

# Housing Systems

## Macro Comparative Context

Australia, Canada, United Kingdom

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# Housing System

The full range of inter-relationships  
between all of the actors (individual  
and corporate),  
and institutions involved in the  
production, consumption and  
regulation of housing.

Bourne (1981) *The Geography of Housing*, p.12

Since the 1990s: A **New Macro Context**  
for the Housing System

## **Hyper-commodification** of Housing

1. Deregulation
2. Financialization
3. Globalization
4. Austerity

**Housing no longer just housing**

**Asset for those with enough excess wealth**

# Transition to Hyper-commodification

1. **Deregulation** of housing: remove regulations that impede the commodity aspect of real estate
2. **Financialization** of housing: convert any aspects of housing into large scale globally financialized instruments ("products" to buy, sell, speculate in)
3. **Globalization** of housing: global wealth networks, not local, play the dominant role.

-- Madden & Marcuse 2016:52-62

# Canada's Housing System: 96 & 4

## Market Housing 96%

Buy or Rent  
from the  
Private Sector

## Housing Subsidies Mainly home ownership

## Social Housing 4%

## Non-market Housing

Netherlands 34%

Austria 26%

Denmark 22%

France 19%

Sweden 18%

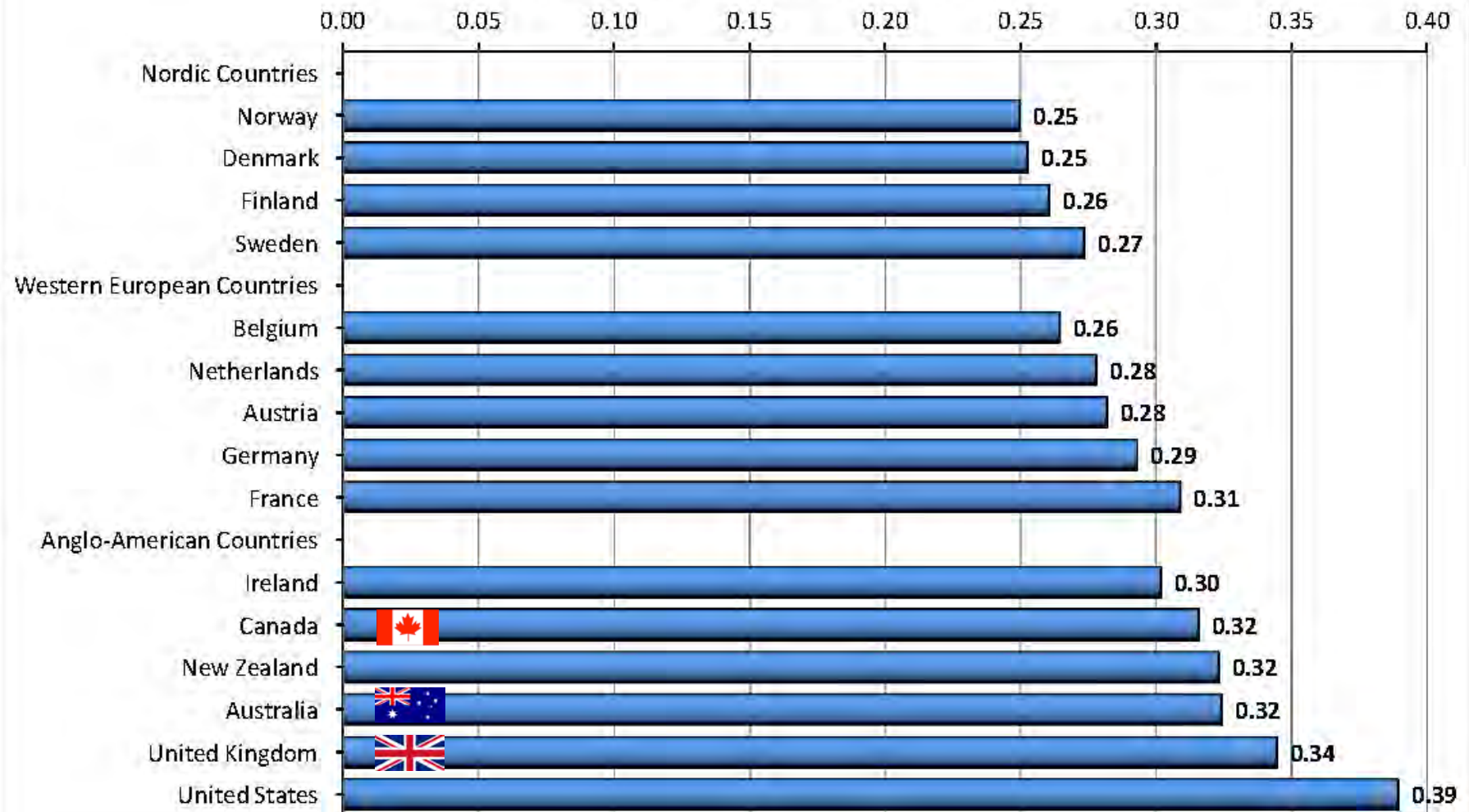
UK 18%

Australia 5%

Canada 4%

USA 4%

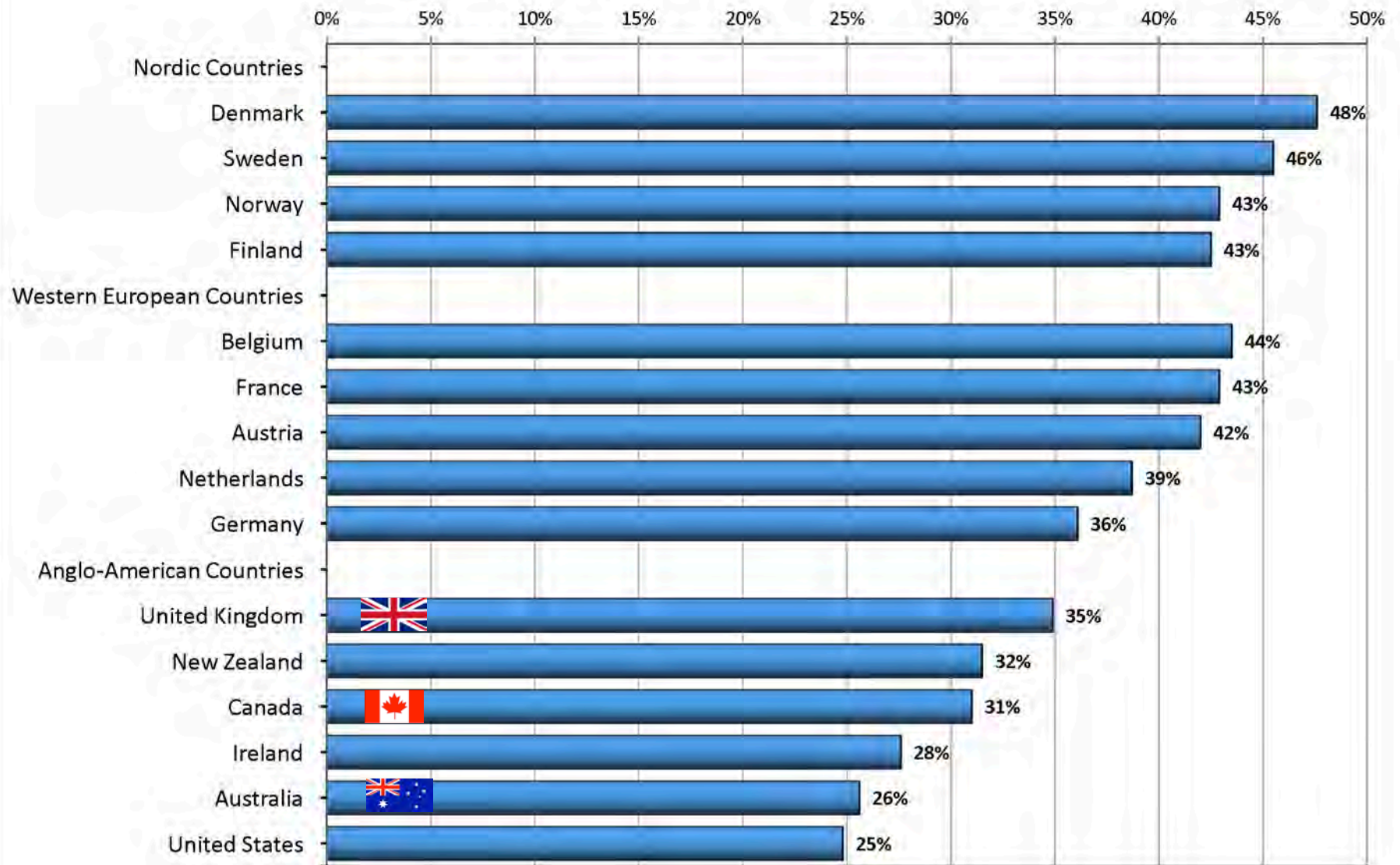
## Gini Coefficient for Fifteen OECD Countries in Three Groups, early 2010s



**The Gini coefficient** takes values between 0 for a perfectly equal income distribution where every person has the same income, and 1 which refers to a situation of maximum inequality where all income goes to one person. OECD average = 0.30.

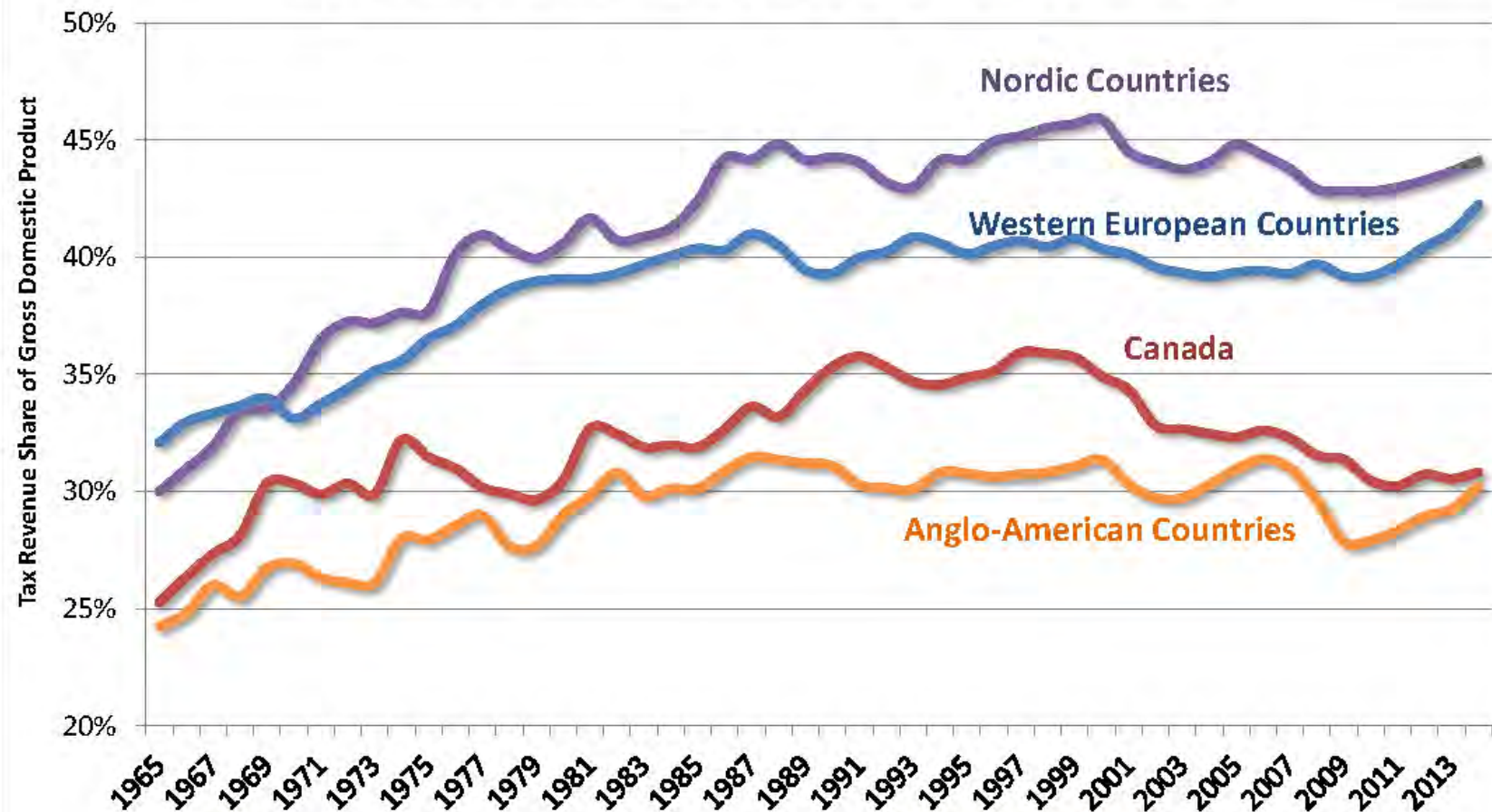
## Total Tax Revenues as a Percentage of GDP, 2010

### Fifteen OECD Countries in Three Groups





## Total Tax Revenues as a Percentage of GDP, 1965–2014 for Canada and Three Groups of Countries

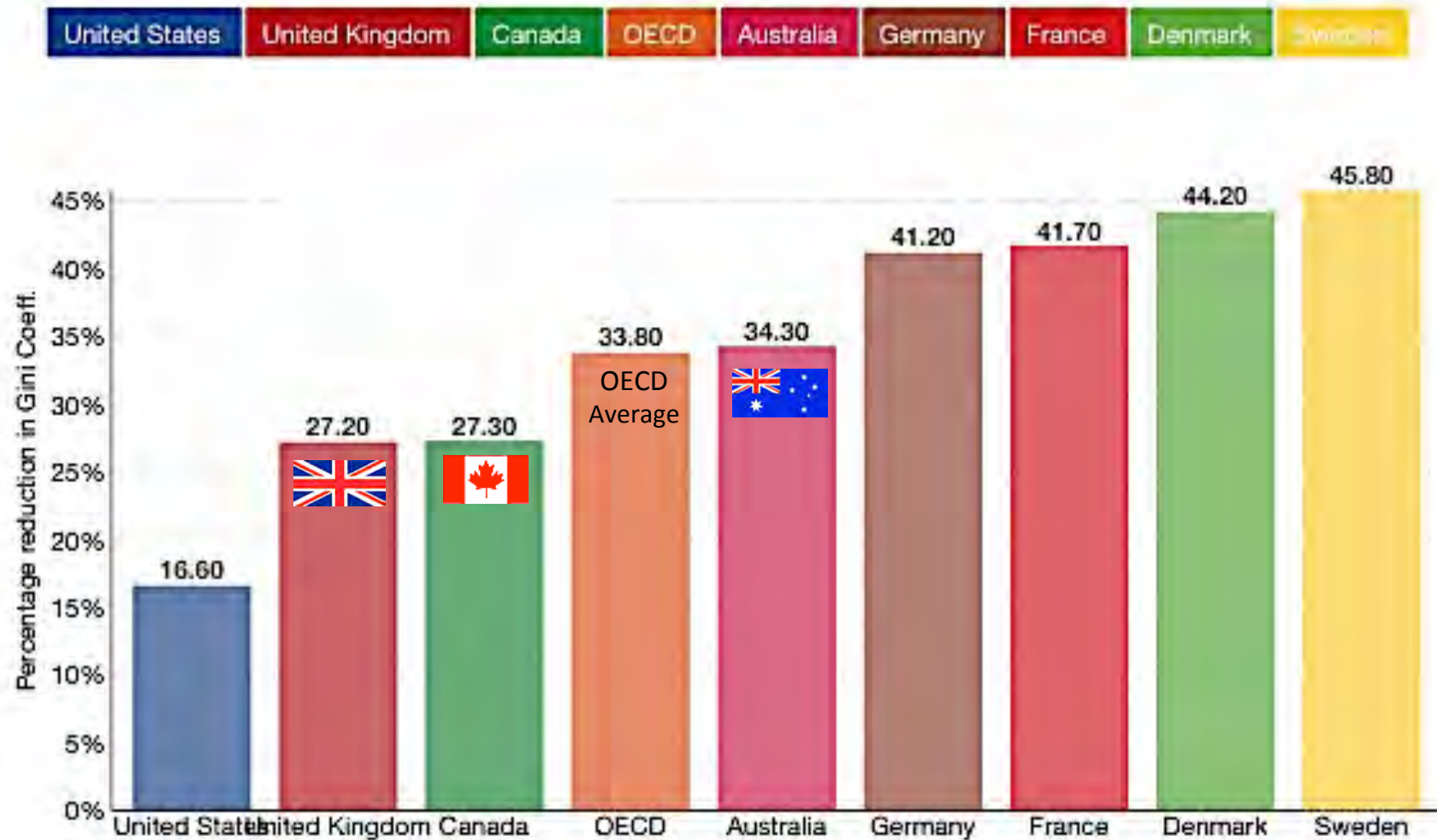
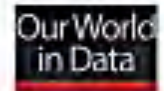


Notes: **Nordic countries** includes Denmark, Sweden, Finland and Norway. **Western European countries** includes France, Belgium, Austria, Germany and Netherlands. **Anglo-American countries** includes United States, United Kingdom, Ireland, New Zealand and Australia. Group percentages are unweighted averages. Data for Australia and Netherlands not yet available for 2014.



## Tax reduction in income inequality (%), 2005

Percentage reduction in Gini coefficients before and after taxes and transfers.

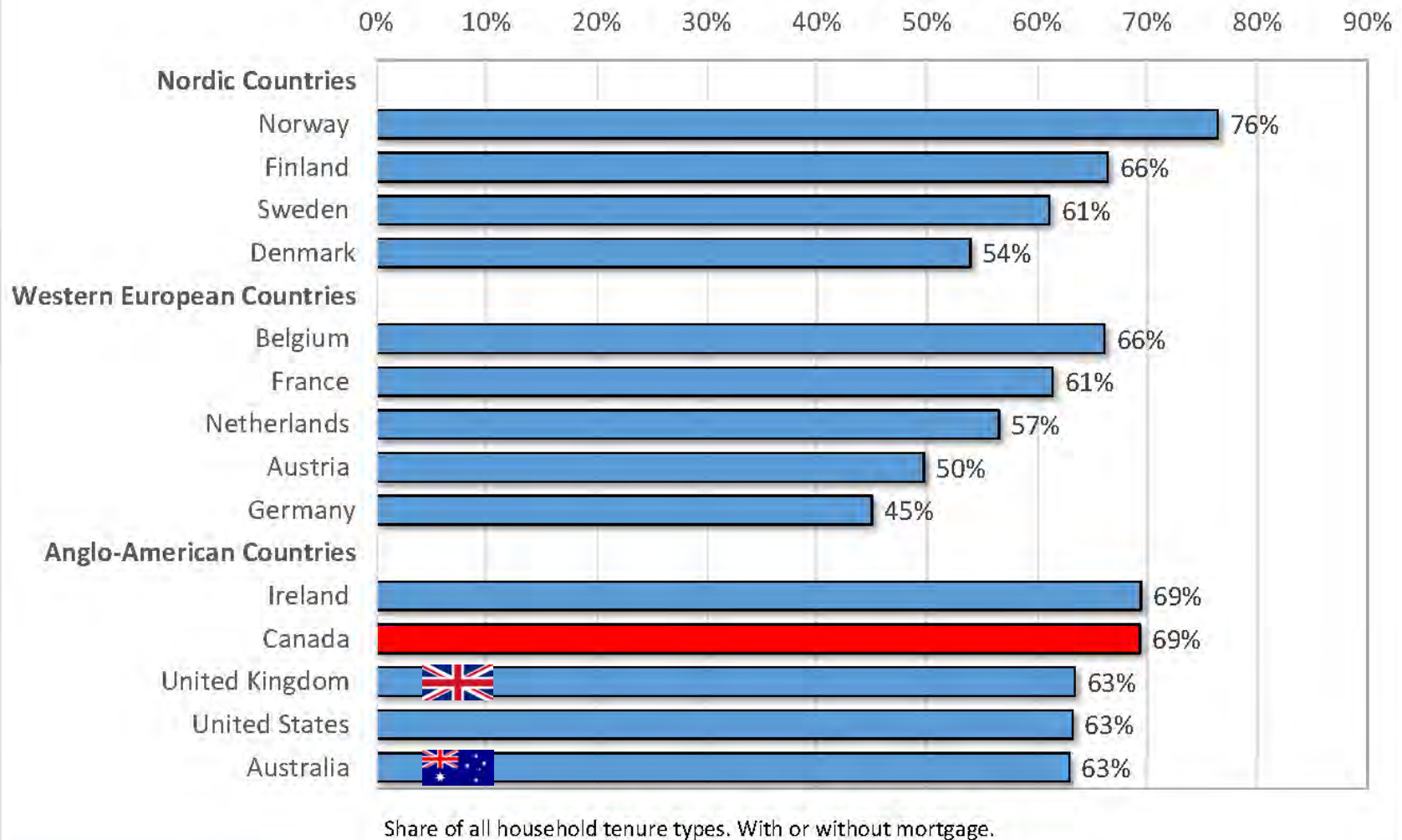


Source: OECD (2008)

OurWorldInData.org/income-inequality/ • CC BY-SA

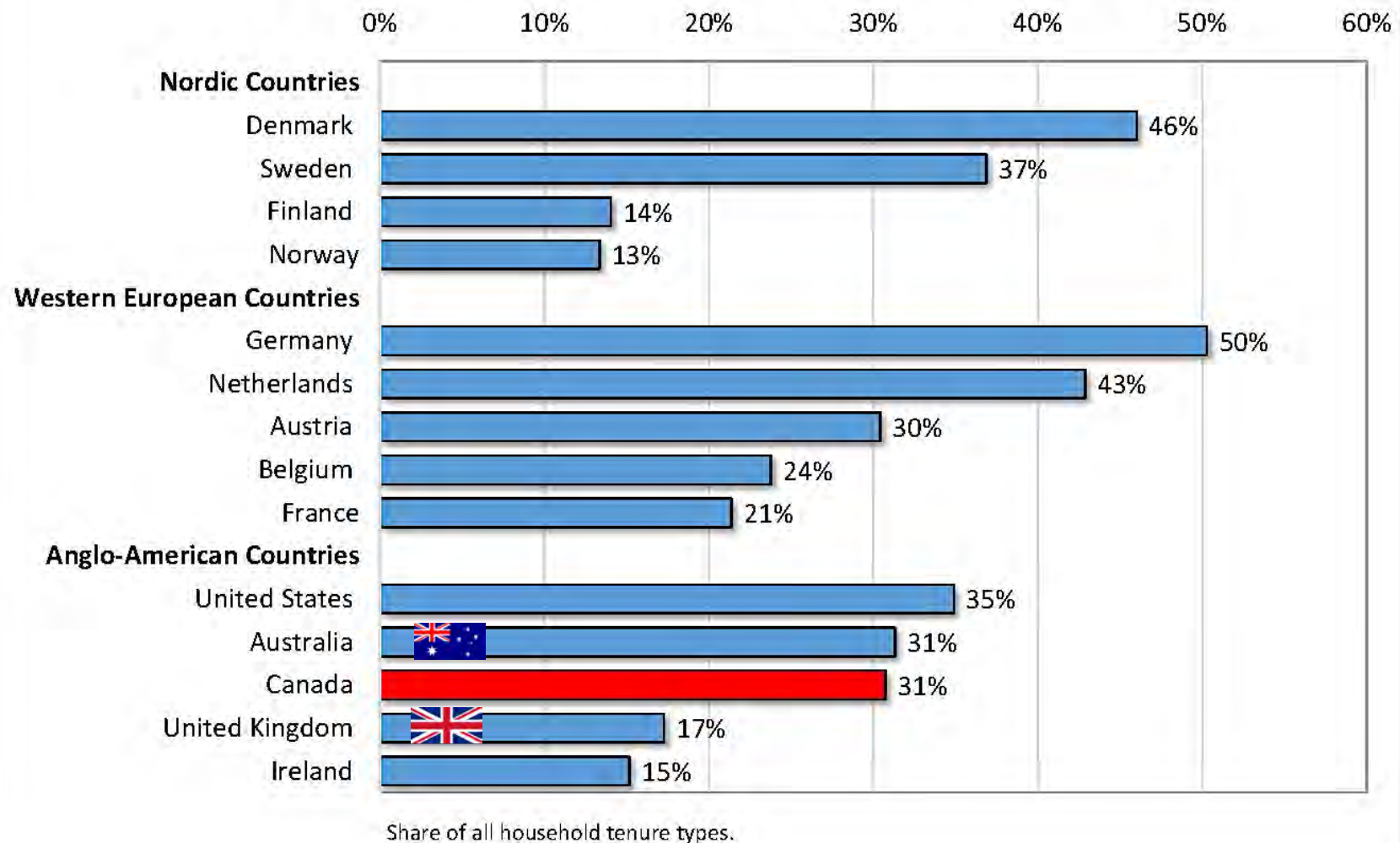
## Homeownership Share, 2014 or latest year

### Fourteen OECD Countries as Three Groups



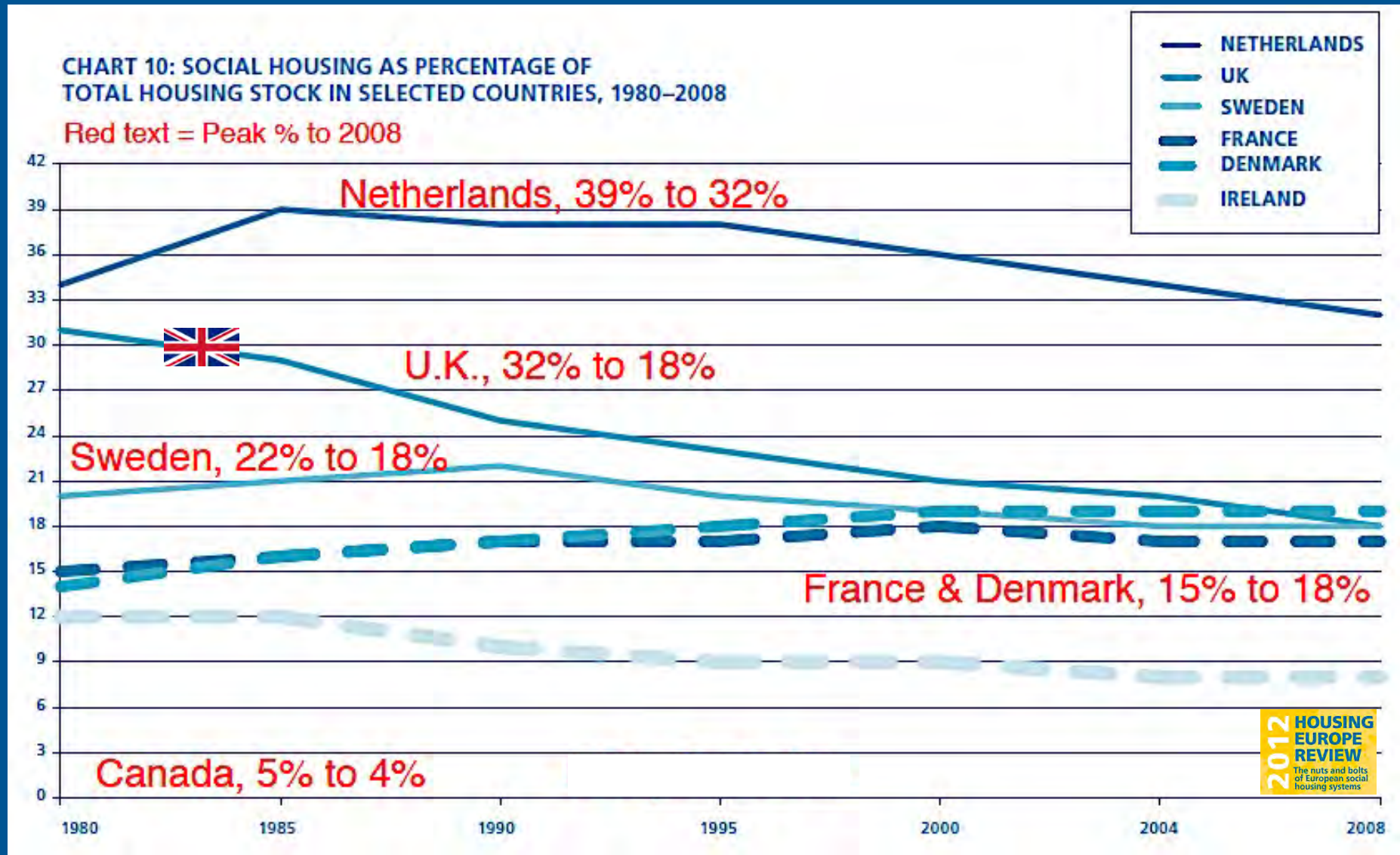
## Private Rental Housing Share, 2014 or latest year

### Fourteen OECD Countries as Three Groups

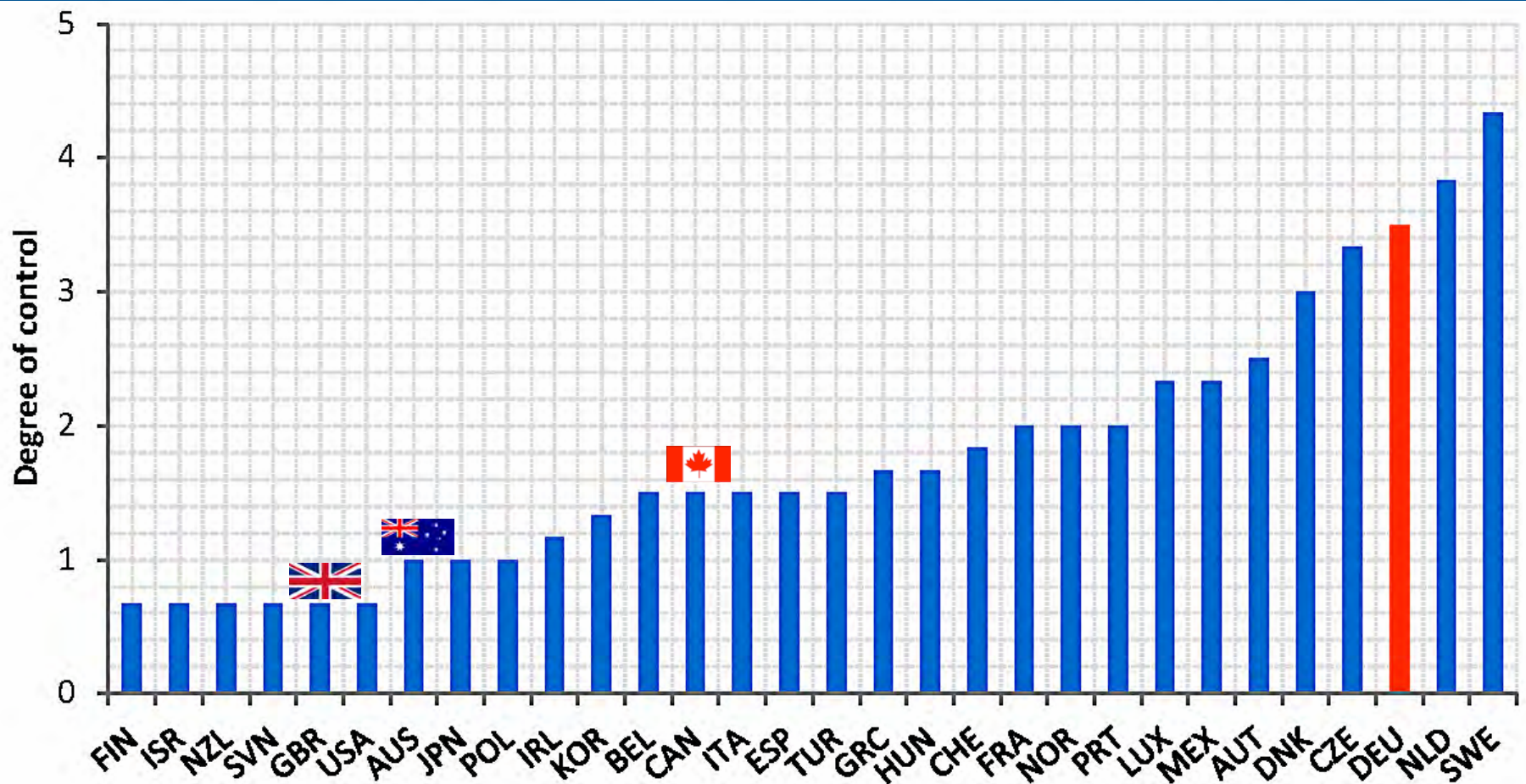




# Trend in Social Housing as a % of Total



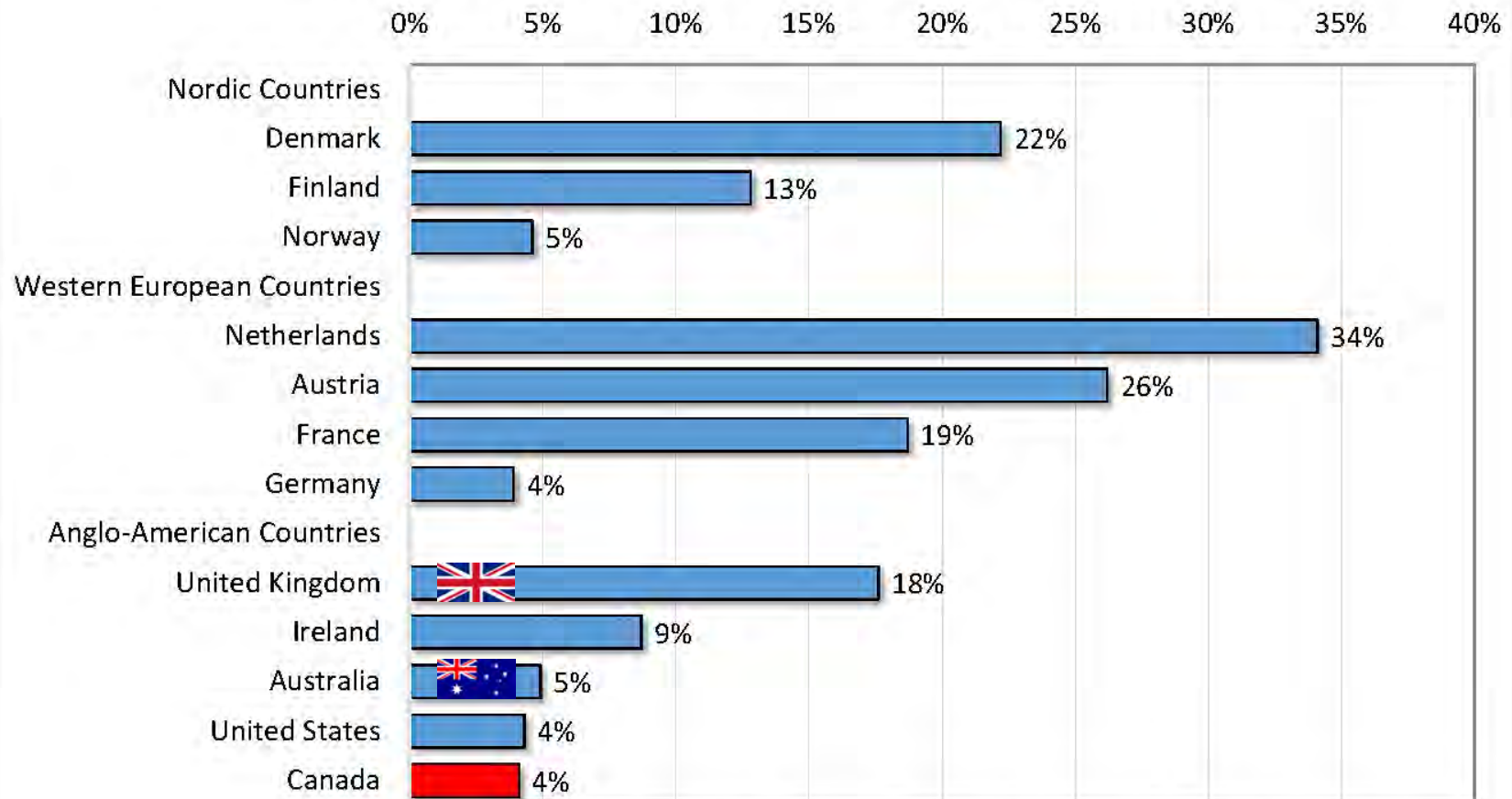
# Rent Regulations: Degree of Control



Note: Rent control in the private rental market, 2009. Scale 0-6: Increasing in degree of control.  
 Source: Economic Policy Reforms 2011, going for growth. OECD.

From: Fitzsimons, J. (2014). **The German Private Rented Sector: A Holistic Approach**. Boligoekonomisk Videntcenter.

## Social Rental Housing Share, 2015 or latest year Twelve OECD Countries as Three Groups

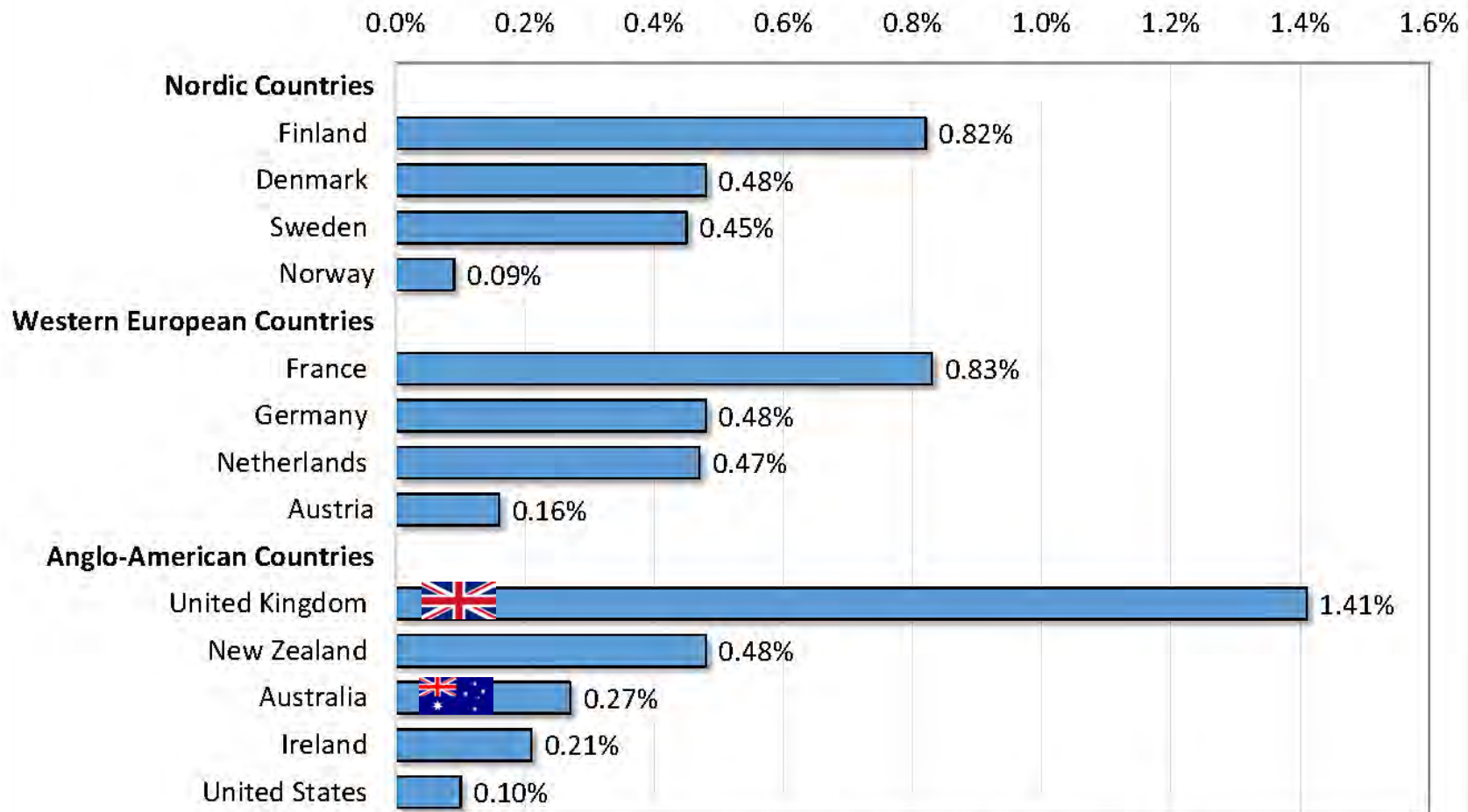


Share of all household tenure types. Social rental housing defined as "the stock of residential rental accommodation provided at sub-market prices and allocated according to specific rules rather than according to market mechanisms".



## Housing Allowance Share of GDP, 2015 or latest year

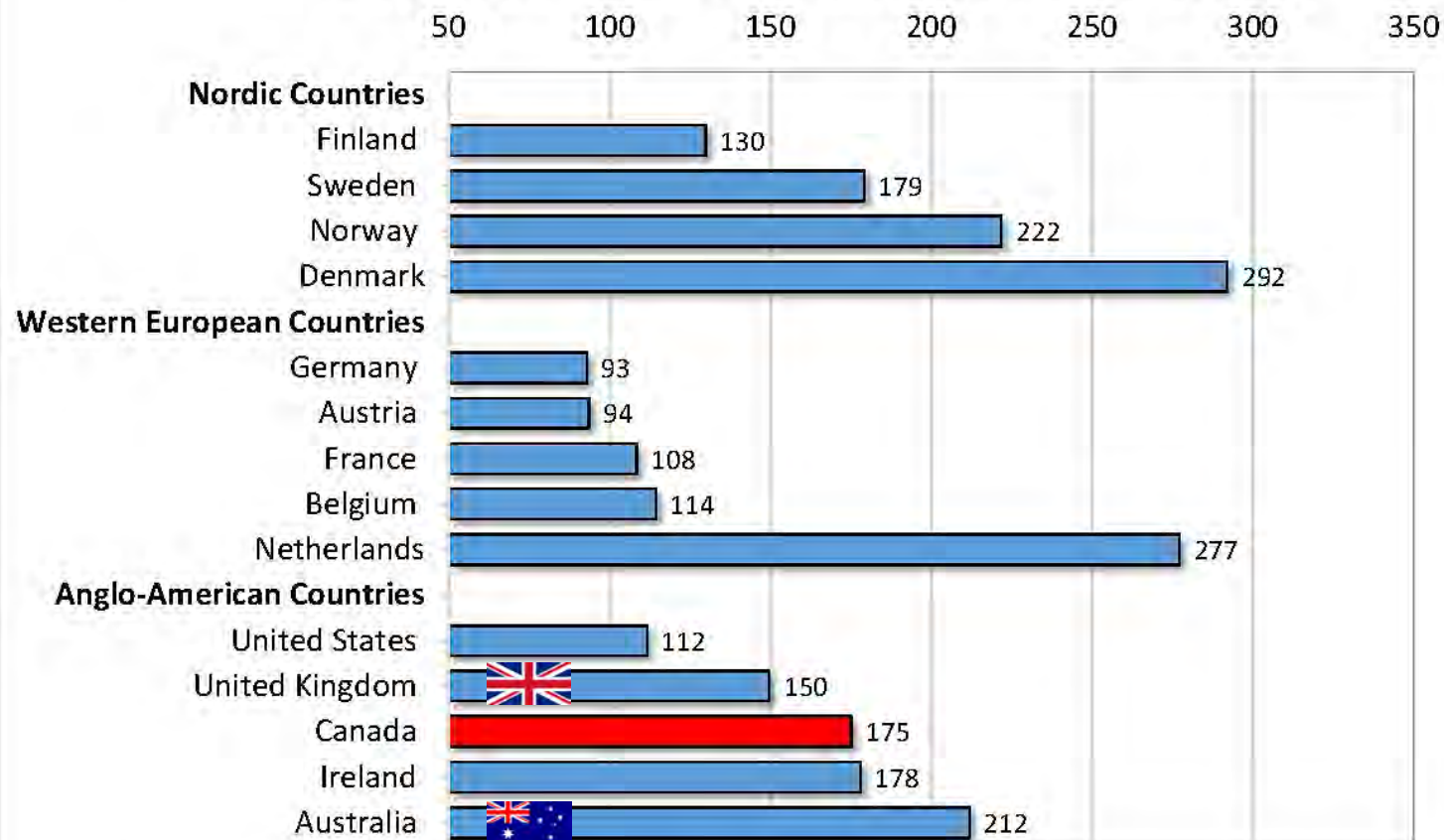
### Thirteen OECD Countries as Three Groups



Total government spending as a percent of Gross Domestic Product (GDP). There is provision of housing allowances in Canada but data on public spending are not available.

## Household Debt as Percent of Disposable Income, 2015

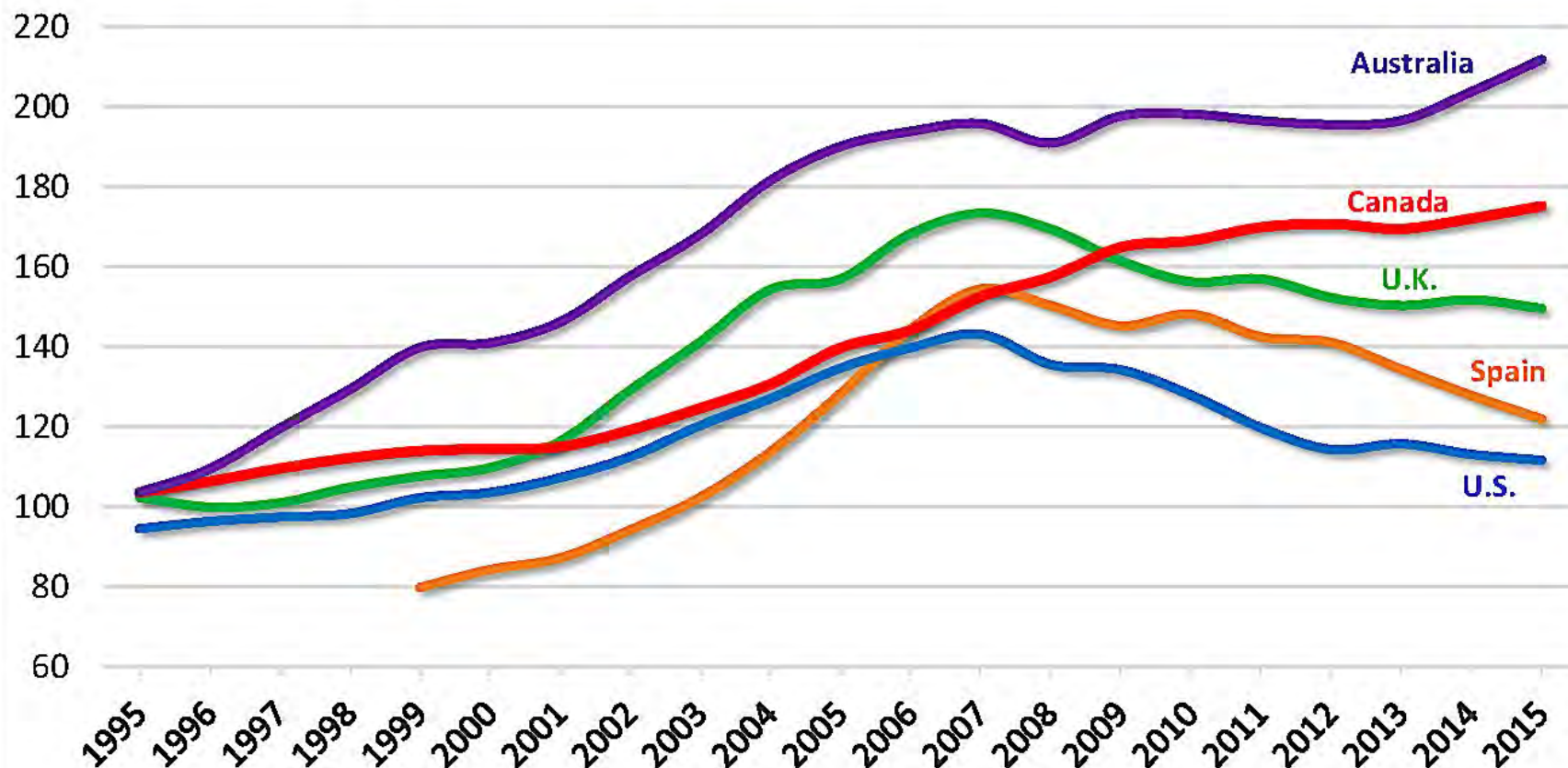
### Fourteen OECD Countries as Three Groups



Household debt is defined as all liabilities that require payment or payments of interest or principal by household to the creditor at a date or dates in the future. Real household net disposable income corresponds to the sum of wages and salaries, mixed income, net property income, net current transfers and social benefits other than social transfers in kind, less taxes on income and wealth and social security contributions paid by employees, the self-employed and the unemployed.

## Household Debt as Percent of Disposable Income, 1995–2015

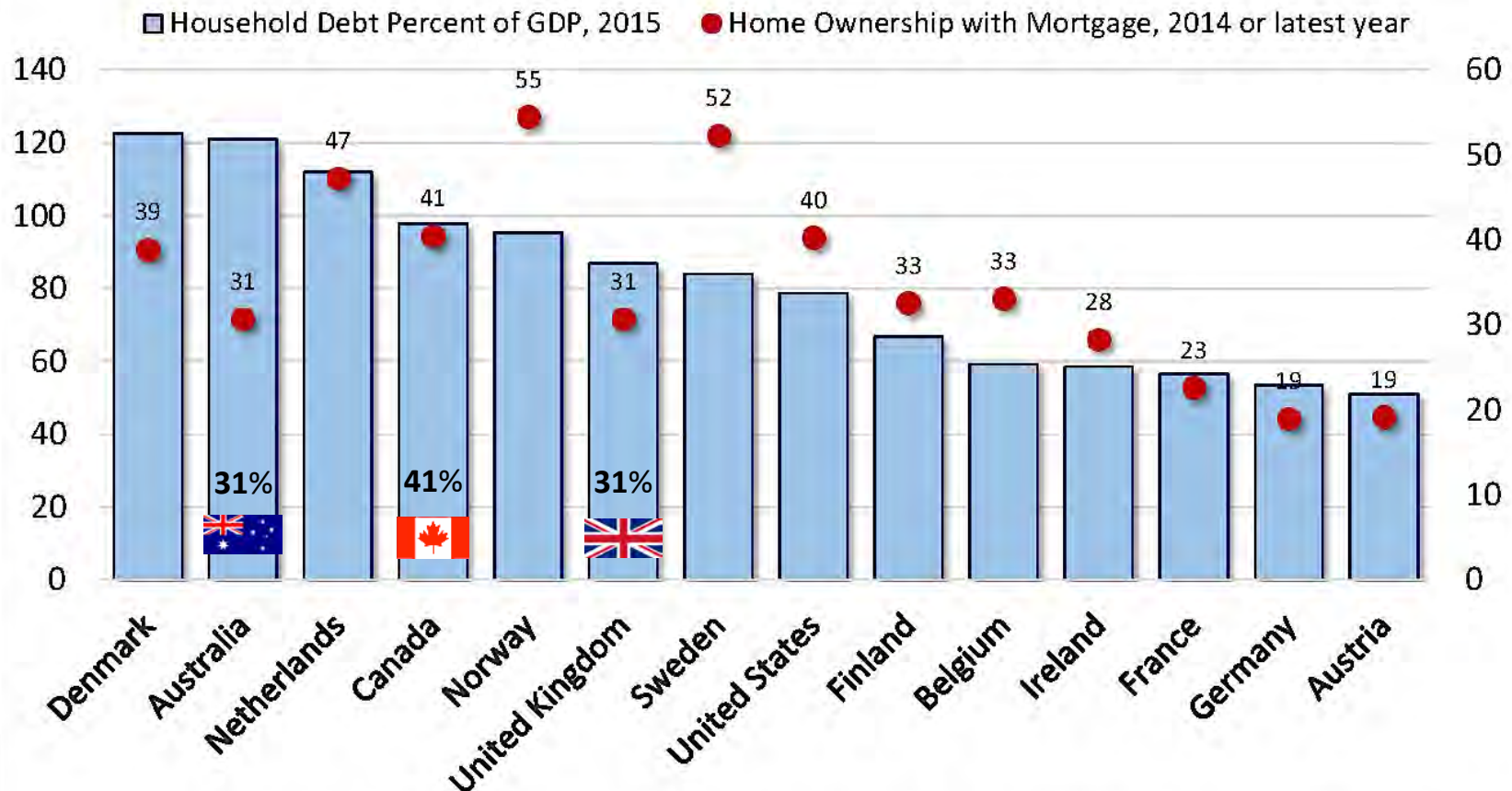
### Australia, Canada, Spain, United Kingdom, and United States



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## Household Debt and Mortgaged Ownership Fourteen OECD Countries, 2014-2015



Household core debt includes mortgage and non-mortgage types. Home ownership with mortgage is the percent of all owners & renters.

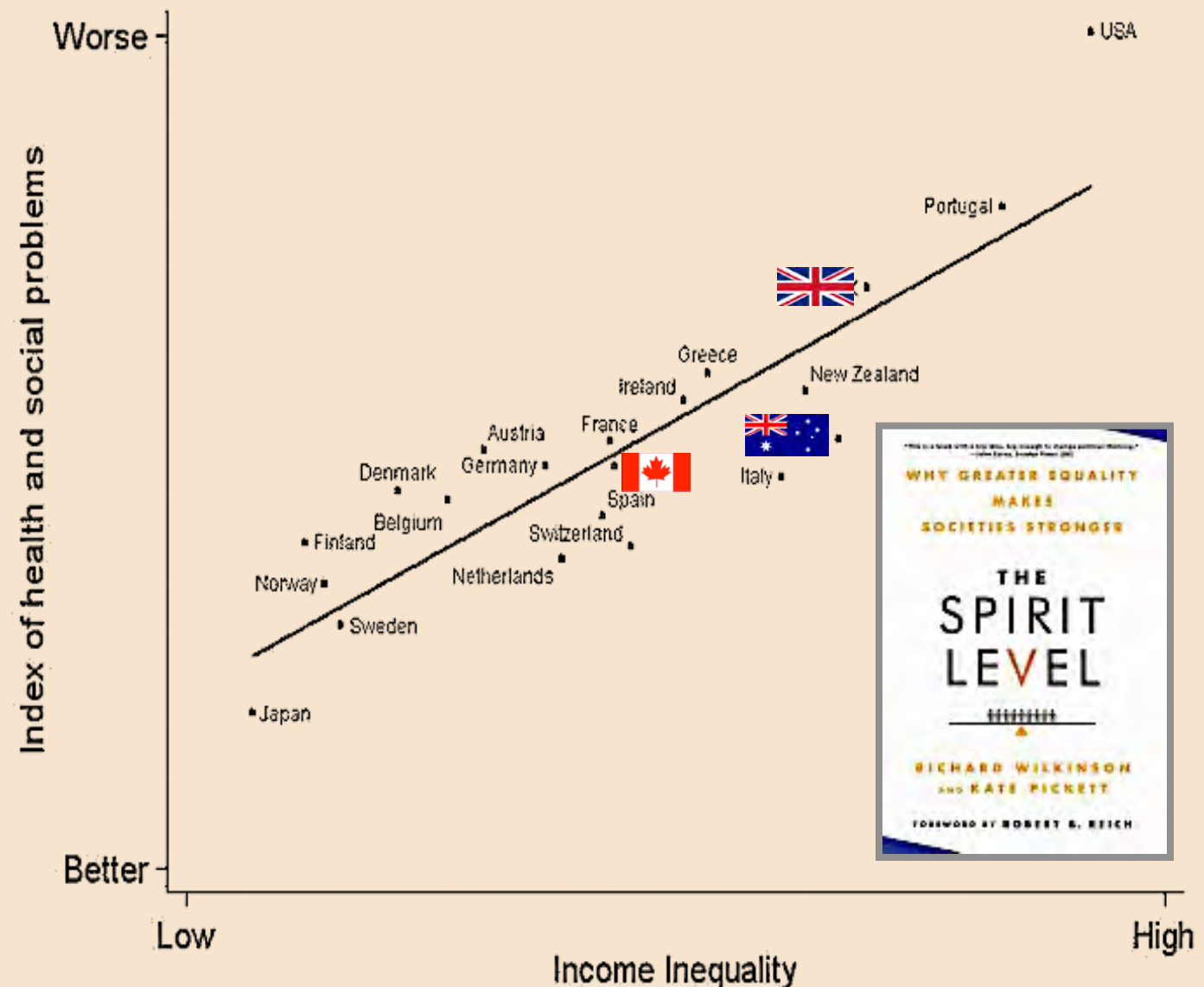
Source 1: OECD Affordable Housing Database <http://www.oecd.org/social/affordable-housing-database.htm>

Source 2: Bank for International Settlements, Table F3.1: Total credit to households (core debt). <http://bis.org>

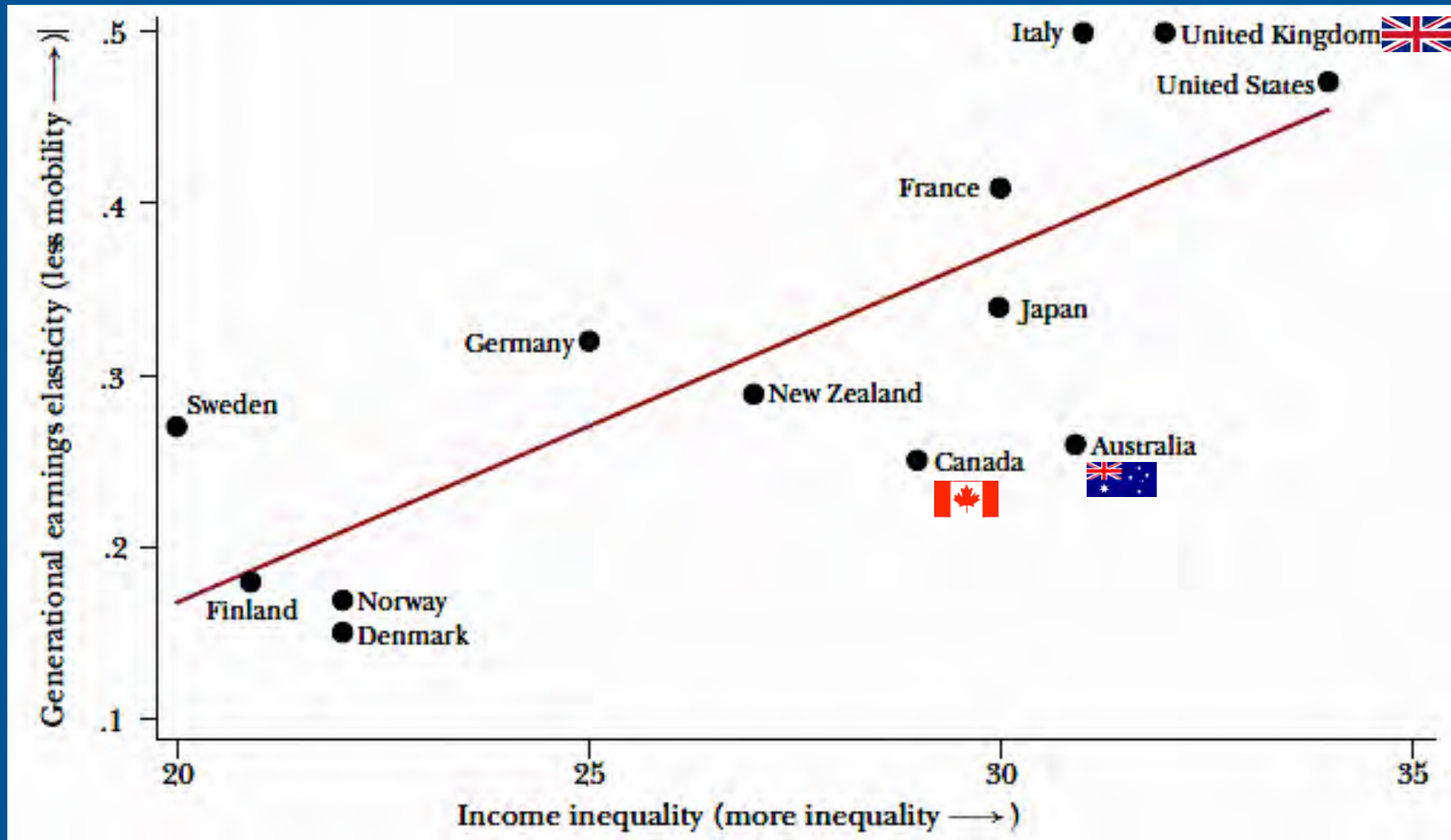
# Why does Income Inequality Matter?

## Index of:

- Life expectancy
- Math & Literacy
- Infant mortality
- Homicides
- Imprisonment
- Teenage births
- Trust
- Obesity
- Mental illness – incl. drug & alcohol addiction
- Social mobility



# Social Mobility: More inequality is associated with less mobility across the generations



Miles Corak, "Income Inequality, Equality of Opportunity, and Intergenerational Mobility,"  
Journal of Economic Perspectives, Summer 2013, p. 82.



# Housing Systems ought to be **Inclusive**

1. stimulate adequate housing **production**
2. help produce a mix of housing **choice**  
(tenure, location, size, quality)
3. assist those who cannot **afford**  
adequate, appropriate housing

# Objective of the Housing System

A mechanism for  
increasing wealth and  
income inequality

"OECD countries have come to organize their housing systems as mechanisms for encouraging rentier returns and increasing wealth and income inequalities." (MacLennan and Miao, 2017:143)