

Home at What Cost?

Housing Pressures are Felt Broadly, but Unequally

Indonesia at a glance

41% of respondents in Indonesia say extreme weather makes it difficult to feel safe where they live.

49% worry about an unexpected setback threatening their housing.

73% report cutting back on at least one expense to afford housing costs in the past year.

● ■ ● Global Housing Research 2026



“

Home is a place to spend all the time I have as a housewife educating and raising my children with a sense of comfort and security with the privacy and protection that the house I live in provides.”

– A woman from Indonesia with a low income in a dependent living arrangement, aged 25-34.

9.9 million

housing units needed

17.8%

of households face high housing costs

19.4%

of urban residents live in slums or informal settlements

Source: World Cities Report

Habitat for Humanity International contracted Edelman Intelligence to conduct an approximately 20-minute survey between **April 10 and June 30, 2026**.

- Indonesia was one of 22 countries surveyed globally, with 30,758 respondents in total.
- **National sample: 1,000 Indonesian adults** were surveyed online, with quotas for age, gender, region and income to reflect the national adult population. Results were weighted against relevant demographic benchmarks.
- **Low-income boost:** An additional **300 low-income respondents** were surveyed online to strengthen subgroup analysis; in Indonesia, low income was defined as household income below **Rp 6,000,000 per month before tax**.
- **Informal arrangements boost:** **100 additional respondents** experiencing informal arrangements were interviewed face-to-face in **Jakarta, Bandung and Surabaya**. This refers to respondents who reported living without formal housing documentation, in temporary accommodation, or in other non-formal housing arrangements.
- **Total Indonesia sample: N=1,400.** Targeted boost samples are not independently nationally representative.
- Responses underwent data-quality checks, and significance testing used a **95% confidence level**.
- Differences between demographic subgroups discussed are statistically significant at the **95% confidence level**.

Housing pressures are felt broadly, but unequally

Housing pressure is widespread in Indonesia, but it is not felt equally. Nearly half (**49%**) of respondents worry that one unexpected problem could threaten their ability to remain housed, while **73%** say housing costs make it difficult to consider starting a family, compared with **56%** across the 22 countries surveyed. Homeownership also feels increasingly difficult to reach: **81%** say rising housing costs make it difficult for people to become homeowners, and **61%** agree that housing policies do not do enough to support first-time homebuyers. Behind these national figures, the survey shows that the consequences are often sharper for younger people, lower-income households¹ and people living in informal arrangements.²

Government and housing-sector estimates already depict a substantial national housing challenge. Official estimates place Indonesia's housing backlog at approximately 9.9 million units, while national housing studies estimate that 26.92 million households live in inadequate housing conditions and 44.27% experience at least one significant housing problem.^{3,4} However, this survey goes further to show the hidden pressures and costs that families face to keep their homes, even when those homes are inadequate.

Housing costs appear to shape major life decisions particularly strongly for younger Indonesians. Among younger generations (Gen Z and Millennials), **77%** say housing costs make it difficult to consider starting a family. For households already caring for children, the disparities are also striking. More than 8 in 10 parents or guardians (**82%**) living in informal arrangements worry that housing costs are limiting the opportunities they can give the children under their care, compared with **52%** of parents overall and **44%** of high-income parents. Together, these findings show how housing costs can affect both decisions

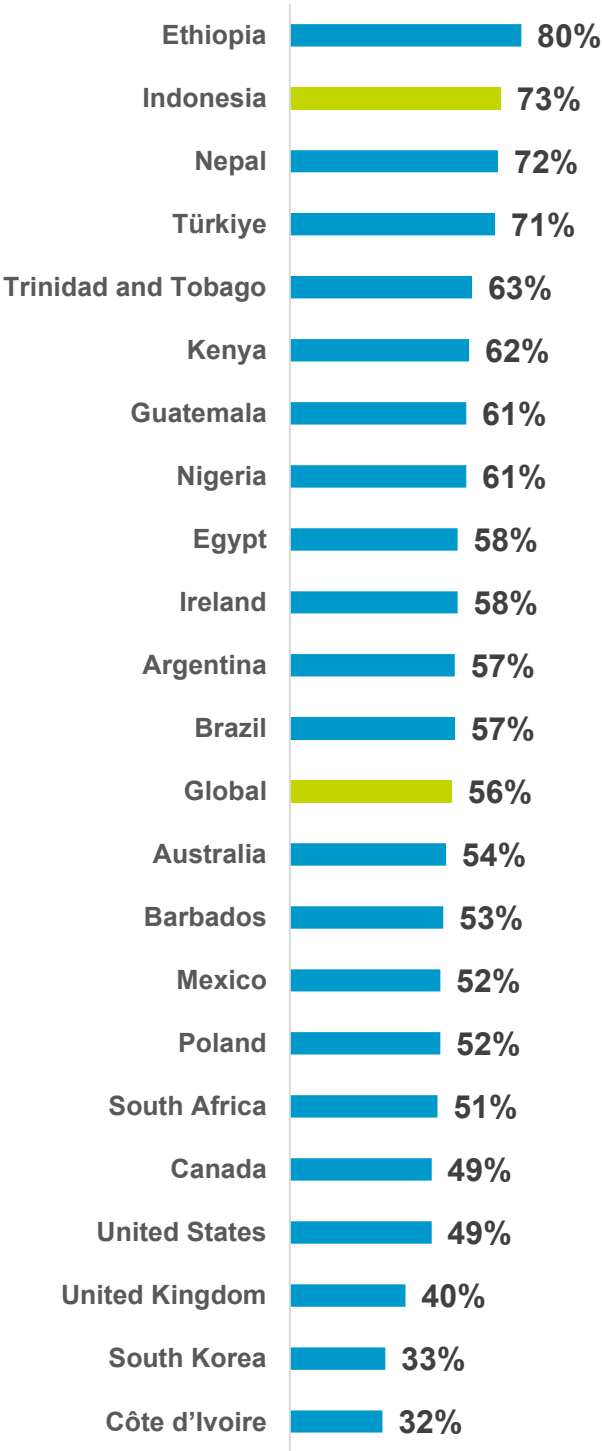
about forming a family and what households feel able to provide once they have one.

For many Indonesians, pressure also shows up through the trade-offs required to keep paying for housing. Nearly three-quarters (**73%**) report having cut back on at least one area in the past year to afford housing costs. Over half (**56%**) of low-income respondents report making a money-management sacrifice, such as drawing on savings, borrowing or delaying repairs, compared with **33%** of high-income respondents. Similarly, **71%** of low-income respondents report a work, time or lifestyle sacrifice, compared with **46%** of high-income respondents. People in informal arrangements also face sharper trade-offs around basic needs: **32%** report spending less on food or groceries to afford housing, compared with **19%** of homeowners.



1. "Low-income respondents" refers to respondents whose household income falls below a country-specific threshold and includes both targeted and non-targeted survey respondents. In Indonesia, low income was defined as household income below Rp 6,000,000 per month before tax.
2. "Respondents living in informal arrangements" refers to respondents who reported living without formal housing documentation, in temporary accommodation, or in other non-formal housing arrangements.
3. <https://www.kompas.id/artikel/en-backlog-rumah-sentuh-15-juta-unit-kelokalan-daerah-perlu-dipertimbangkan>
4. <https://www.smf-indonesia.co.id/the-role-of-the-housing-sector-as-a-driver-of-the-economy-and-national-poverty-alleviation-pt-sarana-multigriya-finansial-persero>

Percentage of people who say housing costs make it difficult to consider starting a family



These findings mirror how people feel served by the housing system. Nearly half of respondents living in informal arrangements (49%) disagree that housing policies in Indonesia help “people like me,” compared with 19% nationally. Households facing some of the greatest housing challenges are among the least likely to feel that existing policies respond to their circumstances.

Climate and extreme weather add another layer of unequal pressure. Nationally, 41% of Indonesians say extreme weather makes it difficult to feel safe where they live, compared with 30% globally. Looking more closely, rural Indonesians feel this pressure more intensely, with nearly half (47%) of rural Indonesians expecting extreme weather to make living where they are harder over the next three years, compared to 38% of urban residents.

These perceptions matter in a country exposed to floods, storms, landslides and coastal erosion, particularly because millions of households already live in housing that may offer limited protection. Nearly 1 in 5 urban Indonesians lives in slum conditions, where homes can be more vulnerable to environmental threats.⁵ Climate risk therefore intersects with existing housing inequality: households with less adequate or secure housing may have fewer resources to prepare for hazards, repair damage or relocate when conditions worsen.

Indonesia’s housing story is not simply one of widespread affordability pressure. It is also a story of unequal exposure and unequal trade-offs. Younger people are more likely to see housing costs constraining future opportunities and family formation; lower-income households make more financial and lifestyle sacrifices; people in informal arrangements are more likely to cut back on essentials; and rural residents are more likely to expect housing-related impacts from extreme weather. Addressing Indonesia’s housing challenge therefore requires expanding adequate and affordable housing while reducing the unequal pressures that make some households more vulnerable than others.

“ [Home is] a place where we return to rest after work, a place for family gatherings (husband, wife, children), a place to build a harmonious household.”

– A man from Indonesia with a low income who owns his home, aged 45-54.

1. <https://unhabitat.org/world-cities-report-2026>

Promising practice

For decades, families in Tanjung Kait, a coastal fishing community in Indonesia, faced interconnected housing challenges. More than 110 low-income households lived in informal homes on land they did not legally own, restricting their access to formal financing, public investment, and secure housing pathways. Inadequate infrastructure and basic services, combined with increasing exposure to flooding, coastal erosion, and extreme weather, further heightened their vulnerability to environmental and economic shocks.

The **Revitalization and Improvement of Housing and Settlement Area Program** in Tanjung Kait addressed these challenges through an integrated approach combining community leadership, land tenure security, affordable financing, resilient housing, and public infrastructure. Using the Participatory Approach for Safe Shelter Awareness (PASSA), residents mapped risks, identified priorities, and developed a community action plan. Partnerships with local government, cooperatives, financial institutions, and donors supported land acquisition, infrastructure development, financial literacy, and the construction of disaster-resilient homes.

Residents remained actively involved throughout the planning, relocation, and implementation processes.

Community engagement, government coordination, and resource mobilization began in 2022 and required sustained consultation before construction commenced in 2025. This long-term process contributed to a safer, more secure settlement with improved connections to public services. Families gained pathways towards formal land ownership and adequate housing, while joint investment expanded access to roads, water, sanitation, drainage, and community facilities.

The experience demonstrates that sustainable housing outcomes require more than building houses. By connecting land tenure, affordable finance, resilient infrastructure, and meaningful community participation, this Tanjung Kait program offers a partnership model for transforming vulnerable coastal settlements into safer, healthier, and more resilient places to call home.

The numbers behind the story

Survey question	Indonesia	Global	Younger — Gen Z + Millennials	Older — Gen X + Boomers + Silent
In the past 12 months, to help afford housing costs, have you had to do any of the following for yourself or for those you support? (% reporting at least one action)	73%	75%	75%	70%
I worry that one unexpected problem could threaten my ability to stay housed. (% agree)	49%	48%	52%	43%
My housing situation is one of the biggest sources of stress in my life. (% agree)	21%	35%	23%	18%
Housing costs make it difficult to consider starting a family. (% agree)	73%	56%	77%	63%
Rising housing costs make it difficult for people to become homeowners. (% agree)	81%	81%	81%	81%
I expect to own a home at some point in my life. (% agree)	95%	76%	96%	93%
I worry that housing costs are limiting the opportunities I can give the children under my care. (% agree)	52%	58%	53%	51%
I expect extreme weather to make living where I am harder (for example, more extreme heat, storms, or flooding). (% agree)	39%	30%	41%	37%
The housing system in my country is broken or does not work. (% agree)	42%	56%	43%	38%
Safe and decent housing is a basic human right. (% agree)	97%	89%	96%	98%
I would welcome more affordable or social housing in the area I live. (% agree)	88%	77%	88%	88%
Housing policies in my country are effective in addressing housing problems. (% agree)	53%	34%	53%	53%