

## 15. Household final expenditure on housing

- Between 2001 and 2011, housing consumption as a share of adjusted disposable income decreased in Estonia, Korea, Sweden and Norway. All the other countries showed an increase. The largest increases in the shares in the period 2001-11 occurred in the United Kingdom, Poland, the Czech Republic, Spain and Italy.
- In 2012, three countries recorded housing consumption ratios above 20% of adjusted disposable income: the Slovak Republic, the Czech Republic and the United Kingdom.

Housing costs are critical determinants of the living conditions of individuals and households. Concerns about housing affordability are important especially when there are sharp rises in home prices and rents and energy prices. Housing is one of the largest components of both expenditures and assets of households. As a consequence, higher housing prices can both strain the budget of those households that do not own their main residence and increase households' wealth and financial well-being for those that do.

Presenting housing expenditure as a share of adjusted disposable income shows how much income goes to housing services and provides a means to compare such expenditures over time and between countries.

### Definition

Individual consumption expenditures are classified by purpose using the UN Classification of Individual Consumption by Purpose (COICOP). The housing expenditures category, called "Housing, water, electricity, gas, and other fuels", is one out of the twelve categories included as part of individual consumption expenditures. Housing and energy expenditures consist of actual rentals for housing, imputed rentals for owner-occupied housing, housing maintenance and repairs, as well as costs for water, electricity, gas and other fuels.

The order of the categories in COICOP are designed to broadly reflect differences in the responsiveness of expenditures to changes in household income, known as "income elasticity of demand". The types of expenditures with low responsiveness where percent changes in expenditures are generally less than percent changes in income are at the top of the categories; the expenditures that generally increase at a higher rate than changes in income are ranked lower. Thus, food and non-alcoholic beverages, which reflect purchases for home use and which have a low income elasticity, are at the top of the hierarchy, and restaurant meals, which have a relatively high income elasticity, are much lower in the hierarchy.

Housing expenditures of households, as defined in national accounts, include actual and imputed rentals (the rental-equivalence that home owners would pay for a house with similar characteristics to the one they own). This imputation is necessary in order for GDP to be invariant when housing units shift between tenant occupancy and owner occupancy. It is also a means to improve comparability across countries because owner-occupancy rates vary.

Adjusted disposable income also includes the imputed income of home owner-occupiers that provide housing services to themselves.

Rentals normally include payment for the use of the land on which the property stands, the dwelling occupied, the fixtures and fittings for heating, plumbing, lighting, etc., and, in the case of a dwelling let furnished, the furniture.

### Comparability

Comparability is good, though imputed rents are subject to discussion. The adjusted disposable income is highly comparable among countries.

Housing consumption data correspond to national concept, rather than domestic, in Australia, Chile, New Zealand, Switzerland and South Africa. The data are also including NPISH's sector (non-profit institutions serving household) for Australia, Chile, Mexico and South Africa.

### Source

OECD (2013), *National Accounts of OECD Countries*, OECD Publishing, Paris, <http://dx.doi.org/10.1787/2221433x>.

### Online database

OECD (2013), "Detailed National Accounts: Final consumption expenditure of households", *OECD National Accounts Statistics* (database), <http://dx.doi.org/10.1787/data-00005-en>.

### Further reading

Fesseau, M. and M.L. Mattonetti (2013), "Distributional Measures Across Household Groups in a National Accounts Framework: Results from an Experimental Cross-country Exercise on Household Income, Consumption and Saving", *OECD Statistics Working Papers*, No. 2013/04, OECD Publishing, Paris, <http://dx.doi.org/10.1787/5k3wdjq775f-en>.

Information on data for Israel: <http://dx.doi.org/10.1787/888932315602>.

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Table 15.1. **Household housing consumption**  
Percentage of net adjusted disposable income

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Australia	16.4	16.1	16.2	16.5	16.7	16.7	16.9	16.7	16.9	16.8	17.4	17.5	..	..
Austria	15.1	15.2	15.7	15.7	15.7	16.0	16.6	16.5	16.0	16.3	16.3	16.8	16.9	17.1
Belgium	16.4	16.6	16.5	16.4	16.6	16.6	16.7	16.6	16.0	16.5	16.0	16.6	16.7	16.8
Canada	18.4	18.1	18.0	18.0	18.2	18.1	18.2	17.8	17.9	18.0	18.1	17.9	..	..
Chile	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Czech Republic	17.2	17.4	18.0	18.7	19.3	19.3	19.8	19.8	20.0	20.6	22.0	22.3	21.7	21.4
Denmark	21.0	21.1	21.1	20.8	20.5	20.5	20.9	21.2	21.5	21.8	21.5	21.7	21.3	..
Estonia	22.5	21.3	21.2	20.4	19.7	19.8	18.6	18.5	18.4	16.8	16.9	17.1	16.6	17.2
Finland	19.0	18.8	18.8	18.9	18.9	18.6	18.8	18.9	18.6	18.6	19.0	19.3	19.5	19.7
France	16.8	16.5	16.3	16.0	16.3	16.4	16.9	17.1	17.0	17.2	17.2	17.4	17.2	17.7
Germany	16.6	16.8	17.0	17.0	17.3	17.3	17.5	17.6	17.4	17.8	17.9	17.9	17.5	17.5
Greece	..	..	..	..	..	..	18.2	18.1	17.6	19.5	19.7	22.3	24.9	..
Hungary	15.4	15.5	15.1	14.8	14.9	14.8	14.7	15.0	15.8	16.6	17.8	18.4	17.9	18.2
Iceland	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Ireland	..	..	..	15.9	16.4	16.0	15.7	15.9	16.5	16.9	15.3	15.7	16.5	17.2
Israel	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Italy	14.7	14.9	14.6	14.8	15.1	15.5	15.8	15.9	16.0	16.6	17.5	17.8	18.1	19.1
Japan	..	..	18.8	19.0	19.4	19.5	19.8	20.1	20.1	20.4	20.3	20.2	20.1	..
Korea	14.4	15.5	15.4	15.4	15.1	14.6	14.6	14.4	14.2	14.0	13.7	13.5	13.4	..
Luxembourg	..	..	..	..	..	..	..	19.6	19.3	19.4	19.1	19.2	19.5	19.5
Mexico	..	..	..	..	15.0	15.2	15.3	15.2	14.9	15.3	14.5	14.0	13.7	..
Netherlands	16.2	16.2	15.8	15.8	16.4	16.8	17.3	17.1	16.6	17.0	17.3	17.4	17.2	17.7
New Zealand	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Norway	14.3	14.3	15.1	14.7	14.8	14.5	14.0	15.4	14.5	14.5	14.2	14.9	14.3	13.8
Poland	16.3	16.0	16.9	18.6	18.8	19.0	19.8	19.6	19.3	19.8	20.1	19.9	20.7	19.8
Portugal	11.0	10.9	11.0	11.3	11.7	11.9	12.1	12.3	12.5	12.7	12.9	13.1	13.9	14.2
Slovak Republic	16.6	18.2	18.5	18.7	20.6	22.4	22.5	23.3	21.9	21.2	21.5	20.8	21.3	21.7
Slovenia	15.2	15.3	15.2	14.8	14.6	14.9	15.1	15.1	14.7	15.0	16.1	16.4	16.2	16.4
Spain	..	13.2	13.3	13.6	13.7	13.8	14.0	14.4	14.7	14.7	15.1	16.1	16.8	17.6
Sweden	20.7	20.0	19.0	18.8	19.1	19.1	19.0	18.6	18.2	18.0	18.2	18.6	18.2	18.1
Switzerland	20.2	20.1	20.2	20.6	20.8	20.8	20.8	20.5	20.1	20.5	20.6	20.7	20.5	..
Turkey	..	..	..	..	..	..	..	..	..	..	..	..	..	..
United Kingdom	15.6	15.7	15.6	15.7	15.6	16.2	16.7	17.0	17.8	18.1	18.7	19.6	20.1	20.8
United States	15.8 e	15.7 e	16.1 e	15.9 e	15.9 e	15.8 e	16.3 e	16.3 e	16.3 e	16.3 e	16.6 e	16.4 e	16.1 e	15.9 e
Euro area	..	..	..	..	..	..	..	..	..	..	..	..	..	..
OECD-Total	..	..	..	..	..	..	..	..	..	..	..	..	..	..
China	..	..	..	..	..	..	..	..	..	..	..	..	..	..
India	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Indonesia	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Russian Federation	..	..	..	..	..	6.6	7.8	7.5	7.2	7.1	7.3	7.6	7.5	..
South Africa	12.3	12.3	12.2	12.3	12.8	13.0	13.6	14.0	14.6	14.7	14.5	14.4	14.3	14.2


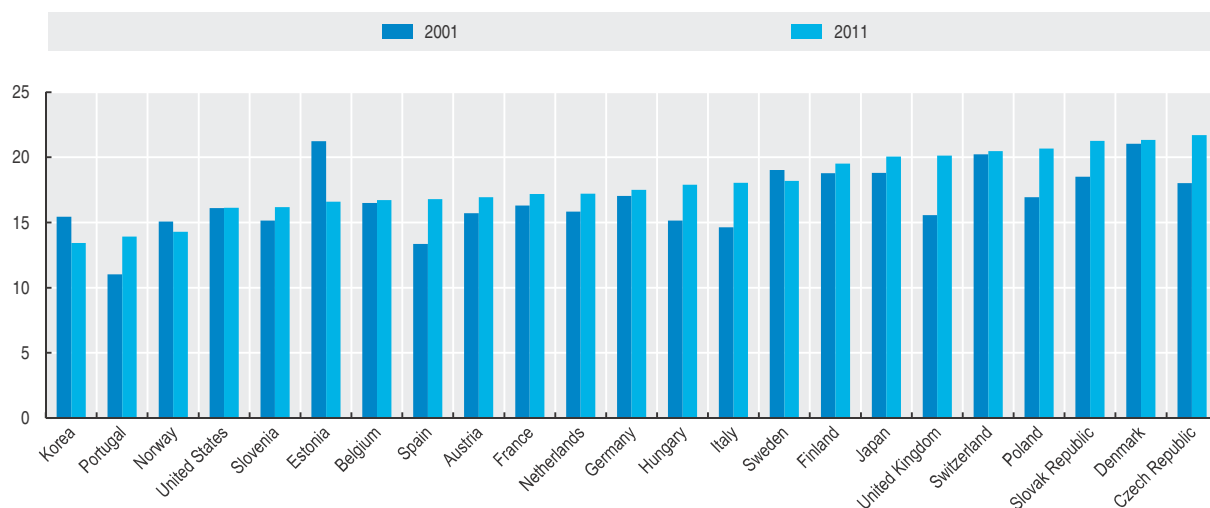
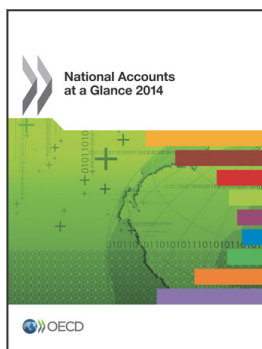
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Figure 15.1. **Household housing consumption**  
Percentage of net adjusted disposable income, 2001 and 2011



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