

## PH1.1 POLICY INSTRUMENTS AND LEVEL OF GOVERNANCE

### Definitions and methodology

This indicator summarises the types of policy measures towards affordable housing that exist in the 35 countries which responded to the 2016 OECD Questionnaire on Affordable and Social Housing (QuASH 2016). This indicator also provides an overview of the different levels of government involved in the administration and funding of housing policy measures. Further details on the different policy measures can be found in other indicators in the Affordable Housing Database section ‘Public policies towards affordable housing’. Surveyed policy measures here included have been classified as follows:

- *Grants to home buyers*: These measures include one-off grants for the purchase of a residential dwelling, covering part or all the value of the dwelling. They are often reserved for first-time home buyers with income levels below a given threshold who purchase dwellings with certain characteristics (see indicator PH2.3, Typology of measures supporting home buyers).
- *Subsidised mortgages and mortgage guarantees for home buyers*: Subsidised mortgages provided by or subsidized by the government, for the purchase of a residential dwelling; measures can also consist of down payment assistance or mortgage guarantees provided by the government (as above, see indicator PH2.3, Typology of measures supporting home buyers).
- *Mortgage relief for over-indebted home owners*: subsidies and measures to avoid foreclosure on residential dwellings, owned by households in financial distress. These include subsidies for mortgage payments and payment of arrears, postponement of payments, refinancing mortgages, and mortgage-to-rent schemes.
- *Tax relief for access to home ownership*: Tax deductions or tax credits granted to individual taxpayers for the purchase of their main residence. These may include tax relief measures such as mortgage tax relief or tax relief to first-time home buyers for the costs (e.g. legal fees, disbursements and land transfer taxes) associated with the purchase of a home (see indicator PH2.2, Tax relief for home owners).
- *Subsidies for development of affordable home ownership*: Measures providing grants, tax relief or subsidised land to developers to finance the development of new affordable housing meant for owner occupation. Such measures also include “shared ownership” and “rent-to-buy” schemes (see indicator PH 5.1, Measures financing affordable housing development).
- *Housing allowances*: recurrent means-tested income transfers to households paid to either owners or tenants towards their housing costs. Housing allowances can include rent, payment of mortgage and/or interest, utilities, insurance and services (see indicator PH 3.2 Key characteristics of housing allowances).

- *Social rental housing*: residential rental accommodation provided at sub-market prices and allocated according to specific rules rather than according to market mechanisms. Programmes in this area can cover construction, regeneration, management, maintenance and financing of social rental housing (see indicator PH 4.3, Key characteristics of social rental housing)
- *Subsidies for development of affordable rental housing*: Measures providing grants, tax relief or land sold or leased at low prices to developers, to finance the development of new affordable rental housing - not including measures to support the development of social rental housing (see indicator PH 5.1, Measures financing affordable housing development).

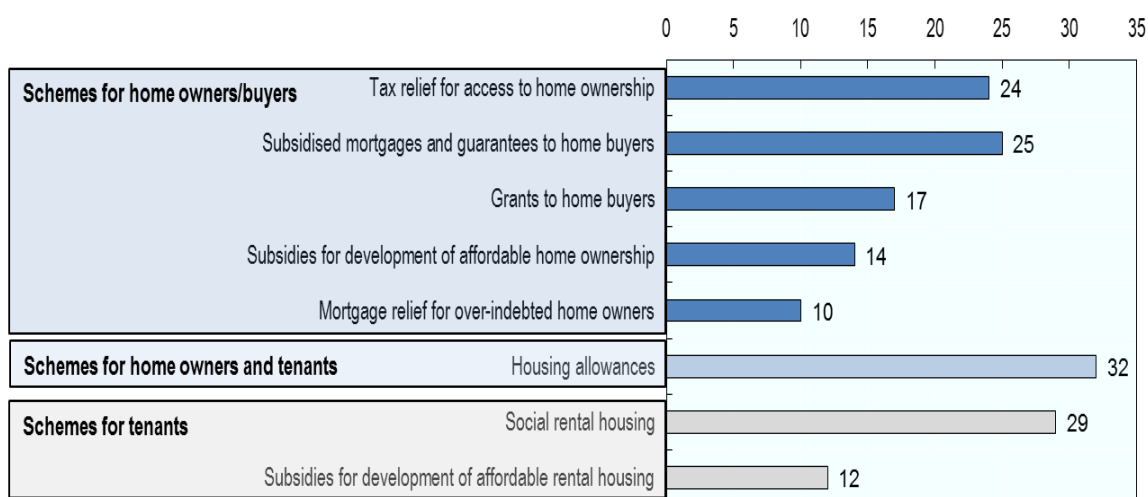
## Key findings

### *The majority of countries have housing allowances, social housing and financial support for home-ownership*

Housing allowances are the most widespread type of housing policy measure, followed by social rental housing. Measures aimed at supporting home owners/buyers are also available in a majority of countries. All countries have at least two types of measures in place, with the exception of Greece where the only type of policy measure reported consists of housing allowances which are part of wider social programmes, and Romania, Slovenia and the Slovak Republic where public intervention is limited to the provision of social housing.

**Figure PH1.1: Overview of housing policy instruments**

Number of reporting countries adopting each policy type <sup>1, 2</sup>



1. The list of policy types refers to those surveyed through the 2016 Questionnaire on Affordable and Social Housing, which gathered information from 35 countries.

2. No information was provided for Belgium, Denmark, Iceland, Israel, Italy and Turkey.

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

### ***Existing measures often involve different levels of public administration***

The level of public administration responsible for the different instruments of housing policy presents a complex picture, as illustrated by Table PH 1.1 in Annex I.

In some countries regional/state governments play a key role. For example, in Austria and Germany responsibility for housing policy measures (such as social housing provision and financial support to households to access home ownership) is almost entirely devolved to the regions/states, even though in Germany the main housing allowance programme is administered at the federal level. In Australia, Canada and the United States there federal funding to support access to affordable housing is made available to provincial/state government to help them implement different housing programmes (including provision of affordable housing for rent and for owner occupancy, and direct support to households through grants and housing allowances). In the United Kingdom, housing policy measures are a responsibility of the devolved administrations (e.g. Scotland and Wales). Except for Housing Benefits that are part of social security which is not a devolved (except for Northern Ireland) and are therefore available across the United Kingdom through national funding and administered by the local authorities. In Spain housing programmes are mostly run by the regional governments, within the priorities and funding provided by the National Housing Plan. In Switzerland most housing policy measures are organised differently in the different cantons.

Other countries have more centralised systems, although usually national programmes are implemented in close cooperation with local authorities. For instance in the Chile, the Czech Republic, Finland, France, Japan, Korea, Luxemburg, Malta, Mexico and the Netherlands the central government plays a significant role in housing policy measures.

The degree of decentralization also varies across the different policy areas. For instance credit support including interest subsidies and of mortgage guarantees or the provision of loans at preferential conditions usually involves central level administration or specific publicly owned credit institutions at national level. Tax relief for access to home ownership also usually consists of national measures. Grants for home buyers are available from national programmes in Estonia, Hungary, Japan, Luxemburg, Malta, Mexico, New Zealand, Slovenia, while there are regional programmes in Australia, Austria, Canada, Chile, Germany and the United States.

Housing allowances are funded from the national level in most countries, with the exception of Austria, Canada, Chile, Japan, Spain and Switzerland where they are mainly regional measures.

Social housing programme are mainly a responsibility of regional governments in Australia, Austria, Canada, Germany, and Spain, while in most Eastern European countries as well as Norway social rental is mainly provided by municipalities. Municipalities also play an important role in supporting the development of new dwellings, both social housing and other types of affordable housing programmes, by providing land at discounted prices.

### **Data and comparability issues**

Information in this indicator summarises existing policy measures as reported by countries responding to the 2016 OECD Questionnaire on Affordable and Social Housing. It illustrates the complex mix of

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policies and instruments in place across surveyed countries and the combination of different levels of administration in the funding and provision of each measure. In an attempt to simplify the information as much as possible, some details were omitted.

**Sources and further reading:**

Muir, J. and McKee, K. (2015), "Devolution, localism and housing policy", *The Big Society, Localism and Housing Policy: an ESRC Seminar Series*, Briefing 3;

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 PH1.1: Overview of existing measures and level of governance** <sup>1, 2</sup>

	Grants to home buyers	Subsidised mortgages and mortgage guarantees for home buyers	Mortgage relief for over-indebted home owners	Tax relief for access to home ownership	Subsidies for development of affordable home ownership	Housing allowances	Social rental housing	Subsidies for development of affordable rental housing
Australia	Yes (Regional/State)	No	Yes (National/Federal)	Yes (both Regional/State and Federal/National)	Yes (National/Federal)	Yes (National/Federal)	Yes (Regional/State)	Yes (National/Federal)
Austria	Yes (Regional/State)	Yes (Regional/State)	No	Yes (National/Federal) (3)	Yes (Regional/State)	Yes (Regional/State)	Yes (Regional/State)	No
Bulgaria	No	No	No	No	No	Yes (National/Federal)	Yes (Municipal)	No
Canada	Yes (Regional/State, with funding from national level)	Yes (National/Federal)	No	Yes (National/Federal)	Yes (Regional/State)	Yes (Regional/State)	Yes (both national/Federal and Regional/State)	Yes (Regional/State)
Chile	Yes (Regional/state with funding from national level)	Yes (National/Federal)	No	Yes (National/Federal)	Yes (National/Federal)	Yes (Regional/state with funding from national level)	No	No
Croatia	No	Yes (National/Federal)	No	Yes (Regional/State)	Yes (Municipal, with funding from national level)	Yes (both municipal and regional/state)	No	No
Cyprus (a,b)	Yes (National/Federal)	Yes (National/Federal)	No	No	Yes (National/Federal)	Yes (National/Federal)	No	No
Czech Republic	No	Yes (National/Federal)	No	Yes (National/Federal)	No	Yes (National/Federal)	Yes (National/Federal)	No

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	Grants to home buyers	Subsidised mortgages and mortgage guarantees for home buyers	Mortgage relief for over-indebted home owners	Tax relief for access to home ownership	Subsidies for development of affordable home ownership	Housing allowances	Social rental housing	Subsidies for development of affordable rental housing
Estonia	Yes (National/Federal)	Yes (National/Federal)	No	Yes (National/Federal)	No	Yes (Municipal, with funding from national level)	Yes (Municipal with funding from the national level)	No
Finland	No	Yes (National/Federal)	No	Yes	Yes (National/Federal) (4)	Yes (National/Federal)	Yes (joint: national and municipal)	No
France	No	Yes (National/Federal)	No	No	Yes (National/Federal) (4)	Yes (National/Federal)	Yes (joint: national and municipal)	Yes (National/Federal)
Germany	Yes (Regional/State)	Yes (Regional/State)	No	No	Yes (Municipal)	Yes (National/Federal)	Yes (Regional/State)	Yes (Municipal)
Greece	No	No	No	No	No	Yes (National/Federal)	No	No
Hungary	Yes (National/Federal)	Yes (National/Federal)	Yes (both national and municipal)	Yes (National/Federal)	No	Yes (National/Federal)	Yes (Municipal)	No
Ireland	No	Yes (Municipal)	Yes (National/Federal)	Yes (National/Federal)	No	Yes (National/Federal)	Yes (Municipal, with funding from national level)	No
Japan	Yes (National/Federal)	Yes (National/Federal)	Yes (National/Federal)	Yes (both national and municipal)	No	Yes (Regional/State, with funding from national level)	Yes (Joint: national and municipal)	Yes (National/Federal)
Korea	No	Yes (National/Federal)	No	Yes	No	Yes (Municipal, with funding from national level)	Yes (both municipal and national)	Yes (National/Federal)
Latvia	No	Yes (National/Federal)	No	No	No	Yes (Municipal)	Yes (Municipal, with funding from national level)	No
Lithuania	No	Yes (National/Federal)	No	No	No	Yes (both national and municipal)	Yes (Municipal with funding from national level)	No

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	Grants to home buyers	Subsidised mortgages and mortgage guarantees for home buyers	Mortgage relief for over-indebted home owners	Tax relief for access to home ownership	Subsidies for development of affordable home ownership	Housing allowances	Social rental housing	Subsidies for development of affordable rental housing
Luxemburg	Yes (National/Federal)	Yes (National/Federal)	Yes (National/Federal)	Yes (National/Federal)	Yes (National/Federal)	Yes (National/Federal)	Yes (National/Federal)	Yes (National/Federal)
Malta	Yes (National/Federal)	No	No	Yes (National/Federal)	No	Yes (National/Federal)	Yes (National/Federal)	No
Mexico	Yes (National/Federal)	Yes (National/Federal)	No	No	No	Yes (National/Federal)	No	No
The Netherlands	No	Yes (both national and municipal)	Yes (National/Federal)	Yes (National/Federal)	No	Yes (National/Federal)	Yes (national and municipal)	No
New Zealand	Yes (National/Federal)	Yes (National/Federal)	No	Yes (Regional/State)	Yes (National/Federal)	Yes (National/Federal)	Yes (National/Federal)	Yes (National/Federal)
Norway	Yes (Municipal, with funding from national level)	Yes (Municipal, with funding from national level)	Yes (Municipal, with funding from national level)	Yes (National/Federal)	No	Yes (National/Federal)	Yes (Municipal, with funding from national level)	No
Poland	No	Yes (National/Federal)	No	Yes (National/Federal)	Yes (National/Federal)	Yes (Municipal)	Yes (Municipalities, with funding from national level)	Yes (National/Federal)
Portugal	No	No	Yes (National/Federal)	Yes (National/Federal)	No	Yes (National/Federal)	Yes (Joint: national, regional and municipal)	No
Romania	No	No	No	No	No	No	Yes (Municipal)	No
Slovak Republic	No	Yes (National/Federal)	No	No	No	No	Yes (Municipal, with funding from national level)	No
Slovenia	No	No	No	No	No	No	Yes (both municipal and national)	No
Spain	No	Yes (National/Federal)	No	Yes (National/Federal)	Yes (Regional/State)	Yes (Regional/State)	Yes (Regional/State)	No
Sweden	No	Yes (National/Federal)	No	Yes (National/Federal)	No	Yes (National/Federal)	No	No

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	Grants to home buyers	Subsidised mortgages and mortgage guarantees for home buyers	Mortgage relief for over-indebted home owners	Tax relief for access to home ownership	Subsidies for development of affordable home ownership	Housing allowances	Social rental housing	Subsidies for development of affordable rental housing
Switzerland	Yes (National/Federal) (3)	No	No	Yes (Federal, Regional/State or Municipal)	..	Yes (Regional/State)	Yes (both federal and municipal)	..
United Kingdom (5)	Yes	Yes	No	No	Yes (4)	Yes	Yes	Yes
United States	Yes (State and local, with funding from Federal level)	Yes (National/Federal)	Yes (National/Federal)	Yes (National/Federal)	Yes (joint: federal, state, municipal)	Yes (State and local, with funding from Federal level)	Yes (State and local, with funding from Federal level)	Yes (State and local, with funding from Federal level)

a) 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”;

b) Footnote by all the European Union Member States of the OECD and the European Commission: The Republic of Cyprus is recognized 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.

1. The list of policy types refers to those surveyed through the 2016 Questionnaire on Affordable and Social Housing, which gathered information from 35 countries.
2. No information was provided for Belgium, Denmark, Iceland, Israel, Italy and Turkey.
3. indicates the programme is currently being phased out (as of 2016)
4. Subsidies for development of affordable home ownership include also subsidies for providers of shared ownership and rent-to-buy dwellings (in Finland, France and the United Kingdom)
5. United Kingdom: Information refers to England only, with the exception of Housing Benefit which is a national measure.

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