

PH3.1 PUBLIC SPENDING ON HOUSING ALLOWANCES

Definitions and methodology

This indicator presents figures on the amount of public spending on housing allowances across OECD countries. Housing allowances are means- and/or income-tested income transfers to households directed at supporting households in meeting their housing costs (Kemp 2007, OECD 2016, Stephens et al 2011).

Housing allowances are a form of demand-side support generally provided to low-income households who meet the relevant eligibility criteria (OECD, 2016) to help meet rental and other housing costs, temporarily or on a long-term basis. Although such schemes are commonly called housing allowances, they are also known as “housing benefits” (in the United Kingdom), “rent assistance” (Australia), “rent supplement” (Ireland, New Zealand), or “housing vouchers” (United States). The introduction of new housing allowances or modifications to existing housing allowance schemes in response to the COVID-19 pandemic can be found in indicator PH3.2.

Other types of demand-side assistance that are not included here concern direct support to individuals, such as grants, subsidised loans and mortgage guarantees for homebuyers, mortgage relief schemes for over-indebted homeowners, and assistance to homeowners through tax relief (see indicators PH2.1 and PH2.2). Supply-side measures aimed at increasing the supply of social rental and other types of affordable housing are not included in this indicator (see indicators PH4.1, 4.2, 4.3 and 5.1)

Data on the coverage and payment rates of housing allowances based on EU-SILC and the OECD Tax-benefits models are presented in indicator PH3.2; indicator PH3.3 provides short descriptions of Housing allowance programmes in terms of eligibility and payment rules.

Data presented in this indicator are based on available data from country responses from the 2021 OECD Questionnaire on Affordable and Social Housing (2021).

Key findings

Public spending on housing allowances varies markedly across countries

Most countries have one or more housing allowance schemes in place. Since the 1970s, many of these countries have changed the focus from providing supply- to demand-side subsidies, and, nowadays, housing allowances are one of the most widely used instruments of housing support (see Indicator PH1.1).

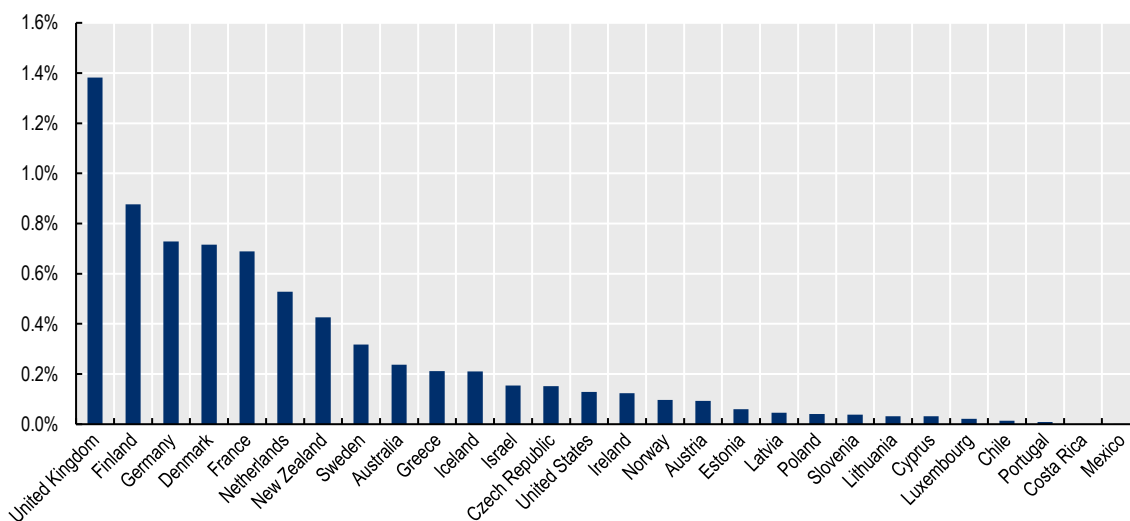
At 1.4% of GDP, public spending on housing allowances is by far the highest in the United Kingdom followed by Finland, Germany, Denmark and France (Figure PH 3.1.1). Public spending on housing allowances is close to 0.5% of GDP in the Netherlands and New Zealand, and between 0.1 and 0.3% of GDP in Sweden, Australia, Greece, Iceland, Israel, the Czech Republic, the United States, Ireland and Norway.

This document, as well as any data and any map included herein, are without prejudice to the status of or sovereignty over any territory, to the delimitation of international frontiers and boundaries and to the name of any territory, city or area.

The statistical data for Israel are supplied by and under the responsibility of the relevant Israeli authorities. The use of such data by the OECD is without prejudice to the status of the Golan Heights, East Jerusalem and Israeli settlements in the West Bank under the terms of international law.

Figure PH3.1.1: Public spending on housing allowances in OECD countries

Government spending as % of GDP, 2020 or last year available ^{1,2}



Note: Data for 2020 refer to the responses to the 2021 OECD Questionnaire on Affordable and Social Housing except for Denmark, Germany, Greece, Iceland, where they refer to 2019 QuASH, i.e. around year 2018.

1) Year of reference of 2020 data is 2019 for Australia, Austria, the Czech Republic, Finland, France, Latvia, Mexico, Portugal, and Slovenia, 2018 for Greece, Iceland and Luxembourg, 2017 for Denmark and Germany.

2) In the following countries housing allowances exist but data on public spending are not available: Belgium, Canada, Korea, Mexico, Switzerland, the Slovak Republic, and Slovenia. Spending amounts are not available for Canada and Switzerland, but housing allowances do exist at regional/state level, more precisely they are provided by Provinces and Territories in Canada, and by Cantons in Switzerland.

Source: OECD Questionnaire on Affordable and Social Housing (2019, 2021).

Several countries have modified or introduced new form of housing allowances in response to COVID-19

According to country responses to the 2021 OECD Questionnaire on Affordable and Social Housing (QuASH), governments introduced new forms of housing allowances, or modified existing allowances, in response to the economic challenges generated by the COVID-19 pandemic. For instance, spending on new housing allowances introduced during the pandemic accounted for about EUR 1.2 billion in France (or 0.05% of GDP in 2020) and USD 25 billion USD in the United States (0.12% of GDP in 2020) (Table PH 3.1.1). In Chile, the Czech Republic, Norway and Sweden, existing housing allowances were expanded and/or adapted to meet increasing needs. More information on COVID-related measures relating to housing allowances can be found in indicator PH 3.2 in the OECD Affordable Housing Database.

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 the United Nations, Turkey shall preserve its position concerning the “Cyprus issue”;

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.

Table PH 3.1.1. COVID-related housing allowances in selected OECD countries

Spending on COVID-related housing allowances, 2020 or last year available

Country	Measure name	New or adapted?		Expenditure	% of GDP, 2020
Chile	Emergency Rental Subsidy (<i>Subsidio de Arriendo de Emergencia</i>)	Adaptation of existing measure in response to COVID-19	CLP	26,252,009,097	0.01%
	Special overcrowding subsidy (<i>Subsidio especial de Hacinamiento</i>)	Adaptation of existing measure in response to COVID-19	CLP	671,370,942	0.00%
	Rental Subsidy D.S. N° 52 of 2013 (<i>Subsidio de arriendo D.S. N° 52 de 2013</i>)	Adaptation of existing measure in response to COVID-19	CLP	74,505,913,688	0.04%
			Total CLP	101,429,293,727	0.05%
Czech Republic	Extraordinary immediate assistance COVID-19 (<i>Mimorádná okamžitá pomoc MOP COVID-19</i>)	Adaptation of existing measure in response to COVID-19	CZK	33,325,997	0.00%
France	Exceptional solidarity subsidy linked to the health emergency for the most precarious households (<i>Aide exceptionnelle de solidarité liée à l'urgence sanitaire aux ménages les plus précaires</i>)	New form of support that was introduced in response to COVID-19	EUR	1,200,000,000	0.05%
Norway	State housing allowance (<i>Bostøtte</i>)	Adaptation of existing measure in response to COVID-19	NOK	407,000,000	0.01%
Sweden	Temporary supplementary allowance for housing allowance for children's households (<i>Tillfälligt tilläggsbidrag till bostadsbidrag för barnhushåll</i>)	Adaptation of existing measure in response to COVID-19	SEK	585,000,000	0.01%
United States	Community Development Block Grant	Adaptation of existing measure in response to COVID-19	USD	5,000,000	0.00%
	Emergency Rental Assistance Program	New form of support that was introduced in response to COVID-19	USD	25,000,000,000	0.12%
			Total USD	25,005,000,000	0.12%

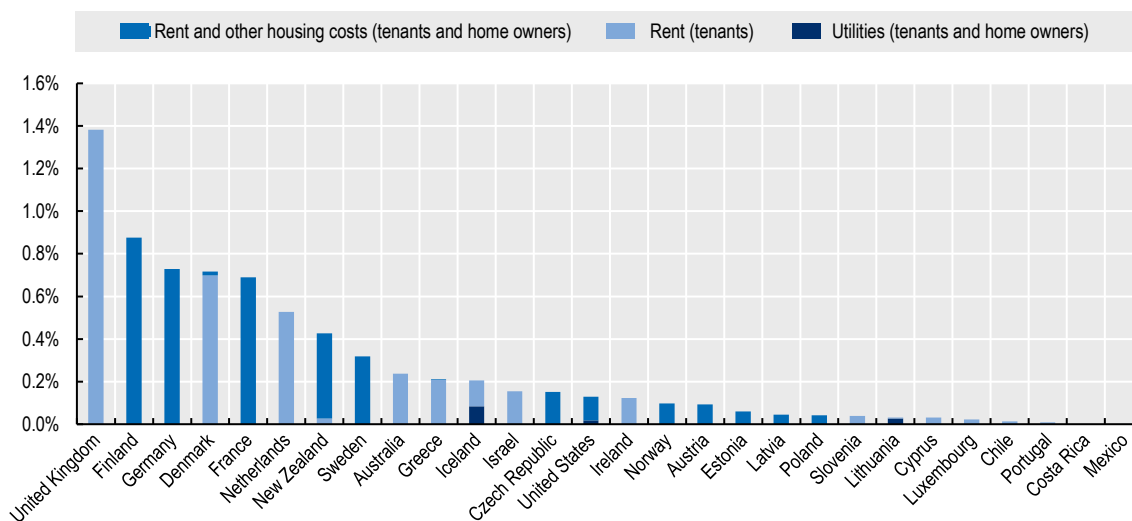
Source: OECD Questionnaire on Affordable and Social Housing (2021).

Types of housing-related costs covered by housing allowances

Figure PH 3.1.2 shows the types of housing-related costs covered by housing allowances. Although housing allowances are commonly associated with support towards rent payments, as in for example, Australia, Chile, Greece, Iceland, Ireland, Israel, the Netherlands, Portugal and the United Kingdom, in some countries they are also open to homeowners and can cover different costs. These include heating costs, insurance and service costs, waste collection fees and other charges, or costs associated with home ownership, such as land or property tax and mortgage interest payments.

Figure PH3.1.2. Spending on housing allowances by type of housing related costs covered

Government spending as % of GDP, 2020 or latest year available^{1,2}



Note: Data for 2020 refer to the responses to the 2021 OECD Questionnaire on Affordable and Social Housing except for Denmark, Germany, Greece, Iceland where they refer to 2019 QuASH and thus data reported are around year 2018.

1. Year of reference of 2020 data is actually 2019 for Australia, Austria, Czech Republic, Finland, France, Latvia, Mexico, Portugal, and Slovenia, 2018 for Greece, Iceland and Luxembourg, 2017 for Denmark and Germany.

2. In the following countries, housing allowances exist but data on public spending are not available: Belgium, Canada, Korea, Mexico, Switzerland, Slovak Republic, and Slovenia. Spending amounts are not available for Canada and Switzerland, but housing allowances do exist at regional/state level, more precisely they are provided by Provinces and Territories in Canada, and by Cantons in Switzerland.

Source: OECD Questionnaire on Affordable and Social Housing (2019, 2021).

Data and comparability issues

Countries often implement a mix of housing related assistance to households in need. While in some cases there are separate specific programmes providing housing allowances, income-related assistance with housing expenditure is also often provided within the framework of social assistance and minimum income benefits. In this case, it is not always possible to identify levels of housing-related spending and data on such programmes were not included (for instance, in Germany, Greece and the United Kingdom). See Table PH3.1.1.A1 in Annex I for the full list of reported programmes, including programmes for which expenditure data are not available as provided in the OECD Questionnaire on Affordable and Social Housing. Details on all surveyed measures are available under indicator PH 3.2.

Sources and further reading

- Kemp, Peter (2007) Housing allowances in comparative perspective, Policy Press University of Bristol
- MISSOC - Mutual Information System on Social Protection, Comparative Tables Database
<http://www.missoc.org>
- OECD (2021), Tax and Benefit Systems: OECD Indicators, <http://www.oecd.org/social/benefits-and-wages.htm>
- OECD (2021), "Building for a better tomorrow: Policies to make housing more affordable", Employment, Labour and Social Affairs Policy Briefs, OECD, Paris, <http://oe.cd/affordable-housing-2021> .
- 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>
- Stephens, M., et al. (2010), Study on Housing Exclusion: Welfare Policies, Labour Market and Housing Provision. Brussels: European Commission.

Annex 1

Table PH3.1.A1. List of reported measures on cash benefits to households for rental and other housing costs

Country	Measure 1		Measure 2		Measure 3		Measure 4
	Original language	English	Original language	English	Original language	English	Original language
Australia	Commonwealth Rent Assistance (CRA)		Bond Loans and Rental Grants		Bond Assistance Loan Scheme		Rent Choice
Austria	Mietbeihilfe	housing benefit	Wohnbeihilfe	housing allowance	Bedarfsorientierte Mindestsicherung	Needs-based minimum benefit (BMS)	
Belgium	Vlaamse huurpremie	Flemish rental premium	Vlaamse Huursubsidie	Flemish rental subsidy			
Canada	Canada Housing Benefit						
Chile	Subsidio de arriendo D.S. N° 52 de 2013	Rental subsidy D.S. No. 52 of 2013					
Costa Rica	Atención a Familias, Pago de Alquiler						
Cyprus	Επιδότηση ενοικίου	Rent allowance					
Czech Republic	Príspevek na bydlení	Housing allowance	Doplatek na bydlení	Supplement for housing			
Denmark	Boligstøtte	Housing benefit	Særlig støtte	Special housing benefit			
Estonia	Toimetulekutoetus	Subsistence benefit (also covers housing costs)					
Finland	Yleinen asumistuki	General Housing Allowance	Eläkkeensaajan asumistuki	Housing allowance for pensioner			
France	Aide Personnalisée au Logement APL	Personalised housing subsidy	Allocation de Logement Familiale	Family housing subsidy	Allocation de Logement Social ALS	Social housing subsidy	
Germany	Wohngeld nach dem Wohngeldgesetz	Housing allowance	Arbeitslosengeld II, Sozialgeld	Costs for housing and heating under unemployment benefit II	Sozialhilfe (Grundsicherung im Alter und bei Erwerbsminderung & Hilfe zum Lebensunterhalt)	Housing and heating costs under social assistance	
Greece	Epidoma stegasis	Housing allowance	Stegasi kai ergasia gia tous astegous	Housing and work for the homeless	Stegastiki syndromi	Housing allowance for uninsured elderly	
Hungary		Home maintenance aid					
Iceland	Húsnæðisbætur	Housing benefits					
Ireland	Housing Assistance Payment (HAP)						
Israel		Assistance in Rent					

Italy	Fondo Nazionale di Sostegno per l'accesso alle abitazioni in locazione	National Support fund for Access to rental houses	Fondo inquilini morosi incolpevoli	Fund for in couple tenants with arrears			
Japan	Jutaku-Kakuho-Kyufukin	Housing security benefit		Public assistance (housing assistance)			
Latvia	Dzīvokļa pabalsts	Housing benefit					
Lithuania	Būsto šildymo išlaidų, geriamojo vandens išlaidų ir karšto vandens išlaidų kompensacijos	Compensations for house heating, drinking water and hot water costs	Būsto nuomos mokescio dalies kompensacija	Compensation for the part of the rent of a dwelling			
Luxembourg	Subvention de loyer	Rent subsidy		Accommodation allowance			
Malta	Housing Benefit	Housing Benefit					
Mexico	Esquema Cofinanciamiento	Cofinancing scheme					
Netherlands	Huurtoeslag	Rent allowance					
New Zealand	Accommodation Supplement		Accommodation Benefit for Students		Emergency Housing Special Needs Grant		
Norway	Bostøtte	State housing allowance					
Poland	Dodatek mieszkaniowy	Housing allowance	Mieszkanie na start	Flat for start			
Portugal	Porta 65 - Jovem		Subsídio NRAU Lei nº6/2006 (Novo Regime Arrendamento Urbano)				
Romania	Ajutor de încălzire	Heating subsidies.					
Slovak Republic	Príspevok na bývanie	Housing allowance					
Slovenia	Subvencija najemnine	rent subsidy					
Sweden	Bostadsbidrag	Housing allowance/benefit	Bostadstillägg för pensionärer	Housing supplement			
Switzerland	Zusatzverbilligung ZV	Additional subsidy					
Turkey	Kira Yardimi	Rent Allowance					
United Kingdom	Housing Benefit	Housing Benefit					
United States	Housing Choice Voucher Program		Low-Income Home Energy Assistance Program				

Note: Data for 2020 refer to the responses to the 2021 OECD Questionnaire on Affordable and Social Housing except for Denmark, Germany, Greece, Iceland, where they refer to 2019 QuASH, i.e. around year 2018.
Source: OECD Questionnaire on Affordable and Social Housing (2019, 2021).