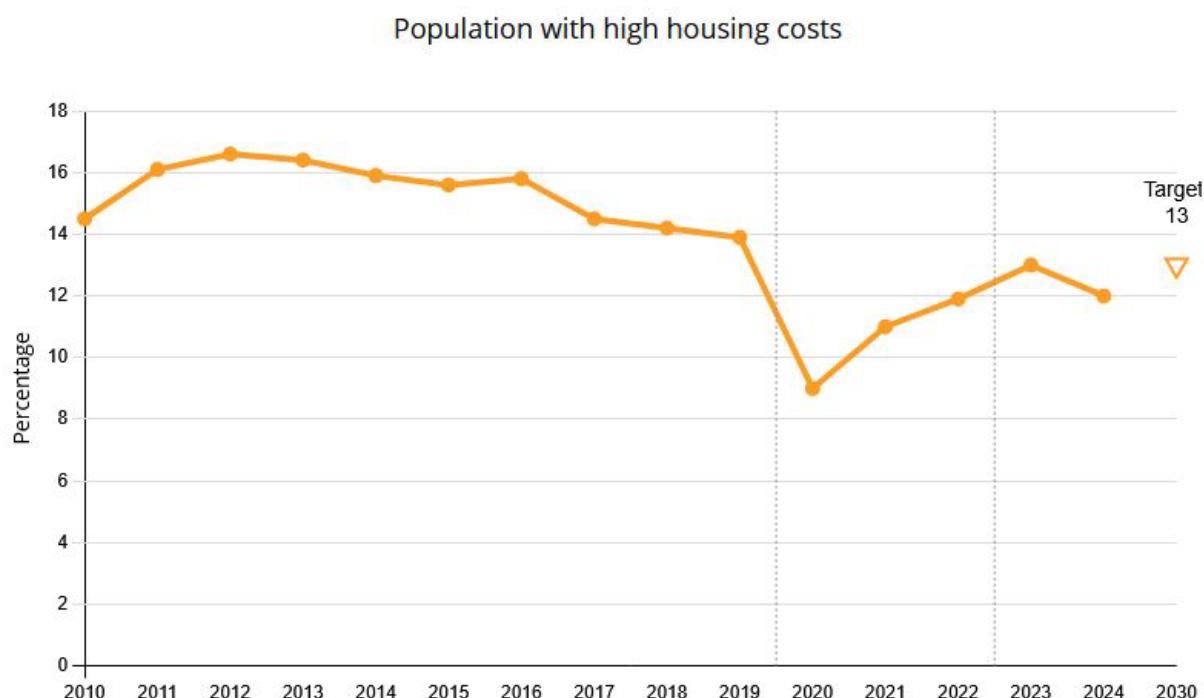




Housing – *Affordable housing for all*

11.3.a Proportion of people with high housing costs



Definition(s):

Expenditure on housing: After state relief measures such as housing benefit or comparable social benefits (e.g. benefits for accommodation and heating under basic income support).

Note(s):

The Life in Europe survey (EU-SILC), which had previously been conducted separately, was integrated into the microcensus as a sub-sample in 2020. Due to the change from a voluntary survey to a survey requiring information in part, combined with a new sample composition, it is not possible to compare the data of the survey year 2020 with previous years (break in time series). – 2022 and 2023 revised data. – The questions on housing costs for home owners have changed in 2023. A comparison of the data for the 2023 survey year is therefore only possible to a limited extend (break in time series).

Data source(s):

Federal Statistical Office, Statistical Office of the European Union

Definition

The indicator shows the proportion of people living in households (in %) that spend more than 40 per cent of their disposable household income on housing. Expenditure on housing includes net rent, ancillary costs, energy costs and expenditure on water supply and, in the case of residential property, value-preserving investments and interest payments on loans; after state relief measures such as housing benefit or comparable social benefits (e.g. benefits for accommodation and heating under the basic income support scheme).

Intention

High housing costs lead to households being restricted in their other consumption decisions. Expenditure on housing of more than 40% of disposable household income is regarded as an overload.



Target

Reduce the proportion of people who are overburdened by housing costs to 13% by 2030

Content and progress

The indicator relates housing expenditure to the disposable income of a household. If a household receives housing benefit or similar social transfers – such as accommodation and heating allowances under the basic income support system – these are included in the calculation of the indicator. In this case, the benefits are not added to the income, but instead deducted from the housing costs. As a result, the housing cost burden for households reliant on housing-related social transfers is reduced – potentially to the point of complete relief.

The purchase of owner-occupied property and expenditure on value-enhancing measures are not considered part of housing expenditure. However, clearly distinguishing these from value-preserving costs – which are included in the housing cost definition – is not always possible. These classification issues should be taken into account when interpreting the results. Moreover, the indicator does not account for additional location-based costs. For example, commuting expenses between place of residence and workplace are excluded – even if housing costs fall below the 40% threshold only because a longer commute is accepted in return. Due to the fixed threshold of 40% of disposable household income, the indicator does not provide information on average housing costs. If many cases cluster around this threshold, even minor shifts in the ratio of income to housing expenditure over time can lead to significant changes in the indicator.

Data on housing cost overburden come from the EU-wide harmonised annual Statistics on Income and Living Conditions (EU-SILC). In the 2020 survey year, EU-SILC was integrated into the microcensus as a sub-sample in response to increasing demands for timely data and more detailed regional results, alongside substantial methodological adjustments. As a result, data from 2020 onwards are not comparable with previous years.

The questions used to collect data on housing expenditure were revised in 2023 for owner-occupier households. From the 2023 survey year, a new question was introduced that specifically asks about spending on mortgage interest, as well as regular maintenance and value-preserving repair works. This adjustment appears to have led to more households reporting such expenses as intended. For the indicator – which includes both owner-occupier and tenant households – this means that part of the observed increase in the share of affected owner-occupier households may be attributed to improved measurement of housing costs since 2023. A direct comparison with earlier results is therefore only partially possible.

Overall, the indicator developed in the direction of the politically defined target value of 13% until 2019: after an initial increase, the proportion fell from 14.5% in 2010 to 13.9% in 2019. Since 2020, values have remained significantly lower than in previous years. In 2024, the figure stood at 12.0%. However, comparisons with values prior to 2020 are not meaningful due to the aforementioned methodological changes in data collection and processing.

The indicator offers only limited insight into actual housing conditions and available income, as the chosen method of calculation can lead to high-income households with sub-



stantial housing expenditure also being classified as overburdened. Nevertheless, the data clearly show that people at risk of poverty – defined as those with less than 60% of the median equivalised income – are particularly affected by housing cost overburden. In this group, the proportion of overburdened individuals remained persistently high between 2010 (42.2%) and 2024 (37.5%). In contrast, the figures for people not at risk of poverty were significantly lower (2010: 9.4%, 2024: 7.3%). In both groups, developments over time mirrored the trend observed at the overall population level.

Type of target

Target with specific target value

Assessment

The proportion of people with high housing costs should be reduced to a maximum of 13% by 2030.

For indicator 11.3.a, due to methodological changes in the survey design, values from 2020 to 2024 are considered. Over the past five years, the indicator has remained below the politically defined target of 13%, meaning the target was achieved. However, as the average trend over this period does not move in the desired direction, indicator 11.3.a is assessed as slightly cloudy for 2024.

