



HOUSING INVESTMENT TRENDS AND FUNDING APPROACHES

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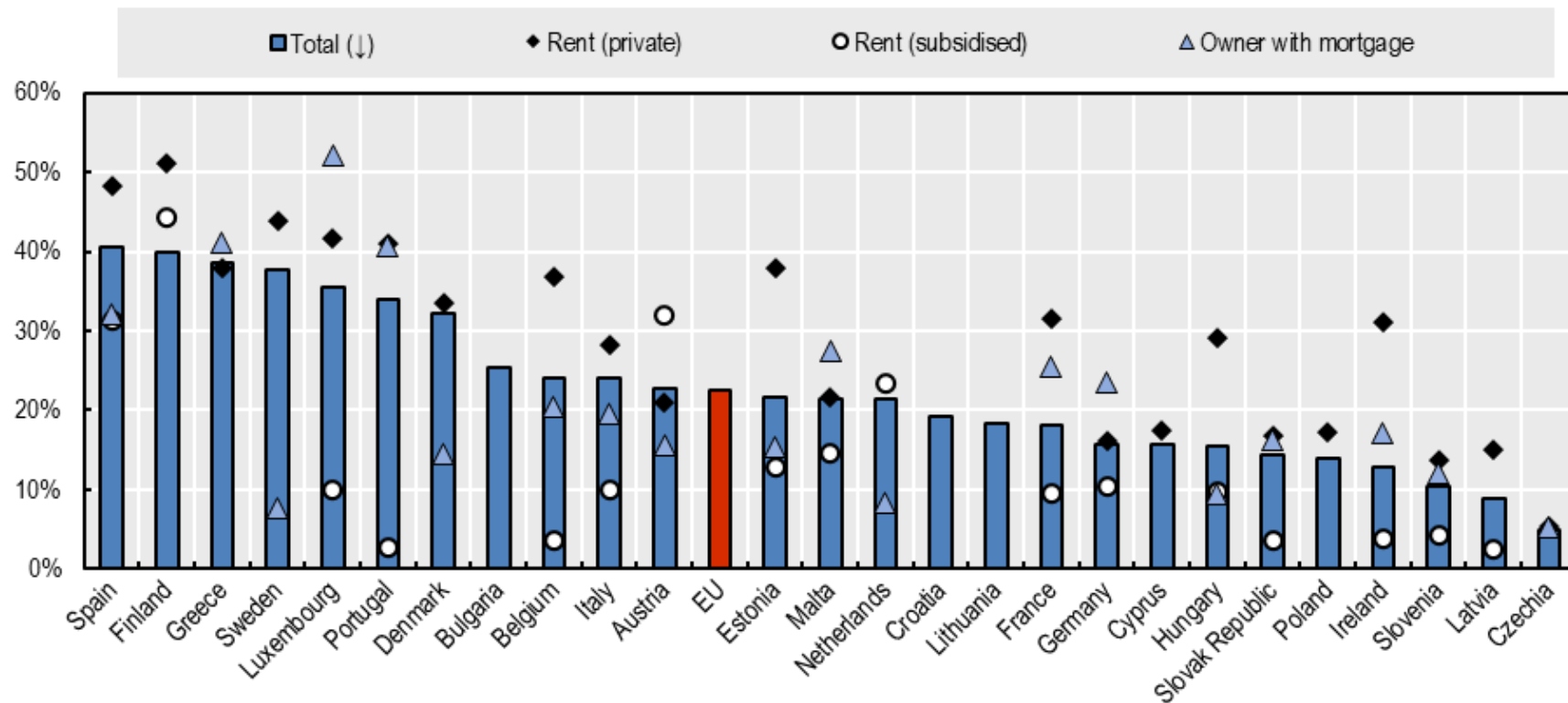
Housing crisis in Europe: the way forward? – Session 3: How to simplify and make more coherent the multiple funding system for investment in social and affordable housing

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Many households in the bottom-income quintile are overburdened by housing costs

Share of population in the bottom quintile of the income distribution spending more than 40% of disposable income on mortgage or rent, 2022 or latest year available



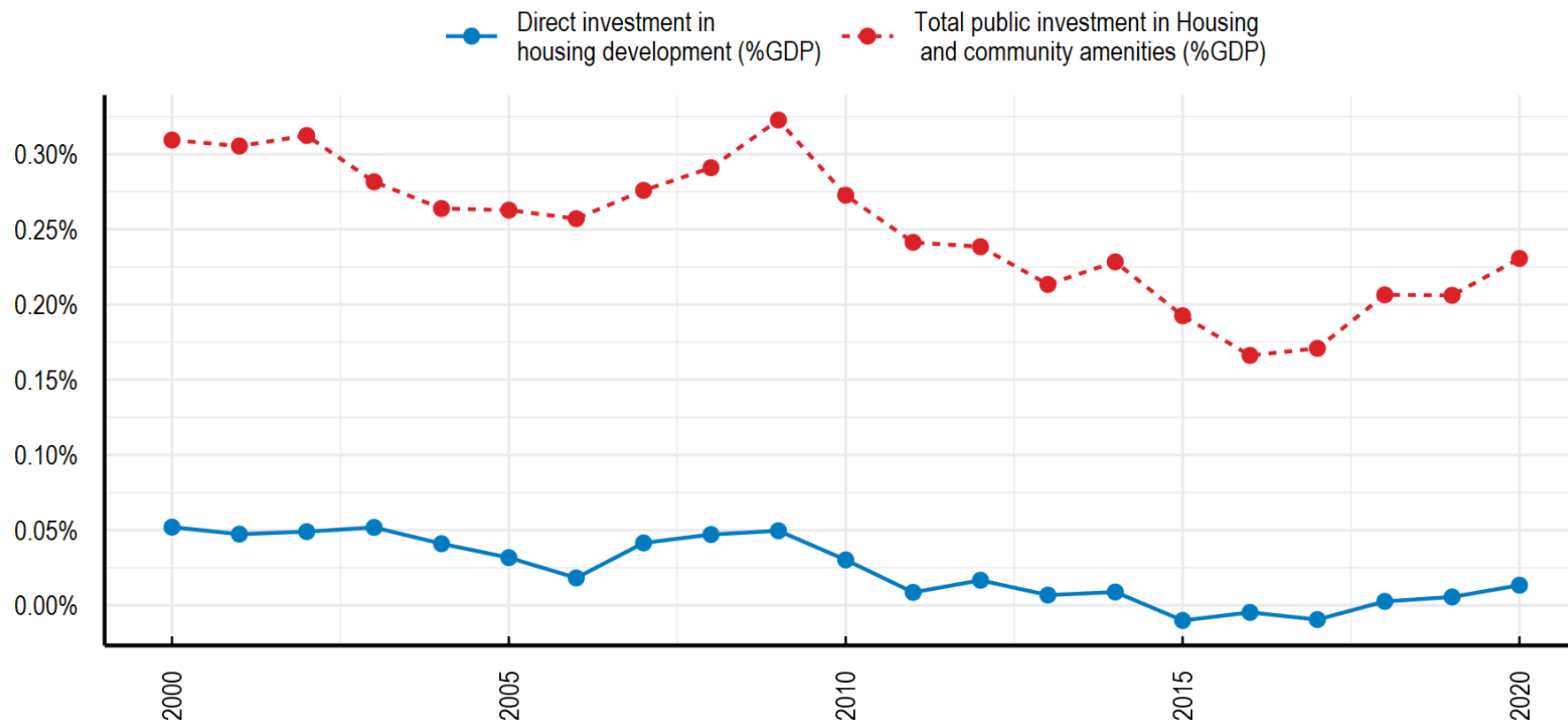
Notes: Data referring to rent overburden prior to the COVID-19 pandemic is based on 2020 figures. In the Netherlands, Denmark, New Zealand and Sweden tenants at subsidized rate are included into the private market rent category due to data limitations. Results only shown if category composed of at least 100 observations. Note by the Republic of Türkiye: 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. Türkiye recognises the Turkish Republic of Northern Cyprus (TRNC). Until a lasting and equitable solution is found within the context of the United Nations, Türkiye shall preserve its position concerning the “Cyprus issue”. Note by all the European Union Member States of the OECD and the European Union: The Republic of Cyprus is recognised by all members of the United Nations with the exception of Türkiye. The information in this document relates to the area under the effective control of the Government of the Republic of Cyprus.

Source: OECD Affordable Housing Database (2023) www.oecd.org/social/affordable-housing-database.htm, indicator HC1.2



Public investment in housing has dropped over the past two decades

Total public investment in *housing and community amenities* and in *housing development*, OECD-30 average, as % GDP, 2000 to 2020



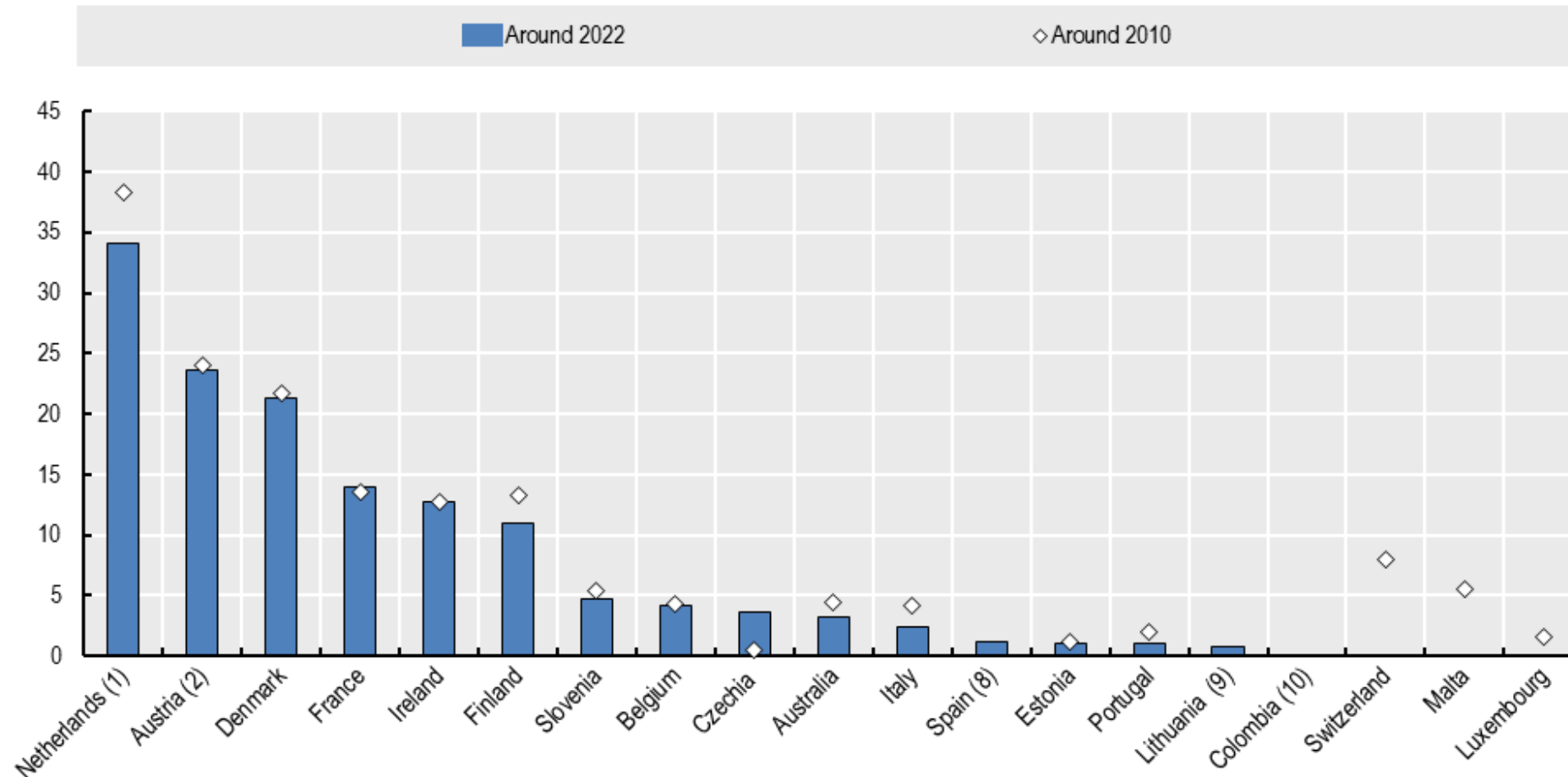
Notes: Total public investment in Housing and community amenities refers to the unweighted average across 30 OECD countries, and includes both direct investment (COFOG series P5_K2CG) and Public capital transfers (COFOG series D9CG). Housing and community amenities includes, among other things, housing development; community development; water supply; street lighting; R&D housing and community amenities; and housing and community amenities. Public investment in housing development alone refers to the unweighted average across 30 OECD countries, and includes both direct investment (COFOG series P5_K2CG) and Public capital transfers (COFOG series D9CG). Housing development includes, among other things, the acquisition of land needed for the construction of dwellings, the construction or purchase and remodeling of dwelling units for the general public or for people with special needs, and grants or loans to support the expansion, improvement or maintenance of the housing stock. Data do not include Canada, Colombia, Korea, Mexico, New Zealand, Türkiye and the United States.

Source: OECD (2023), *Brick by Brick (Volume 2): Better Housing Policies in the Post-COVID-19 Era*, OECD Publishing, Paris, <https://doi.org/10.1787/e91cb19d-en>



The size of the social housing stock varies and has declined in some countries over the past decade

Social rental dwellings, % of the total housing stock in selected years (2010, 2022)



Notes: See notes to indicator PH4.2 in the OECD Affordable Housing Database.

Source: OECD Affordable Housing Database (2023) www.oecd.org/social/affordable-housing-database.htm, indicator PH4.2



Revolving funds can effectively support the provision of affordable rental housing

Institutional set-up	Funding & financing	Management & monitoring
Framework conditions <ul style="list-style-type: none">• Government institution: LVA, SVK, SVN• Outside government: DNK• Diffused system of funding with housing associations: AUT, NLD	Financing instruments <ul style="list-style-type: none">• Public budget: SVK• Concessional lending/EU funds: LVA, SVK, SVN• Loans and guarantees: AUT, DNK, NLD, SVN	Financed activities <ul style="list-style-type: none">• Funding for construction, maintenance and renovation: AUT, DNK, NLD, SVN, SVK
Institutional actors <ul style="list-style-type: none">• Collaboration with local governments: AUT, DNK, NLD, LVA, SVN, SVK• Local housing funds: SVN	Model of intervention <ul style="list-style-type: none">• Rents contributing to the fund: AUT, DNK, NLD, LVA	Operation, control and data <ul style="list-style-type: none">• Management of units built: AUT, DNK, NLD, SVN• Monitoring mechanisms: AUT, DNK, LVA, NLD, SVN• Data set with financial and social data: DNK



Revolving funds practices and approaches to facilitate a long-term co-ordinated approach to affordable housing

Institutional set-up	Funding & financing	Management & monitoring
<p>DNK, NLD, SVN: A national housing strategy to guide policy and investment</p> <p>SVN: Close collaboration with local governments to identify housing needs</p> <p>DNK: Broad remit of the Fund to support renovation, regeneration and social master plans co-financed with municipalities</p>	<p>NLD: Loan guarantee system for social housing loans to keep borrowing costs low</p> <p>AUT: Non-financial incentives (e.g. land) for developers to build affordable housing</p> <p>DNK: 2/3 of rent continues to flow into the Fund after loan repayment for new development and social and infrastructure investment – tenants represented in Fund's Supervisory Board</p>	<p>AUT, DNK: Extensive data collection as a tool for the strategic development of funding and support</p> <p>NLD: Tenants committees to handle complaints, part to handle complaints and participation on</p> <p>DNK, NLD: mutualizing tenants' contributions into a centralized fund to finance buildings' improvements</p>