



AFFORDABLE HOUSING & HOMELESSNESS: CHALLENGES ACROSS THE OECD

Marissa Plouin

Housing Policy Analyst

OECD Directorate for Employment, Labour and Social Affairs



Increasing pressures, some success stories - but no comprehensive policy guidance

À Paris, près de la moitié des sans-abri sont à la rue depuis plus d'un an

Finland has found the answer to homelessness. It couldn't be simpler

30,000 empty homes and nowhere to live: inside Dublin's housing crisis

UK housing crisis hurts the young and the poor

Gov. Gavin Newsom calls for 'Marshall plan for affordable housing'

"We have a homeless epidemic that should keep each and every one of us up at night," adds California's new governor

Millennial housing crisis? Turns out, it's real and worse than you thought

Housing market outlook worst 'for 20 years'

Social housing waiting lists grow as more 'urgent cases' get priority

Microsoft Pledges \$500 Million for Affordable Housing in Seattle Area

Stockholm's digital billboards now help the homeless find shelter during freezing weather

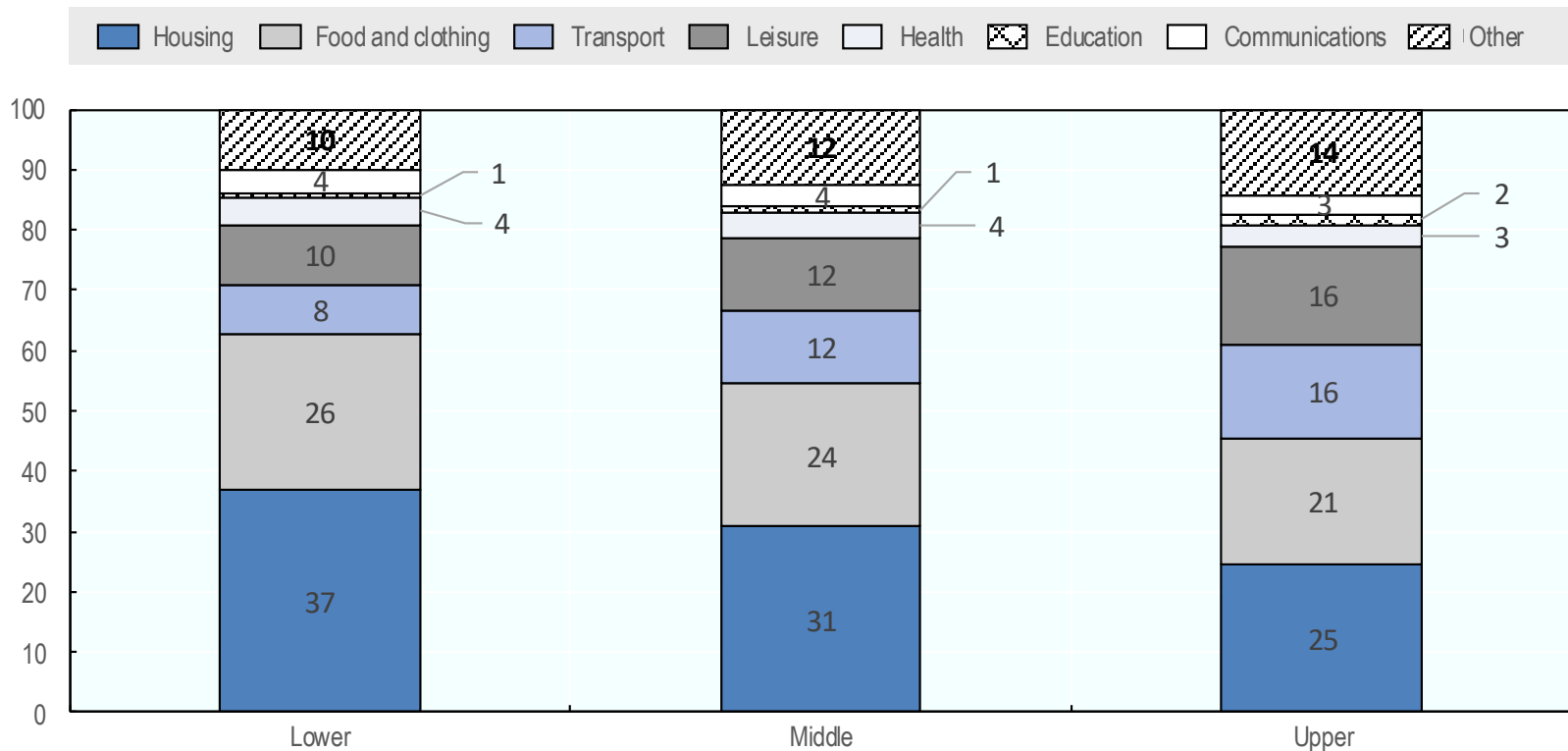
Maps will replace advertisements on extra cold nights

AFFORDABLE HOUSING &
HOMELESSNESS IN THE OECD:
WHAT DO WE KNOW?



Households face high housing costs.

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

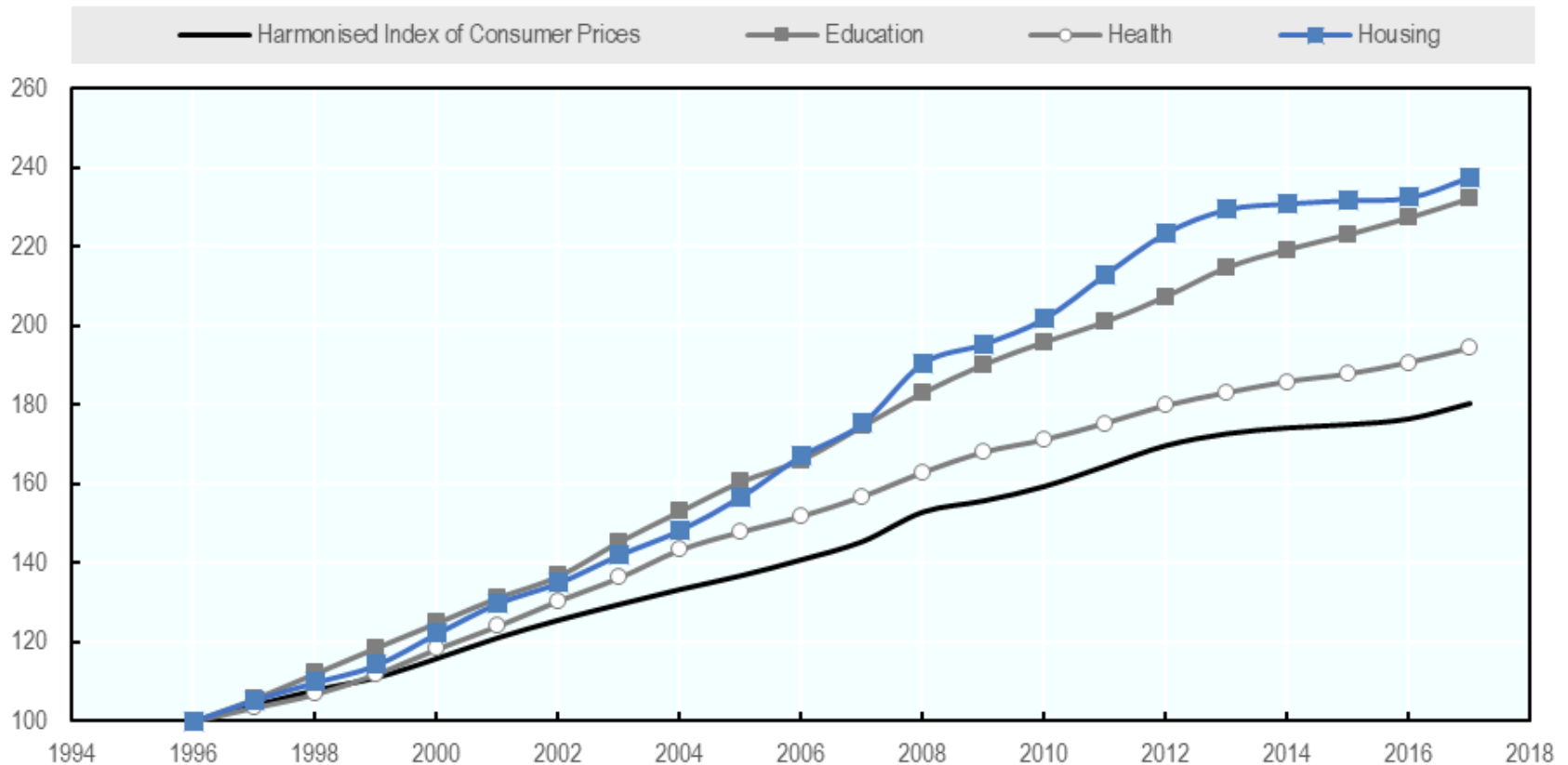


Source: OECD (2019), *Under Pressure: The Squeezed Middle Class*. Estimates based on microdata from the Eurostat Household Budget Surveys (EU HBS) 2010 and tabulations from the EU HBS 2015 for European countries, except France (Enquête Budget de Famille 2011), Spain (Encuesta de Presupuestos Familiares 2015) and the United Kingdom (Food and Living Conditions Survey 2014).. Estimates draw on Pesquisa de Orçamentos Familiares 2009 for Brazil, VIII Encuesta de Presupuestos Familiares 2017 for Chile, Encuesta Nacional de Ingresos y Gastos de los Hogares 2016 for Mexico, Income and Expenditure Survey 2011 for South Africa, and Consumer Expenditure Surveys 2016 for the United States.



Housing prices increased faster than overall inflation since 1996.

Average evolution of nominal prices, OECD average



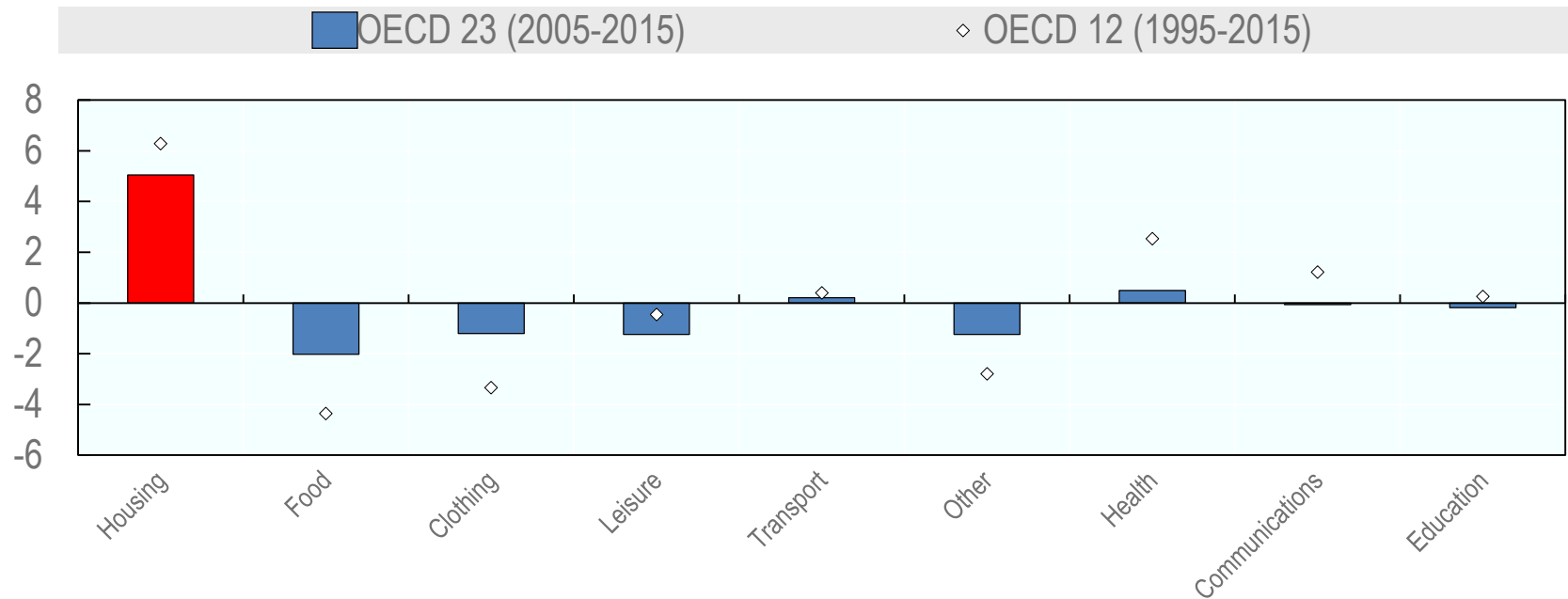
Note: OECD average includes Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Latvia, Luxembourg, Netherlands, Norway, Poland, Portugal, Slovak Republic, Slovenia, Spain, Sweden, Switzerland, Turkey, United Kingdom.

Source: OECD (2019), *Under Pressure: The Squeezed Middle Class*. Data from OECD.stat, Harmonised Indices of Consumer Prices (HICPs) by COICOP divisions.



Middle-income household spending on housing has increased.

Percentage point changes in shares by item of household budgets, OECD average, 1995-2015 and 2005-2015



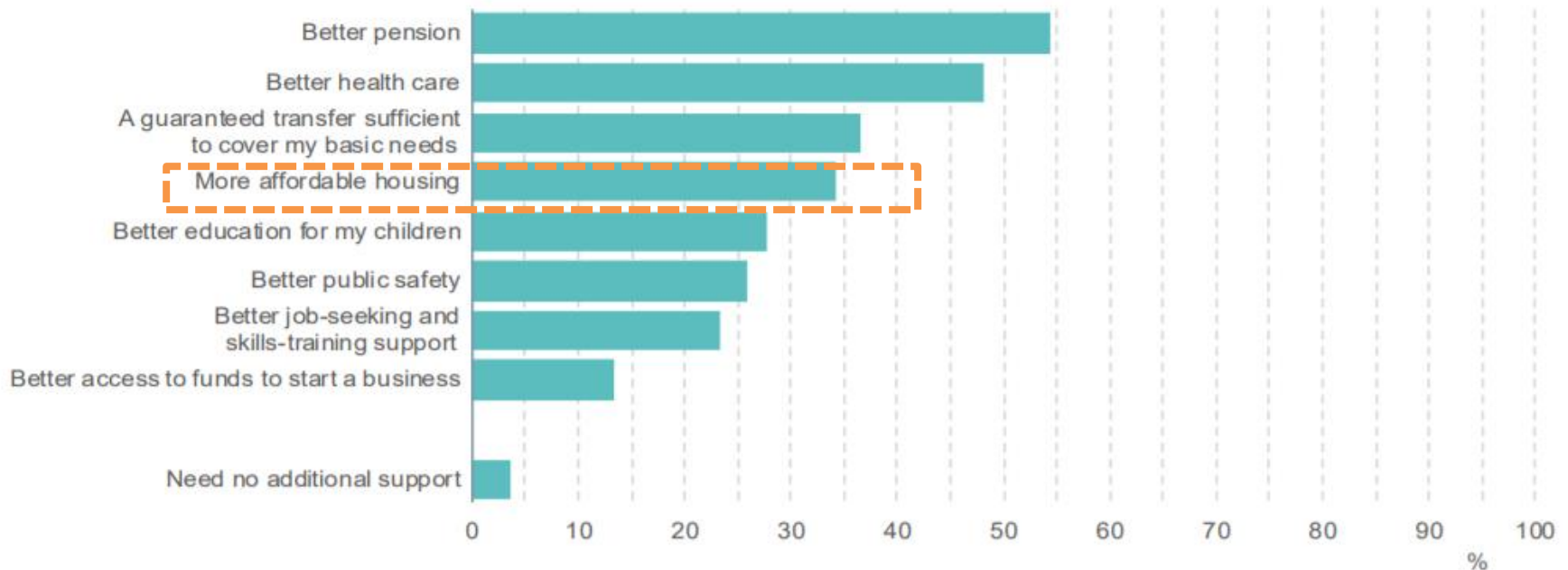
Note: OECD 23 unweighted average refers to the following countries: Austria, Belgium, Chile, Czech Republic, Germany, Finland, Greece, Hungary, Ireland, Lithuania, Luxembourg, Latvia, Mexico, the Netherlands, Norway, Poland, Portugal, the Slovak Republic, Slovenia, Spain, Turkey, the United Kingdom and the United States. OECD 12 unweighted average refers to the following countries: Austria, Belgium, Chile, Finland, Germany, Greece, Ireland, Luxembourg, the Netherlands, Portugal, Spain and the United States. Data for Chile in 2005 refer to 2010.

Source: OECD (2019), *Under Pressure: The Squeezed Middle Class*. Estimates based on microdata from the Eurostat Household Budget Surveys (EU HBS) 2010 and tabulations from the EU HBS 2015, 2005 and 1999 and 1994 for European countries except Spain (Encuesta de Presupuestos Familiares 2015) and the United Kingdom (Food and Living Conditions Survey 2014). Estimates draw on Pesquisa de Orçamentos Familiares for Brazil, Encuesta de Presupuestos Familiares for Chile, Encuesta Nacional de Ingresos y Gastos de los Hogares for Mexico, Income and Expenditure Survey for South Africa, and Consumer Expenditure Surveys for United States.



Affordable housing is a top concern of citizens...

Percentage of respondents to the 2018 OECD *Risks That Matter* survey identifying each support as **one of the top-three supports they'd need most from government to make them and their family feel more economically secure**, unweighted cross-country average, 2018.



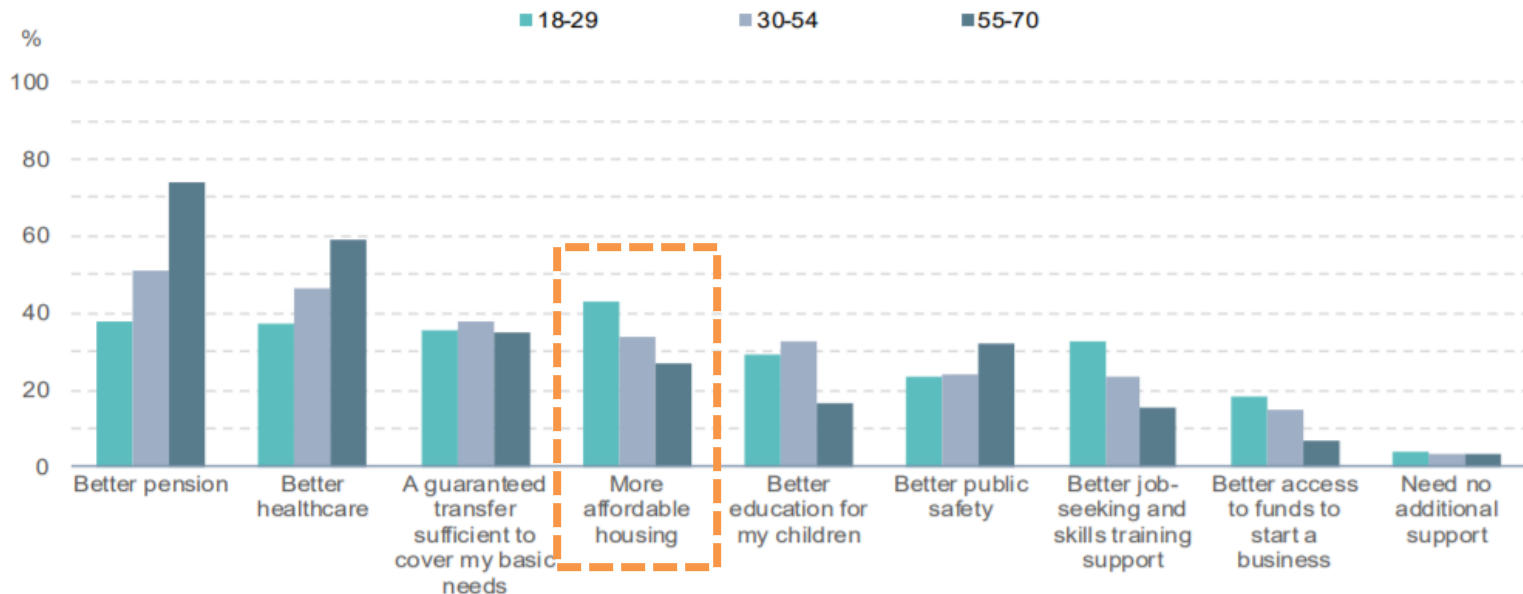
Note: Respondents were asked what supports they'd need most from government to make them and their family feel more economically secure. They could choose from a list of nine supports, and had the option of selecting zero, one, two or three supports.

Source: OECD Secretariat estimates based on OECD (2018), OECD *Risks That Matter* survey



...and especially young people.

Share of respondents to OECD *Risks That Matter* Survey identifying each support as **one of the top-three supports they would need most from government to make them and their family “feel more economically secure,”** by age group, unweighted cross-country average



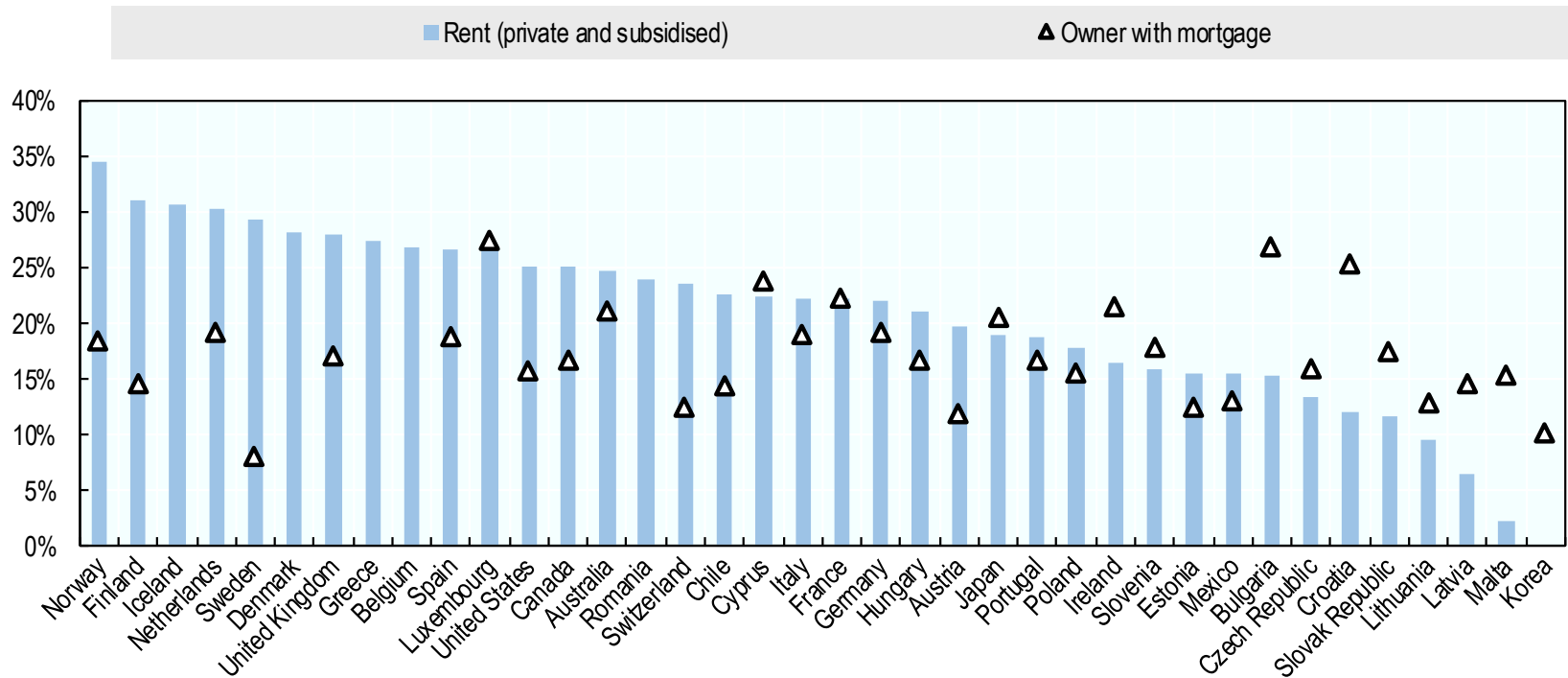
Note: Respondents were asked what supports they would need most from government to make them and their family feel more economically secure. They could choose from a list of nine supports, and had the option of selecting zero, one, two or three supports. Supports are ranked according to the overall percentage of respondents choosing each as one of their top three.

Source: OECD (2018), OECD *Risks That Matter* survey



On average, renters spend a bigger share of disposable income on housing costs, relative to owners.

Median of the mortgage burden (principal repayment and interest payments) or rent burden as a share of disposable income, in percent



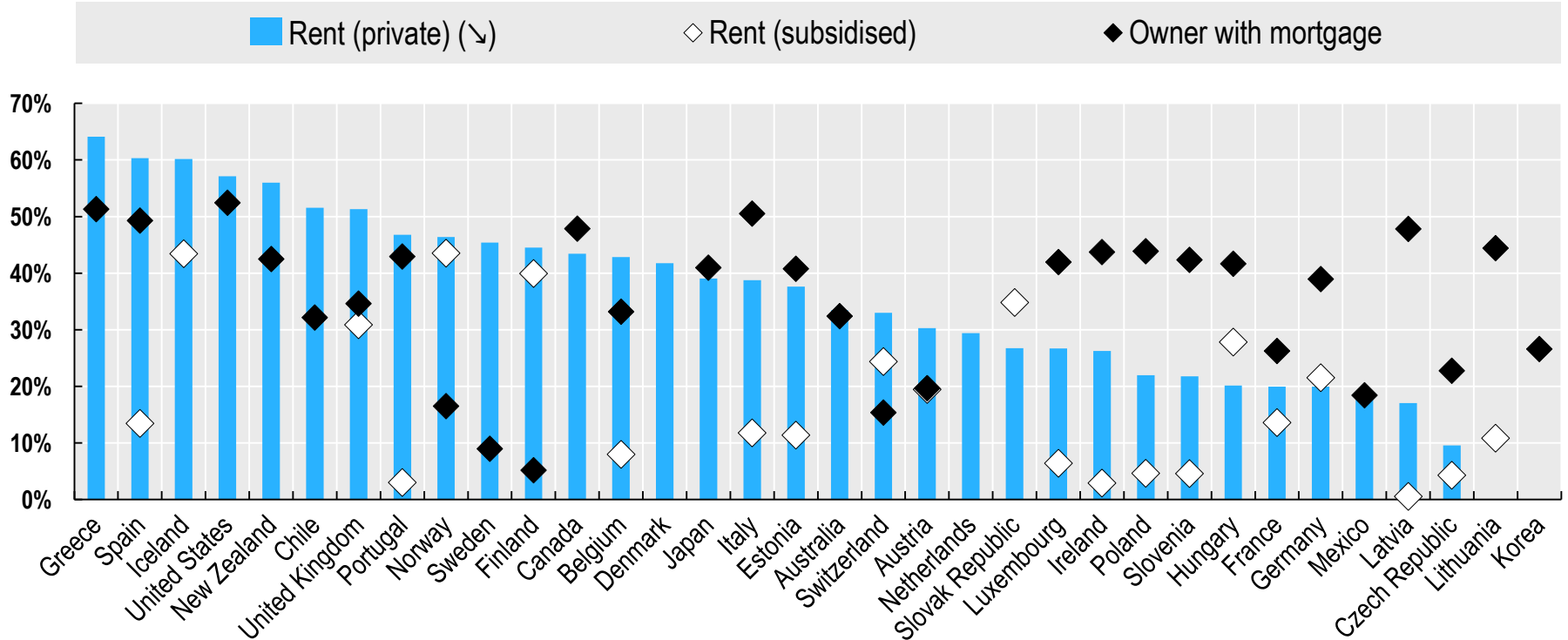
Note: 1. No information for New Zealand and Turkey due to data limitations. In Chile, Mexico, Korea and the United States gross income instead of disposable income is used due to data limitations. No data on mortgage principal repayments available for Denmark due to data limitations. 2. Results only shown if category composed of at least 30 observations. 3. Data for Japan only available on the respondent level due to data limitations. 4a) Footnote by Turkey: The information in this document with reference to « Cyprus » relates to the southern part of the Island. There is no single authority representing both Turkish and Greek Cypriot people on the Island. Turkey recognizes the Turkish Republic of Northern Cyprus (TRNC). Until a lasting and equitable solution is found within the context of United Nations, Turkey shall preserve its position concerning the "Cyprus issue"; 4b) Footnote by all the European Union Member States of the OECD and the European Commission: The Republic of Cyprus is recognised by all members of the United Nations with the exception of Turkey. The information in this document relates to the area under the effective control of the Government of the Republic of Cyprus.

Source: Preliminary Data from the OECD Affordable Housing Database, www.oecd.org/social/affordable-housing-database.htm.



Low-income households face a significant housing cost burden.

Share of population in bottom quintile spending >40% of disposable income on mortgage and/or rent (2016-17 or latest available year)

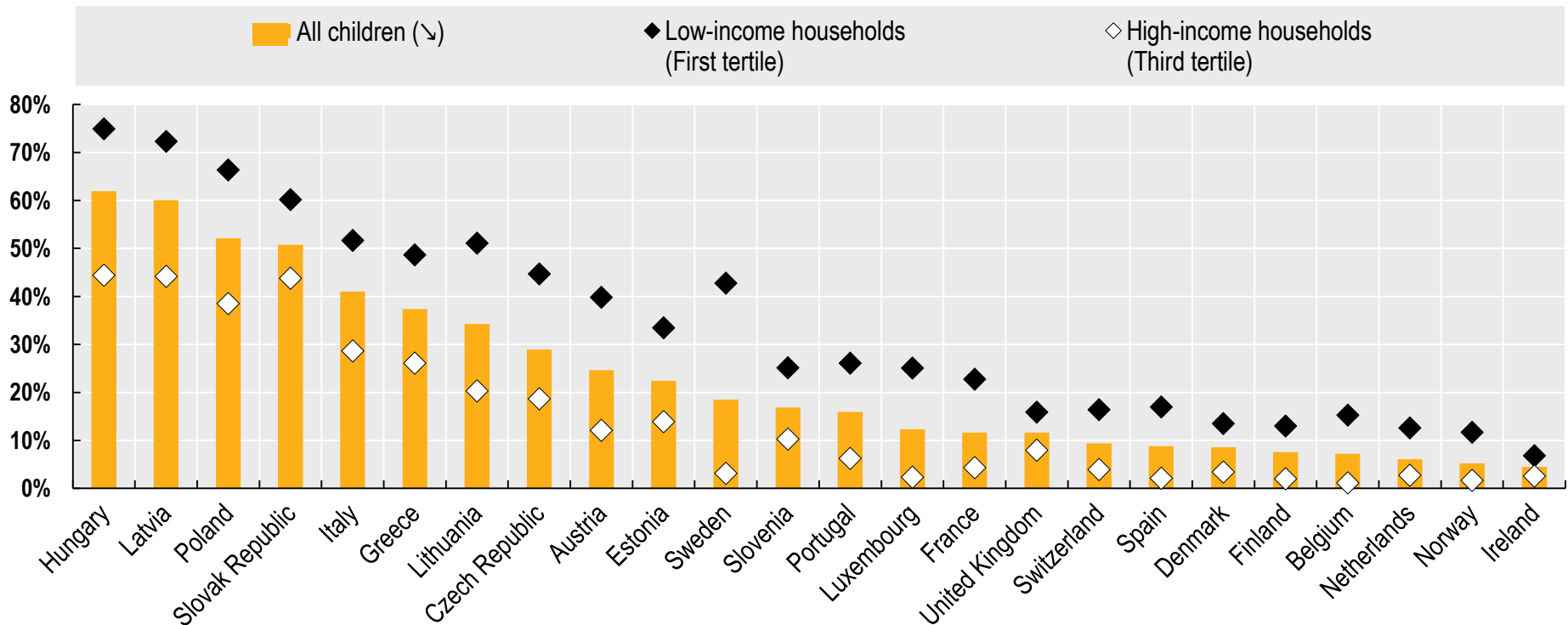


Source: OECD calculations based on EU-SILC; HILDA (Australia); SLID (Canada); CASEN (Chile); GSOEP (Germany); Korean Housing Survey (Korea); Japan Household Panel Survey (Japan); ENIGH (Mexico); HES (New Zealand); ACS (USA).



Children are especially exposed to poor housing quality, such as overcrowding.

Share of children (aged 0-17) living in overcrowded households in European OECD countries, by income group (2016)



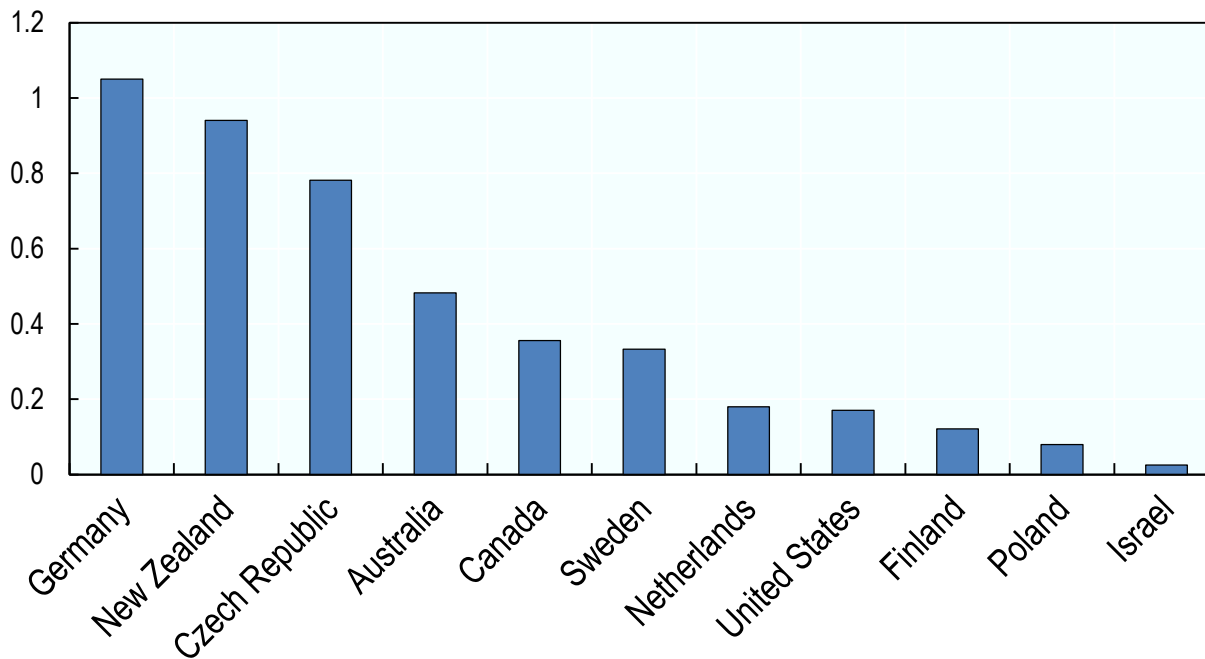
Notes: No information for Australia, Chile, Germany, Israel, Japan, Korea, Mexico, New Zealand, Turkey and United States due to data limitations.

Source: OECD Secretariat calculations based on the European Union Statistics on Income and Living Conditions (EU-SILC) survey. See OECD Child Well-Being Data Portal under www.oecd.org/els/family/child-well-being/data.



Homelessness data are **NOT** comparable across countries... but numbers are significant.

Estimated number of homeless people, 2019 or latest year available
(Homeless as % of total population)



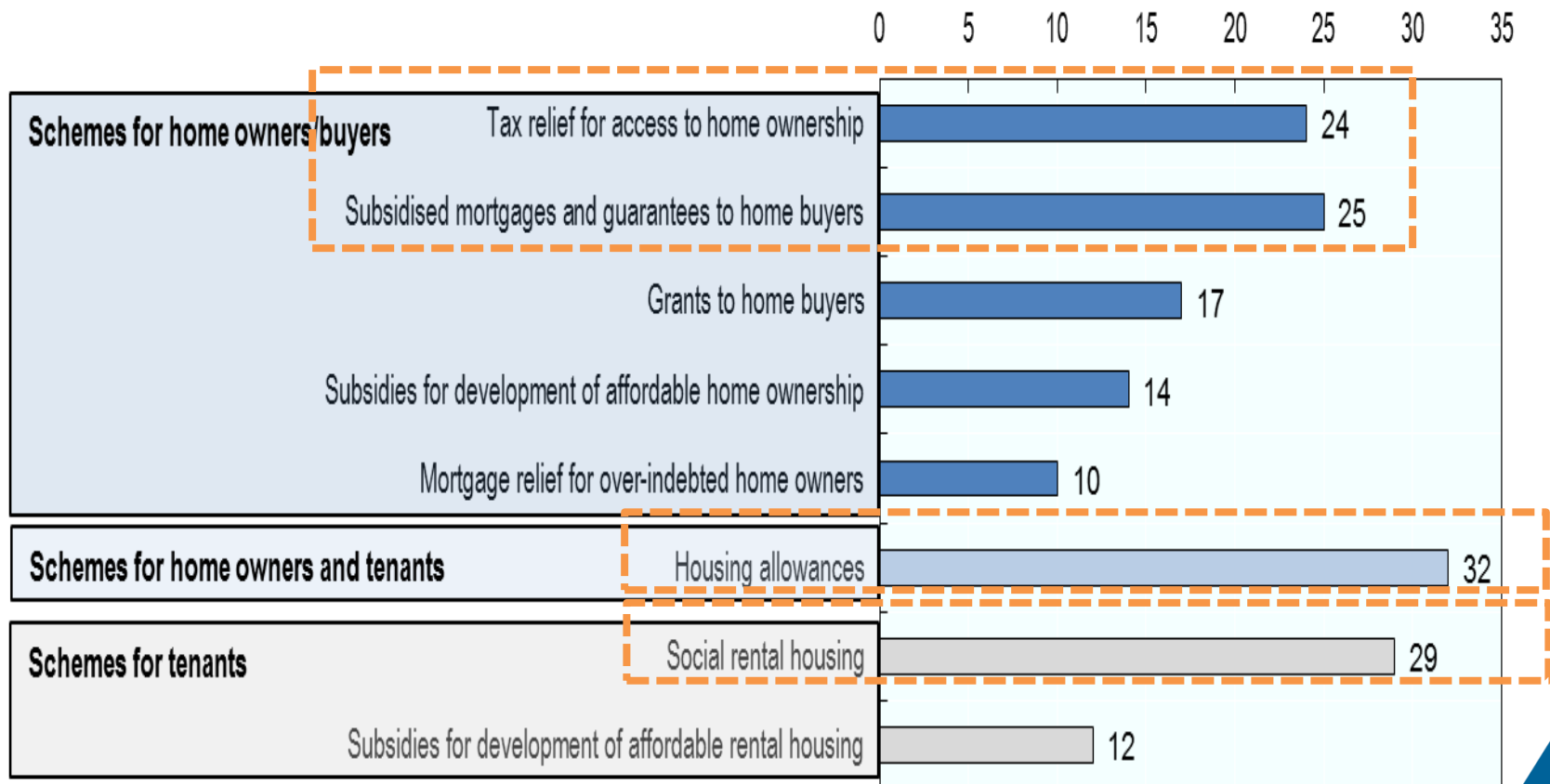
Big measurement challenges:

- **No internationally agreed definition.**
- **National definitions vary widely** (from broad to narrow).
- **Data collection methods vary & have significant limits.**



The policy response: most OECD countries have housing allowances, social housing and support for homeownership.

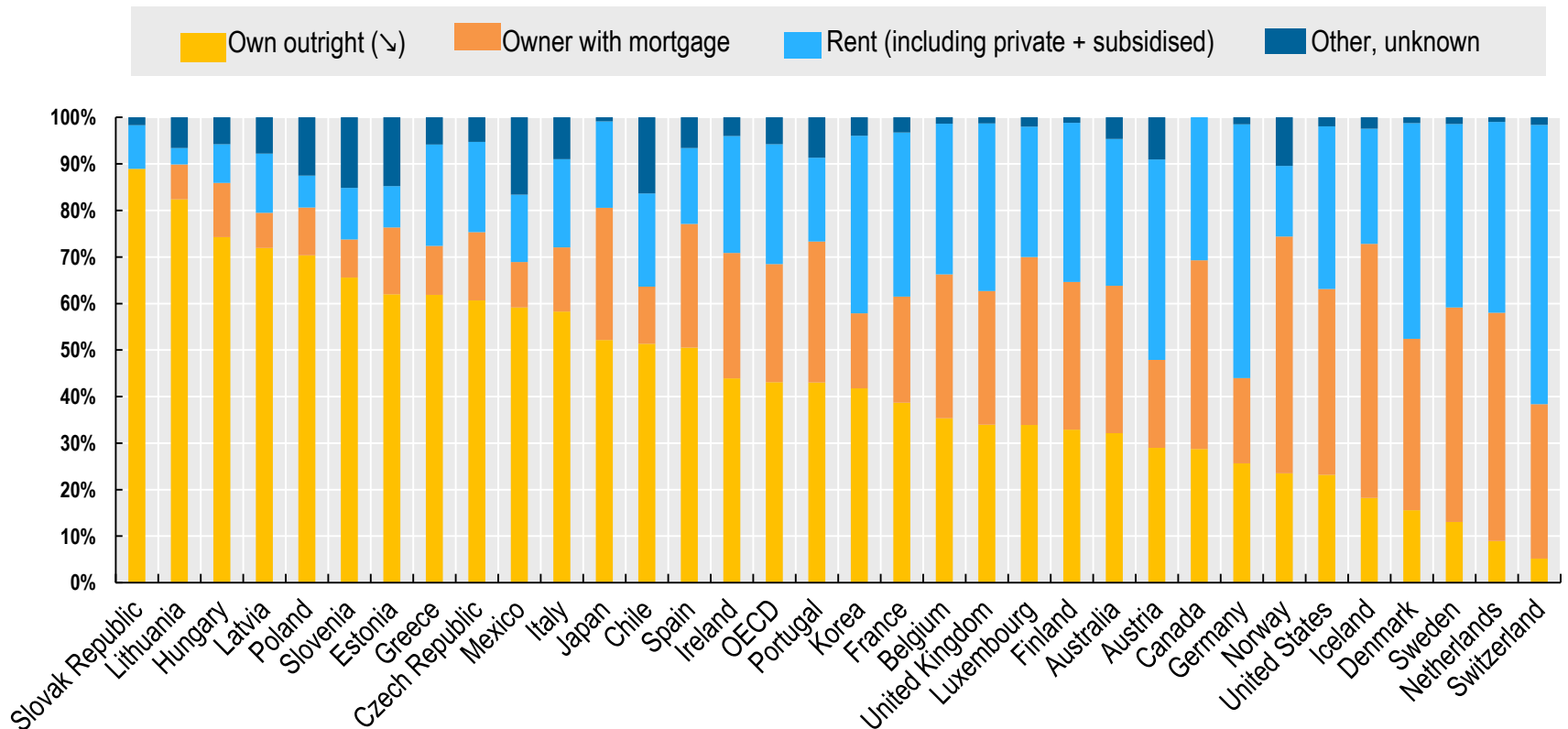
Overview of housing policy instruments: number of reporting countries adopting each policy type





Across the OECD, owning a home is much more common than renting.

Share of households in different tenure types, in percent (2016 or latest year available)



Source: OECD calculations based on EU SILC 2016, except Iceland, Ireland, Italy, Luxembourg & Switzerland (2015); HILDA for Australia (2015); SLID for Canada (2011);



Policy challenges in a nutshell

- **Pursue greater tenancy neutrality**
- **Increase affordability - options may include:**
 - Incentivising construction overall, including affordable and social housing
 - Direct housing construction
 - Reforms to housing taxation
 - Means-tested housing allowances and other financial support to households
 - Targeted housing support (e.g. young people, families with children, first-time homebuyers, households in financial distress...)
 - Reforms to rental regulations
 - Reducing local barriers to affordable housing development (e.g. reforms to planning processes, building & zoning regulations...)
- **Tackle homelessness through Housing First and Integrated Service Delivery approaches**

AFFORDABLE HOUSING IN
OECD COUNTRIES:
WHAT'S NEXT?



OECD Affordable Housing Database:

A unique source of cross-country data

The database provides harmonised indicators for OECD and European countries across three dimensions:

Housing market context

- Housing stock
- Housing prices
- Tenure...

Housing conditions

- Housing quality
- Housing affordability
- Housing exclusion, homelessness...

Public policies towards affordable housing

- Support for buying or renting a home
- Social rental housing
- Rental regulations...

<http://oe.cd/ahd>



Upcoming OECD work on affordable housing, 2019-21



- Updates of the **Questionnaire on Affordable and Social Housing (QuASH)** (2019, 2021)
- Revisions to the **OECD Affordable Housing Database**
- A series of **policy briefs**:
 - Homelessness
 - Social housing
 - Affordable housing policies
 - Housing for people with disabilities
- A **working paper** on housing and inclusive growth
- Country-specific support

THANK YOU!

MARISSA.PLOUIN@OECD.ORG