



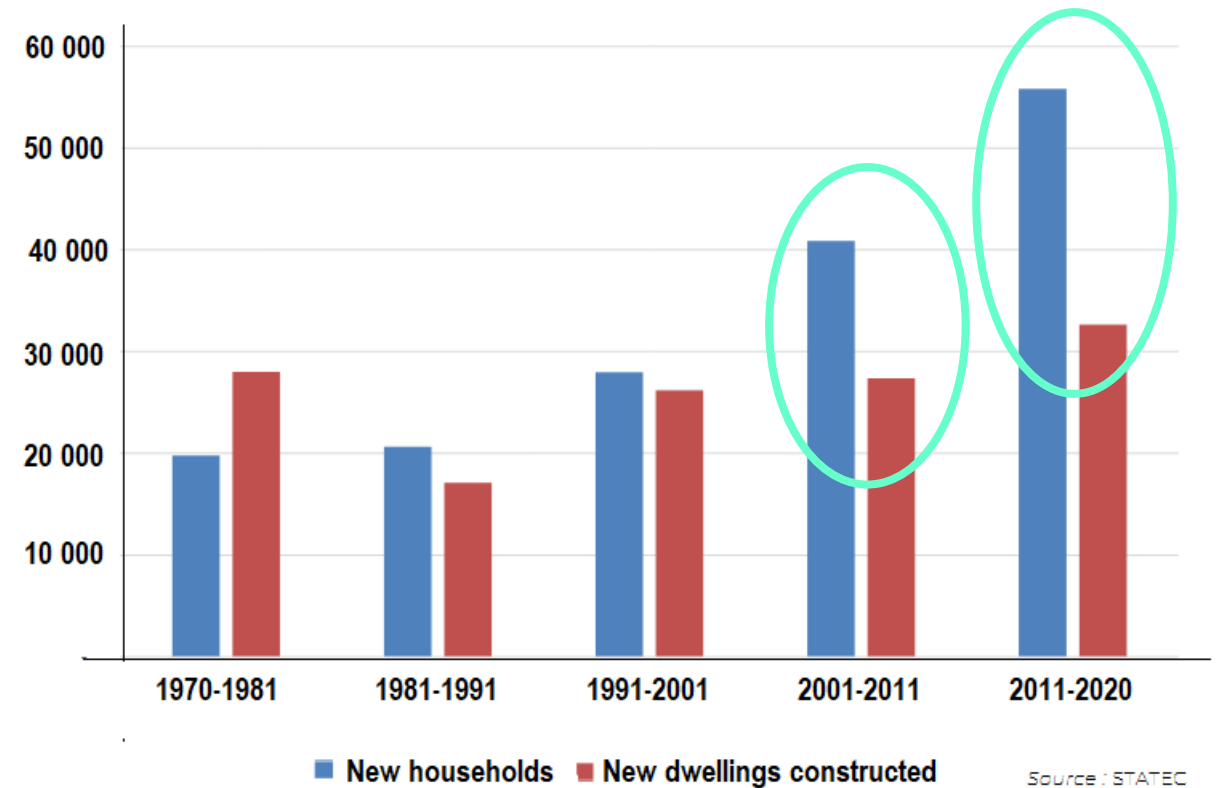
Observatoire de l'**Habitat**

Housing costs and affordability
ratio (2016-2023): a comparison
between Luxembourg, France,
Germany and Belgium

Ministry of Housing and Spatial Planning | 13.11.2025

A strong demographic pressure

- Population +100% since 1970 (681,000 in 2025)
- 78,000 new households (2001–2021) vs 60,000 dwellings built
- Structural imbalance between demand and supply



Tight supply, rising costs, and new ways of living

Rents still rising despite market slowdown

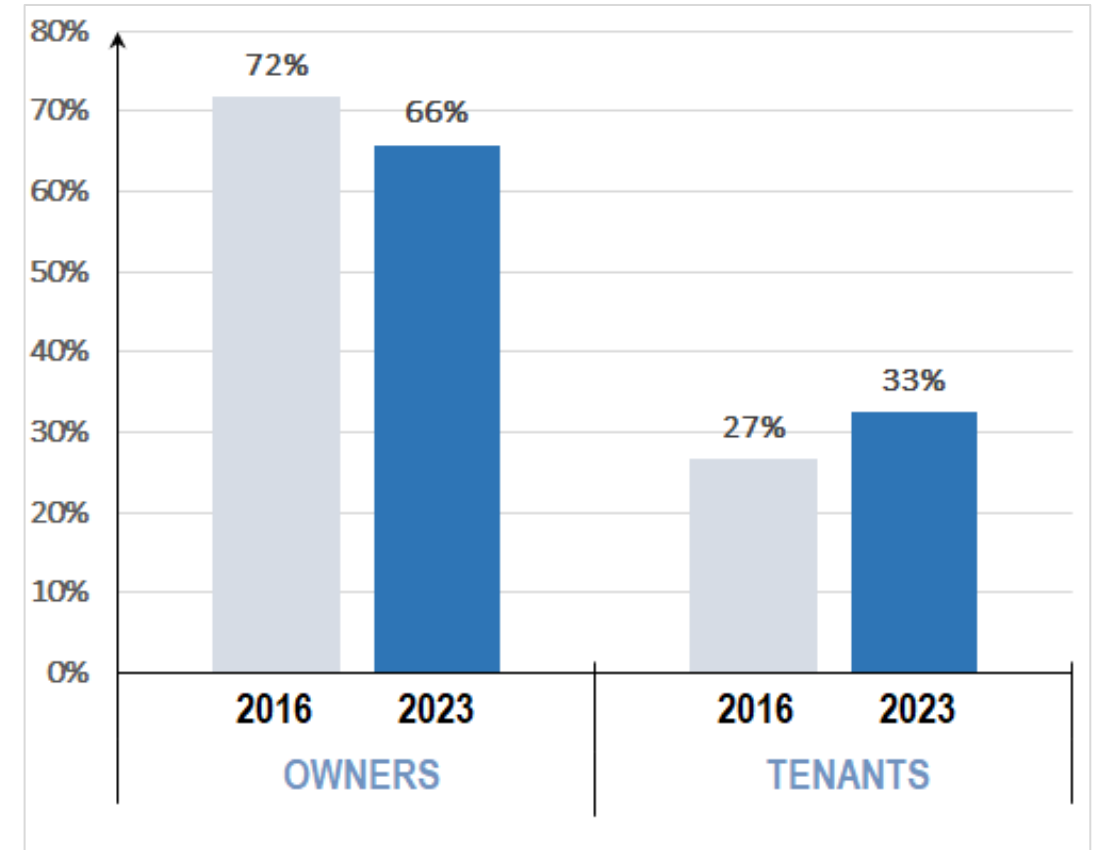
- 2010-2024 : Housing price ↗ (X2) - Private rents ↗ (X1.75)
- 2022-2024 : Housing price ↘ (-14%) while private rents continue to ↗ (+9.7%)

Emergence of new forms: coliving, short-term rentals, furnished rooms

Ownership vs. Renting (1/2)

Distribution of households by housing tenure 2016-2023 - LU

- 66% homeowners (2023), gradually declining
- 33% tenants (2023: 28%), rising due to high housing prices
- Trend: Increasing demand for rental market.



Source : EU SILC



LE GOUVERNEMENT
DU GRAND-DUCHÉ DE LUXEMBOURG
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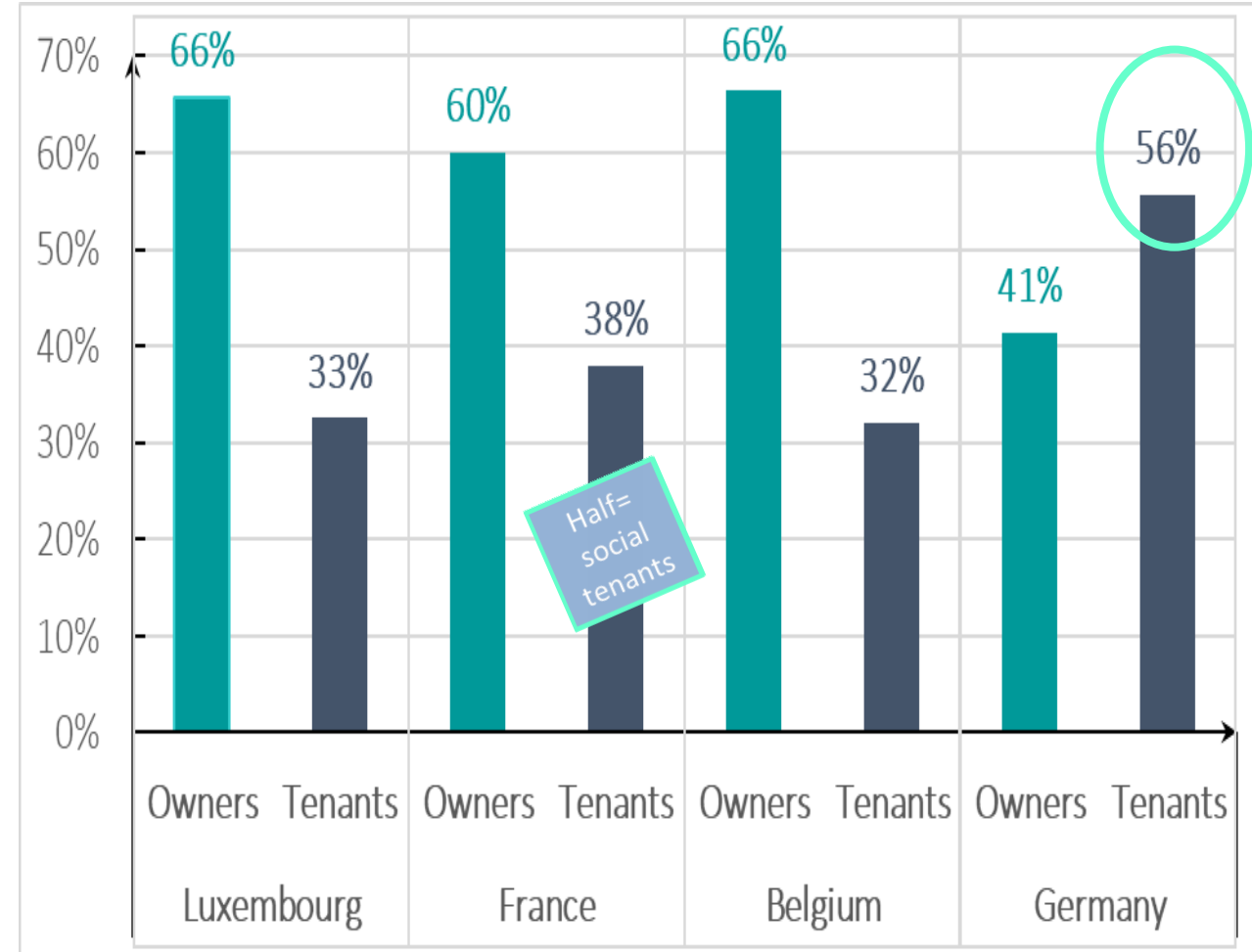
LISER
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Ownership vs. Renting (2/2)

Distribution of households by housing tenure in 2023 LU F B D

5

- **Belgium:** Homeownership rate similar to Luxembourg.
- **Germany:** Renters are predominant (only 41% homeowners).
- **France:** 60% homeowners; ~50% of tenants in social housing



Source : EU SILC



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Affordability rate – Luxembourg

Affordability rate – definition

→ Indicator of the ability to access and remain in housing

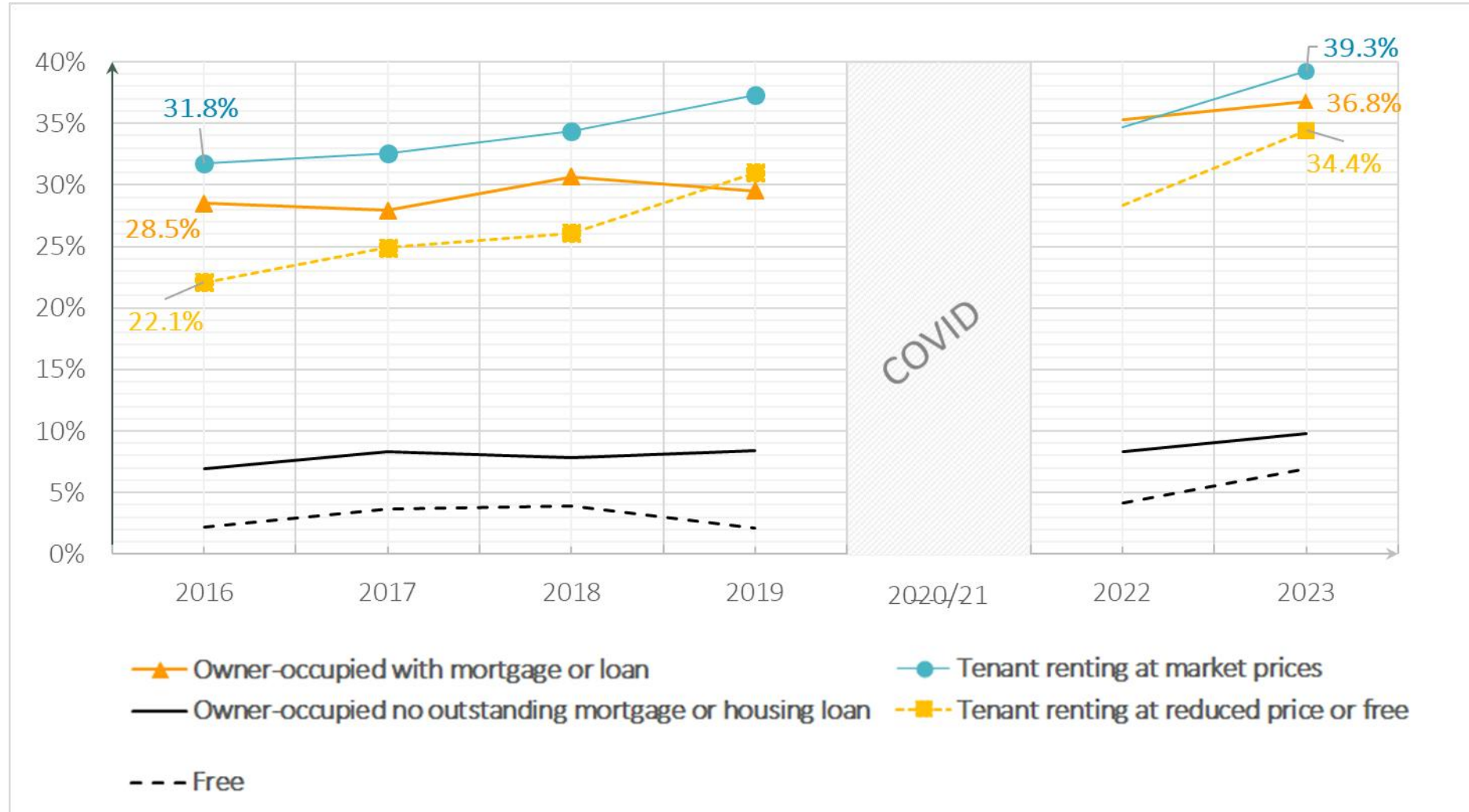
EUROSTAT DEFINITION

$$\frac{\text{Cost of housing} - \text{Housing allowances}}{\text{Disposable Income} - \text{Housing allowances}}$$

- **Cost of housing** = Loan (with interest) / rent + usual financial charges (electricity, etc.)
- **Disposable income** = income available to consume and save (after compulsory deductions and taxes).
- **Housing allowances** = interventions by public authorities to help households meet the cost of housing (rent allowance, aid to construction, etc.)

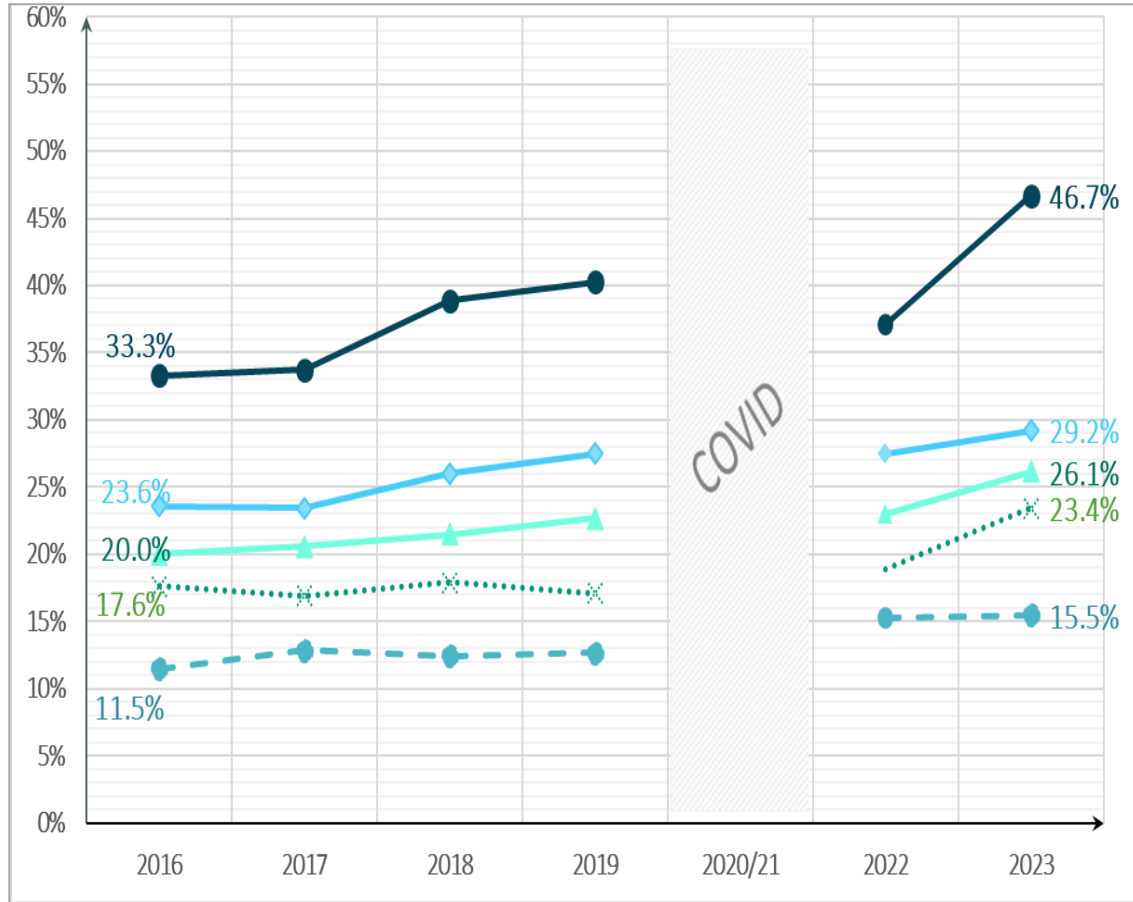


Affordability rate – Tenure status - LU

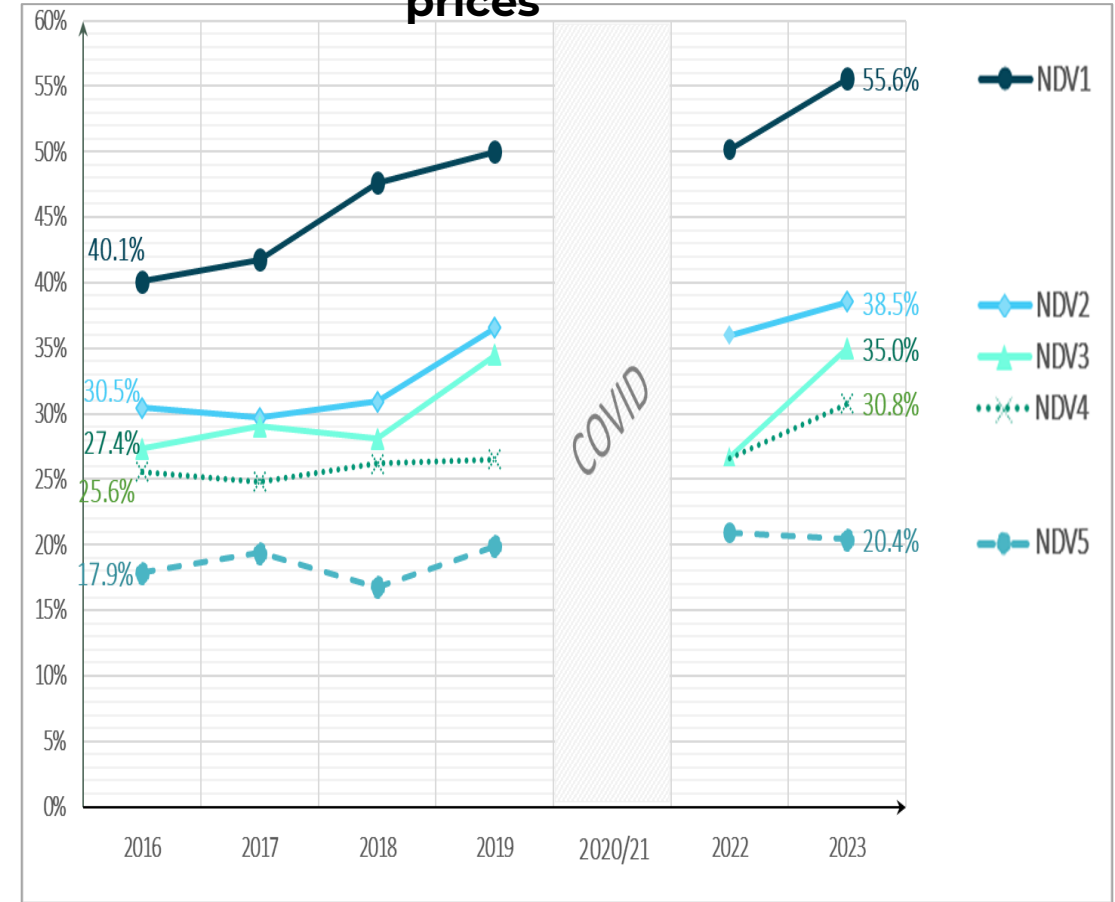


Affordability rate – Equivalised disposal income - LU

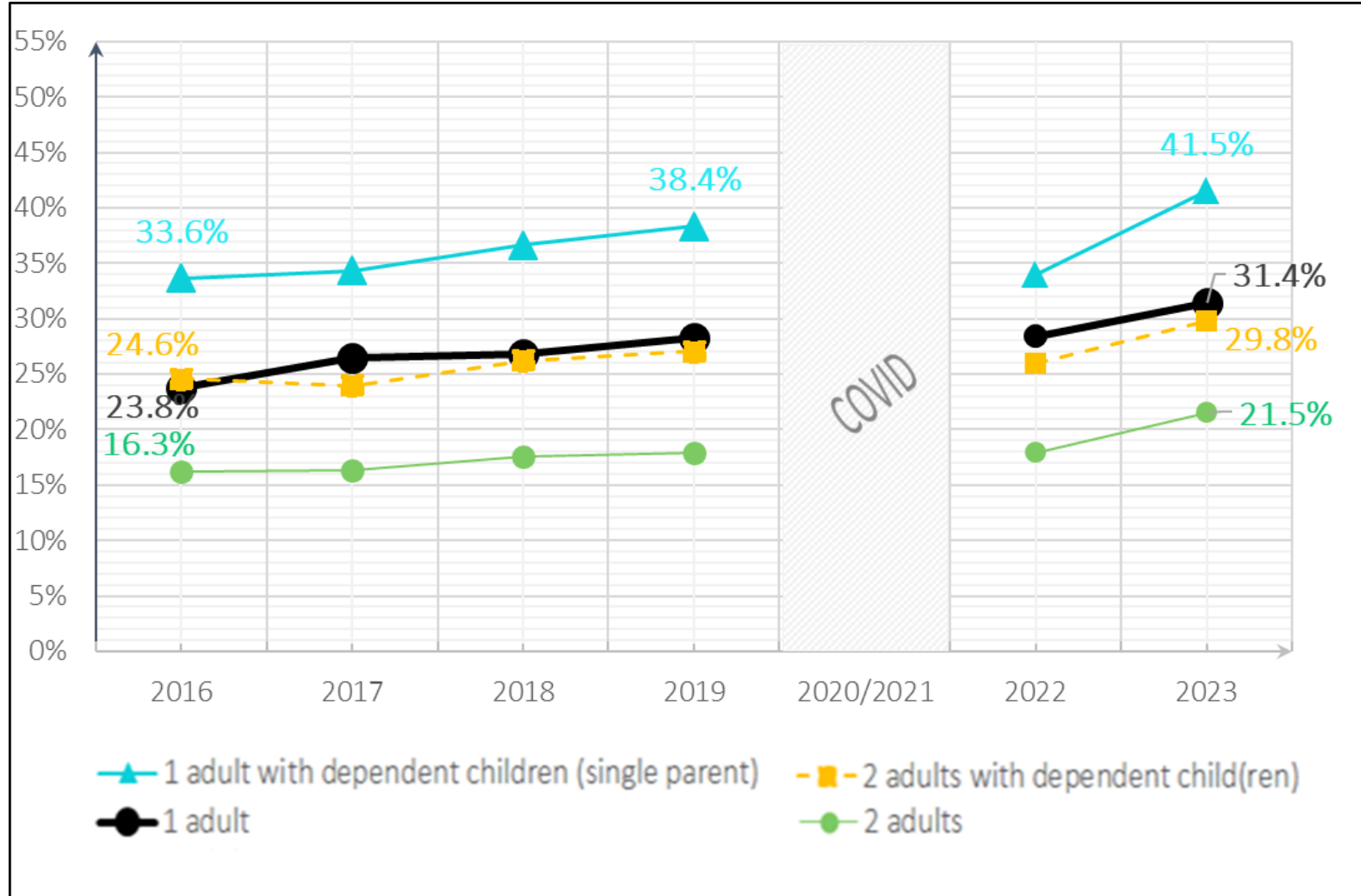
All households



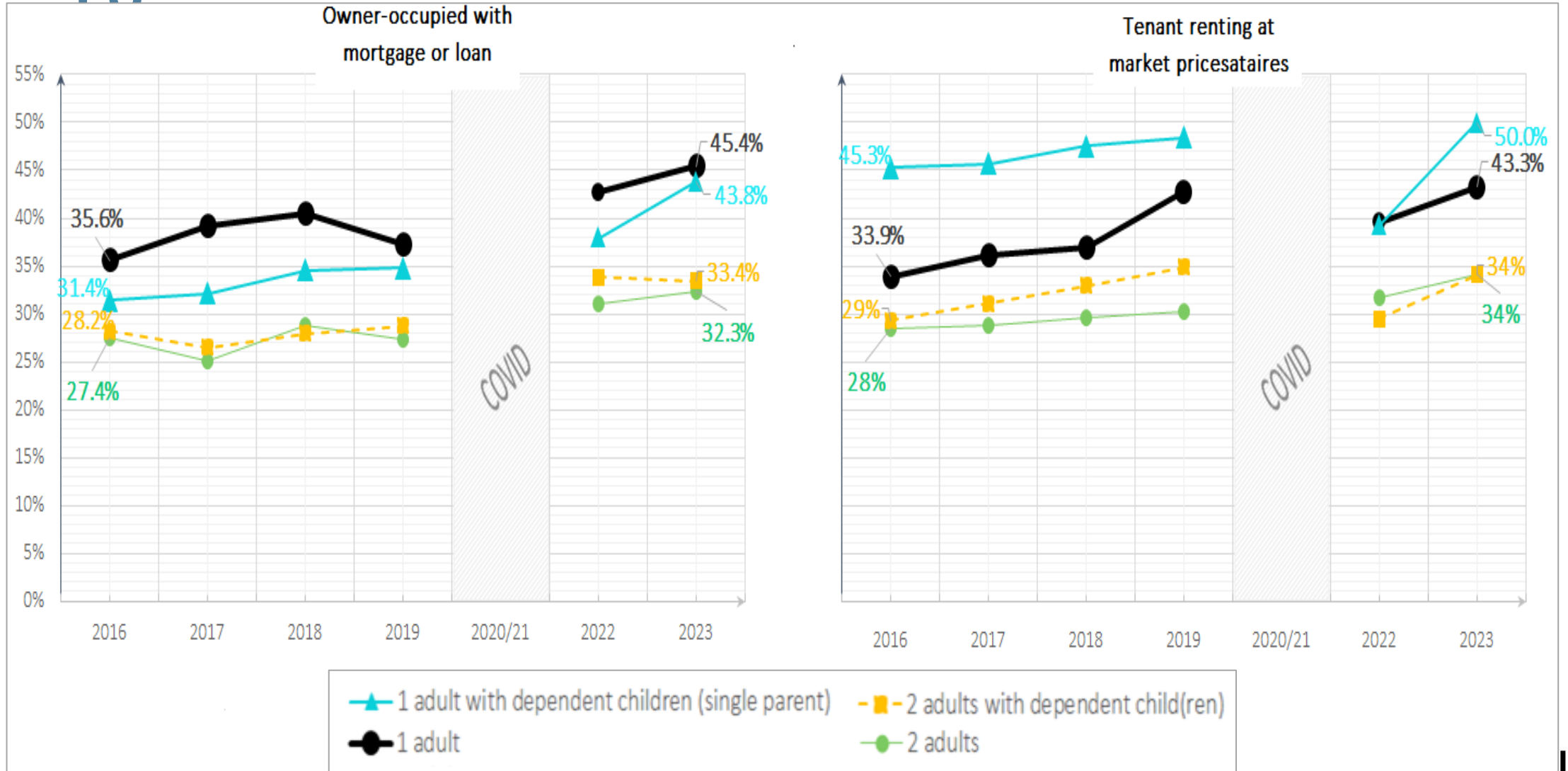
Tenants at market prices



Affordability rate - household composition - LU



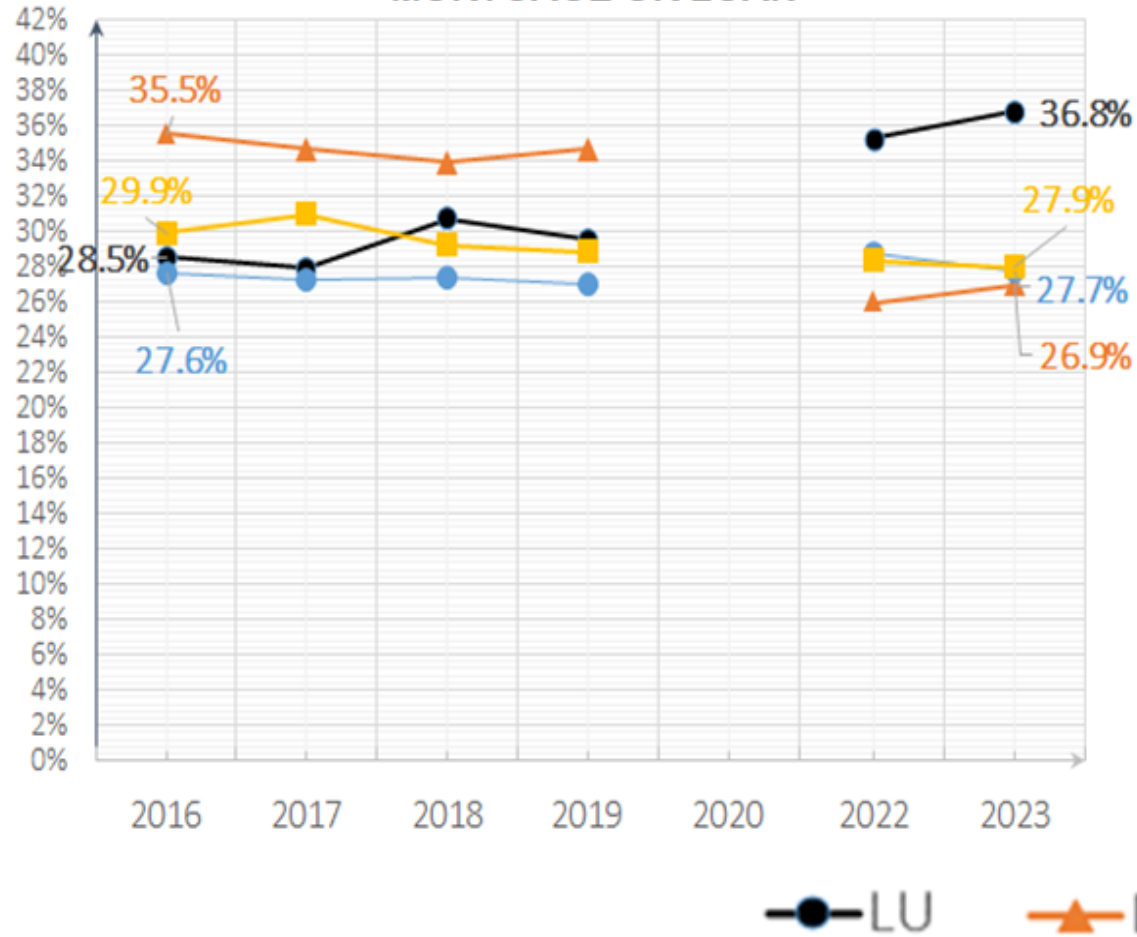
Affordability rate - household composition and tenure status



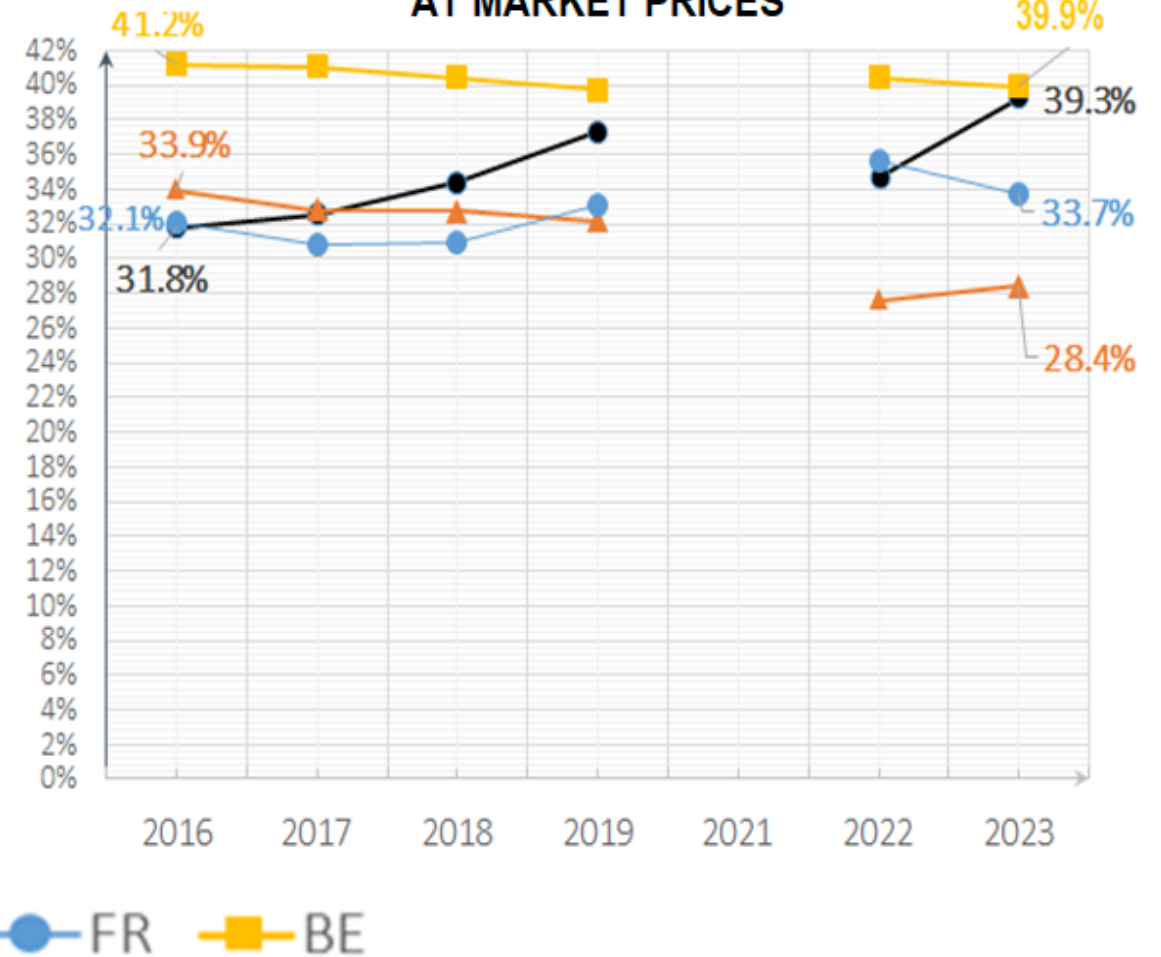
Affordability rate – Comparison LU / F / B / D

Affordability rate – Tenure status – Comparison LU / F / B

**OWNER-OCCUPIED WITH
MORTGAGE OR LOAN**



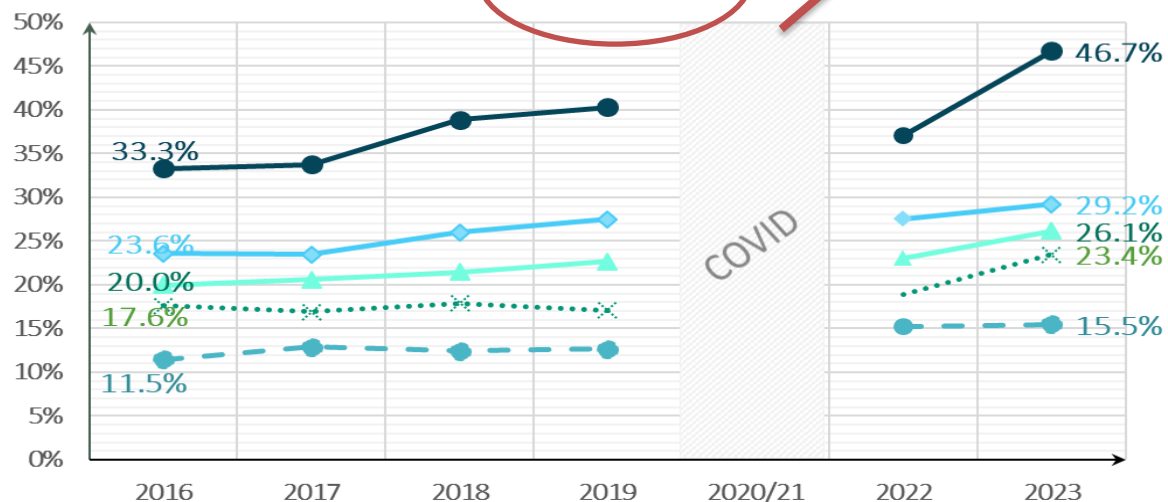
**TENANT RENTING
AT MARKET PRICES**



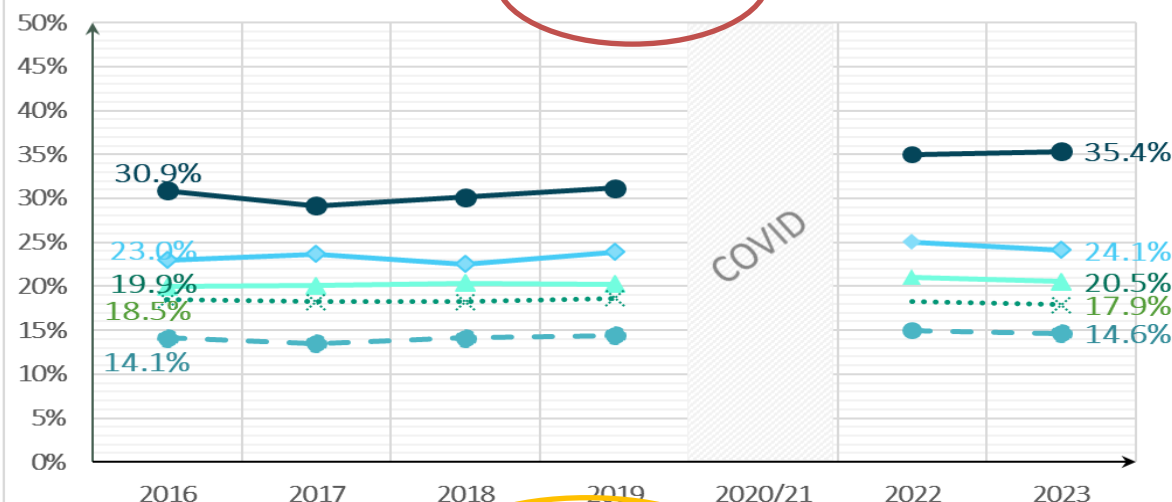
Affordability rate – Equivalised disposal income – LU / F /

B / D

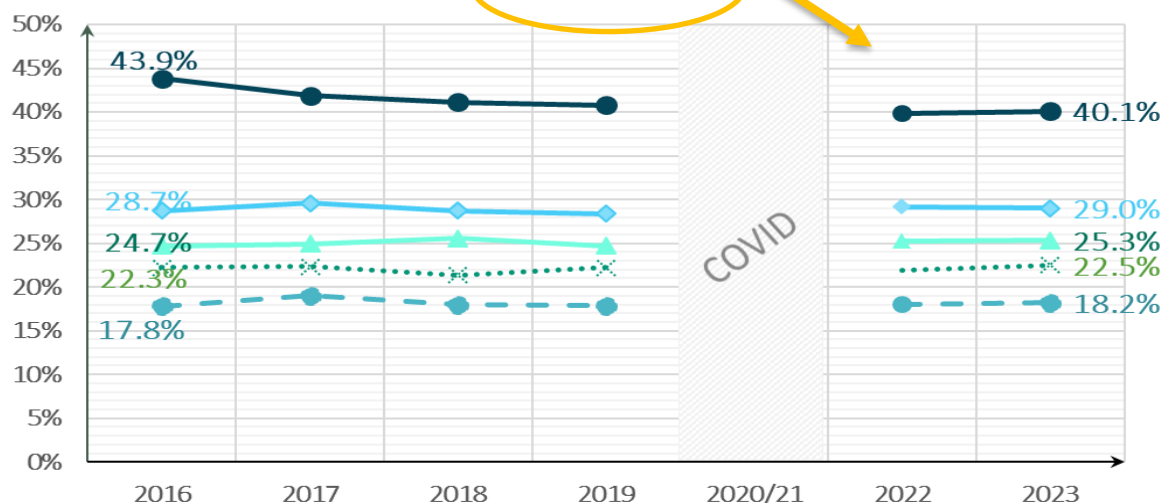
Luxembourg



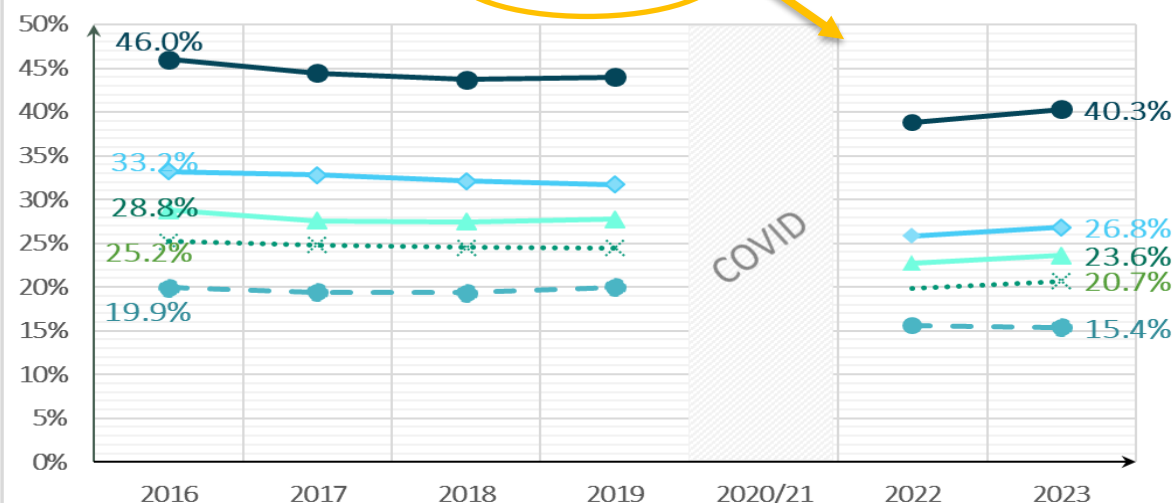
France



Belgium

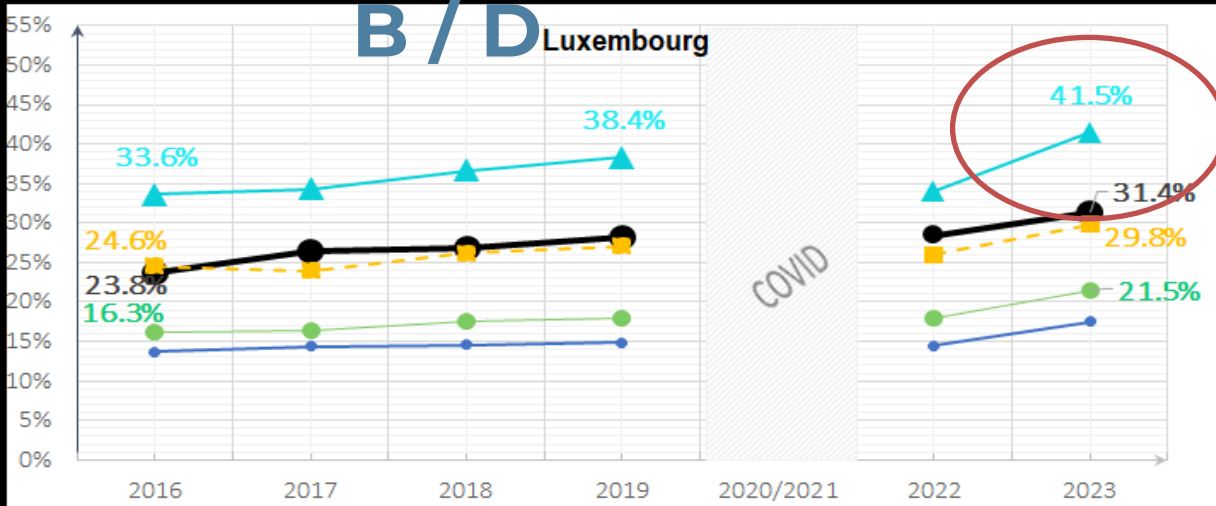


Germany

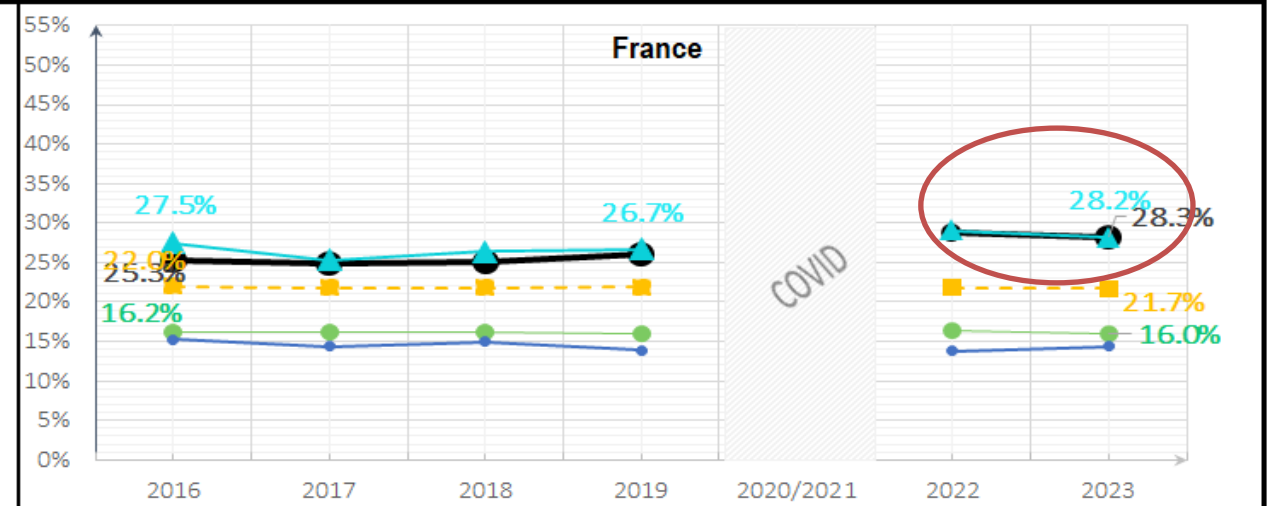


Affordability rate - household composition – LU / F /

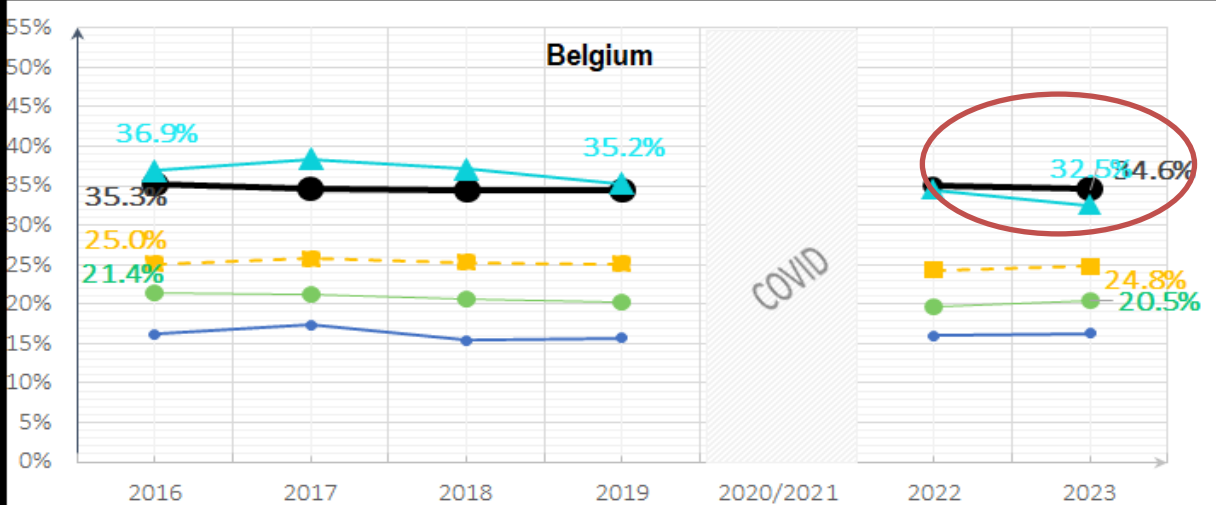
B / D Luxembourg



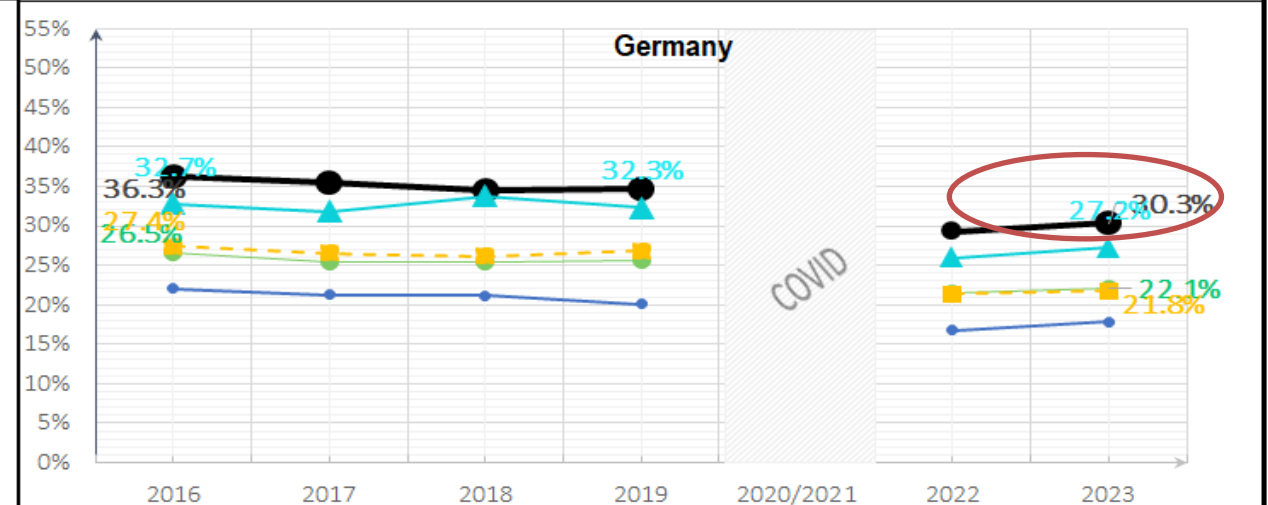
France



Belgium



Germany



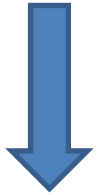
▲ 1 adult with dependent children (single parent) ■ 2 adults with dependent child(ren)
 ● 1 adult ● 2 adults

A paradox...

Luxembourg :

- ➡ Highest equivalised disposal income (EDI) (2023)
- ➡ Highest growth EDI (2016–2023)

↯ Largest increase affordability rate (2016-2023) + highest level in 2023



Role of public policies

Rent control

Well-developed social housing

Diversified local/regional initiatives regional

Ongoing pressure on the housing market (rental) and Luxembourg's unique situation lead to clear priorities:

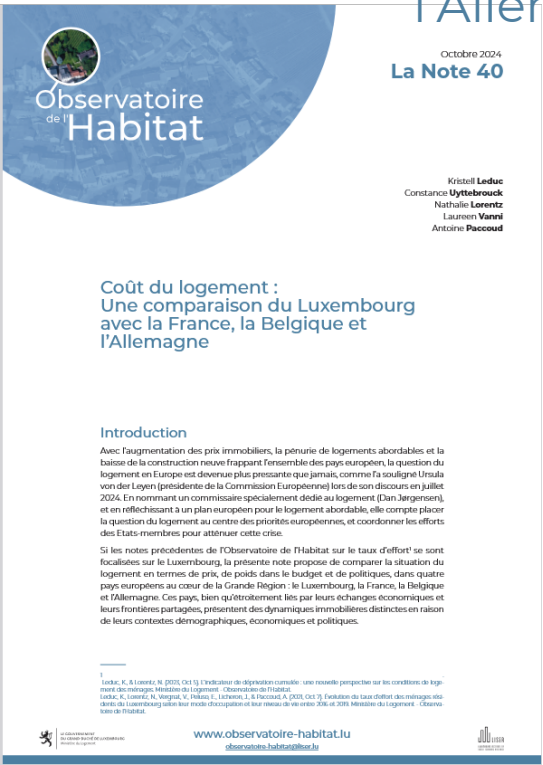
- Further regulating the rental market
- Accelerating the production of affordable and public housing
- Better coordinate housing, transportation, and employment policies at the metropolitan level

A pressure beyond the national borders

- Shared challenge across the Greater Region
- Cross-border observatories
- Partnerships to develop affordable housing across the Greater Region

Note 40

Coût du logement : Une comparaison du Luxembourg avec la France, la Belgique et l'Allemagne



Note 44

Le marché locatif au Luxembourg : dynamiques récentes, taux d'effort, et comparaison avec les pays voisins

