990s: Selected OECD countries (2/2)



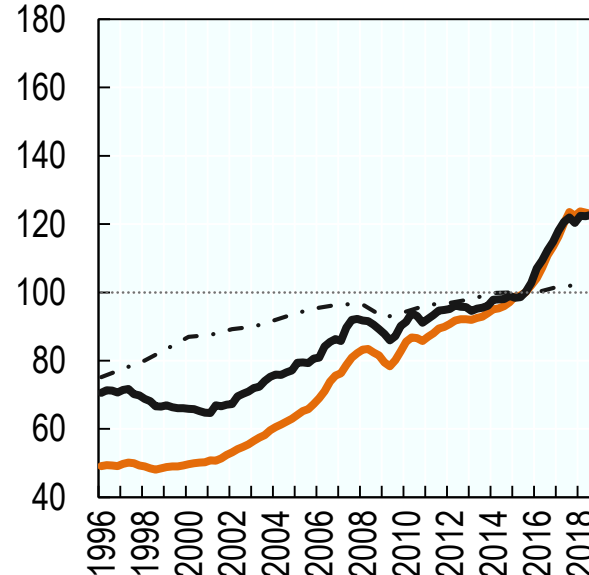
## AUSTRALIA



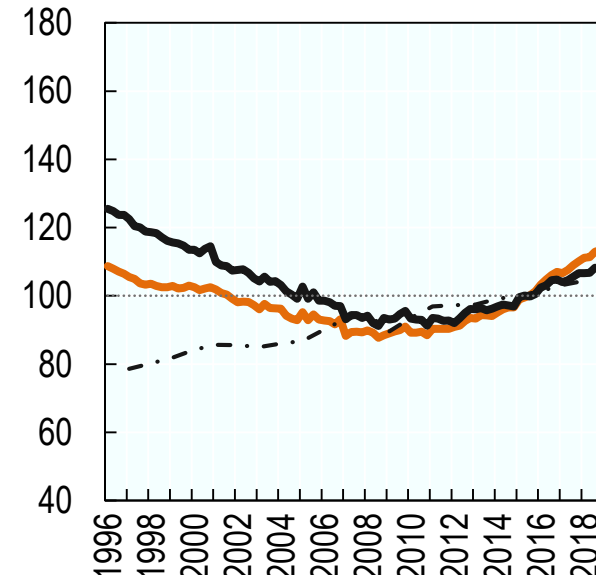
## AUSTRIA



## CANADA



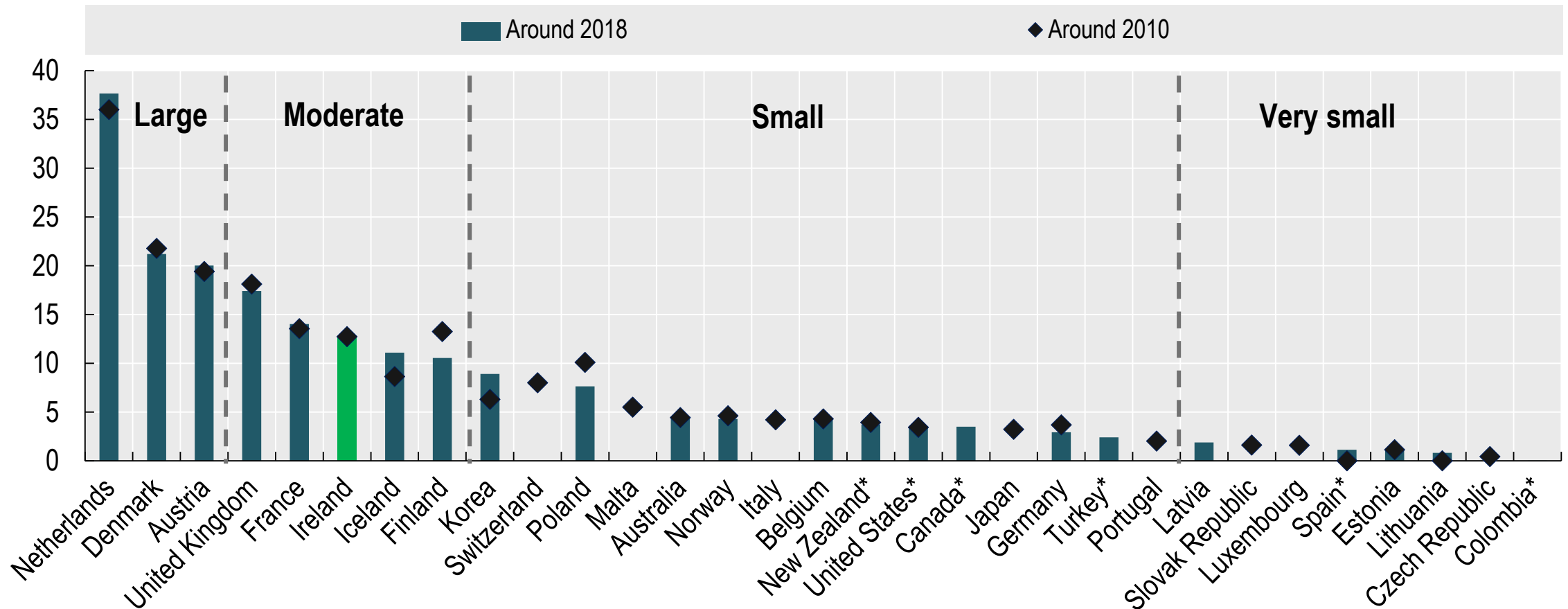
## GERMANY





# Social housing represents over 28 million dwellings in the OECD – around 6% of stock.

Social rental dwellings, % of the total housing stock in selected years (2010, 2018)





# Most countries support homeowners, offer housing allowances & social housing

## Overview of housing policy instruments: Number of reporting countries using each policy measure

