

## PH1.2 HOUSING POLICY OBJECTIVES AND OBSTACLES

### Definitions and methodology

This indicator presents a summary of the main housing policy objectives as well as obstacles faced in ensuring access to affordable housing, as identified by countries which responded to the 2016 OECD Questionnaire on Affordable and Social Housing (QuASH 2016). While reported obstacles were simply summarised by country, policy objectives were classified according to 10 broad categories (see Figure PH 1.2.1 below). The full list of policy objectives reported is available in Table PH 1.2.1, in Annex I.

### Key findings

*Ensuring access to adequate affordable housing features as a key policy objective in most countries, often with a focus on specific target groups*

In their QuASH responses, 16 countries identified ensuring access to affordable housing as a key objective, and most of these countries referred specifically to low-income households or 'those in need'. In addition, 12 countries reported among the main objectives for housing policy: “increasing access to adequate housing and/or improving housing conditions of specific population groups”. These target groups include:

- Indigenous people in Australia and Canada
- Elderly people in Austria, Finland, Japan and Sweden
- People with special needs or disabilities in Bulgaria, Finland and Switzerland
- Young persons in the Czech Republic, Japan, Romania and Sweden, and
- Families with children in the Czech Republic, Japan, Latvia and Poland.

Sweden identified improving access to housing for migrants as a avowed public policy objective, while the Netherlands identified the provision of housing for asylum seekers as the current main policy challenge.

*Among other objectives, many countries identify sustaining or enlarging housing supply and the improvement of housing quality and energy efficiency*

Housing supply is a key concern for a number of countries. 11 responding countries consider increasing housing supply or sustaining it at a high level as an important objective (Austria, Finland, Germany, Ireland, Latvia, Luxembourg, New Zealand, Norway, Poland, the Slovak Republic and Sweden). Furthermore, 15 countries referred to the need to increase supply of housing in one or more specific tenures, with the majority of them mentioning the rental market. More specifically:

- (Affordable) rental housing in Australia, France, Germany, Ireland, Luxembourg, the Netherlands, Portugal, the Slovak Republic, Spain, Switzerland and the United States.
- Social rental housing in Croatia, France, Germany, Ireland, Lithuania, Luxembourg, Romania and the Slovak Republic.
- Home ownership in Australia, France and Switzerland.

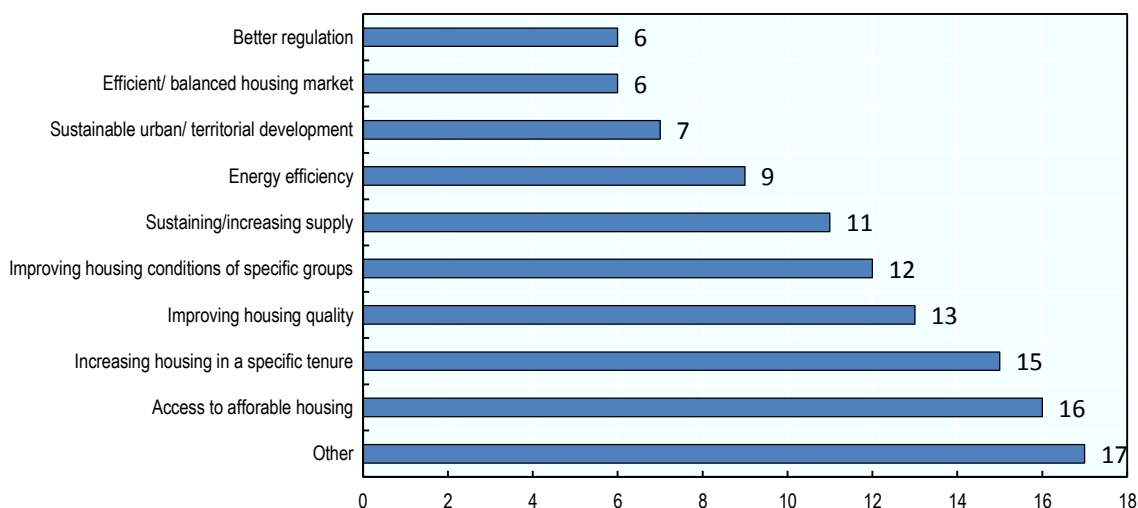
Improving the quality of housing and energy efficiency were identified as key housing policy objectives by 13 and 9 countries, respectively. Other recurring objectives concern sustainable and balanced urban and territorial development (7 countries), and efficiency and stability of housing markets (6 countries). Better regulation also features as a key objective in 6 countries, but the focus differs: regulation of affordable/social housing: Estonia, Luxembourg and Portugal; removal of regulatory barriers to land and housing supply: Luxembourg and New Zealand; and, regulation in the rental sector and regulation of state support to the housing sector in Latvia.

Furthermore, countries identified a number of other objectives which do not fall under any of the categories discussed above, and they are reported in Figure PH 1.2.1 under “other”. Further detail on what is included under other objectives is provided in table PH 1.2.1, in Annex I. Among those objectives, the following concern more than one country:

- Combating homelessness in Australia and Lithuania
- Cooperation among different levels of administration/stakeholders in Estonia and Mexico
- Use of vacant dwellings in Japan and Portugal

**Figure PH1.2.1: Overview of main types of policy objectives in OECD and EU countries<sup>1</sup>**

Number of reporting countries identifying the following as one of the main five housing policy objectives



1) Information on housing policy objectives was collected for 29 countries. Further details are available from Table PH 1.2.1, Annex I.

Source: OECD Questionnaire on Affordable and Social Housing, 2016.

***Lack of funding, limited housing construction, growing house prices and limited in access to land for residential construction feature among major obstacles to ensuring access to affordable housing***

As for obstacles countries identify in ensuring access to affordable housing, they differ widely across countries reflecting the different settings in which housing policies play out. . Obstacles and challenges reported by responding countries are summarised in Table PH 1.2.2 below. Some elements were identified by several countries, including:

- Lack of funding and investment into affordable housing, especially by public authorities (the Czech Republic, Estonia, Korea, Latvia, Lithuania, Mexico, Poland, Romania, Slovenia and Switzerland)
- Limited housing construction (Ireland, Poland, Slovak Republic, Sweden, the United States, as well as some areas in Canada and Germany)
- Growing house prices (Canada, Finland, the Slovak Republic and Switzerland)
- Limited availability of land and/or restrictions on land use (Estonia, Luxembourg, New Zealand and the United States)

**Table PH1.2.2: Main obstacles and challenges faced in ensuring access to affordable housing in OECD and EU countries<sup>1</sup>**

	<b>Summary of main obstacles and challenges</b>
Austria	Increasing costs of building land; increasing property prices; high technical and quality standards in construction which increase cost of new developments.
Canada	Growing house prices, particularly in urban areas; limited supply of affordable rental housing; difficulties in meeting on-reserve housing needs; absence of a well-functioning housing market in many small northern communities.
Chile	Barriers to social integration due to limited access to urban land; need for consolidating and integrating policies for construction of social housing, urban land and regeneration or improvement of vulnerable neighbourhoods including access to services and infrastructures; implementing new forms of housing in addition to homeownership.
Croatia	Bad condition of the existing housing stock, with increasing need for renovation to enable energy savings; problem with elderly people living in too large homes compared to their needs, who cannot afford housing costs and maintenance; long procedures to obtain permissions and high costs associated to the renovation of some historical residential buildings; lack of affordable housing solutions for those who cannot access mortgage credit
Czech Republic	Lack of effective investments into social and affordable housing.
Estonia	Lack of a well-developed regulatory and financing framework for affordable housing provision.
Finland	High housing costs in urban areas, especially in the capital region.
Germany	Growing housing shortage in the agglomerations and in a growing number of other towns
Ireland	Shortage in supply of new residential units compared with demand, with new construction only delivering about half of the needed output; resulting upward pressure on rents, which in turn is pushing vulnerable persons into emergency accommodation; challenges in planning, land management and finance.
Japan	Strong demand from an increasing number of low-income households, especially among the elderly population; under-developed market for existing homes.
Korea	Budget constraints; difficulty in securing land for residential construction.
Latvia	Limited funding for affordable housing maintenance and new construction.
Lithuania	Limited funding; shortage of social housing stock; difficulties in renting a dwelling in the private sector

### Summary of main obstacles and challenges

Luxembourg	Long administrative procedures; concurrent competences of public administrations; absence of a right to housing; limited mobilization of non-used constructible land.
Mexico	Challenges including: promoting the intra-urban land considering the future growth of the housing stock; strengthening funding to the construction sector and diversification financing measures; standardizing building regulations across the different levels of government; strengthening the Federal Subsidy Program for low-income families, to reduce the housing stock under substandard levels
Netherlands	Lack of accommodation for asylum seekers.
New Zealand	Regulatory barriers to increasing development capacity.
Poland	Budget constraints of local authorities, which tend to sell part of their stock at discounted prices to sitting tenants; lack of new output from social housing associations following the liquidation in 2009 of the National Housing Fund.
Romania	Insufficient public funding for social housing, especially from the local authorities.
Slovak Republic	Ownership structure of housing stock, whereby more than 90% of occupied dwellings are owned by private persons and only 3% is public rental stock; low level of new housing construction; high prices; relatively low income of households.
Slovenia	Financial shortage of dedicated housing funds, with legal restrictions on the level of indebtedness which is allowed
Spain	Economic conditions of families
Sweden	High construction costs; insufficient capital investment in rental housing needed.
Switzerland	High prices in the private rental and owner-occupied sectors due to high demand; concentration of the building activities on condominiums; limited access to suitable land for new construction by the non-profit-housing sector; decrease of subsidised housing on the local, regional and federal level as a result of expiring promotion schemes
United States	High cost of land along with restrictions on land use, which results from local control of land use as enabled by States under the federal system.

1) Information is missing for Australia, Belgium, Bulgaria, Cyprus, Denmark, France, Greece, Hungary, Iceland, Israel, Italy, Korea, Malta, Norway, Portugal, Turkey and the United Kingdom.

Source: OECD Questionnaire on Affordable and Social Housing, 2016.

### Data and comparability issues

Information in this indicator summarises the main housing policy objectives and major obstacles identified by countries responding to the 2016 OECD Questionnaire on Social and affordable Housing (QuASH). Information provided allowed to identify some broad issues that are common to a number of countries. Nevertheless, the precise identified objectives and obstacles differ across countries reflecting the different national contexts.

#### Sources and further reading:

Salvi del Pero, A. et al. (2016), *Policies to promote access to good-quality affordable housing in OECD countries*. OECD Social, Employment and Migration Working Papers, No. 176, OECD Publishing, Paris. <http://dx.doi.org/10.1787/5jm3p5gl4djd-en>

## ANNEX 1

**Table PH1.2.1: Main housing policy objectives in OECD and EU countries<sup>1</sup>**

Australia	<p>The objective of the National Affordable Housing Agreement (NAHA) is that all Australians have access to affordable, safe and sustainable housing that contributes to social and economic participation.</p> <p>To reach that objective, the NAHA commits the Commonwealth Government jointly with the state and territory governments to the achievement of the following outcomes:</p> <ul style="list-style-type: none"> <li>a) people who are homeless or at risk of homelessness achieve sustainable housing and social inclusion</li> <li>b) people are able to rent housing that meets their needs;</li> <li>c) people can purchase affordable housing;</li> <li>d) people have access to housing through an efficient and responsible housing market;</li> <li>e) Indigenous people have the same housing opportunities (in relation to homelessness services, housing rental, housing purchase and access to housing through and efficient and responsive housing market) as other Australians; and</li> <li>f) Indigenous people have improved housing amenity and reduced overcrowding.</li> </ul>
Austria	<p>Affordability of housing for a large share of the population</p> <p>Reducing energy consumption in new construction and in the existing stock</p> <p>Sustain housing construction on a high level close to demand</p> <p>Strategic development of cities and villages</p> <p>Housing for elderly people</p>
Bulgaria	<p>Financial assistance to people from vulnerable groups to cover housing costs</p> <p>Providing the necessary funds to pay rent for municipal housing to eligible persons</p> <p>Providing the necessary means to individuals and families at risk to healthier home during winter</p> <p>Financial support to persons with disabilities to adapt the house in which they live, according to the specific needs</p>
Canada	<p>Helping Canadians in need access affordable, sound and suitable housing.</p> <p>Helping Indigenous Canadians to improve their living conditions.</p> <p>Providing mortgage loan insurance products and tools to Canadians and contribute to the stability of the housing market.</p> <p>Ensuring an adequate supply of funds for mortgage lending through mortgage securitization while considering the competitiveness, efficient functioning and stability of the housing finance system.</p>

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Chile	<p>Ensuring access to adequate (pertinent, good quality and diverse) housing, especially to vulnerable and middle income sector</p> <p>Ensuring access to integrated neighbourhoods and quality of public goods in urban areas, especially to vulnerable and middle income people, promoting urban and territorial equity.</p> <p>Extending and diversifying access to housing, including among others: programmes for building new dwellings, for families in rural areas and in small localities, new dwellings in integrated projects, and subsidies for home buyers.</p> <p>Improving the housing stock and neighbourhoods, to prevent the housing stock and the environment from deteriorating.</p>
Croatia	<p>Improving public rented housing for households with low incomes, to be let under more favourable terms than on the rental market</p> <p>Enabling the improvement of the existing housing stock and increasing energy efficiency</p>
Czech Republic	<p>Legislative regulation of social housing, which is being prepared by the Ministry of Labour and Social Affairs</p> <p>Improving the housing stock and increasing energy efficiency</p> <p>Investment in social housing</p> <p>Increasing the availability of housing for young people</p> <p>Improving housing for young families with children</p>
Estonia	<p>Creating a supporting environment to the activation of the affordable housing sector (including the legislative and taxation framework)</p> <p>Working out different strategies to improve co-operation between the state, local governments and the private sector</p> <p>Taking action based on these strategies to activate the affordable housing sector</p> <p>Developing national housing programmes to improve the quality of housing and enhance the energy performance of housing</p>
Finland	<p>Ensuring an adequate volume of new housing construction, particularly in the Helsinki region and in other growth centres, by ensuring an adequate supply of building plots and a smooth land use planning process</p> <p>Affordable housing is needed to prevent housing costs from putting too much unnecessary strain on low-income households. Subsidies and legislation are used to increase the supply of affordable housing in growth centres.</p> <p>Improving the housing conditions of those in need of special support, such as homeless persons, elderly persons and people with intellectual and developmental disabilities. Policy measures also strive for equal distribution of social and economic welfare between residential areas.</p>
France	<p>Support for social rental housing</p> <p>Support for home ownership</p> <p>Subsidies for energy efficiency and renovation</p> <p>Support for the provision of affordable housing through the private rental market</p>
Germany	<p>Strengthening housing construction and the construction of social (rental) housing to cover the rising housing demand in the agglomerations</p> <p>Affordable rents/housing costs especially for households with low income</p> <p>Managing the demographic change, especially in terms of adaptation of the dwelling stock to the needs of an ageing population</p>

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Ireland	<p>Expediting and boosting supply of all types of housing to match supply with demand, focusing in particular on those experiencing most difficulty in accessing the housing and rental market.</p> <p>That every household in Ireland will have access to secure, good quality housing suited to their needs at an affordable price in a sustainable community.</p> <p>Increasing the supply of social housing through an innovative range of delivery mechanisms</p> <p>Supporting the creation of a vibrant rented sector underpinned by greater security of tenure, a more stable investment framework and measures to support greater supply in key demand areas.</p>
Japan	<p>Increasing existing home sales and strengthening the growth of home improvement industry, improving the quality of housing</p> <p>Supporting access to housing which meet people's need, especially families with children, young households, and elderly households.</p> <p>Decreasing the number of vacant homes by strengthening the growth of existing home sale market and promoting demolition of vacant homes</p> <p>Promoting the housing-related industries</p> <p>Fostering attractive communities by collaborative policy implementation among agencies - housing, city planning, social welfare-, revitalizing neighborhood through transforming public housing, and increasing natural disaster resilience in residential areas</p>
Latvia	<p>Developing new housing stock</p> <p>Providing affordable housing for families with children</p> <p>Developing state aid measures regarding the housing issues</p> <p>Developing and improving regulation of the rental sector</p> <p>Increasing energy efficiency of multi-apartment residential buildings</p>
Lithuania	<p>Making the price of housing accessible to low-income families by: paying a compensation for part of housing rental or lease payment; subsidising part (10 or 20 %) of the housing loan; renting social housing.</p> <p>Promoting access to housing of an adequate standard</p> <p>Preventing and reducing homelessness by reducing forced evictions</p> <p>Increasing the motivation of low income people and families to integrate in the labour market, preventing social rental housing and housing allowance from acting as a disincentive. More specifically:</p> <ol style="list-style-type: none"><li>1) Individuals and families whose income increases above established entitlement criteria are only deprived of the right to housing allowances if their declared property or income exceeds by more than 20% the limits set by Law on State Support for the Acquisition or Rental of Housing</li><li>2) The Republic of Lithuania Law on State Support for the Acquisition or Rental of Housing allows for individuals and families who rent social housing to continue renting the same housing at market prices if their lose the entitlement right to social housing to social housing due to an increase in income</li></ol>
Luxembourg	<p>Increasing the supply/offer of housing, and especially of social and affordable housing units</p> <p>Mobilization of non-used constructible land ("<i>Baulückenprogramm</i>")</p> <p>Reform of the law on housing subsidies so as to make them more targeted/selective</p> <p>Reform of the main public promoter "<i>Fonds du logement</i>"</p>

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	Reform of the law on land management and its four " <i>plans directeurs sectoriels</i> "
Mexico	Providing the necessary conditions to guarantee minimum living standards Controlling urban growth Improving the quality of rural and urban housing and its environment, while reducing housing stock under substandard conditions Diversifying the supply of quality housing solutions Generating optimal credit and subsidies schemes for housing solutions; strengthening inter-institutional coordination among the three levels of government
Netherlands	Access to affordable housing Creating a robust and flexible housing market Creating a sizeable private rental market
New Zealand	Freeing up land supply for residential development. Key barrier: local government reluctance to zone land for housing and to provide supporting infrastructure Securing large-scale mixed housing development. Key barrier: local opposition to land-use changes and/or types of builds, lack of infrastructure to support new housing developments. Removing regulatory barriers, streamline consents and reduce compliance costs. Key barrier: community concerns about environmental protection; strong risk-averse behaviour in the construction industry. Enabling a more diverse range of social housing providers. Key barrier: many potential providers lack the capital they need to participate sustainably.
Poland	Increasing the number of new completed dwellings Supporting home ownership for young families with children Facilitating access to affordable dwellings for low-income households Regeneration of old housing stock including the energy efficiency
Portugal	Urban rehabilitation Directing vacant dwellings to the rental market through rehabilitation Supporting and enhancing an healthy and affordable rental market New Social Rental Housing Law
Romania	Ensuring decent living conditions for disadvantaged social groups - building of social dwellings for families with low income and for the tenants evicted from nationalized houses Construction of rental housing for young people aged below 35 Regional development projects that support the development of road infrastructure works, technical and socio-educational infrastructure Increasing the energy performance of buildings and housing units
Slovak Republic	Gradual increase of the overall housing standard to make housing affordable for the population and to allow each household to procure adequate housing Development of public rental housing Modernisation of existing housing stock Development of private rental housing

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Slovenia	Balanced supply of adequate/affordable rental dwellings Easier access to housing Quality and functional housing Greater residential mobility of the population
Sweden	Increasing housing supply to a long term sustainable level compared with demand. Increasing housing that is affordable to people with ordinary and low incomes, making it easier for outsiders (young people and migrants from other parts of the country and from other countries) to get hold of a dwelling. Streamlining public planning regulations and processes to improve the conditions of and shorten the time for housing construction. Stopping escalating prices in the owner-occupied housing market as well as escalating household indebtedness.
Switzerland	Functioning, balanced housing markets by means of adequate legal structures Protection of tenants from abusive landlord demands while providing attractive conditions to rental housing investors Promotion of homeownership Decent housing at affordable conditions for financially weak households and persons with special needs Promotion of sustainable housing, including energy-efficiency and protection of the landscape (urban densification)
United States	Creating strong, sustainable, inclusive communities and quality, affordable homes for all Strengthening the Nation's housing market to bolster the economy and protect consumers Meeting the need for quality, affordable rental homes Using housing as a platform to improve quality of life

1) Information is missing for Belgium, Cyprus, Denmark, Greece, Hungary, Iceland, Israel, Italy, Korea, Malta, Turkey and the United Kingdom.

Source: OECD Questionnaire on Affordable and Social Housing, 2016.

Last updated 19/12/2016