HC2.3 SEVERE HOUSING DEPRIVATION

Definitions and methodology

Different factors influence the quality of housing, and some households face a multiple of shortcomings in their dwelling. Too little space (see Indicator HC2.1) may coincide with a lack of basic sanitary facilities (see Indicator HC2.3), a leaking roof, a dwelling that is considered too dark, 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 among 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 simultaneous occurrence of overcrowding, together with at least one of the following housing deprivation measures: a leaking roof, no bath/shower and no indoor toilet, or a dwelling considered too dark (Box 1). In the United Kingdom, barriers to housing and services are one of the seven domains that make up the “Index of Multiple Deprivation;” housing barriers measure the physical and financial accessibility of housing and local services, including both geographical barriers (which relate to the physical proximity of local services), as well as wider barriers (which include issues relating to access to housing such as affordability and homelessness) (Department of Communities and Local Governments, 2019).

In this indicator, severe housing deprivation reflects the simultaneous occurrence of two measures of housing deprivation: overcrowding as well as the absence of an indoor flushing toilet (see Indicators HC2.1 and HC2.2 for a separate assessment of each condition). The rate of severe housing deprivation refers to the share of households or population concerned.

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.

Key findings

In most OECD and EU countries, severe housing deprivation rates are close to zero, regardless of income level. Figure HC2.3.1 therefore only shows results for countries where at least 3% of the low-income population is “severely housing deprived” (data for other countries, quintiles and years available in the online worksheet HC2.3.A1). Mexico and Romania record the highest rates of severe housing deprivation, where close to or over 10% of the population in middle-income households and at least 30% of the population in the bottom quintile of the income distribution live in overcrowded dwellings that lack a flushing indoor toilet. In Bulgaria, Latvia and Lithuania, 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 that had deprivation rates above 5% in the bottom quintile of the income distribution in 2010 (data not shown here; see online worksheet HC2.3.A1). In Romania, the severe deprivation rate among the low-income population decreased by 15 percentage points between 2010 and 2019.

Figure HC2.3.1: Housing deprived population across the income distribution

Share of deprived population, bottom and third quintiles of the income distribution, in percent, 2019 or latest year available 1, 2, 3

Note: 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. Source: OECD calculations based on European Survey on Income and Living Conditions (EU-SILC); Encuesta de Caracterización Socioeconómica Nacional (CASEN) for Chile (2018); the German Socioeconomic Panel (GSOEP) for Germany (2014); the Korean Housing Survey (2019); Encuesta Nacional de Ingresos y Gastos de los Hogares (ENIGH) for Mexico (2018); American Community Survey (ACS) for the United States (2015).

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, which is the dominant tenure type in these countries (see Indicator HM1.3 for more detail). Housing quality is a challenge particularly in Central and Eastern European countries, where much of the (often low quality) housing stock was privatised in the early 1990s; current owners are often asset-rich but income-poor and report having difficulties (to borrow funds) to improve their homes (for a review see, for example, Norris, M. and P. Shields [2007]; Mandic, S. and A. Cirman...
The majority of the severely deprived population also tends to live in thinly populated rural areas (data not shown).

Figure HC2.3.2: Tenure structure of housing deprived low-income population

Share of housing deprived population in the bottom quintile of the income distribution by tenure type, in percent, 2019 or latest year available

<table>
<thead>
<tr>
<th>Country</th>
<th>Own outright</th>
<th>Owner with mortgage</th>
<th>Rent (private)</th>
<th>Rent (subsidized)</th>
<th>Other, unknown</th>
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<tbody>
<tr>
<td>Romania</td>
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<td>Mexico</td>
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<td>Bulgaria</td>
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<td>Chile</td>
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</table>

Note: 1. Data shown for countries where more than 3% of the low-income population are severely housing deprived (see Figure 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), Encuesta de Caracterización Socioeconómica Nacional (CASEN) for Chile (2018) and Encuesta Nacional de Ingresos y Gastos de los Hogares (ENIGH) for Mexico (2018).

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 Household 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 or the Canada Income Survey (CIS) 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 room, 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 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 harmonise 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 an indoor flushing toilet for the sole use of the household.

**Sources and further reading**


