6. EQUITY INDICATORS

Affordable housing

Having access to quality affordable housing is important to reduce poverty risks, improve equality of opportunity and make growth inclusive and sustainable. Housing trends vary considerably across the OECD, in terms of tenure, affordability and quality, representing diverse historical contexts, household preferences and policy priorities across countries.

In most OECD countries, owning a home is much more common than renting. On average, nearly 70% of households across the OECD either owned their dwelling outright or with a mortgage in 2016, compared to 26% of households who rented a dwelling, either in the private rental market or as subsidised rental housing (Figure 6.13). A number of Eastern European countries – including the Slovak Republic, Lithuania, Hungary, Latvia and Poland – record a very high rate of homeownership, with over 70% of households owning their dwelling outright, a result of the historic sales of state-owned housing in the 1990s. In 2016, owners with a mortgage outnumbered outright homeowners in Iceland, Norway, the Netherlands, Sweden, Canada and the United States.

In contrast, just over a quarter of households across the OECD rented a dwelling on average in 2016. Only Switzerland and Germany are home to a majority of renters (60% and 55%, respectively), with Denmark, Austria and the Netherlands each recording more than 40% of households renting their dwelling. Subsidised rental housing (social rental housing) is present in 27 OECD countries, yet the size of the social housing stock varies widely across countries. According to the 2016 OECD Questionnaire on Affordable and Social Housing, social housing plays a major role in the Netherlands, Austria, Denmark, France and the United Kingdom, comprising more than 15% of the total housing stock.

Affordable housing is a challenge for many households across the OECD, but low-income dwellers face a significant housing cost burden. In sixteen OECD countries, more than 40% of low-income owners with a mortgage spent over 40% of their disposable income on a mortgage in 2016. The same was true for low-income renters in private rentals in fourteen OECD countries (Figure 6.14). In Greece and the United States, low-income dwellers face a similar housing cost burden, regardless of tenure: in both countries, more than half of the low-income population spent over 40% of disposable income on rent or a mortgage in 2016.

Children are particularly exposed to poor housing quality. On average, more than one-in-five children aged 0-17 live in an overcrowded household in European OECD countries, with considerable variation across countries (Figure 6.15). Over half of all children live in overcrowded households in Hungary, Latvia, Poland and the Slovak Republic, compared to less than 8% in Ireland, Norway and the Netherlands. In all countries for which data are available, children in low-income households are more than twice as likely as those in high-income households to face overcrowded conditions.

Further reading


Figure notes

Figure 6.13: Data for Japan only available on the respondent level due to data limitations. See Statlink for precise years.

Figure 6.14: The bottom quintile refers to the lowest 20% of the income distribution. No information for 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. 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. See Statlink for precise years.

Figure 6.15: No information for Australia, Chile, Germany, Israel, Japan, Korea, Mexico, New Zealand, Turkey and United States due to data limitations.
6.13. In most OECD countries, owning a home is much more common than renting

Share of households in different tenure types, in percentages, 2016 or latest year available

Source: OECD Affordable Housing Database – HM1.3 Housing tenures and HC1.2 Housing costs over income, http://oe.cd/ahd.
StatLink http://dx.doi.org/10.1787/888933939237

6.14. Low-income dwellers face a significant housing cost burden

Share of population in the bottom quintile of the income distribution spending more than 40% of disposable income on mortgage and rent, by tenure, percentages, 2016/17 or latest year

Source: OECD Affordable Housing Database – HM1.3 Housing tenures and HC1.2 Housing costs over income, http://oe.cd/ahd.
StatLink http://dx.doi.org/10.1787/888933939256

6.15. Children are particularly exposed to poor housing quality

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

StatLink http://dx.doi.org/10.1787/888933939275