

One Belgian in three does not consider their own home energy efficient

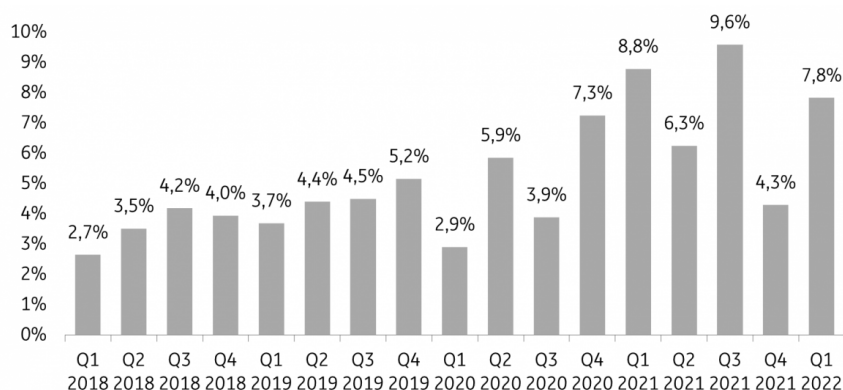
Property prices in Belgium are expected to rise by 5% in 2022 and 1% in 2023, less rapidly than inflation. An ING survey shows a great willingness among Belgians to invest in the energy efficiency of their homes in the next 12 months



Belgian real estate prices rose sharply again in the first quarter

The official figures from Statbel show that in the first three months of this year, real estate prices increased by +7.8% compared to the same period last year. The ING survey also shows that Belgians believe in a further rise in property prices next year. Although 66% think that current real estate prices are currently overvalued, only 6% think that house prices will fall in the next 12 months.

Year-on-year growth of real estate median prices in Belgium, by quarter



Source: Statbel, ING Research

Nevertheless, activity in the real estate market seems to have cooled down recently. The figures of the notary barometer, which are usually ahead of the official figures, showed a decrease in the number of transactions over the first half of the year (-1.8%). In June, activity was 12.7% lower than last year. Also, the number of Google searches on the three largest real estate search engines (Immoweb, Immovlan and Zimmo) during the first five months of this year was, on average, 15% lower than last year. In February it was more than a quarter lower.

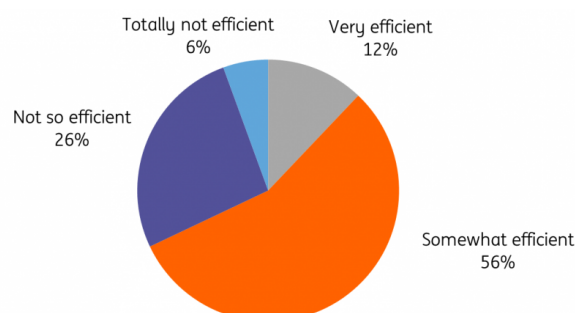
We expect real estate prices to grow by 5% in 2022 and 1% in 2023, with price growth unlikely to outpace inflation, turning real price growth negative. Although the number of transactions seems to be cooling, demand for real estate remains high. The number of households will continue to rise in the coming years. In addition, real disposable income is holding up well thanks to strong employment growth this year and the expected automatic wage indexation in 2023, which will support price growth. On the other hand, rising mortgage rates will put pressure on property prices. Mortgage rates have already climbed sharply this year and home loans are likely to become even more expensive in the coming months. In addition, the ongoing war in Ukraine and high inflation are creating uncertainty that may cause homebuyers to postpone their purchase decisions.

One in three think their own home is not energy efficient

A large part of the Belgian housing stock scores relatively low on energy efficiency. Some 32% consider their home 'not that efficient' or even 'not efficient at all', of which 28% are homeowners, and just over half are renters. For example, 80% of homeowners already have double glazing compared to 55% of renters. We see a similar pattern for other energy-saving investments.

Rental properties are less energy-efficient

Have you already invested in the following energy-saving items or are they already in place? (% of respondents)



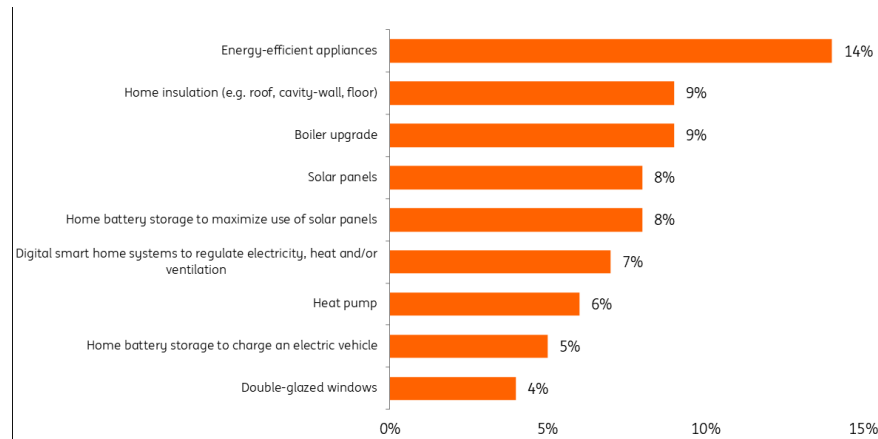
Source: ING Consumer Survey June 2022

Moreover, the survey shows that low incomes are extra vulnerable. Their homes score worse in terms of energy efficiency, and rising energy prices will cut into their budgets even more severely. The need to invest is high and many of these households no longer have the margin to do so. Since energy efficiency is becoming increasingly important when buying a home, these homes risk becoming extra vulnerable to a price correction and possibly losing part of their value.

Our survey also indicates that some Belgians plan to invest heavily in the energy efficiency of their homes in the coming year. The high cost of energy is a concern for many households and is prompting them to improve the energy efficiency of their homes in order to reduce their energy bills. The purchase of energy-efficient appliances, better insulation and a more economical boiler are the three most popular investments. Respectively 14, 9 and 9% of Belgians plan to invest in these in the coming year. The question remains whether the deteriorating economic prospects will overtake these intentions. It is striking that the willingness to invest among young people is more than twice as high and this is for all energy-saving measures included in the survey.

15% plan to buy more energy-efficient appliances in the coming year

Do you plan to invest in these things in the coming year? (% of respondents)



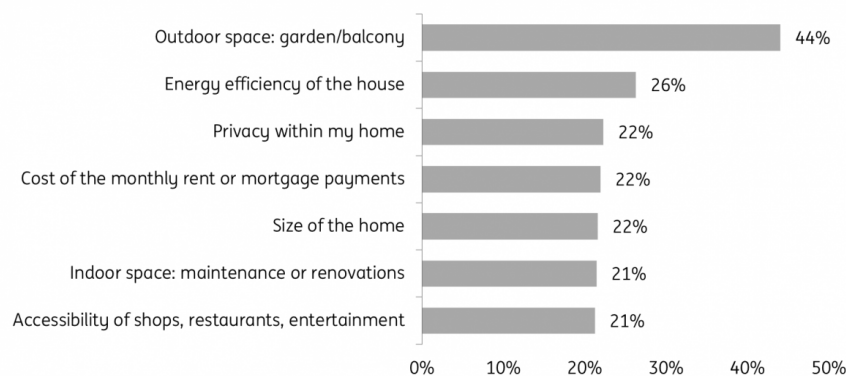
Source: ING Consumer Survey June 2022

Belgians want to live in larger and more energy-efficient homes

Since the start of the Covid pandemic, the housing preferences of Belgians have changed. The average Belgian wants to live in a bigger home, preferably with a private garden. Most Belgians (44%) ticked that outdoor space has become important, such as a garden or a terrace. Outdoor space has gained even more importance over the past year, as 'only' 35% indicated this a year ago. In addition to a larger home, the energy rating of the home is also becoming more important. For example, one in four finds that the energy efficiency of the home has become more important, which is considerably more than a year ago when 'only' 15% indicated this. If energy prices remain high, this number can be expected to increase even further. Some 22% of respondents also attach more importance to privacy and the cost of the monthly rent or mortgage.

Outdoor space and energy efficiency more important when buying a house

% of Belgians who think that a certain characteristic has become more important since the start of the corona crisis.



Source: ING Consumer Survey June 2022

Author

Amrita Naik Nimbalkar

Junior Economist, Global Macro

amrita.naik.nimbalkar@ing.com

Alissa Lefebvre

Economist

alissa.lefebvre@ing.com

Deepali Bhargava

Regional Head of Research, Asia-Pacific

Deepali.Bhargava@ing.com

Ruben Dewitte

Economist

+32495364780

ruben.dewitte@ing.com

Kinga Havasi

Economic research trainee

kinga.havasi@ing.com

Marten van Garderen

Consumer Economist, Netherlands

marten.van.garderen@ing.com

David Havrlant

Chief Economist, Czech Republic

420 770 321 486

david.havrlant@ing.com

Sander Burgers

Senior Economist, Dutch Housing

sander.burgers@ing.com

Lynn Song

Chief Economist, Greater China

lynn.song@asia.ing.com

Michiel Tukker

Senior European Rates Strategist

michiel.tukker@ing.com

Michal Rubaszek

Senior Economist, Poland

michal.rubaszek@ing.pl

This is a test author

Stefan Posea

Economist, Romania

tiberiu-stefan.posea@ing.com

Marine Leleux

Sector Strategist, Financials

marine.leleux2@ing.com

Jesse Norcross

Senior Sector Strategist, Real Estate

jesse.norcross@ing.com

Teise Stellema

Research Assistant, Energy Transition

teise.stellema@ing.com

Diederik Stadig

Sector Economist, TMT & Healthcare

diederik.stadig@ing.com

Diogo Gouveia

Sector Economist

diogo.duarte.vieira.de.gouveia@ing.com

Marine Leleux

Sector Strategist, Financials

marine.leleux2@ing.com

Ewa Manthey

Commodities Strategist

ewa.manthey@ing.com

ING Analysts

James Wilson

EM Sovereign Strategist

James.wilson@ing.com

Sophie Smith

Digital Editor

sophie.smith@ing.com

Frantisek Taborsky

EMEA FX & FI Strategist

frantisek.taborsky@ing.com

Adam Antoniak

Senior Economist, Poland

adam.antoniak@ing.pl

Min Joo Kang

Senior Economist, South Korea and Japan

min.joo.kang@asia.ing.com

Coco Zhang

ESG Research

coco.zhang@ing.com

Jan Frederik Slijkerman

Senior Sector Strategist, TMT

jan.frederik.slijkerman@ing.com

Katinka Jongkind

Senior Economist, Services and Leisure

Katinka.Jongkind@ing.com

Marina Le Blanc

Sector Strategist, Financials

Marina.Le.Blanc@ing.com

Samuel Abettan

Junior Economist

samuel.abettan@ing.com

Franziska Biehl

Senior Economist, Germany

Franziska.Marie.Biehl@ing.de

Rebecca Byrne

Senior Editor and Supervisory Analyst

rebecca.byrne@ing.com

Mirjam Bani

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

mirjam.bani@ing.com

Timothy Rahill

Credit Strategist

timothy.rahill@ing.com

Leszek Kasek

Senior Economist, Poland

leszek.kasek@ing.pl

Oleksiy Soroka, CFA

Senior High Yield Credit Strategist

oleksiy.soroka@ing.com

Antoine Bouvet

Head of European Rates Strategy

antoine.bouvet@ing.com

Jeroen van den Broek

Global Head of Sector Research

jeroen.van.den.broek@ing.com

Edse Dantuma

Senior Sector Economist, Industry and Healthcare

edse.dantuma@ing.com

Francesco Pesole

FX Strategist

francesco.pesole@ing.com

Rico Luman

Senior Sector Economist, Transport and Logistics

Rico.Luman@ing.com

Jurjen Witteveen

Sector Economist

jurjen.witteveen@ing.com

Dmitry Dolgin

Chief Economist, CIS

dmitry.dolgin@ing.de

Nicholas Mapa

Senior Economist, Philippines

nicholas.antonio.mapa@asia.ing.com

Egor Fedorov

Senior Credit Analyst

egor.fedorov@ing.com

Sebastian Franke

Consumer Economist

sebastian.franke@ing.de

Gerben Hieminga

Senior Sector Economist, Energy

gerben.hieminga@ing.com

Nadège Tillier

Head of Corporates Sector Strategy

nadege.tillier@ing.com

Charlotte de Montpellier

Senior Economist, France and Switzerland

charlotte.de.montpellier@ing.com

Laura Straeter

Behavioural Scientist

+31(0)611172684

laura.Straeter@ing.com

Valentin Tataru

Chief Economist, Romania

valentin.tataru@ing.com

James Smith

Developed Markets Economist, UK

james.smith@ing.com

Suvi Platerink Kosonen

Senior Sector Strategist, Financials

suvi.platerink-kosonen@ing.com

Thijs Geijer

Senior Sector Economist, Food & Agri

thijs.geijer@ing.com

Maurice van Sante

Senior Economist Construction & Team Lead Sectors

maurice.van.sante@ing.com

Marcel Klok

Senior Economist, Netherlands

marcel.klok@ing.com

Piotr Poplawski

Senior Economist, Poland

piotr.poplawski@ing.pl

Paolo Pizzoli

Senior Economist, Italy, Greece

paolo.pizzoli@ing.com

Marieke Blom

Chief Economist and Global Head of Research
marieke.blom@ing.com

Raoul Leering
Senior Macro Economist
raoul.leering@ing.com

Maarten Leen
Head of Global IFRS9 ME Scenarios
maarten.leen@ing.com

Maureen Schuller
Head of Financials Sector Strategy
Maureen.Schuller@ing.com

Warren Patterson
Head of Commodities Strategy
Warren.Patterson@asia.ing.com

Rafal Benecki
Chief Economist, Poland
rafal.benecki@ing.pl

Philippe Ledent
Senior Economist, Belgium, Luxembourg
philippe.ledent@ing.com

Peter Virovacz
Senior Economist, Hungary
peter.virovacz@ing.com

Inga Fechner
Senior Economist, Germany, Global Trade
inga.fechner@ing.de

Dimitry Fleming
Senior Data Analyst, Netherlands
Dimitry.Fleming@ing.com

Ciprian Dascalu
Chief Economist, Romania
+40 31 406 8990
ciprian.dascalu@ing.com

Muhammet Mercan
Chief Economist, Turkey
muhammet.mercan@ingbank.com.tr

Iris Pang

Chief Economist, Greater China

iris.pang@asia.ing.com

Sophie Freeman

Writer, Group Research

+44 20 7767 6209

Sophie.Freeman@uk.ing.com

Padhraic Garvey, CFA

Regional Head of Research, Americas

padhraic.garvey@ing.com

James Knightley

Chief International Economist, US

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

Karol Pogorzelski

Senior Economist, Poland

Karol.Pogorzelski@ing.pl

Carsten Brzeski

Global Head of Macro

carsten.brzeski@ing.de

Viraj Patel

Foreign Exchange Strategist

+44 20 7767 6405

viraj.patel@ing.com

Owen Thomas

Global Head of Editorial Content

+44 (0) 207 767 5331

owen.thomas@ing.com

Bert Colijn

Chief Economist, Netherlands

bert.colijn@ing.com

Peter Vanden Houte

Chief Economist, Belgium, Luxembourg, Eurozone

peter.vandenhoute@ing.com

Benjamin Schroeder

Senior Rates Strategist

benjamin.schroeder@ing.com

Chris Turner

Global Head of Markets and Regional Head of Research for UK & CEE

chris.turner@ing.com

Gustavo Rangel

Chief Economist, LATAM

+1 646 424 6464

gustavo.rangel@ing.com

Carlo Cocuzzo

Economist, Digital Finance

+44 20 7767 5306

carlo.cocuzzo@ing.com