

## PH5.1 MEASURES TO PROPERTY DEVELOPERS TO FINANCE AFFORDABLE HOUSING CONSTRUCTION

### Definitions and methodology

This indicator presents an overview of measures to property developers to finance the construction of new affordable housing as reported by countries in the 2023 and 2021 OECD Questionnaire on Affordable and Social Housing (QuASH 2023, 2021). The scope of this indicator encompasses grants, subsidised loans or loan guarantees, tax relief, subsidised land, or other types of support to property developers to finance the construction of affordable housing. Dwellings can be intended for owner occupation, rent and/or other types of tenure.

Note that measures in this indicator do not include: demand-side subsidies that are provided directly to households to help them access affordable housing (see indicators PH2.1, PH3.1, PH3.2 and PH3.3) or supply-side supports towards the provision of social rental housing (see indicators PH4.1, PH4.2 and PH4.3).

Countries report a wide range of measures; the full list of measures and a summary of the main characteristics are provided in Table 5.1.1. Although it is difficult to identify a common thread among the reported measures, they generally aim to:

- increase housing supply at rent/prices below market rates; and/or
- target low- to middle-income households, although not exclusively.

This indicator also provides information on support introduced to help developers of affordable housing, which was introduced by governments in response to the COVID-19 pandemic.

### Key findings

Measures financing the provision of new affordable housing can be distinguished according to the type of housing support (grants, tax relief, subsidised land, etc.) or the type of tenure they support.

The type of housing support provided to property developers ranges considerably across countries:

- Fourteen countries provide *loans* (often at preferential rates) to property developers to support the construction of affordable housing: Australia, Austria, Canada, Chile, Costa Rica, Croatia, Czechia, France, Iceland, Ireland, the Netherlands, New Zealand, the Slovak Republic, and Türkiye.

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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.

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- Ten countries provide *grants* to property developers to support the construction of affordable housing: Australia, Austria, Czechia, Ireland, Luxembourg, the Netherlands, Norway, Portugal, Türkiye, and the United States.
- Nine countries provide *tax relief* (including tax credits and/or tax deductions) to property developers to support the construction of affordable housing: Australia, Chile, Colombia, France, Germany, Portugal, Spain, Türkiye, and the United States.
- Seven countries provide *subsidised land* to property developers to support the construction of affordable housing: Canada, Germany, Israel, New Zealand, Poland, Switzerland, and Türkiye.
- Some countries provide *other types of support*, such as bonds or repayment of mortgage or rental deposits.

Measures also target different tenure types:

- Property developers of *both affordable rental and owner-occupied housing* (e.g. tenure-neutral schemes) are eligible for support in 13 countries: Australia, Austria, Canada, Colombia, Germany, Ireland, the Netherlands, New Zealand, Portugal, South Africa, Spain, the United Kingdom and the United States. This includes *loans* (Australia, Austria, Canada, Ireland, the Netherlands), *tax relief* measures (Colombia, Portugal, Spain), *grants* (Austria, Ireland, the Netherlands, the United States), *subsidised land* (Canada, Germany, New Zealand) and other types of support.
- Property developers of *affordable rental housing* receive public support in 11 countries: Australia, Canada, Czechia, France, Germany, Iceland, Norway, Poland, the Slovak Republic, Switzerland, and the United States. In some countries, support for affordable rental housing requires dwellings to be maintained at affordable rent levels for a minimum time period (10 years in Australia; 15 years, subject to extension, in the United States; 20 years in Canada; and 25 years in Portugal).

Property developers of *affordable owner-occupied housing* receive public support in eight countries: Chile, Costa Rica, Croatia, Cyprus, Israel, Luxembourg, New Zealand, and Türkiye (note that demand-side measures supporting home buyers directly are much more widespread; see PH 2.1 and 2.2). In Chile, subsidies, loans, and tax relief are available to property developers of affordable owner-occupied dwellings. In Israel, the government provides subsidised land to support the construction of affordable owner-occupied dwellings by private property developers. In Luxembourg, the government helps to finance the land acquisition, planning and construction for owner-occupied dwellings that are sold at an average of 20% below market prices. In New Zealand, the government underwrites or purchases new homes “off the plans” in exchange for the development of a higher number of affordable dwellings.

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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.

**Table PH 5.1: Measures financing affordable housing development: Overview of existing measures.**

Country	Measure name	Description	Tenure type	Types of property developers	Requirements applying to the dwelling and/or households	Income thresholds for end-users	Type of aid	Administrative level
Australia	Managed investment trusts	From 1 July 2019, Managed Investment Trusts (MIT) are eligible to access a 15% concessional withholding tax rate on income and capital gains (attributable to investments in certain affordable and disability housing assets), that is distributed to non-resident investors. MIT investments in other forms of residential housing (i.e., housing that is not used to provide affordable or disability housing) are subject to a final MIT withholding tax rate of 30% (in line with the top corporate tax rate). MITs must invest in land primarily for the purpose of deriving rent.	Development of affordable rental dwellings	Non-residents (Australian residents, including complying superannuation funds, that invest through a MIT are subject to tax at their relevant marginal tax rates).	<p>Eligibility criteria for end users: Eligibility for the concessional MIT withholding tax rate is subject to the tenancy of the dwelling, or its availability for rent, being managed by an eligible community housing provider. The states and territories then impose their own definitional requirements as to what an affordable dwelling is, which may or may not include household income thresholds or occupation type (commonly referred to as "key workers").</p> <p>Eligibility criteria for dwellings: Affordable housing is defined according to each state and territory's housing policies and a MITs affordable housing investments would need to meet (at a minimum) the relevant conditions of each jurisdiction. This includes tenure and rent settings, and potentially other defining features (as set out in a jurisdiction's respective building codes) such as</p>	Uncertain	Tax deduction	National/Federal

Country	Measure name	Description	Tenure type	Types of property developers	Requirements applying to the dwelling and/or households	Income thresholds for end-users	Type of aid	Administrative level
					dwelling size, quality standards, energy efficiency, resilience to natural disasters, as well as density levels. Affordable dwellings are (as a rule of thumb) typically defined as properties rented at 20 per cent below market value rents. Moreover, to access the 15 per cent concessional MIT withholding tax rate (in respect of capital gains attributable to affordable housing assets), the asset must have been used to provide affordable housing for at least 10 years. The use of the dwelling to provide affordable housing must occur on or after 1 July 2017 (but before the Capital Gains Tax event happens) and does not need to be a consecutive period.			
Australia	Affordable Housing Bond Aggregator	The Affordable Housing Bond Aggregator (AHBA), operated by the National Housing Finance and Investment Corporation, provides finance to registered community housing providers (CHPs). The AHBA operates by using money borrowed from the Australian Government or by raising finance through the issue of bonds in the capital markets. This mechanism	Both affordable owner-occupied and rental dwellings	Legal persons - community housing providers that are registered under a law of, or under a scheme administered by, a State or Territory	All AHBA Loan borrowers would need to meet the relevant conditions of each jurisdiction, including tenure and rent settings, dwelling size, standards relating to quality, energy efficiency, and resilience to natural disasters, as well as density levels. Affordable dwellings are typically understood to be at 20 per cent below market value rents and in	Yes (varies by housing provider and by jurisdiction)	Loan finance	National/Federal

Country	Measure name	Description	Tenure type	Types of property developers	Requirements applying to the dwelling and/or households	Income thresholds for end-users	Type of aid	Administrative level
		supports fundraising on a larger scale and on different terms to what would be possible for individual CHPs. This in turn supports cheaper and longer-term finance for CHPs that enable them to improve housing outcomes for their clients.			practice this acts as a maximum rent for each affordable dwelling. Individual community housing organisations may choose to provide affordable dwellings at a higher quality or at lower prices than they would otherwise be required to by the relevant regulations.			
Australia	National Housing Infrastructure Facility	Housing Australia provides loans and grants to directly support new social and affordable housing. Eligible applicants can apply for finance for NHIF SAH concessional loans and/or grants. In general, grants will only be provided with a loan as part of a blended financing arrangement. In exceptional circumstances, grants alone of up to AUD 3 million will be considered.	Social and affordable dwellings	To be eligible for NHIF finance, applicants must be one of the following: <ul style="list-style-type: none"> <li>- A state or territory;</li> <li>- A local governing body as defined in section 4 of the Local Government (Financial Assistance) Act 1995 (Cth);</li> <li>- A registered Community Housing Provider (CHP) that is a constitutional corporation; or</li> <li>- A special purpose vehicle that is a constitutional corporation.</li> </ul>		No	Loans and grants	National/Federal
Austria	Subsidy scheme of the provinces ( <i>Wohnbauförderung der Länder</i> ) for the construction of new	Subsidies schemes of the Austrian Provinces offer grants, soft loans and guarantees for the construction of new owner-	Both affordable owner-occupied and rental	Generally, all types of property developers are eligible. However, in some provinces, for-profit providers are not	A maximum price applies to dwellings built with support from this scheme for a period of 20 years. Requirement for end users:	Yes	Grant, loans, and mortgage guarantees	Regional/State (provinces)

Country	Measure name	Description	Tenure type	Types of property developers	Requirements applying to the dwelling and/or households	Income thresholds for end-users	Type of aid	Administrative level
	owner-occupied dwellings	occupied dwellings	dwellings (including collective living facilities e.g. for students or older people)	eligible for rental housing	permanent residents with Austrian or EU citizenship or recognised asylum seekers.			
Canada	Rapid Housing Initiative	The Rapid Housing Initiative (RHI) provides funding to support the rapid development of permanent, new affordable housing units. It is delivered by the Canada Mortgage and Housing Corporation (CMHC) under the National Housing Strategy (NHS).	Development of affordable rental dwellings	Eligible proponents can include non-profit and charitable organizations; municipal, provincial, and territorial governments; and Indigenous governing bodies or organisations.	End users: RHI units are targeted at those vulnerable populations in severe housing need, as identified as a priority area for action under the National Housing Strategy (NHS). Dwellings: there property type and size requirements, as well as accessibility and energy efficiency requirements	Uncertain	Capital contributions	National/Federal
Canada	Affordable Housing Innovation Fund	The Affordable Rental Housing Innovation Fund (Innovation Fund) will support construction of new affordable housing by helping to spur innovation in the construction sector and encourage the development of new models and approaches while reducing reliance on long-term government subsidies.	Both affordable owner-occupied and rental dwellings, as well as housing repairs and upgrades	All types of property developers are eligible	There are standards in terms of affordability, innovation, financial sustainability, accessibility, energy efficiency, and knowledge transfer.	No	Flexible: loans, equity capital investments, other innovative financing arrangements	National/Federal
Canada	National Housing Co-Investment Fund	The National Housing Co-Investment Fund provides low-cost loans and/or financial contributions to support and develop mixed-income, mixed-tenure, mixed-use affordable housing. This housing must be energy	Both affordable owner-occupied and rental dwellings, as well as other types of	All types of property developers are eligible	There are standards in terms of affordability, quality/energy efficiency, and accessibility. All projects must keep rents for a minimum of 30% of units below 80% of the Median Market Rental rate, for a	No	Low-interest and/or forgivable loans and contributions	National/Federal

Country	Measure name	Description	Tenure type	Types of property developers	Requirements applying to the dwelling and/or households	Income thresholds for end-users	Type of aid	Administrative level
		efficient, accessible and socially inclusive. The National Housing Co-investment Fund prioritises projects that support partnerships between governments, non-profits, private sector, and others.	housing (e.g. shelters)		minimum of 20 years.			
Canada (1)	Federal Lands Initiative	The Federal Lands Initiative is a CAD 200-million fund that supports the transfer of surplus federal lands and buildings to eligible proponents. This is available at discounted to no cost to be developed or renovated for use as affordable housing.	Both affordable owner-occupied and rental dwellings, as well as other types of housing (e.g. mixed income, mixed tenure, shelters)	All types of property developers are eligible	Proposals to build or renovate surplus federal property into affordable housing must meet minimum requirements regarding affordability; accessibility; energy efficiency; evidence of community need; experience in the construction/renovation and operation of projects of similar size and scope; and financial viability.	No	Subsidised land	National/Federal
Chile	Social and Territorial Integration Programme, D.S. N° 19 (V. and U.), of 2016 ( <i>Programa de Integración Social y Territorial, D.S. N° 19 (V. y U.), de 2016</i> )  NB: Cross-posted in PH2.1	Provides subsidies to finance the acquisition of affordable housing.	Affordable owner-occupied dwellings	Natural persons; legal persons	A maximum price applies to dwellings built with support from this scheme. There are also standards in terms of dwelling size, location (e.g. only land within urban boundary and with access to services) and quality/energy efficiency. The project must not exceed 300 units. Eligible households: (i) a certificate of definitive permanency is needed for non-Chileans; (ii) households with any member owning a dwelling are not eligible; (iii) single-	Yes	Subsidies and loans	Joint (shared across levels of government).

Country	Measure name	Description	Tenure type	Types of property developers	Requirements applying to the dwelling and/or households	Income thresholds for end-users	Type of aid	Administrative level
					person households cannot apply alone.			
Chile	VAT Credit for Housing Construction (DL N°901/1975 Art. 21) ( <i>Crédito de IVA para la construcción de viviendas (DL N° 901/1975, Art. 21)</i> )	Construction companies are entitled to deduct 65% of VAT debit determined on the sale (net of land value) of new residential properties from their First Category Income Tax advance monthly payments. The deductible amount is limited to UF 225 per housing unit.	Affordable owner-occupied dwellings	Construction companies and specific non-lucrative institutions and foundations	A maximum price applies to dwellings built with support from this scheme. The dwelling value shall not exceed UF 2 000. In the case of subsidized housing, the cap is UF 2 200.	No	Tax credit	National/Federal
Colombia	Tax relief for social interest housing and priority interest housing ( <i>Rentas exentas asociadas a la vivienda de interes social y la vivienda de interes prioritario</i> )	Tax relief for social housing and priority housing.	Both affordable owner-occupied and rental dwellings	All types of property developers are eligible	A maximum price applies to dwellings built with support from this scheme.	Yes	Tax deduction	National/Federal
Colombia	VAT reduction for construction materials ( <i>Devolucion del IVA en materiales de construccion VIS</i> )	The VAT paid to acquire construction materials for social housing projects can be reclaimed (Art. 850 Paragraph 2 National Tax Statute; Art. 66 of the Law 1607 of 2012).	Both affordable owner-occupied and rental dwellings	All types of property developers are eligible	A maximum price applies to dwellings built with support from this scheme.	Yes	Tax deduction	National/Federal
Costa Rica	National Housing Financing System ( <i>Ley del Sistema Financiero Nacional para la Vivienda</i> )	For property developers, the system provides financing at 0% interest for approved projects and a 50% reduction in fees for the development of blueprints and permits.	Affordable owner-occupied dwellings	Natural persons; legal persons	A maximum price applies to dwellings built with support from this scheme. There are also standards in terms of dwelling size and quality/energy efficiency. For households, there are criteria related to income, size and prior housing conditions.	Yes	Loan	National/Federal



Country	Measure name	Description	Tenure type	Types of property developers	Requirements applying to the dwelling and/or households	Income thresholds for end-users	Type of aid	Administrative level
Croatia (1)	Financing loans for construction or reconstruction of family houses within the Programme of State Subsidised housing construction (POS)	This measure provides credit financing for the construction or reconstruction of family houses. It is part of the Program of State Subsidised housing construction (POS), implemented by the Agency for Transaction and Mediation in Immovable Properties	Affordable owner-occupied dwellings	..	..	..	Preferential loan	National/Federal
Cyprus (1)	Affordable housing provision by the Cyprus Land Development Corporation	The Cyprus Land Development Corporation (CLDC) is a Public Law Corporation, which builds dwellings and offers them at a low price and at favourable terms of payment to households with incomes below certain limits. It runs different schemes including a Medium-income housing scheme and Low-Income housing scheme. Beneficiaries of the Low-income housing scheme also receive a subsidy from the state.	Affordable owner-occupied dwellings	Cyprus Land Development Corporation	..	Yes	..	National/Federal

Country	Measure name	Description	Tenure type	Types of property developers	Requirements applying to the dwelling and/or households	Income thresholds for end-users	Type of aid	Administrative level
Czechia (1)	Supported housing ( <i>Podporované byty</i> )	Can support the development of affordable family housing, social housing or accessible residential buildings.	Affordable rental dwellings	All types of property developers are eligible	A maximum price applies to dwellings built with support from this scheme. There are also standards in terms of dwelling size and quality/energy efficiency.	Yes	grant	National/Federal
Czechia	Rental housing ( <i>Nájemní byty</i> )	Low-interest loan for construction of (blocks of) flats	Affordable rental dwellings	All legal persons and local governments	For end-users: at least 25 % of tenants need to be selected by the local governments. Tenants must not own residential property. For dwellings: the rent must be set according to the usual rent in the location at the time of signing the rental agreement.	Yes	Grants and loans	National/Federal
France	Income tax credit to encourage rental investment ( <i>Dispositif de défiscalisation Pinel en faveur de l'investissement locatif intermédiaire</i> )	This measure allows landlords who buy a new dwelling to get an income tax credit, if they agree to let the dwelling at an affordable rent for at least 9 years. The global amount of the tax credit can reach 21% of the total amount of the rental investment in Metropolitan France (29% in overseas territories). The rate of the tax credit is 12% for first 6 years, or 18% for first 9 years. Although the measure does not directly support property developers, it supports the development of new supply of rental housing by focusing on newly built dwellings.	Affordable rental dwellings	Natural persons (taxpayers) who have permanent residence in France	A maximum investment of up to EUR 300,000 is eligible for the tax reduction. There are standards in terms of quality and geographical area.	No	Tax deduction	National/Federal
France	Intermediate rental	Loans from this scheme can	Affordable	Legal persons	A maximum rental charge	Yes	preferential	National/Federal

Country	Measure name	Description	Tenure type	Types of property developers	Requirements applying to the dwelling and/or households	Income thresholds for end-users	Type of aid	Administrative level
	loan ( <i>Prêt locatif intermédiaire or PLI</i> )	finance the purchase, construction or rehabilitation of a dwelling to be let at affordable rent. It is available from the public bank Caisse des Depots et Consignations (CDC) or from other credit institutions signing an agreement with CDC. The loan has a low interest rate and long maturity.	rental dwellings	/companies	per square meter applies, varying across different areas.		loan	
France	Reduced value-added tax rate ( <i>TVA aux taux réduits de 5,5% et 10%</i> )	A reduced VAT rate applies to newly built dwellings and to transformation of office spaces into residential dwellings in certain areas. The dwellings concerned must belong to a housing complex composed by a minimum of 25% of social housing	Affordable rental dwellings	Natural and legal persons/companies	There are standards in terms of quality/energy efficiency density levels and geographical area.	No	tax relief	National/Federal
Germany	Special depreciation allowance for new rented housing ( <i>Sonderabschreibung für den Mietwohnungsneubau</i> )	An allowance of 5% of acquisition or manufacturing costs per year for four years (in addition to the linear depreciation allowance of 2%).	Affordable rental dwellings	House builders/owners are supported	Restricted to the lower end of the rental market through limits on construction costs	No	Tax deduction	National/Federal
Germany	Selling public properties at reduced prices ( <i>Verbilligte Abgabe von öffentlichen Liegenschaften</i> )	Sale of plots at reduced prices by Institute for Federal Real Estate (BlmA) (incl. for the purpose of constructing social housing)	Both affordable owner-occupied and rental dwellings	Federal states and municipalities can access properties from the Federal Agency for Real Estate and pass it on to private developers for the construction of social housing.	Properties must be used to construct social housing.	No	Subsidised land	National/Federal
Iceland (1)	Housing Financing	The role of the HFF is to	Affordable	All types of property	A maximum price applies to	Yes	loan	National/Federal

Country	Measure name	Description	Tenure type	Types of property developers	Requirements applying to the dwelling and/or households	Income thresholds for end-users	Type of aid	Administrative level
	Fund (HFF)	provide mortgage loans to individuals, municipalities, companies and organisations to finance housing purchase and construction work, limited to social role	rental dwellings	developers are eligible	dwellings built with support from this scheme. There are standards in terms of dwelling size and location.			
Iceland	Initial contribution (Stofnframlög)	The state and municipalities can provide initial contributions for the construction and purchase of affordable rental apartments.	Affordable rental dwellings	..	For end users: public apartments shall only be allocated to tenants who are below the income and property limits according to law no. 52/2016, including students, young people, the elderly, people with disabilities and people who are unable to provide housing for themselves due to social conditions or financial problems.	..	loan	National/Federal
Ireland	Project Tosaigh	Under the Irish government's Housing for All strategy, the Land Development Agency (LDA) targets the delivery of 5 000 new homes by 2026 through Project Tosaigh, with the agency to have full ownership of homes for affordable cost rental, with the balance being sold to eligible households under affordable purchase arrangements.	Both dwellings for affordable purchase and cost rental		Eligibility criteria for end users includes household income.	Yes	..	National/Federal
Ireland (1)	Home Building Finance Ireland	Home Building Finance Ireland was established to provide financing for commercially viable residential development projects outside of Dublin and	Both affordable owner-occupied and rental dwellings	All types of property developers are eligible	Any proposals for HBFi financing must be commercially viable.	No	loan	National/Federal

Country	Measure name	Description	Tenure type	Types of property developers	Requirements applying to the dwelling and/or households	Income thresholds for end-users	Type of aid	Administrative level
		for smaller builders and property developers, more generally.						
Israel	Reduced price programme	The lottery system offers a discount of 20% on the apartment purchase price, in addition to grants of up to ILS 40 000 in certain areas	Affordable owner-occupied dwellings		For end-users: All single persons over the age of 35 and all married couples (and other forms of living partnerships) without age restriction are eligible to enroll if they didn't own any part, up to 33%, of an apartment in the previous six years.	No	Subsidised land	National/Federal
Luxembourg	Building subsidies for public property developers for affordable home ownership ( <i>Aides à la construction d'ensembles</i> )	Through this scheme the government participates in the financing of land acquisition, planning and construction of dwellings by public property developers (e.g. "Fonds du Logement", "Société Nationale des Habitations à Bon Marché" and municipalities). Depending on the nature of the investment, the financial contribution of the Ministry of Housing to the construction of residential buildings (with a municipal management) ranges from 50% to 100% of the costs.	Affordable owner-occupied dwellings	All types of property developers are eligible	Prices of subsidised dwellings must be on average 20% below market prices. The minimum standards of energy efficiency must be satisfied.	Yes	Grant	National/Federal
The Netherlands (1)	Housing deals ( <i>Woondeals</i> )	The housing deals (reached with the municipalities of the tightest housing markets), includes terms on acceleration of current development projects,	Both affordable owner-occupied and rental dwellings	Local governments are eligible if they are able to show that they have a sufficient need for support and have a specific plan for which	Support is given on a broader scale to local governments for large developments (e.g. new neighbourhoods in green field developments), not on	..	Improve access to construction sites; expedite planning and construction	Joint (shared across levels of government)

Country	Measure name	Description	Tenure type	Types of property developers	Requirements applying to the dwelling and/or households	Income thresholds for end-users	Type of aid	Administrative level
		availability of sufficient affordable housing and the rental sector.		they need support	a house-by-house basis.		procedures	
The Netherlands	Public Housing Fund	With the multi-year specific Social Housing Fund (VHF) benefit, municipalities improve safety and quality of life in vulnerable neighborhoods. They invest in the quality of the housing stock, living environment and public space.	Both owner-occupied and rental dwellings	Local governments	Eligibility criteria for end users includes: the project has a demonstrable financial deficit; the beneficiary and other parties must cover at least 30% of the financial shortfall. The contribution from the Public Housing Fund amounts to a maximum of 70%.	No	Grant	Joint (shared across levels of government)
The Netherlands	Financing facility to transform urban locations ( <i>Transformatiefaciliteit binnenstedelijke transformatie</i> )	The transformation facility offers short-term loans to finance the preliminary phase of housing projects, so that initiators can start the (re) development of these locations faster.	Both affordable owner-occupied and rental dwellings	Legal persons/entities	Dwellings must be locations that served a different purpose (e.g. factories, or offices) and that are transformed to affordable dwellings	Yes	Loans and grants	National/Federal
The Netherlands	Housing incentive ( <i>woningbouwimpuls</i> )	The grant is a subsidy for municipalities to share the financial gap of public investments for housing developments. The financial gap is the difference between the public investments and public revenue of a development. Public investments are, for example, reallocation of businesses and industries, soil remediation, infrastructural investments and nitrogen measures. The public revenues exist of income through the sale of land or the	Both affordable owner-occupied and rental dwellings	Local authorities	A maximum price applies to dwellings built with support from this scheme. The housing incentive is focused on larger developments (> 500 dwellings), of which at least 50% needs to be affordable, whereby affordable is defined as social rent, mid-rent, or affordable owner-occupied (max € 355.000). A share of the affordable housing will be developed by social housing associations. They must obey to some laws on the allocation of social	Yes	Grant	National/Federal

Country	Measure name	Description	Tenure type	Types of property developers	Requirements applying to the dwelling and/or households	Income thresholds for end-users	Type of aid	Administrative level
		cost recovery on private developers.			housing to low-income households.			
New Zealand	Land for Housing Programme	The government acquires land and sells that land to property developers (including iwi) who use their own capital to develop the land for housing. The property developers commit to delivering certain outcomes with respect to dwelling yield, development pace and the proportion of houses built for social housing and/or sold at affordable price points. In consideration, the government can defer settlement on the land for a period of time. With the Land for Housing programme, the government's objective is to make 20% of the dwellings available for public housing, and a further 40% at (or below) the KiwiBuild price points and offered to first home buyers.	Both affordable owner-occupied and rental dwellings	All types of property developers are eligible	A maximum price applies to dwellings built with support from this scheme. There are also standards in terms of dwelling size and location. Some locations (Queenstown and Auckland) have price requirements / caps related to a dwelling's number of bedrooms. Eligibility requirements for buyers (for KiwiBuild Houses) include: (i) being a New Zealand Citizen, a permanent resident or a person who is "ordinarily resident in New Zealand"; (ii) being a first home buyer or 'second chancer'; (iii) being an owner occupier and reside in the property for three years; and (iv) meeting the income bracket requirement, among others.	Yes	Subsidised land	National/Federal
New Zealand	Buying off the plans initiative	The Buying off the Plans initiative involves the Government underwriting or purchasing new homes off the plans that the private sector or others are leading, in exchange for accelerating a greater number of affordable KiwiBuild dwellings.	Affordable owner-occupied dwellings	Natural and legal persons/companies	A maximum price applies to dwellings built with support from this scheme. There are also standards in terms of dwelling size and location. Some locations (Queenstown and Auckland) have price requirements / caps related to a dwelling's number of bedrooms. Eligibility requirements for	Yes	De-risking developments through underwriting or outright purchase of KiwiBuild dwellings	National/Federal

Country	Measure name	Description	Tenure type	Types of property developers	Requirements applying to the dwelling and/or households	Income thresholds for end-users	Type of aid	Administrative level
					buyers (for KiwiBuild Houses) include: (i) being a New Zealand Citizen, a permanent resident or a person who is “ordinarily resident in New Zealand”; (ii) being a first home buyer or ‘second chancer’; (iii) being an owner occupier and reside in the property for three years; and (iv) meeting the income bracket requirement, among others.			
New Zealand	Progressive home ownership	Progressive home ownership (PHO) can help people into their own homes through arrangements like rent-to-buy, shared ownership or leasehold schemes. The PHO fund offers approved providers a loan to partner with individuals, families and whanau in a rent-to-buy, shared equity or leasehold arrangement.	Affordable owner-occupied dwellings	Legal persons: Organisations that have been approved as a Progressive Home Ownership (PHO) provider.	Eligibility requirements for applicants include: i) being legally able to buy a home in New Zealand (or be married to, or in a civil union or de facto partnership with someone who is legally able to buy a home in New Zealand); ii) having a household income before tax of no more than \$130,000 (except for multi-generational households, who can earn more); iii) being a first homebuyer or a second chancer (someone who has owned a home before but is back in the same financial situation as a first-time buyer e.g. due to a divorce); and iv) committing to live in the house as their main place of residence for at least three years	Yes	Loan (15-year interest free)	National/federal
Norway	Grant for social rental	The scheme supports	Affordable	All types of property	There are standards in	Yes	Grant	National/Federal



Country	Measure name	Description	Tenure type	Types of property developers	Requirements applying to the dwelling and/or households	Income thresholds for end-users	Type of aid	Administrative level
	housing ( <i>Tilskudd til utleieboliger</i> )	municipalities in providing rental housing for people who do not manage to acquire or maintain satisfactory living conditions by themselves.	rental dwellings	developers are eligible. The municipality can buy, build new or rebuild property. The municipality may do so itself, or by entering into agreements with private actors. The Housing Bank can provide grants to municipalities. The Housing Bank can also provide grants to companies and others that are intended to rent out homes to disadvantaged.	terms of quality/energy efficiency. Plus, the home must be suitable for the target group.			
Poland	Dwelling for land ( <i>Lokal za Grunt</i> )	<p>Lokal za Grunt is an instrument supporting investment development. It is addressed to municipalities and entities operating in the construction sector. Its purpose is to reduce barriers to acquiring real estate for development.</p> <p>Under the Housing for Land program, investors can purchase real estate from municipalities with partial settlement of the real estate price with apartments or social infrastructure facilities transferred to the needs of the local government community. In the basic model, the commune sells the</p>	Affordable rental dwellings	Municipalities and entities operating in the construction sector, including housing construction.	Every municipality sets its own conditions		Subsidised land	Local/municipal

Country	Measure name	Description	Tenure type	Types of property developers	Requirements applying to the dwelling and/or households	Income thresholds for end-users	Type of aid	Administrative level
		property to an investor selected in a transparent tender open to all entities interested in implementing a housing investment. The buyer pays part of the property price in cash. The second part is settled in the form of apartments, which are transferred to the commune after construction. The investor can dispose of the remaining apartments according to his own needs, e.g. he can sell them on a commercial basis.						
Portugal	Controlled cost housing ( <i>Habitación de Custos Controlados</i> )	This regime includes financial support from the State through funding concessions and tax benefits. The main development is for affordable rental dwellings, but some developments may be for affordable owner-occupied dwellings.	Both affordable owner-occupied and rental dwellings	Legal persons/companies, local/regional authorities	A maximum price applies to dwellings built with support from this scheme. There are also requirements relating to household income when the construction is promoted with special public financing. The Affordable Rent Program (PAA) must be applied to these dwellings for 25 years.	No	Tax deduction	National/Federal
Portugal	First right- Housing Access Support Program ( <i>1.º Direito - Programa de Apoio ao Acesso à Habitação</i> )	The First Right program aims to promote housing solutions for people who do not have the financial capacity to bear the cost of access to adequate housing.	Public ownership for social rental and household ownership for rehabilitation.	Autonomous regions or municipalities, public entities, third sector organisations, resident associations and housing and construction cooperatives, owners of properties located in degraded areas.	End users must show proof of having financial needs and that they live in inadequate conditions. Moreover, they must be a national citizen, or they must have either an EU citizen registration certificate or a valid residence permit.	Yes	Grant	National/Federal

Country	Measure name	Description	Tenure type	Types of property developers	Requirements applying to the dwelling and/or households	Income thresholds for end-users	Type of aid	Administrative level
Slovak Republic	Loan ( <i>úver</i> )	Favourable long-term loan for the purpose of land, technical infrastructure and rental dwellings from the State Housing Development Fund	Affordable rental dwellings	All types of property developers are eligible	A maximum price applies to dwellings built with support from this scheme. There are also standards in terms of energy efficiency and geographical area.	Yes	loan	National/Federal
South Africa	National Housing Finance Corporation (NHFC)	The NHFC provides housing finance to intermediaries, mainly Retail Finance Intermediaries, Property Practitioners/Developers and Social Housing Institutions. The NHFC also supports and capacitates emerging housing intermediaries, through partnerships with other local and international organisations.	Both affordable owner-occupied and rental dwellings				Access to development finance	National/Federal
Spain	Local taxes ( <i>impuestos locales</i> )	Tax relief to property developers to finance the construction of affordable housing	Both affordable owner-occupied and rental dwellings	All types of property developers are eligible	A maximum price applies to dwellings built with support from this scheme. There are also standards in terms of dwelling size.	Yes	Tax deduction	Local/municipal
Switzerland	Subsidised land lease	Some municipalities offer land to non-profit housing organisations on a leasehold basis and with a right to build on that land. The lease of the land is often subsidised, i. e. the non-profit organisation doesn't pay the market rent on the land (this is the subsidy-element). There are many different systems of such leaseholds and rights to build that vary across	Affordable rental dwellings	Non-profit organisations/ co-operatives	Eligibility criteria vary across cities and communes	No	subsidised land	Local/municipal

Country	Measure name	Description	Tenure type	Types of property developers	Requirements applying to the dwelling and/or households	Income thresholds for end-users	Type of aid	Administrative level
		municipalities.						
Switzerland	Bond-issuing Cooperative BIC ( <i>Centrale d'émission pour la construction de logements</i> )	The Bond Issuing Cooperative for Limited Profit Housing seeks to raise affordable finance for non-profit housing construction. This is to be achieved by issuing bonds and distributing these funds among affordable housing providers.	Affordable rental dwellings	Non-profit/Affordable housing providers		Uncertain	Bond	Joint (shared across levels of government)
Türkiye	Urban Transformation ( <i>Kentsel Dönüşüm</i> )	Urban transformation applications are made within the scope of law numbered 6306 and within the scope of municipality law numbered 5393. Within the scope of law numbered 6306, there are grants (rental assistance and interest support), tax, fee and fee exemptions, retrofitting and construction loan support.		All types of property developers are eligible	There are standards in terms of quality/energy efficiency and density. The basic condition for these supported houses is that it is a risky building with technical data.	No	Grants (rental assistance and interest support), tax, fee and fee exemptions, retrofitting and construction loan support	National/Federal
Türkiye	Revenue Sharing Projects ( <i>Gelir Paylasimi Modeli</i> )	The Revenue Sharing Project/model was developed by Türkiye's housing agency (TOKI), and it seeks to close the gap between short-term capital expenses and long-term receivables. To do so, TOKI, which uses land from its own portfolio, cooperates with the private sector and transfers a certain percentage of the income of the project to the project contractor company.	Affordable owner-occupied dwellings	Private actors/contractors			Subsidised land	National/Federal

Country	Measure name	Description	Tenure type	Types of property developers	Requirements applying to the dwelling and/or households	Income thresholds for end-users	Type of aid	Administrative level
United Kingdom (England)	Affordable housing guarantee scheme	The government launched guarantee schemes to facilitate the delivery of new private rented sector properties (build to rent) and affordable housing.	Affordable owner-occupied and rental dwellings, as well as shared ownership	Legal persons/companies	The AHGS covered all forms of affordable housing tenure, although application to the scheme was limited to Registered Providers.	No	Debt guarantee	National/Federal
United States	Low Income Housing Tax Credit programme (LIHTC)	LIHTC allows states to distribute federal tax incentives for construction or rehabilitation of affordable rental housing. Tax credits reduce the federal income tax of investors who participate. The investor receives a tax credit paid annually over a 10- year period and cannot withdraw the investment for 15 years.	Affordable rental dwellings	Private and non-profit property developers	A maximum price applies to dwellings built with support from this scheme. Tenant incomes upon entry must be below a percentage of area median income elected by the property developer. States may include energy efficiency or disaster resiliency requirements in their competitive allocation plans. Projects may be awarded higher rates of tax credit for location in high-cost areas or very low-income or high-poverty neighbourhoods. States must set aside at least 10% of annual allocations for non-profit property developers.	Yes	Tax credit	Federal, administered by state housing finance agencies
United States	HOME Investment Partnership Grant Programme	HOME Investment Partnerships Programme provides formula grants to states and localities that communities use - often in partnership with local non-profit groups - to fund a wide range of activities, including building, buying, and/or rehabilitating affordable	Both affordable owner-occupied and rental dwellings, as well as a range of other measures	State or local governments, which then select developers to be funded.	HOME funds per unit are limited by National Housing Act limits for elevator type projects in the area. All beneficiaries must have incomes below 80% of the area median income. In case of rental supply, at least 90 percent of benefiting families must	Yes	Grant	Federal grant to local entitlement jurisdictions

Country	Measure name	Description	Tenure type	Types of property developers	Requirements applying to the dwelling and/or households	Income thresholds for end-users	Type of aid	Administrative level
		housing for rent or home ownership or providing direct rental assistance to low-income people. HOME is the largest federal block grant to state and local governments designed exclusively to create affordable housing for low-income households.			have incomes that are no more than 60 percent of area median income. In rental projects with five or more assisted units, at least 20% of the units must be occupied by families with incomes that do not exceed 50% of area median income.			

Note: (1) Responses come from the 2021 OECD Questionnaire on Affordable and Social Housing (QuASH).

Source: Country responses to the 2023 and 2021 QuASH.

## Recent developments to public financing schemes.

Table PH5.1.2 summarises recent developments to schemes to finance affordable housing development, as reported by countries in the 2023 OECD Questionnaire on Affordable and Social Housing.

**Table PH.5.1.2. Recent changes to measures to finance affordable housing development.**

Country	Name of measure	Type of support	Level of administration	Description of the change
Australia	Affordable Housing Bond Aggregator	Loan finance	National/federal	The liability cap (that is, the maximum amount that can be loaned by the AHBA) was set at AUD 2 billion from NHFIC's commencement in 2018 and is currently \$5.5 billion. On 1 July 2023, the liability cap will increase by AUD 2 billion to AUD 7.5 billion in order to provide NHFIC sufficient headroom to meet demand for loans from CHPs. The liability cap is a contingent liability on the Commonwealth's balance sheet. Therefore, there are no direct impacts to the Commonwealth's Underlying Cash Balance.
Australia	National Housing Infrastructure Facility	Loans and grants	National/federal	The remit of the NHIF was expanded in November 2022 making up to AUD 575 million available to provide concessional loans and grants for new social and affordable housing projects, in addition to financing housing-enabling infrastructure.
Czechia	Rental housing ( <i>Nájemní byty</i> )	Grants and loans	National/federal	The programme was launched in April 2023. The funding for the programme was transferred from previous aid programmes (closed in 2022 and 2023).
Germany	Special depreciation allowance for new rented housing ( <i>Sonderabschreibung für den Mietwohnungsneubau</i> )	Tax deduction	National/Federal	The maximum supported building construction costs and the limit on construction costs have increased
Germany	Selling public properties at reduced prices ( <i>Verbilligte Abgabe von öffentlichen Liegenschaften</i> )	Subsidised land	National/Federal	The volume of price-reduction for plots dedicated for public tasks has been raised from 100 million to 125 million euros in 2023. Sale of plots at reduced prices for the purpose of social housing construction is excluded from the volume limitation.
New Zealand	Progressive home ownership	Loan (15-year interest free)	National/federal	Further breakdown on certain definitions have been made as well as a change to the multigenerational family's income cap
Poland	Dwelling for land ( <i>Lokal za Grunt</i> )	Subsidised land	Local/municipal	Since 10 August 2022, <i>poviats</i> can also sell the land under "Dwelling for Land" settlement.
Portugal	Controlled cost housing ( <i>Habituação de Custos Controlados</i> )	Tax deduction	National/Federal	Decree-law 281/2021, 3rd December, reinforced the energy efficiency requirements and it updated the maximum costs and prices
Portugal	First right- Housing Access Support Program ( <i>1.º Direito - Programa de Apoio ao Acesso à Habitação</i> )	Grant	National/Federal	Dec. Law 74/2022, 24th October admits new situations of individuals, households and end users, such as victims of domestic violence and people experiencing homelessness.

Source: 2023 OECD Questionnaire on Affordable and Social Housing (QuASH).

## A handful of countries introduced additional support to finance affordable housing development in response to the COVID-19 pandemic.

Four countries introduced additional measures to support affordable housing developers in response to the COVID-19 pandemic (Table PH5.1.3). In Australia, the states of Queensland and Tasmania increased support for the construction of social housing (see also PH4.3). In Tasmania, part of the COVID response fund was earmarked to provide grants to community housing providers, non-profit organisations and local councils with the aim of realising up to 1000 new social housing units.

Queensland provided capital funding for the construction of social housing, predominantly family homes, and engages small and medium-sized construction enterprises in the tendering. Costa Rica developed a programme enabling developers affected by the pandemic to restructure their loans and reducing the risk of bankruptcy. New Zealand created a new fund to reduce risks for developers through underwriting dwelling sales, so as to progress developments that were stalled or at risk due to COVID-19. Finally, the United Kingdom provided direct support to companies that lost revenue due to COVID-19 in the form of loans.

**Table PH.5.1.3. Emergency support measures to finance affordable housing development in response to the COVID-19 pandemic.**

Country	Name of measure	Type of support	New measure or adaptation of existing measure?	Level of administration	Description
Australia (1)	Community Housing Grants Programme	Grant	New form of support	Regional/state	In June 2020, the Tasmanian Government announced additional investment of AUD 100 million from the Rebuilding Tasmania Infrastructure Investment COVID-19 Response to provide up to 1,000 new social housing homes. An Expression of Interest was released in September 2020 for community housing providers, not-for profit organisations and local councils to provide submissions. The AUD 100 million Works for Trades aims to commence on more than 215 new social homes, supporting approximately 240 jobs in the construction sector.
Costa Rica (1)	Special Financing Facility Program Central Bank of Costa Rica (Programa de Facilidad Especial de Financiamiento Banco Central de Costa Rica)	Financing facility	New form of support	National/federal	The programme offers developers affected by the effects of the pandemic the opportunity to restructure their existing loans under new conditions and reduce the risk of bankruptcy, via a financing facility.
New Zealand (1)	Residential Response Fund	Special fund	New form of support	National/federal	The NZD 350 million Fund was designed to progress stalled or at-risk developments, through the Crown sharing some of the increased COVID-19 related risks with developers. It was anticipated that the principal support mechanism would involve the Crown underwriting dwelling sales.
New Zealand	Land for Housing Programme	Subsidised land	Adaptation of existing support	National/Federal	From April 2020 onward, developer loans were provided for two projects in Auckland and one in Wellington. From 2022 onward, several changes were made to the KiwiBuild program in response to changing market conditions.
New Zealand	Buying off the plans initiative	de-risking developments through underwriting or outright purchase of KiwiBuild dwellings	Adaptation of existing support	National/Federal	In July 2020 the Government made a number of temporary changes to KiwiBuild policy settings as part of its response to Covid-19. This included expanding the definition of KiwiBuild eligible buyers to include "existing homeowners who seek to relocate due to Covid-19 or are selling their home to purchase a KiwiBuild home, provided that at the end of the transaction they own only one home". The changes also introduced an approved list of back up-sale options and relaxed the provisions for open market sales in order to reduce the chances of the Government under write



Country	Name of measure	Type of support	New measure or adaptation of existing measure?	Level of administration	Description
					being triggered. The Government updated KiwiBuild policy settings again in July 2022. The most significant change made at this time was updates to KiwiBuild price caps to reflect increased costs of construction and house prices.
United Kingdom (1)	Coronavirus Business Interruption Loan Scheme (CBILS) and the Bounce Back Loan Scheme (BLS)	Loans	New form of support	National/federal	These schemes provide financial support to businesses across the UK that lost revenue and saw their cash flow disrupted, as a result of the Covid-19 outbreak.

Note: Responses from the 2021 QuASH

Source: 2021 and 2023 OECD Questionnaire on Affordable and Social Housing (QuASH).Data and comparability issues

Measures presented in this indicator generally complement but sometimes overlap with other policy measures described under other indicators in the policy section of the Affordable Housing Database. This is notably the case where countries have adopted programmes to fund the construction of new affordable housing, as well as other types of support under the same broad-based measures. For example, regarding the supply of affordable housing for owner-occupancy, in some cases a single measure/scheme can simultaneously subsidise both the development of new homes as well as the households purchasing these dwellings. Moreover, in some cases, it is difficult to distinguish between support measures for affordable housing and social housing. Measures that are cross-posted in more than one indicator are noted.

## Sources and further reading

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