



OESTERREICHISCHE NATIONALBANK
EUROSYSTEM

Households' housing expenditure in Austria

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Introduction

Most recently published data (June 14, 2023) of 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 4th 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

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

Housing expenditure

Housing expenditure

% of household disposable income (median)

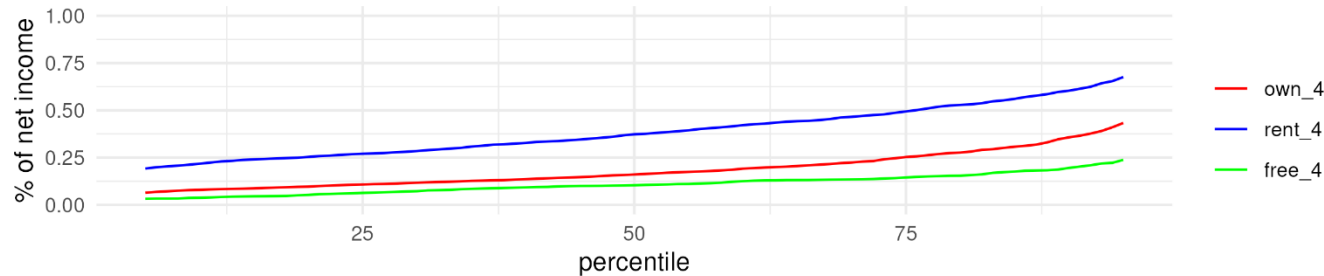
		2nd Wave (2014)	3rd Wave (2017)	4th Wave (2021)
All		26.4	25.7	24.6
	Owners	18.4	17.4	16.1
	without loans	15.6	14.4	13.3
	with loans	31.5	30.0	30.4
	Tenants	37.0	35.2	37.3
	Subsidized rents	35.9	33.3	35.8
	Other	39.1	37.9	38.8
Income quartile owners				
	1	27.6	23.9	25.2
	2	20.6	20.7	18.2
	3	17.4	16.7	14.8
	4	13.3	12.2	11.8
Income quartile tenants				
	1	47.7	47.1	51.5
	2	38.4	35.9	37.4
	3	30.3	28.2	29.7
	4	24.4	22.4	23.9

Source: OeNB, Authors' calculations.

- Relatively stable over time
- 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 half of their income for housing

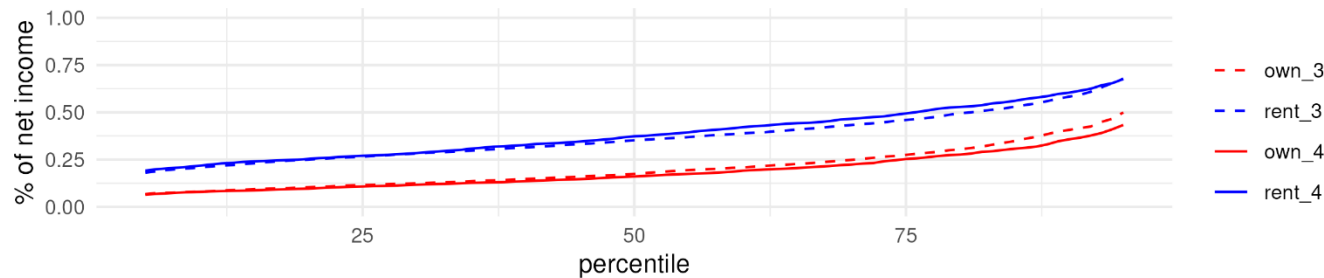
Distribution of housing expenditure

Wave 4



Spread between owners' and tenants' expenditure is smallest at lower end of the distribution and grows at higher percentiles

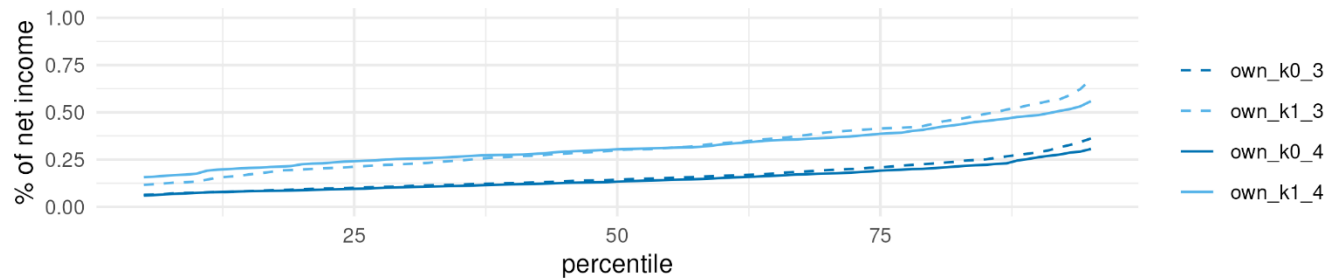
Owners and Renters



Owners: up to 50th percentile expenditure in 2017 and 2021 remained the almost the same, over the 50th percentile they decreased between 3rd wave (2017) and 4th wave (2021)

Tenants: up to 50th percentile expenditure remained same over last two waves, over 50th percentile it became (slightly) higher

Owners with and without loan



More than 78% of indebted households spend less than 50% of their income on housing expenditure

For the upper percentile of indebted households the expenditures decreased (due to lower interest rates and/or lower loan amounts)

Note: own_k1_X: owners with loans in wave X; own_k0_X: owners without loans in wave X

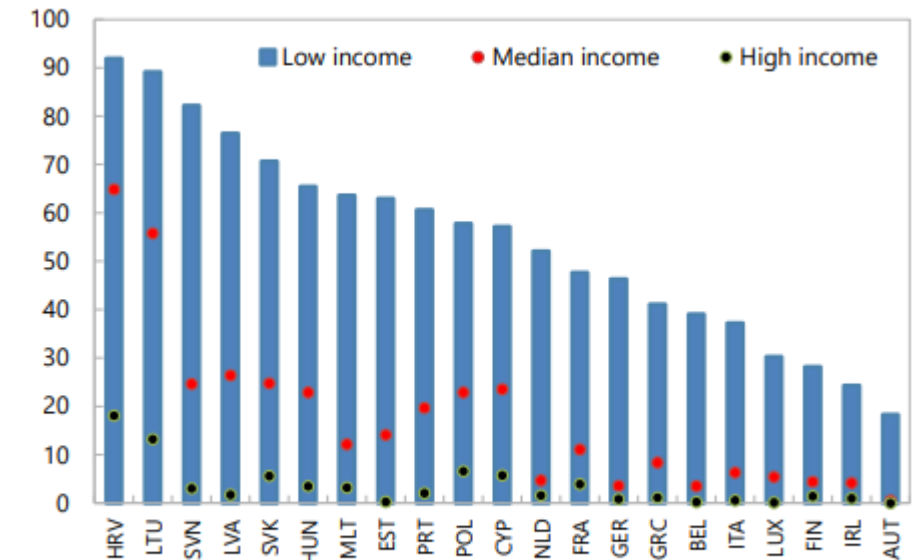
Summary

- Housing expenditure relatively stable over HFCS waves
- Lower for owners without loans and in higher income quartiles

Future research ideas

- HFCS 2021 field period May 2021 till February 2022 → extrapolate results to take into account subsequent increases in inflation and interest rates. Similar to [European Housing Markets at a Turning Point – Risks, Household and Bank Vulnerabilities, and Policy Options \(imf.org\)](#)
- Comparison of housing expenditures with Germany (housing market is similar) and one (or more) CESEE country(ies)

Household overburden rate by income quantile
(Percent; cost-of-living-adjusted debt-service-to-income-ratio ≥ 70%)



Sources: HFCS microdata; and IMF staff calculations.

Danke für Ihre Aufmerksamkeit

Thank you for your attention

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