

# Executive summary

This report explores the ways in which housing matters for inclusive growth. Drawing on the *OECD Framework for Policy Action on Inclusive Growth*, which calls on governments to invest in people and places that have been left behind, this report focuses on housing outcomes and trends, identifies groups that are at risk of housing exclusion, and points to housing policy avenues that support growth in an inclusive manner.

Housing is key to inclusive growth. It is the biggest spending item of households, and its share in household consumption has been growing over the past two decades, not just for low-income households but also for the middle class. High housing costs, and especially rising rents, have reinforced inequality between households who rent and those who own their home outright. Housing is also the main driver of wealth accumulation and biggest source of debt among most households. On a broader scale, housing and the neighbourhood in which people live have important implications for individual health, employment and educational outcomes – effects that can begin in childhood and last a lifetime.

The housing market can be a barrier to inclusive growth for some groups, such as low-income households, children, youth, seniors and the homeless. Compared to other income groups, low-income households spend a larger share of their household budget on housing, record the highest rates of overcrowding, and, over the past two decades, have experienced the biggest increase in housing spending as a share of their household budget. This means they have fewer means to invest in other areas of life that could improve their life chances and overall well-being. Children are among those most likely to live in poor quality housing and neighbourhoods, making it hard to ensure a good start in life. Today's youth are, on average, most commonly living with their parents as they face limited opportunities in the housing market. For the roughly one-third of seniors who do not own their homes outright, more than one out of ten pay over 40% of their income on housing. In addition, the current housing stock is ill equipped to support the evolving needs of a rapidly ageing population. The rate of homelessness – the homeless are by definition excluded from the housing market, has increased in a third of OECD countries. While cross-national data are hard to come by, several countries report a worrying rise in homelessness among youth, families with children, and seniors.

The COVID-19 pandemic, which continues to unfold at the time of publishing this report, has highlighted just how important housing issues are to people. Across countries, governments have introduced emergency housing policy measures to address immediate challenges, such as temporary suspensions of evictions, foreclosures or rent increases, or emergency housing solutions for the homeless. However, the pandemic has also underscored the need for governments to develop more structural responses to deal with the persistent housing challenges that the most vulnerable households face.

To that end, this report assesses the key underlying pre-COVID-19 housing policy issues and proposes a series of recommendations to support more inclusive housing outcomes. These include, on the one hand, measures to address some of the structural barriers to inclusive growth in the housing market. These include expanding the affordable housing supply, investing in improvements to housing and neighbourhoods, and making the private rental market fairer and more affordable to vulnerable tenants. A second set of proposed recommendations aims to overcome the specific housing challenges facing

vulnerable groups. Measures include better targeting of public support for low-income households and the homeless, helping youth and families get on the housing ladder, and supporting the vulnerable elderly to meet their evolving housing needs.



**From:**  
**Housing and Inclusive Growth**

**Access the complete publication at:**  
<https://doi.org/10.1787/6ef36f4b-en>

**Please cite this chapter as:**

OECD (2020), "Executive summary", in *Housing and Inclusive Growth*, OECD Publishing, Paris.

DOI: <https://doi.org/10.1787/89b7082d-en>

This work is published under the responsibility of the Secretary-General of the OECD. The opinions expressed and arguments employed herein do not necessarily reflect the official views of OECD member countries.

This document, as well as any data and map included herein, are without prejudice to the status of or sovereignty over any territory, to the delimitation of international frontiers and boundaries and to the name of any territory, city or area. Extracts from publications may be subject to additional disclaimers, which are set out in the complete version of the publication, available at the link provided.

The use of this work, whether digital or print, is governed by the Terms and Conditions to be found at <http://www.oecd.org/termsandconditions>.