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## Global Parliamentary Network meeting

*Towards better housing opportunities*

## Opening remarks

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I am very pleased to be here again with the OECD parliamentary network, and to benefit from your inputs for a very important project that we are about to launch, that is the housing project.

To start the conversation, let me put housing in the context of the major strategic objectives of the OECD, that is to promote the well-being of people, and to achieve an inclusive growth agenda.

Since we last met in the previous edition of this Network, in the last Ministerial, members adopted the Policy Framework for Inclusive Growth, with concrete policy options to address the increased inequalities of income, wealth and opportunities. Affordable housing in part of this agenda.

However, since then, we have been documenting that the inequality trends are not receding.

 With our “Broken elevator” report, we confirmed that social mobility in many OECD countries has stalled, and that it will take 4.5 generations, or 135 years for a child born in the bottom of the income scale to reach the middle.

In one more month we will present the “middle class report” that confirms that, in many countries, the middle class have been confronting stagnant incomes for a long period of time, while prices of essential consumption items, such as education, health, and housing have increased above inflation. This is why we call it the “squeezed middle class”.

Housing is particularly important, as almost by definition, belonging to the middle class has been equated to owning a house, and the soaring prices that we have experienced in many markets, as well as the mortgage crisis, have questioned this principle.

This context underlines the importance to ensuring affordable, accessible and good quality housing as a key pillar of an agenda of inclusive growth. Life chances are determined by the place you live and the conditions you experience, and access to good quality public services are also determined by your neighborhood.

This is not an easy task, above all if we look at the fact that housing needs are frequently unmet, the cost can reach too high levels, and the quality is also not yet there.

Today a significant number of people across the OECD are homeless, numbers vary from between 1 to 10 in every thousand, and too many households live in low-quality dwellings or face housing costs they cannot afford.

Housing costs represent the largest single expenditure for many individuals and families, around 21% of the disposable household income in OECD countries, going from 15% in Korea, to 35 or 40% in high demand areas such as Oslo or Brussels.

**This housing cost burden is particularly high for low-income households, where it can reach 40% of their disposable income in 16 OECD countries in 2016.**

**Young people are also struggling to get onto the property ladder, and are having to stay longer in potentially precarious rental housing, or living with mum and dad.**

**Then there is the issue of quality housing.** In the OECD, the average home contains 1.8 rooms per person. However, this varies; compare Canada where the average home contains 2.5 rooms per person, with Mexico or Turkey where there is only one room per person.

Two out of 10 people in the OECD live in overcrowded housing. What is worse is that in European OECD countries, on average, more than 1 in 5 children live in an overcrowded household, and poor children are at higher risk. This could even impact their learning experiences at school, as overcrowd dwellings may bring higher level of stress that do not contribute to learning.

Low income groups can also accumulate disadvantages related to housing, as they can be pushed out of capital city regions, where many of the best employment opportunities are; or condemned to poor neighborhoods, where crime, social unrest and pollution are particularly problematic.

*Initial policy recommendations*

The housing project will be looking at the housing sector in its broader sense, and our Chief Economist will share with you the details of this important undertaking.

But we should not forget that, as with many other assets, the distribution and accessibility of housing is highly skewed, and any policy agenda should consider this from the start. So responding to the needs of those at the bottom of the income distribution will be the best test for an OECD contribution. We count on you, to help us advance in this domain.

Many thanks.