

HALF OF RENTERS MAY NEVER BUY A HOME

- Latest ING research has found that nearly half (48%) of non-home-owners across Europe believe they will never own a property
- Yet most dream of owning their home – many considering this a symbol of success
- Consensus is that owning makes better financial sense than renting

Private property ownership is often perceived as a central tenet of a capitalist economy, yet research released today has found that almost half of renters and non-home owners in Europe (48%) believe they will never be able to afford their own home.

This latest finding comes from the [ING International Survey Homes and Mortgages 2017– Renting Versus Owning](#) report, which surveyed almost 15,000 people in 15 countries, including the USA and Australia.

Overall, fewer renters are happy with their housing situation compared to homeowners (59% vs. 78%). Three in five (60%) of those who rent in Europe say they would like to own their home, with the share rising to 70 per cent among the 18-34s.

Smart and successful

The study found that many Europeans want to own a home because they consider it a symbol of success (65%). This reinforces the notion that buying a house is not just a financial decision but guided by social and cultural principles¹. More people say home ownership is a symbol of success in Poland (72%), Turkey (70%) and Romania (70%) – the UK isn't far below with 65 per cent.

Over two thirds (68%) of European respondents believe that buying a house is a “smart money decision” - with the share rising to 83 per cent in Luxembourg. And 71 per cent of people in the UK agree.

Spain was bottom of this league table, with just under half (47%) agreeing it's financially smart to buy property; the country's housing market has started to rise recently but certain mortgages are now harder to obtain.

Sixty-six per cent in Europe agree that everyone would buy a home if they could afford to – with higher shares agreeing on this point in most countries, including those with a strong renting culture such as Germany². Poland (80%), Turkey (79%) and Romania (78%) top the list with the highest shares to suggest everyone would buy if they had the money, of all the 15 countries; the UK is placed mid-table with 64 per cent.

Unfulfilled Ambitions

However, around half of renters and other non-owners (48%) in Europe agree they will probably never be able to afford to buy a home – rising to a European high of 56 per cent in the UK and Germany. The survey high, though, is 62 per cent, in Australia.

Breaking this down by age and gender, more than half of non-owners aged 35+ agree they will never afford a home – rising to 68 per cent among the over-65s. Men (43%) of all ages are less likely than women (52%) to say they will never buy; one possible explanation is that women earn considerably less than men over a lifetime³.

Ian Bright, senior economist and managing director of Group Research at ING, commented:

“Most people want to buy a house. Their reasons for doing this extend well beyond money, such as security and the freedom to decorate it how they like. Yet many now accept that they are unlikely to buy.

“If you combine this with our findings that a higher proportion of home owners are happy with their housing situation, compared with renters, then it seems that more people will feel incredibly frustrated with their housing choices in the future.

“It is hardly surprising that many people in many countries think housing is on the wrong track.”

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¹Alter, A (2013) Cultural Sharing in a Global Village: Evidence for Extracultural Cognition in European Americans <http://pages.stern.nyu.edu/~aalter/culture.pdf>

² Davies, B et al (2017) Lessons from Germany: Tenant Power in the Rental Market. <https://www.ippr.org/files/publications/pdf/lessons-from-germany-jan17.pdf>

³ Institute for Women's Policy Research (2017) Pay Equity & Discrimination. <https://iwpr.org/issue/employment-education-economic-change/pay-equity-discrimination/>

About the research

The ING International Survey Homes and Mortgages 2017 was conducted by Ipsos using internet-based polling. Fifteen countries were surveyed: Austria, Belgium, Czech Republic, France, Germany, Italy, Luxembourg, the Netherlands, Poland, Romania, Spain, Turkey, the United Kingdom, Australia and the United States of America. Polling took place from 2 to 22 June 2017. The full report is at https://www.ezonomics.com/ing_international_surveys/homes-and-mortgages-2017-renting-versus-owning/ and also on [SlideShare](#).

The ING International Survey is produced several times a year by ING eZonomics. It is about money and life - combining ideas around financial education, personal finance and behavioural economics to produce regular and practical information about the way people manage their money - and how this can affect consumers' lives.

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