OECD launches Housing Policy Toolkit

14/06/2021 — Access to affordable and decent housing is vital for good health, job opportunities and life satisfaction, but housing remains one of the most complex policy challenges facing societies today. Governments must do more to ensure universal access to affordable, high-quality, environmentally sustainable housing, according to the OECD.

The COVID-19 crisis has uncovered how unevenly housing is distributed across population groups, and has worsened the adverse impacts of poor housing conditions, notably on the most vulnerable.

Launched in 2018, a wide-ranging <u>OECD Housing Project</u> has gathered comparative evidence, analysis and policy recommendations to help governments make housing more affordable, more energy-efficient and better adapted to people's needs.

"Housing is much more than just a place to live," said **OECD Secretary-General Mathias Cormann**. "It is the single largest household budget item and a key element in both economic performance and well-being."

"The OECD Housing Policy Toolkit we are presenting today will help policymakers design better housing policies that address the reality of developments in housing markets, such as the affordability challenge, and improve the considerable effect housing policy has across societies," Mr Cormann said.

With housing prices in many countries rising dramatically — lodging costs now absorb more than a third of the budget of the poorest 20%, compared with only a quarter of the budget of the top 20% — and public investment at historically low levels, four key priority areas emerge from the Toolkit.

First, unlocking additional supply will be key to meeting both current and future housing challenges. More public investment in energy-efficient social housing would ease housing difficulties, especially for households on low or unstable incomes. Building green social housing can also act as a catalyst for the energy transition of the construction industry as a whole.

Second, land-use reforms, such as the removal of overly tight building restrictions or minimum parcel size requirements, can reduce obstacles to new residential construction. Decisions on land use and planning must be made based on the needs of whole metropolitan areas rather than via a piecemeal district-by-district approach. Such reforms would put a brake on the strong upward trend in real house prices that has been widespread among OECD countries for the past four decades.

Third, greater flexibility in regulations over landlord-tenant relations, including rent control, can encourage investment in housing. Over the past year, these restrictions have been tightened to protect tenants hit hard by

the Covid-19 crisis. Over time, the Toolkit's overview report notes, such measures can discourage the supply of rental housing, ultimately making access to rental more difficult, especially for those on low or unstable incomes.

Fourth, application of stringent environmental standards, to achieve agreed greenhouse gas emission reduction targets and upgrade the energy efficiency of the existing housing stock, will be essential. This may put upward pressure on housing construction costs or rental prices, but these investments will translate to lower heating costs and preserve the long-term value of the houses.

The Housing Policy Toolkit includes:

- An overview report, <u>Brick by Brick: Building Better Housing Policies</u>, which identifies policy levers that can enhance the efficiency, inclusiveness or sustainability of housing markets. It highlights ways to bring progress across these objectives and also discusses addressing trade-offs that can arise among them.
- A <u>Dashboard of Housing Indicators</u>, which gathers indicators allowing policymakers to compare outcomes and policy settings across countries by topic.
- A set of <u>Country Snapshots</u> offering national overviews of housing conditions and policies.

Further information on OECD Housing Week, 14-18 June 2021

A central policy objective of the OECD Housing Project is to ensure access to quality housing at affordable cost. Recent progress can be charted with new updates to cross-country indicators in the OECD Affordable Housing Database, covering the housing market, housing conditions and affordability, and public policies to facilitate affordable housing in more than 40 countries worldwide.

The update to the Affordable Housing Database will be released Wednesday 16 June.

OECD Secretary-General Mathias Cormann will deliver opening remarks to a high-level housing policy roundtable on **Wednesday 16 June**, beginning at 14:00 CEST (12:00 GMT), followed by a keynote speech by **Italy's Minister for Sustainable Infrastructure and Mobility Enrico Giovannini**.

The first panel, Mobilising the OECD Housing Policy Toolkit to future-proof housing markets, from 14:10 to 15:25, will include a presentation by Luiz de Mello, Director of Policy Studies in the OECD Economics Dept., followed by a panel discussion with various ministerial and high-level speakers.

A second panel, Investing in affordable and social housing to facilitate an inclusive economic recovery, from 15:25 to 16:30, will include introductory remarks by Stefano Scarpetta, OECD Director for Employment, Labour and Social Affairs, followed by a panel discussion with global housing policy experts.

To register for the Housing Policy Roundtable, please go to:

https://meetoecdl.zoom.us/webinar/register/WN_o8UCtIlzRz618_AvEICeUA

For further information on the OECD Housing Project, or to request interviews, contact <u>Lawrence Speer</u> in the <u>OECD Media Office</u> $(+33\ 1\ 4524\ 9700)$.

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