

## **Hope Arises as European and American Homeowners Expect the Value of Their Property to Increase**

*FT/Harris Poll Shows Housing Crisis Not Limited to the United States*

**ROCHESTER, N.Y. – July 23, 2008** – The impact of the housing crisis is definitely not confined to just one country, and all across the world there are mixed feelings on the role of government in addressing this issue. However, amid the gloom, there is a sense of hope:

- Majorities of adults who own their primary residence in Germany (65%), France (60%), Italy (55%), the U.S. (54%) and Spain (51%) all expect the price of their residence to remain the same one year from now. Homeowners in Great Britain are split – 43 percent expect it to remain the same while 42 percent expect it to decrease;
- Two-thirds of American homeowners (68%) as well as majorities of home owners in Italy (64%), Spain (57%), and Great Britain (56%) and 45 percent of homeowners in France all expect the value of their home to increase five years from now. Germans are a bit more pessimistic as almost half of homeowners there (48%) say they expect it to remain the same;

Additional results of a **Financial Times/Harris Poll** conducted online by Harris Interactive® among a total of 6,220 adults (aged 16-64) within France, Germany, Great Britain, Spain and the United States and adults (aged 18-64) in Italy between July 2 and 14, 2008 found that:

- Majorities of those who rent their primary residence in France (61%), Great Britain (56%) and Spain (54%) say they expect the amount they pay to increase one year from now. Majorities of renters in Germany (70%), the U.S. (62%) and Italy (52%) expect their rent payments to remain the same one year from now;
- Majorities in France (67%), Germany (62%), the U.S. (61%), Great Britain (55%) and Italy (55%) all say they are not at all concerned they might lose their residence because they are not able to make their mortgage or rent payments. Adults in Spain are a bit more concerned as 39 percent say they are not at all concerned while 33 percent say they are somewhat concerned; and,
- Majorities in Italy (72%), Spain (59%) and France (58%) say the government should have a lot of involvement to support the property market through initiatives such as cutting property related taxes or subsidizing mortgage rates. Majorities in the U.S. (58%), Great Britain (51%) and just under half of adults in Germany (49%) say the government should have some involvement.

There are also different ways to look at property – either as primarily a residence or an investment property.

- Strong majorities in the six countries (from 73% in Italy to 90% in Great Britain) say they regard property primarily as a place to live;
- Majorities in Great Britain (76%), Spain (69%), Germany (67%), the U.S. (64%), and France (55%) as well as just under half of adults in Italy (49%) say they are not at all likely to consider buying investment property either in their own country or abroad;
- Among those who are considering the purchase of investment property and are not currently retired, there are mixed feelings on whether that investment would be part of their retirement plans. A majority of these adults in France (55%), just under half of adults in Great Britain (49%) and Italy (48%) and a plurality of adults in the U.S. (44%) say it is no part of their plan for retirement. Majorities of adults in Germany (56%) and Spain (55%) say it is part of their retirement plan.

### So What?

The housing and economic crisis is not relegated to just one country and it is slightly comforting that such high numbers are not at all concerned that they might lose their residence. However, one in ten owners and renters in Spain (10%) and Italy (9%) are extremely concerned and between 12 percent (France) and 27 percent (Spain) of adults in all 6 countries are at least fairly concerned they might lose their home. And, people are expecting their government to do something – but will it be enough and in time?

**TABLE 1**  
**PRICE OF PRIMARY RESIDENCE IN NEXT 12 MONTHS**

“Thinking to the next 12 months, do you expect the price of your primary residence...?”

Base: All EU adults in five countries and U.S. adults who own their primary residence

	Great Britain	France	Italy	Spain	Germany	United States
	%	%	%	%	%	%
To increase	15	24	40	25	23	28
To remain the same as it is today	43	60	55	51	65	54
To decrease	42	16	5	24	13	18

Note: Percentages may not add up to 100% due to rounding

**TABLE 2**  
**PRICE OF PRIMARY RESIDENCE IN NEXT 5 YEARS**

“Thinking to the next 5 years, do you expect the price of your primary residence...?”

Base: All EU adults in five countries and U.S. adults who own their primary residence

	Great Britain	France	Italy	Spain	Germany	United States
	%	%	%	%	%	%
To increase	56	45	64	57	40	68
To remain the same as it is today	25	41	26	30	48	25
To decrease	20	14	10	13	12	8

Note: Percentages may not add up to 100% due to rounding

**TABLE 3**  
**RENT PAYMENTS 12 MONTHS FROM NOW**

“You say that your currently rent (or lease) your primary residence. Thinking to the next 12 months, do you expect the amount you pay...?”

Base: All EU adults in five countries and U.S. adults who are renting

	Great Britain	France	Italy	Spain	Germany	United States
	%	%	%	%	%	%
To increase	56	61	48	54	29	35
To remain the same as it is today	41	38	52	44	70	62
To decrease	3	1	*	2	2	3

Note: Percentages may not add up to 100% due to rounding

Note: \* indicates less than 0.5%

**TABLE 4**  
**CONCERN OVER PAYING RENT OR MORTGAGE**

“Thinking to the next 12 months, how concerned are you that you might lose your primary residence because you may not meet your [rent/mortgage] payments?”

Base: All EU adults in five countries and U.S. adults who have a mortgage or are renting

	Great Britain	France	Italy	Spain	Germany	United States
	%	%	%	%	%	%
Extremely concerned	4	2	9	10	4	4
Very concerned	4	2	2	5	3	5
Fairly concerned	11	8	10	12	7	7
Somewhat concerned	26	20	24	33	24	23
Not at all concerned	55	67	55	39	62	61

Note: Percentages may not add up to 100% due to rounding

**TABLE 5**  
**GOVERNMENT INVOLVEMENT IN SUPPORTING PROPERTY MARKET**

“How much involvement should the government of {the UK, France, Italy, Spain, Germany, the U.S.} have to support the property market in [the U.K, France, Italy, Spain, Germany, the U.S.] through initiatives such as cutting property related taxes or subsidizing mortgage rates?”

Base: All EU adults in five countries and U.S. adults

	Great Britain	France	Italy	Spain	Germany	United States
	%	%	%	%	%	%
The government should have a lot of involvement	33	58	72	59	28	17
The government should have some involvement	51	32	21	31	49	58
The government should have no involvement whatsoever	16	11	6	10	24	25

Note: Percentages may not add up to 100% due to rounding

**TABLE 6  
THOUGHTS ON PROPERTY**

“Which of the following statements do you most agree with?”

Base: All EU adults in five countries and U.S. adults

	Great Britain	France	Italy	Spain	Germany	United States
	%	%	%	%	%	%
I regard property (e.g. a home, land) primarily as a place to live	90	77	73	83	89	75
I regard property (e.g. a home, land) primarily as an investment	10	23	27	17	11	25

Note: Percentages may not add up to 100% due to rounding

**TABLE 7  
BUYING INVESTMENT PROPERTY**

“At present, how likely are you to consider buying property (e.g. a home, land) in [the UK, France, Italy, Spain, Germany, the U.S] or abroad as an investment?”

Base: All EU adults in five countries and U.S. adults

	Great Britain	France	Italy	Spain	Germany	United States
	%	%	%	%	%	%
Completely likely	1	6	3	1	6	3
Very likely	2	8	8	3	3	5
Fairly likely	7	14	16	6	4	8
Somewhat likely	14	17	25	21	20	20
Not at all likely	76	55	49	69	67	64

Note: Percentages may not add up to 100% due to rounding

**TABLE 8  
PROPERTY AS PART OF RETIREMENT PLAN**

“Would this property investment in [the UK, France, Italy, Spain, Germany, the U.S.] or abroad be a part of your plan for retirement?”

Base: All EU adults in five countries and U.S. adults who are at least likely to consider buying property as an investment and are not retired

	Great Britain	France	Italy	Spain	Germany	United States
	%	%	%	%	%	%
Yes, entire part of my retirement plan	13	3	5	8	18	13
Yes, less than entire part of my retirement plan	38	42	47	55	56	42
No part of my retirement plan	49	55	48	37	26	44

Note: Percentages may not add up to 100% due to rounding

**Methodology**

This **FT/Harris Poll** was conducted online by Harris Interactive among a total of 6,220 adults (aged 16-64) within France (1,073), Germany (992), Great Britain (1,075), Spain (1,014), and the United States (1,053), and adults (aged 18-64) in Italy (1,013) between 2 and 14 July 2008. Figures for age, sex, education, region and Internet usage were weighted where necessary to bring them into line with their actual proportions in the population. Propensity score weighting was used to adjust for respondents' propensity to be online.

**The Harris Poll® #78, July 23, 2008**

By Regina A. Corso, Director, *The Harris Poll*, Harris Interactive.

All sample surveys and polls, whether or not they use probability sampling, are subject to multiple sources of error which are most often not possible to quantify or estimate, including sampling error, coverage error, error associated with nonresponse, error associated with question wording and response options, and post-survey weighting and adjustments. Therefore, Harris Interactive avoids the words “margin of error” as they are misleading. All that can be calculated are different possible sampling errors with different probabilities for pure, unweighted, random samples with 100% response rates. These are only theoretical because no published polls come close to this ideal.

Respondents for this survey were selected from among those who have agreed to participate in Harris Interactive surveys. The data have been weighted to reflect the composition of the adult populations of the respective countries. Because the sample is based on those who agreed to participate in the Harris Interactive panel, no estimates of theoretical sampling error can be calculated.

***These statements conform to the principles of disclosure of the National Council on Public Polls and of the British Polling Council.***

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