Forecasting the Number of Future Households Requiring Special Assistance in Securing Housing

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1. Foreword

With the rapid aging and decline of the population in Japan, it has become an important task to ensure the provision of stable accommodation for people who require special assistance in securing housing, such as elderly or low-income people (hereinafter referred to as the "Households Requiring Special Assistance in Securing Housing"). In addition to an adequate supply and management of public rental properties, such as public housing, it is essential to bolster the housing safety net system through the effective utilization of a recently increasing number of empty private-sector rental properties, etc.

For this reason, under the three-year program starting from fiscal year 2015, we have been engaged in the development of technologies for the strategic management of housing functions that have a vital role in ensuring the provision of stable accommodation in communities. As part of this initiative, we have successfully developed the method for forecasting the number of the Households Requiring Special Assistance in Securing Housing.

2. Framework of Method for Forecasting the Number of Households Requiring Special Assistance in Securing Housing

We have defined the Households Requiring Special Assistance in Securing Housing as households who qualify for public housing assistance and with an extremely low annual household income (households whose annual household incomes are not sufficient to cover rent payments required to rent at an appropriate rent burden rate a private sector housing unit that meets the minimum living space requirements). The key features of the forecasting method developed by us are as follows: (i) the number of Households Requiring Special Assistance in Securing Housing can be forecasted chronologically every five years during the period from 2015 through 2040 to make it possible to study the management of public housing stock and the utilization of private-sector rental housing from a mid- and long-term perspective, and (ii) the number of Households Requiring Special Assistance in Securing Housing can be forecasted not only for the municipality as a whole but also for smaller district levels, such as junior high school districts, to make it possible to study the appropriate provision of public housing and the utilization of private-sector housing stock in collaboration with community renovation initiatives. The basic algorithm of this forecasting method is as shown in Figure 1.

3. Case Study Using Data on Specific Local Governments

We developed this forecasting method by making a case study using data on specific local governments to verify the viability of methods for generating data necessary for forecasting at municipal levels, among other things. As an example, the forecasted number of Households Requiring Special Assistance in Securing Housing by junior high school district for a certain local government as of 2030 is shown in Figure 2.

4. Next Steps

We are planning to create and publish a programmed version of this forecasting method, together with its instruction manual, for easier use by local government officials.

- [1] Estimated Number of Households Living in Rental Housing by Ownership Relationship, Size of Household and Household Income 1) Estimated number of households living in rental housing by size of household and annual household income [To be estimated in the year of Housing and Land Survey] 2) Corrections to be made based on the estimated number of households based on the national population census [To be made in the year of national population census] 3) Corrections to be made to the estimated number of households by annual household income group based on the Household Income and Expenditures Survey [2] Estimated number of households who qualify for rental public housing out of those living in rental housing 1) Estimated percentage of households whose annual incomes are less than standard annual income level by income quintile group •Original income group: households whose annual incomes are in the bottom 25% range of all annual income groups (Ordinance-designated monthly income: 158,000 yen or Discretionary income group: households whose annual incomes are in the bottom 40% range of all annual income groups (Ordinance-designated monthly income: 214,000 yen 2)Estimated number of households in 3) Estimated number of households in Estimated number of nouseholds in original income group Single-person households (persons who are 60 years old or older) Households with relatives living together 5) Estimated number of households in discretionary income group Elderly single-person households, elderly couple households Child-rasing households (children less than six years old)
- Estimated market rent levels for private-sector rental housing that meets the minimum living space requirements

[3] Number of households with extremely low annual household income,

- Estimated annual household income required to rent, within the range of appropriate rent burden rate, private-sector rental housing that meets the minimum living space requirements
- S) Estimated number of households whose annual household incomes are less than the minimum annual income required [by size of household and by income group in rental housing]

Figure 1. Basic Algorithm of Method for Forecasting the Number of Households Requiring Special Assistance in Securing Housing

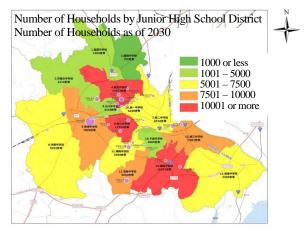


Figure 2. Example of Forecasted Number of Households Requiring Special Assistance in Securing Housing (as of 2030 and by junior high school district)