

Gipuzkoa is the most expensive province for young people who want to buy or rent housing on their own

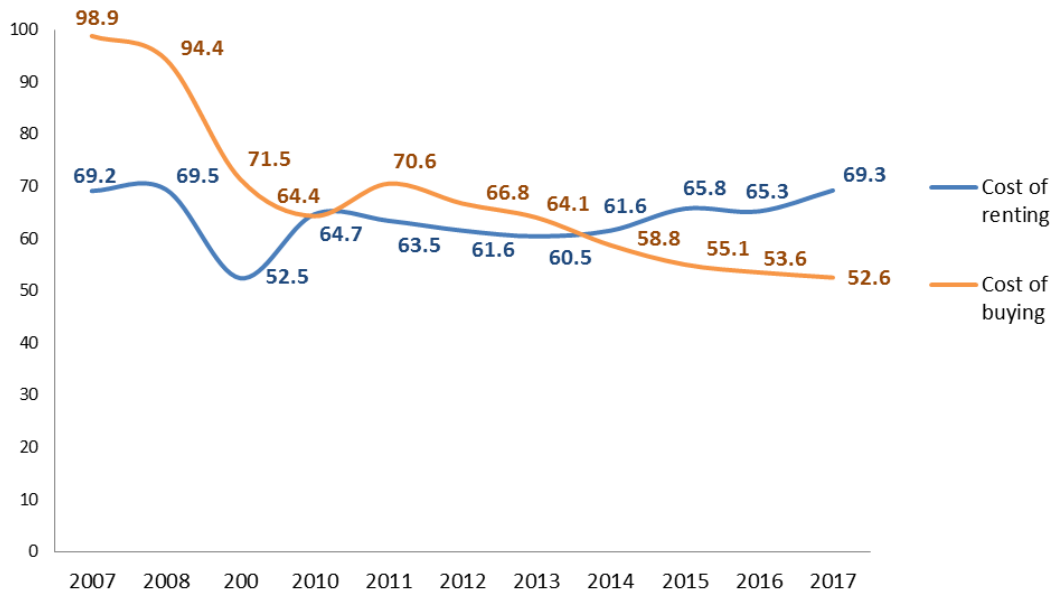
The Basque Youth Observatory has recently published a report titled '[The Cost of Residential Independence in the Basque Country 2017](#)'. This report calculates the theoretical cost young workers aged 18 to 34 have to face if they want to achieve residential independence by themselves by either buying or renting property.

The report compares the average salaries of young people in 18-34 age group with the average sales prices of housing in each of the Basque provinces, the average interest rates on mortgages, and the average term of these loans if they decide to buy a property, or the average rental price, if they decide to rent. This is a theoretical estimate as we are speaking of average values, regardless of the specificities of each case regarding salary, housing prices, terms of the mortgage if it exists, etc.

In 2017 (last available data), the cost of acquiring a house on the free market in the Basque Country for a young wage earner aged 18 to 34 accounted for 52.6% of his/her net monthly salary if he or she wanted to buy it by himself or herself; i.e., he or she had to dedicate 52.6% of the net monthly salary to pay the first fee of a mortgage taken out to buy that house. The cost of acquiring a house on the free market is continuously falling since 2007, due to the reduction in housing sales prices and interest rates.

On the other hand, the cost of renting a property in the Basque Country for a young salaried person aged 18 to 34, who wants to leave home alone, would account for 69.3% of his or her net monthly salary. In recent years the cost of renting has been increasing and in 2017 the cost a young person must bear is similar to those registered in 2007 and 2008. In addition, since 2014 the cost of renting is higher than the cost of buying a property on the free market and, as the cost of renting is increasing and the cost of buying is falling, the difference between both options increasing (in 2017 is about 17 points).

**Evolution of the cost of buying and renting a house in the free market
among young wage earners aged 18 to 34 in the Basque Country
(% of their net monthly salary)**



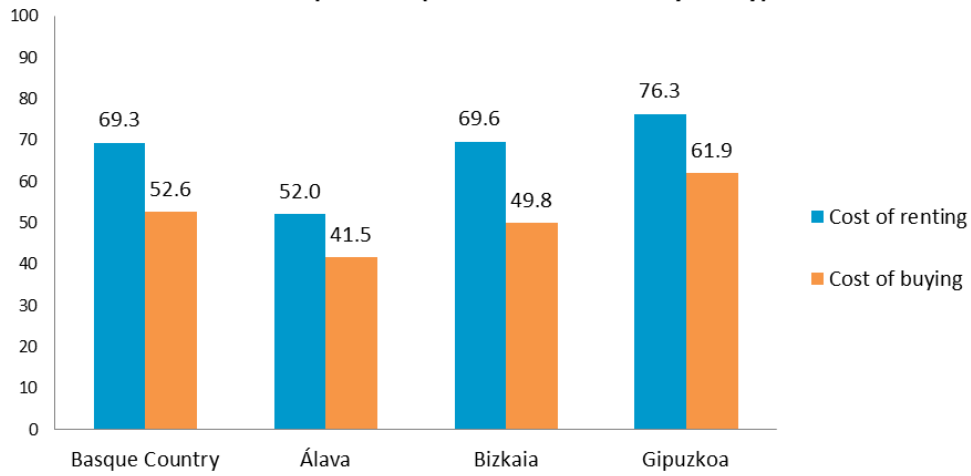
Source: Basque Youth Observatory (*The Cost of Residential Independence in the Basque Country 2017*)

By province, we find that, in 2017, young wage earners in Gipuzkoa under the age of 35 had to dedicate 61.9% of their net monthly income to pay the first fee of a mortgage taken out to buy housing on the free market. The cost that the youth of Gipuzkoa must face is higher than the cost young people in Bizkaia have to assume (49.8%) and, especially, than the cost the youth of Álava have to face (41.5%)

When renting a property, once again, young people in Gipuzkoa have to face the highest cost (they have to dedicate 76.3% of their net monthly salary to pay the rent); followed by youths in Bizkaia, who have to dedicate 69.6%. Finally, young people in Álava should dedicate 52.0% of their salary if they wanted to achieve residential independence on their own by renting housing on the free market.

As we can see, in 2017 in the three provinces renting involves higher costs than paying a mortgage.

The cost of buying and renting a house in the free market among young wage earners aged 18 to 34 in the Basque Country in 2017, based on province (% of their net monthly salary)



Source: Basque Youth Observatory (*The Cost of Residential Independence in the Basque Country 2017*)

These differences between provinces are due to the differences in the purchase and rental prices of housing and not to differences in average wages, which are similar in the three provinces.

These data and many more can be found in the complete study that is available on [the Basque Youth Observatory's website](#).