

Improvement of the Program for Estimating the Number of Households in Need of Securing Housing

(Research period: FY 2020)

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1. Introduction

It has become an important policy issue to ensure the stable availability of housing for those who require special assistance in securing housing, such as the elderly and those with low incomes (hereinafter referred to as "people requiring special assistance in securing housing"). To deal with this issue, the Act that Partially Revises the Act on Promotion of Offering of Rental Housing to Persons Requiring Special Assistance in Securing Housing (hereinafter referred to as the "Housing Safety Net Act") came into effect on October 25, 2017. With this revision, a registration system was established for rental housing that accepts people requiring special assistance in securing housing (hereinafter "accepting housing"). In combination with the conventional supply of public housing, the system to strengthen the housing safety net function has been established.

The NILIM developed the Program for Estimating the Number of Household in Need of Securing Housing (hereinafter "the estimating PG" or simply "the PG") so that local governments would be able to set proper targets for the necessary number of public housing units and the number of accepting housing units using vacant houses, which was then distributed to local governments in August 2016.^{note 1} Recently, the estimating PG has been improved based on subsequent policy needs and changes in the needs of local governments in terms of using PG.^{note 2}

This paper introduces the outline of the improvements made to the PG.

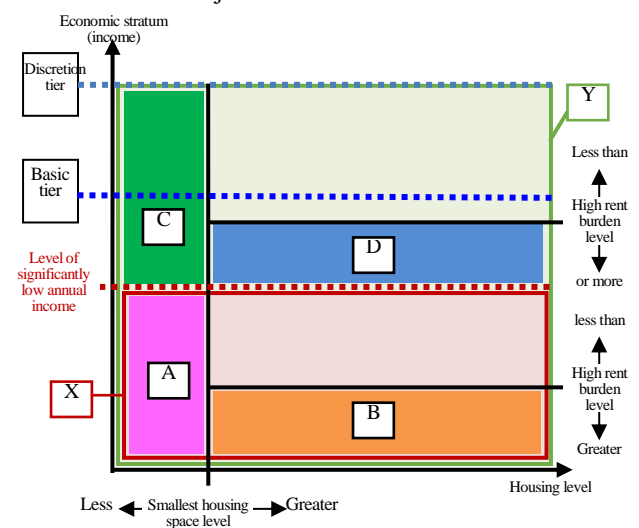
2. Outline of the improvements made to the estimating PG

The estimating PG is able to provide mid-to-long-term estimates of the number of applicable households, such as ones with significantly low annual income (X in Fig. 1) among the number of household eligible for public housing (Y in Fig. 1) at five-year intervals from 2020 to 2045 based on existing statistical data, such as the National Census and the Housing and Land Survey.

This improvement enhanced the following functions.

(i) Expansion of household attributes that can be estimated

Households with specific needs as shown in A to D of Figure 1, in terms of housing level and rent burden ratio, are added to the subject of the estimate.



Y	Household eligible for public housing (household designated in the Act on Public Housing)
X	Household with significantly low annual income among ones eligible for public housing*1
A	Household with less than the smallest housing space level among household with significantly low annual income
B	Household with high rent burden despite having more than the smallest housing space level among household of which the income is lower than significantly low annual income*2
C	Household where the income is at the significantly low annual income level or higher but the housing space is less than the smallest housing space level
D	Household where the annual income is at the significantly low annual income level or higher and the housing is at the smallest housing space level or larger but with high rent burden

*1: Household with significantly low annual income: A household with less than the annual income required to live in housing with a space that meets the minimum living space level (housing with average rent (rent per square meter) for private rental housing in a given region) specified in the Comprehensive Plan for Housing and Living (national plan) within the appropriate rent burden limit rate (set in the 7th Five-Year Plan for Housing Construction)

*2: Household with high rent burden: A household that pays rent that is at the average rent burden ratio or higher of households with the annual income of less than two million yen living in private rental housing in a given region

Figure 1: Concept of household subject to the estimate of the estimating PG

(ii) Expansion of options for each household attribute to be estimated

While the PG initially targeted households with residents at the age of 60 or over, an improvement was made for single-person households (basic and discretionary tier of public housing^{note 3}) and married-couple households (discretionary tier) so that the target age range could be selected from 25 and over, 30

and over, 40 and over, 50 and over, 60 and over, and 75 and over.

An improvement was also made for childrearing households (discretionary tier) so that estimates could be made by selecting the age of the child from under 6, under 12, under 15, and under 18. Another improvement enabled the selection of households with many children, namely, three or more children.

(iii) Automatic calculation of person requiring special assistance in securing housing under the law

A function has been added to automatically calculate and display the number of low-income households (as specified to be 158,000 yen or less of monthly income in the Cabinet Ordinance), the elderly, household with small children, and foreign nationals that can be statistically identified among people requiring special assistance in securing housing as specified in the Housing Safety Net Act.

(iv) Preparation of PG by attributes of local governments

Since the accuracy of the available statistical tables differs depending on the attributes of local governments (prefectures, designated cities, municipalities, and towns and villages), PGs are prepared for each attribute of local governments.

3. Example of estimation results using the improved estimating PG

The following is an example of the result of the estimate of a designated city.

(1) Number of households with significantly low annual income

Figure 2 shows the example of estimating the number of households with significantly low annual income. The conditions of the estimate are as follows. (i) Applicable single-person household is a household with a resident aged 60 or over for both the basic tier and the discretionary tier. (ii) The basic tier for a household with two or more persons is applicable to all households. (iii) For the discretionary tier of a household with two or more persons, the married-couple household must have a resident at least aged 60, and the child-rearing household must have the eldest child under age 6. The number of households with significantly low annual income will increase until FY 2030 and then begin to decline, but will remain at a higher level than in FY 2020 until FY 2040.

(2) Number of households with specific needs

Figure 3 shows the estimated number of households with specific needs based on the housing level and rent burden ratio. The conditions of the estimate are the same

as (1). The total number of households in A to D shown in Figure 1 will peak in FY 2025 and decline thereafter but will remain at about the same level as the FY 2020 value until around 2035.

(3) Number of households requiring special assistance in securing housing under the law

Figure 4 shows the estimated number of households requiring special assistance in securing housing as of 2030 as defined by the Housing Safety Net Act. The total number of households is approximately 267,000, of which 82,000 are low-income households (other than those listed below) up to the basic tier of public housing, 87,000 are elderly single-person households, and 68,000 are childrearing households. If all the households are limited to the basic tier of public housing, the total number of households becomes 205,000, including 62,000 elderly single-person households and 41,000 childrearing households.

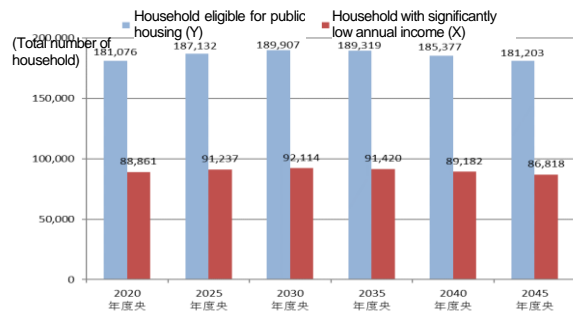


Figure 2: Example of estimating the number of households with significantly low annual income

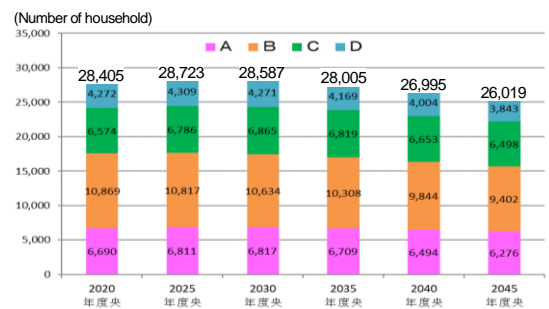


Figure 3: Example of estimating the number of households with specific needs

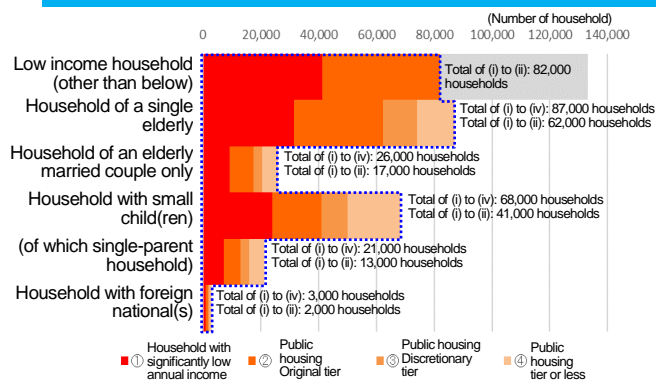


Figure 4: Example of estimating the number of households requiring special assistance in securing housing under the law (as of 2030)

4. Conclusion

The improvement of the estimating PG will enable detailed estimations based on the differences in policy targets among local governments and is expected to contribute to the strengthening of housing safety net measures in accordance with local situations. The improved estimating PG is going to be released on the NILIM website. The *PG User Manual* will also be prepared and released to support its use by local governments.

(Note)

- 1) NILIM Project and Research Report No. 62, Edition I, pages I-7 to I-34
<http://www.nilim.go.jp/lab/bcg/siryoku/prm0062.htm>
- 2) Mr. Hasegawa, director of the Housing Department, who initially developed the PG, was in charge of improving the PG, and Mr. Utsumi, chief researcher, was in charge of preparing the data necessary for the estimation.
- 3) The basic tier is the household at the 25% income quintile or less. The discretionary tier is the household defined by ordinance as requiring assistance in securing housing and up to the 50% income quintile.