

HC2.3 SEVERE HOUSING DEPRIVATION

Definitions and methodology

Different factors influence the quality of housing, and some households face a multiple of shortcomings in their dwelling. Too little space (see Indicator HC2.1) may coincide with a lack of basic sanitary facilities (see Indicator HC2.3), a leaking roof, a dwelling that is considered too dark, and/or other housing quality issues. In its most extreme form, housing deprivation becomes homelessness (see Indicator HC3.1). Housing deprivation in one or more dimensions is more likely to occur among the poor population and associated with poorer labour market, health and wellbeing outcomes (see, for example, Eurofound [2016] and Tunstall et al. [2013]).

No agreed definition of (severe) housing deprivation exists across countries. Eurostat defines severe housing deprivation as the simultaneous occurrence of overcrowding, together with at least one of the following housing deprivation measures: a leaking roof, no bath/shower and no flushing toilet, or a dwelling considered too dark (Box 1). In the United Kingdom, barriers to housing and services are one of the seven domains that make up the "Index of Multiple Deprivation;" housing barriers measure the physical and financial accessibility of housing and local services, including both geographical barriers (which relate to the physical proximity of local services), as well as wider barriers (which include issues relating to access to housing such as affordability and homelessness) (Department of Communities and Local Governments, 2019).

In this indicator, severe housing deprivation reflects the simultaneous occurrence of two measures of housing deprivation: overcrowding as well as the absence of a flushing toilet connected to a sewage system or septic tank (see Indicators HC2.1 and HC2.2 for a separate assessment of each condition). The rate of severe housing deprivation refers to the share of households or population concerned. Some differences in the definitions of overcrowding and access to a flushing toilet are observed across surveys; these are discussed under *Data and comparability issues*, below.

Box 1. EU agreed indicators on (severe) housing deprivation

Member states of the European Union have agreed on a set of indicators to capture (severe) housing deprivation (Eurostat, 2016) which can be estimated based on EU-SILC variables.

Housing deprivation occurs if one of the dwelling suffers from one of the following conditions:

- The dwelling has a leaking roof, damp walls, floors or foundation, or rot in window frames or floor;
- The dwelling has neither a bath nor a shower;
- The dwelling has no flushing toilet;
- The dwelling is considered too dark; or
- The dwelling has neither a bath, nor a shower, nor a flushing toilet.

Severe housing deprivation is defined as one of the situations above in addition to an overcrowded dwelling.

Source: Eurostat, 2016.

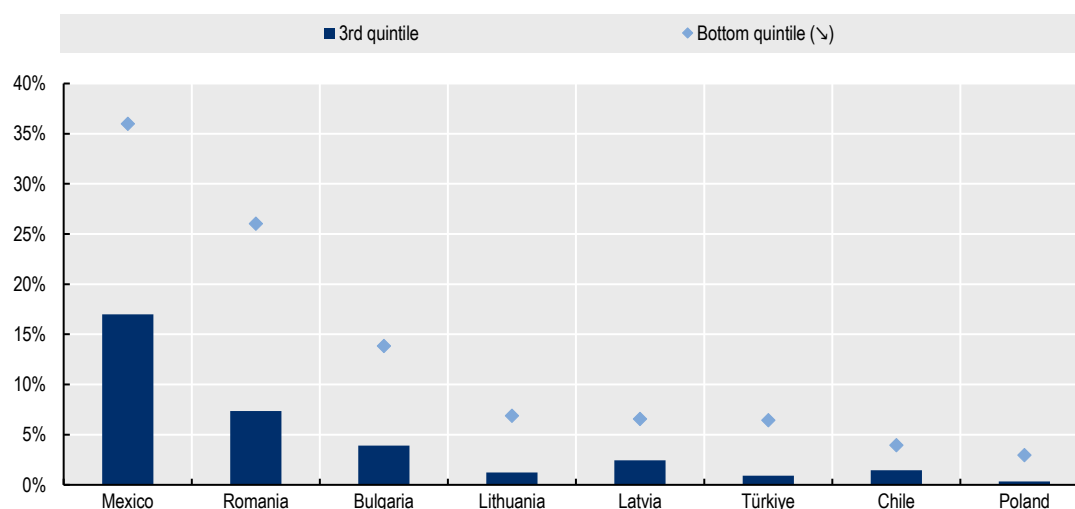
Key findings

In most OECD and EU countries, severe housing deprivation rates are close to zero, regardless of income level. Figure HC2.3.1 therefore only shows results for countries where at least 3% of the low-income population is “severely housing deprived” (data for other countries, quintiles and years available in the online worksheet HC2.3.A1). Mexico and Romania record the highest rates of severe housing deprivation, where over 7% of the population in middle-income households and at least 26% of the population in the bottom quintile of the income distribution live in overcrowded dwellings that lack a flushing toilet. In Bulgaria, Latvia, Lithuania and Türkiye, between 6 and 14% of the low-income population also experiences severe housing deprivation.

Since 2010, the share of the population experiencing severe housing deprivation has decreased in all countries with deprivation rates above 5% in the bottom quintile of the income distribution in 2010 (data not shown here; see online worksheet HC2.3.A1). In Romania, the severe deprivation rate among the low-income population decreased by 20 percentage points between 2010 and 2020.

Figure HC2.3.1: Housing deprived population across the income distribution

Share of deprived population, bottom and third quintiles of the income distribution, in percent, 2020 or latest year available



Notes:

1. Results only shown for countries where at least 3% of the population in the bottom quintile of the distribution is concerned.
2. No information available for Australia, Canada, Germany, Japan, New Zealand and the United States due to data limitations.
3. Data for Italy refer to 2019, for Iceland and the United Kingdom to 2018 and for Chile to 2017.
4. Low-income population refers to the population with equivalised disposable in the bottom quintile of the (net) income distribution.
5. In Chile, Colombia, Mexico and Korea, gross income is used due to data limitations.
6. In Türkiye, net income is not adjusted for income taxes due to data limitations.

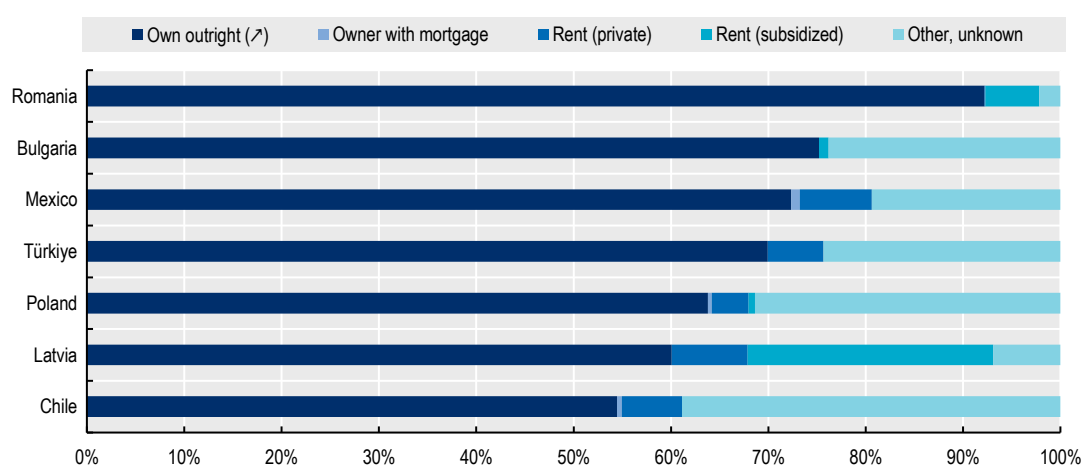
Sources:

OECD calculations based on the European Survey on Income and Living Conditions (EU-SILC 2020), except for Italy (2019), and Iceland (2018); the Encuesta de Caracterización Socioeconómica Nacional (CASEN) for Chile (2017); the Gran Encuesta Integrate de Hogares (GEIH) for Colombia (2020); the Encuesta Nacional de Hogares (ENAH) for Costa Rica (2020); the Korean Housing Survey (2020); the Encuesta Nacional de Ingresos y Gastos de los Hogares (ENIGH) for Mexico (2020); Türkiye-National SILC (2020).

Figure HC2.3.2 shows the tenure structure among the severely housing deprived low-income population in the most affected countries. The majority of the concerned population are outright homeowners of their dwelling, which is the dominant tenure type in these countries (see Indicator HM1.3 for more detail). Housing quality is a challenge particularly in Central and Eastern European countries, where much of the (often low quality) housing stock was privatised in the early 1990s; current owners are often asset-rich but income-poor and report having difficulties (to borrow funds) to improve their homes (for a review see, for example, Norris, M. and P. Shields [2007]; Mandic, S. and A. Cirman [2012]; and OECD [2020]).

Figure HC2.3.2: Tenure structure of housing deprived low-income population

Share of housing deprived population in the bottom quintile of the income distribution by tenure type, in percent, 2020 or latest year available



Notes:

1. Only data shown for countries where more than 3% of the low-income population are severely housing deprived and if category composed of at least 100 observations (see notes to Chart HC2.3.1).
2. Low-income population refers to the population with equivalised disposable in the bottom quintile of the income distribution.
3. In Chile and Mexico, gross income is used due to data limitations.
4. In Türkiye, net income is not adjusted for income taxes due to data limitations.
5. Data for Chile refer to 2017.
6. Tenants renting at subsidized rent are lumped together with tenants renting at private rent in Chile, Mexico and Türkiye.
7. Outright owners of homes are lumped together with owners with mortgages in Türkiye due to data limitations.

Sources:

OECD calculations based on the European Survey on Income and Living Conditions (EU-SILC 2020); the Encuesta de Caracterización Socioeconómica Nacional (CASEN) for Chile (2017); the Encuesta Nacional de Ingresos y Gastos de los Hogares (ENIGH) for Mexico (2020); Türkiye-National SILC (2020).

Data and comparability issues

This indicator is calculated based on information in household surveys. For European countries, the European Survey on Income and Living Conditions (EU-SILC) is used; for Chile the Encuesta de Caracterización Socioeconómica Nacional (CASEN); for Colombia, the Gran Encuesta Integrate de Hogares (GEIH); for Costa Rica, the Encuesta Nacional de Hogares (ENAHO); for Korea the Korean Housing Survey; for Mexico the Encuesta Nacional de Ingresos y Gastos de los Hogares (ENIGH); and for the United States the American Community Survey (ACS). No information on flushing toilets and number of rooms is available in the Household, Income and Labour Dynamics in Australia (HILDA) survey or the Canada Income Survey (CIS) in Canada. The Japan Household Panel Survey (JHPS)

does not survey basic sanitary facilities. Therefore, Australia, Canada and Japan are not included in the analysis.

As discussed in indicator HC2.1 Living Space in the [OECD Affordable Housing Database](#), there are differences in how overcrowding is measured across household surveys. As a result, the overcrowding rates for European countries are likely to be slightly overestimated compared to other countries. See indicator HC2.1 for further discussion.

As discussed in indicator HC2.2, the definition of access to a toilet varies somewhat across surveys: EU-SILC and Türkiye-National SILC ask whether the household has an indoor flushing toilet; CASEN, GEIH, ENAHO ask whether the household has at its disposal a toilet that is connected to a sewage system or septic tank; INEGI asks whether the household has a toilet with direct water discharge.

Sources and further reading

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