

## EUROPEANS SHY AWAY FROM THE HIGH COSTS OF GREENER HOUSING

- 55 percent in Europe agree they could do more to make their homes greener. Of this group, 47 percent say lack of funds is a problem
- 82 percent in Europe say government subsidies on energy-efficient appliances for their homes would be “useful”
- Affordability requirements trump those of sustainability

### Environmental costs take a backseat to affordability

Affordability is the key hurdle preventing people in Europe from reducing the environmental impact of living in their homes, according to the latest ING International Survey.

The survey canvasses the views of nearly 15,000 people across 13 countries in Europe as well as the USA and Australia.

70 percent in Europe say they “try to keep the environmental impact of their home low.”

However, more than half (55 percent) of European respondents believe they could do more to reduce their homes’ environmental impact - and of that share, 47 percent say lack of funds is the key reason they do not.

Italy (56 percent), Romania (56 percent) and France (55 percent), were the countries with the largest shares of people citing “lack of funds”.

Across Europe, the next most cited reasons for those who admit they could do more to reduce the environmental impact of their homes are a lack of knowledge (26 percent), and the notion that they already do enough (18 percent). The fact that one in four Europeans are not sure how they can increase the environmental efficiency of their homes points to a strong need for environmental education across the continent.

**Jessica Exton, Behavioural Scientist at ING, commented:** *“The ING International Survey often highlights stark contrasts in attitudes towards personal finance across cultures and locations – it is therefore striking to see that all 15 countries surveyed agree that affordability is the number one issue that prevents them from doing more to reduce the environmental impact of their homes.”*

### How do European countries compare?

Austria and Germany, notably, have relatively better attitudes towards sustainable housing today, placing them in first and second place respectively, compared to their 15 peers. However, they do not appear willing to further improve the environmental impact of their homes in the future (with attitude rankings at 10<sup>th</sup> and 12<sup>th</sup> place).

This is according to the Greener Housing Index developed by Maria Ferreira Sequeda, Senior Economist at ING. It uses the data from the IIS Housing and Mortgages 2018 survey to rank countries relative to their peers on their attitudes towards greener housing, both now and in the future. Detail on the Greener Housing Index including methodology is at the end of this press release.

Belgium and France conversely have significantly worse attitudes towards green housing at present (11<sup>th</sup> and 8<sup>th</sup> place) and are also not willing to improve this in future, where they rank 13<sup>th</sup> and 7<sup>th</sup> place amongst their European peers.

Spain, Poland and Italy, like Belgium and France, currently have worse attitudes towards green housing (12<sup>th</sup>, 13<sup>th</sup> and 9<sup>th</sup> respectively), but are willing to improve these, with future attitudes accordingly ranked at 3<sup>rd</sup>, 4<sup>th</sup> and 5<sup>th</sup> place.

**Maria Ferreira Sequeda, Senior Economist at ING, commented:** *Current attitudes towards sustainable housing, reflective of people's awareness and efforts to reduce their environmental impact, do not necessarily predict future attitudes. While Austria and Germany lead the group in terms of current attitudes, they are both below average regarding future efforts to go green. This might be because people in these countries are satisfied enough with their current efforts, have already reached a high level of sustainability awareness, or simply expect others to take more initiative in the future.*

### Searching for a new home

When looking for a new home, only half of respondents in Europe enquired about any energy efficient features in the home (53 percent) and only slightly more than that about the age of the property (58 percent).

Notably, two thirds of those enquiring about the age, energy efficiency and other features of the house did so only to ensure they could afford the associated bills. The Czech Republic (86 percent) and the UK (81 percent) were most likely to cite this reason.

Interestingly, only 28 percent in Europe said their main reason for asking was to understand the environmental impact of the house.

### "I might go green – if someone else helps me pay"

The survey also found that eight in ten (82 percent) Europeans would find it useful if the government subsidised the purchase of energy-efficient appliances for their homes, with a further 80 percent agreeing that it would be helpful for their local government to pay half towards the cost of installing solar panels in their home.

**Exton commented:** *"Going green is considered an expensive hobby so it comes as no surprise that people are positive about receiving help to do so. Reducing the up-front costs of long-term investments such as solar panel installation can make them feel more achievable and reduce short-term financial hurdles. For investments that pay off in years to come, financial support can also alleviate any delay in returns, making action more attractive even for those who may not stay in the same property for their whole life. If money and energy can be saved quickly, we are more likely to pay an upfront cost".*

**Sandra Schoonhoven, Global Head of Sustainability Programmes at ING, commented:** *"Sustainable housing not only contributes to a low-carbon society but can help make the everyday budget sustainable, for example by helping people to save money on their energy bills. It is the initial upfront cost of going green however that many see as a barrier to doing more for the environment. ING's survey findings should therefore encourage businesses to invest in true sustainability initiatives that benefit everyone."*

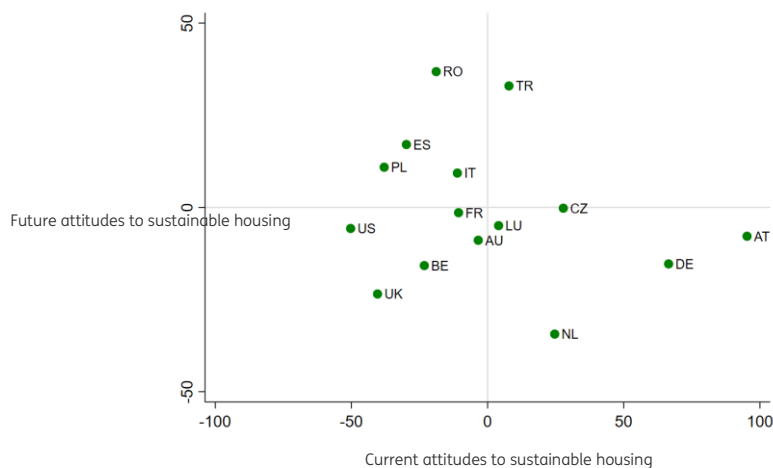
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### About the Greener Housing Index

The index was constructed for approx. 15,000 individuals surveyed in 15 countries, based on the IIS Housing and Mortgages data 2018. The standardised index ranges from -100 to 100, where 0 is the average for all countries, 100 the positive attitudes maximum and -100 the negative attitudes minimum.

The higher the value of the index, the greener the attitudes toward housing in the country are in comparison with people living in other countries.

### ING Greener Housing Index



The scores are based on equally weighted responses to the factors explored in the survey. Most questions were asked to be answered in a 5-point Likert scale (from 1-Strongly disagree to 5-Strongly agree). This measure allows to differentiate the extent to which individuals differ in their attitudes. These measures are more precise to distinguish peoples' attitudes than Yes/No questions.

Along the X-axis, we have current attitudes based on what people report to have done or to be doing now, defined as:

- Their homes have a low impact on the environment because people consciously reduce their daily environmental impact e.g. separating waste, have made changes to their home e.g. installing water-saving shower heads or the house is relatively new.
- People checked and considered information about the environmental impact of housing when they were looking for their current residential home either to buy it or rent it (e.g. energy and water levels, energy efficiency characteristics, renovations, etc.).

Along the Y-axis, we have a score representing future attitudes, based on what people report they are willing to do in the future. The score is formulated using the following responses:

- People who agree that when working together, we can reduce our impact on the environment.
- People who indicate that their efforts to reduce the environmental impact of living in their homes will have a significant overall positive effect in the environment.
- People who agree there is more they could do to reduce the environmental impact on living in their homes.
- If people were looking to buy or rent a new home today, a house with an energy efficient design and low energy costs would be one of the three most important factors they would use to make their decision.
- People who indicate they would be willing to travel X amount of extra time from home to work or school if they could improve the energy efficiency of their homes.
- People who would find it "useful" if governments would help them reduce the environmental impact of living in their homes by: offering to pay half of the cost of solar panels in their residence, giving every house a shower timer, increasing the number of recycling bins with clear instructions in each home, or subsidising the purchase of energy efficiency home appliances.

- People who indicate they would be willing to contribute X portion of their take-home pay to the government benefits they previously described as “useful”.

### **About the research**

The ING International Survey Homes and Mortgages 2018 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 between 6 June and 18 June 2018. The full report is available at [www.ezonomics.com/iis](http://www.ezonomics.com/iis) and [www.slideshare.net/ING](http://www.slideshare.net/ING)

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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Sustainability forms an integral part of ING's strategy, which is evidenced by the number one position among 395 banks ranked by Sustainalytics. ING Group shares are being included in the FTSE4Good index and in the Dow Jones Sustainability Index (Europe and World) where ING is among the leaders in the Banks industry group.

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