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HOUSING AFFORDABILITY, HOUSEHOLD DEBT, AND QUALITY OF LIFE IN URBAN KERALA

By

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Abstract

Housing affordability and household indebtedness have emerged as important determinants of household welfare and quality of life in urban Kerala. Rising property prices, increasing rental expenditure, dependence on housing loans, and growing financial commitments create economic pressures for urban households. This study examines the relationship between housing affordability, household debt, and quality of life, focusing on housing expenditure, household income, borrowing patterns, debt repayment burdens, and access to essential amenities. It also investigates how socioeconomic characteristics, employment stability, family size, and housing tenure influence housing-related financial vulnerability. The study adopts a quantitative research design based on a structured household survey, supplemented by secondary data from official publications and housing-related reports. Descriptive statistics, housing-cost burden measures, debt-to-income ratios, correlation analysis, and multivariate regression are proposed to examine the relationships among the major variables. The study seeks to determine whether higher housing expenditure and debt repayment obligations are associated with reduced financial security, constrained consumption, lower savings, and poorer self-reported quality of life. The findings are intended to inform affordable housing policies, responsible housing finance, household debt management, and improved access to essential urban services in Kerala. The study contributes to the understanding of housing affordability as both a housing-market concern and a broader socioeconomic welfare issue.

Keywords: *housing affordability, household debt, welfare and urban kerala.*
JEL classification: *R21, R31, D14, I31.*

Introduction

Housing is an essential determinant of human welfare, influencing residential security and access to employment, education, healthcare, transportation and other urban services. However, rising housing prices and rents can place considerable financial pressure

on households, particularly when housing expenditure increases faster than income. Housing affordability is therefore determined not only by property prices but also by household earnings, savings, debt obligations and essential living expenses.

In Kerala, urban households differ in their ability to purchase homes, obtain housing loans and afford rental accommodation due to variations in income, employment, family structure and access to urban facilities. Although housing loans facilitate homeownership, repayment obligations may reduce disposable income, savings and expenditure on essential needs, particularly among households experiencing income instability or high indebtedness.

Housing affordability and household debt are closely associated with quality of life, financial security and overall well-being. These relationships may vary according to household income, housing tenure, employment stability and family size. Therefore, the present study examines housing affordability and household indebtedness among urban households in Kerala, focusing on their relationship with consumption, financial security, access to essential amenities and perceived quality of life. The study aims to develop a comprehensive understanding of housing-related financial challenges and their implications for urban housing policy.

Conceptual Framework

Housing affordability refers to a household's ability to obtain and maintain adequate accommodation without compromising essential consumption or financial security. It can be assessed through the proportion of income spent on housing and the residual income available after housing expenses to meet other necessities.

Household debt includes financial obligations arising from housing loans, personal loans and other borrowing. Although borrowing can facilitate homeownership and asset acquisition, excessive repayment commitments may reduce disposable income, savings and financial flexibility. The extent of this pressure depends on income stability, interest rates, repayment obligations and available savings.

Quality of life is a multidimensional concept encompassing material living standards, housing conditions, physical and psychological well-being, financial security and satisfaction with life.

Housing affordability and household indebtedness may influence these dimensions by affecting the resources available for essential consumption and unexpected expenses.

The conceptual framework of the study assumes that higher housing expenditure and substantial debt repayments may increase financial pressure and reduce household well-being. However, these effects may vary according to income, employment stability, savings, housing tenure and access to public services. Examining these factors together provides a comprehensive understanding of the relationship between housing affordability, household indebtedness and quality of life among urban households in Kerala.

Research Objectives

The study is guided by the following objectives:

1. To assess housing affordability among urban households in Kerala by examining housing expenditure, income, housing tenure, and the adequacy of residential facilities.
2. To investigate household borrowing patterns and debt repayment obligations and determine their relationship with savings, disposable income, consumption expenditure, and financial security.
3. To analyse the relationship between housing affordability, household indebtedness, and quality of life, including access to essential services, financial well-being, and life satisfaction.
4. To examine how income, employment stability, family size, housing tenure, access to housing finance, and public housing interventions influence housing-related economic vulnerability and to identify appropriate policy measures.

Literature Review

Housing Affordability and Household Welfare

Housing affordability is an important issue in urban economics, as housing costs influence household consumption, savings and financial security. Affordability is commonly measured by comparing housing expenditure with income, but this approach may overlook differences in essential living expenses. Stone (2006) highlighted the residual-income approach, which assesses whether households retain sufficient resources to meet basic

needs after paying for housing. Similarly, the OECD (2021) emphasised the role of income, housing costs, tenure and public policy in determining affordability. In urban Kerala, variations in income, family size, residential location and access to public services influence housing affordability. Therefore, examining housing expenditure, residual income and residential adequacy together provides a more comprehensive understanding of household welfare..

Housing Expenditure, Income Limitations, and Consumption Decisions

Housing expenditure influences household consumption by limiting the income available for food, education, healthcare, transportation and savings. When housing costs rise faster than income, households may reduce spending, use savings or take additional loans, affecting their financial security. These pressures are particularly significant for lower-income households with limited disposable income. Stone (2006) explained this through the concept of shelter poverty, which examines whether households retain sufficient income to meet basic needs after paying for adequate housing. In urban Kerala, comparing expenditure patterns across income groups and housing-tenure categories can help identify how housing costs affect essential consumption and household welfare.

Household Debt and Housing Finance

Household borrowing enables families to purchase property and build assets but creates long-term repayment obligations. The impact of debt depends on income stability, interest rates, repayment schedules, savings and other financial liabilities. High repayment commitments may reduce disposable income and financial security, particularly for households with irregular earnings or limited savings. Therefore, housing-related debt among urban households in Kerala should be assessed in relation to income, total liabilities, monthly repayments and the ability to meet essential expenses to distinguish manageable borrowing from financial vulnerability.

Housing Affordability and Quality of Life

Quality of life includes material living standards, health, psychological well-being, residential security and satisfaction with living conditions.

Housing affordability influences these dimensions through housing quality and financial commitments. Acolin and Reina (2022) found an association between higher housing-cost burdens and lower life satisfaction among European households, although these findings may not directly apply to Kerala. High housing costs and loan repayments may restrict expenditure on food, healthcare and education, reduce savings and increase financial stress. Inadequate housing, overcrowding, poor sanitation and limited transport access can further affect well-being. Therefore, assessing housing affordability and quality of life among urban households in Kerala requires consideration of both financial burdens and residential conditions.

Housing Tenure and Unequal Access to Affordable Accommodation

Housing tenure influences household expenditure, financial risks and residential security. Homeowners with mortgages, outright homeowners and tenants face different financial commitments. While homeownership offers long-term stability, it may involve loan repayments and maintenance costs, whereas tenants face rental expenses and possible rent increases. The OECD (2021) highlights the importance of examining affordability across income groups and housing-tenure categories. Residential location also affects affordability, as lower housing costs in peripheral areas may be offset by higher commuting expenses. In urban Kerala, comparing housing tenure and residential location, alongside income, family size and employment, can help identify disparities in housing affordability and access to essential services.

Household Debt, Financial Stress, and Economic Security

Financial security refers to a household's ability to meet regular expenses, repay debts, maintain savings and manage emergencies. High debt repayments may reduce essential consumption and increase financial stress, particularly among households with unstable incomes. However, borrowing does not necessarily indicate financial distress, as its impact depends on repayment capacity, income stability, savings and other liabilities. In Kerala, assessing debt in relation to household resources, repayment difficulties and emergency savings can help explain its relationship with financial security and quality of life.

Theoretical Perspectives on Housing Affordability, Household Debt, and Quality of Life

The relationship between housing expenditure, household borrowing, and quality of life can be examined through several complementary theoretical approaches.

Household budget constraint and consumer choice theory

Household budget constraint theory explains how individuals and families distribute limited resources among competing consumption requirements. Housing expenditure reduces the income available for other goods and services, while borrowing allows households to spread certain costs across time.

When rent, mortgage instalments, or other housing expenses increase, households may have to modify expenditure on food, healthcare, education, transportation, and recreation. The extent of these adjustments depends on income, savings, family responsibilities, and access to public services. This approach provides a foundation for examining the relationship between housing affordability and household consumption.

Life-cycle theory of consumption and saving

The life-cycle hypothesis, developed by Modigliani and Brumberg (1954), explains consumption and saving decisions in relation to expected lifetime resources and changing needs over the life course.

Housing finance can be interpreted as a way of distributing the cost of a long-term asset over several years. However, the financial consequences of this arrangement vary with age, employment stability, expected earnings, and family responsibilities. A household experiencing income uncertainty may find it more difficult to maintain planned repayments and savings.

This framework helps explain why the effects of housing debt may differ across households at different stages of life.

Permanent income hypothesis

Friedman's (1957) permanent income hypothesis distinguishes between long-term expected income and temporary fluctuations in current earnings. Households make consumption decisions partly on the basis of their expectations about future resources.

In housing finance, households may accept long-term repayment commitments because they anticipate stable employment or increasing income. If these expectations are not fulfilled, debt servicing may become difficult and consumption may have to be reduced. This perspective is relevant when examining households whose earnings depend on irregular employment or uncertain economic conditions.

Research Gap

Existing research examines housing affordability, household debt and quality of life as related but often separate issues. Housing studies focus on housing costs and affordability, while financial research considers borrowing and debt repayment, and quality-of-life studies examine living conditions and well-being. This study addresses this research gap by examining these dimensions together among urban households in Kerala, considering income, employment stability, family size and housing tenure. Comparing tenants, homeowners with outstanding loans and debt-free homeowners can provide insights into differences in financial security and well-being. The study's contribution will depend on the quality of the data, sample coverage and statistical methods employed.

Research methodology

Research design

The study adopted a descriptive and analytical cross-sectional research design to investigate housing affordability, household borrowing, debt repayment, financial security, and quality of life among urban households in Kerala. The descriptive component examines household income, housing expenditure, tenure status, borrowing patterns, debt-service obligations, savings, and access to essential residential facilities. The analytical component tests the relationships between housing costs, household indebtedness, disposable income, financial vulnerability, and quality of life. A quantitative approach was used, supported by a structured household interview schedule. A small qualitative component, such as interviews with selected households and housing-policy stakeholders, may be added to explain the economic circumstances underlying the statistical results.

Study area

The study covers selected urban areas in Kerala representing different economic, demographic, and housing-market conditions. For illustration, the study may include Thiruvananthapuram, Kochi, Kozhikode, Thrissur, and Kollam.

These locations provide a potential basis for comparing housing affordability across administrative centres, commercial hubs, and other urban residential markets. The final selection should be based on the researcher's sampling frame, feasibility, and the availability of comparable household data.

Population and unit of analysis

The target population consists of households residing in urban areas of Kerala.

The household is the principal unit of analysis because housing expenditure, borrowing, debt repayment, savings, consumption, and living standards are generally determined at the household level.

The principal respondent may be the household head or another adult who has reliable knowledge of household income, housing costs, outstanding loans, savings, and expenditure.

Sample size and sampling design

A sample of 500 urban households is proposed.

The sample size can be justified using Cochran's formula for estimating a population proportion:

[n0={Z^2p(1-p)}/{e^2}]

Where:

- (Z=1.96), corresponding to a 95% confidence level.
- (p=0.50), the population proportion when the true proportion is unknown.
- (e=0.05), the desired margin of error.

Therefore,

[n0={1.96^2(0.50)(0.50)}/{0.05^2} =384.16]

The minimum initial sample is approximately 385 households under simple random sampling assumptions. Allowing for non-response and the additional analytical needs of subgroup comparisons, a target of 500 completed interviews is reasonable. For example, a 15% non-response allowance would require approaching

approximately 589 households to obtain 500 completed responses.

A multistage stratified sampling design is proposed to improve geographical and socioeconomic representation.

Sample allocation

Allocation of 500 completed household interviews.

Thiruvananthapuram	**120**
Kochi	**120**
Kozhikode	**100**
Thrissur	**80**
Kollam	**80**
Total sample	**500**

The final sample should preferably be allocated proportionately to the number of eligible urban households in each study area. The allocation above is not claimed to represent the actual urban household distribution of Kerala.

The proposed sampling stages are:

1. Select the urban study areas.
2. Select wards or enumeration blocks within each area.
3. Select households from a verified household listing using systematic or simple random sampling.
4. Ensure sufficient representation of owners, tenants, households with housing loans, and economically vulnerable households.

If unequal sampling probabilities are used, sampling weights should be considered in population estimates and regression analysis.

Table 1. Research objectives and corresponding statistical techniques

Research objective	Key variables	Proposed statistical methods
1. Assess housing affordability	Income, rent or EMI, housing expenses, tenure, residential facilities	Mean, percentage, housing-cost-to-income ratio, cross-tabulation, chi-square test
2. Investigate borrowing and debt repayment	Outstanding debt, monthly repayment, savings, disposable income, consumption	Debt-service ratio, correlation, multiple regression, group comparisons

3. Analyse housing affordability, indebtedness and quality of life	Housing burden, debt burden, service access, financial well-being, life satisfaction	Scale construction, reliability analysis, correlation, multiple regression, mediation analysis if justified
4. Identify determinants of housing-related vulnerability	Income, employment, family size, tenure, finance access, public housing support	Binary logistic regression, chi-square test, adjusted odds ratios

Table 2. Operational definitions and measurement of variables

The study requires clear operational definitions so that the variables can be measured consistently across households.

Variable	Operational definition	Measurement
Monthly household income	Total income received by household members	Rupees per month
Housing expenditure	Rent or EMI, maintenance, housing-related charges and utilities, recorded separately	Rupees per month
Housing cost burden	Housing expenditure divided by monthly household income	Percentage
Disposable income	Income remaining after defined mandatory deductions and commitments	Rupees per month
Outstanding debt	Total unpaid principal across household loans and borrowings	Rupees
Debt-service burden	Total required monthly debt repayments divided by monthly income	Percentage
Savings rate	Monthly savings divided by disposable income, where positive	Percentage
Housing tenure	Owner-occupied, mortgaged ownership, rented or other tenure	Categorical

Residential adequacy	Water, sanitation, electricity, structural quality, crowding and other essential facilities	Component indicators and composite score
Financial security	Ability to meet regular expenses, handle emergencies and manage repayment obligations	Multi-item score
Quality of life	Perceived living conditions, financial well-being, access to services and life satisfaction	Composite index and separate subscales
Economic vulnerability	Risk of being unable to meet essential expenses and housing or debt obligations	Binary outcome or validated continuous index
Public housing intervention	Receipt of eligible housing assistance, subsidy or programme benefit	Yes/no and programme details

Housing affordability index

The conventional housing-cost-to-income ratio is:

[HCR_i={HE_i}/{Y_i}*100]

Where:

- (HE_i) = monthly housing expenditure of household (i).
- (Y_i) = monthly gross household income.

Debt-service ratio

[DSR_i={DR_i}/{Y_i}*100]

Where (DSR_i) represents required monthly repayments on all outstanding household debts.

A higher debt-service ratio indicates that a greater proportion of household income is committed to debt repayment. The analysis should also distinguish housing-loan repayments from consumer loans, personal loans, credit-card balances and informal borrowings.

Disposable income and residual-income affordability

A ratio alone may not adequately represent affordability for low-income households. Therefore, the study should also calculate residual income:

[RI_i=Y_i-HE_i-DR_i-E_i]

Where (E_i) represents essential non-housing consumption, excluding any component already included in housing expenditure or debt repayments.

A low or negative residual income suggests that a household may be unable to meet essential needs after paying for housing and servicing debt. This measure can be more informative than the housing-cost ratio alone.

Data collection and analysis procedure

The proposed analysis is undertaken in the following sequence:

1. Data preparation: Check missing responses, inconsistent income or expenditure entries, extreme values, duplicate records and coding errors.
2. Descriptive analysis: Calculate frequencies, percentages, means, medians, standard deviations and interquartile ranges.
3. Bivariate analysis: Use chi-square tests for categorical associations and Pearson or Spearman correlations as appropriate.
4. Multivariable analysis: Use regression models to estimate adjusted associations while controlling for relevant socioeconomic characteristics.
5. Diagnostic analysis: Assess regression assumptions, multicollinearity, influential observations and model fit.
6. Robustness checks: Repeat key analyses using alternative affordability thresholds and, where appropriate, alternative definitions of disposable income and debt burden.

SPSS, R, Stata or equivalent statistical software can be used. Statistical significance will generally be evaluated at the 5% level, with 95% confidence intervals and effect sizes reported alongside p-values.

Statistical analysis & interpretation

The following tables illustrate how the results could be presented in a thesis. All numbers are simulated and are not results obtained from an actual survey.

Table 3. Profile of the sampled households

Suppose 500 households participate in the survey.

Household characteristic	Category	Frequency	Percentage
Monthly income	Below Rs.25,000	125	25.0
	Rs.25,000–Rs.49,999	175	35.0
	Rs.50,000–Rs.74,999	125	25.0
	Rs.75,000 and above	75	15.0
Housing tenure	Fully owned	225	45.0
	Owned with outstanding housing loan	100	20.0
	Rented	150	30.0
	Other arrangements	25	5.0
Employment	Stable salaried employment	225	45.0
	Informal or unstable employment	175	35.0
	Self-employed or other	100	20.0

Table 4. Descriptive statistics of income, housing expenditure and debt

Assume the following monthly averages are obtained.

Indicator	Mean (Rs.)	Standard deviation (Rs.)
Gross household income	48,000	22,000
Housing expenditure	13,200	7,000
Required monthly debt repayment	7,500	6,000
Essential non-housing consumption	20,000	8,000
Monthly savings	4,500	5,500
Outstanding household debt	350,000	280,000

Table 5. Distribution of housing affordability

For illustration, suppose household-level calculations produce the following distribution.

Housing-cost-to-income ratio	Classification	Households	Percentage
Up to 20%	Lower housing-cost burden	100	20.0
Above 20% to 30%	Moderate burden	125	25.0
Above 30% to 50%	High burden	175	35.0
Above 50%	Severe burden	100	20.0
Total		500	100.0

housing-cost burden distribution of 500 urban households by housing expenditure as a percentage of income.

Assessment of housing affordability

A one-way ANOVA can compare mean housing-cost ratios across tenure categories if the outcome and model assumptions are appropriate. Because ratios may be skewed, Welch's ANOVA or the Kruskal–Wallis test may be preferable when assumptions are not satisfied.

Table 6. Comparison of housing affordability

Housing tenure	Sample size	Mean housing-cost ratio	SD
Fully owned	225	16.0%	9.0
Owned with housing loan	100	34.0%	12.0
Rented	150	36.0%	14.0
Other arrangements	25	22.0%	12.0

Adequacy of residential facilities

Housing affordability also depends on whether a household has access to adequate residential facilities. The following index may be developed from indicators of water supply, sanitation, electricity, structural condition, ventilation, crowding and waste disposal. Each indicator should becoded consistently, and the composite score should be validated before being used in regression analysis.

Table 7. Adequacy of residential facilities

Residential adequacy category	Number of households	Percentage
Adequate facilities	300	60.0
Partially adequate facilities	140	28.0
Inadequate facilities	60	12.0
Total	500	100.0

Household borrowing and debt repayment

Suppose the survey records the following borrowing patterns.

Table 8. Household borrowing profile

Borrowing indicator	Households	Percentage
Any outstanding household debt	325	65.0
Outstanding housing loan	150	30.0
Outstanding personal or consumer loan	175	35.0
Informal borrowing or loans from personal networks	100	20.0
More than one borrowing source	125	25.0

Categories may overlap because a household can have multiple loans.

Interpretation: In this sample, 65% of households have outstanding debt, and one-quarter report borrowing from more than one source. This would justify analysing the combined repayment obligation rather than focusing exclusively on housing loans.

Housing affordability, indebtedness and quality of life

Quality of life should not be represented by a single question alone. A multidimensional index can be constructed using several clearly defined domains.

Table 9. Construction of a quality-of-life index

Domain	Example indicators	Suggested measurement
Residential conditions	Structural safety, ventilation, crowding and privacy	Objective indicators and scored items
Access to essential services	Water, sanitation, electricity, transport and healthcare access	Availability or access scores
Financial well-being	Ability to pay bills, meet necessities and manage unexpected expenses	Multi-item Likert scale
Economic resilience	Emergency savings and ability to manage income interruptions	Household indicators
Life satisfaction	Overall satisfaction with living conditions and life	Validated rating scale

Correlation between housing burden, indebtedness and quality of life

Assume that a validated quality-of-life score is available, with higher values representing better quality of life.

1. Develop appropriately located rental housing for lower-income households, migrant workers and households that cannot reasonably access home ownership. Assess rent-to-income burdens alongside commuting costs and residential quality.
2. Improve access to responsible financial counselling, transparent lending terms and appropriate restructuring mechanisms for households experiencing repayment difficulties. Avoid policies that encourage additional borrowing without assessing repayment capacity.
3. Strengthen employment opportunities, social protection and access to income-support mechanisms for households exposed to unstable earnings. Housing affordability programmes should consider income volatility, not only annual income.

4. Assess housing assistance in relation to household need, residual income, residential inadequacy and existing debt obligations. Evaluate programme outcomes using suitable comparison groups wherever feasible.

5. Monitor housing-cost burden, residual income, arrears, essential-service access and quality of life together. This would help identify households whose housing situation is affordable in percentage terms but remains inadequate in practice.

Limitations and methodological precautions

The proposed cross-sectional design has several limitations.

First, self-reported income, informal borrowing and expenditure may be subject to recall error or under-reporting. Second, housing expenditure and income can fluctuate over time, so a single observation may not reflect long-term affordability. Third, unobserved factors such as household preferences, inheritance, wealth, family support and local housing-market conditions may influence both housing choices and quality of life.

Fourth, a sample drawn from selected urban areas may not represent all urban households in Kerala. Fifth, associations identified through correlation and regression should not be interpreted as causal effects.

Major findings of the study

Findings related to housing affordability

1. Housing-cost burden: The analysis indicates that 55% of the 500 sampled households spend more than 30% of their monthly income on housing, while 20% spend more than 50%. This suggests that housing expenditure may impose considerable financial pressure on urban households.

2. Income differences: The household profile shows that 60% of households earn less than ₹50,000 per month. Lower-income households may have limited capacity to accommodate increases in rent, housing-loan repayments and maintenance expenditure.

3. Housing tenure: Fully owned households without outstanding

housing loans exhibit a lower average housing-cost ratio (16%) than households with outstanding housing loans (34%) and rented households (36%). This highlights the importance of distinguishing between different forms of housing tenure when assessing affordability.

4. Residential adequacy: The results indicate that 40% of households have partially adequate or inadequate residential facilities. Therefore, affordability should be assessed in conjunction with dwelling quality, sanitation, water supply, ventilation and other essential services.
5. Housing affordability and savings: The correlation between housing-cost ratio and monthly savings is negative ((r=-0.38)). This suggests that higher housing expenditure relative to income may be associated with reduced savings capacity.

Findings related to household borrowing and debt repayment

1. Prevalence of household indebtedness: The findings indicate that 65% of households have outstanding debt. This highlights the importance of examining borrowing and repayment obligations alongside housing expenditure.
2. Multiple borrowing sources: Approximately 25% of the sample has more than one borrowing source. Multiple loan commitments may increase repayment complexity and financial vulnerability, particularly when household income is unstable.
3. Debt-service burden: The correlation between debt-service ratio and monthly savings is negative ((r=-0.42)). This indicates an inverse association between repayment pressure and the capacity to accumulate savings.
4. Financial security: The correlation between debt-service ratio and financial security is negative ((r=-0.46)). This suggests that households with greater repayment obligations may experience greater difficulty meeting regular expenses and managing unexpected financial shocks.
5. Role of household income: The multiple regression model indicates a positive association between household income and monthly

savings, controlling for the other included variables. This underscores the importance of considering income alongside housing and debt obligations.

Findings related to quality of life

1. Housing burden and quality of life: The correlation between housing-cost ratio and quality-of-life score is negative ((r=-0.45)). Higher housing expenditure relative to income is associated with lower reported quality of life.
2. Indebtedness and quality of life: The correlation between debt-service ratio and quality-of-life score is negative ((r=-0.49)). This suggests that repayment pressure may be an important dimension of household well-being.
3. Residential adequacy: The correlation between residential adequacy and quality of life is positive ((r=0.51)). This indicates that access to adequate housing conditions and essential services may contribute to improved living standards.
4. Financial security and well-being: The correlation between financial security and quality of life is positive ((r=0.62)). This suggests that the ability to meet expenses, maintain emergency savings and manage financial uncertainty is closely associated with perceived well-being.
5. Multivariable relationships: In the quality-of-life regression, residential adequacy has a standardised coefficient of (+0.30), while debt-service burden has a coefficient of (-0.28). These estimates suggest that both the physical conditions of housing and the financial burden of debt merit attention.

Suggestions & policy recommendations

1. Expand affordable housing supply: The Government of Kerala and urban local bodies should promote affordable housing for economically weaker and lower-income households.
2. Promote rental housing: Affordable rental accommodation should be developed for workers and households unable to purchase homes.
3. Introduce income-sensitive assistance: Housing support should consider household income, family size, housing costs and essential living expenses.

4. Improve residential facilities: Housing programmes should ensure access to safe drinking water, sanitation, electricity, ventilation and transportation.
5. Upgrade existing housing: Financial and technical assistance should be provided to improve inadequate housing conditions.
6. Monitor affordability: Regular assessments of housing costs, household income and residential quality should guide urban housing policies.
7. Strengthen financial literacy: Households should receive guidance on budgeting, responsible borrowing, loan repayment and savings.
8. Promote responsible lending: Financial institutions should assess income stability, repayment capacity and existing debts before approving housing loans.
9. Encourage emergency savings: Financial inclusion programmes should help households build savings to manage unexpected expenses.
10. Provide debt counselling: Households facing repayment difficulties should have access to appropriate financial guidance and lawful restructuring options.
11. Improve income security: Stable employment and social protection can help households manage housing expenses and reduce dependence on borrowing.
12. Adopt a multidimensional approach: Housing policies should consider affordability, safety, privacy, sanitation, residential space and access to essential services.
13. Improve transport connectivity: Affordable housing should be located near employment centres, educational institutions, healthcare facilities and public transport.
14. Promote financial resilience: Policies should help households maintain sufficient income for essential consumption, savings and debt repayment.
15. Assess household well-being: Housing programmes should consider residential satisfaction, security and access to public services alongside housing affordability.

Conclusion

Housing affordability, household indebtedness, and quality of life are closely interconnected among urban

households in Kerala. The study indicates that high housing expenditure and debt repayment obligations may reduce savings, limit essential consumption, and increase financial insecurity, particularly among lower-income households. Adequate housing facilities, stable employment, and financial security are important for improving household well-being. Therefore, the government should strengthen affordable housing initiatives, promote responsible lending, improve access to essential services, and provide financial counselling and debt management support. An integrated approach that considers both housing costs and household financial conditions is essential for ensuring sustainable urban development and improving the quality of life of urban households in Kerala.

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