

PH4.1 PUBLIC SPENDING ON SUPPORT TO SOCIAL RENTAL HOUSING

Definitions and methodology

This indicator looks at the amount of government support for social rental housing, as reported in the OECD Questionnaire on Social and Affordable Housing (2023, 2021, 2019). The level of expenditure is presented as a share of GDP. Data refer to the total expenditure on social rental housing across different levels of government.

Spending data typically include current expenditure aimed at the direct provision of social rental housing and subsidies to non-government social rental housing providers. They do not include personal housing benefits granted to social housing tenants, which are treated as part of housing allowances in other indicators within this database (see PH3.1, PH3.2, PH3.3). They also do not include data on reduced rents paid by tenants in social housing, which is discussed in indicator PH4.3 (see figure PH4.3.2). Further detail on data and comparability issues is provided below.

Support for the direct provision of social housing typically consists of transfers to the local authorities that own and manage the stock. Support to non-government providers usually consists of supply-side subsidies, which can take various forms, such as grants, public loans from special credit institutions, low interest-rate subsidies, and government-backed guarantees.

The full list of measures considered in this indicator are included in the annex table PH4.1.A1.

Key findings

As shown in Figure PH 4.1.1, the overall level of current expenditure for social rental housing is relatively high in New Zealand (0.35% of GDP), which is based on central government expenditure, followed by Australia (0.26%) and Austria (0.21%), which are co-financed by different levels of government. There is also large spending on social rental housing by the national government in France (0.21%). All other countries have spent less than 0.1% of GDP in 2022 or latest year. However, the responsible level of government varies across countries and some countries have additional measures that are not reported (see section on data and comparability issues)

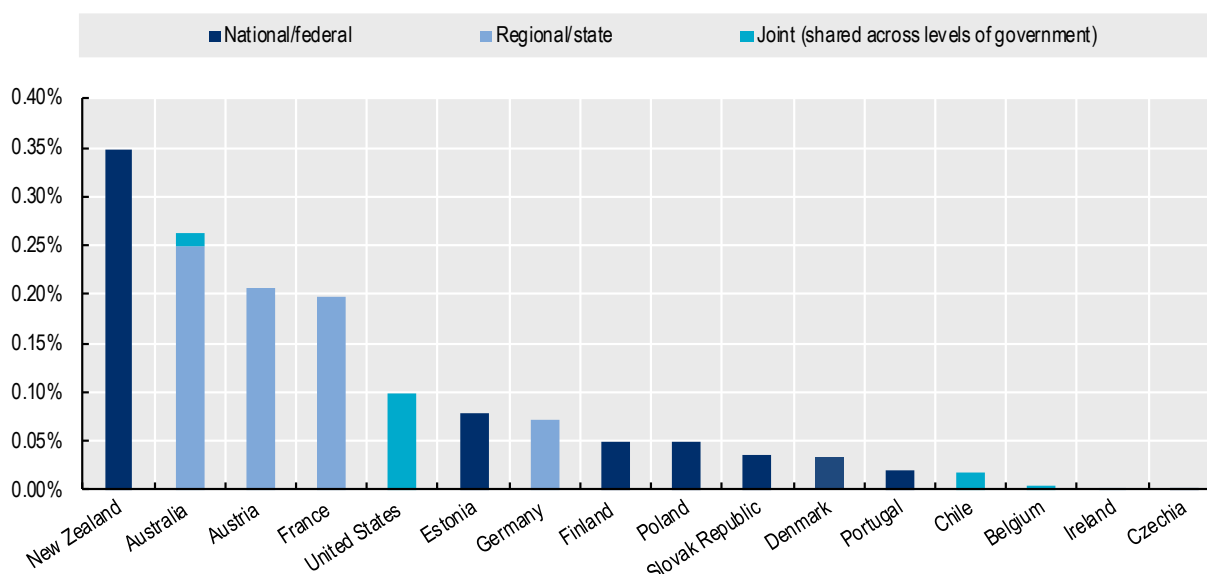
There does not appear to be a direct correlation between the current level of spending on social rental housing and the size of the sector. The Netherlands has the highest share of social housing among OECD countries (see indicator PH4.2). However, while there was significant investment into social housing in the Netherlands during the post-war period, there has strictly speaking been no public spending supporting the provision of social rental housing since 1995; however, there is a system of

guarantees backed by the central government, which allows housing corporations to obtain credit at lower rates, and there are income-tested rental subsidies to tenants (see indicator PH 3.2.).

Funding and financing approaches to develop social rental housing vary across countries. A common approach for raising debt among social housing providers is to pool financing through centralized funding institutions, which aggregate and manage public as is the case for the Housing Bank in Norway and the *Caisse de Depots et Consignations* in France. In other countries, providers increasingly rely on private capital (from banks, or in the case of housing associations in England, directly from capital markets through the sale of bonds) using the value of their stock as collateral to borrow. Some housing providers, especially large housing organisations, also use their own resources and surpluses, and in Austria and Denmark the not-for-profit sector has established revolving funds, where incoming rents are used to fund the existing and new social housing stock. Finally, in some countries, social housing providers obtain funds from the sale of part of the existing stock. For further discussion, see OECD (2020), [Social housing: A key part of past and future housing policy](#) and OECD (2023), [Strengthening Latvia's Housing Affordability Fund](#).

Figure PH4.1.1: Public spending on supporting social rental housing in selected OECD countries.

Government spending as % of GDP, 2022 or latest year available^{1,2,3,4}



Notes:

1. Data for Australia, Czechia and the United States are based on the fiscal year, rather than the calendar year. GDP is adjusted to reflect this.
2. Data refer to 2022, with the exception of Poland and (2023); Czechia and the United States (FY 2022-2023); Australia (FY 2021-2022); Austria and Germany (2021); New Zealand, Estonia, Denmark, and Belgium (2020), Ireland (2019); France (2018); Finland (2017).
3. GDP data for Czechia, Poland and the United States are estimated using approximations from the OECD Economic Outlook.
4. For France, the figure represents spending by national government only, even though other levels of government also contribute to the financing of social housing; these amounts were not available.
5. The list of measures considered in this indicator are reported in Table PH4.1.A1.

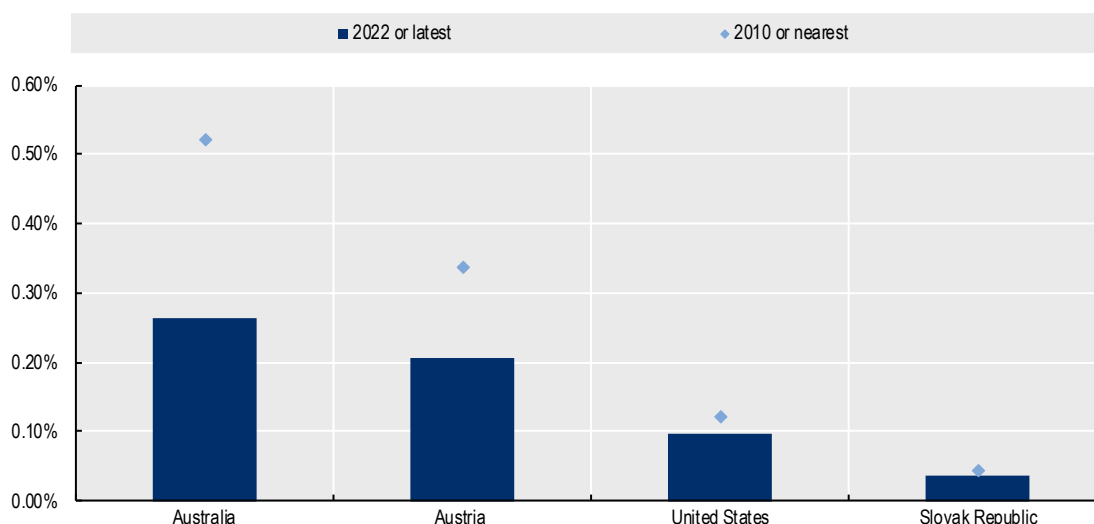
Source: OECD Questionnaire on Affordable and Social Housing, 2023, 2021 and 2019

Among all the countries for which data are available, the amount of public funding to social rental housing in percent of GDP was higher in 2010 than in 2022 (Figure PH 4.1.2). In several countries, this is due to spending on social housing not keeping pace with economic growth (as captured by GDP).

For example, public funding on social housing as a share of GDP in Australia has halved over this period, resulting from moderately decreased expenditure and strong economic growth over these years. Similarly, while absolute funding for social housing increased between the fiscal years 2010 and 2022 in the United States, the increases in (projected) GDP were larger in relative terms. In Austria, the (estimated) absolute expenditure on social housing did not change between 2010 and 2021; given nominal GDP growth over this period, the relative public spending thus decreased between those years.

Figure PH4.1.2: Recent trends in public spending on social rental housing in selected OECD countries

Government spending on supporting social rental housing in selected OECD countries, % of GDP (2010, 2022)^{1,2,3}



Notes:

1. Latest data refer to FY 2022-2023 for the United States; 2022 for the Slovak Republic; FY 2021-2022 for Australia; 2021 for Austria.
 2. Data for 2010 or nearest refer to 2010, with the exception of the United States (FY 2009-2010) and Australia (FY 2009-2010).
 3. The list of measures considered in this indicator are reported in Table PH4.1.A1.
- Source: OECD Questionnaire on Affordable and Social Housing, 2023, 2021, 2019

Data and comparability issues

There are a number of issues limiting the comparison of data on public spending on the provision of social rental housing. Some countries, like Austria, have a large degree of direct housing provision by municipalities. However, new social housing construction by municipalities has been limited over the last years. As such, direct public spending on these publicly provided units usually comes from expenditure on housing regeneration (see PH7.1), rather than explicit expenditures on social housing.

This indicator does not provide information regarding the prevalence of the provision of land at reduced prices to social rental property developers, which is also a typical instrument to support the construction of affordable housing. Comparable information is also not available on local measures such as planning

rules that require private developers to provide a proportion of dwellings in new developments at reduced rent.

Furthermore, social housing providers often benefit from implicit subsidies, such as tax exemptions or reduced tax rates (typically on property and land taxes, as well as VAT on the cost of construction and/or renovation). These have not been reported in the QuASH and therefore are not included - except for France, where they represent a very large share of public support to the sector.

The rents charged to tenants in social housing may well be considerably lower than what is paid in rent for a similar dwelling in the private sector or the costs involved in providing the accommodation at hand. Information on the magnitude of this feature is available for a limited number of jurisdictions in indicator PH4.3 (see Table PH4.3.2).

Finally, housing allowances granted to social housing tenants could also be considered as an indirect source of public funding to the sector, but they are not included in this indicator, as in most countries they cannot be disaggregated from the total amount of housing allowances. By contrast, data for Ireland and New Zealand also include amounts that were paid directly to landlords to cover for the difference between the rent and the amount paid by the tenants, as set on basis of their income.

Sources and further reading

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Figure PH4.1.A1 Social housing measures with available expenditure data

Country	Measure 1		Measure 2		Measure 3		Measure 4	
	Original language	English	Original language	English	Original language	English	Original language	English
Australia	Public Housing		State owned and managed Indigenous housing (SOMIH)		Indigenous Community Housing			
Austria	Wohnbauförderung der Länder	Housing Promotion by Federal Provinces						
Belgium	Personeels- en werkingssubsidie aan sociale verhuurkantoren	Subsidised social rental agencies (SRA)						
Chile	Arriendo a Precio Justo	Rent at a Fair Price (Arriendo a Precio Justo)						
Czechia	IROP - Sociální bydlení	IROP - Social Housing						
Denmark	Grundkapital	Basic Capital loans						
Estonia	Kohaliku omavalitsuse üksuse elamufondi arendamiseks juhtumipõhise investeringutoetuse andmise tingimused ja kord	Conditions and procedures for the investment support for the development of municipal housing stock						
Finland	Erityisryhmien investointiavustus	Investment subsidies for special-needs groups	Muut avustukset	Other subsidies				
France	Prets aides au logement social	Loans and/or loan guarantees to social housing providers	Taux réduit de TVA	Tax credits and/or tax deductions for social housing providers	Exonération d'impôts sur les sociétés	Tax credits and/or tax deductions for social housing providers	Subventions (aides directes)	Direct provision of social (subsidised) housing
Germany	Fördermittel als Darlehen zu Vorzugsbedingungen	Subsidy in form of loans at advantageous conditions	Fördermittel als Zuschuss	Subsidy in form of grants				

Ireland	The Repair and Leasing Scheme							
New Zealand	Income Related Rent Subsidy (IRRS)							
Poland	program preferencyjnych kredytów objętych dopłatami do odsetek z budżetu państwa, udzielanych przez Bank Gospodarstwa Krajowego na społeczne budownictwo czynszowe (program SBC)	Programme of preferential loans with subsidies to interest from the state budget, granted by Bank Gospodarstwa Krajowego for social rental housing (SBC program)	program bezzwrotnego dofinansowania części kosztów inwestycji mieszkaniowej z Funduszu Dopłat w Banku Gospodarstwa Krajowego (program BSK)	Programme of non-returnable financing of part of the costs of a housing investment from the Subsidy Fund at Bank Gospodarstwa Krajowego (BSK program)				
Portugal	1.º Direito - Programa de Apoio ao Acesso à Habitação	1st Right - Housing Access Support Program	Porta de Entrada	Gateway measure				
Slovak Republic	Dotacie na rozvoj byvania	Subsidies on housing development	Štátny fond rozvoja byvania	State Housing Development Fund				
United States	Public housing		Project-based rental assistance					

Source: OECD Questionnaire on Affordable and Social Housing (QuASH) 2019, 2021, 2023