

Happy Home

# To Have or To Be in Housing

The Well-Being of Polish Residents at the Intersection  
of Finances and Living Spaces



otodam



Otodom is the most popular real estate platform in Poland, according to the cyclical independent Mediapanel Gemius study. Every month, over 4.8 million real users visit our site (according to data from December 2024) to browse and post listings for the sale and rental of properties such as apartments, houses, developer investments, and offices. In addition to an extensive database of listings, Otodom makes the real estate market more accessible to all stakeholders: it supports transactions, introduces innovative tools, shares the latest data, and helps fulfil the dream of having a happy home. Otodom is part of the OLX Group, which also operates services such as OLX, Otomoto, Fixly, and Obido.



Every day, the OLX platform makes it easier for millions of Poles to make good choices. Over 14 million users visit the classified services each month. On the platform, people search for service providers and contractors, as well as essential products for daily life, such as electronics, home and kitchen accessories, as well as furniture. It's also where people look for new jobs as well as employees, search for homes, rent apartments, buy cars, and even adopt a four-legged friend.



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# Happy Home. To Have or To Be in Housing

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## Experts of the report

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- **Dr. Joanna Gutral**, psychotherapist, psychologist, SWPS University
- Dr. Adam Czerniak, economist, SGH Warsaw School of Economics
- Jan Dziekoński, real estate market consultant, CEO of FLTR.pl
- Dr. Ewa Jarczewska-Gerc, psychologist, SWPS University
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“Happy Home” is a project by Otodom that has been running since 2021. Its goal is to strengthen people’s confidence in making informed and accurate decisions in the real estate market, ultimately supporting the improvement of their well-being related to housing matters.



# Worth Remembering!

## Key Takeaways

### Income and Well-Being

Money does buy happiness—but only up to a point. The lowest levels of happiness were reported by individuals whose net monthly income did not exceed 3,000 PLN. As income increases, happiness levels rise, with the most notable improvement observed in the 7,000–10,000 PLN range. However, once this threshold was crossed, further income growth no longer significantly impacted life satisfaction.



### Dissatisfaction with a Financial Situation

Respondents rated their financial situation at an average of 4.7 on a scale from one to ten. Nearly 25% of respondents gave themselves a maximum of three points, while only four percent awarded themselves the highest scores (eight, nine, or ten).



### Homeownership and Happiness

Owning a house or flat has a positive impact on happiness—almost 75% of respondents agreed with this statement. Homeownership rates increase with age, and in the 36–45 age group, as many as two-thirds of participants owned their own home or flat.





## Property as a Status Symbol

According to 64% of respondents, owning a home was a source of pride. The results indicate that property ownership is seen not only as an achievement but also as a symbol of stability and life success.

## Bittersweet Emotions

Taking out a mortgage is a challenging decision, as it involves a serious financial commitment. Yet, 70% of borrowers, looking back, believe it was the right choice. Although 60% of respondents found waiting for loan approval stressful, two-thirds of mortgage holders said that owning a home was more important than being debt-free, and that buying a home allowed them to fulfil a dream.



## Mortgage and Happiness

Taking out a mortgage—a necessity for many when purchasing a property—is one of the most life-changing decisions people make. Among Polish mortgage holders who had been repaying their loans over the past five years, 57% said that their home purchase had increased their happiness.



## Mortgage Not Until Retirement

More than 40% of mortgage holders have made at least one overpayment on their home loan in the past five years. The most common reasons were: reducing interest payments (48%), achieving full homeownership sooner (45%), or lowering their monthly mortgage installment (34%) to ease household budget pressures. All of these factors contributed to an overall sense of well-being, according to the study.





# Contents

1.	<b>To Have or to Be (Happy)?</b> Introduction	8
2.	<b>Housing Finances in a Nutshell.</b> How to Support the Pursuit of Residential Well-Being	20
3.	<b>Happiness Comes in Many Forms.</b> How Attitudes Toward Housing and Finances Impact Well-Being	34
4.	<b>To Have. But How to Get There?</b> How We Acquire Real Estate and Why We Give It Up	45
5.	<b>A Mortgage as a Key Milestone in Life.</b> Why We Choose Home Loans	55
6.	<b>Being "On Your Own" As Soon as Possible.</b> How Mortgage Overpayments Affect Housing Well-being	66
7.	<b>Financial ABC.</b> The Relationship Between Financial Attitudes and Housing Well-Being	77
8.	<b>Maximizers and Satisficers.</b> Approach to Living Spaces in Light of Two Distinct Attitudes	95
9.	<b>Home Well-Being.</b> How Life Philosophy Connects with Financial Attitudes	101
10.	<b>Quantitative Research</b> Methodology	114



# To Have or to Be (Happy)?

## Introduction

Money doesn't buy happiness – this is one of the most well-known Polish proverbs, but – as the Otodom study shows – is not necessarily true. While a financial situation will never be the sole determinant of happiness, money opens up many opportunities to fulfil dreams – including, and perhaps especially those related to housing. After all, as previous editions of the "Happy Home" study have proven, homeownership significantly increases our subjective sense of happiness. But does happiness, "bought on credit", feel the same as that which is funded with one's own savings? How do Polish residents justify their financial and housing decisions? How do they view them in hindsight? Where do they place themselves on the spectrum between housing "to have" and "to be"? Or perhaps the line between having and being does not exist at all? We take a closer look at this in the latest "Happy Home" report. And once again, we would encourage you to join a broad discussion on housing well-being in Poland.



### Increasingly Wealthy, Yet Still Unsatisfied

Since the very beginning of the "Happy Home" project, we have been analysing happiness indicators among Polish residents in the context of housing-related data. In this edition, alongside our request for an overall life satisfaction rating—and separately, an assessment of the personal and professional life—we have also

asked respondents to evaluate their happiness in relation to their financial situation. The result? A strikingly low average score of just 4.7 out of 10. The effect? A decline in the overall happiness index compared to previous editions. It seems that the relationship between having and being is stronger than it might initially appear.



Owning a Home Feels Like the Best – Even with a Mortgage

The study confirms that moving into one’s own place remains a milestone in life, signalling progress and contributing to overall well-being. This is particularly emphasised by the lowest self-reported happiness levels among those without a mortgage. Individuals currently repaying a mortgage rank higher on the well-being scale, while those who have fully paid off their mortgage report the highest levels of happiness. The findings suggest that homeownership, regardless of its financing stage, is strongly linked to overall well-being.

A fascinating correlation emerges when analysing housing well-being across income groups. While money doesn’t buy happiness, higher income or greater savings are often associated with more positive views on good places to live. At the same time, the report confirms psychological research findings that life satisfaction increases only up to a certain financial threshold, after which it plateaus—a state where further income growth no longer has a significant impact on overall happiness.

AVERAGE OVERALL HAPPINESS SCORE BY MORTGAGE STATUS

Individuals who have paid off their mortgage	6.5
Individuals currently repaying a mortgage	6.2
Individuals without a mortgage	5.8

AVERAGE HAPPINESS SCORE BY MONTHLY NET INCOME

7 000 - 10 000 PLN	6.5
10 000 - 15 000 PLN	6.2
3 000 - 7 000 PLN	5.8
< 3000 PLN	5.5



The perception of owning a home as a crucial life milestone is reflected in respondents’ attitudes towards mortgages.

## Well-Being from Multiple Perspectives

The study, whose results we present in this report, was designed to examine the housing and financial choices of Polish residents through the lens of the various stages leading to full property ownership—or, conversely, the decision to forgo it. We explore how much of “being” fits into “having.” We look into the motivations behind respondents’ housing choices, analyzing them from the very first stage: the decision to own a property. What drives this decision? What does ownership provide? What does ownership actually mean today? Is it merely about possessing a home

or apartment, or is it about challenging the entrenched societal norm of ownership, something which is deeply rooted in the Polish national mentality? Should people instead examine their own authentic needs, align them with their lifestyle, and only then make informed choices?

**Once the decision to own a property is made, the next step is financing the purchase. Choosing a mortgage is not an easy decision. The study shows that it generates many complex emotions—on the one hand, it enables the fulfillment of a dream, but on the other, it imposes a significant financial burden on household budgets, which sometimes requires sacrifices.**

It is no surprise then, that mortgage holders consider an early, partial, or complete repayment of their loan whenever possible. In the following chapters of the report, we examine the motivations behind such decisions and explore what eliminating a mortgage and achieving full ownership offers. Why do people strive for it? Do the respondents take out another loan afterward? If so, for what purpose?

In the final section of the report, we analyze the financial attitudes of Polish residents through the perspective of their life approaches and general beliefs. An intriguing viewpoint on the study’s findings emerged from analyzing the data through the lens of psychologist Barry Schwartz’s theory, which categorizes people into maximizers and satisficers based on their approach to life decisions. We have identified these groups among our respondents as well. Additionally, we assess how respondents rate their own knowledge of the real estate and financial markets. Does their level of knowledge influence their decisions? And if so, is that influence positive? The findings are remarkably insightful.





## Finances Through the Eyes of Experts

To enrich the report, we invited experts to provide unique perspectives on the intersection of well-being, finances, and housing situations. The report's principal co-author is Dr. Piotr Michoń, an economist and lecturer at the Poznań University of Economics, who specializes in and promotes happiness economics.

The psychological perspective is introduced by Dr. Joanna Gutral, a psychotherapist and psychoeducator, author of the popular podcast Gutral Gada, and a member of the Center for Climate Action and Social Transformation (4CAST) at SWPS University. Additionally, Dr. Ewa Jarczewska-Gerc from SWPS University, an

expert in motivational psychology, has also contributed further insights.

Three experts examined the intersections of economics, the real estate market, and social phenomena in the report: Dr. Adam Czerniak, professor at the SGH Warsaw School of Economics and longtime chief economist at Polityka Insight; Jan Dziekoński, a real estate market advisor, member of the Real Estate Committee of the National Chamber of Commerce, and founder of FLTR.pl; and Dr. Mikołaj Lewicki, a sociologist at the Faculty of Sociology at the University of Warsaw, specializing in economic sociology.

In the picture:  
Dr. Piotr Michoń,  
one of the report's experts.



Happy Home Project: On the Path to Housing Well-Being

“Happy Home” is an initiative by Otodom, launched in 2021, which is aimed at strengthening people’s confidence in making informed and thoughtful real estate decisions that ultimately enhance their housing-related well-being. The “Happy Home” reports serve as a significant voice in the public discussion on the well-being of Polish residents.

1  
The first edition  
(2021)

outlined a psychological and sociological portrait of society during the COVID-19 pandemic, which redefined people’s relationship with their living spaces and their impact on well-being.

2  
The second edition  
(2022)

focused on the factors influencing subjective happiness in cities, neighborhoods, and surroundings, analyzing different regions based on interviews with 35,897 Polish residents.

3  
The third edition  
(2023)

examined housing well-being through a generational lens, comparing the attitudes of **Young Adults, Families with Children, and Silvers**, revealing differences in their housing preferences.

4  
The fourth edition  
(2024)

explored housing diversity across three separate reports. **Housing Over Time** investigated the role of home across life stages and interpersonal relationships. **Emotions at Home** highlighted the impact of sensory stimuli, social interactions, and neurodiversity on life at home. **“To Have or To Be in Housing”** concludes the fourth edition, focusing on financial diversity.



**Would you like to learn more about our previous research?  
Check out the reports from the Happy Home series from previous years!**

You can find  
the reports here.



And if you want to learn more about  
how to build a Happy Home, visit our  
blog!





## HOME AS A SOURCE OF HAPPINESS: PSYCHOLOGY, FINANCE, AND GENERATIONS IN OTODOM RESEARCH

### EXPERT COMMENTARY



**Dr. Piotr Michoń**

Economist, Poznań University of Economics,  
blog *Ekonomia Szczęścia*

How do we perceive our homes? It depends. For example, it depends on age. However, the Otodom study revealed that age both does and does not matter in how we perceive the place in which we live. Interestingly, there is no contradiction in this statement.

Age does not matter because, regardless of their year of birth, Poles generally like their homes and apartments. Age does matter because, as the years go by, people tend to have a stronger affection toward their four walls. On a side note—considering that we all only get older, this is quite a comforting prospect. Nearly nine out of ten respondents in the oldest age group like their place of residence, compared to just over six out of ten among the youngest.

### **Why Do Older People Appreciate Their Homes More?**

Where does this difference come from? Does it mean that the conditions in which older people live are better than those experienced by younger people? Not necessarily. How satisfied we are with our homes depends on how well our living conditions meet our needs and expectations.

**Many twenty-year-olds may appreciate the comfort of their parents' home, but for most of them, sacrificing comfort is a price they are willing to pay for the opportunity to live independently.**

Meanwhile, often for financial or logistical reasons, people who are already adults but still young cannot afford to move out. Considering that the average age of leaving the family home in our country is nearly 29 years old, this may be a particularly difficult problem to solve in Poland. It is of little consolation, especially for young Poles, that Italian *bamboccioni* live with their parents for an even longer period.

So how can we explain the fact that among all respondents, older people like their homes and apartments the most? In this case, the explanation referring to independence from parents, to put it euphemistically, does not work very well. The reasons must lie elsewhere.

One of them may be the fact that with age, Poles'

housing conditions objectively improve, as statistical data seem to indicate. For example, when we look at young people, it turns out that we have one of the highest overcrowded accommodation rates in Europe. However, this rate is also high across the entire Polish population, and therefore reduces this factor's role in explaining the differences in housing satisfaction among different age groups. I believe that what we have observed in the Otodom research originates from several parallel processes, something that happiness researchers have widely discussed.

Firstly, as the years pass, expectations regarding housing evolve.

**Older people primarily value functionality and simplicity. Over the years, they have learned to adapt their homes to their needs, which is why they rate them relatively better, even if they are not objectively ideal.**

Secondly, unlike younger groups, older people tend to

scale down their housing aspirations. So, not five rooms but two, not a view of the park but proximity to a store, not a new apartment but a renovated old one, etc.

Thirdly, it is worth remembering that satisfaction with a home or apartment cannot be separated from the broader context of the place in which one lives. Older people, often having lived in one place for years, have built their own microcosm of social and

neighborhood relationships there. Attachment to the place and emotional bonds—all of this influences their assessment of their home.

Finally, the reason why the older we get, the more inclined we are to like our homes is the declining tendency to make social comparisons with age. In other words, we care less about what others have and more about how well our home meets our needs.







### **Income, Financial Situation, and Happiness**

As an economist specializing in happiness, I am often asked whether money brings happiness. I answer that it does not because nothing truly brings happiness—but money can be a good tool for increasing it.

This is also evident in the findings of the Otodom study, which on the one hand shows a low level of happiness among low earners. However, having reached a certain income level, further increases do not translate into greater happiness. This latter conclusion

aligns with what was established years ago by two winners of the Sveriges Riksbank Prize in Economic Sciences in Memory of Alfred Nobel. Economist Angus Deaton and psychologist Daniel Kahneman proved that increasing income does indeed contribute to increased happiness levels, but only up to a certain point. Once this threshold is exceeded, the effect of income growth on our happiness equals is essentially zero. The data contained in the Otodom report seems to confirm this. The happiness of Poles increases with income but only up to the point where

they fall within the range of 7,000–10,000 PLN per month. Further income growth does not translate into a higher sense of happiness, which suggests the existence of an “upper income threshold” for happiness.

### **How Does Taking out a Mortgage Affect the Happiness of Poles?**

I sometimes joke that in life, there are really only three major decisions to make: the one about marriage, the one about having a child, and the one about taking out a mortgage. The importance of the



last decision is revealed by the research conducted. The findings indicate that owning a home or apartment and paying off a mortgage significantly increases the sense of happiness. The least satisfied are those who are planning to take out a mortgage, while the most satisfied are those who have fully repaid it. A mortgage, as we know from numerous studies on the subject, while positively affecting independence, generates financial stress that negatively impacts life satisfaction and financial well-being. This is particularly evident among individuals whose loan payment-to-income ratio is high.

### Homeowners and Renters

In most studies that I am familiar with, individuals who own a home or apartment tend to be more satisfied with their housing than those who rent. The same conclusions also emerge from our study. Homeowners are significantly more inclined to like their place of residence than renters. The homeowners we surveyed relatively often perceived their home or apartment as a place associated with joy, love, pleasure, and relaxation. More often than renters, their home was also a source of pride.

In other studies, this pattern is further explained by the idea that owning property can be perceived as a sign of success, offers greater possibilities for shaping the living space (homeowners are not subject to the same restrictions as renters), serves as a form of financial security for the future, and helps avoid “loss”—the cost of paying rent.

### The Ownership Effect and Sour Grapes

However, there is something else worth noting when reading the findings of the Otodom research that does not appear in other studies. Homeowners not only like their homes more and are generally more satisfied with their living conditions than renters, but also more frequently and firmly believe that owning a home positively influences their happiness levels. A possible reason for the observed differences could be the psychological ownership effect. This phenomenon suggests that we tend to overestimate the value of things that belong to us. As homeowners, people are likely to perceive property ownership as a crucial condition for a happy life. This would explain why, once we have something, we assign greater importance to it.

And what about those who do not own a home? In their case, the so-called sour grapes effect may come into play. Philosopher Friedrich Nietzsche wrote that people have a tendency to devalue what they desire but fail to achieve. This could apply to some of those who do not own homes or apartments.

**People overestimate the advantages of what they have achieved (especially if it is the result of their own efforts) and downplay the importance of what is beyond their reach.**

The Otodom research study shows that owning a home has a crucial impact on happiness, especially among older individuals who appreciate the functionality of their homes and compare themselves less to others. Property ownership is also associated with the psychological ownership effect, where homeowners assign greater value to their homes, which explains their higher level of satisfaction compared to renters.

## THE ART OF WISE HOUSING DECISIONS

### EXPERT COMMENTARY



**Anna Adrian**

Head of Marketing, Otodom

In the eleventh report of the “Happy Home” series, we delve into a topic that is becoming increasingly relevant in today’s world, which features both diversity and polarization. Extreme consumer behaviors and shifting values influence our housing decisions. More and more often, we ask ourselves about the meaning of housing changes: “To have or to be?” Seeking an answer to this question, we analyzed how financial possibilities and life values shape our aspirations to fulfill the dream of an ideal home. We examined how financial decisions impact well-being across generations.

### In Harmony with Oneself

The diversity of expectations and needs regarding housing reveals that there is no single universal model of housing happiness. It requires individual reflection on what kind of space harmonizes well with our values and lifestyle. A conscious approach to choosing and owning property is the key to making wise decisions that allow us to live in alignment with ourselves. Before making any housing change, instead of striving for solutions attractive in social comparisons, one should consider which place will best meet their authentic needs. Social pressure is often a poor advisor in housing matters, frequently leading to excessive debt and remaining in spaces that do not support well-being. Moreover, a conscious approach to property ownership is becoming crucial amid rapidly rising housing prices and difficulties in obtaining loans.

### Housing Changes and Generations

Traditionally, owning a home has been—and still is—a synonym for stability and success in Poland. However, younger generations, which are exposed to globalization, digital connectivity, and alternative lifestyles, are increasingly moving away from the idea of ownership at all costs. For many of them, “to be” means greater freedom, mobility, and the ability to explore, aspects which are more appealing than the obligations associated with property ownership.

Statistics show that the average age at which Poles buy their first home is on the rise. Many factors are influencing this trend, including rising real estate prices, difficulties in obtaining credit, and shifting priorities. Younger generations are increasingly investing in experiences, travel, or personal development, and therefore postponing the decision to buy a home.

On the other hand, for older generations, whose beliefs are rooted in post-war values, owning a home remains a fundamental aspect of life. The value of real estate as financial security for the





future cannot be underestimated, especially in the face of a dynamically changing economic landscape.

### **A Broader Perspective**

The question of “to have or to be” is also deeply connected to consumer and ecological attitudes. Conscious consumers increasingly choose minimalism, reducing excess and focusing on purchases that truly add value to their lives. There is a growing trend of creating

ecological living spaces that not only meet the functional needs of residents but also contribute to reducing any negative environmental impact.

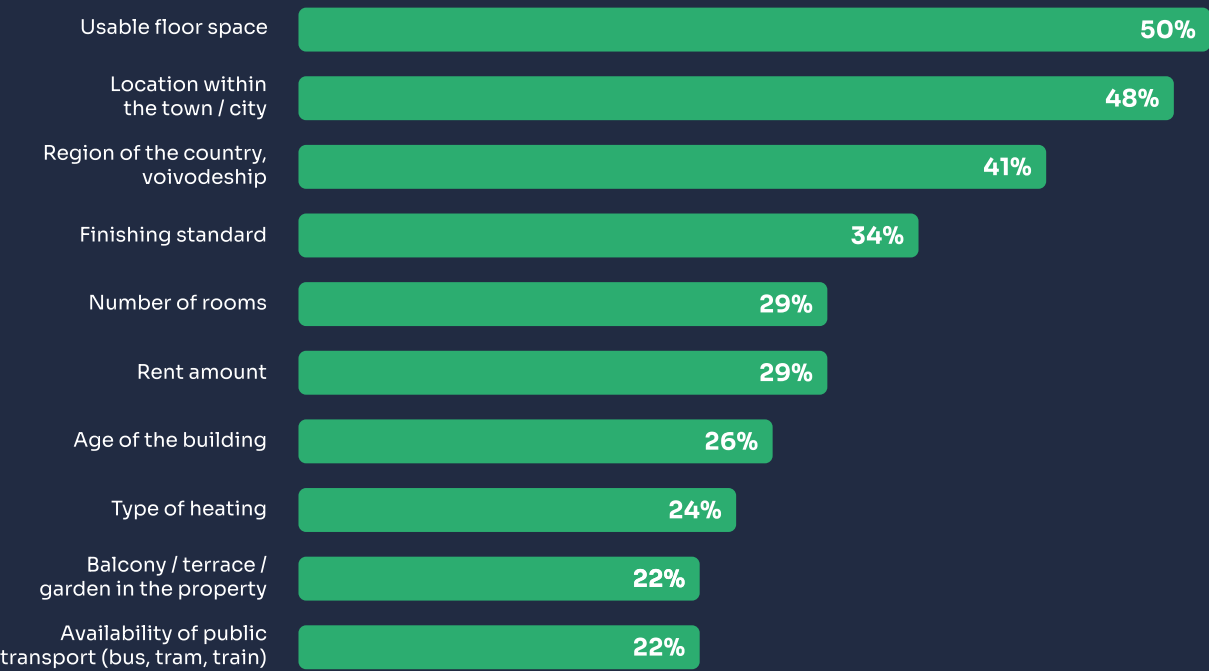
Housing decisions in Poland thus reflect broader social, cultural, and economic changes. When choosing between “to have or to be”, Poles are becoming increasingly aware of the need to make choices that align with their values and long-term goals. In this context, the key challenge remains finding a balance between the need for stability and the desire for freedom and autonomy.

# Housing Finances in a Nutshell.

## How to Support the Pursuit of Residential Well-Being

The goal of the report, “To Have or To Be in Housing”, is not only to show how finances and real estate (especially owned properties) impact the well-being of Polish residents but also to provide practical insights for developers, agents, and other real estate market participants. Otodom’s research reveals a gradual shift in the role of housing—from investment products to spaces primarily designed to meet the genuine requirements of residents, who are becoming increasingly aware of these needs. The conclusions presented in this chapter help to better understand the evolving realities of the real estate market and to build customer trust, especially from the long-term perspective.

### TOP 10 FACTORS INFLUENCING PROPERTY PRICES ACCORDING TO POLISH RESIDENTS





## What Determines Property Prices in the Eyes of Customers?

Social and cultural changes in Poland in recent years have significantly influenced expectations regarding living spaces. There is a growing trend toward designing living spaces more consciously, taking into account a broader range of human needs than before, and not necessarily following traditional patterns. The increasing social acceptance of living alone or forming alternative relationship models, such as “families of choice”—strong bonds built on conscious decisions and mutual

support—demonstrates that traditional structures based solely on romantic relationships are no longer the only widely accepted model. More and more people are planning their lives to accommodate the possibility of aging without a partner while still surrounded by friends and loved ones, which has led to the consideration of new communal living models, such as cohousing.



The knowledge of Polish residents regarding what determines property value is varied and does not always reflect market realities. Research indicates that the factors most frequently cited by respondents as influencing property prices are usable floor space (50%) and location within the town or city (48%). Nearly half of the respondents also considered the region or voivodeship as a key element in assessing property value. An interesting finding is that factors often emphasized by experts—such as access to public transportation, the building’s age, or the type of heating—ranked significantly lower in the list of price-determining factors. Even fewer people—only 22%—considered amenities such as a balcony, terrace, or garden to be important.





A growing number of people are therefore organizing their living spaces in ways that suit their unique requirements. Unfortunately, when making key decisions regarding real estate and finances, Polish residents do not always have extensive knowledge in these areas.

Among the factors that Otodom respondents considered the most important in determining property prices, was firstly usable floor space, followed by location within the town or city, with a region of the country or voivodeship completing the top three. The finishing standard and number of rooms took fourth and fifth positions, respectively.

Factors such as a building's age and type of heating did not make it into the top five, coming in seventh and eighth position (with 26% and 24% of responses, respectively). These results indicate that, on the one hand, developers and agents should focus on highlighting the advantages of a property's location. On the other hand, educating customers is essential in ensuring their

understanding of the factors shaping property prices aligns with market realities.

The data highlights the need for greater transparency in communication and for emphasizing aspects of real estate that—although objectively important—are not always recognized by buyers. It is crucial not only to showcase obvious features such as floor space or location but also to highlight elements that may be overlooked, even though they have a real impact on living comfort and market value. Providing information about factors such as public transport accessibility, infrastructure quality, and finishing standards could help buyers better understand a property's true value and allow them to make more informed purchasing decisions.



At the same time, it is worth noting that buyers' perception of the lesser importance of factors such as technical solutions (e.g., the type of heating or finishing elements) may stem from a simple reason: in everyday use, these aspects are barely noticeable or completely imperceptible. Additionally, they often require some degree of specialized knowledge to fully understand their significance.

As a result, buyers tend to focus on more tangible and directly perceptible features, such as floor space or the number of rooms, as these aspects have a direct impact on their daily experience of the property.

Furthermore, price perception is also influenced by factors that are difficult to predict or

to precisely define. The value of a property often includes a psychological component, such as when a seller rounds the price up or down simply because "it looks better."

**It is essential for both developers and agents to actively educate clients about the long-term benefits of considering these "invisible" price-shaping factors in their decision-making process—especially when they can ultimately reduce the future cost of property usage.**



A key task for developers and agents is not only to align their offerings with customer expectations but also to raise awareness about the real factors influencing property value. This approach may not only enhance customer satisfaction with their choices but also build trust in the brand and strengthen a positive reputation in the competitive real estate market.

## Apartments Mainly Purchased with Loans

Current market realities clearly show that mortgages have become an essential tool for fulfilling the dream of homeownership, especially among younger age groups. An analysis of the age structure of Otodom survey respondents confirms that purchasing property with cash was significantly more common among older individuals. In the 65+ age group, as many as 44% of homeowners bought their property without a loan, while in the 56-65 age group, this figure stood at 30%. In contrast, among younger buyers, only 13% of those aged 26-35 managed to purchase a property outright, with the percentages for the 36-45 and 46-55 age groups standing at 15% and 17%, respectively.

Purchasing real estate, especially with a mortgage loan, is one of the most stressful life experiences for many people. Given that mortgages have become a primary financing tool in today's

market, developers and agents must adapt their approach to meet the needs of buyers.

Providing clear and transparent communication is key—younger generations entering the real estate market expect straightforward and concrete information about costs, financing options, and purchase conditions.

**Educating clients on financing options and supporting them through the decision-making process can significantly reduce the stress associated with mortgage-based purchases, and ultimately lead to a more satisfying sales experience.**

## The Importance of Client Communication

Engagement in the real estate market can be a catalyst for positive emotions and an increased sense of happiness, as indicated by the survey. However, a noteworthy comparison emerges when analyzing the attitudes and emotions of those who purchased their property with a mortgage loan versus those who bought it with cash.

To illustrate these emotions, the study turned to what is often considered the wisdom of the nation—proverbs and sayings.

The study revealed that individuals who purchased a home without taking out a mortgage were more likely to agree with the saying “A good habit—don’t borrow” (61% compared to 49% in the general group). This confirms that for this group, peace of mind from being debt-free is a priority. Similarly, the significant preference for the proverb “Better small but your own” (74% versus 65% in the general group) highlights that even if buying with cash means accepting a smaller size or a more modest standard,

# 13%

of people aged 26-35 purchased their property with cash. The remainder had to rely on a mortgage loan. This is a crucial insight for developers and agents, considering that the mortgage application process is often a highly stressful experience for many buyers. It is worth taking steps to support them throughout this journey, build trust, and increase the likelihood of closing the transaction.





A mortgage loan is now the norm for younger generations, whereas older generations were more often able to afford cash purchases—reflecting economic shifts over the decades.

reducing debt burden contributes to a more positive perception of one's situation. In these cases, purchasing decisions are strongly tied to the need for stability and psychological comfort, which often outweigh the material value of a larger or more prestigious property.

Therefore, communication with clients should reflect their diverse motivations—from pursuing dreams to seeking financial security. Messaging should emphasize the positive emotions associated with buying a home while recognizing that for some buyers, “good enough” is the preferred choice.

The data suggest that pushing clients toward larger or more prestigious properties may not be effective if their preference leans toward smaller, debt-free ownership. Instead, accepting their choices and shaping the narrative around a positive life changes their decision and can be far more impactful.

# 74%

of people who purchased their home with cash agree with the proverb “Better small but your own.” In the general group, the percentage of those who share this sentiment is 65%.

## Understanding Individual Needs

Effective communication requires a deep understanding of the client's individual needs and attitudes. This is why the report dedicates an entire chapter to comparing two distinct consumer mindsets: satisficers and maximizers, which are based on the theory of Barry Schwartz, an American psychologist. While insights and data help explain broader trends, the key takeaway is that the individual buyer—along with their emotions, unique needs, and personal context—must always remain the focus.

When communicating with maximizers, messages based on “here and now” often do not work—meaning proposals for attractive solutions with a short expiration date may not be effective. This is especially true in the current real estate market, where an apparent surplus of options might seem beneficial for buyers at first glance but can actually be challenging, particularly for maximizers.

Sales communication with maximizers should be primarily based on detailed and precise information that helps them make the best possible choice. They highly value transparency and the ability to thoroughly compare different options, making it crucial to provide comprehensive data about the property—covering everything from location and finishing standards to maintenance costs and potential financial benefits.

It's also important to highlight the unique features of the property that set it apart from

other listings and clearly demonstrate how these aspects align with their needs and expectations. Maximizers like to feel they are making a well-informed and deliberate decision, so the seller should support them in the decision-making process without rushing them, while subtly guiding their attention to key aspects. Additionally, offering visualization tools such as virtual tours or detailed floor plans can help them assess each option more effectively and feel more confident in their choice. Empathy, patience, and the ability to answer their detailed questions are the foundation of effective sales communication with this group.

In contrast, sales communication with satisficers should be simple, concise, and focused on key benefits that align with their most important needs. Satisficers do not require an excess of detailed information or a lengthy decision-making process—they appreciate offers that quickly meet their essential expectations.

The seller should highlight the most important advantages of the property, such as a convenient location, attractive price, or functional layout. The key is to present the offer as a practical and sufficient solution that meets their requirements without the need for additional analysis or extended searching.

It's also crucial to ensure that the purchasing process is as transparent and hassle-free as

## Maximizers

strive to choose the best possible option by continuously comparing available choices and analyzing details to maximize benefits. They often invest a significant amount of time and energy in their search, which can lead to increased stress and difficulty in making a final decision.

## Satisficers

opt for solutions that are good enough—meeting their key needs without the need to find the absolute best option. As a result, they make decisions more quickly and with less emotional burden, focusing on what truly matters to them.



possible, allowing satisficers to make a decision quickly. Providing prompt answers to questions, offering ready-made information packages, and limiting the number of options to consider are all

elements that enhance sales effectiveness within this group. This way, satisficers can feel they've made a good—though not necessarily perfect—choice, which is exactly what they need.





## HOW TO SELL WHEN LOANS BECOME LESS ACCESSIBLE?

### EXPERT COMMENTARY



**Ewa Tęczak**

Senior B2B Manager, Otodom

For some, taking out a loan is something to avoid at all costs. But for a large proportion of potential homebuyers, it's the only way to turn their dream of homeownership into a reality. In recent years, however, the decision to take out a mortgage hasn't been solely based on personal preferences—it has also been shaped by political decisions and macroeconomic conditions. So, how can you prepare for sales in a market where reduced loan availability significantly impacts real estate turnover? What strategies should you use to close deals? Instead of waiting for the next

mortgage stimulus, it's worth embracing the well-known pandemic-era phrase “the new normal”—and recognizing that these “new normals” may arise quite frequently.

### Strategies that Withstand Market Fluctuations

Over the past five years, Poland's real estate market has experienced four major shifts in purchasing dynamics. The pandemic initially halted transactions, but was then followed by a surge as buyers sought safe investment opportunities. Then came a slowdown due to rising

inflation and stricter credit policies, only to be followed by another boom when the Bezpieczny Kredyt 2% program<sup>1</sup> was introduced. Today, we find ourselves back in a lacklustre market—but what comes next remains uncertain. Paradoxically, the housing market is highly unpredictable. Why? Because it is largely driven by emotions, even though we tend to associate it primarily with financial factors.

That's why it's crucial to understand the different customer groups currently active in the market and how each navigates the





buying process—because, as Otodom’s reports indicate, each group does so in its own way. Just as consumer habits evolve in other industries, real estate purchasing behavior is also changing.

**Being prepared for various scenarios and diversifying both offerings and sales strategies is key. In this context, omnichannel—a term previously associated mostly with e-commerce—is gaining importance in real estate.**

### Omnichannel in Real Estate

Omnichannel in real estate means creating a consistent and integrated communication and sales strategy across multiple channels (company websites, listing platforms, social media, outdoor advertising, sales offices) to provide clients with a seamless experience—regardless of how they choose to search, select, purchase, or interact. This is particularly important in a market where decision-making timelines are lengthening, leading to more interactions between buyers and sellers than ever before.

Focusing on the emotional aspects of decision-making

is especially crucial. The most powerful tool for any seller—whether it is a developer or real estate agent—is the ability to build trust. Trust is rooted in consistency and transparency in communication. Empathy, an understanding of the client’s needs, and a willingness to share knowledge, helps to form the foundation of a strong and resilient brand—whether it’s a company brand or a personal brand. Such brands are far better equipped to withstand market fluctuations and shifting buyer sentiment.

It’s also worth remembering that market volatility can also be an opportunity. The buyers who are unable to fulfill their dreams today due to objective constraints will eventually return—especially if, during this discouraging time, they feel just as valued and supported as those who are now happily leaving the notary’s office.



<sup>1</sup> Bezpieczny Kredyt 2% was a Polish government-backed mortgage program that offered a fixed 2% interest rate for first-time homebuyers, with the state covering the difference between this rate and the market rate for up to 10 years. It aimed to make homeownership more affordable but ended in 2023 due to high demand and budget limitations.

## ECONOMY VS. COMFORT

### EXPERT COMMENTARY



Katarzyna Kuniewicz

Head of Research, Otodom

In recent years, there has been a clear trend in Poland's residential real estate market: the average size of purchased apartments has been gradually decreasing. Data from Otodom Analytics indicates that between 2020 and 2024, the average apartment size bought by Poles in the seven largest cities ranged from 52 to 55 square meters. Interestingly, the smallest apartments were purchased in 2022, with an average size of just 52 square meters. In contrast, during the same period, developers offered apartments that were 3–4 square meters larger—ranging from 56 to 58 square meters.

#### Preferences or Financial Constraints?

The analysis of this data raises an important question: do Poles genuinely prefer smaller apartments, or is their choice primarily dictated by financial constraints, including limited mortgage affordability? Although the survey

conducted for this report reveals that as many as 65% of respondents agreed with the saying “better small but owned,” their reasoning was not a preference for cramped spaces but rather the value of ownership. It is hard to ignore the fact that economic factors, rather than a desire for less living space, are the primary drivers behind the decision to purchase a smaller rather than a larger apartment.

Between 2022 and 2023, when the average size of apartments purchased in Poland was at its lowest, two key shifts occurred in the real estate market. Firstly, housing prices surged at an unprecedented rate. Secondly, access to mortgage loans became significantly more challenging due to rising interest rates and tighter lending policies imposed by banks. As a result, many buyers could only afford smaller units, which explains the gap between the average size of apartments available on the market and those actually sold during this period.

#### Record-breaking Differences

The gap between the average size of apartments offered by developers and those actually purchased by Poles in the seven largest urban housing markets was at its widest in 2022 and 2023. The difference was four square meters in 2022, and five square meters in 2023. During this period, an increasing number of buyers opted for smaller units, driven by soaring property prices and limited mortgage affordability.

High inflation and economic uncertainty significantly influenced consumer decisions, leading many to prioritize homeownership itself over additional living space. Furthermore, declining mortgage affordability meant that purchasing an apartment larger than 55 square meters was financially out of reach for many families.

#### 2024 – a Surprising Year

In 2024, the housing market began to stabilize, reflected





in the consolidation of the average size of apartments offered by developers, which stood at 56 square meters. Against this backdrop, the average size of purchased apartments evolved unexpectedly, rising to 54 square meters. As a result, the gap between the average offered and sold apartment size narrowed to just two square meters. This unexpected shift was driven by the dominance of buyers purchasing an additional apartment for themselves or their families. These buyers typically had relatively higher savings and, consequently, greater mortgage affordability.

#### **Better Small but Owned – or Is It?**

While the saying “better small but owned” accurately reflects the behavior of many Poles in the real estate market, growing consumer awareness cannot be overlooked. An increasing number of people, especially among the younger generation, prioritize functionality and comfort in their homes. For this reason, we can expect further shifts in purchasing preferences in the coming years—provided that personal financial situations and economic conditions allow it. Past experiences and data-driven observations suggest

that 2025 may bring a further increase in the average size of apartments purchased in Poland’s largest cities.

**Will this actually happen? Time will tell. However, what we already know is that the shrinking size of apartments bought by Poles in recent years has been primarily a result of financial constraints rather than a sudden shift in preferences or needs.**

## HOUSING IN THE HIERARCHY OF NEEDS

### EXPERT COMMENTARY



**Jan Dziekoński**

Real Estate Market Consultant and Analyst,  
CEO of FLTR.pl

Living independently is a dream that evokes strong emotions. While Otodom's research confirms that housing preferences vary, the desire for independence is even stronger. It grows with age, though it differs between those with children and those without. Understanding these and other differences may be key to developing more tailored solutions in the real estate market (rental market, development sector, brokerage services, online platforms and apps, and even broader housing policies) that address the needs of diverse social groups.

### The Desire for Independence

The survey results clearly highlight a strong need for independence across all respondent groups. Individuals with children tended to appreciate the support of older generations more and felt less urgency to live on their own—only 59% considered it a necessity. In contrast, among childless respondents,

as many as 72% stated that living independently is a significant priority for them.

These findings provide valuable insight for real estate professionals who can better tailor their offerings to different groups—for example, families with children, who more often value close familial support. Therefore, promoting housing in locations that foster intergenerational bonds is worth considering. One emerging product concept that addresses this need is the modern take on multigenerational homes, a trend already visible among some developers building semi-detached housing projects.

### Happiness, Pride, Investment

Owning a home undeniably brings a sense of satisfaction and fulfillment, according to Otodom data. As many as 74% of Poles believed that owning property positively impacts their happiness, and for 64%, it was even a source of pride. However, a closer look at the

nuances reveals an interesting trend—the higher respondents' declared satisfaction with their current place of residence, the more likely they were to say that owning a home contributes to happiness.

This suggests that homeownership may enhance overall life satisfaction in this area. This pattern becomes even clearer when we break down respondents into criteria such as age or personal circumstances.

**Homeownership does not generate the same level of happiness for high-income earners (those earning over 15,000 PLN net in the study), and their sense of pride in owning property is lower than that of lower-income individuals.**



This could indicate a certain level of saturation and less emotional attachment to the idea of owning a home. It may also be seen as a norm rather than a sense of pride. Finally, it could suggest that higher-income individuals are more likely to view real estate as an investment tool rather than purely a living space.

### **Ownership as a Factor of Happiness—Not Its Sole Source**

The situation looks slightly different when we expand the definition of personal happiness to include other aspects—such as overall life satisfaction, personal life, and work. In this broader context, homeownership appears to matter when comparing dissatisfied and neutral individuals but loses significance when comparing neutral and satisfied individuals.

What explains this? Maslow's hierarchy of needs offers a possible answer. According to his theory, housing (not necessarily ownership, but simply having a roof over one's head) belongs to the lower levels of the hierarchy as a factor of security—an essential element for achieving a certain level of well-being. However, once this need is met, individuals must also fulfill other aspects of life, such as love, belonging, esteem, recognition, and self-actualization. In a society largely built on homeownership, it is

difficult to imagine that owning a single apartment would lead to self-actualization or social recognition.

On the other hand, there are other dimensions of the hierarchy of needs at play. The study revealed that those who take the greatest pride in property ownership are individuals who own three or more apartments. In such cases, real estate is no longer just about having a place to live but becomes an asset—fulfilling the need for security. It is possible then, that those who invest in rental properties (a group likely to include wealthier individuals) do, in fact, achieve a certain level of happiness and satisfaction—not necessarily through housing itself, but through the financial security it provides.

### **There's No Escaping Ownership**

Despite the promotion of various housing models, homeownership remains deeply embedded in Polish culture and ultimately influences overall happiness—though it is not an absolute factor. Personal fulfillment and satisfaction in many other areas of life play fundamental roles, but owning a home serves as an important complement to them as well.

The study's results suggest that creating affordable, low-maintenance, and functional housing—especially for lower-income groups—could

not only meet their expectations but also address a broader social need: the pursuit of happiness in the face of changing economic conditions and consumer preferences. In particular, designing homes that focus on everyday needs and living comfort at different stages of household maturity becomes crucial, ensuring that housing contributes to well-being on multiple levels.



# Happiness Comes in Many Forms.

## How Attitudes Toward Housing and Finances Impact Well-Being

The aim of the “To Have or To Be in Housing” report is to explore the relationship between the financial situation of Polish residents and their housing well-being. The picture is complex, but one thing remains clear—according to Otodom’s research, higher income levels are generally associated with greater satisfaction across various aspects of life. Financial stability also plays a significant role in how people perceive their housing well-being, with better financial standing typically translating into higher satisfaction in this area.

### The More Affluent, the More Satisfied

Most Polish residents report being satisfied with their homes—according to Otodom’s study, as many as three in four people expressed positive feelings about their place of residence. This result offers an optimistic perspective on our relationship with living spaces. Interestingly, all of the surveyed groups, including those with

the lowest declared net monthly incomes, generally reported being content with their housing—at least half of the respondents in each group expressed satisfaction. However, the data also reveals that the percentage of satisfied individuals was highest among those with higher earnings.

### “I LIKE MY HOME/APARTMENT” – PERCENTAGE OF AGREEMENT IN DIFFERENT GROUPS

Age		Income Quintiles (Polish Central Statistical Office data)		Individual Monthly Income	
18-25	62%	1st quintile	70%	3,000 PLN	71%
26-35	65%	2nd quintile	71%	3,000-7,000 PLN	78%
36-45	69%	3rd quintile	78%	7,000-10,000 PLN	81%
46-55	76%	4th quintile	84%	> 10,000 PLN	88%
56-65	84%	5th quintile	81%		
66+	87%				

**75%** of the Poles surveyed liked their homes and apartments. Satisfaction with housing was noticeably more common among those who reported a greater overall level of happiness and higher individual income.





Surprisingly, while half of the Polish residents surveyed believed that peace of mind and happiness were not dependent on income or savings, the study results seem to contradict this. Financial factors have a strong impact on overall well-being, including the sense of happiness associated with one's place of residence—even if we are not always fully aware of it.

In addition to financial resources, age is also correlated with how much Poles like their homes. Older age groups tend to be more fond of their property, even though their income usually decreases over time. As we have explained in

previous Otodom reports, this is often linked to attachment to daily routines, familiarity with the neighborhood, and an established rhythm of life, as well as a decreasing willingness to make major life changes.

# 51%

51% of the Poles surveyed believed that peace of mind and happiness were independent of income or savings. Those with lower earnings were less likely to share this view, while the happiest individuals expressed this sentiment significantly more often than other respondents.

How Much Is Enough?

Poland is a unique case both in Europe and globally when it comes to GDP growth—the total value of goods and services produced in a country within a given period, serving as a key indicator of economic development. Between 1990 and 2023, Poland’s GDP per capita tripled, a change reflected in improved public infrastructure and the growing financial resources of Polish citizens. However, despite these impressive gains—especially after Poland joined the European Union in 2004—many still feel that their standard of living falls short of expectations.

If financial self-assessment were the sole determinant of happiness, one might argue that Poles are a rather unhappy nation. When asked to rate their financial situation relative to society on a scale from one to ten, where ten represents maximum satisfaction, Polish respondents gave themselves an average score of 4.6. Nearly a quarter rated themselves at three or lower, while only four percent assigned themselves one of the top three scores (eight, nine, or ten).

To understand financial self-perception in Poland, it’s worth considering changes in purchasing power over recent decades. In 2023, the average purchasing power per capita in Poland was €10,903, ranking the country 29th out of 42 analyzed European nations. This figure was 38% below the European average of €17,688. While incomes in Poland rose significantly after joining the EU in 2004, and the overall quality of life

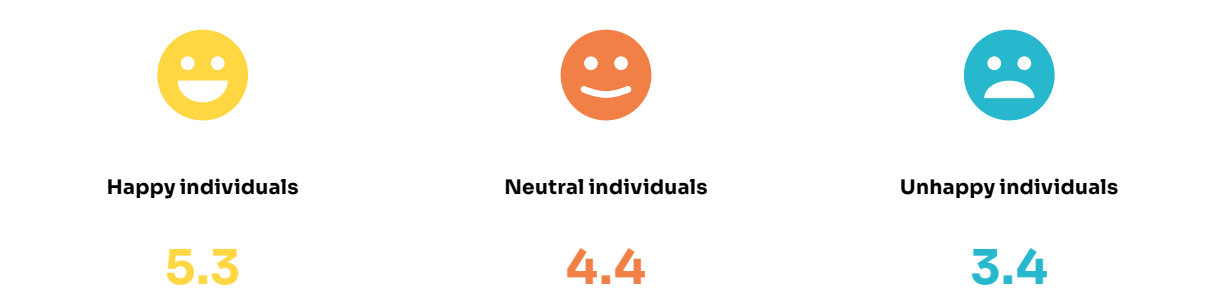
improved, the situation changed after 2020. The COVID-19 pandemic and the war in Ukraine led to rising inflation and declining purchasing power, culminating in 2022 with the largest drop in this metric for over two decades.

Despite a projected increase in average purchasing power to €12,600 in 2024, Poland still lags about 33% behind the European average. Meanwhile, people’s expectations—shaped by globalization and the higher living standards observed in other countries—remain high. This growing gap between expectations and reality may contribute to dissatisfaction with financial circumstances, as reflected in the Otodom survey results.

Although financial self-perception is not the only factor influencing life satisfaction, it can play a crucial role. Respondents who reported the highest overall life satisfaction also rated their financial situation the best. The gap in financial self-assessment between the happiest and least happy individuals was 1.9 points, clearly highlighting the significant impact of financial stability on overall happiness.

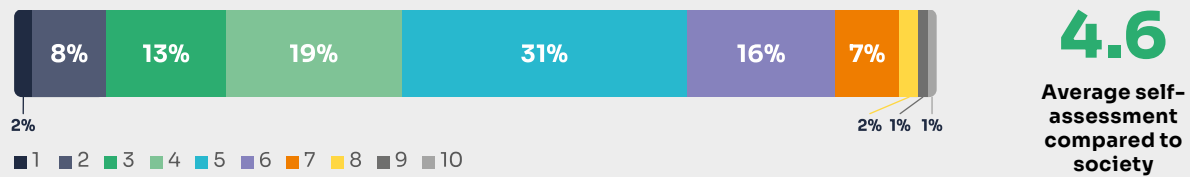
On the other hand, even the happiest respondents rated their financial situation at just 5.3 on a ten-point scale. This suggests that the saying, “money can’t buy happiness”, to a certain degree, still holds true—life satisfaction also depends on other, non-material factors.

FINANCIAL SELF-ASSESSMENT COMPARED TO SOCIETY (1-10)





### SELF-ASSESSMENT OF FINANCIAL SITUATION COMPARED TO THE REST OF SOCIETY (SCALE 1-10)



### The Older and Wealthier One Is, the Happier?

Life can generally be divided into distinct stages, which is also reflected in indicators of life and financial satisfaction. The study shows that the most financially satisfied groups were the youngest (under 25) and the oldest (56+). This trend has a logical explanation—both groups tend to experience fewer financial burdens. Young people are just beginning their independent lives and often do not worry yet about major financial commitments such as homeownership, while older individuals have typically already fulfilled such obligations.

These age groups also reported the highest overall happiness levels, suggesting that having fewer financial burdens may positively influence life satisfaction.

Conversely, the least satisfied group in terms of both life and finances consisted of individuals aged 46–55. This stage of life often comes with peak financial responsibilities—raising children, funding education, and repaying loans. Additionally, career-related challenges and workloads tend to be particularly demanding during this period, which in turn, further impacts overall well-being.

### AVERAGE HAPPINESS AND FINANCIAL SELF-ASSESSMENT BY AGE GROUP (SCALE 1-10)

	Overall	18-25	26-35	36-45	46-55	56-65	66+
Overall life satisfaction	5.9	5.8	5.6	5.6	5.6	6.2	6.5
Personal life satisfaction only	6	6.2	5.7	5.7	5.8	6.1	6.7
Financial situation only	4.7	4.8	4.7	4.6	4.0	4.8	5.1
Financial position compared to society	4.6	4.8	4.6	4.8	4.3	4.4	4.6

In the introduction to this report, we mentioned the concept of a plateau—a state in which a sufficiently high income level ensures comfort and security, bringing happiness that cannot be further increased by accumulating more wealth. And indeed, the data confirms that the more money Polish residents have, the happier they are—but only up to a certain point.

Unsurprisingly, the least happy group consists of those whose net monthly income does not exceed 3,000 PLN. As income increases, so does life satisfaction. However, this growth in happiness is only observed up to a net monthly income level of 7,000-10,000 PLN. Beyond this threshold, further income gains no longer translate into higher life satisfaction.

AVERAGE HAPPINESS AND FINANCIAL SELF-ASSESSMENT BY NET MONTHLY INCOME (SCALE 1-10)

	Overall	3,000	3,000 - 7,000	7,000 - 10,000	> 10,000
Overall life satisfaction	5.9	5.5	6.1	6.7	6.6
Personal life satisfaction only	6	5.7	6.1	7	6.9
Financial situation only	4.7	3.8	4.9	5.9	5.8
Financial position compared to society	4.6	4.1	4.7	5.6	5.6

Taking out a mortgage is one of the most significant milestones in life, marking a major turning point both financially and personally. The Otodom study confirms this. Moving into one's own home and the resulting independence have a positive impact on overall life satisfaction as well as on all of its individual aspects. However, carrying such a large financial commitment also affects personal well-being.

Respondents were divided into three groups: those without a mortgage, those currently repaying one, and those who had already paid it off—and their reported happiness levels vary significantly. The least happy group consists of individuals who are still considering taking out

a mortgage, likely due to the uncertainty and anxiety associated with such a major financial commitment.

In contrast, the happiest individuals are those who have already completed their mortgage repayment. Being free from financial obligations to the bank appears to have a noticeable effect on improving overall financial and mental freedom. Paying off a mortgage provides greater flexibility in managing personal finances. The money that was once allocated for loan installments can now be directed toward other purposes—savings, investments, or simply enjoyment.



### AVERAGE HAPPINESS AND FINANCIAL SELF-ASSESSMENT BY MORTGAGE STATUS

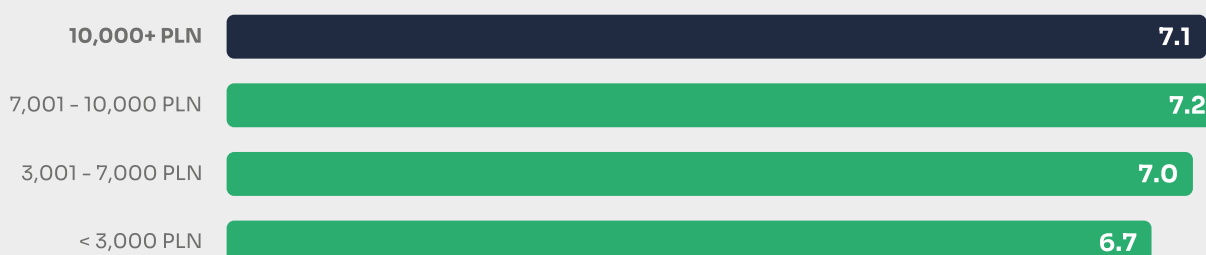
	Overall	Without a mortgage	Currently repaying a mortgage	Mortgage fully repaid
Overall life satisfaction	5.9	5.8	6.2	6.5
Personal life satisfaction only	6	5.9	6.4	6.8
Financial situation only	4.7	4.6	5.1	5.5
Financial position compared to society	4.6	4.5	5.1	5.3

### An Interesting Case of Housing Satisfaction

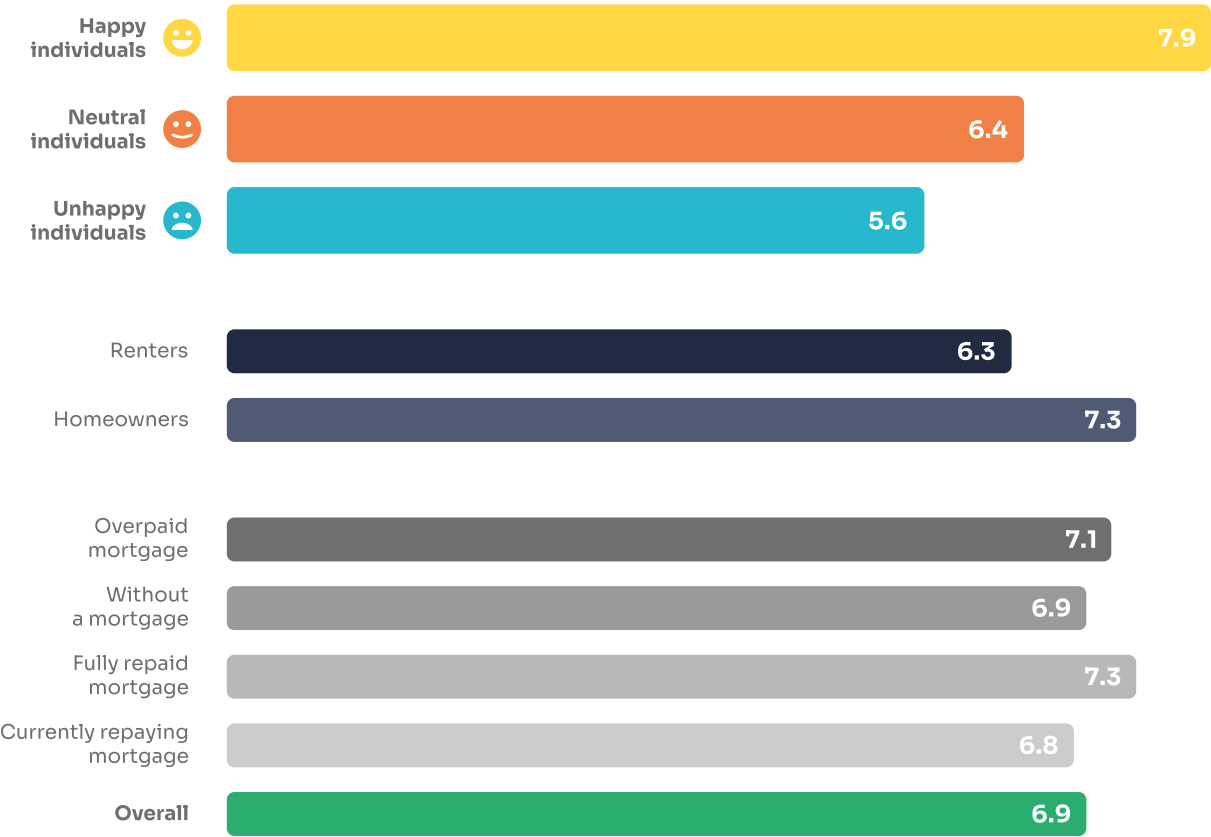
One of the key factors influencing happiness is the environment we live in, including our place of residence. That's why housing satisfaction was an important aspect that was analyzed in the Otodom study.

The findings showed that satisfaction with one's home increases with individual income, although the differences are not as pronounced as in other aspects of happiness examined in the study.

### DECLARED LEVEL OF HOUSING SATISFACTION BY INCOME (SCALE 1-10)



DECLARED LEVEL OF HOUSING SATISFACTION (SCALE 1-10)





Is owning a home without a mortgage the key to happiness? To some extent, yes—but finding a balance between financial stability and personal needs, including housing, seems even more important. Nevertheless, the highest level of housing satisfaction was reported by those who had fully repaid or made significant overpayments on their mortgage. A clear difference is also noticeable when comparing homeowners and renters—owning a property positively influences satisfaction with one's place of residence. This somewhat confirms the old saying: “better small but owned.” And ideally—without a mortgage.





WEALTH ACCUMULATION AFFECTS WELL-BEING. BUT THERE ARE OTHER EQUALLY IMPORTANT FACTORS OF HAPPINESS.

EXPERT COMMENTARY



Dr. Ewa Jarczewska-Gerc  
Psychologist, SWPS University

Another edition of the study and report brings many interesting insights into the happiness of Poles and the patterns associated with it.

What results come to the forefront? For example, as many as 75% of Polish men and women like their homes or apartments. That is a lot.

Considering that we are still perceived as a nation that complains and is dissatisfied, this result is worth highlighting, as it clearly disproves some negative stereotypes.

Money Brings Happiness...  
But Only Up to a Certain Level

Another important discovery from this edition of the study that is worth emphasizing is the relationship between finances and the level of satisfaction and happiness. The obtained results are consistent with psychological knowledge from previous studies on this matter.

A low level of financial security is strongly associated with a low level of well-being.

This is shown by studies involving both adults and children growing up in challenging socioeconomic environments. However, reaching a certain financial threshold







that allows for a decent standard of living stabilizes the sense of happiness. But then further increases in financial resources do not amplify happiness. Any additional increases in well-being are then the result of other factors, such as engagement in various aspects of life, for example, relationships, charitable activities and professional or non-professional activities that generate positive emotions.

The results of the current study are consistent with the concept of happiness and research conducted many years ago by the American

psychologist of Hungarian origin, Mihaly Csikszentmihalyi. Since the author himself experienced many difficult situations and poverty in his life (as a child, he survived the Holocaust), he focused his scientific work on studying the factors that actually contribute to a person's well-being.

Based on his research, it was shown, among other things, that a person is truly happy when engaged in activities with which they identify and which generate positive emotions. However, it is not only about naturally pleasurable activities—they may cause slight stress or nervousness,

but with practice, a person gains control over them, performs them smoothly, and experiences a state known as flow.

Csikszentmihalyi's research also showed that below a certain financial threshold, people experience discomfort, while finances at a level that allows for a decent standard of living are associated with increased well-being. However, further "getting richer" is not associated with a significant increase in happiness.

### **A House Brings More Happiness Than an Apartment**

The Otodom study revealed other results worth addressing. Firstly, consistently with the findings of previous editions of the study, owning real estate is associated with a high level of happiness—as many as 74% of respondents indicated this relationship.

Moreover, owning a house generates slightly more happiness than an apartment. This trend also applies to properties purchased with a mortgage. Paying off a mortgage requires a certain level



of self-discipline and perseverance. One could argue that it develops self-control skills, which then translate into other areas of life, and is not limited to the final ownership of a house or apartment.

**Moderate Stress Can Positively Affect... a Sense of Happiness!**

And finally, the issue of living with parents, which triggers many social emotions. Overall the study found that 66% of respondents indicated that “people their age should live independently.” In the youngest group of respondents—aged 18-25—this percentage was 37%. Is that a lot or a little? In my opinion, it is not bad. In the next age group—26-35—the percentage rose to 52%. This result raises some concerns because we are talking about fully grown adults.

This topic is worth exploring further in future research and, above all, with regard to encouraging young people to become independent. Living on one’s own undoubtedly generates stress and challenges, but—as previous editions of the study have shown—moderate doses of stress are paradoxically associated with a higher level of happiness. The development of a sense of self-efficacy and self-control skills likely plays an important role here.





# To Have. But How to Get There?

## How We Acquire Real Estate and Why We Give It Up

Owning a home or an apartment is one of the most deeply ingrained social and cultural aspirations among Poles. This desire is influenced by factors such as age, education level, and income. A home of one's own is still perceived as a symbol of independence and maturity—a belief already visible among the youngest generations, who, as they grow older and improve their financial standing, increasingly choose to invest in property. At the same time, for many, homeownership remains a financial challenge. While they aspire to own a place, they often lack the knowledge and means to make it happen. In this report, we take a closer look at their situation.

### Homeownership – A Path to Greater Happiness?

Is owning a home merely an aspiration, or is it a response to real-life needs that evolve with different life stages? A property serves many functions beyond fulfilling ambitions. Above all, it is an investment in the future – real estate tends to appreciate in value, making it an attractive form of financial security.

For many people, owning a home also provides a sense of stability and security. This is especially crucial when starting a family, as the need for a permanent and predictable living space becomes a priority – perhaps explaining the growing interest in home purchases among younger generations.

There are also other, more subtle advantages of homeownership compared to renting. Financial

predictability is one of them – owning a property helps avoid rising rental costs, while mortgage payments contribute to building personal wealth. Additionally, homeownership offers freedom from rental market uncertainties – an issue that has become particularly evident in recent years, as rental conditions have fluctuated.

Moreover, having a place of one's own means having control over the living space – owners can customize and renovate their homes to suit their needs, which is often difficult when renting.

It's no surprise, then, that 75% of respondents in our study believed that owning a home positively impacted happiness levels.

**74%** respondents agreed with the statement that owning a home or apartment positively impacted their level of happiness.

A more detailed analysis reveals that attitudes toward property ownership vary depending on the level of education. People with lower education levels assign less importance to it (66%) compared to those with secondary (77%) and higher education (82%). This may be due to the fact that individuals with higher education more often achieve higher incomes, allowing them to pursue more ambitious goals, such as owning property, while others may downplay its

importance as it is something that they believe still remains out of reach.

This correlation is further confirmed by data – as individual income increases, so does the percentage of people who agree that owning a home positively impacts happiness. Education and income together may shape aspirations related to property ownership.

An Integral Part of Life

67% of respondents in the Otodom survey stated that they live in their own homes. The proportion of homeowners increases with age – among people aged 18–25, only 19% owned a home or apartment. In the 26–35 age group, this percentage rose to 47%, and among those aged 36–45, 66% already owned their place.

These figures clearly show that as individuals enter the job market, gain professional experience, and build financial resources, investing in a home becomes one of life’s key priorities. Property ownership is often seen as a symbol of financial stability and personal success.

Respondents asked about housing independence also showed a greater tendency toward living on their own as they aged. Two out of three respondents agreed with the statement: “People my age should live independently (without parents).” Women expressed this view slightly more often than men (69% vs. 63%).

Only 37% of respondents aged 18–25 believed that they should live independently from their parents. This suggests that the youngest

generation is moving away from the idea that leaving the family home as soon as possible is necessary. The 2024 Otodom report “Housing on the Timeline” showed that, contrary to stereotypes, many so-called “gniazdownicy” (nestlings)<sup>2</sup> stayed in the family home not out of necessity but by choice.

In older age groups, the percentage of people who believed that they should live independently was over half and consistently increased with age – 52% among those aged 26–35, 65% among those aged 36–45, and 71% in the two oldest groups (46–55 and 55–65).

A similar trend is seen in attitudes toward homeownership. As people progress through different life stages, the desire to “have a place of their own” also grows. Only three in ten people aged 18–25 agreed that people their age should already own a home. In the 26–35 age group, this figure rose to four in ten, and in the 36–45 group, nearly six in ten shared this belief.

<sup>2</sup> In the report “Housing on the Timeline”, “nestlings” are defined as individuals living with their parents or guardians who are not married.

**67%** of respondents lived in their own homes. The proportion of respondents who owned their houses or apartments gradually increased with age – only 19% of those aged 18–25 are homeowners, but this rose to 47% in the 26–35 age group and 66% among those aged 36–45.





Although homeownership is deeply rooted in Polish culture, it is not the norm across the European Union. In 2023, 87% of Poles lived in homes they owned – a figure placing Poland among the top European countries in homeownership. The only countries with higher rates were Lithuania (89%), Hungary (90.5%), Croatia (91%), Slovakia (94%), and Romania (96%). At the opposite end of the spectrum was Germany, where only 48% of the population owned their home. For comparison, the EU average stood at around 70%.

Source: Eurostat, Housing in Europe – 2023, 2024

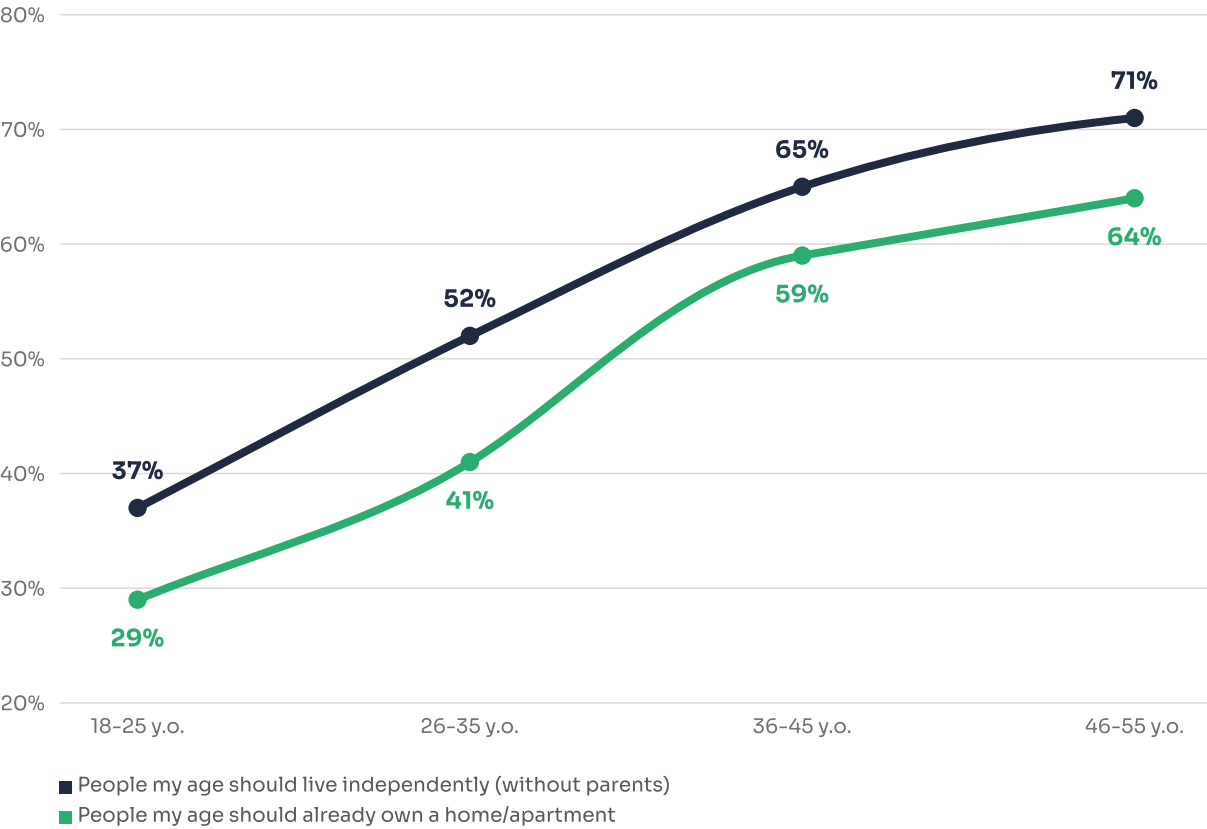
Although the percentage increased with age, even among people aged 36–45, it remained lower than one might expect. This may be linked to the slowly changing attitudes toward housing in Poland.

More and more people in Poland are beginning to approach aging in a more pragmatic way, without necessarily assuming they will have a romantic partner in later life. There is growing awareness that life can be planned around a “chosen family”—friends or communities—rather than only traditional marriage-based models. As a result, concepts such as cohousing and shared living spaces, which seemed abstract in Poland not so long ago, are gaining in popularity. People are starting to appreciate the opportunity to spend time together in common areas like shared living rooms or kitchens, which foster a sense of community. Full homeownership is not necessarily regarded as a prerequisite for this sentiment.

Additionally, younger generations, especially Gen Z, are increasingly opting for sharing over ownership—a trend that is already visible in Poland. This shift affects not only how they view property but also their approach to furnishings and belongings. For example, the demand for high-quality, long-lasting furniture is growing as people prefer items that can be reused and maintained over time rather than those of a disposable, short-term nature. These changes reflect a growing awareness of personal needs and preferences.

People are becoming better at organizing their living spaces in ways that truly serve them, and they expect developers to respond to these evolving needs. The key seems to be designing housing developments with shared spaces that encourage community-building and local connections.

AGREEMENT WITH STATEMENTS

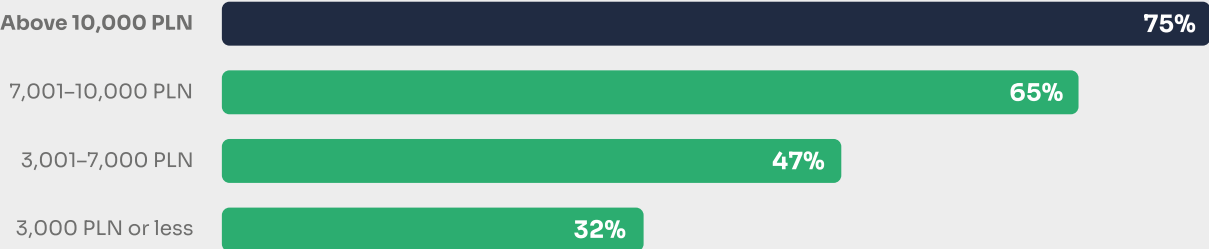




Aspirations related to homeownership naturally increase with declared individual income. However, the overall perception of the feasibility of achieving this ambition among Polish residents remains low—only 43% of respondents agreed with the statement that people with similar incomes to their own should be able to afford to buy a home or apartment. This result likely reflects the current real estate market situation, where record-high average price per square meter in Polish cities has become the norm.

The least optimistic were respondents with net monthly incomes below 3,000 PLN—only 32% of them believed that buying property could be within their reach. In the 3,000–7,000 PLN income group, this percentage rose to 47%. Among those earning 7,000–10,000 PLN per month, as many as 65% believed that homeownership should be attainable. The most optimistic respondents were those with incomes between 10,000 and 15,000 PLN—75% of them considered buying a home or apartment to be within their financial reach.

**AGREEMENT WITH THE STATEMENT: “PEOPLE WITH MY LEVEL OF INCOME SHOULD BE ABLE TO AFFORD TO BUY A HOME” BASED ON INDIVIDUAL NET MONTHLY INCOME**



Cash or Mortgage? Generational Differences

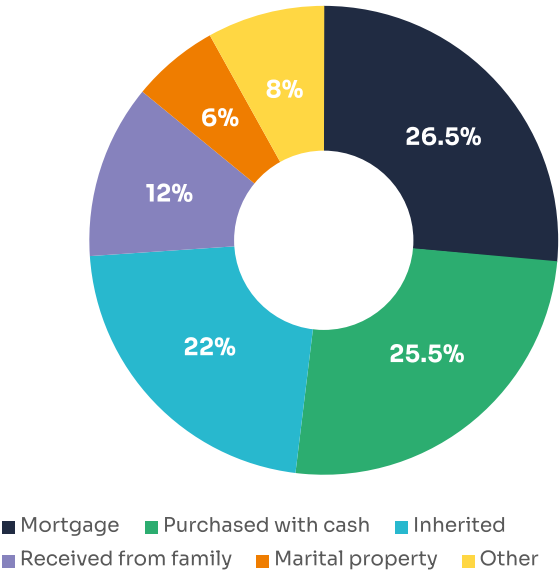
The real estate market, marked by a steady increase in property, land, and construction material prices, has put buying or building a home financially out of reach for many Poles. While just over a quarter of respondents' homes were purchased with cash, a closer look at the age structure reveals that cash transactions were most common among older generations.

Mortgages have become the norm among younger age groups. Only 13% of respondents aged 26–35 managed to purchase their property outright. In the 36–45 and 46–55 age groups, this share increased only slightly, reaching 15% and 17%, respectively.

The situation is markedly different among older respondents. In the 56–65 age group, 30% of homeowners bought their property with cash, while among those over 65 years old, this figure rose to 44%. This highlights that in the previous economic system, despite its many limitations and challenges, purchasing a home without taking out a mortgage was much more accessible than it is today.

The current market conditions clearly indicate the growing necessity of mortgage financing for those striving to own a home. As a result, younger generations entering the housing market face financial hurdles that their parents and grandparents did not experience, something that further deepens intergenerational disparities in access to homeownership.

HOMEOWNERS AND HOW THEY ACQUIRED THEIR PROPERTY



Inherited / Received / Marital Property - Share of Respondents		Mortgage - Share of Respondents		Cash Purchase - Share of Respondents	
Overall	40%	Overall	26,5%	Overall	25,5%
18-25	63%	18-25	37%	18-25	0%
26-35	46%	26-35	36%	26-35	13%
36-45	42%	36-45	36%	36-45	15%
46-55	52%	46-55	24%	46-55	17%
56-65	42%	56-65	19%	56-65	30%
66+	25%	66+	20%	66+	44%



Renting – A Niche Market and a Financial Divide

It is not surprising that 90% of homeowners live in their own properties. Meanwhile, nine percent of respondents provided their property for free, a higher percentage than those who rented it out for profit (seven percent).

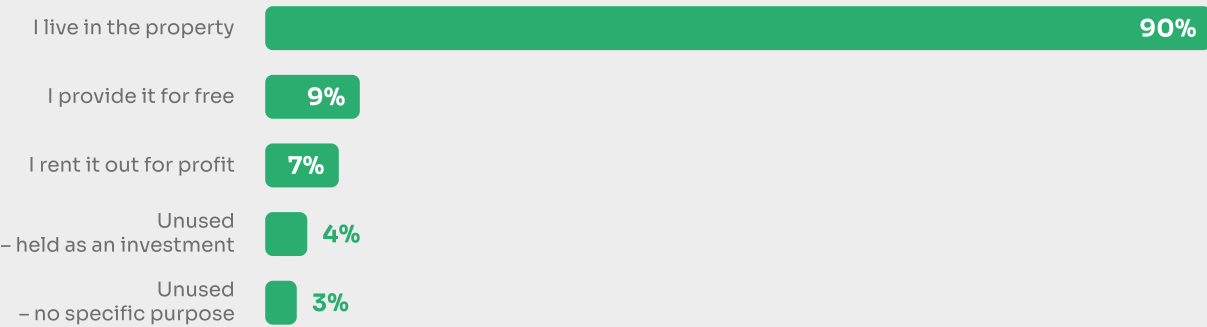
Renting out property is naturally more common among wealthier individuals, those with greater savings or multiple properties. For example, one-third of respondents who owned three or more properties rent them out, while among those with two properties, the percentage dropped to 18%.

These figures highlight a key trend—homes are increasingly being viewed as investment assets

rather than living spaces. In theory, the number of apartments in Poland should be sufficient to ensure that everyone has their own place. However, in practice, there is a significant imbalance—some people own multiple properties, some of which remain unoccupied, while others struggle to access homeownership.

This investment-driven approach to housing—where properties are built and purchased primarily as financial assets rather than residences—exacerbates the issue of vacant apartments and makes it even harder for lower-income individuals to meet their basic housing needs.

ACTIVITIES UNDERTAKEN BY PROPERTY OWNERS



This trend is also reflected in Otodom survey data, which shows that 7% of property owners left their properties unused, often as an investment or simply because they lacked a plan for how to utilize them. The exact scale of vacant housing in Poland remains difficult to determine, but data from the 2021 National Census

indicated that 11.7% of apartments were unoccupied, amounting to approximately 1.8 million units. Notably, compared to 2011, the number of vacant apartments increased by 819,000, representing an 84.4% rise. At the same time, the total number of housing units grew from 13.5 million in 2011 to 15.2 million in March 2021.

**1 in 14** property owners (seven percent) rented out their apartments for profit. This decision is significantly more common among individuals in a better financial situation—those with higher incomes, greater savings, and more than two properties.

Otodom data shows that the number of property owners to leave their additional apartments unused for investment purposes was on a par with those who rented them out (seven percent each). On the one hand, viewing real estate as an investment is often motivated by the rapid increase in property prices, making it an attractive way to store capital. On the other hand, many property owners struggle to rent out their properties due to a lack of funds for finishing and furnishing them.

Unfinished apartments pose a significant issue, particularly in the context of potential passive income. Property owners who do not invest in finishing their units miss out on the opportunity to rent them out and generate regular income, which undermines the economic rationale behind their initial investment. This raises the question: Would it not be more beneficial to allocate funds toward completing the apartment, allowing for rental income and thus ensuring a return on investment?

This situation highlights that investment properties, despite their potential to support the rental market, often do not contribute to improving housing availability. Many owners leave them unfinished or treat them as capital reserves, leading to an underutilization of existing housing stock.







## Not Owning a Home Has Its Benefits

Can the decision to forgo a mortgage and homeownership be ideological? The subscription-based economy and leasing models, which have reshaped many aspects of life in recent years, do not seem to apply to the housing market. Data from Otodom's survey indicates that Poles do not view housing as a resource they could easily give up in favor of renting. In fact, only 10% of non-homeowners said that renting fully meets their needs.

However, the primary reason for not owning a home is not ideological but is rather related to financial constraints. As many as 75% of those without a property indicated that they simply could not afford to buy one. Among them, 41% lacked sufficient creditworthiness, 13% considered homeownership a goal for a later stage in life, and only around 10% cited the current market conditions as their reason for delaying a purchase, though this percentage rose to 23% among the youngest respondents (18–25 years old).

These findings show that homeownership in Poland is still perceived as a key element of stability and security. While the youngest generation is more flexible and open to adapting to changing

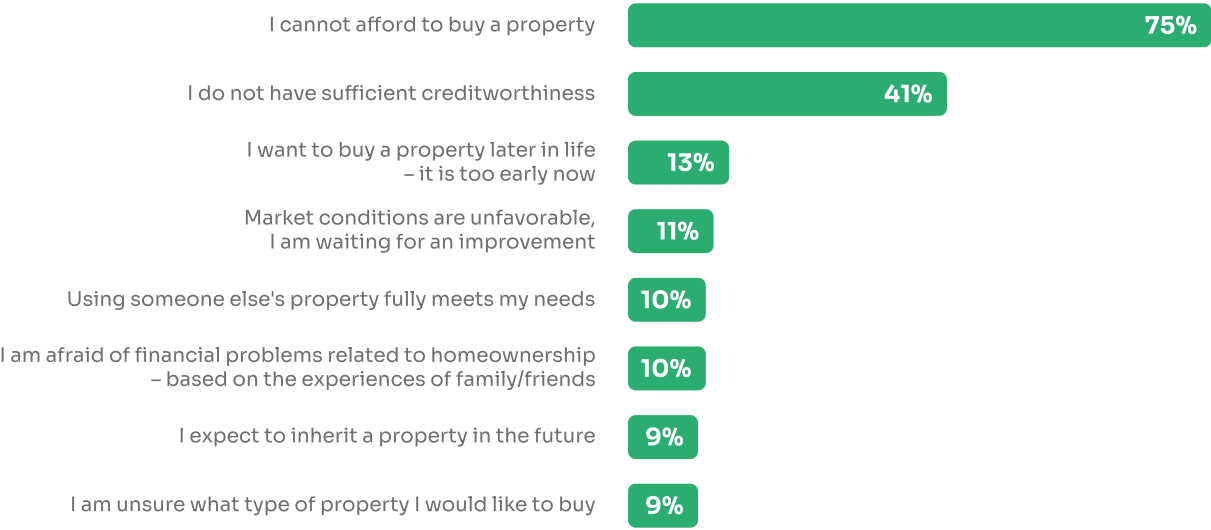
market conditions, most of society still prioritizes owning a home, viewing it as a lifetime goal.

However, it is worth reconsidering the form of homeownership—owning property is one thing, but functionality and surroundings are becoming equally important. Modern housing expectations increasingly include not only living space but also well-designed shared areas that foster neighborly relationships and social integration. Gyms, coworking spaces, green areas, playgrounds, and communal spaces are becoming key factors in choosing a place to live.

With changing lifestyles and a growing demand for community-oriented living—especially in urban areas—such solutions can appeal to both younger and older residents.

Going forward, there should be a focus on developing housing that offers not just individual apartments but also environments that cater to modern living needs. Instead of traditional housing estates, there is potential in concepts such as cohousing and sustainable communities, where residents can access shared amenities and actively participate in neighborhood life.

REASONS FOR NOT OWNING A HOME



The lack of homeownership is still far more often a matter of financial circumstances rather than a conscious choice or lifestyle philosophy. The vast majority of respondents who did not own a home or apartment simply could not afford to buy one. Only one in ten considered renting to be fully sufficient. At the same time, buyers are becoming increasingly aware of what kind of property (along with its surroundings) truly meets their needs. It is not just about owning—it is about understanding the purpose of the transition from renting to homeownership.



# A Mortgage as a Key Milestone in Life.

## Why We Choose Home Loans

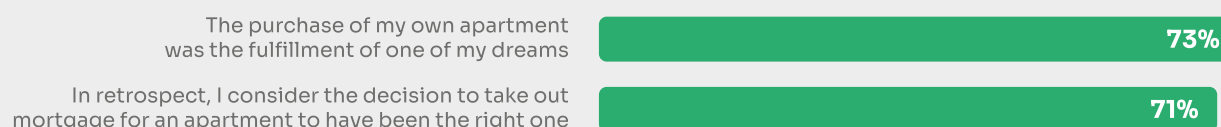
Buying an apartment is a major life event for many, often bringing a sense of well-being. After all, who doesn't feel joy when moving into their first home? It's usually the realization of long-postponed dreams—dreams that sometimes have to face financial reality. Today, for most people, the path to homeownership leads through a mortgage. That's why in the Otodom survey, we examined how taking out a mortgage affects happiness. Our goal was to capture both the benefits and challenges of choosing a loan as the primary means of securing housing stability. So, what's the verdict? Does having a mortgage make people less happy because of the financial burden? Not necessarily!

### A Bittersweet Dream

The study provided insight into mortgage holders' perspectives on their decision to purchase a home. Although a mortgage is a significant financial commitment and often one of the most important decisions in life, seven out of ten

borrowers surveyed believed it was the right decision that allowed them to fulfill an important dream. This result indicates that homeownership is one of the key life goals, which is highly valued even post factum as a sound life decision.

### ATTITUDES TOWARD HOME LOANS – PERCENTAGE OF MORTGAGE HOLDERS



**57%** of Polish residents who had been repaying a mortgage in the last five years admitted that the home purchased with the loan had increased their level of happiness.



Moreover, nearly six out of ten mortgage payers noticed the impact of their purchased property on their sense of happiness. Only nine percent disagreed with this statement.

And no wonder. Psychology recognizes the mechanism of decision justification, which helps people maintain a positive attitude toward their choices, even when drawbacks emerge. It is based on the need to reduce dissonance, which arises when reality does not fully meet expectations.

In the case of home purchases, mortgage holders may exaggerate the advantages of their decision (e.g., sense of stability, prestige) while downplaying the disadvantages (e.g., high costs, distance from the city center). The greater the emotional and financial costs incurred due to the decision, the stronger the tendency to justify it, which in turn supports long-term satisfaction and a sense of stability.

The ownership effect, mentioned in the expert commentary by Prof. Piotr Michoń in an earlier

part of the report, also plays a role. In short, people tend to assign higher value to possessions they own than to identical goods that do not belong to them. In other words, the perceived value of an object increases the moment it becomes one's property.

So, can homeownership serve as a tool for building psychological well-being and happiness? The study results suggest that for most people, the answer is yes, but understanding the above mechanisms is crucial to fully grasp why this effect occurs.

However, this does not mean that buying a home with a mortgage is accompanied only by positive emotions. Six out of ten borrowers admitted that waiting for a financing decision was a stressful experience for them. Buying a home with a mortgage is therefore a bittersweet experience but one that ultimately has a positive impact on well-being.

# 59%

of Polish residents who had been repaying a mortgage in the last five years said that waiting for a mortgage approval decision was a stressful experience for them. This percentage was significantly higher among those who rated their financial situation poorly (in this group, it was 83%).



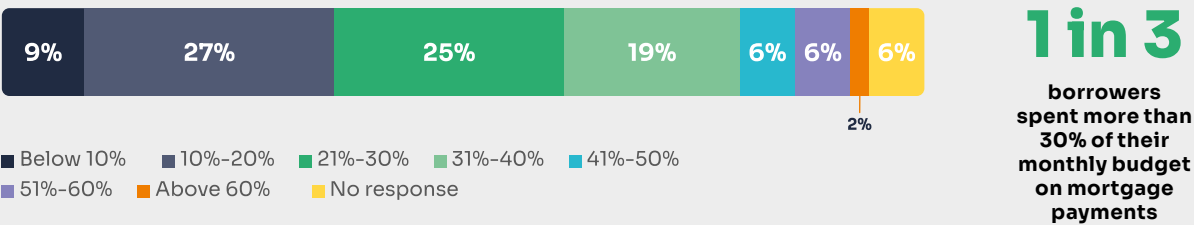
The Scale of Financial Burden vs. the Scale of Happiness

As the study has shown, owning a home, even one purchased with a mortgage, often brings a sense of happiness and fulfillment. However, the extent to which a mortgage affects borrowers’ well-being depends on the size of the monthly payments and their share of the household budget. Data indicates that the more money is allocated to loan repayment each month, the lower the level of happiness—not just in financial terms but also in everyday life. A mortgage can be a source of satisfaction, but only as long as it does not become an

overwhelming burden that limits daily decisions and restricts freedom.

The good news is that only one in three respondents spent more than 30% of their monthly budget on loan repayment. This means that for most mortgage holders, their financial obligations remain within reasonable stability, allowing them to enjoy homeownership without excessive stress over monthly expenses and even leaving room in their budget for leisure activities, such as vacations.

PORTION OF MONTHLY BUDGET SPENT ON A MORTGAGE



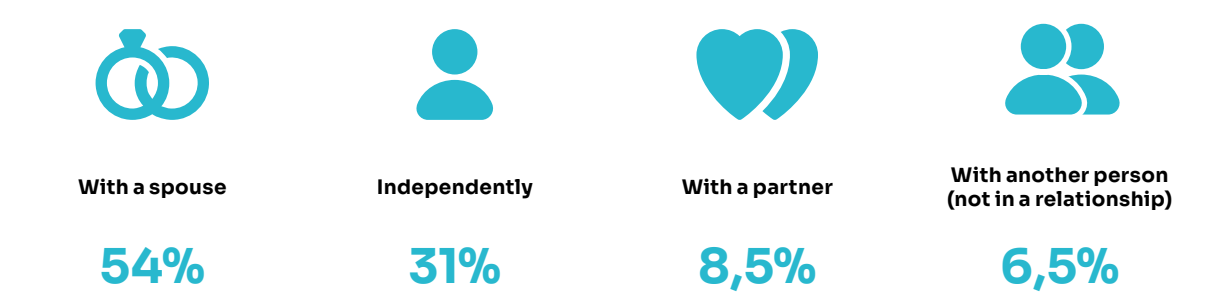
HAPPINESS LEVEL VS. MORTGAGE BURDEN  
(PERCENTAGE OF MONTHLY BUDGET ALLOCATED TO MORTGAGE PAYMENTS)

	Overall	Up tp 20%	21-40%	41-60%
Entire life satisfaction	5.9	6.8	5.8	5.0
Personal life only	6	6.9	6.3	5.5
Financial situation only	5.3	4.7	4.9	4.4

Seven out of ten respondents shared the responsibility of repaying their mortgage with another person. The data thus presents a mortgage as one of the natural life stages not only for individuals but also for families. More than half of mortgage holders were repaying their loan together with their spouse. Additionally, 15% shared their mortgage with a partner or another person (with whom they were not in a formal relationship).

This is understandable given the realities of the mortgage market—single borrowers find it harder to obtain a mortgage, as banks assess creditworthiness based on financial stability and the ability to make regular payments. The study confirms that having a second person to share the financial obligation not only increases the sense of security but also creates more opportunities for securing a mortgage and repaying installments without excessive financial strain.

MORTGAGE HOLDERS: WAYS OF REPAYING A HOME LOAN



PERCEPTION OF A MORTGAGE – PERCENTAGE OF BORROWERS



The survey results confirmed the widely held belief in Poland that purchasing real estate is one of the best life and investment decisions. Three out of four respondents considered owning an apartment as an important investment for the future. Almost as many (70%) were pleased to see its value increase since the purchase.

However, such a significant financial commitment inevitably impacts the lives of borrowers. Nearly six out of ten mortgage holders acknowledged that their loan affected their lifestyle. Meanwhile, 57% admitted that the obligation of repaying their mortgage had placed a significant burden on their household budget.

MORTGAGE HOLDERS' ATTITUDES: THE FINANCIAL ROLE OF A MORTGAGE IN RESPONDENTS' LIVES





Is Life Good without a Mortgage?

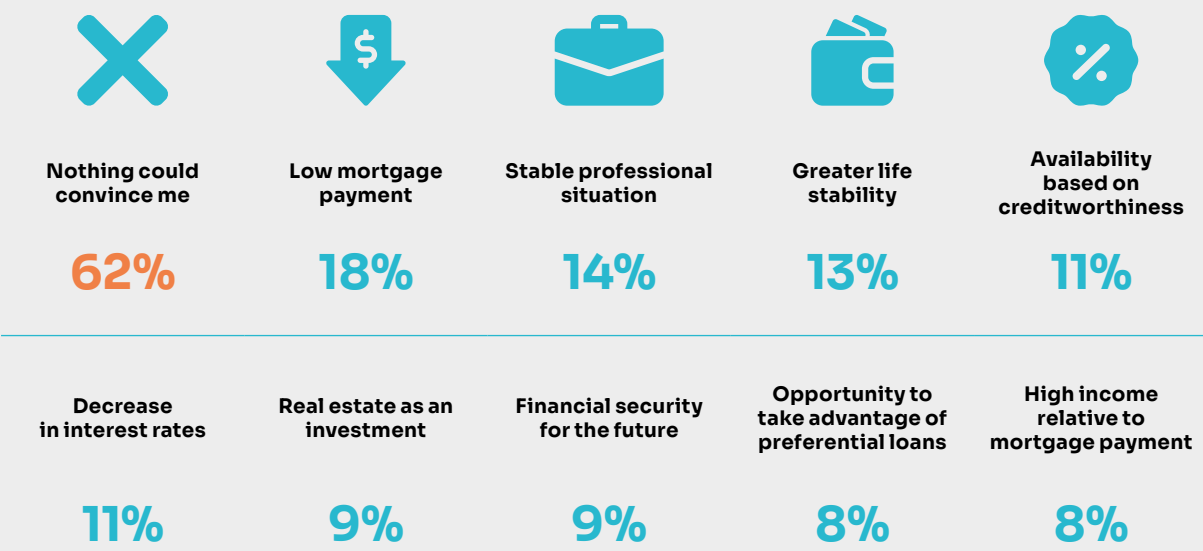
All the data presented in this section pertains to individuals who have taken out a mortgage. The relatively high optimism expressed regarding this financial commitment should be taken with some caution. When someone makes a major, costly decision such as taking out a mortgage, they may experience tension due to the discrepancy between a more challenging financial situation (as seen in the study’s findings on how a mortgage impacts lifestyle) and the belief that the decision was the right one. To reduce this tension, they may consciously or subconsciously rationalize their choice by emphasizing its positive aspects, such as housing stability or long-term financial gain (the belief that it was a sound investment, was also reflected in the study).

People who have not yet taken out a mortgage perceive this prospect somewhat differently. Nearly two out of three individuals in this group said that nothing could convince them to go into debt to finance a home purchase. However, the remaining respondents pointed to several factors that could change their stance. The most notable reasons included a low potential

mortgage payment and improved personal and financial stability. Surprisingly, only 11% mentioned a decrease in interest rates as a decisive factor, and just 8% pointed to the availability of preferential loans—despite ongoing public discussions about government support programs.

At this point, it is worth referring to the psychological concept of the “sour grapes” effect, as described by Prof. Piotr Michoń, which may help explain the attitudes of those who strongly reject the idea of taking out a mortgage. This effect describes a situation in which people downplay the value of something they cannot obtain to reduce feelings of tension or frustration. Individuals who have not taken out a mortgage—whether due to lack of creditworthiness or fear of financial risk—may subconsciously diminish the attractiveness of this option, justifying their stance with negative reasoning (e.g., “A mortgage is a financial trap” or “I don’t want to be tied down for life”). These rationalizations help maintain internal consistency and avoid the sense of loss associated with missing out on this opportunity.

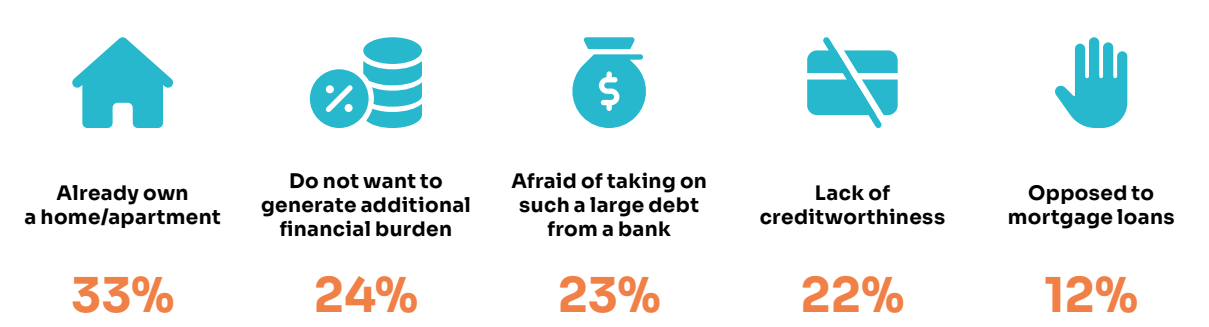
MAIN MOTIVATIONS FOR TAKING OUT A MORTGAGE AMONG PEOPLE WITHOUT LOANS



However, the data does not indicate that there is a large group of outright opponents of mortgages in society (only 12% of respondents explicitly declared such a stance). There are various

reasons why respondents would not consider taking out a mortgage—ranging from the rather obvious, such as already owning a property, to concerns related to debt.

TOP 5 REASONS FOR NOT HAVING A MORTGAGE



It cannot be ruled out that respondents' attitudes toward mortgage loans were influenced by their sense of injustice regarding economic changes, such as rising interest rates and, consequently, higher payments for variable-rate loans. More than half of the overall survey group reported experiencing this sense of unfairness. This result suggests that macroeconomic changes directly affecting borrowers' financial situations can lead to frustration and a feeling of lack of control over their financial obligations, which, in the long run, may contribute to negative perceptions of mortgage loans in general.

It is also worth highlighting the significant and somewhat surprising aversion to preferential

loans and government programs expressed by respondents. As many as six out of ten respondents believed that only offering preferential loans to selected groups of citizens was unfair. Additionally, half of the respondents claimed that such programs primarily benefited people who would have been able to finance a property purchase on their own. These findings indicate a widespread perception that support programs do not meet societal expectations regarding equality and accessibility. Such critical opinions may stem from viewing these initiatives as selective rather than systemic, further reinforcing a sense of injustice among those excluded from these benefits.

AGREEMENT WITH STATEMENTS -TOTAL RESPONDENTS





## MONEY: A GOAL OR A MEANS?

### EXPERT COMMENTARY



**Dr. Joanna Gutral**

Psychotherapist, psychologist, SWPS University,  
“Gutral Gada” podcast

A mortgage presents a challenge not only from a financial or logistical perspective but also in terms of the tension it can create. Indeed, as highlighted in the report, the average salary of Poles is increasing. However, **the median salary** remains over 19% lower than the average, indicating that growing income disparities may intensify this discomfort. Still, for many, owning a home is both a goal and a dream. Over time, respondents perceive a mortgage as a justified cost of achieving this dream. But does that mean it comes without effort?

Distress (a form of stress that is harmful and can lead to negative physical and psychological effects) related to finances, including housing loans, is a subject of interest in social research. Studies conducted among the Irish population indicated that during a financial crisis, having a mortgage significantly impacts coping strategies, increases tension levels, and leads to the search for new ways of reducing expenses, often resulting

in a lower quality of life. Additionally, this correlates with so-called mortgage pressure, which intensifies as economic instability increases.

The above findings show that it is impossible to separate the issues of distress and quality of life from the financial decisions we make. These decisions are not only about finances per se but also about organizing daily life and anticipating events, which requires behavioral adaptation. So, are we caught between the hammer of fulfilling our dream of homeownership and the anvil of concerns related to taking on a mortgage? The data presented in the report indicates that 57% of respondents who had been repaying a mortgage in the past five years reported an increase in their subjective level of happiness.

Moreover, the amount of the mortgage installment also influences subjective happiness—both in personal and financial aspects and overall well-being. The higher the percentage of monthly income

allocated to loan repayment, the lower the declared levels of happiness across different dimensions. This result is not surprising—spending a larger portion of monthly income on

**The median salary**, as the middle value, divides the population into two equal parts—half of the people earn less, and half earn more than this amount. In Poland, the median salary is over 19% lower than the average. This difference arises because the average is more susceptible to the influence of very high salaries, which “inflate” the overall picture. As a result, most of society earns less than what a simple reading of the average salary would suggest, potentially leading to a misleading perception of the actual income level of the average worker.

mortgage payments reduces the budget available for other needs, which may prevent the realization of other life goals related to happiness.

### **A Part of the Human Development Cycle**

The process of acquiring a home is naturally embedded in the human development cycle, as suggested by the fact that more than half of mortgages are taken jointly with a partner. Of course, the desire for independence and creating one's own space (31% of respondents) may be the primary reason for taking on this challenge alone. However, this approach often comes with more formal uncertainties (such as creditworthiness), as well as life plans, the search for a permanent place to settle, and financial decisions in uncertain life circumstances or at the beginning of one's career. Too many unknowns in the equation increase

uncertainty, which, in turn, heightens stress levels.

The desire to start a family and build a shared life may serve as a catalyst for taking this significant step in life—not only due to personal needs but also because of normative beliefs related to age and social roles. Additionally, sharing such a challenge as purchasing a home provides an opportunity for social support. This is particularly relevant since the majority of respondents view buying a property as an investment—not just financially but also as a means of securing their future in alignment with life plans and quality of life goals.

### **The Dilemma of Gains and Losses**

Among individuals who have not taken out a mortgage, as many as 62% said that nothing would persuade them to make such a decision. This brings us

to a critical and challenging point concerning stress and quality of life. The world is not fair, and the background that enables individuals to achieve housing independence varies significantly. This means that in unfavorable lending conditions, avoiding taking out a mortgage may seem like a beneficial choice—but it is not always a feasible one.

Thus, we face the dilemma of gains and losses, costs and benefits, where the outcome of this equation will depend on economic, family, and social circumstances. Beliefs about homeownership, actual housing and financial conditions (such as employment or family support), and personal values all play a role in this decision. Depending on the balance of these factors, taking out a mortgage may have widely different consequences for financial stability and overall happiness.



## MORTGAGE IS LIKE A MIRROR



Dr. Mikołaj Lewicki

Sociologist, Warsaw University

“Tell me what kind of mortgage you have, and I’ll tell you who you are.” This is, of course, a provocative statement, but it is rooted in observations of social differences, attitudes, and opinions. These observations indicate that a mortgage is more than just a means of purchasing a commodity or a financial instrument used to buy a home. A mortgage structures both individual lives and society. On the one hand, it becomes an integral part of one’s life path, particularly in Poland.

It is clear who considers mortgages a default topic of conversation and planning— young people, especially those aged 25–35. For younger individuals, it serves as a reference point, while for older ones who lack their own home, it raises serious questions about whether something went wrong in life. Studies show that while homeownership is not an expectation among younger individuals, for those over 35, it is a norm that one must either meet or deviate from. Renting at this age is associated with

lower self-assessment of overall well-being, job satisfaction, and financial security. According to the Otodom study, renters over 35 tend to have lower education levels, relatively lower incomes, and experience feelings of embarrassment and shame more frequently than other housing groups.

On the other hand, a mortgage enables social mobility and independence, which is expected among those who earn more, have higher education levels, and come from major cities. Consequently, a mortgage is, first and foremost, the default and most respected means of obtaining housing. Secondly, it is a symbol of social mobility. More precisely, it is difficult to achieve upward mobility without it, although a mortgage itself is not necessarily a status symbol.

### Mortgage as a Lifestyle Element

Let’s start with the obvious: mortgages typically appear at the moment of independence,

when individuals move out on their own. This is less common in the 25–34 age group, sometimes referred to as “young adults,” and more frequent among adults up to 45 years old, especially couples and families with children. This is largely a demographic pattern. However, the study “Housing: To Have or To Be” also highlights why a mortgage can be a key factor in obtaining or confirming social status.

**People who strongly agree with the need to have their own place are often better educated, wealthier, and reside in major cities.**

They declare this desire earlier in life and act on it sooner. Thus, they belong to the urban middle class, which is the primary target of marketing communications—especially those related to home furnishings, lifestyle, and family happiness.



These individuals are the protagonists of popular TV series, advertisements, and trending Instagram profiles. Those who have taken out a mortgage not only tend to rate their financial well-being and life satisfaction more positively, but they also report that homeownership increases their sense of happiness.

Among urban dwellers with mortgages, a significant number allocate more than 50% of their monthly income to loan payments. These individuals are often single. In other words, they are people who

pursue independence and social status through homeownership but pay a high price for it. Their overall well-being is relatively lower.

### **Social Ladder and the Concept of “Cruel Optimism”**

The majority of mortgage borrowers in this study took out a loan while in a relationship, some already having children. Mortgages are therefore interwoven with family formation. This often implies not only a change in marital status but also an increase in household purchasing power and the

transition to homeownership. The fact that mortgage borrowers prioritize location when choosing a home aligns with the fundamental mantra of real estate developers: “location, location, location.” This factor determines not only the property’s value but also its stability or appreciation, as well as its symbolic status—whether one lives in a prestigious area, a mediocre neighborhood, or a poor district. Interior design alone does not dictate status. The awareness of this among mortgage borrowers reflects at least an intuitive, if not a fully developed, investment sense.





Mortgage borrowers tend to be better educated than those with other forms of housing tenure, and their higher self-reported financial literacy is supported by their responses regarding financial management, such as the importance of maintaining an “emergency fund” (savings set aside for unforeseen expenses).

Among young adults, particularly those with mortgages, the belief that purchasing a home is a good long-term investment is more deeply held than in other age groups.

This group is unlikely to be convinced that other housing options, such as renting, could be a viable alternative. For some, high mortgage payments require sacrifices, but these are justified by a long-term perspective.

This contrasts with individuals who have chosen to finish their apartments to a high standard and, in many cases, appear to have overestimated their financial capacity. Compared to other homeowners, they are more likely to report lower life satisfaction and financial security. These are the “aspiring class”—those who invested heavily in showcasing their status through home decor but at too high a cost.



In the end, one could say that the race for homeownership is a climb up the social ladder. However, it is often accompanied by what an anthropologist once called

“cruel optimism”—a path that entails numerous sacrifices, requires discipline, and offers little tolerance for mistakes or missteps.

# Being “On Your Own” as Soon as Possible.

## How Mortgage Overpayments Affect Housing Well-Being

Being “on your own” is, for many residents of Poland, a symbol of positive change and life stability. The path to achieving this often involves taking out mortgages. While they enable the realization of dreams about owning a home, they also come with both financial and emotional burdens. It is no surprise, then, that overpaying or fully repaying a mortgage is seen as a significant step toward independence and peace of mind. This is even more relevant given recent economic events, such as rising interest rates and high economic uncertainty, which have not been encouraging.

### Five Years of Intensive Repayments

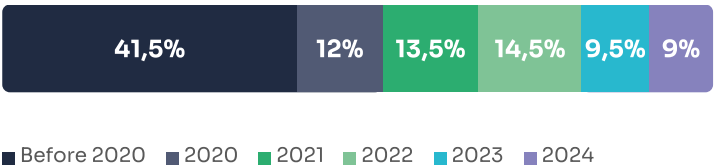
As noted in previous chapters, the highest happiness levels are reported by respondents who had already paid off their mortgage. It is, therefore, understandable that for many people, full repayment is an important goal for which they strive. This is reflected in Otodom’s data. Due to a relatively small sample size (183 individuals who had repaid their mortgage, including 83 who had completed repayment in the last five years), the topics discussed below warrant further analysis in the future. However, the findings suggest some interesting conclusions.

Approximately one in seven respondents surveyed by Otodom had fully repaid their mortgage

at some point. One in twelve respondents managed to pay off their entire debt within the last five years—during the pandemic and post-pandemic period. This was an exceptional time for the real estate market, bringing increases in interest rates, mortgage installments, lending regulations, and price fluctuations.

Most respondents who paid off their mortgage within the past five years did so in 2021–2022: as many as 71% of loans repaid during this period were settled ahead of schedule, before the official timeline set by the bank.

### YEAR OF MORTGAGE REPAYMENT – RESPONDENTS WHO HAD COMPLETED THEIR LOAN REPAYMENT



**14%**  
of respondents had fully repaid a loan (8% between 2020–2024)

**71%**  
of mortgages repaid in the last five years were settled by respondents ahead of the official schedule

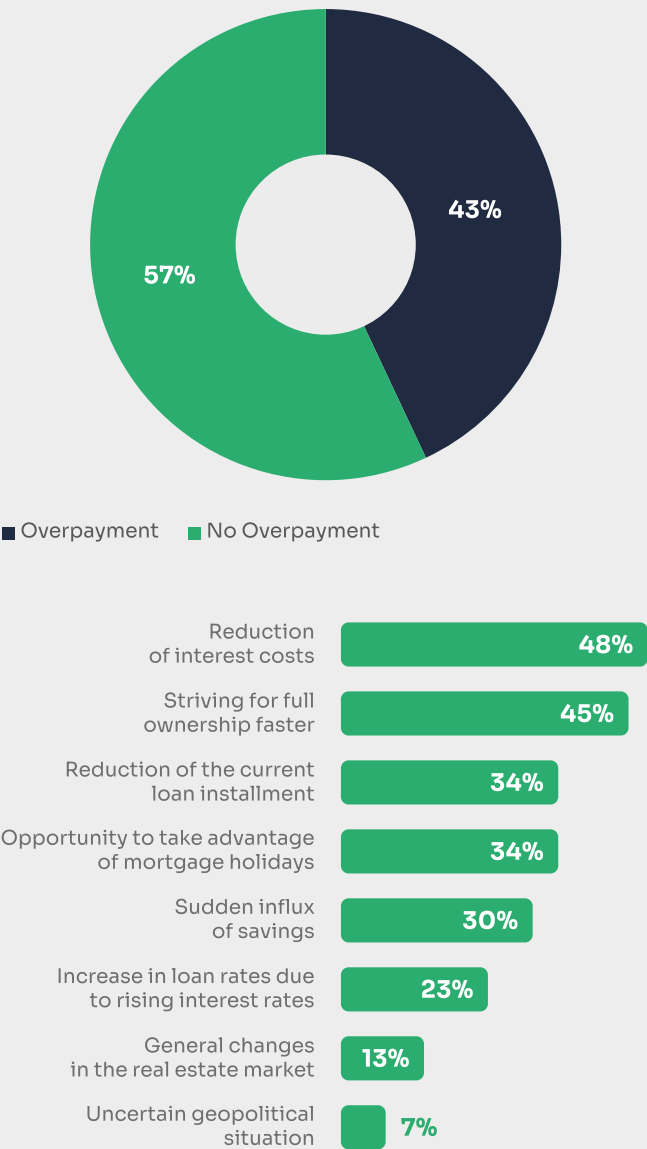


Benefits of Overpaying the Mortgage

A mortgage lasting until retirement? For many respondents in the Otodom survey, this is not a particularly attractive vision—they prefer to achieve full homeownership as quickly as possible. This is one of the reasons why more than four in ten people declared that they had overpaid their mortgage at least once in the past five years.

Respondents frequently cited reducing interest costs (48%) and lowering their current monthly installment (34%) as key motivations. Allocating more funds to their mortgage than required by the repayment schedule is often driven by a desire to reduce the financial burden of the loan on their household budget.

OVERPAYING MORTGAGES – PERCENTAGE AMONG BORROWERS AND KEY MOTIVATIONS



During the period from 2020 onwards, the vast majority of repayments concerned loans that were paid off ahead of the schedule agreed with the bank.



Polish homeowners do not want to be repaying their mortgages into retirement—if their financial situation allows, they strive to make additional payments or repay their loans as quickly as possible.

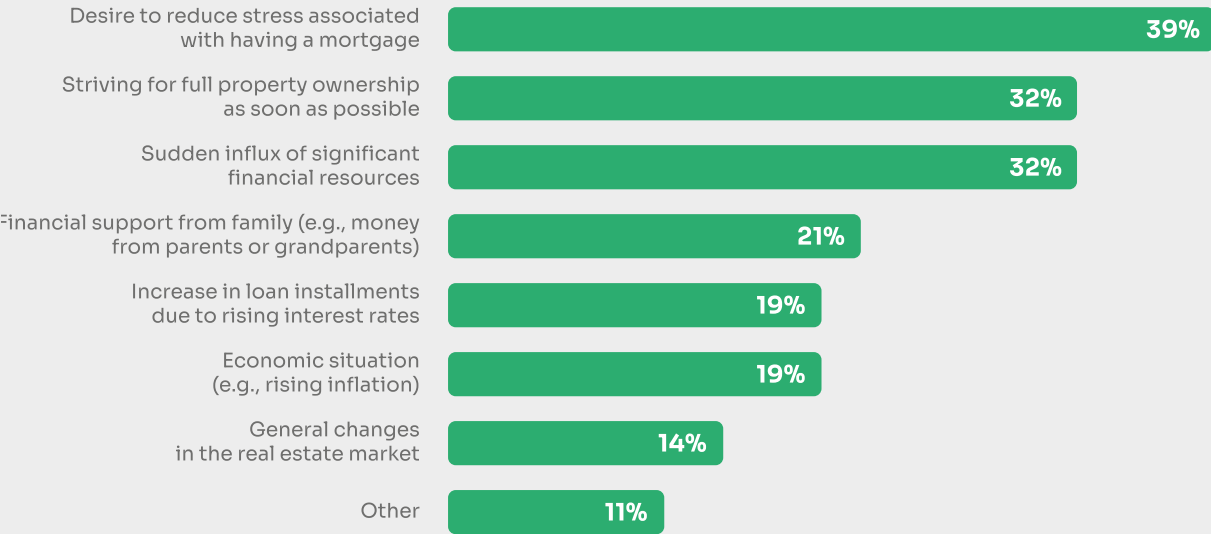
Motivations related to current economic events were cited less frequently than might have been expected—34% of respondents mentioned taking advantage of mortgage payment holidays, while 23% pointed to rising interest rates and loan installments. In the context of geopolitical instability, it is somewhat reassuring that only seven percent of respondents indicated it as a reason for making extra payments on their mortgage.

When it comes to full early repayment of a mortgage, one of the main reasons people choose to do so is the desire to gain full ownership of their home or apartment as soon as possible. One in three respondents who repaid their loan early cited this motivation. However, the most commonly mentioned factor was the desire to reduce the stress associated with having a mortgage—39% of respondents pointed to this reason.

Another major motivation for full repayment was a sudden influx of financial resources—this was the case for one in three respondents who decided to pay off their loan ahead of schedule. One in five respondents who repaid their mortgage received financial support from their family for this purpose. These types of “family contributions” were particularly common after the increase in mortgage rates due to rising interest rates, when many families tapped into their savings. These findings suggest that shortening or fully repaying a mortgage is increasingly seen by Poles as one of the most profitable ways to allocate capital.

Economic factors such as rising interest rates and inflation (both at 19%) ranked lower among motivations for early repayment—this could be attributed to a relatively low level of financial awareness among some borrowers making additional payments. Among those who repaid their loans in the last five years, these factors were cited slightly more frequently (25% and 24%, respectively), yet still ranked below emotional considerations and the goal of full ownership.

REASONS FOR EARLY MORTGAGE REPAYMENT

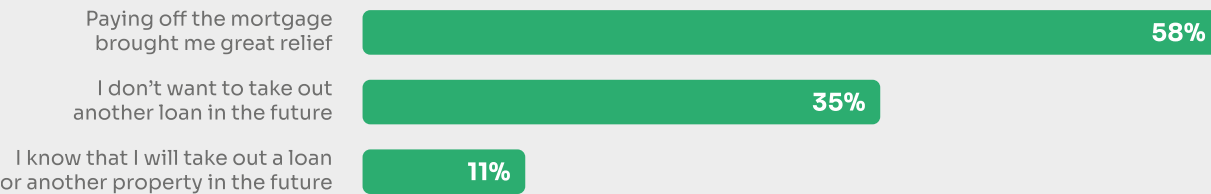


Loan-Free, Worry-Free – The Key to Peace of Mind

As we previously observed, for many borrowers, obtaining a mortgage was a positive experience. However, the reality of making monthly payments, the impact on household budgets, and the awareness of long-term debt can significantly overshadow this initial joy. It is therefore

unsurprising that nearly six out of ten people who paid off their mortgage reported experiencing great relief. Women (63%) were more likely to express this sentiment than men (53%), as were individuals earning above the national median income (63%).

EMOTIONS AND PLANS RELATED TO A PAID-OFF MORTGAGE



For many respondents in the Otodom study, a fully repaid mortgage was seen as both the first and last loan they would take out—at least according to their current plans. Only one in nine people who had fully paid off their mortgage (not

necessarily in the last five years, but at any point) stated that they planned to take out another loan in the future. In contrast, a significantly larger group—35% of respondents—expressed a strong disinterest in taking on debt again.



Among those who had paid off their mortgage within the past five years, 21% said they did not plan to take out another loan—several percentage points lower than the overall group of those who had ever paid off a mortgage. This suggests that those who recently completed their mortgage payments may be more open to new real estate investments, likely due to their recent experience in managing and repaying a loan. However, given the relatively small sample size, this conclusion requires further verification in future studies.





Paying off a mortgage appears to significantly affect the well-being and lifestyle of those who have done so. In addition to the previously mentioned positive correlation between mortgage repayment and overall happiness, about one-third of respondents in this group reported experiencing greater freedom in their own homes after being free of bank obligations.

Similarly, another third stated that paying off their mortgage had allowed them to adopt a more flexible lifestyle and allowed for dedicating more time to their passions and hobbies. These findings align with earlier responses from those still repaying mortgages, who noted that regular payments often forced changes in daily habits and lifestyle choices.

THE IMPACT OF PAYING OFF A MORTGAGE ON LIFESTYLE





## MORTGAGE LOANS ARE FOR THE BRAVE



**Dr. Adam Czerniak**

Economist, SGH Warsaw School of Economics

Mortgage loans in Poland are for the brave. Taking one out requires a great deal of effort from the borrower – gathering a stack of documents confirming financial and personal data, navigating long contracts with numerous conditions and repayment simulations filled with various restrictions, and above all, understanding the differences between individual banks' offers, which at first glance may seem limited to margin rates. Then, it is like a Hitchcock movie: the tension only rises. Nervous anticipation of the next decisions of the Monetary Policy Council regarding interest rates, the press conferences of the President of the National Bank of Poland, endless readings of contradictory market analyst forecasts, and closely following politicians' statements about the possibility of introducing loan holidays, support funds for borrowers, or changes in the calculation of market WIBOR rates that determine mortgage interest rates. On top of this is the growing

fear of job losses during economic downturns and long-term household budget calculations with key questions such as: Will we be able to afford school tuition for our children? How much will electricity cost after the next rate hike? Can we afford an overseas vacation this year?

And yet, the biggest problems begin when we can no longer afford to pay the installments and have to terminate the contract with the bank.

### Generational Experiences

It is therefore no surprise that the survey conducted by





Otodom found that the most important reason for early mortgage repayment is the desire to reduce the stress associated with having a loan – as many as 39% of respondents indicated this as the reason for making extra payments to the bank. We are far from the stability of mortgage obligations that Americans, Dutch, or Danes enjoy.

In the United States, standard mortgage loans are granted with fixed interest rates for the entire loan term, and one can opt out of further payments relatively easily, simply by handing over the house keys to the bank.

In Denmark and the Netherlands, mortgage loans are granted for 50 years or more, and there are currently experiments with perpetual loans, where only fixed-interest payments are required over time.

**In Poland, only in recent years have fixed-rate mortgages begun to dominate bank offers, but this stability is short-term, lasting no more than seven years, after which changes in mortgage payments can come as an unpleasant surprise.**



For these reasons, as many as 35% of Poles do not want to take out another mortgage loan for purchasing real estate. As sociological studies show, the stress associated with excessive mortgage payments can cause trauma passed down from generation to generation. Young people in Poland often refuse to take out loans because they remember their parents' anxiety over making regular loan payments and the fear of losing their home. This stress was compounded by other unpleasant experiences from Poland's economic transformation, such as overall job market instability and constantly changing regulatory conditions.

### Striving for Full Ownership

Sociological factors also explain the second most important reason for early loan repayment: the desire to achieve full ownership as quickly as possible. This was cited as a reason for extra payments by 32% of Poles surveyed by Otodom. This stems from a strong attachment to ownership, which is prevalent in Poland and other post-socialist countries. In these nations, there is a culturally ingrained belief that only full ownership of residential property truly satisfies housing needs.

Mortgage burdens, market or municipal rentals,

cohabitation with parents or friends are perceived as inferior, incomplete, and incapable of bringing true happiness. Not only do they fail to provide full enjoyment of a home, but they also negatively impact the desire to start a family and one's self-esteem. People who do not own a mortgage-free property are often viewed as failures—those who have not succeeded in life due to laziness or a lack of career skills.

Further down the list of reasons for early mortgage repayment are economic factors—unexpected income, rising loan installments, and

a worsening macroeconomic situation. These findings confirm previous studies showing that the main drivers of behavior in the housing market are non-financial factors.

### **Peace Despite a Mortgage**

In Poland, most real estate is treated as a family asset that builds identity, stability, and household happiness, rather than as a financial asset that can be bought, sold, leveraged, or rented. This poses a significant challenge for financial institutions and regulators, as it necessitates the consideration of difficult-to-measure

cultural factors, which played a role in Poland's so-called "franc loan crisis."

As always, prevention is better than seeking a cure. That is why financial oversight, in cooperation with banks and other capital market entities, should, in the coming years, strive to improve the security of mortgage borrowers by promoting fixed-rate loans for the entire repayment period and simplifying procedures for exiting a mortgage in cases of financial difficulties. This way, Poles will feel more secure in their homes, even if they have a mortgage.





## THE CLASH BETWEEN DREAMS AND MARKET REALITY

### EXPERT COMMENTARY



**Paweł Onych**

Mortgages Operations Senior Manager, Otodom

People interested in buying an apartment today face a very different reality than their parents or grandparents—taking out a mortgage is now a necessity for most. And if they have the opportunity, they take advantage of it. It's enough to say that 2024 ended with an impressive result—around 200,000 mortgage loans were granted. Unfortunately, for part of society, obtaining a mortgage in the current situation remains out of reach. This certainly causes frustration, especially since as many as

73% of respondents indicated that buying their own home is the fulfillment of one of their dreams.

The current level of real estate prices, further driven up in the past year by the Safe 2% Mortgage support program, has resulted in an overwhelming majority of people without property declaring that they cannot afford to buy one (75% of respondents) or that they lacked the creditworthiness required for a loan (41% of respondents).

The mortgage support program is a perfect example of how good intentions can have the opposite effect due to poorly designed assumptions. The program largely benefited borrowers who did not actually need assistance (this was the opinion held by 50% of respondents, which is also confirmed by market analyses). A year after the program ended, housing prices increased by 20–30%, making it even more difficult for those who previously could not afford a home purchase to do so now.

The study clearly revealed a negative attitude among respondents toward government programs offering benefits to selected groups of citizens (60%). This is a conclusion that should give the relevant institutions something to think about.





### We Know What We (Can't) Afford

What is surprising is the “healthy” approach respondents take toward the possibility of taking out a loan in relation to their income. The percentage of people who believe they should be able to afford a mortgage is strongly correlated with their earnings. Poles can objectively assess whether they should qualify for a loan based on their income level. Information about market fluctuations related to interest rate hikes and credit availability is reaching potential borrowers effectively.

This stands somewhat in contrast to respondents' actual knowledge of banking procedures and their own creditworthiness—only 29% were convinced that they would receive a mortgage if they applied for one.

**Encouragingly, the growing financial awareness among borrowers is evident not only in their assessment of their ability to take out a loan but also in ensuring that the loan is taken out safely.**

As many as 60% of respondents declared that they maintained an emergency savings cushion, and if they were to receive 50,000 PLN, 47%



would allocate it to various forms of savings. At the same time, people with a mortgage assess their financial knowledge significantly higher than those without a loan. This is somewhat justified by the fact that the mortgage application process is complex and complicated, especially when comparing offers from multiple banks. Even when most of the formalities are handled by financial experts, taking on such a large obligation provides borrowers with a great deal of financial knowledge.

### We Rationalize Our Decisions

On the road to fulfilling their dreams, respondents are willing to make many sacrifices. The desire to own a home is so strong that, despite nearly 60% of respondents finding the wait for a loan approval to

be stressful, and even though the loan itself was a major burden that negatively impacted their quality of life, and despite the fact that a similar percentage felt a great sense of relief after paying it off, 71% of respondents still believed that taking out a mortgage was the right decision.

Why is that? Probably partly because borrowers rationalize their decision as the right one. Perhaps because, seeing continuously rising prices, they feel wealthier (even if this wealth is only illusory, as many of them won't sell their property). And almost certainly because a mortgage is not a goal in itself but simply a tool to own a place where they can be happy. And in the case of 75% of respondents, that's exactly how they felt.

# Financial ABC. The Relationship Between Financial Attitudes and Housing Well-Being

Key decisions, such as taking out a mortgage or investing, require not only careful consideration but also solid financial knowledge. Unfortunately, Poles' self-assessment of their financial competence remains relatively low, which can ultimately negatively impact their housing well-being and standard of living. What determines a declared level of financial knowledge? What are the savings habits and financial safety cushions of the respondents? How would they manage an unexpected windfall of 50,000 PLN? We sought answers to these questions by analyzing the financial knowledge, attitudes, and decisions of respondents to better understand their approach to financial management and future planning.

## Wealthier – But Financially Secure?

According to economic parameters widely discussed in the media, Polish residents are gradually becoming wealthier, and their standard of living is rising. However, GDP per capita is not everything. On the one hand, our wallets are becoming fuller, but on the other, the level of accumulated savings remains low. Expenses are increasing, and in recent years, high inflation has been particularly burdensome. This has inevitably affected respondents' financial safety nets.

When asked how long they would be able to maintain their current standard of living after

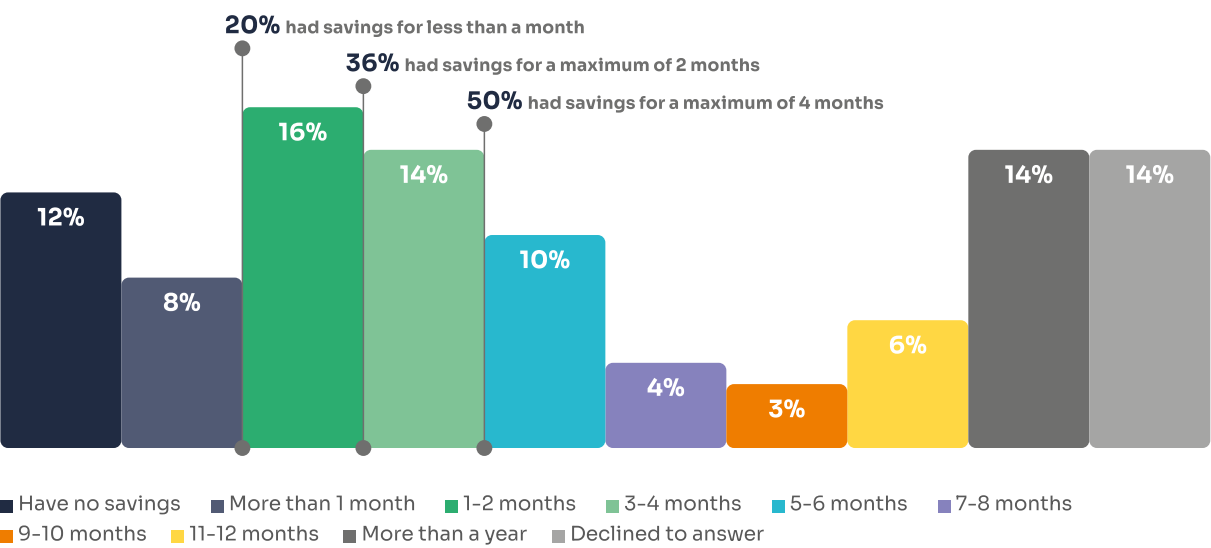
losing their job or other sources of income, Polish residents revealed a concerning state of their savings. One in five respondents admitted that the funds they had saved would last them less than a month. Another 36% stated they could survive for a maximum of two months. Meanwhile, half of the respondents estimated that their financial security would allow them to sustain themselves for no more than four months. These results indicate the limited financial capacity of a large portion of society, which may lead to significant vulnerability to economic crises and sudden changes in life circumstances.

# 20%

of Polish residents stated that after losing their job or another source of income, they would be able to maintain their current standard of living for less than a month. 12% admitted that they had no savings at all.



**FINANCIAL CUSHION. ESTIMATED TIME RESPONDENTS COULD SUSTAIN THEIR CURRENT STANDARD OF LIVING USING THEIR EXISTING SAVINGS**



It appears that Polish residents spend most of their income on current needs, which, in the context of their housing well-being, may lead to unfavorable consequences. For example, taking out a mortgage often requires a significant contribution from one’s own resources, which means the necessity of accumulating capital in advance. Additionally, timely loan repayment requires

having a financial cushion that would allow for covering unforeseen expenses or dealing with emergency situations, such as job loss or sudden health problems. The lack of such security can lead to increased stress and anxiety levels, negatively affecting happiness and overall quality of life.



The low level of savings among Polish residents indicates an urgent need for financial education and promoting saving habits. The lack of adequate financial security not only hinders the achievement of housing goals but also negatively impacts mental well-being and life stability, potentially leading to long-term problems both on an individual and societal level.

## Poles Know Everything... Or Do They?

As has been stated in previous chapters, obtaining a loan appears to be one of the most important moments in the lives of Polish residents that significantly affects their functioning and lifestyle in the long-term. It could therefore be assumed that the decision to take on such an obligation would be preceded by an analysis based on solid knowledge and the gathering of a large amount of information. The only thing is that to make that happen – one must have the knowledge. Poles often claim to know everything, which among people prone to generalizations can even be a source of jokes.

However, when the consequences of financial or real estate ignorance arise, not everyone finds it funny. So we checked how respondents assessed themselves in this area. The answer turned out to be quite concerning.

An analysis of the entire population, regardless of age, showed that only one in four respondents positively assessed their knowledge of the housing market. This is relatively low, considering how important owning property is for Polish residents, as demonstrated by the study.

The best self-assessment of housing market knowledge is found among respondents in the age categories of 26–35 (32% of them positively assessed their knowledge in this area) and 36–45 (33%). They were also statistically the most frequent mortgage borrowers, so naturally, their knowledge was the most up-to-date. In subsequent age groups, there was a noticeable decline in respondents' self-assessment in this area.





We also asked respondents about their knowledge of mortgage granting rules. It remains at a similar level to housing market knowledge, and as before, the best knowledge in this area was found among people aged 26-45 (36% of them positively assessed their knowledge in this regard), which is a better result than the overall average of 27%.

Interesting results can be observed in the area of saving and investing. Six out of ten Polish

residents positively assessed their ability to save, with the 26-35 age group performing slightly above average. This is a stage of life that may require greater attentiveness in terms of expenses and household budget planning – if only because many people are starting their careers and earning lower salaries, and often – are thinking about starting a family.

SELF-ASSESSMENT OF KNOWLEDGE: PERCENTAGE OF POSITIVE RESPONSES

	Overall	18-25	26-35	36-45	46-55	56-65	66+
Knowledge of the housing market	25%	25%	32%	33%	18%	21%	22%
General financial knowledge	43%	47%	47%	45%	39%	33%	44%
Knowledge of mortgage approval rules	27%	27%	36%	36%	22%	19%	24%
Saving skills	60%	56%	64%	59%	57%	59%	60%
Investment skills	31%	39%	34%	32%	28%	29%	29%

If we look at investment skills, just over three in ten Polish residents rated themselves positively, but the youngest age groups stood out significantly. 39% of respondents aged 18-25 and 34% of those aged 26-35 claimed to have good investment knowledge. Younger generations

have become increasingly interested in financial topics, exploring alternative income sources, and leveraging technology in this field. The use of digital tools undoubtedly influences overall financial literacy.

71%

of individuals who had paid off their mortgage positively assessed their overall financial knowledge—28 percentage points higher than the average for all respondents.

Having a mortgage can also be a motivating factor in acquiring financial knowledge. Mortgage holders and those who have already paid off their loans are noticeably more likely to declare better financial knowledge in almost every examined category. For example, only four in ten individuals without a mortgage positively assessed their financial knowledge, whereas this figure rose to 53% among those currently repaying a mortgage and as high as 71% among those who had already paid it off.

Naturally, mortgage borrowers also demonstrate greater knowledge of the housing market and mortgage approval rules. The only area where no significant differences in knowledge levels were observed was saving skills. As we can see, this skill is essential for everyone, regardless of their financial situation.





**SELF-ASSESSMENT OF KNOWLEDGE: PERCENTAGE OF POSITIVE RESPONSES  
BASED ON MORTGAGE STATUS**

	Overall	No mortgage	Mortgage	Paid-off mortgage
Knowledge of the housing market	25%	22%	40%	52%
General financial knowledge	43%	40%	53%	71%
Knowledge of mortgage approval rules	27%	22%	51%	62%
Saving skills	60%	60%	60%	64%
Investment skills	31%	30%	38%	54%

**SELF-ASSESSMENT: PERCENTAGE OF POSITIVE RESPONSES DEPENDING ON ACTIVITY  
ON THE OTODOM PLATFORM**

	Overall	Very often	Often	Rarely / Sporadically	Never
Knowledge of the housing market	25%	57%	58%	33%	16%
General financial knowledge	43%	59%	72%	54%	33%
Knowledge of mortgage approval rules	27%	53%	63%	37%	18%
Saving skills	60%	70%	68%	69%	54%
Investment skills	31%	47%	58%	37%	25%

As an interesting observation, it is worth noting that respondents who use the Otodom platform also stand out positively compared to the general population in terms of financial knowledge. This is evident even among users who declared that they use it only occasionally. There is no

coincidence in the fact that higher financial competencies are often linked to investment needs, which, in turn, are frequently realized through real estate. Otodom is the primary destination for all of those looking for a new home.

## Housing Decisions and Declared Knowledge

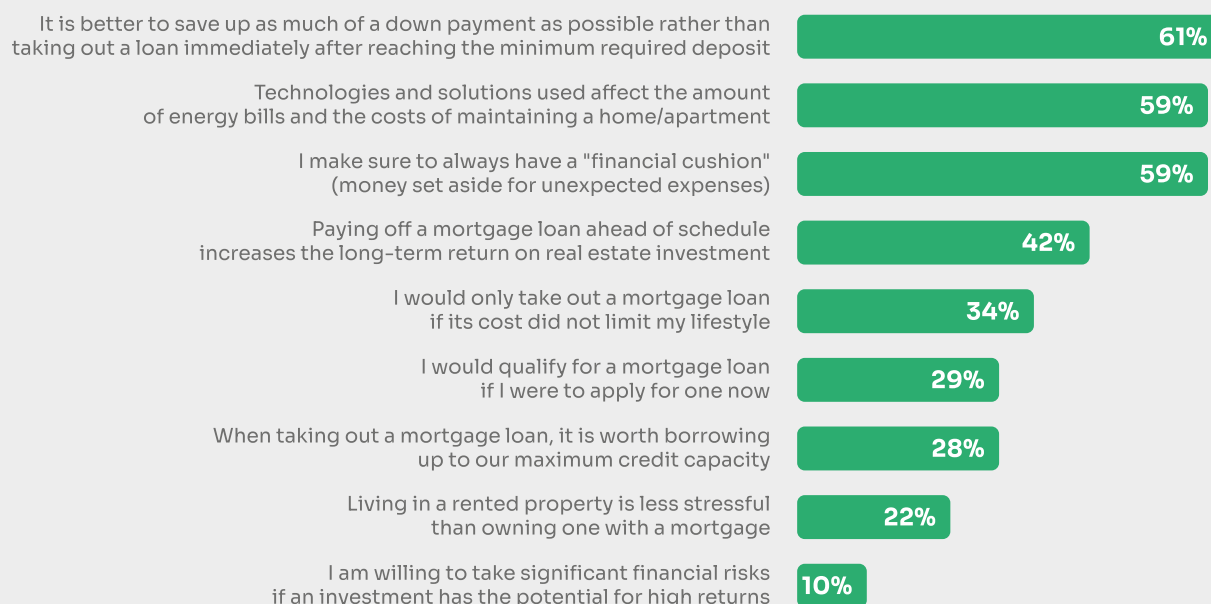
Navigating the real estate market, especially when investments are financed through mortgage loans, requires not only theoretical knowledge but also familiarity with best practices. Although Polish residents generally rate their own financial competencies as rather low, the Otodom study included statements designed to verify them.

For example, 61% of respondents agreed with the statement: "It is better to save up as much of a down payment as possible rather than taking out a loan immediately after reaching the minimum required deposit." However, an analysis of the

results reveals differences depending on the level of self-assessed financial knowledge. More than 70% of people who rated their financial competencies as high supported this approach. In the group with an average self-assessment, the percentage was 64%, while among respondents who rated their competencies as low, only 55% agreed.

It is also clearly visible that the awareness of the need for a financial safety net is significantly stronger among respondents who declared the highest level of financial knowledge.

## FINANCIAL ATTITUDES AND KNOWLEDGE - OPINIONS ON FINANCIAL ATTITUDES





The study revealed that although a mortgage loan is commonly perceived as a well-understood financial tool, its nuances become apparent in aspects such as creditworthiness calculations or the long-term consequences of repayment. Only 33% of respondents with low financial knowledge agreed with the statement that “paying off a mortgage ahead of schedule increases the long-term return on real estate investment”, compared to 62% of those with high financial competence. The overall average for all respondents was just 42%. This variation highlights the importance of financial education and understanding long-term planning principles in managing credit obligations.

Individuals with a high level of financial knowledge were also more willing to take risks when they see potential greater benefits. This is reflected in their more frequent acceptance of the statement that “when taking out a mortgage, it is worth borrowing up to our maximum credit capacity”. 35% of those with high financial competence agreed with this statement, surpassing the general average (28%) and the result for the group with low financial competence (24%). This may indicate a more confident approach to real estate financing among individuals who are better informed about market mechanisms.

PERCENTAGE OF RESPONDENTS AGREEING WITH THE STATEMENT IN DIFFERENT GROUPS

	18-25	26-35	36-45	46-55	56-65	66+
I would take out a mortgage loan only if its cost did not limit my lifestyle	42%	39%	36%	38%	29%	27%
	Young Adults		Families with Children		Silvers	
	43%		38%		28%	





As the years pass, there is an increasing tendency toward financial compromises. The statement, “I would take out a mortgage loan only if its cost did not limit my lifestyle,” was accepted by over 40% of so-called Young Adults, but only 28% of so-called Silvers—those in the oldest age groups. This result suggests that younger age groups are less willing to sacrifice their current standard of living, which may stem from differences in priorities and approaches to long-term financial planning. These variations in financial attitudes and decisions, influenced by both knowledge levels and age, highlight not only the need for better financial education but also for tailoring it to different social groups. This could better prepare consumers to make informed and responsible decisions about real estate financing.





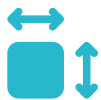
What Are We Paying For? Opinions on Factors Affecting Real Estate Prices

Real estate prices are dependent on many factors; however, as the study shows, they are not always accurately identified by Polish residents. Respondents were asked to indicate the five factors they believed had the greatest impact on the price of a house or apartment. Every second person pointed to the usable area, while nearly as many (48%) mentioned location within the city or town. Slightly more than four in ten respondents stated that the region of the country or voivodeship was a key determinant. Outside the top five were factors such as public transportation accessibility, the age of the building, and the type of heating system. The least influential factors, according to respondents, were having a balcony, terrace, or garden (22%), as well as public transportation access (22%).

In reality, real estate prices are shaped by a much more complex set of factors that go beyond respondents’ intuitive choices. Technical standards and equipment—such as the quality of building materials, modern heating systems, and energy-efficient technologies (e.g., ecological certificates)—can significantly affect property prices. With rising energy costs, maintenance expenses are becoming increasingly important—the availability of utilities and effective thermal insulation are now key considerations.

More data on the factors influencing real estate prices, according to Polish residents, can be found in the chapter “Housing Finances in a Nutshell. How to Support the Pursuit of Residential Well-Being”.

TOP 5 FACTORS AFFECTING REAL ESTATE PRICES ACCORDING TO POLISH RESIDENTS



Usable area

50%



Location within the city/town

48%



Region of the country/voivodeship

41%



Standard of finishing

34%



Number of rooms

29%

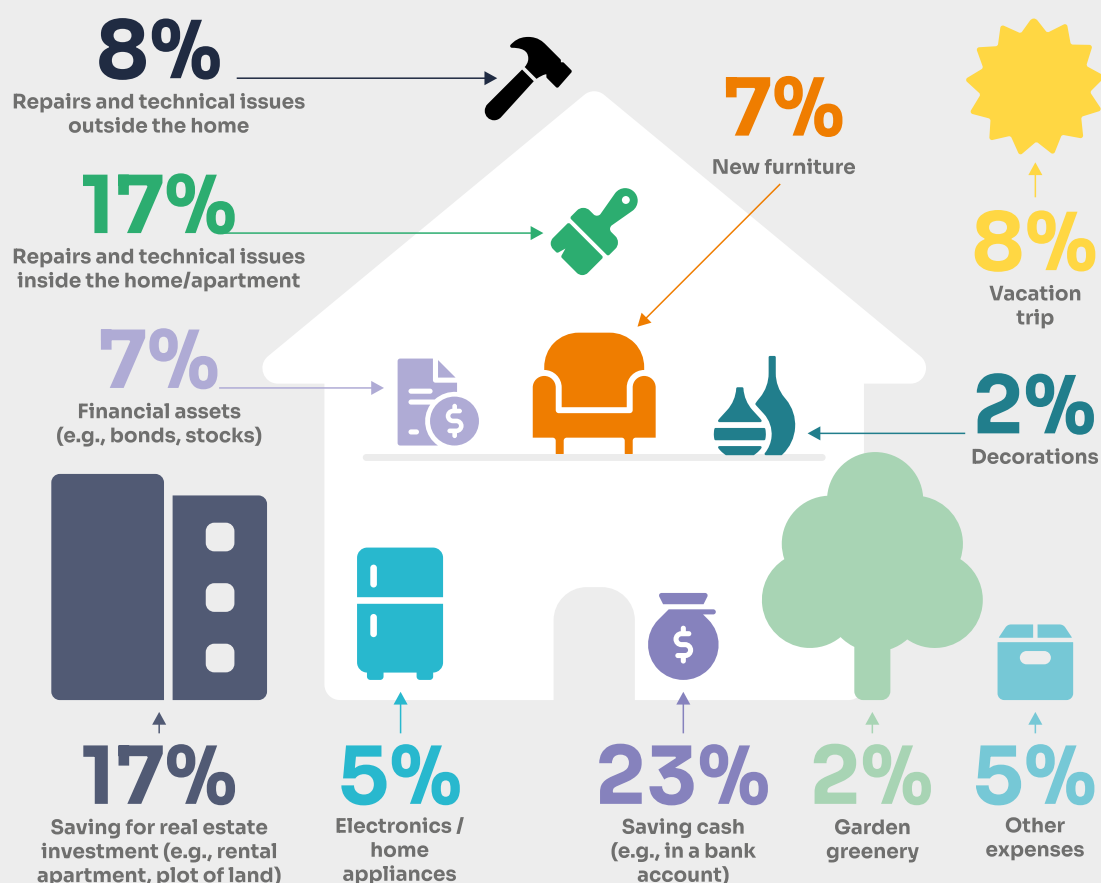


## Fifty Thousand as a Gift – Yes, Please! But What to Do with It?

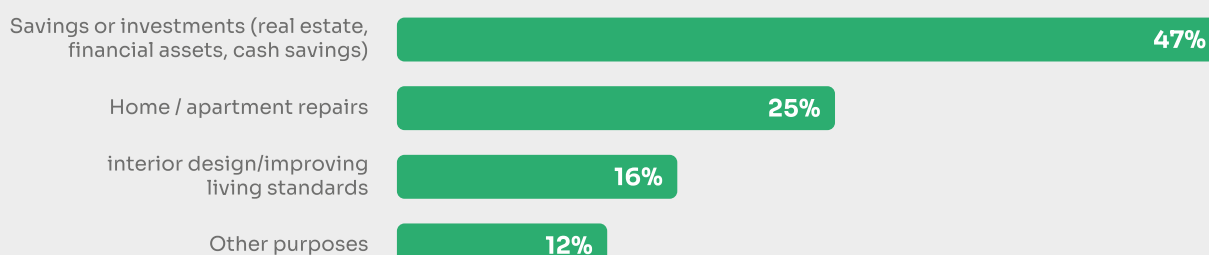
For many people, 50,000 PLN is a significant amount, often out of reach. Depending on their life situation, it could be used to fulfill dreams, invest, or purchase essential items that were previously unaffordable. When asked how they would spend a cash gift of 50,000 PLN, respondents most frequently chose to... save it in a bank account or

invest it. These answers accounted for nearly half of all declarations. The next most common response was using the money for home or apartment repairs. Relatively few respondents would allocate the funds for better interior design or improving their standard of living (16%).

### HOW WOULD WE SPEND 50,000 PLN?



### HOW WOULD POLISH RESIDENTS SPEND 50,000 PLN? SPENDING CATEGORIES





### WAYS OF SPENDING AN ADDITIONAL 50,000 PLN BY POLISH RESIDENTS ACCORDING TO DIFFERENT LIFE STAGES

	Overall	Young Adults	Families with Children	Silvers
Saving cash (e.g., in a bank account)	23%	20%	18%	24%
Saving for an investment property	17%	20%	22%	9%
Repairs and technical issues inside the home	17%	12%	16%	22%
Vacation trip	8%	7%	7%	9%
Repairs and technical issues outside the home	8%	4%	8%	9%
New furniture for home / apartment	7%	8%	8%	8%
Investment in financial assets	7%	14%	5%	7%
RTV / AGD equipment (home appliances/ electronics)	5%	5%	6%	4%
Greenery in the garden / on the balcony	2%	1%	2%	2%
Home /apartment decorations	2%	2%	2%	2%
Other matters	5%	6%	4%	5%



Financial priorities and approaches to property management evolve with different life stages. Young Adults, who are at the beginning of their professional and financial journey, tend to focus more on various types of investments, such as purchasing their first apartment, expanding their investment portfolio, or improving their standard of living. For this group, the priority is building financial assets and making decisions that can yield long-term benefits.

On the other hand, older age groups, who already have a stable housing situation, are more likely to focus on renovations, modernizations, and repairs of their existing properties. This is linked to the natural wear and tear of buildings and furnishings, which require regular maintenance to preserve their value and functionality. Changing needs also play a role—older homeowners may adapt their homes for greater comfort or address health-related concerns, such as installing elevators, modifying bathrooms, or improving energy efficiency.



## HAPPY ARE THOSE WHO SAVE



**Dr. Piotr Michoń**

Economist, Poznań University of Economics,  
blog *Ekonomia Szczęścia*

When we examine scientific research on the relationship between savings and human well-being, it becomes clear that the correlation is positive. Books, articles, and reports consistently show that having savings, quite literally, saves people from stress (especially financial stress), promotes health, helps with better sleep, and ultimately leads to greater life satisfaction.

These effects can be observed even when, using appropriate statistical techniques, we eliminate the impact of the income level on well-being. There is evidence that regular saving has a particularly strong impact on well-being among individuals with lower incomes and those of working age. Moreover, though it may be surprising, many studies suggest that the amount of

savings a person has, especially when measured as a multiple of monthly income, is less dependent on earnings and more on behavior and choices.

### A Full Piggy Bank

The Otodom study indicates that, among Poles as well, having savings positively correlates with happiness. However, the strongest correlation is between the amount of savings (measured as a multiple of monthly income) and satisfaction with one's financial situation. Some may argue that this is unsurprising—people who earn enough to save will naturally be more satisfied with their financial state. This is a valid concern since, indeed, the higher a household's income, the greater its savings. However, our study revealed two interesting findings.

Firstly, even when we eliminate the impact of income on respondents' financial situation, it remains strongly correlated with the size of their savings. In other words,



regardless of income level, having savings positively affects satisfaction with financial standing.

Secondly, regardless of income, having savings leads to a better perception of one's material situation compared to the rest of society. A full piggy bank allows individuals to feel less like the "poor relative," even if their earnings are modest.

### A Self-Sustaining Saving Mechanism

Typically, when evaluating declarations of knowledge and skills, we question whether respondents accurately assess their own competencies. Someone might believe they know a great deal while actually knowing very little, while others may underestimate their own knowledge. Among the various areas of financial knowledge and skills we examined in the Otodom study, respondents rated their savings abilities the highest; three out of five Poles considered themselves experts in this area.

I must admit I approached this claim with skepticism. After all, according to Eurostat, in 2022 Poland, alongside Greece, was one of the only countries where residents not only failed to add to their savings but actually depleted them. However, our data showed a strong correlation between self-assessment of saving skills and the amount

of savings owned, following the rule: the higher I rate my knowledge, the more savings I have.

This suggests that having savings reinforces the belief that one knows how to save, or that financial knowledge helps in setting money aside. Likely, both relationships are at play, indicating a self-sustaining mechanism: I believe I can save, so I do; I have saved, therefore I can, and since I can, I continue to save.

### Is Financial Education Necessary?

**A meta-analysis was once conducted on the role financial education plays in shaping saving behaviors. To the researchers' surprise, the effect was, to put it mildly, minimal—almost imperceptible.**

However, despite its disappointing results, the study's authors did not conclude that financial education is unnecessary. Instead, they stated that for financial education to be effective, it must be provided at the moment when an individual is making relevant financial decisions. In other words, teaching mortgage principles to sixth-grade students is not the best idea, but educating people who are

currently considering taking out a mortgage is an entirely different matter.

People seek financial knowledge when they need it, not when it is included in the curriculum. This is also evident in our research. The highest self-assessed knowledge of the housing market and mortgage principles is found among those aged 26–45—the group most likely to consider and take out mortgage loans.

### Self-Assessment Matters

In our study, we did not conduct a test to measure respondents' actual financial knowledge and skills. Therefore, we cannot determine how well they would perform in this area. However, we did observe that self-assessment—justified or not—affects perception and decision-making.

On the one hand, individuals with high self-assessed financial knowledge tend to be more optimistic (e.g., believing they would receive a mortgage if they applied), act with greater confidence (e.g., thinking that when taking out a loan, they should maximize their borrowing capacity), and are more willing to take risks.

On the other hand, they take greater precautions (e.g., ensuring they have an emergency fund). They also seem to better understand the consequences of early loan repayment or increasing their down payment.





Thus, financial self-assessment may serve as a heuristic approach that influences decision-making—the higher the self-assessment, the greater the sense of control. This has a dual effect: it increases risk-taking but also promotes greater diligence in making financial decisions.

A high self-assessment of financial knowledge also appears to help avoid losses, which can be perceived as higher interest rates due to a lower down payment or the inability to repay a loan early.

At this point, it is worth noting that there is always a significant risk that high self-assessment of knowledge and skills does not align with actual competence (the so-called Dunning-Kruger effect).

Scientific journals are replete with studies showing that those who rated themselves highly often turned out to lack the necessary competencies. Studies have found that students who performed among the worst often considered themselves above average. Other research has shown that

while the knowledge and skills of some entrepreneurs were at a very low level—ultimately leading to bankruptcy—one in four still considered themselves experts.

Finally, I will add that high self-assessed financial knowledge is positively correlated with respondents' reported happiness and financial satisfaction. So, if you want to be happy—learn about finance.

## THE GROUNDED SOUL OF THE POLISH MORTGAGE BORROWER

### EXPERT COMMENTARY



Dr. Mikołaj Lewicki

Sociologist, Warsaw University

Questions prompting respondents to place themselves in a hypothetical situation and allocate a specific sum of money are often used to diagnose habits, beliefs, and consistent decision-making or behavioral patterns. They allow researchers to examine how people think, rather than just what they think about.

The study participants were asked: “Please imagine that you unexpectedly receive 50,000 PLN, which you must spend within 12 months. How would you allocate these funds?”

The picture emerging from the data forms a certain hierarchy of preferences that does not prioritize the pleasure-driven and carefree enjoyment of life (“being”) over practical needs and securing a stable future (“having”). Respondents would allocate the most money toward “having,” more often saving funds in an account or for investment purposes rather than spending them on a vacation.

**Poles appear to be primarily concerned with security at the level of ingrained habits. They are resourceful, though not all to the same degree.**

Nevertheless, the data does not indicate a prevalence of consumption enthusiasts indulging in frivolous spending.

This is quite understandable—owners of apartments financed by mortgages think about investing and evaluate their obligations to the bank with a long-term perspective rather than focusing on current expenses or benefits. Those with a mortgage are therefore inclined to prioritize servicing it, including overpayments, over immediate needs and circumstances.

It is important to remember that many Poles struggle to make overpayments due to their financial constraints—data on savings indicate that

Polish households are currently financially constrained, most likely due to inflation. However, making each successive mortgage payment remains a top priority for the vast majority of households, as evidenced by the relatively low percentage of late payments reported by the Financial Supervision Authority.

### The Grounded Soul

In the 1990s, researchers observed that Poles often adopted a more realistic and pragmatic view of life, which enabled them to solve many problems effectively. Sociologists were surprised by the harmony between their psychological well-being and objective factors determining social status and life opportunities, such as occupation, education, or place of residence. Janusz Czapiński described this phenomenon as the “grounding of the Polish soul.”

Today, in 2025, one could speculate that we are once again witnessing the



“grounding of the Polish soul.” However, this time it applies to mortgage holders, who exhibit an exceptionally pragmatic approach to finances.

For the majority of Poles who are repaying a mortgage, their worldview is shaped by recognizing household budget management as crucial to their “being.” They first fulfill financial obligations, then, if there is a surplus, they allocate funds to savings and investments. Only after this does improving living comfort come into play, with pleasure expenditures ranking last.

This new “grounding” is, in essence, realism. The results of the Otodom study indicate that when it comes to housing well-being, discipline and caution outweigh consumption—at least among those who purchased a home with a mortgage.

### **Lazy Freeloaders or Struggling with Uncertainty?**

Young people (under 25) also appear to lean toward realism. Among all groups, they were the most likely to declare that they would save part of a hypothetical 50,000 PLN. They rated their financial competence poorly but understood that without significant savings, homeownership—and, therefore, securing a mortgage—is mostly a distant dream.

Many of them try to forget that, at their age, previous generations were becoming independent. The relatively low support for the statement “People my age should live independently (without parents)” among the 18–25 age group suggests changing aspiration patterns.

Are we dealing with bamboccioni—the Italian term for

a spoiled, lazy youth benefiting from the comforts of living with their parents? Not exactly. These are individuals waiting for their chance, while trying to improve their financial situation. Their low creditworthiness excludes many dreams, forcing them to adopt a survival strategy.

### **Realism or... Necessity?**

The study reveals that Poles exhibit a high degree of pragmatism in financial matters. Is this the result of deliberate choices, or rather a necessity imposed by rising living costs and economic uncertainty? Likely, it is a combination of both.

Such an approach demonstrates immense adaptability but also highlights the burden that households carry on a daily basis. Nonetheless, even in these conditions, the dominant pattern is a concern for stability and security—whatever that may mean for the “grounded soul” of contemporary Poles.

Understanding practical financial education principles can be useful, but so too are the realities of applying for a mortgage, in which banks operate like a “black box”—providing a decision without justification. As a result, applicants are left with an even stronger conviction that they need more financial discipline.



# Maximizers and Satisficers.

## Approach to Living Spaces in Light of Two Distinct Attitudes

**Barry Schwartz, an American psychologist researching decision-making, distinguished two primary groups of people: maximizers and satisficers. The former strive to make the best possible decision, carefully analyzing all available options—often leading to high levels of stress. Satisficers, on the other hand, choose solutions that may not be perfect but are certainly good enough. In doing so, they save time and energy, though sometimes at the expense of achieving better outcomes. We decided to examine how these two life approaches influence consumer decisions in the context of housing.**

Maximizers (also sometimes referred to in the literature as maximization-oriented individuals) are those who, in their decision-making process, aim to achieve the best possible outcome—regardless of the cost associated with it. They meticulously analyze all available options, comparing them and searching for the one that will bring them maximum satisfaction.

Even when they make a decision believing they have chosen the best option, they often feel dissatisfied, fearing that another choice might have been even more beneficial. While maximizers can achieve excellent results in many areas, their perfectionism can be emotionally draining and time-consuming.

In our study, we defined maximizers as those who agreed with the statement that they are only interested in homes or apartments that are perfectly suited to their needs.

The case is slightly different for satisficers, who, once they find an option that meets their basic requirements, stop searching any further. This approach allows them to save time and reduces the stress associated with decision-making, though it sometimes means settling for less than the best possible outcome. Therefore, we classified satisficers as those respondents who agreed with the statement that a home or apartment that meets most of their needs is sufficient for them.

Data from the Otodom survey shows that while maximizers tended to be happier in general compared to satisficers, they reported lower satisfaction with their place of residence when specifically asked about housing. Below, we present a profile of both groups based on the findings.





Barry Schwartz did not specify the exact proportions of people who are maximizers versus satisficers in his research. However, he emphasized that these are extreme categories on a continuum, with most people falling somewhere in between. Some individuals may exhibit maximizer traits in certain areas of life (e.g., career choices) while adopting a satisficing approach in others (e.g., everyday shopping).

We encourage you to read Schwartz's book **The Paradox of Choice: Why More Is Less**, where he provides a detailed account of his observations and the conclusions drawn from them.



## Financially Savvy Maximizers

Maximizers appear as a group that is more likely to have higher education (36%) and earn higher incomes—41% earned above the median, with six percent reporting a monthly income exceeding 10,000 PLN.

In terms of financial literacy, maximizers rate themselves highly—53% assessed their financial knowledge positively, 43% felt confident in investing money, and 30% understood mortgage approval processes and real estate market dynamics. Maximizers often strive to increase their wealth, which may explain why 21% of them owned more than one property.

## “Better Small but Owned” – The Satisficers’ Perspective

Satisficers focus on simpler solutions, prioritizing stability and security in their daily choices. The majority of them (53%) earned below the median income, and they were less likely than maximizers to earn over 10,000 PLN per month (2%). Compared to maximizers, they engaged less frequently in real estate transactions—only 27% had done so in the past three years, and just 13% were currently repaying a mortgage. They were also less confident in their financial capabilities, with only 22% believing they could obtain a home loan.

Satisficers rated their saving skills higher than maximizers (57% vs. 46%), but they scored lower on aspects such as real estate market knowledge (18%), mortgage approval processes (20%), and investment skills (26%). In everyday life, they prioritize relationships and stability. A majority (84%) reported having good relationships with their neighbors, and 75% said they enjoyed their home. Their satisfaction with their place of residence was higher (6.7) compared to maximizers.

Although they were less likely to own multiple properties (13%), they were more inclined to embrace the philosophy of “small but mine”—72% of satisficers agreed with this statement, compared to just 56% of maximizers.



Maximizers are more active in the real estate market—44% have participated in transactions within the past three years. A significant portion of maximizers (29%) was repaying mortgages, and as many as 41% believed that they would be able to obtain a home loan, indicating confidence in their financial capabilities.

## IS IT WORTH SEARCHING FOR PERFECTION?

### EXPERT COMMENTARY



**Dr. Piotr Michoń**

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I want to make the best possible choice. I will check everything I can, analyze, and evaluate. It will be perfect. Even if something goes wrong, I did everything possible to make the best decision. So I have no regrets. And thanks to my diligence, the chances of choosing the best option next time simply increase. Makes sense, right? It turns out—not entirely.

### Perfect or Just Good Enough?

The pursuit of making the best possible choice can be a curse. Psychologist Herbert Simon once observed that instead of seeking the perfect option, it is often more rational to choose something that is simply good enough. Attempts at maximization often consume excessive

time, energy, and money. And after checking every possible option, we often return to the one we initially considered.

There must be something to it—first, Simon received the Nobel Prize in Economics for his work, and then his ideas were further developed by brilliant psychologists and are now widely popular. One of them was Barry Schwartz, who not only described what we now call the paradox of choice, but also introduced two distinct decision-making strategies: maximalism and satisficing.

**A maximizer is someone who obsessively strives to make the best possible choice. They meticulously analyze all available options to ensure that they are making the perfect decision.**

While this strategy often leads to objectively better





outcomes, it also comes with several downsides.

Firstly, the decision-making process is time-consuming and can be paralyzing. Maximizers fear making mistakes, leading them to postpone decisions. Secondly, in today's world, where the number of options is nearly infinite, their approach can be overwhelming and impractical. Thirdly, maximization demands significant amounts of time, energy, and attention, making it costly. Finally, despite making objectively better choices, maximizers often experience regret and dissatisfaction, knowing what they had to give up. They are less happy, even though their choices are "better."

**On the other hand, satisficers follow Herbert Simon's principle by choosing what is good enough. This doesn't mean they settle for mediocrity, but rather that they set reasonable criteria and focus on meeting them.**

As a result, they save time, energy, and avoid regret. However, their strategy also has drawbacks—it can lead to stagnation and a lack of innovation when they stick to what has always worked.



In summary, maximization leads to better choices but comes at the cost of stress and dissatisfaction, whereas satisficing allows for more efficient decision-making, though it doesn't always result in the best possible outcome. The choice of strategy depends on one's priorities and tolerance for compromise.

#### **Strategy Depends on Context**

Did any of these scientific findings find confirmation in the Otodom study? Firstly, an important clarification: we distinguished satisficers and maximizers specifically in the context of real estate decisions. This matters because, as mentioned earlier, our decision-making strategy can vary across different situations. I might approach buying pants differently than purchasing

a garlic press, and both of those decisions will differ significantly from choosing a place to live—a purchase that may cost several years' worth of income.

As Barry Schwartz noted, maximizers make better choices but are often less satisfied with them. Let's see if this holds true. The responses in our study suggest that this is indeed the case—maximizers reported lower satisfaction with their place of residence compared to satisficers.

There are two possible explanations: either they actually live in worse conditions (which seems unlikely, given that this group earns higher incomes) or they simply don't enjoy what they have, because they haven't reached their ideal level.

Preferring the pursuit of perfection—maximization as a decision-making strategy—also appears to align with how maximizers perceive themselves. Buying a home requires gathering and analyzing a wide range of information. In this context, it makes sense that (according to the study) maximizers tend to have stronger financial knowledge, investment expertise, and a better understanding of mortgage approval processes. They are also more familiar with the real estate market than satisficers.

On the other hand, the reason for their higher levels of knowledge and skill (although we must remember that this is self-reported knowledge) could be that many of them have recently acquired it—nearly half of maximizers have been involved in real estate

transactions in the past three years.

Following this logic, we might conclude that maximization as a decision-making approach is something that develops and strengthens during the home-buying process. Alternatively, the real estate market may naturally attract people who are maximizers.

Lastly, it could also be the case that maximizers excel in other areas of their lives (e.g., their careers), which lets them earn more money than satisficers and thus allows them to be more active in real estate transactions.

### **Good Enough Is Not Mediocre**

I've spent a lot of time discussing maximizers, but I don't

want to leave the impression that the “I choose what's good enough” strategy is in any way inferior. It's important to emphasize that satisficers are not people who settle for just anything. Their criteria can be very high. The difference is that once they find something that meets their standards, they stop searching.

This means that their decision-making process is less costly (in terms of time, energy, and money), and they are more satisfied with what they choose. After all, if I pick the first option that meets my criteria, then I've selected the best one from the set of options I considered.

However, the study reveals something else as well. The difference in decision-making strategy may stem from—or perhaps lead to—different priorities.

Satisficers place more value on stability and security (as seen in their higher tendency to save money and their strong belief in homeownership). They also derive more joy from relationships with their neighbors. Their housing aspirations tend to be more modest, which could at least be partially linked to their lower incomes. As a result, they are more likely to enjoy their place of residence. And ultimately— isn't that more important than living in a place that is perfect?





# Home Well-Being.

## How Life Philosophy Connects with Financial Attitudes

A home is more than just walls—it comprises dreams, emotions, and, let's be honest, sometimes a real financial rollercoaster. In Poland, owning your own place is often seen as a symbol of success. However, if that success is built on a mortgage, joy frequently intertwines with stress, and the list of sacrifices grows. In this chapter, we explore how Polish residents seek a balance between having their own place and maintaining an equilibrium in life. We don't just look at numbers—we also turn to proverbs! As it turns out, these sayings reveal more about our financial and housing dilemmas than we might expect. After all, doesn't "better small but owned" sound like a mantra for a significant portion of Polish society?

### Between Well-Being and Financial Decisions

A fascinating insight emerges from the analysis of how Polish residents approach their finances. More than half—as many as 58%—believed that peace of mind and well-being were more important than money. At the same time, however, the results suggest that financial struggles significantly disrupt their sense of balance. While Polish residents strive to live in harmony with values such as happiness and stability, everyday

financial challenges often get in the way. This means that finances serve as a key "stabilizer"—they are not the ultimate goal, but their state is crucial for achieving inner peace. When financial security is lacking, it becomes much harder to focus on other aspects of life. This highlights how challenging it can be to reconcile life priorities with reality.

### WORK-LIFE BALANCE AND FINANCES. PERCENTAGE OF RESPONDENTS AGREEING WITH THE STATEMENTS

I manage to maintain a balance in life between work and time for personal life, relaxation, and passions

62%

Peace of mind and well-being matter more to me than my financial situation

58%



Nearly two-thirds of Polish residents claim that they manage to maintain a balance between work and personal life. However, a detailed analysis shows that the so-called work-life balance is strongly linked... to the evaluation of one's place of residence. Among those satisfied with their home, as many as 75% declared that they successfully combined their professional and private lives. In comparison, in the less satisfied group, this percentage dropped to half. It seems that where we live has a greater impact on harmony in life than it might seem. No wonder that—as the report shows—more and more often, we seek meaning in housing changes, not just to own property, but to ensure a life aligned with our real needs.

People currently repaying loans were far less likely to point to the negative impact of a mortgage on their peace of mind and psychological comfort than those who had already paid off their debt (59% vs. 76%, respectively). This may suggest that during the repayment process, individuals focus more on daily financial management and the benefits achieved, such as homeownership, which helps them cope with debt-related stress. However, after completing the loan repayment, negative experiences associated with it tend to be remembered more

vividly, which may affect the overall assessment of the process. People who did not currently have a mortgage are more likely to perceive its impact as negative (70% in this group), which may stem from concerns and stereotypes associated with long-term debt.

The data clearly shows how differently a mortgage is perceived and its impact on well-being, depending on a person's stage in the process, their personal experiences with debt, and their attitude toward such financial commitments.

# 68%

of Polish residents believed that taking out a mortgage negatively affects peace of mind and psychological comfort.



The belief that homeownership is the foundation of life stability and security appears to be deeply ingrained in Polish residents. Although having a mortgage comes with stress and limitations, as many as 69% of borrowers believed that owning a home was more important than being debt-free. This figure fits perfectly into the broader context of viewing mortgages as a challenge that, despite financial burdens, many are willing to undertake to fulfill the dream of owning a home or apartment.

It is important to remember that for many Polish residents, a mortgage is more than just a financial tool—it symbolizes a long-term investment in the future, both personal and family. Although repaying such an obligation can be challenging, potentially lowering daily comfort and well-being, its investment (as well as social and cultural) significance often outweighs these difficulties. At the same time, there is a noticeable difference in how a mortgage is perceived between those who have such a financial commitment and those who do not—the latter may find being debt-free more attractive than homeownership.

**52%**

of respondents believed that owning a home or apartment is more important than being debt-free.

Money Doesn't Bring Happiness? What Proverbs Say About Us

The language we use influences how we perceive the world. Financial and housing issues have long occupied an important place in Polish expressions. We decided to check whether respondents identify with the messages these sayings convey.

“Money doesn’t bring happiness” seems to be one of the most commonly used financial proverbs. However, only 29% of Polish residents agreed with this saying. This opinion is more popular among older individuals and those who declared a high level of life satisfaction. This result aligns with earlier data presented in the chapter “Happiness Comes in Many Forms,” which indicates that up to a certain income level, financial standing affects overall well-being.

The next proverb presented to respondents—“A good habit is not to borrow”—was agreed upon by almost half of them. The percentage is significantly higher among those without mortgages (52%) and lower among those currently repaying loans (37%). This suggests that being debt-free is an important aspect of a life philosophy for those without financial obligations. On the other hand, those repaying loans are more likely to believe that taking out a mortgage was the right decision. This is likely partially due to cognitive dissonance reduction—the belief that taking out a loan was the right choice helps them cope with concerns and difficult emotions associated with debt.

THE PERCENTAGE OF POLISH RESIDENTS WHO AGREE WITH THE PROVERB  
“A GOOD HABIT IS NOT TO BORROW”, BROKEN DOWN BY SPECIFIC GROUPS



PERCENTAGE OF POLISH RESIDENTS WHO AGREE WITH WELL-KNOWN PROVERBS RELATED TO HOME



**29%** of respondents believed that money does not bring happiness. This is consistent with previous findings, which showed that at least up to a certain point, financial status impacts well-being.



A home, regardless of its ownership status, serves as a sanctuary in the daily lives of Polish residents. It is a place that provides a sense of security and peace. What leads to this conclusion? As many as 75% of respondents agreed with the proverb “There’s no place like home,” emphasizing the universality of this belief. It is also worth noting that there is almost no significant difference in this sentiment between renters and homeowners—74% and 78% of them, respectively, expressed a similar view.

The next proverb presented to respondents—“Better small but owned”—places greater emphasis on the importance of ownership in the Polish approach to real estate. 65% of respondents agreed with its message, aligning well with previous findings indicating that homeownership is, for many Polish residents, almost synonymous with life stability. However, the distribution of responses varies significantly depending on age and one’s life situation—Young Adults agreed with this statement less frequently (44%), while Families with Children (70%) and older individuals (71%) saw more value in this saying. The conclusion is simple: owning a home gains importance as life progresses and the need for stability grows.

The saying “I am the master of my own home” resonates with 52% of respondents, reflecting a strong identification with the idea of full control over one’s place of residence. This result suggests that, for more than half of society, a home is much more than just a living space—it is also a symbol of independence, autonomy, and agency. This is further confirmed by previous survey findings, which showed how crucial a home is in shaping a sense of stability and life fulfillment.

At the same time, it can be assumed that the slightly lower support for this proverb compared to other sayings proposed to respondents may stem from growing challenges related to homeownership, such as mortgages, maintenance costs, or rising living standards. For some, especially younger Polish residents or those in a more difficult financial situation, “being the master of one’s own home” may, after a realistic assessment of their capabilities, remain more of an aspiration than a reality. This demonstrates that while a home is still perceived as a space of autonomy, real-life conditions may limit that autonomy.

## The Art of Balancing Well-Being With Everyday Life

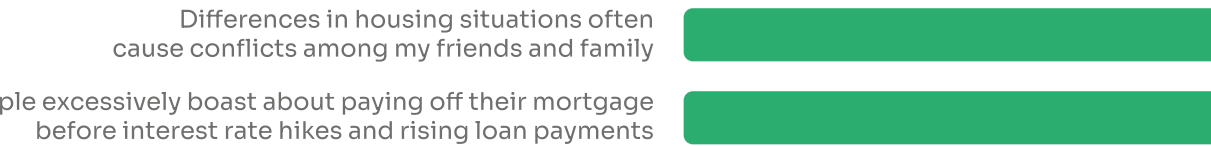
Balancing well-being with daily challenges is an art that requires not only individual effort but also sensitivity to differences in other people’s experiences. The data indicates that differences in housing situations are a significant source of conflict among friends and family—nearly one-third of respondents admit that this topic causes tensions in their social circles. Issues such as housing standards, financing methods, or even housing aspirations can be a sensitive subject that demands delicacy and understanding—especially since these differences often arise from varying financial capabilities, life stages, or personal priorities.

An equal number of respondents also noticed that some people excessively boast about paying off their mortgage before interest rate hikes. This may point to rising tensions related to financial difficulties, which elicit a range of reactions—from pride in avoiding problems to frustration among those still struggling with increasing loan payments. These topics, though important and often present in conversations, require great tact when discussed.

# 64%

of Polish residents who own a home or apartment stated that they were proud of it.

THE CONFLICT-GENERATING ROLE OF HOUSING AND FINANCES.  
PERCENTAGE OF RESPONDENTS AGREEING WITH THE STATEMENTS



Owning a home or an apartment is a source of pride for many Poles, according to 64% of respondents. The results suggest that property ownership is perceived not only as an achievement but also as a symbol of stability and life success, closely linked to fulfilling the dream of establishing one’s own “nest.”

It is also evident that the sense of pride in owning a home or apartment increases with higher income levels, a greater number of household members, and life stages where family plays a key role. Families with children are significantly more likely than Young Adults or Silvers to

perceive property ownership as an accomplishment worth emphasizing. An interesting aspect is the distinct difference between those repaying a mortgage—who more often felt proud of owning property—and those without a loan (77% vs. 61%). This may indicate that despite the challenges associated with it, a mortgage is seen by many as a tool for achieving a goal they take pride in.

The survey results show that property ownership remains an important factor in Poland for defining life success and a sense of fulfillment.



The approach of respondents to popular proverbs about home and finances reflects, almost like a mirror, the conclusions presented in earlier chapters of our report. A home appears as a safe space, a sanctuary. And this holds true regardless of whether it is rented or owned—though having even a smaller home that aligns with financial capabilities is preferable to renting from someone else. As for finances, the takeaway is clear: at least up to a certain income level, financial status influences well-being.



## AT HOME BUT WITH NO MERCEDES

### EXPERT COMMENTARY



**Dr. Piotr Michoń**

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Owning a home or apartment is perceived as an attractive yet rarely explored aspect of research presented in this report. By analyzing the responses of Poles, we observe the significant role that property ownership plays in shaping their attitudes towards well-being and home.

### Fulfilling Social Expectations

Notably, two out of three respondents agreed with the saying “Better small but your own,” and over half of Poles were willing to take on financial burdens to own their own place. This research confirms that Poland (still) remains a society where homeownership is seen as fulfilling social expectations. Adults are expected to “have their own place.” In societies like Poland, owning a home (even if mortgaged) is a symbol of adulthood, stability, and success. Ownership is also associated with higher social status, while its absence can lead to frustration and a sense of exclusion for some. Moreover, in groups where homeownership

is the norm and renting is viewed as a temporary stage or a result of poorly planned decisions, social comparisons may come into play. Renters may feel “inferior” when being compared to homeowners.

The desire to own a home is not solely driven by a need to conform to social norms. Homeownership is generally associated with a greater sense of security and stability—values that, as shown in our study, are crucial for Poles.

### Nowhere Like Home

Thanks to Otodom’s research, we know that one of the proverbs most endorsed by adults is “There’s no place like home.” This underscores the significant role that homes play in shaping our happiness.

**Correlation analyses have shown that the more we like our home or apartment, the happier we are.**

Most of us need a home in a psychological sense just as much as we need it in a physical sense. In Maslow’s hierarchy of needs, a physical home made of brick or wood helps satisfy the fundamental needs of shelter and security.

However, home is also about people, meaning that we seek in it a sense of belonging, recognition, and love. While we enjoy vacations and visiting new places, home remains the nest where we fulfill our emotional and social needs—a place that fosters a sense of security and control, allowing us to recharge our batteries.

This is further confirmed by Otodom’s survey data. When asked about the emotions they associate with home, respondents pointed to relaxation, pleasure, joy, and love. While some also associate home with negative emotions such as sadness, anxiety, or boredom, this does apply to less than one in ten respondents. This indicates that, for most of us, home evokes

overwhelmingly positive feelings.

### Freedom at Home

To complete the picture, let's note that over half of Poles agree with the statement "I am the master of my own home." While this may seem like an expression of the antisocial maxim from the classic Polish phrase "A man's home is his castle," research suggests it signifies something far more important. A home or apartment is a space into which people invest significant effort

and engagement to adapt it to their needs. This investment makes a home a source of pride but also an expression of identity, personality, and lifestyle.

**Having control over decisions related to one's home is also a key factor in happiness, as studies show that a sense of control is crucial for well-being.**

### Money Does Not Prevent Sadness

Another category of proverbs included in the survey focused on the relationship between money, wealth, and happiness. The results turned out to be surprising. Only three in ten respondents agreed with the saying "Money doesn't buy happiness", while at the same time, only 15% endorsed the statement "It's better to cry in a Mercedes than on a bicycle."

Summarizing these findings in the simplest way: most Poles believe that financial resources help bring happiness but do not shield them from sadness. An economist might interpret this by stating that financial resources are still seen as facilitating the fulfillment of needs, which many perceive as leading to happiness. A psychologist might point out that the belief in money's positive impact on happiness stems from the prediction illusion—people tend to overestimate the long-term emotional benefits of material possessions.

On the other hand, the low endorsement of the "crying in a Mercedes" statement may indicate a growing awareness that material goods do not replace relationships, health, or a sense of purpose. A sociologist would see this as evidence that money remains a mark of success and social status. However, the rejection of extreme materialistic views like "better





to cry in a Mercedes” may suggest an evolution in social values—from consumerism toward a greater emphasis on relationships, free time, and mental well-being.

### **Buying Time Instead of Material Goods**

I have already discussed the impact of money on happiness elsewhere in this report. Here, I will simply note that while money influences happiness, it does so less through buying goods than is commonly assumed.

Behavioral economics research indicates that

spending money on experiences (e.g., travel, concerts), “buying time” (paying someone to do tasks we dislike so that we can use the time as we prefer), or helping others provides greater satisfaction than acquiring and owning material goods.

As studies suggest, lasting happiness stems more from positive emotions, engagement, fulfilling relationships, and a sense of purpose—rather than from owning a flashy car that might make the neighbors jealous.

The home plays a crucial role in both the psychological

and economic aspects of our lives. Psychologically, it serves as a space that satisfies needs for security, stability, as well as belonging, and supports emotional well-being. Economically, it represents an essential investment and a source of financial stability that directly impacts the quality of life. Owning a home is also seen as a symbol of success and adulthood, while lacking one can lead to frustration and exclusion. Otodom’s research highlights a universal truth—home is more than just a building; it is the foundation of our happiness and stability.



## “TO HAVE” – MOSTLY TO ACHIEVE LIFE GOALS

### EXPERT COMMENTARY



#### Dr. Joanna Gutral

Psychotherapist, psychologist, SWPS University,  
“Gutral Gada” podcast

The quality of human life, well-being, and lifestyle includes various aspects: from biology, through individual factors, to environmental properties, including financial situations. It is difficult to maintain health (mental and/or physical) in conditions that are not conducive to well-being or that prevent the satisfaction of basic psychological needs. Financial difficulties are a trigger for increased levels of tension, irritability, withdrawal from social relationships, taking on additional work as well as responsibilities, and consequently, potential psycho-physiological exhaustion.

Despite the popular saying that money does not bring happiness, research findings in this context are not unanimous. The study by Kahneman and Deaton, based on the Gallup Poll (2010), indicated that financial wealth correlates with subjectively perceived well-being, but... only up to an income level of \$75,000 per year. The authors suggested that once certain basic life needs are met, finances are

no longer the determining factor in regulating well-being. However, these results are not culturally universal. Moreover, research involving very wealthy individuals has shown that those who earned their wealth themselves experienced higher levels of well-being compared to those who inherited it.

So, can work serve as a means to achieve important goals in which we are able to find satisfying elements? Researchers have argued their conclusions precisely in this context, indicating that financial status per se is not a determinant of life satisfaction and happiness but merely a means to enable the achievement of goals that also







support individual well-being. It is worth noting that 29% of respondents in this study agree with the statement that money does not bring happiness, with this view being more prevalent among those without credit obligations. Is this a result of life philosophy or necessity?

#### **Finances in Many Dimensions of Life**

When we look at the aspects of psychological well-being

from the perspective of Carol Ryff's concept (1989), its dimensions include: positive relationships with others, autonomy, environmental mastery, purpose in life, personal growth, and self-acceptance. In the context of the above-presented report, financial status can enable or hinder satisfaction in almost all of these dimensions. However, our needs, our vision of fulfilling them, and the means necessary to achieve them do vary. As a result, some

may choose the financial burden of investing in their own home, accepting increased financial stress or the need to adapt to loan conditions in daily life (e.g., changes in lifestyle, budget management), while others may not be willing to bear such consequences (both emotionally and financially). The report shows that just over half of respondents indicated that they were willing to accept this financial burden in favor of owning their own home.



### The Influence of Culture on the Role of Ownership

It is also worth noting that our culture is dominated by several beliefs about homeownership. Over time, through social changes and economic shifts, we still believe that “there’s no place like home” (75%) and that “better small but own” (65%). Culture and environmental influences shape beliefs about life choices, goal-setting, and challenges. Of course, this tendency depends on age: it describes young adults to a lesser extent and is more common among families with children or older individuals. This may relate to both life realities, generational shifts in beliefs correlated with the challenges of the modern world, and the actual difficulties associated with social roles at different life stages.

### In Search of Individual Solutions

To conclude, the multitude of individual differences and variables influencing the shape and quality of life cannot be reduced solely down to financial factors. However, it would be naive to overlook this variable in the quality of human life. This report does not resolve debates about whether investing in a home is worthwhile because, as is often the case in psychology: it depends.

Thus, in the context of well-being, the key is to consider individual needs, adapt to changes in lifestyle when taking on a mortgage, tolerate uncertainty, build stress

regulation strategies, and maintain a social support network—so that, beyond ownership, one can truly benefit from it in achieving life goals.









# Quantitative Research Methodology

“To Have or To Be in Housing” is a report conducted as part of the 4th edition of the Happy Home project, initiated by Otodom in 2021. It continues efforts to support Poles in making informed decisions in the real estate market, and to contribute to improved well-being related to housing matters.

CAWI

Surveys conducted on the Opinie.pl panel owned by IQS

n=1000

Poles aged 18+ (representative sample, weighted results)

4–8 Nov 2024

t=15 min. (33 questions)

The study was carried out by IQS on behalf of Otodom in November 2024. The measurement was conducted using the CAWI method through an online survey on the Opinie.pl panel. The coordination of topic selection, the survey design, and the report preparation was handled by dat:awesome by Linkleaders.

The survey was conducted on a representative sample of 1,000 respondents aged 18 and over. The results were weighted using an analytical weighting method.

Demographic Groups Presented in the Study

Sex

- Female, n=522
- Male, n=478

Age

- 18-25, n=89
- 26-35, n=175
- 36-45, n=198
- 46-55, n=165
- 56-65, n=169
- 66+, n=204

Financial brackets (GUS quintiles) – income per person in a household

- 1st quintile (up to 1700 PLN), n=100
- 2nd quintile (1701-2200 PLN), n=96
- 3rd quintile (2201-2800 PLN), n=126
- 4th quintile (2800-3700 PLN), n=186
- 5th quintile (above 3700 PLN), n=276
- Refused to answer, n=217

Financial brackets – individual monthly income

- Up to 3000 PLN, n=239
- 3001-7000 PLN, n=448
- 7001-10000 PLN, n=67
- Above 10000 PLN, n=42
- Denied to answer, n=204

Life Stage

- Young Adults (Independent), n=87
- Families with Children, n=286
- Silvers, n=314



### Real Estate Market Activity

- Sale, purchase, rental within the last 36 months or intent within the next 12 months, n=614
- Ownership of real estate, n=661
- Currently repaying a mortgage, n=186
- Made extra mortgage payments in the last five years, n=80
- Paid off a mortgage in the last five years, n=83
- Home or apartment insurance holders, n=515
- Otodom platform users, n=399

### PERCENTAGE OF HAPPY INDIVIDUALS (OVERALL ASPECTS)

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**Happy**

**46%**



**Neutral**

**29%**



**Unhappy**

**25%**



Happy  
Home