

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). Data presented in this indicator are based on available data from country responses from the 2023 OECD Questionnaire on Affordable and Social Housing (2023).

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 indicator PH2.1). 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, PH4.2, PH4.3 and PH5.1)

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 schemes, including relating to eligibility and payment rules.

The full list of measures considered in this indicator are included in the annex table PH3.1.A1

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 countries have shifted their 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, Denmark and France (Figure PH 3.1.1). Public spending on housing allowances is close to 0.5% of GDP in Germany, the Netherlands and New Zealand, and between 0.1 and 0.3% of GDP in Australia, Czechia, Greece, Iceland, Ireland, Israel, Norway, Sweden, and the United States.

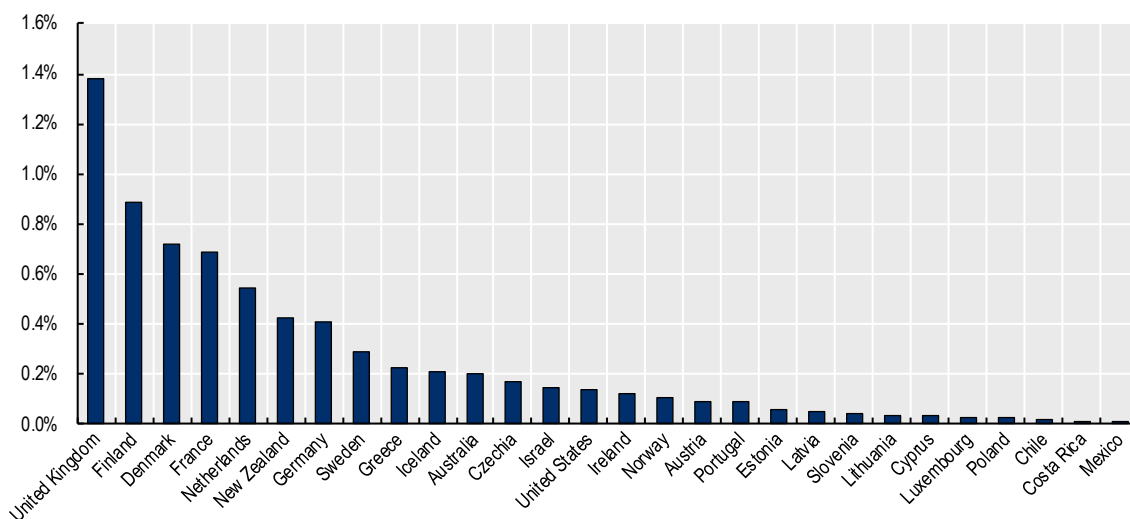
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Figure PH3.1.1: Public spending on housing allowances in OECD countries

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



Notes:

1. Data refer to the responses to the 2023 OECD Questionnaire on Affordable and Social Housing except for Cyprus, Denmark, Estonia, France, Iceland, Latvia, Lithuania, New Zealand, Poland, Slovenia, and the United Kingdom where they refer to responses to previous iterations of the Questionnaire on Affordable and Social Housing
 2. Data refer to 2022, except for Costa Rica (2023), Australia, Poland and the United States (2021-2022), Austria, Germany, the Netherlands (2021), Cyprus, Estonia, Lithuania, New Zealand and the United Kingdom (2020), France, Latvia and Slovenia (2019), Iceland (2018), Denmark (2017).
 3. In the following countries, housing allowances exist but data on public spending are not available: Belgium, Canada, Hungary, Italy, Japan, Slovak Republic, Slovenia, Switzerland and Türkiye. 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.
 4. Spending data for the United States include the Housing Choice Voucher Programme, which is largely comprised of tenant-based assistance, with a smaller share that may be allocated towards project-based funding (where funding is tied to a housing unit, rather than a household).
 5. The list of measures considered in this indicator are reported in Table PH3.1.A1.
- Source: OECD Questionnaire on Affordable and Social Housing (2019, 2021, 2023).

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.

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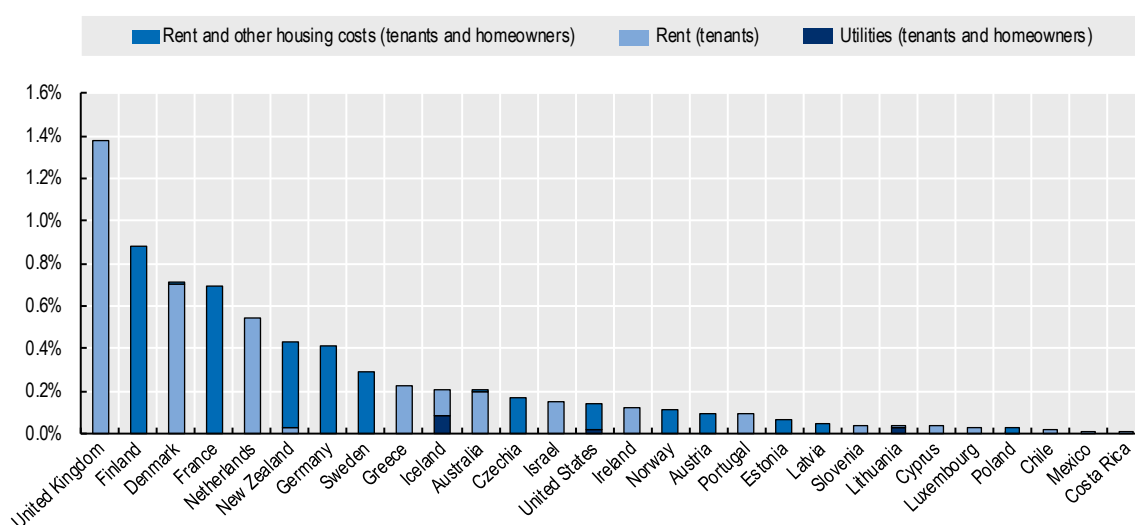
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Most housing allowance schemes cover rental costs, while some schemes cover other housing-related costs.

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, Denmark, 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, 2022 or latest year available^{1,2,3,4}



Notes:

1. Data refer to the responses to the 2023 OECD Questionnaire on Affordable and Social Housing except for Cyprus, Denmark, Estonia, France, Iceland, Latvia, Lithuania, New Zealand, Poland, Slovenia, and the United Kingdom where they refer to responses to previous iterations of the Questionnaire on Affordable and Social Housing
2. Data refer to 2022, except for Costa Rica (2023), Australia and Poland (2021-2022), Austria, Germany, the Netherlands (2021), Cyprus, Estonia, Lithuania, New Zealand and the United Kingdom (2020), France, Latvia and Slovenia (2019), Iceland (2018), Denmark (2017).
3. 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: Source: OECD Questionnaire on Affordable and Social Housing (2019, 2021, 2023).
4. Spending data for the United States include the Housing Choice Voucher Programme, which is largely comprised of tenant-based assistance, with a smaller share that may be allocated towards project-based funding (where funding is tied to a housing unit, rather than a household).
5. The list of measures considered in this indicator are reported in Table PH3.1.A1.

Several countries 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), some 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 in the United States (0.12% of GDP in 2020) (Table PH 3.1.1). In Chile, Czechia, 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.

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

Spending on COVID-related housing allowances, 2020

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%
Czechia	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).

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 reported in the OECD Questionnaire on

Affordable and Social Housing. Details on all surveyed housing allowance schemes are available in 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 with available data on cash benefits to households for rental and other housing costs

Country	Measure 1		Measure 2		Measure 3	
	Original language	English	Original language	English	Original language	English
Australia	Commonwealth Rent Assistance (CRA)		Rent Choice			
Austria	Wohnbeihilfe der Wohnbauförderung	housing allowances within Housing Promotion	Bedarfsorientierte Mindestsicherung/"Neue" Sozialhilfe	Needs-based minimum benefit (BMS)/"New" Social Aid		
Chile	Subsidio de arriendo D.S. N 52 de 2013	Rental subsidy D.S. No. 52 of 2013				
Costa Rica	Transferencia monetaria para alquiler	Cash transfer for rent				
Cyprus	Επιδότηση ενοικίου	Rent allowance				
Czechia	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	Elakkeensaajan 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 Benefit under the Housing benefit Act	Sozialhilfe (Grundsicherung im Alter und bei Erwerbsminderung & Hilfe zum Lebensunterhalt)	costs for housing and heating under social assistance	Asylbewerberleistungsgesetz	Asylum seeker benefits act
Greece	Epidoma stegasis	Housing allowance				
Hungary		Home maintenance aid	lakhatasi tamogatás	Housing allowance	Települési Támogatás	Local benefit
Iceland	Húsnæðisbætur	Housing benefits				
Ireland	Housing Assistance Payment (HAP)					
Israel	סיוע בשכר דירה	Assistance in Rent				
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				
Mexico	Esquema Cofinanciamiento	Cofinancing scheme				
Netherlands	Huurtoeslag	Rent allowance/housing benefit				

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	Door 65 - Young				
Romania	Măsuri de protecție socială pentru consumatorul vulnerabil	Social protection measures for vulnerable energy consumer				
Slovenia	Subvencija najemnine	rent subsidy				
Sweden	Bostadsbidrag	Housing allowance	Bostadstillägg för pensionärer	Housing supplement		
United Kingdom	DWP Housing Benefit					
United States	Housing Choice Voucher Program		Low-Income Home Energy Assistance Program			

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