

# PH7.1 MEASURES TO FINANCE HOUSING IMPROVEMENTS AND REGENERATION

## Definitions and methodology

This indicator presents an overview of measures to finance housing improvements and regeneration of existing residential dwellings as reported by responding countries to the 2023 OECD Questionnaire on Affordable and Social Housing (QuASH 2023). The scope of this indicator encompasses grants, subsidised loans or loan guarantees, tax relief (tax credits and tax deductions), and other types of support to finance improvement and regeneration of housing. These can include improvements of energy efficiency, repairs, expansion, adaptation / accessibility improvements and other interventions.

Countries report a wide range of measures; the full list of measures and a summary of the main characteristics are provided in Table 7.1.1. Countries are most likely to use grants to promote improvement and regeneration of existing residential dwellings, which are usually targeted at owner-occupiers. Stipulations on the types of dwellings eligible for support and the types of improvements or regenerations supported are more likely to vary across countries.

This indicator also provides information on support for improvements and regeneration of existing housing in response to the COVID-19 pandemic.

## Key findings

### ***Countries provide a range of supports to finance housing improvements.***

Measures financing housing improvements and regeneration can be distinguished according to the type of housing support (grants, tax relief, loans, etc.) or the type of beneficiaries they support (see Table PH7.1.1 in the separate online Annex and online .xls worksheet).

Measures range in terms of the type of housing support provided:

- 29 countries provide *grants* to promote improvement and regeneration of existing residential dwellings: Austria, Belgium, Chile, Colombia, Costa Rica, Cyprus, Czechia, Estonia, Finland,

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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.

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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France, Germany, Hungary Ireland, Israel, Japan, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, New Zealand, Norway, Poland, Portugal, the Slovak Republic, Slovenia, Switzerland, Türkiye, and the United States.

- 14 countries provide *tax relief* to promote improvement and regeneration of existing residential dwellings: Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Israel, Italy, Japan, Luxembourg, Poland, and Sweden. From this group of countries, Austria, Denmark, Germany, Ireland, Israel, Italy, Poland, and Sweden provide tax deductions. Belgium, Finland, France, Greece, Japan, and Luxembourg provide tax credits.
- 14 countries provide *loans* (often at preferential rates) to promote improvement and regeneration of existing residential dwellings: Australia, Canada, Czechia, Iceland, Ireland, Korea, Latvia, Luxembourg, the Netherlands, Poland, Portugal, the Slovak Republic, the United Kingdom, and the United States.
- Several countries provide *other types of support*, such as loan guarantees, subsidies, insurance programmes, and reduced VAT rates.

Measures may target different types of beneficiaries (e.g. homeowners, landlords of rental properties, local governments, etc.):

- Owner-occupiers are eligible for support in 38 countries: Australia, Austria, Belgium, Canada, Chile, Colombia, Costa Rica, Cyprus, Czechia, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Israel, Italy, Japan, Latvia, Lithuania, Luxembourg, Malta, Mexico, the Netherlands, New Zealand, Norway, Poland, Portugal, the Slovak Republic, Slovenia, Spain, Sweden, Switzerland, Türkiye, and the United States.
- Landlords of rental properties (natural persons) are eligible for support in 26 countries: Austria, Belgium, Canada, Chile, Cyprus, Czechia, Estonia, Finland, France, Germany, Greece, Ireland, Italy, Japan, Latvia, Luxembourg, Mexico, the Netherlands, New Zealand, Norway, Poland, Portugal, the Slovak Republic, Slovenia, Switzerland, and the United States.
- Landlords of rental properties (legal persons) are eligible for support in 23 countries: Australia, Austria, Canada, Czechia, Estonia, Finland, France, Germany, Ireland, Italy, Japan, Latvia, Luxembourg, the Netherlands, New Zealand, Norway, Poland, Portugal, the Slovak Republic, Slovenia, Switzerland, the United Kingdom, and the United States.
- Municipalities / local governments are eligible for support in 20 countries: Australia, Austria, Canada, Chile, Czechia, Estonia, Finland, France, Germany, Ireland, Israel, Italy, Japan, Luxembourg, the Netherlands, Poland, Portugal, the Slovak Republic, Switzerland, and the United States.
- Tenants are eligible for support in nine countries: Australia, Austria, Chile, Germany, Ireland, Italy, Japan, Portugal, and Sweden.
- In several countries, other groups/actors are eligible for support, including family homeowners, and apartment associations.

Measures may target different types of dwellings (e.g. poor quality dwellings, dwellings in a specific area or built in a specific period etc.):

- Poor quality dwellings are eligible for support in 14 countries: Austria, Chile, Colombia, Costa Rica, France, Iceland, Ireland, Israel, Latvia, Lithuania, Mexico, New Zealand, Portugal, and Slovenia.
- Dwellings built in a specific period are eligible for support in 13 countries: Austria, Belgium, Chile, Finland, Ireland, Israel, Lithuania, Luxembourg, the Netherlands, New Zealand, Poland, the Slovak Republic, and Slovenia.

- Dwellings in a target geographic area are eligible for support in seven countries: Belgium, Chile, Ireland, Mexico, New Zealand, Portugal, and the United States.
- Dwellings of a minimum or maximum size are eligible for support in seven countries: Canada, Chile, Czechia, Japan, Luxembourg, the Slovak Republic, and Türkiye.
- Dwellings of a minimum or maximum value are eligible for support in four countries: Chile, Colombia, Iceland, and Mexico.
- In several countries, dwellings are eligible based on other criteria, including energy efficiency level and type of dwelling (e.g., specific types of family houses or apartment buildings).

***Renovation programmes concern energy efficiency upgrades, repairs, accessibility upgrades and dwelling expansions.***

Measures target different types of improvements:

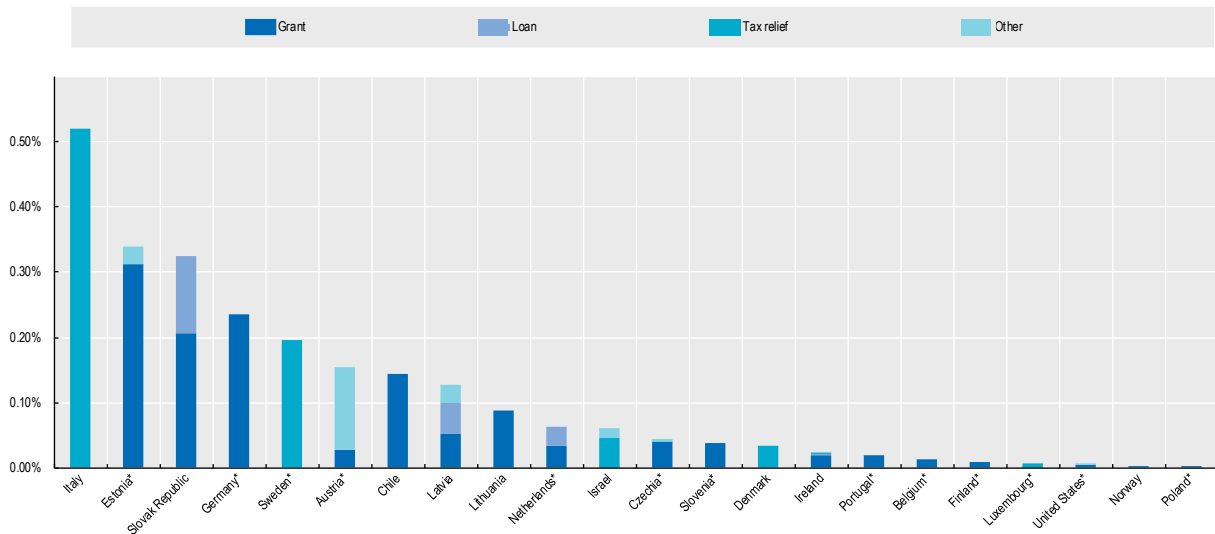
- Energy efficiency upgrades are supported in 27 countries: Australia, Austria, Belgium, Canada, Chile, Czechia, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Japan, Latvia, Lithuania, Luxembourg, the Netherlands, New Zealand, Poland, Portugal, the Slovak Republic, Slovenia, Spain, Sweden, and the United States.
- Repairs are supported in 25 countries: Belgium, Brazil, Canada, Chile, Colombia, Costa Rica, Czechia, Estonia, Finland, Greece, Hungary, Ireland, Israel, Italy, Japan, Lithuania, Luxembourg, Mexico, New Zealand, Poland, Portugal, the Slovak Republic, Sweden, Türkiye, and the United States.
- Accessibility adaptations (e.g. for people with disabilities) are supported in 22 countries: Austria, Brazil, Canada, Chile, Colombia, Costa Rica, the Czechia, Estonia, Finland, Germany, Greece, Iceland, Hungary, Ireland, Italy, Luxembourg, Norway, Portugal, the Slovak Republic, Spain, Türkiye, and the United States.
- Dwelling expansions are supported in 19 countries: Belgium, Brazil, Canada, Chile, Costa Rica, Finland, Germany, Greece, Ireland, Israel, Italy, Luxembourg, Mexico, Norway, Portugal, Sweden, Türkiye, the United Kingdom, and the United States.
- Regenerations with a maximum cost of intervention are supported in 14 countries: Brazil, Chile, Costa Rica, Finland, Germany, Greece, Israel, Italy, New Zealand, Portugal, the Slovak Republic, Spain, Sweden, and the United States. Regenerations with a minimum cost of intervention are supported in eight countries: Belgium, Finland, Germany, Greece, Ireland, Israel, New Zealand, and the Slovak Republic.
- In several countries, other improvements are targeted, including dwelling upgrades (e.g., installation of basic amenities).

***Public spending on housing improvements varies widely across countries, with many data gaps.***

Public spending on measures to finance housing improvements varies widely across OECD countries with available spending data (Figure PH7.1.1). In 2022 or latest year available, Spending as a share of GDP was by far the highest in Italy (around 0.5 % of GDP), followed by Estonia and the Slovak Republic at just over 0.3 % of GDP. In most countries that report spending data, the share amounted to between 0.00% and 0.2% of GDP.

### Figure PH 7.1.1. Public spending on measures to finance housing improvements

Estimates on government spending as a % of GDP, 2022 or latest year available



Note: 1) under the "other" category, the Slovak Republic reported the following measure: Renovation of family houses from Recovery and resilience plan Slovakia (Príspevok na zateplenie starších rodinných domov). The reference year provided was 2026; therefore, the measure has not been included in the calculus. 2) Under grants, the Netherlands reported a value for Municipal subsidies (Gemeentelijke subsidies) that corresponds to three separate years (2023, 2024, 2025); therefore, it has not been included in the calculus. 3) Under other, Mexico included the following measure: Social Housing Program (Programa de Vivienda Social). Whilst the measure includes support for housing regeneration, it encompasses a wide range of policy areas (e.g, housing acquisition), thus it has not been included in the calculus. 4) The marked countries have at least one more measure to finance housing improvements for which no public spending data are available. For Italy, data also include deductions corresponding to sisma bonus.

Source: Country responses to 2023, 2021, and 2019 OECD QuASH; Italy: (Ministry of economy and finance). Statistical Analysis.

### ***New or modified measures since the COVID-19 pandemic***

Eight countries modified existing measures or created new ones to finance affordable housing improvements and regeneration of existing residential dwellings since the COVID-19 pandemic, some explicitly targeted at job creation in specific sectors.

- Existing policies were expanded or modified in Chile, Czechia, Germany, Ireland, the Netherlands, and Poland, often through supplementary funding for these schemes, a simplification of the application procedure, or a change in eligibility criteria.
- In Chile, Mexico, New Zealand, Poland, and Sweden new measures were introduced since the COVID-19 pandemic. In 2023, Chile introduced a national energy efficiency plan seeking to improve households' energy efficiency by improving the thermal insulations of the walls and harnessing renewable energies (through solar thermal or photovoltaic systems). In Mexico, the Emergency Housing Project (*Proyecto Emergente de Vivienda*) was implemented to boost employment in the construction sector and to provide low-income households with a subsidy to improve the quality of their dwelling or expand it. New Zealand introduced a government-funded programme to support and increase Māori-led housing. Poland introduced a programme to improve the quality of municipal housing stock. Lastly, Sweden introduced a tax deduction for the installation of green technologies, namely solar panels.

## Data and comparability issues

Measures presented in this indicator generally complement but sometimes overlap with other policy measures described under other policy-related indicators in the OECD Affordable Housing Database.

Nevertheless, expenditure on measures to finance housing improvements and regeneration is not fully covered by this indicator for different reasons. First, in some countries, expenditure figures are missing for one or more programmes at national level. As a result, the amounts presented are lower than the actual total expenditure. Second, expenditure at regional and/or local levels is largely unreported by countries in the OECD QuASH, with some exceptions.

Further, it is not always straightforward to compare the different types of public support for housing improvements and regeneration across countries. Grants consist of financial assistance (typically upfront) that is non-repayable. By contrast, loans are repaid by borrowers, along with an interest rate, over an agreed period of time. In the case of preferential loans (as for instance those granted by public bodies or by publicly owned agencies/funds), the subsidy element is hard to identify: it mainly consists of the difference in interest payments compared to rates that apply to a commercial loan, which vary significantly over time. Furthermore, preferential loans often imply a number of other advantages that cannot be quantified, such as a longer repayment period, the delayed start of repayment, and/or a relatively small down-payment.

In addition, the quality of estimates on revenue foregone (for instance through tax relief) can vary, and using such estimates simultaneously with administrative data on budgetary outlays on grants is not straightforward.

### Sources and further reading

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>.

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European Commission (2021), European Green Deal, [https://ec.europa.eu/info/strategy/priorities-2019-2024/european-green-deal\\_en](https://ec.europa.eu/info/strategy/priorities-2019-2024/european-green-deal_en)

European Commission (2020), Renovation Wave, [https://ec.europa.eu/energy/topics/energy-efficiency/energy-efficient-buildings/renovation-wave\\_en](https://ec.europa.eu/energy/topics/energy-efficiency/energy-efficient-buildings/renovation-wave_en).

## Annex I

Figure PH 7.1.1 include the following measures:

### Austria

- The following measures are included: National Energy Efficiency Renovation Campaign - Energy Efficiency improvement, Change of Heating System (*Bundesförderung Sanierungsoffensive Thermische Gebäudesanierung, Kesseltausch*), and Subsidies for regeneration (*Sanierungsfoerderung der Laender*).
- Information on the amount of public spending on the Tax Relief in Income Tax (*Steuerliche Förderung (Abschreibung als Sonderausgaben)*) is not available.

### Belgium

- The following measures are included: Renovation Grant (*Vlaamse Overkoepelende renovatiepremie*) and the Home Adaptation Grant (*De Vlaamse Aanpassingspremie*).
- Information on the amount of public spending on the Tax credit for expenses for renovating low-rent dwelling houses (*Reduction d'impôt pour les dépenses de rénovation d'habitations donnés en location loyer modérés*) and the Subsidies for conservation work in classified dwellings (*Subventions pour travaux de conservation aux biens classés*) is not available.

### Chile

- The following measures are included: Family Heritage Protection Program D.S. 255 of 2006 (*Programa de Proteccion del Patrimonio Familiar D.S.255 de 2006*), Rural Habitability Program D.S.10 of 2015 (*Programa de Habitabilidad Rural D.S.10 de 2015*), Habitability program Law N ° 20.595 year 2012 (*Programa Habitabilidad, Ley 20.595 de 2012*), and Housing and neighbourhood improvement program DS27 (*Programa de mejoramiento de viviendas y barrios DS27*).

### Czechia

- The following measures are included: New Green For Savings Programme: Apartment Buildings (*Nová zelená úsporám: Dotace pro bytové domy*), Panel 2013+, and Energy efficiency improvement (*Zateplování*).
- Information on the amount of public spending on New Green Savings Programme: Family Houses (*Nová zelená úsporám: Dotace pro rodinné domy*) is not available.

### Denmark

- The following measures are included: Housing job scheme (*BoligJobordningen*)

### Estonia

- The following measures are included: Reconstruction grant for apartment buildings (*Korterelamute rekonstrueerimistoetus*), Apartment building loan surety (*Korterelamulaenu kaendus*), and Grant for renovating the heating systems of small houses (*Vaikeelamute küttesüsteemide uuendamise toetus*).
- Information on the amount of public spending on Measure for sparsely populated area (*Hajaasustuse programm*) is not available.

### Finland

- The following measures are included: Renovation subsidies (*Korjausavustus*).

- Information on the amount of public spending on Grants for restoration of built heritage (*Avustukset rakennuserinnon hoitoon*) and Tax credit for household expenses (*Kotitalousvähennys*) is not available.

#### Germany

- The following measures are included: Federal funding for efficient buildings (*Bundesförderung für effiziente Gebäude*), and Market Incentive Programme for the use of Renewable Energy in the Heat Market (*Marktanreizprogramm zur Nutzung Erneuerbarer Energien im Warmemarkt*).
- Information on the amount of public spending on tax support for energetic refurbishments (*Steuerliche Förderung energetischer Gebäudesanierungen*) is not available.

#### Ireland

- The following measures are included: Housing Adaptation Grants for Older People and People with a Disability, Living City Initiative, and Repair and Leasing Scheme.

#### Israel

- The following measures are included: Tax deductions (*Hatavot Mas*), Complementary Land (*Karka Mashlima*), and Funds for planning and for social processes (*Maslul Rashuyot Mekomiot*).

#### Italy

- The following measures are included: Deduction for building renovation costs (*Bonus ristrutturazioni*), Tax deduction for energy efficiency (*Ecobonus*), Tax deduction for the adoption of anti-seismic measures on buildings (*Sisma Bonus*), and Tax deduction for restoration of the external facade of existing buildings (*Bonus facciate*).

#### Latvia

- The following measures are included: Programme for Improving Energy Efficiency in Multi-Apartment Residential Buildings (*Darbības programma "Veicināt energoefektivitātes paaugstināšanu dzīvojamās ēkās"*).

#### Lithuania

- The following measures are included: Renovation (modernization) of individual houses (*Fizinio asmens vieno ar dviejų butų gyvenamųjų namų atnaujinimas (modernizavimas)*), Installation of renewable energy sources in individual houses (*Atsinaujinanciu energijos istekliu (saules vejo biokuro geotermines energijos ar kt) panaudojimas individualiuose gyvenamosios paskirties pastatuose*), and Renovation of multifamily houses (*Daugiabuciu namu atnaujinimo (modernizavimo) programa*).

#### Luxembourg

- The following measures are included: Regeneration grant (*Prime d'amélioration de logements anciens*), Super-reduced VAT rate (*Taux super réduit de TVA*), and Climate loan (*Prêt climatique (KlimaPret)*).
- Information on the amount of public spending on Climate bonus (*KlimaBonus*) is not available.

#### Netherlands

- The following measures are included: Grant scheme for sustainability for owners' associations (*Subsidierregeling verduurzaming voor verenigingen van eigenaars (SVVE)*), Investment subsidy for renewable energy and energy conservation (*Investeringssubsidie duurzame energie en energiebesparing (ISDE)*), and National heating fund (*Nationaal Warmtefonds*).



## Norway

- The following measures are included: Housing grant (to improve accessibility) (*Tilpasningstilskudd*) and Grants for installation of lifts (*heistilskudd*).

## Poland

- The following measures are included: Thermal Upgrades and Renovation Fund (*Fundusz Termomodernizacji i Remontów*).
- Information on the amount of public spending on Thermal upgrade tax deduction (*ulga termomodernizacyjna*), the Clean Air Programme (*Program Czyste Powietrze*) and the RRP investment B1.1.2 Replacement of heat sources and improvement of energy efficiency in residential buildings (in multi-family buildings) (*Inwestycja KPO B1.1.2 Wymiana źródeł ciepła i poprawa efektywności energetycznej w budynkach mieszkalnych, w części dotyczącej budynków wielorodzinnych*) is not available.

## Portugal

- The following measures are included: Housing Access Support Program (*1.º Direito - Programa de Apoio ao Acesso à Habitação*).
- Information on the amount of public spending on Incentives for urban rehabilitation and affordable housing (*Incentivos à reabilitação urbana e ao arrendamento habitacional a custos acessíveis*) and Rehabilitate for Lease - Affordable Housing (*Reabilitar para Arrendar - Habitação Acessível*) is not available.

## Slovak Republic

- The following measures are included: Subsidies for removal of system faults of the residential buildings (*Dotacie na odstranenie systémových poruch*), State Housing Development Fund (*Štátny fond rozvoja bývania*), and Scheme for Single Family Houses Energy Efficiency Improvement (*Príspevok na zateplenie starších rodinných domov*).

## Slovenia

- The following measures are included: Financing renovation of multi-dwelling buildings (*Financiranje prenove vecstanovanjskih stavb*),
- Information on the amount of public spending on alleviation of energy poverty (*Zmanjšanje energetske revščine*).

## Sweden

- The following measures are included: Tax deduction for costs related to repairs and refurbishing to owners of dwellings (*ROT-avdrag (Avdrag for Reparationer, Ombyggnad och Tillbyggnad)*).
- Information on the amount of public spending on Tax deduction for installation of green tech (*Skattereduktion för installation av grön teknik*) is not available.

## United States

- The following measures are included: Housing Trust Fund (REHAB USES), Community Development Block Grant (REHAB USES), HOME Investment Partnerships (REHAB USES), USDA Section 533 Housing Preservation Grants, and USDA Section 54 Very Low-Income Rural Housing Repair Loans and Grants.
- Information on the amount of public spending on HUD Loan Insurance for Homeowners (REHAB USES), Low-Income Housing Tax Credit and Private Activity Bond Tax Exemption (REHAB USES), and Federal mortgage insurance for multifamily rental projects (REHAB USES) is not available.



