

HC2.3 SEVERE HOUSING DEPRIVATION

Definitions and methodology

Households may be deprived of quality housing in more than one dimension. Too little space (see Indicator HC2.1) may coincide with lack of basic sanitary facilities (see Indicator HC2.3), a leaking roof, darkness in the dwelling and/or other housing quality issues. In its most extreme form, housing deprivation becomes homelessness (see Indicator HC3.1). Housing deprivation in one or more dimensions is more likely to occur in the poor population and associated with poorer labour market, health and wellbeing outcomes (see, for example, Eurofound [2016] and Tunstall et al. [2013]).

No agreed definition of (severe) housing deprivation exists across countries. Eurostat defines severe housing deprivation as the coincidence of overcrowding together with at least one of the following housing deprivation measures: leaking roof, no bath/shower and no indoor toilet, or a dwelling considered too dark (Eurostat, 2016). In the United Kingdom barriers to housing, including housing affordability and homelessness, make part of the "Index of Multiple Deprivation" (Department of Communities and Local Governments, 2015).

Severe housing deprivation reflects the simultaneous occurrence of two different features of housing deprivation in this indicator: overcrowding and the lack of a flushing indoor toilet (see Indicators HC2.1 and HC2.2 for a separate definition of each condition). The rate of severe housing deprivation refers to the share of households or population concerned.

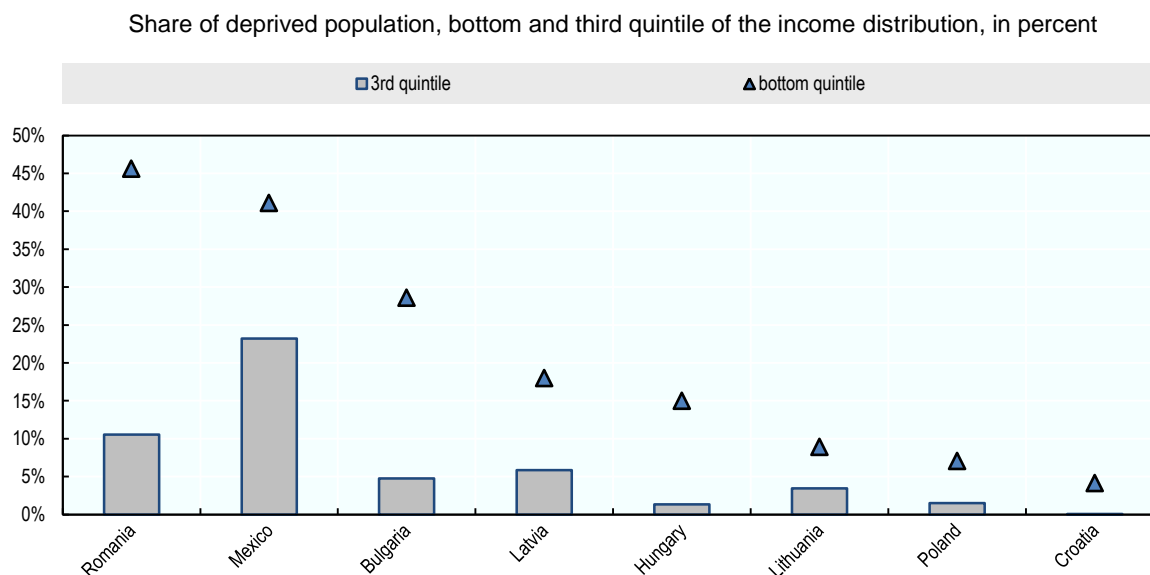
Key findings

In the majority of countries severe housing deprivation rates are close to zero regardless of income level. Figure HC2.3.1 therefore only shows results for countries where more than 3% of low-income population is severely housing deprived (data for other countries, quintiles and years available in the online Annex HC2.3.A1). Severe housing deprivation nevertheless affects over 10% of the population in middle income households in Romania and Mexico, while in these two countries more than 40% of the population in the bottom quintile of the income distribution lives in overcrowded dwellings which lack a flushing indoor toilet. In Bulgaria, Latvia, Hungary, Lithuania and Poland more than 5% of the low-income population also experience severe housing deprivation.

Since 2010 the share of the population experiencing severe housing deprivation has decreased in all countries with deprivation rates above 5% in the bottom quintile of the income distribution except for Hungary (data not shown, see online Annex HC2.3.A1). In Mexico, the severe deprivation rate among the low-income population decreased by 4.6 percentage points between 2010 and 2014. Over the same period, severe deprivation rates also decreased in Romania. However, the declines mainly concerned households in the second and third quintiles of the income distribution but barely concerned the poorest households. Quality of housing is a challenge particularly in post-socialist countries where much of the (often low-quality) stock of housing was privatised in the aftermath of the disintegration of the USSR; current owners

are often asset-rich but income-poor and report having difficulties to borrow funds to improve their homes (Tsenkova, 2014).

Figure HC2.3.1: Housing deprived population across the income distribution, 2014 or latest year available ^{1, 2, 3}



1. Results only shown for countries where at least 3% of the population in the bottom quintile of the distribution is concerned.
2. No information available for Australia, Canada, Japan, 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.
3. Low-income population refers to the population with equivalised disposable in the bottom quintile of the (net) income distribution.

Sources: OECD calculations based on European Survey on Income and Living Conditions (EU SILC) 2014 except Germany; Encuesta de Caracterización Socioeconómica Nacional (CASEN) for Chile (2013); the German Socioeconomic Panel (GSOEP) for Germany (2014); the Korean Housing Survey (2014); Encuesta Nacional de Ingresos y Gastos de los Hogares (ENIGH) for Mexico (2014); American Community Survey (ACS) for the United States (2014).

Figure HC2.3.2 shows the tenure structure among the severely housing deprived low-income population in the most affected countries. The large majority of the concerned population are outright owners of their dwelling, the dominant tenure type in those countries (see Indicator HM1.3 for more detail). The association between low housing quality and high ownership rates in Central and Eastern European countries has been associated with institutional factors shaped by the collapse of the 'East European housing model' in place until the 1990s (for a review see, for example, Norris, M. and P. Shields [2007] and Mandic, S. and A. Cirman [2012]). The large majority of the severely deprived population also lives in thinly populated, rural areas (data not shown).

Box 1. EU agreed indicators on (severe) housing deprivation

Member states of the European Union have agreed on a set of indicators to capture (severe) housing deprivation (Eurostat, 2016) which can be estimated based on EU SILC variables.

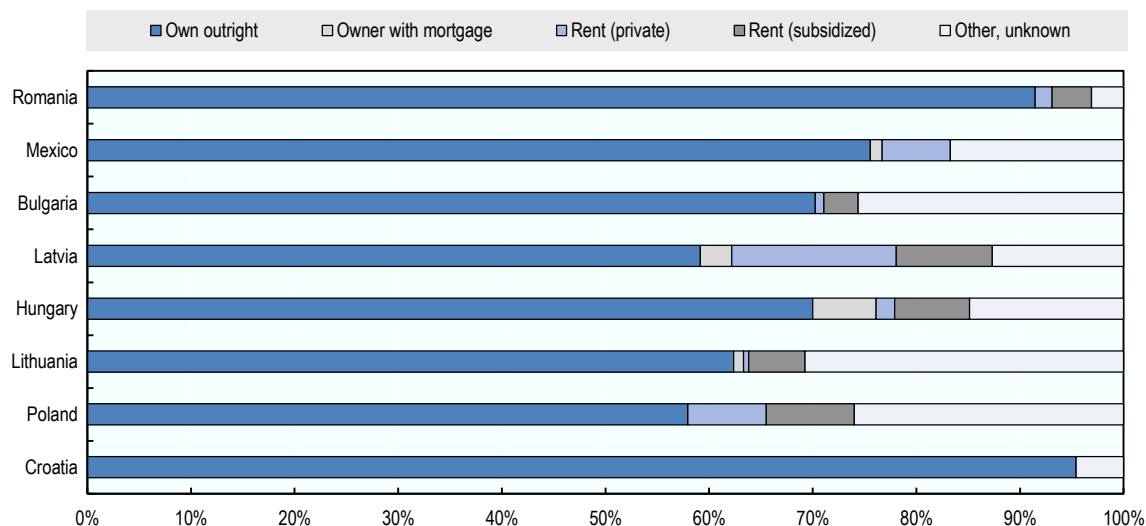
Housing deprivation occurs if one of the dwelling suffers from one of the following conditions:

- The dwelling has a leaking roof, damp walls, floors or foundation, or rot in window frames or floor;
- The dwelling has neither a bath nor a shower;
- The dwelling has no flushing toilet for exclusive use of the household;
- The dwelling is considered too dark; and
- The dwelling has neither a bath, nor a shower, nor an indoor flushing toilet.

Severe housing deprivation is defined as either of the above situations occurring in an overcrowded dwelling.

Figure HC2.3.2: Tenure structure of housing deprived low-income population, 2014 or latest year available ^{1,2}

Share of housing deprived population in the bottom quintile of the income distribution by tenure type, in percent



1. Only data shown for countries where more than 3% of the low-income population are severely housing deprived (see Chart HC2.3.1).
2. Low-income population refers to the population with equivalised disposable in the bottom quintile of the income distribution. In Mexico gross income instead of disposable income is used due to data limitations.

Source: OECD calculations based on European Survey on Income and Living Conditions (EU SILC 2014) and Encuesta Nacional de Ingresos y Gastos de los Hogares (ENIGH) for Mexico (2014).

Data and comparability issues

This indicator is calculated based on information in household surveys. For European countries the European Survey on Income and Living Conditions (EU SILC) is used, except for Germany where the German Socioeconomic Panel (GSOEP) is used; for Chile the Encuesta de Caracterización Socioeconómica Nacional (CASEN); for Korea the Korean Housing Survey; for Mexico the Encuesta Nacional de Ingresos y Gastos de los Hogares (ENIGH); and for the United States the American Community Survey (ACS). No information on flushing toilets and number of rooms is available in the Household, Income and Labour Dynamics in Australia (HILDA) survey and the Survey of Labour and Income Dynamics (SLID) in Canada. The Japan Household Panel Survey (JHPS) does not survey basic sanitary facilities. Therefore Australia, Canada and Japan are not included in the analysis.

While all surveys do not count bathrooms as a room, definitions differ for kitchens. JHPS counts kitchens towards the total number of rooms. EU SILC and GSOEP do not count a kitchen used exclusively for cooking as a room; a 'kitchen-cum-dining rooms' by contrast is counted as such. In ACS, CASEN, ENIGH and the Korean Housing Survey kitchens exclusively used for cooking and 'kitchen-cum-dining rooms' would both qualify as a room. As ACS, CASEN, ENIGH and the Korean Housing Survey do not provide information on which type of kitchen is counted towards number of rooms it is not possible to completely harmonize the number of rooms between EU SILC and other surveys. The overcrowding rates for European countries are thus likely to be slightly overestimated compared to other countries.

EU SILC, GSOEP and ACS also impose minimum space restrictions on rooms: In EU SILC spaces with less than four square meters are not considered rooms, in GSOEP the threshold is six square meters and in the ACS rooms "must extend out at least 6 inches and go from floor to ceiling" according to the questionnaire.

The surveys covered in this indicator also ask whether the household has exclusive access or shared access to a flushing toilet. The toilet does not have to be in a separate room to qualify as exclusive but can also be in the same room as a shower or bath. Data for Korea refer to a flushing toilet regardless of the type of toilet (Asian or European style).

Sources and further reading:

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