

# Executive summary

**The built environment shapes the living conditions and quality of life for individuals, families and communities.** Its scope includes individual elements, such as buildings, and its interaction with nature and society. This report identifies four key components of the built environment (i.e. housing, transport, urban design/land use and technical infrastructure) as having particular relevance to people's well-being, inclusion and sustainability. Each of these four key components of the built environment plays a role in economic well-being, shaping people's ability to access jobs and other economic opportunities. The built environment, however, also has strong influence over non-economic aspects of people's well-being, such as health, safety, environmental quality and social connections. This report focuses on these latter dimensions in particular, as they are often less well understood and appreciated.

## Key findings

- The built environment can have both positive and negative impacts on people's lives; policy decisions about individual elements of the built environment need to be considered from multiple well-being and sustainability perspectives. Positive impacts range from the satisfaction of basic human needs (e.g. providing shelter) to the provision of space for various activities (e.g. working, studying, caring). However, the built environment can also undermine people's current and future well-being by generating significant costs or creating pressures on the environment and ecosystems. Furthermore, when the overall built environment is degraded or has poor functional or aesthetic quality, it can significantly compromise people's quality of life. Adopting a well-being lens is crucial in helping us understand both the benefits and the challenges of the built environment, and how policy makers and other actors can best manage it to support better lives.
- Housing provides essential shelter, but insecure, unaffordable and low-quality housing puts pressure on people's well-being. High and increasing housing costs or unstable tenures can make households vulnerable. Almost 20% of lower-income households spend more than 40% of their income on housing. According to the OECD Risks that Matter 2020 survey, some 44% of people in OECD countries report being concerned about not being able to find or maintain adequate housing in the short term. Poor housing conditions, such as damp, mould, cold and household crowdedness, are associated with poor physical health, undermining mental health and life satisfaction. The overcrowding rate stands just above 10% in OECD countries on average, but 16% of households in the lowest income quintile are overcrowded.
- Transport is another important component closely linked to individual and collective well-being. It enables life-enhancing activities like education and recreation, but also provides access to job opportunities. More than 80% of people living in OECD's large cities have convenient access to public transport. 84% of people in OECD's Functional Urban Areas (composed of a city and its commuting zone) have access to buses within 10 minutes' walk, and 33% to a metro or tram. However, there is a large gap between the cities with the best and worst access in many countries, most starkly in Mexico, Colombia and Chile, where the gap is above 80 percentage points. In terms

of transport safety, road death rates across the OECD were nearly 5 per 100 000 people in 2021. Certain measures of promoting road safety can trigger modal shift, enabling people to walk and cycle more on safer streets, which can in turn contribute to public health and environmental quality.

- Technical infrastructure, such as water, sewerage and energy networks, provides essential services and is also pivotal for well-being and sustainability. Water quality is related to people's health, but also indirectly to life satisfaction through enabling recreational activities. While 95% of the OECD population have access to improved drinking water sources, investment is still required to tackle emerging issues of water stress as well as pollution by microplastics and pharmaceutical residue. Energy poverty is also a pressing issue, with one in eight low-income households in Europe struggling to keep their dwelling sufficiently warm.
- Lastly, people's well-being is profoundly shaped by the physical setting of neighbourhoods and cities, and especially how they are designed and arranged. This is an important factor affecting both physical and mental health. Built environments that promote walking and cycling enhance people's health and lead to more liveable communities by facilitating social interactions. Walkable neighbourhoods can foster social networks, increase civic participation and reduce crime. Green areas, in addition, can bring environmental benefits by mitigating exposure to air pollution and excessive heat and noise. In OECD countries, 46% of Functional Urban Areas are covered by green areas and 65% of city area is, on average, open for public use.

**Going forward, well-being evidence can improve the decision-making process of built environment policies.** The role of the built environment in shaping people's living conditions is already acknowledged in the well-being frameworks of several OECD countries – which often include indicators relating to housing, technical infrastructure and environmental quality. When it comes to policy, a well-being lens can be used to *refocus*, *redesign*, *realign* and *reconnect* built environment policies to better support both well-being and sustainability. Well-being evidence can support policy makers in *refocusing* built environment policies towards the outcomes that matter most to people and help *redesign* policy content from a more multi-dimensional perspective. Horizontal and vertical policy coherence is crucial to ensuring the effectiveness of built environment policies, and a well-being lens can help *realign* the interests of different stakeholders. Finally, a well-being approach can *reconnect* government with the communities they serve as well as the private sector actors who play a major role in shaping the built environment. Certain examples of built environment policies, such as the inclusive housing policies of New Zealand and Korea and Ireland's sustainable mobility strategy, shed light on how refocusing, redesigning, realigning and reconnecting can be instrumental in promoting an integrated policy approach for the built environment, well-being and sustainability.



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