

## ING Survey: Pandemic or not, Europeans want to move home

The Covid-19 pandemic has brought with it massive changes to people's behaviour and attitudes, shifts based on societal uncertainties that may be with us for decades. How -- and where -- we live is no exception



We now estimate that around two-thirds of the UK's mortgage squeeze has come and gone and the impact on households will be more modest this year than previously expected.

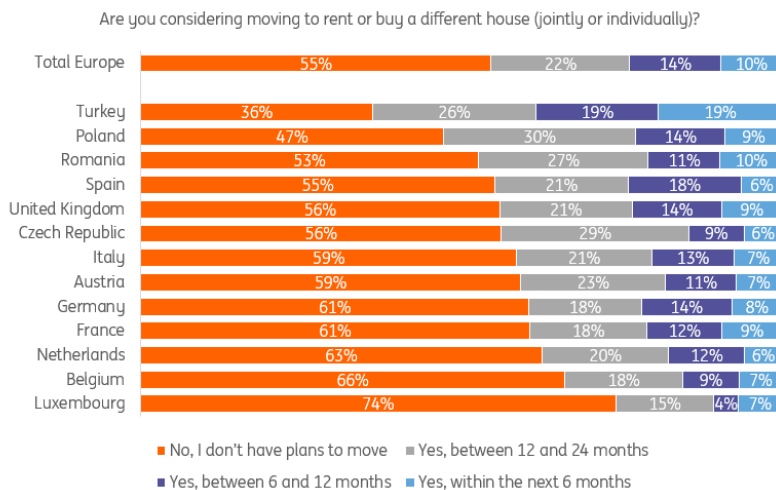
### Moving aspirations live

There has been plenty of attention focused on how the virus has forced families to avoid being in close contact with friends and loved ones, on how it has forced even technophobes online, and on how it has tested societies over issues as anomalous as whether or not to wear a face mask.

But one unheralded change, unearthed in the latest ING International Survey, is that a large number of Europeans (45%) are thinking of moving home. This is accompanied by an increase -- almost unprecedented in recent years -- in those who believe house prices will fall, or at least stop rising for a while (54% say house prices will rise in the next 12 months v 63% who said the same in 2018).

The survey of 12,802 people across 13 European countries asked a series of questions regarding respondents' happiness with their housing situation and what plans they may have for changing it.

Just under half said they were looking to move within the next 24 months, with about a fifth of this group (22%) wanting to do so with the next six months. Given that there are around 113 million households in Germany, Britain, France and Italy alone, this lays the ground for a major transformation.



It is not clear exactly how much the pandemic has played into this desire, but it is logical to assume some impact. Lockdowns, for example, have forced people to stay at home, thus highlighting any shortcomings there. Economic hardship -- the International Monetary Fund predicts a more than 10% economic contraction in the eurozone this [year](#) -- may also be driving people to look for cheaper places to live.

And the coronavirus has prompted a huge shift towards working from home for those who can do so.

The survey found that those currently working are more likely to say they are planning to move within the next two years than those who are not (52% working v 44% non-working). This most likely reflects income and, therefore, opportunity.

But it could also be seen as a sign of the new paradigm in which people are not required as before to live near their place of work -- either because they work from home or in newly established remote hubs.

Underlining this, [Yolande Barnes](#), chair of University College London's Bartlett Real Estate Institute, lists as one of the top potential impacts of the pandemic on housing: "More continued home-working that changes demand for both workspace and the configuration of homes".

## Who wants to move?

Among the people the ING survey found most likely to be considering moving home:

- Younger people (many seeking a move within the next six months) (on average 35% of those under 34 say they aren't planning on moving v 61% of those aged 45-54);
- People currently working (52% of those working v 44% not working);

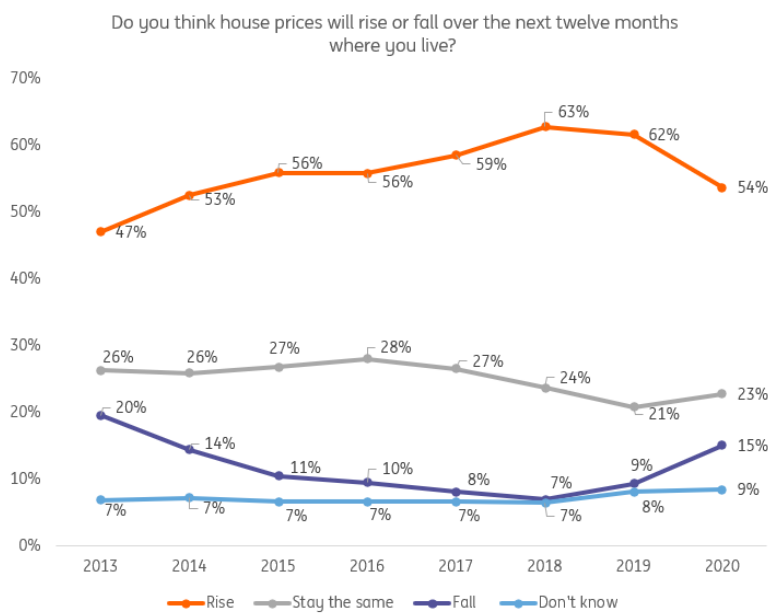
- Renters, and people living with flatmates (48% of renters and 45% of those with flatmates say they aren't planning on moving v 66% who own without a mortgage);
- Turks and Poles (more than 50% planning to move; younger populations) vs people in the Benelux countries, Germany and France (less than 40%; generally older).

## Cheaper housing?

Another major factor in Europeans wanting to move is a growing belief that housing may be getting cheaper.

To be clear, most Europeans, according to the survey, still expect to see house prices where they live rise in the next 12 months. Some 54% said so. But this was a significant fall from previous years. Last year, the percentage expecting a rise was 62%.

The percentage of those expecting house prices to fall is now higher (at 15%) than at any time since 2014 when the eurozone was just emerging from its sovereign debt crisis almost everywhere except Greece. Nearly one-in-four (23%) people, meanwhile, reckon prices will stay flat.



European consumer totals only. Answer choices were 'rise sharply', 'rise slightly', 'stay the same', 'fall slightly', 'fall sharply', or 'don't know'. Sample size: 11,703 (2013) 12,696 (2014) 12,788 (2015) 12,797 (2016) 12,796 (2017) 12,704 (2018) 13,137 (2019) 12,803 (2020)

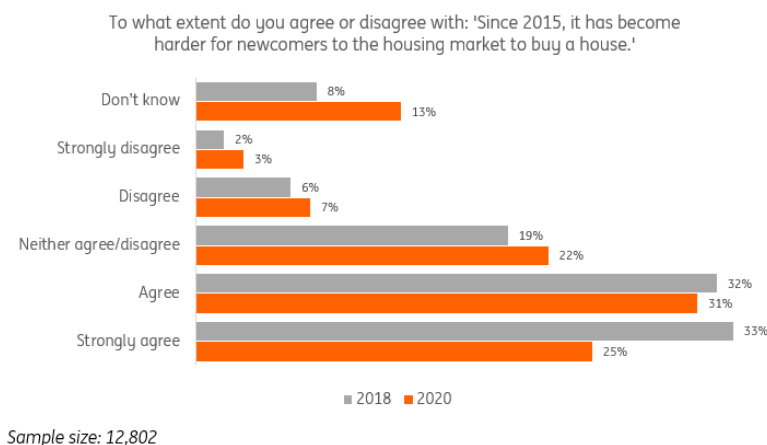
The evidence for house prices falling or staying flat is not strong. Eurostat second-quarter figures, released in October, showed that house prices in the European Union rose 5.2% year-on-year. It was a smaller increase than the first quarter year-on-year number (5.6%), but solid growth nonetheless -- and among the highest rates in the past decade.

The people now expecting house prices to fall or level off may simply be looking ahead and expecting the pandemic to get worse and the economy along with it, taking prices down.

Consumer sentiment in Europe remains in negative territory, after all, amid a second wave of the virus.

But it also could be that people are conflating prices with affordability. Last year, for example, house prices across the whole of Britain rose [2.2%](#) (London is a major aberration), but the Office of National [Statistics](#) reported that the ratio of earnings to house prices dropped -- meaning that people were better placed to buy than in the previous year.

Significantly, compared to two years ago, the ING survey shows that fewer people appear to believe that it is getting harder for newcomers, or first-time buyers, to purchase their own home.



Some of this may be the result of pandemic-related factors, such as tax breaks (Britain, for example, has eased its stamp duty on some home-buying and selling, while Germany has indicated it will not raise any taxes). Or it may be that the cheaper mortgages now available simply make buying easier (see box).

### Mortgage momentum

A series of crises -- the financial implosion of 2007-08, the eurozone's sovereign debt meltdown, the current pandemic -- has kept official interest rates at historic lows. The European Central Bank's refinancing rate, for example, is just 0.05% while the Bank of England's benchmark rate for sterling is barely higher at 0.1%. This has meant that monthly payments (if not the purchase price) for homes are cheap, even for existing holders who have mortgages that track the benchmarks. At the end of 2019, tracker rates in Germany were 1.28%, in Italy 1.44% and in Spain 1.44%. In Britain, tracker rates of less than 1.6% are available, albeit with a time limit. An issue for the future will be what happens when the base rates underlying these bargains eventually rise.

Indeed, this is all part of a recent curve: the percentage of people in our surveys saying it is easy for them to pay their rents or mortgages has slightly risen since 2017 (44% find it easy in 2020 v 34% in 2018) despite the recent economic hardships.

This may be one reason why the number of people agreeing with the statement "Since 2015, it has become harder for newcomers to the housing market to buy a house" has dropped to 56% of respondents in the new survey from 66% in our 2018 survey.

It is worth noting again, though, that these are trends, not majority views. Just as more than half of respondents continue to expect house prices to rise over the next year, so a similar bloc expects it to continue to get harder for first-time buyers, not easier.

It will all, presumably, depend on how the Covid-19 pandemic plays out and how it hits personal finances as well as macroeconomic conditions.

## Author

### **Alissa Lefebre**

Economist

[alissa.lefebvre@ing.com](mailto:alissa.lefebvre@ing.com)

### **Deepali Bhargava**

Regional Head of Research, Asia-Pacific

[Deepali.Bhargava@ing.com](mailto:Deepali.Bhargava@ing.com)

### **Ruben Dewitte**

Economist

+32495364780

[ruben.dewitte@ing.com](mailto:ruben.dewitte@ing.com)

### **Kinga Havasi**

Economic research trainee

[kinga.havasi@ing.com](mailto:kinga.havasi@ing.com)

### **Marten van Garderen**

Consumer Economist, Netherlands

[marten.van.garderen@ing.com](mailto:marten.van.garderen@ing.com)

### **David Havrlant**

Chief Economist, Czech Republic

420 770 321 486

[david.havrlant@ing.com](mailto:david.havrlant@ing.com)

### **Sander Burgers**

Senior Economist, Dutch Housing

[sander.burgers@ing.com](mailto:sander.burgers@ing.com)

### **Lynn Song**

Chief Economist, Greater China

[lynn.song@asia.ing.com](mailto:lynn.song@asia.ing.com)

### **Michiel Tukker**

Senior European Rates Strategist  
[michieltukker@ing.com](mailto:michieltukker@ing.com)

**Michal Rubaszek**  
Senior Economist, Poland  
[michal.rubaszek@ing.pl](mailto:michal.rubaszek@ing.pl)

**This is a test author**

**Stefan Posea**  
Economist, Romania  
[tiberiu-stefan.posea@ing.com](mailto:tiberiu-stefan.posea@ing.com)

**Marine Leleux**  
Sector Strategist, Financials  
[marine.leleux2@ing.com](mailto:marine.leleux2@ing.com)

**Jesse Norcross**  
Senior Sector Strategist, Real Estate  
[jesse.norcross@ing.com](mailto:jesse.norcross@ing.com)

**Teise Stellema**  
Research Assistant, Energy Transition  
[teise.stellema@ing.com](mailto:teise.stellema@ing.com)

**Diederik Stadig**  
Sector Economist, TMT & Healthcare  
[diederik.stadig@ing.com](mailto:diederik.stadig@ing.com)

**Diogo Gouveia**  
Sector Economist  
[diogo.duarte.vieira.de.gouveia@ing.com](mailto:diogo.duarte.vieira.de.gouveia@ing.com)

**Marine Leleux**  
Sector Strategist, Financials  
[marine.leleux2@ing.com](mailto:marine.leleux2@ing.com)

**Ewa Manthey**  
Commodities Strategist  
[ewa.manthey@ing.com](mailto:ewa.manthey@ing.com)

**ING Analysts**

**James Wilson**  
EM Sovereign Strategist  
[James.wilson@ing.com](mailto:James.wilson@ing.com)

**Sophie Smith**

Digital Editor

[sophie.smith@ing.com](mailto:sophie.smith@ing.com)

**Frantisek Taborsky**

EMEA FX & FI Strategist

[frantisek.taborsky@ing.com](mailto:frantisek.taborsky@ing.com)

**Adam Antoniak**

Senior Economist, Poland

[adam.antoniak@ing.pl](mailto:adam.antoniak@ing.pl)

**Min Joo Kang**

Senior Economist, South Korea and Japan

[min.joo.kang@asia.ing.com](mailto:min.joo.kang@asia.ing.com)

**Coco Zhang**

ESG Research

[coco.zhang@ing.com](mailto:coco.zhang@ing.com)

**Jan Frederik Slijkerman**

Senior Sector Strategist, TMT

[jan.frederik.slijkerman@ing.com](mailto:jan.frederik.slijkerman@ing.com)

**Katinka Jongkind**

Senior Economist, Services and Leisure

[Katinka.Jongkind@ing.com](mailto:Katinka.Jongkind@ing.com)

**Marina Le Blanc**

Sector Strategist, Financials

[Marina.Le.Blanc@ing.com](mailto:Marina.Le.Blanc@ing.com)

**Samuel Abettan**

Junior Economist

[samuel.abettan@ing.com](mailto:samuel.abettan@ing.com)

**Franziska Biehl**

Economist, Germany

[Franziska.Marie.Biehl@ing.de](mailto:Franziska.Marie.Biehl@ing.de)

**Rebecca Byrne**

Senior Editor and Supervisory Analyst

[rebecca.byrne@ing.com](mailto:rebecca.byrne@ing.com)

**Mirjam Bani**

Sector Economist, Commercial Real Estate & Public Sector (Netherlands)

[mirjam.bani@ing.com](mailto:mirjam.bani@ing.com)

**Timothy Rahill**

Credit Strategist

[timothy.rahill@ing.com](mailto:timothy.rahill@ing.com)

**Leszek Kasek**

Senior Economist, Poland

[leszek.kasek@ing.pl](mailto:leszek.kasek@ing.pl)

**Oleksiy Soroka, CFA**

Senior High Yield Credit Strategist

[oleksiy.soroka@ing.com](mailto:oleksiy.soroka@ing.com)

**Antoine Bouvet**

Head of European Rates Strategy

[antoine.bouvet@ing.com](mailto:antoine.bouvet@ing.com)

**Jeroen van den Broek**

Global Head of Sector Research

[jeroen.van.den.broek@ing.com](mailto:jeroen.van.den.broek@ing.com)

**Edse Dantuma**

Senior Sector Economist, Industry and Healthcare

[edse.dantuma@ing.com](mailto:edse.dantuma@ing.com)

**Francesco Pesole**

FX Strategist

[francesco.pesole@ing.com](mailto:francesco.pesole@ing.com)

**Rico Luman**

Senior Sector Economist, Transport and Logistics

[Rico.Luman@ing.com](mailto:Rico.Luman@ing.com)

**Jurjen Witteveen**

Sector Economist

[jurjen.witteveen@ing.com](mailto:jurjen.witteveen@ing.com)

**Dmitry Dolgin**

Chief Economist, CIS

[dmitry.dolgin@ing.de](mailto:dmitry.dolgin@ing.de)

**Nicholas Mapa**

Senior Economist, Philippines

[nicholas.antonio.mapa@asia.ing.com](mailto:nicholas.antonio.mapa@asia.ing.com)

**Egor Fedorov**

Senior Credit Analyst

[egor.fedorov@ing.com](mailto:egor.fedorov@ing.com)



**Sebastian Franke**

Consumer Economist  
[sebastian.franke@ing.de](mailto:sebastian.franke@ing.de)

**Gerben Hieminga**

Senior Sector Economist, Energy  
[gerben.hieminga@ing.com](mailto:gerben.hieminga@ing.com)

**Nadège Tillier**

Head of Corporates Sector Strategy  
[nadege.tillier@ing.com](mailto:nadege.tillier@ing.com)

**Charlotte de Montpellier**

Senior Economist, France and Switzerland  
[charlotte.de.montpellier@ing.com](mailto:charlotte.de.montpellier@ing.com)

**Laura Straeter**

Behavioural Scientist  
+31(0)611172684  
[laura.Straeter@ing.com](mailto:laura.Straeter@ing.com)

**Valentin Tataru**

Chief Economist, Romania  
[valentin.tataru@ing.com](mailto:valentin.tataru@ing.com)

**James Smith**

Developed Markets Economist, UK  
[james.smith@ing.com](mailto:james.smith@ing.com)

**Suvi Platerink Kosonen**

Senior Sector Strategist, Financials  
[suvi.platerink-kosonen@ing.com](mailto:suvi.platerink-kosonen@ing.com)

**Thijs Geijer**

Senior Sector Economist, Food & Agri  
[thijs.geijer@ing.com](mailto:thijs.geijer@ing.com)

**Maurice van Sante**

Senior Economist Construction & Team Lead Sectors  
[maurice.van.sante@ing.com](mailto:maurice.van.sante@ing.com)

**Marcel Klok**

Senior Economist, Netherlands  
[marcel.klok@ing.com](mailto:marcel.klok@ing.com)

**Piotr Poplawski**

Senior Economist, Poland  
[piotr.poplawski@ing.pl](mailto:piotr.poplawski@ing.pl)

**Paolo Pizzoli**

Senior Economist, Italy, Greece

[paolo.pizzoli@ing.com](mailto:paolo.pizzoli@ing.com)

**Marieke Blom**

Chief Economist and Global Head of Research

[marieke.blom@ing.com](mailto:marieke.blom@ing.com)

**Raoul Leering**

Senior Macro Economist

[raoul.leering@ing.com](mailto:raoul.leering@ing.com)

**Maarten Leen**

Head of Global IFRS9 ME Scenarios

[maarten.leen@ing.com](mailto:maarten.leen@ing.com)

**Maureen Schuller**

Head of Financials Sector Strategy

[Maureen.Schuller@ing.com](mailto:Maureen.Schuller@ing.com)

**Warren Patterson**

Head of Commodities Strategy

[Warren.Patterson@asia.ing.com](mailto:Warren.Patterson@asia.ing.com)

**Rafal Benecki**

Chief Economist, Poland

[rafal.benecki@ing.pl](mailto:rafal.benecki@ing.pl)

**Philippe Ledent**

Senior Economist, Belgium, Luxembourg

[philippe.ledent@ing.com](mailto:philippe.ledent@ing.com)

**Peter Virovacz**

Senior Economist, Hungary

[peter.virovacz@ing.com](mailto:peter.virovacz@ing.com)

**Inga Fechner**

Senior Economist, Germany, Global Trade

[inga.fechner@ing.de](mailto:inga.fechner@ing.de)

**Dimitry Fleming**

Senior Data Analyst, Netherlands

[Dimitry.Fleming@ing.com](mailto:Dimitry.Fleming@ing.com)

**Ciprian Dascalu**

Chief Economist, Romania

+40 31 406 8990

[ciprian.dascalu@ing.com](mailto:ciprian.dascalu@ing.com)

**Muhammet Mercan**

Chief Economist, Turkey

[muhammet.mercan@ingbank.com.tr](mailto:muhammet.mercan@ingbank.com.tr)

**Iris Pang**

Chief Economist, Greater China

[iris.pang@asia.ing.com](mailto:iris.pang@asia.ing.com)

**Sophie Freeman**

Writer, Group Research

+44 20 7767 6209

[Sophie.Freeman@uk.ing.com](mailto:Sophie.Freeman@uk.ing.com)

**Padhraic Garvey, CFA**

Regional Head of Research, Americas

[padhraic.garvey@ing.com](mailto:padhraic.garvey@ing.com)

**James Knightley**

Chief International Economist, US

[james.knightley@ing.com](mailto:james.knightley@ing.com)

**Tim Condon**

Asia Chief Economist

+65 6232-6020

**Martin van Vliet**

Senior Interest Rate Strategist

+31 20 563 8801

[martin.van.vliet@ing.com](mailto:martin.van.vliet@ing.com)

**Robert Carnell**

Regional Head of Research, Asia-Pacific

[robert.carnell@asia.ing.com](mailto:robert.carnell@asia.ing.com)

**Karol Pogorzelski**

Senior Economist, Poland

[Karol.Pogorzelski@ing.pl](mailto:Karol.Pogorzelski@ing.pl)

**Carsten Brzeski**

Global Head of Macro

[carsten.brzeski@ing.de](mailto:carsten.brzeski@ing.de)

**Viraj Patel**

Foreign Exchange Strategist

+44 20 7767 6405

[viraj.patel@ing.com](mailto:viraj.patel@ing.com)

**Owen Thomas**

Global Head of Editorial Content  
+44 (0) 207 767 5331  
[owen.thomas@ing.com](mailto:owen.thomas@ing.com)

**Bert Colijn**  
Chief Economist, Netherlands  
[bert.colijn@ing.com](mailto:bert.colijn@ing.com)

**Peter Vanden Houte**  
Chief Economist, Belgium, Luxembourg, Eurozone  
[peter.vandenhoute@ing.com](mailto:peter.vandenhoute@ing.com)

**Benjamin Schroeder**  
Senior Rates Strategist  
[benjamin.schroeder@ing.com](mailto:benjamin.schroeder@ing.com)

**Chris Turner**  
Global Head of Markets and Regional Head of Research for UK & CEE  
[chris.turner@ing.com](mailto:chris.turner@ing.com)

**Gustavo Rangel**  
Chief Economist, LATAM  
+1 646 424 6464  
[gustavo.rangel@ing.com](mailto:gustavo.rangel@ing.com)

**Carlo Cocuzzo**  
Economist, Digital Finance  
+44 20 7767 5306  
[carlo.cocuzzo@ing.com](mailto:carlo.cocuzzo@ing.com)