



Press Release

Housing costs will be most people's biggest ongoing expenditure

- 50% of people in Ireland believe that paying a mortgage or rent will be the biggest cost over their lifetime
- Women are almost twice as likely to cite the cost of raising children as the biggest ongoing expense

As inflation in Ireland surges past levels not seen in 21 years¹, the increasing cost of living is at the forefront of people's minds. While the Consumer Price Index (CPI) tracks day-to-day price expenses, leading protection provider Royal London Ireland commissioned a survey aimed at understanding people's long-term and ongoing expenses. The survey, conducted by iReach with 1,000 people nationwide, found that 50% of people believe the cost of housing will be their biggest ongoing expenditure over the course of their lifetime. Just under one third (31%) said it's likely to be their mortgage repayments and nearly a fifth (19%) said their rent payments.

Outside of the cost of housing, survey respondents said raising children was the next highest ongoing expense (15%) - particularly among 35-44-year-olds (20%). This was followed by the ongoing costs of paying utility bills like gas, electricity and broadband (12%). 9% said that financial products, including saving for their pension and paying for protection products like life, car and home insurance would be their biggest ongoing expenditure over the course of their life.

Karen Gallagher, Interim Head of Proposition at Royal London Ireland commented on the survey findings by saying,

"With rent and house prices in Ireland on the rise, it's not surprising that half of the people we surveyed believe the cost of housing will be their biggest ongoing expense during their lifetime. With the average asking price of a home nationwide now €295,000 - up 12.3%² on

2021, it's understandable that the ongoing cost of housing, as well as the initial affordability of purchasing a property, are key issues for the Irish public.

“The cost of raising children is considered by 15% of people to be their biggest ongoing expense over the course of their life. This is a cost that fluctuates as the years go by, and as it depends on lots of variable factors, it can be hard to estimate just how much it will add up to in total. 12% of people surveyed believe utility bills, like gas, electricity and broadband will be their biggest ongoing expense, and with fuel prices soaring it's understandable why.”

The Royal London Ireland survey found women (20%) were almost twice as likely as men (11%) to cite the cost of raising children as the biggest ongoing expenditure in their lifetime. People in the 35-44-year age bracket were more likely than any other age group to select the cost of having a family - 20% versus the national average of 15%.

The Big Spend

The Royal London Ireland survey revealed that the highest percentage of respondents who stated that their mortgage repayments were the biggest ongoing expense lived in Dublin (37%), with the lowest percentage living in Connaught and Ulster (26%). Similarly, the largest share of respondents who said that rent was their highest ongoing cost were based in Dublin (24%). Interestingly, the cost of renting seemed to be least concerning for renters based in the rest of Leinster, at 13% compared to the national average of 19%. The survey revealed that those aged between 35-54-years are the most likely to say mortgage repayments will be their biggest long-term expense (40%).

Ms Gallagher commented,

“Given the increasing age of first-time-buyers, it's unsurprising that mortgage payments are of most concern to the 35-54 age cohort. According to recent CSO figures³, the median age of joint mortgage holders without children is 36. When it comes to rent, our survey results found that 35% of adults aged 25-34 and 39% aged 18-24 believe rent will be their biggest ongoing expenditure in their lifetime. That's almost twice the national average of 19%, which perhaps indicates that quite a few people aged under 35 don't see themselves ever buying a property in the future and may believe they will be renting long-term.

“While you will make provisions for the ongoing expenditure that you will be responsible for during your lifetime - for example the cost of paying your mortgage or rent, and the cost of raising children - it's important to also have a financial safety net in place so you or

your loved ones can continue to meet these costs should you fall ill or pass away. A Financial Broker can help you plan for the future and put the most suitable financial protection for your particular needs in place.”

ENDS

Notes to the Editor:

About Royal London Ireland:

Royal London Ireland has a history of protecting our policyholders and their families for over 190 years in Ireland, and we're committed to continue to do so for a long time to come. Today we are owned by The Royal London Mutual Insurance Society Limited – the largest mutual life insurance, pensions and investment company in the UK, with assets under management of €195 billion, 8.8 million policies in force and 4,267 employees. Figures quoted are as at 31 December 2021.

Royal London Ireland's office is based at 47-49 St Stephen's Green, Dublin 2.

Sources:

¹ Irish Times, Inflation jumps to 22-year high of 6.7% in March, April 2022 - <https://www.irishtimes.com/business/economy/inflation-jumps-to-22-year-high-of-6-7-in-march-1.4847052?mode=sample&auth-failed=1&pw-origin=https%3A%2F%2Fwww.irishtimes.com%2Fbusiness%2Feconomy%2Finflation-jumps-to-22-year-high-of-6-7-in-march-1.4847052>

² Myhome.ie - Property Report, 2022, Q1 - <https://www.myhome.ie/reports/2022/Q1>

³ CSO, Characteristics of Residential Property Purchasers 2010-2019, June 2021 <https://www.cso.ie/en/releasesandpublications/fp/fp-cropp/characteristicsofresidentialpropertypurchasers2010-2019/ageofpurchasers/>

Appendix:

Over the course of your life, what do you think will be your biggest ongoing expenditure?

	What gender are you?			Age									Socio-Economic Status	
	All Adults	Male	Female	18-24	25-34	35-44	45-54	55+	Dublin	Rest of Leinster	Munster	Connacht + Ulster	ABC1	C2DE
Mortgage repayments	31 %	30 %	31 %	23 %	22 %	40 %	38 %	29 %	37 %	29 %	30 %	26 %	42 %	22 %
Rent	19 %	21 %	17 %	39 %	35 %	17 %	16 %	7 %	24 %	13 %	17 %	21 %	11 %	21 %
Cost of raising children	15 %	11 %	20 %	14 %	10 %	20 %	17 %	16 %	12 %	16 %	17 %	17 %	16 %	16 %
Travel	1 %	1 %	0 %	0 %	0 %	1 %	1 %	0 %	1 %	0 %	0 %	1 %	1 %	0 %
Financial products like pension saving, life, car and home general insurance, banking etc.	9 %	10 %	8 %	8 %	8 %	4 %	5 %	14 %	5 %	14 %	6 %	14 %	9 %	9 %
Car loan/purchase and maintenance	3 %	4 %	2 %	3 %	5 %	3 %	3 %	3 %	3 %	4 %	4 %	2 %	4 %	3 %
Food	6 %	7 %	5 %	11 %	6 %	3 %	5 %	6 %	3 %	8 %	8 %	4 %	6 %	6 %
Medical bills	4 %	3 %	4 %	0 %	1 %	2 %	3 %	8 %	3 %	3 %	5 %	4 %	2 %	5 %
Utility bills (gas / electric / broadband etc.)	12 %	12 %	13 %	2 %	12 %	10 %	13 %	17 %	11 %	13 %	13 %	13 %	9 %	17 %

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