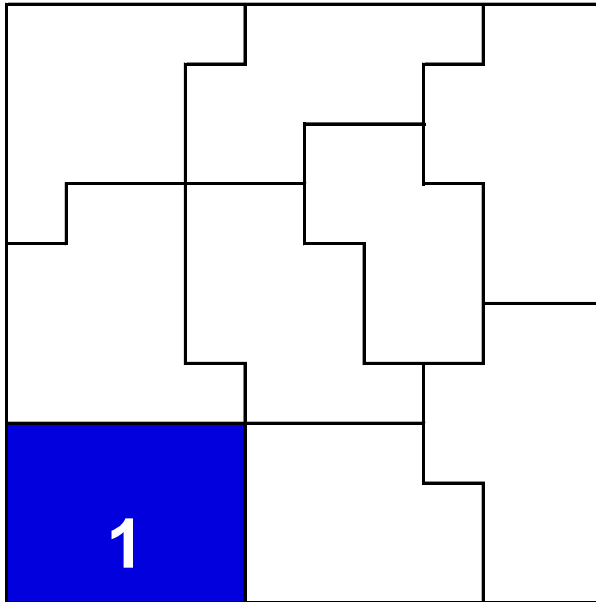


Segment 1: Rural-traditional

Segmentation of demand in the German housing market



1.1 Rural-traditional: Introduction

12 % of German households belong to the rural-traditional segment. They live mainly in family groups, either as families or as couples. Given the high number of older people in this segment, there are however also many one-person households in this segment. The lifestyle of this segment is based on traditional values such as public order, the importance of the family, duty and self-sufficiency. The gender division is traditional middle class.



The rural-traditional segment prefer to live in rural communes. In rural areas they often own their own homes.

1.2 Rural-traditional: Examples of three fictional households

The following fictional examples are intended to explain the segment of demand described. They are exaggerated, may contain clichés and are not based on scientific evidence.

Family Klein, family with kids

Marianne and Klaus Klein are the third generation to run the village bakery. They have three children together who go to the local kindergarten and primary school. They live directly above the bakery. At their place of residence they mainly appreciate the rural idyll and the fact that people know each other in the village. It is also helpful that the grandparents and other relatives live in the same village and can help out with childcare as well as in the bakery.

Mr. and Mrs. Müller, older couple

Fritz Müller has been a truck driver at a large forwarding company for 30 years. He travels a lot. His wife Rita is a housewife. They live in a small apartment in a building from the 60s. In addition to the apartment, they afford an allotment garden in which they spend practically all their free time. Almost more important to the couple than growing vegetables is the social contact with the tenants of the surrounding gardens, with whom they often sit together and grill in summer.

Mr. and Mrs. Willersinn, family with kids

The Willersinn family lives on a farm, which they also manage. They mainly live from dairy farming. They also cultivate grains and improve their income through a farm shop, where they sell fresh produce directly from the farm. The two teenage sons have no interest in taking over the business. The farmhouse, which the family uses as their home, has been owned by the family for generations and most of the renovation work is carried out by the family themselves.

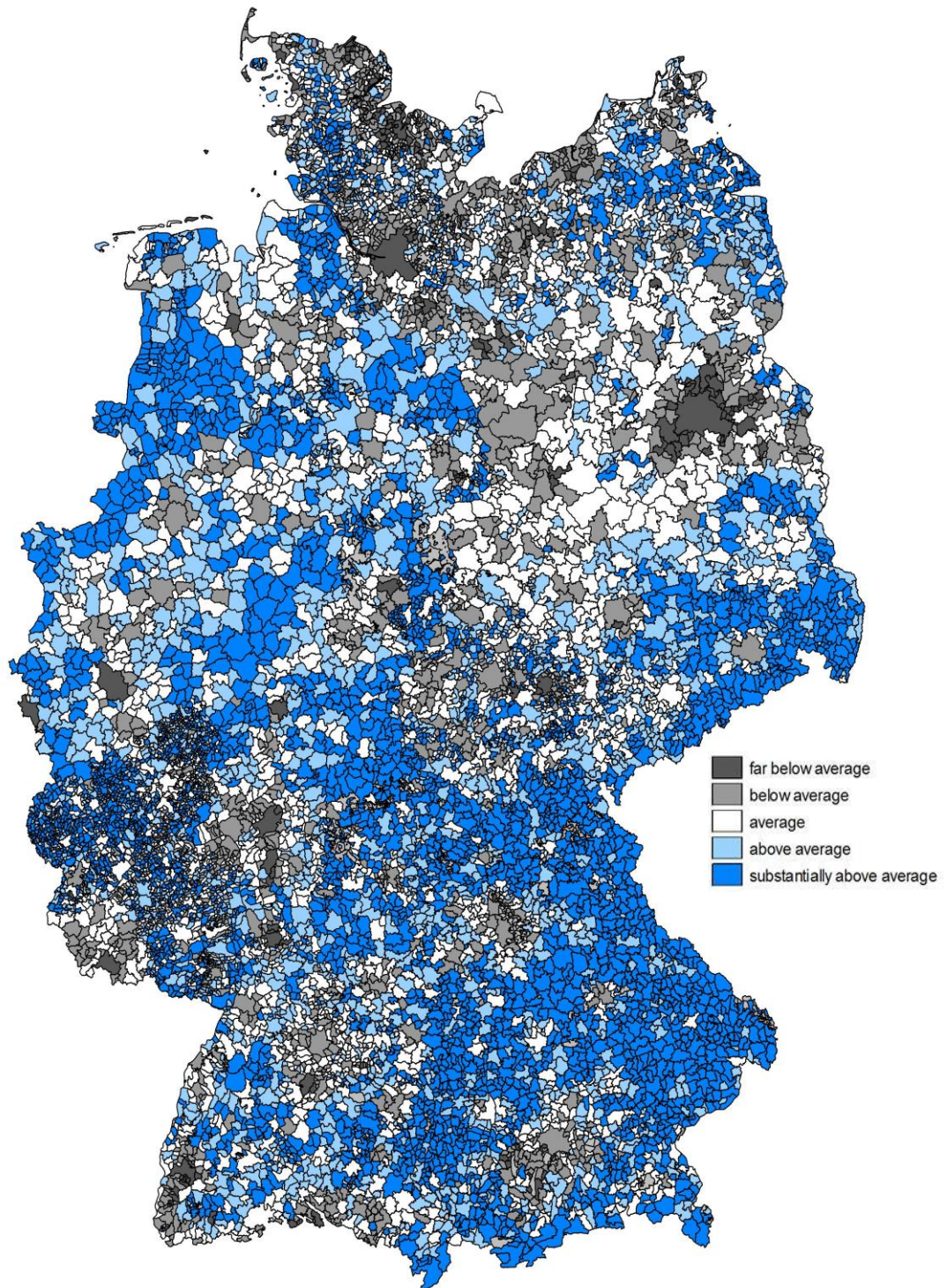
1.2 Who are the Rural-traditionals?

Characteristic	Typical characteristic
Educational level	Low to average educational level
	<div style="display: flex; justify-content: space-between; width: 100%;"> Low High </div> <div style="display: flex; align-items: center;"> <div style="width: 100px;">Primary education</div> <div style="border: 1px solid black; width: 100%; height: 15px; position: relative;"> <div style="position: absolute; left: 65%; width: 10%; height: 100%; background-color: blue;"></div> </div> </div>
	<div style="display: flex; align-items: center;"> <div style="width: 100px;">Secondary education</div> <div style="border: 1px solid black; width: 100%; height: 15px; position: relative;"> <div style="position: absolute; left: 65%; width: 10%; height: 100%; background-color: blue;"></div> </div> </div>
	<div style="display: flex; align-items: center;"> <div style="width: 100px;">Tertiary education</div> <div style="border: 1px solid black; width: 100%; height: 15px; position: relative;"> <div style="position: absolute; left: 0%; width: 10%; height: 100%; background-color: blue;"></div> </div> </div>
Profession	Qualified manual jobs
	<div style="display: flex; justify-content: space-between; width: 100%;"> Low High </div> <div style="display: flex; align-items: center;"> <div style="width: 100px;">Top management</div> <div style="border: 1px solid black; width: 100%; height: 15px; position: relative;"> <div style="position: absolute; left: 0%; width: 10%; height: 100%; background-color: blue;"></div> </div> </div>
	<div style="display: flex; align-items: center;"> <div style="width: 100px;">Liberal professions</div> <div style="border: 1px solid black; width: 100%; height: 15px; position: relative;"> <div style="position: absolute; left: 0%; width: 10%; height: 100%; background-color: blue;"></div> </div> </div>
	<div style="display: flex; align-items: center;"> <div style="width: 100px;">Other self-employed</div> <div style="border: 1px solid black; width: 100%; height: 15px; position: relative;"> <div style="position: absolute; left: 35%; width: 15%; height: 100%; background-color: blue;"></div> </div> </div>
	<div style="display: flex; align-items: center;"> <div style="width: 100px;">Academic professions and management</div> <div style="border: 1px solid black; width: 100%; height: 15px; position: relative;"> <div style="position: absolute; left: 0%; width: 10%; height: 100%; background-color: blue;"></div> </div> </div>
	<div style="display: flex; align-items: center;"> <div style="width: 100px;">Intermediary professions</div> <div style="border: 1px solid black; width: 100%; height: 15px; position: relative;"> <div style="position: absolute; left: 10%; width: 15%; height: 100%; background-color: blue;"></div> </div> </div>
	<div style="display: flex; align-items: center;"> <div style="width: 100px;">Qualified non-manual jobs</div> <div style="border: 1px solid black; width: 100%; height: 15px; position: relative;"> <div style="position: absolute; left: 35%; width: 15%; height: 100%; background-color: blue;"></div> </div> </div>
	<div style="display: flex; align-items: center;"> <div style="width: 100px;">Qualified manual jobs</div> <div style="border: 1px solid black; width: 100%; height: 15px; position: relative;"> <div style="position: absolute; right: 0%; width: 10%; height: 100%; background-color: blue;"></div> </div> </div>
	<div style="display: flex; align-items: center;"> <div style="width: 100px;">Unqualified labour</div> <div style="border: 1px solid black; width: 100%; height: 15px; position: relative;"> <div style="position: absolute; left: 35%; width: 15%; height: 100%; background-color: blue;"></div> </div> </div>
Professional status	Employees and self-employed in traditional trades
Income	Low to average income
	<div style="display: flex; justify-content: space-between; width: 100%;"> Low High </div> <div style="display: flex; align-items: center;"> <div style="border: 1px solid black; width: 100%; height: 15px; position: relative;"> <div style="position: absolute; left: 10%; width: 40%; height: 100%; background-color: blue;"></div> </div> </div>

Source: Fahrländer Partner.

1.3 Rural-traditional: distribution

Difference between percentage in communes and nationwide percentage

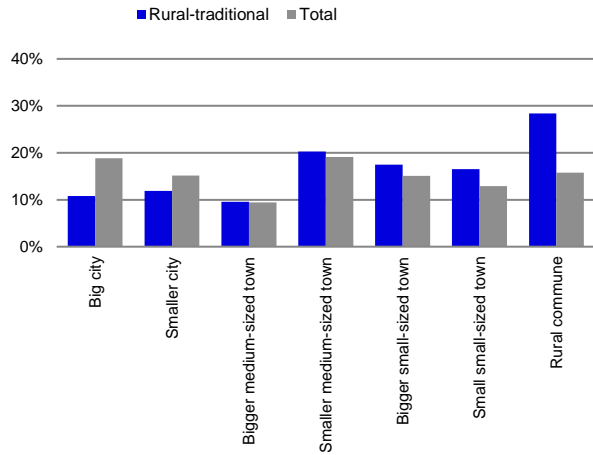


Source: Federal Agency for Cartography and Geodesy, Fahrländer Partner.

1.4 How do the Rural-traditionals live ?

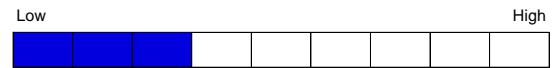
Characteristic	Typical characteristic
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Place of residence Rural communes, small-sized towns, mid-sized towns

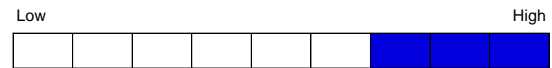


Neighbourhood Family-oriented, peaceful, close to nature

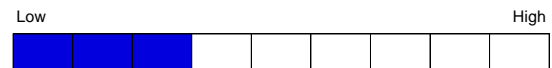
Desire to move Low



Price sensitivity High



Owned apartments quota Low



Single family house quota Average



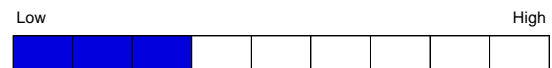
Desire to buy Average



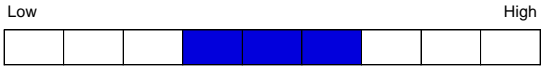
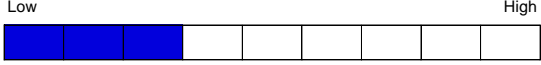
Apartment layout Traditional

Architecture Traditional

Required surface area per person Low



Source: BBSR, Fahrländer Partner.

Characteristic	Typical characteristic
Standard of finishing	Average 
Materials and appliances	Below average
Willingness to pay more for green products	Low 

Source: Fahrländer Partner.

1.5 Rural-traditional: Neighbourhood

Finding an apartment is a process characterised by the preferences and constraints that influence demand. In the segments of demand of the higher social strata preferences play a greater role, whereas restrictions are more important among the lower strata. The following information relates to the results of the process.

Characteristic	Typical characteristic	
Preference for an urban environment	None	<div style="display: flex; justify-content: space-between; width: 100%;"> Low High </div>
Preference for countryside	Very high	<div style="display: flex; justify-content: space-between; width: 100%;"> Low High </div>
Sun & view	Secondary	<div style="display: flex; justify-content: space-between; width: 100%;"> Less important Important </div>
Access to amenities	Average	<div style="display: flex; justify-content: space-between; width: 100%;"> Less important Important </div>
Access to leisure facilities/recreation	Secondary	<div style="display: flex; justify-content: space-between; width: 100%;"> Less important Important </div>
Access to cultural activities	Secondary	<div style="display: flex; justify-content: space-between; width: 100%;"> Less important Important </div>
Importance of external spaces	Very High	<div style="display: flex; justify-content: space-between; width: 100%;"> Low High </div>
Child-friendly	Very important	<div style="display: flex; justify-content: space-between; width: 100%;"> Less important Important </div>

Source: Fahrländer Partner.

Disclaimer

The segments of demand in the housing market represent a classification by FPRE based on two dimensions: social stratum (economic dimension: lower, middle and higher stratum) and lifestyle (value orientation: from traditional/conservative to individualistic). The 9 segments of demand are different regarding their housing needs and preferences as well as their economic restrictions. While for Switzerland a detailed description of the segments of demand was possible thanks to individual household data from the census 2000, the description was based on publicly available data for Germany. If no data was available, the description was derived from the Swiss figures (if plausible).



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