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EUROSYSTEM

# Households' housing expenditure in Austria and Slovakia

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## Introduction

**Data** (June 14, 2023) of Household Finance and consumption Survey data (HFCS) 2021 -> this analysis is **work in progress**

Wagner, 2011; Beer & Wagner, 2012; Beer & Wagner, 2017.

Effects of COVID-19: households at the top end of the distribution (had already been hard to reach in previous waves), are even more scarcely represented in the sample of 4<sup>th</sup> wave – maybe this is one explanation for a decline in the share of mortgage-indebted households

**Austrian** housing market: **low ownership rate** - 2010 50.2%  47.9% in 2021, rental rate 2010 41.2%  42.9%, significant differences between provinces, 2/3 of rental market is subsidized.

**Affordability:** housing expenditure is one of the indicators; we apply expenditure approach  
Focus is on expenses, not on economic costs

$$\frac{\text{Rent + ancillary costs + maintenance costs + utilities}}{\text{Net household income}}$$

## Housing expenditure - comparison SK-AT

### Housing expenditure

% of household disposable income (median), standard errors in brackets

	3rd Wave (2017)				4th Wave (2021)			
	Austria		Slovakia		Austria		Slovakia	
All	21.5	(0.37)	25.1	(0.57)	20.4	(0.42)	24.8	(0.49)
<b>Owners</b>	17.4	(0.51)	24.8	(0.52)	16.1	(0.53)	24.7	(0.52)
without loans	14.4	(0.2)	22.6	(0.53)	13.3	(0.38)	22.0	(0.59)
with loans	30.0	(1.42)	40.7	(2.34)	30.4	(0.93)	35.1	(2.03)
<b>Tenants</b>	29.9	(0.57)	41.3	(2.47)	26.7	(0.72)	35.2	(6.69)
<b>Income quartile owners</b>								
1	23.9	(0.77)	40.8	(0.99)	25.2	(1.62)	45.8	(1.4)
2	20.7	(0.96)	29.8	(0.90)	18.2	(0.89)	28.7	(0.81)
3	16.7	(0.33)	21.9	(0.69)	14.8	(0.68)	21.7	(0.9)
4	12.2	(0.25)	16.2	(0.59)	11.8	(0.56)	15.3	(0.83)
<b>Income quartile tenants</b>								
1	40.0	(0.96)	59.9	(8.8)	36.6	(0.71)	74.7	(12.64)
2	30.9	(0.51)	36.8	(5.08)	27.6	(1.02)	31.7	(10.45)
3	23.4	(0.24)	22.3	(9.41)	21.8	(0.75)	28.2	(6.77)
4	18.9	(0.34)	28.6	(5.26)	17.1	(0.49)	27.6	(6.11)

Source: HFCS 2017, HFCS 2021. OeNB. National Bank of Slovakia.

- Relatively stable over time, higher in SK than in AT, possible impact of Austrian high share of subsidized rents
- Owners without outstanding loans for the purchase of the primary residence have the lowest current housing expenditure
- The higher the net worth/income quartile, the lower are housing expenditure (correlated with ownership)
- Tenants in the lowest quartile pay (almost/over) half of their income for housing

## Background

### Homeownership rate:

Slovakia 93.0 %

Austria 51.4 % - 2/3 are social subsidized rents! -> dampening effect on house price development -> lower housing expenditure costs

#### Background facts

Median, in EUR and in % of household net income

	3rd Wave (2017)				4th Wave (2021)			
	Austria		Slovakia		Austria		Slovakia	
household net income	2400	46	1158	29	2500	14	1400	40
Housing expenditure	500	7	281	4	496.2	8	331	5

Source: HFCS 2017, HFCS 2021. OeNB. National Bank of Slovakia.

**Housing expenditure:** we based our research on HFCS question: HI0210 amount spent on utilities  
 About how much does your household spend on average by month on utilities, such as electricity, water, gas, telephone, internet and television?

We consider weights and we rely on the multiply imputed nature of the HFCS data in our analyses

## Conclusions: higher housing expenditure in Slovakia than in Austria

Higher housing expenditure of households in Slovakia than in Austria - > possible reasons behind:

- High **share of rental market** AND high **share of social housing** in Austria
- Higher household **net income**

**Danke für Ihre Aufmerksamkeit**

**Thank you for your attention**

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