



## The Basque Youth Observatory has published a report titled “The Cost of Residential Independence in the Basque Country 2019”

This new report in the series looks at how much it costs, theoretically, for a young wage earner aged 18-34 to become independent, either by buying or renting a home.

To this end, we calculate twelve indicators that reflect the theoretical cost of buying or renting non-subsidised and subsidised housing. This is a theoretical cost because it is based on the average prices of homes for sale or rent, the average wages of young people, and the standard conditions of mortgage loans; therefore, ignoring individual cases.

The data, and their evolution, have been presented for the Basque Country as a whole and for each of its provinces. They are also broken down by sex and age group.

The results of the report show that the cost of buying non-subsidised housing, i.e. the percentage of the net monthly salary that a wage earner aged 18 to 34 would have to spend on the first monthly mortgage payment to buy a house on the open market, would be 55.1% in 2019.

The cost of renting non-subsidised housing, i.e. the percentage of the net monthly salary that a young wage earner would have to spend on rent would be 50.4% in the same year.

These figures exceed the recommended maximum debt limit, which is usually set at 30% of a person’s salary.

Subsidised housing, on the other hand, is much more affordable for young wage earners. In 2019, buying subsidised housing on their own implied spending 30.7% of the net monthly salary on the mortgage payment, while renting a subsidised flat was more affordable as only 25.3% of the net salary would have to be dedicated to the monthly rental payment. These options allow young people to become independent without the risk of incurring excessive debt.