

Priority given to travelling as savers face escalating property prices

Just over half of people prioritise saving to travel than buying a house, according to ING's recent Homes and Mortgages International survey



Right now, are you placing more effort towards saving to buy a new home, or saving to travel? This is the question we asked more than 15,000 people around the globe. The results indicate that savings priorities are shifting to reflect perceptions of a housing market that is increasingly becoming perceived to be inaccessible and unaffordable.

Across Europe, slightly more than half (54%) of people say travelling is more important to them right now. A third (38%) say saving for a new home is their top priority. The remainder say this question isn't relevant to them.

As we might expect, responses vary a little based on people's living situation. i.e. whether they own, with or without a mortgage, rent, or live with friends and family rent-free. But not drastically.

Unsurprisingly, home owners, particularly those who have already paid off their mortgage, are more likely to be prioritising saving to travel. But travel remains a popular choice across all living situations. Only half (49%) of those living rent-free with friends and family, and who may have kinder circumstances in which to save for a home, say buying a house of their own is more

important than travelling right now. Forty-six percent say travel takes precedence.

Similarly, responses vary slightly with age, but not dramatically. Older people, who are more likely to own, are also more likely to say they are saving to travel. But among 25-34-year olds, just half (52%) say saving for a home is most important, while 46% choose travelling. This is the only age bracket to have more than half of people say saving for a home is their top priority. Travel is important to many people across all ages.

[Read the full report here](#)

Flights of fancy

The cost of airfares has decreased in recent years, making travel an attractive option. [The Economist reports](#) multiple reasons are at play. The cost of jet fuel has decreased, competition in the long-haul flight market has heightened with the expansion of 'budget' airlines and new players benefiting from subsidisation in their local markets, all contribute.

In an environment where the cost of jumping on a plane is relatively small, it's not necessarily surprising that travel is a popular choice, particularly given the alternative option of buying a house is considered increasingly expensive.

While travel was the most popular option over saving for a house, responses suggest people are juggling multiple financial goals

Yet, we didn't only ask about travel. We also asked people whether they were prioritising saving for a home over repaying education expenses, renting conveniently, starting a family and participating in fun hobbies. And we see similar trends. While travel was the most popular option over saving for a house, responses suggest people are juggling multiple financial goals. Life expenses such as these factor into people's financial planning.

To buy or not to buy

Whereas once, building funds towards buying a house may have been perceived to be a key reason to save, today's environment of escalating property prices, uncertainty surrounding interest rates, relatively low salary rises and increasing levels of personal debt, means this has become harder still for a significant number. House prices rose [4.2%](#) in the second quarter of 2019 across Europe, whereas wage and salaries saw only a [3.2%](#) jump.

And the perception of an inaccessible housing market is a trend we have seen across many years. This year, 70% agree it is increasingly difficult for first-home buyers to get a foot on the property ladder, even though the same number agree that it is better, from a financial point of view, to own than to rent. This could be driven by the 63% who expect prices to further increase in the next 12 months. Which would be a very good thing for current owners, but a further challenge for those saving up their deposit.

But most people haven't stopped wanting to buy a home. Even though 38% of renters who have

never owned now say they don't expect to be able to buy, just 16% say they don't want to be a home-owner.

Buying a property is not only a financial decision. Those who already own are much more likely to say their reasons for purchase stem from an emotional or personal goal. The most popular responses being that they wanted to live in a place they owned and that they saw it as important to building a family environment. Return on investment is a reason for relatively few.

In an environment where houses are expensive, but most people still want to buy them, we are seeing that many expect they will need more time to save a deposit. For example, 27% of 25-34-year olds say they expect they will be over 35 before buying. They are therefore buying later in life and incurring additional financial obligations and opportunities along the way. Responses to our survey suggest many are now juggling multiple financial priorities, with housing just one. And that this is part of a broader shift in spending and saving activities.

How we save for a house reflects the view that the market is expensive and inaccessible.

Author

Alissa Lefebre

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