

HM1.3 HOUSING TENURES

Definitions and methodology

Housing tenure refers to “the arrangements under which the household occupies all or part of a housing unit”. Housing tenure is most commonly determined by i) whether or not the dwelling is owned by the household who occupies it, and ii) the household’s financial obligation with respect to the dwelling (e.g., with or without an outstanding mortgage for owner-occupiers; market-rate or subsidised rent level for tenants):

- *Own outright*: The household owns the dwelling and has no outstanding mortgage related to the dwelling.
- *Owner with mortgage*: The household owns the dwelling and is currently paying off the mortgage.
- *Rent (private)*: The household rents the dwelling at market price on the private rental market.
- *Rent (subsidised)*: The household rents the dwelling at a reduced market price, e.g. social rental housing, employer-subsidised housing or rental accommodation where rent is fixed by law.
- *Other*: Other types of housing, including housing provided for free.

These are standardised categories across countries and therefore useful for international comparison. Nevertheless, countries may use different or additional categories of housing tenure. These tenure categories are included in one or more of the above categories in the measures presented in this indicator, depending on the country context. For instance, social rental housing in most countries is included under subsidised rent, but in some cases (for instance, Austria, Denmark), it is classified as private rent due to data limitations. Furthermore, co-operative housing is in most cases categorised under owner-occupancy. Please refer to *Data and comparability issues* below for a more detailed discussion.

Key findings

Home ownership is the most common form of housing tenure in most countries.

In nearly all OECD and EU countries, owner-occupied households (outright or with a mortgage) are more common than tenant households (renting at subsidised or market rate). However, the shares of owner and tenant households vary widely across countries. In most countries, over two-thirds of households own their dwelling, either outright or with a mortgage. Central and Eastern European countries have the largest share of households owning outright, largely because, after the fall of the communist regime, many tenants were offered the option to purchase their dwellings at a low price (Hegedüs et al, 2013; Tsenkova, 2009). As a result, in Romania, about 94% of households own their dwelling outright, as do more than three-quarters of households in Bulgaria, Croatia, Hungary, and Lithuania (Figure HM1.3.1, see worksheet HM1.3.A1 for earlier years). Costa Rica, Mexico, and many Southern European countries also have a relatively large share of outright owner households, ranging from 46% in Portugal to 66% in Costa Rica. In these countries, mortgage markets started to develop more recently, and families traditionally have a strong role in facilitating home ownership, for example,

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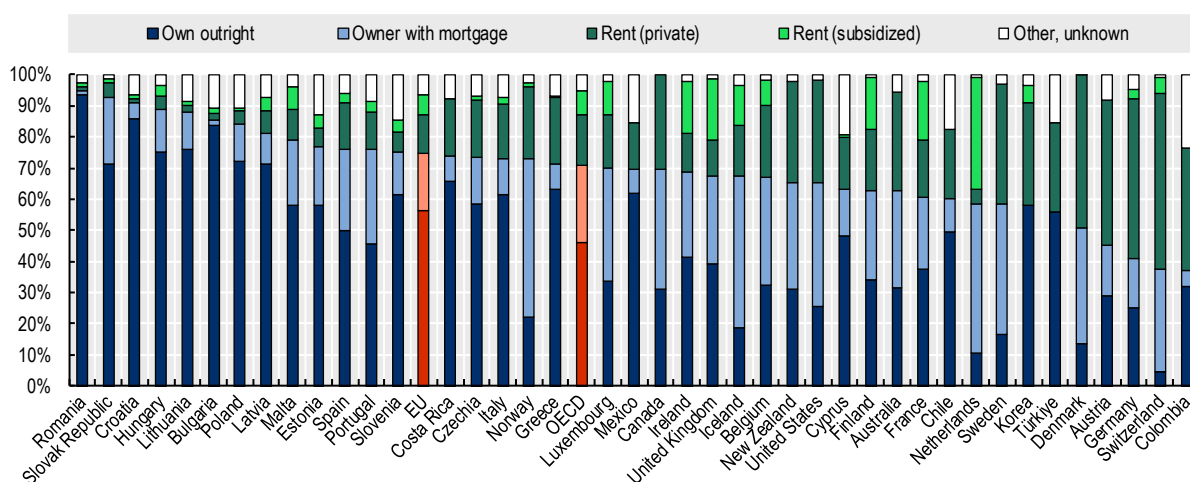
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through inheritance or financial support (Allen et al, 2004). In many English-speaking and Nordic countries, as well as in the Netherlands, owners with outstanding mortgages are the most common tenure type. In Iceland, the Netherlands and Norway, for example, roughly 50% of households are owners with a mortgage.

By contrast, in Austria, Colombia, Germany and Switzerland, tenant households are more common than owner-occupied households. Renting at market-rate is the most common form of tenure among households in Colombia (39%), Germany (52%) and Switzerland (57%). Renting at a subsidised rate is most common in Finland (17%), France (19%), Ireland (17%), the Netherlands (36%) and the United Kingdom (20%). Austria and Denmark – countries where support for subsidised rental housing is traditionally sizable -- are not considered here due to data limitations. At the other end of the spectrum, the share of tenant households is generally very low in Central and Eastern European countries. For further discussion of data and data comparability challenges relating to subsidised rental housing, see *Data and comparability issues* below, as well as the indicator PH4.2 Social rental dwelling sector, which reports additional data on the social housing stock that are based on country responses to the OECD Questionnaire on Affordable and Social Housing (QuASH).

Figure HM1.3.1: Housing tenure distribution

Share of households in different tenure types, in percent, 2022 or latest year available ^{1,2,3,4}



Notes:

1. Tenants renting at subsidised rent are lumped together with tenants renting at private rent in Australia, Austria, Canada, Chile, Colombia, Costa Rica, Denmark, Mexico, New Zealand, Türkiye and the United States. In Sweden, there is a large share of municipally-owned rental housing, which are included under Rent (private), because rent levels are not subsidised. See also indicator PH4.2 Social rental dwelling stock in the Affordable Housing Database for additional information on the subsidised rental housing stock.
2. Outright owners of homes are lumped together with owners with mortgages in Korea and Türkiye due to data limitations.
3. Data for Australia, Korea, New Zealand, Switzerland, United Kingdom and the United States refer to 2021, for Norway and Türkiye to 2020, for Canada to 2019, for Iceland to 2018.
4. OECD and EU averages refer to countries for which all tenure types are available.

Sources:

OECD calculations based on the European Survey on Income and Living Conditions (EU-SILC 2022), except for Switzerland (2021), Norway (2020) and Iceland (2018); the Household, Income and Labour Dynamics Survey (HILDA) for Australia (2021); the Canada Income Survey (CIS 2019); the Encuesta de Caracterización Socioeconómica Nacional (CASEN) for Chile (2022); the Gran Encuesta Integrada de Hogares (GEIH) for Colombia (2022); the Encuesta Nacional de Hogares (ENAH) for Costa Rica (2022); the Korean Housing Survey (2021); the Encuesta Nacional de Ingresos y Gastos de los Hogares

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.

(ENIGH) for Mexico (2022); Household Expenditure Survey (HES, Stats NZ) for New Zealand (2017); Türkiye-National SILC (2020); Understanding Society - The UK Household Longitudinal Study (2021); the American Community Survey (ACS) for the United States (2021).

Tenure data on the population level confirm the household-level picture above (data not shown here, see online worksheet HM1.3.A2). In countries where households are more likely to own (rent) their dwellings, a larger share of population also lives in owned (rented) dwellings. The biggest differences in tenure shares based on the household as opposed to the population level arise regarding rates of home ownership with a mortgage. The share of owners with a mortgage is often larger when considering population, rather than household-level, data. This may be due to a large share of mortgages held by owners with children living in the household.

Housing tenure has remained relatively stable in most countries since 2010.

Between 2010 and 2022, the distribution of tenure types has remained relatively stable in most countries (see online worksheet HM1.3.A1). In some countries, the share of households who own their dwellings outright has decreased slightly, while the shares of households with a mortgage or in private rental accommodation has edged up. In most countries, the share of households in subsidised rental accommodation has remained largely stable, except for Czechia where the share of subsidised tenant households fell from 14.9% in 2010 to 1.6% in 2022. While there used to be a sizable regulated rent sector in the country, these provisions started to phase out in 2007 (Lux and Mikeszova, 2012; Vobecká et al, 2014). Rent levels gradually increased until reaching market values, and de-regulation was completed in 2012.

In most countries, home ownership rates increase with income.

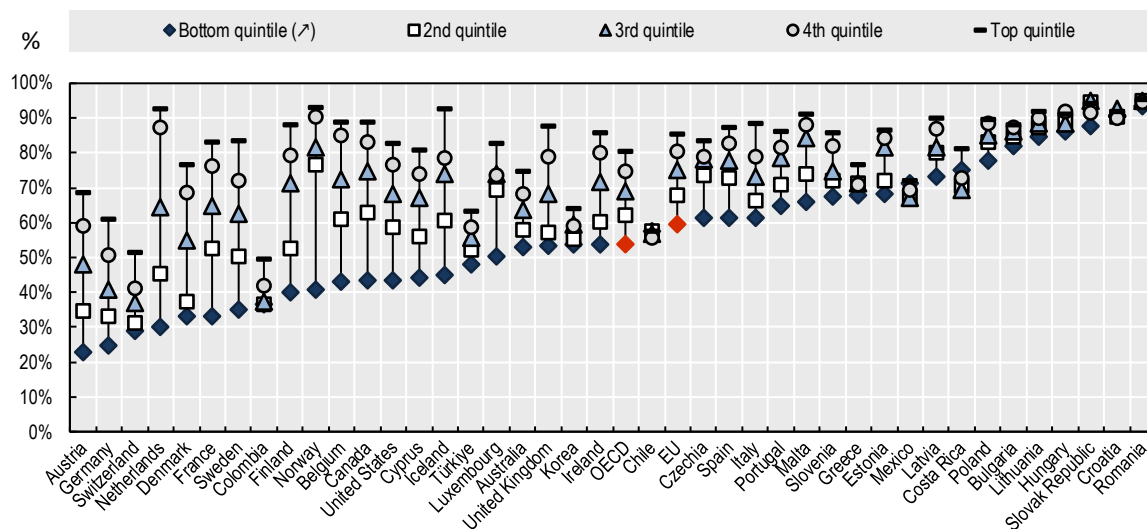
In nearly all OECD countries, a household's likelihood to own the dwelling (with and without an outstanding mortgage) increases with income (Figure HM1.3.2; see online worksheet HM1.3.A3 for earlier years). In 10 countries, at least 90% of households in the top quintile own their dwelling: Croatia, Hungary, Iceland, Latvia, Lithuania, Malta, the Netherlands, Norway, Romania, and the Slovak Republic. The widest within-country variation of home ownership rates between the bottom and the top income quintile is observed in the Netherlands, where 93% of households in the top quintile are owner households, compared to 30% of households in the bottom quintile – a 63-percentage-point gap.

By contrast, in Chile, Greece, Mexico and many Central and Eastern European countries, the share of homeowner households hardly varies with the income position of the household. Particularly in Central and Eastern European countries, this coincides with generally very high home ownership rates across the income distribution. In Romania and Croatia, for example, over 90% of households across all quintiles of the income distribution are homeowners. In Chile and Mexico, home ownership rates are similar across all income levels.

The lowest rates of overall home ownership (with and without a mortgage) among households in the bottom quintile are found in Austria (23%), Germany (25%), the Netherlands (30%), and Switzerland (30%). In Colombia and Switzerland, ownership is *also* less common among top-income owner households (around 50%), which implies a relatively small difference in the share of owner households between the bottom and top quintiles (15-20 percentage points). However, the gap in home ownership between low- and top-income households is much larger – over 40 percentage points – in the Netherlands and Austria, because these countries record a much larger share of top-quintile homeowners.

Figure HM1.3.2: Share of homeowner households across the income distribution

Percentage of owner households (with and without outstanding mortgage) by income quintile, 2022 or latest year available ^{1,2,3,4}



Notes:

1. Data for Australia, Korea, Switzerland, United Kingdom and the United States refer to 2021, for Norway and Türkiye to 2020, for Canada to 2019, for Iceland to 2018.
2. In Chile, Colombia, Mexico, Korea and the United States, gross income is used due to data limitations.
3. In the United Kingdom, net income is not adjusted for local council taxes and housing benefits due to data limitations.
4. In Türkiye, net income is not adjusted for income taxes due to data limitations.

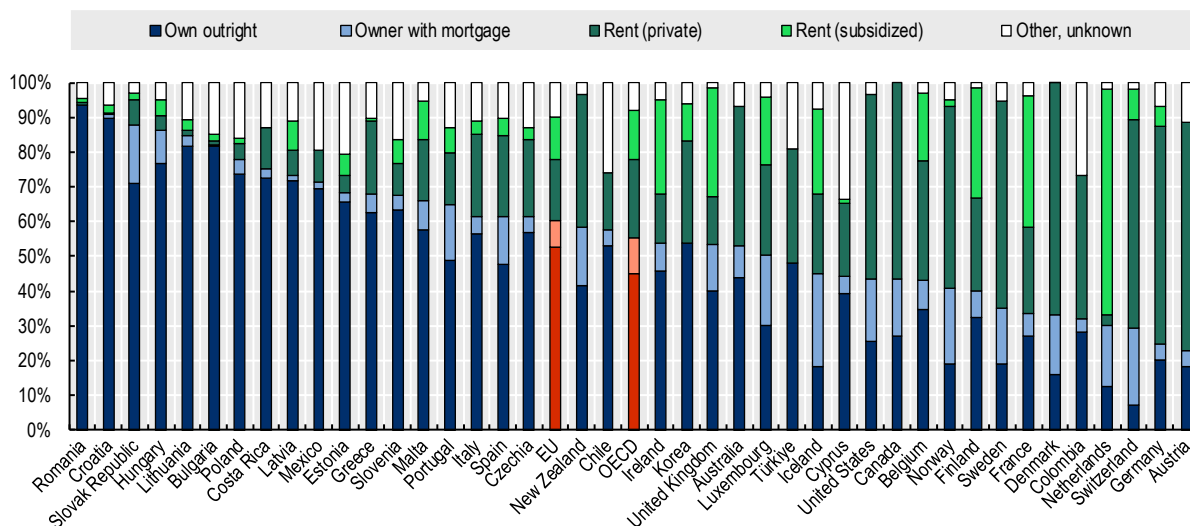
Sources:

OECD calculations based on the European Survey on Income and Living Conditions (EU-SILC 2022), except for Switzerland (2021), Norway (2020) and Iceland (2018); the Household, Income and Labour Dynamics Survey (HILDA) for Australia (2021); the Canada Income Survey (CIS 2019); the Encuesta de Caracterización Socioeconómica Nacional (CASEN) for Chile (2022); the Gran Encuesta Integrada de Hogares (GEIH) for Colombia (2022); the Encuesta Nacional de Hogares (ENAH) for Costa Rica (2022); the Korean Housing Survey (2021); the Encuesta Nacional de Ingresos y Gastos de los Hogares (ENIGH) for Mexico (2022); Türkiye-National SILC (2020); Understanding Society - The UK Household Longitudinal Study (2021); the American Community Survey (ACS) for the United States (2021).

The general tenure patterns (majority owners vs. majority tenants) hold amongst each countries' low-income households (Figure HM1.3.3, see online worksheet HM1.3.A4 for earlier years and other quintiles). With home ownership less common amongst low-income households, they are generally more likely to live in rental accommodation. The prevalence of rental accommodation among low-income households is particularly high, at just below 70% in Germany, the Netherlands and Switzerland. Renting at subsidised rates among low-income households is highest in the Netherlands (65%), and it is common in Finland (32%), France (38%), Iceland (25%), Ireland (27%), and the United Kingdom (31%).

Figure HM1.3.3: Housing tenure distribution for low-income households

Share of different tenure types across households in the bottom quintile of income distribution, in percent, 2022 or latest year available^{1,2,3,4,5,6,7,8}



Notes:

1. Tenants renting at subsidised rent are lumped together with tenants renting at private rent in Australia, Austria, Canada, Chile, Colombia, Costa Rica, Denmark, Mexico, New Zealand, Türkiye and the United States. In Sweden, there is a large share of municipally-owned rental housing, which are included under Rent (private), because rent levels are not subsidised. See also indicator PH4.2 Social rental dwelling stock in the Affordable Housing Database for additional information on subsidised rental housing.
2. Outright owners of homes are lumped together with owners with mortgages in Korea and Türkiye due to data limitations.
3. Data for Australia, Korea, New Zealand, Switzerland, United Kingdom and the United States refer to 2021, for Norway and Türkiye to 2020, for Canada to 2019, for Iceland to 2018.
4. OECD and EU averages refer to countries for which all tenure types are available.
5. In Chile, Colombia, Mexico, Korea and the United States, gross income is used due to data limitations.
6. In the United Kingdom, net income is not adjusted for local council taxes and housing benefits due to data limitations.
7. In Türkiye, net income is not adjusted for income taxes due to data limitations.
8. See also indicator PH4.2 Social rental dwelling stock in the Affordable Housing Database for additional information.

Sources:

OECD calculations based on the European Survey on Income and Living Conditions (EU-SILC 2022), except for Switzerland (2021), Norway (2020) and Iceland (2018); the Household, Income and Labour Dynamics Survey (HILDA) for Australia (2021); the Canada Income Survey (CIS 2019); the Encuesta de Caracterización Socioeconómica Nacional (CASEN) for Chile (2022); the Gran Encuesta Integrada de Hogares (GEIH) for Colombia (2022); the Encuesta Nacional de Hogares (ENAH) for Costa Rica (2022); the Korean Housing Survey (2021); the Encuesta Nacional de Ingresos y Gastos de los Hogares (ENIGH) for Mexico (2022); Household Expenditure Survey (HES, Stats NZ) for New Zealand (2021); Türkiye-National SILC (2020); Understanding Society - The UK Household Longitudinal Study (2021); the American Community Survey (ACS) for the United States (2021).

Data and comparability issues

This indicator is calculated based on household surveys. The European Survey on Income and Living Conditions (EU-SILC) is used for European countries; the Household, Income and Labour Dynamics Survey (HILDA) for Australia; the Canada Income Survey (CIS); the Encuesta de Caracterización Socioeconómica Nacional (CASEN) for Chile; the Gran Encuesta Integrada de Hogares (GEIH) for Colombia; the Encuesta Nacional de Hogares (ENAH) for Costa Rica; the Japan Household Panel Study (JHPS); the Korean Housing Survey; the Encuesta Nacional de Ingresos y Gastos de los Hogares (ENIGH) for Mexico; estimates provided by Stats New Zealand; Türkiye-National SILC; Understanding Society - The UK Household Longitudinal Study; the American Community Survey (ACS) for the United States.

Data collection for household surveys faced additional limitations during the COVID-19 pandemic, which may affect the quality of data in 2020 and 2021. This included challenges to conducting face-to-face interviews, as well as difficulties to interpret certain questions in the context of the pandemic (e.g.

questions relating to the primary place of residence among young people who had returned to live with their parents during the pandemic). With regards to EU-SILC, there were also cross-country differences in how the reference period was defined, as some countries interpreted the reference period as “before the crisis – as usual” while others considered the impacts of the pandemic (Eurostat, 2020).

Data from EU-SILC are also subject to variation across years due to limited sample sizes. Although weights are used to help ensure data are representative of the population, and all indicators in the OECD Affordable Housing Database rely on variables with at least 100 observations, caution should still be exercised when comparing data across years.

Due to limitations in the data of these household surveys, net income which adjusts for taxes and transfers is not always used to calculate the income quantiles of countries. In Chile, Colombia, Mexico and the United States, gross income is used rather than net income. In the United Kingdom, net income does not adjust for local council taxes and housing benefits. In Türkiye, net income does not adjust for personal income taxes. These differences create comparability issues that subsequently affect the distribution of tenure among income quantiles.

For Australia, Austria, Canada, Chile, Colombia, Costa Rica, Denmark, Mexico, New Zealand, Türkiye and the United States, no information households living in subsidised rental housing is available due to data limitations (Dewilde, 2015; Haffner, 2015). Refer to indicator PH4.2 Social rental dwelling sector, for additional data on the social housing stock, which are based on country responses to the OECD Questionnaire on Affordable and Social Housing (QuASH). Furthermore, for Korea and Türkiye, outright owners of homes are lumped together with owners with mortgages. For European countries, the “other” category refers exclusively to accommodation provided for free.

Additional information gathered through the OECD Questionnaire on Social and Affordable Housing show that countries may use different or additional definitions of housing tenures. Some countries for instance identify tenures according to the owner of the dwelling. In other countries, the focus is on the nature of the legal status of the household occupying the dwelling, which can include other tenures besides rent and owner-occupation. In a number of countries, for instance, co-operative ownership - whereby a cooperative owns one or more residential buildings and its members are granted the right to occupy a housing unit by buying shares in the cooperative - is accounted for as a separate tenure in national statistics but not in EU-SILC. Cooperative ownership is therefore included under owner occupancy in the EU-SILC database for the Czechia, Denmark, Norway, Poland, Switzerland, and Sweden.

Social rental housing (see indicator PH 4.2 and PH 4.3) is also difficult to compare across surveys and countries. The household surveys used here often distinguish between outright owners, owners paying off a mortgage, and tenants. Yet the distinction between tenants paying a market rate rent and tenants paying a subsidised, reduced rate is less clear. “Subsidised” rental should thus not only include social housing but also employer-subsidised housing and dwellings where rent is fixed by law. In many countries, the share of households benefitting from subsidised rents according to survey data is thus larger than the social housing sector (Salvi del Pero et al. 2016). Yet, in some countries the opposite holds due to data limitations: (1) in Austria and Denmark, all tenants are attributed to the market rent category as EU-SILC does not allow to make distinctions by type of tenant (see the Methodological Guidelines for EU-SILC for further discussion); (2) the size of the social rental sector is larger than the reported share of subsidised rent in France; and (3) in the surveys for Australia Canada, Chile, Mexico, and the United States, respondents are not asked about subsidised rents - while in Chile and Mexico subsidised rental housing is uncommon it plays a role in the other three countries, where social housing represents between 4 and 5 percent of the total housing stock.

Other countries have additional forms of tenure that are not easily classified. For instance, under the *Joense* system in Korea, the tenant pays the dwelling owner a down payment and in return can stay in the dwelling for two years (this is the usual duration that can be prolonged). After two years, the dwelling owner returns the down payment to the renter. Renters often take out loans to finance the down

payment. During the lease period, the dwelling owner benefits from the interest he can create from the down payment. There is also a "mixed" system where tenants pay monthly rent and a Joense style down payment. Similar to some extent, 'right of occupancy' housing in Finland is an intermediate tenure between rent and owner occupancy, whereby residents pay a significant deposit (15% of the original purchase price of the dwelling) and a monthly management fee. They cannot buy the dwelling, but they are granted security of tenure, and if they want to leave, they are paid back the initial deposit, plus an amount calculated according to the construction cost index.

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