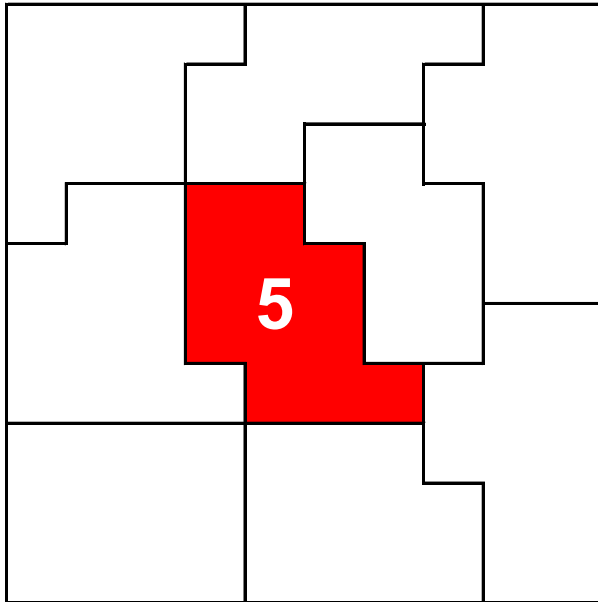


Segment 5: Liberal middle class

Segmentation of demand in the German housing market



5.1 Liberal middle class: Introduction

10 % of German households belong to the liberal middle class. This is the largest segment, and in terms of status and basic orientation it represents the middle ground in society. It is oriented towards the values and norms of the professional elite.



The liberal middle class live mainly in min. 3-room apartments in suburban areas. Requirements of apartments are rather high, but compromises are made on the location.

5.2 Liberal middle class: 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 Meier, family with kids

Sven Meier is a physiotherapist in a hospital. His main goal is to establish his own practice. He lives with his wife Ursula in a house on the countryside. Ursula works part-time in the municipal administration. They live in a new residential settlement on the edge of the village, where all the houses look similar. Their two children go to school, in the afternoon they play with children of the same age in the settlement. Through the children a lively contact between the parents develops in the neighbourhood.

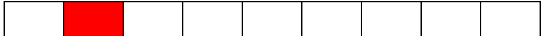
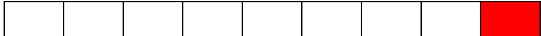
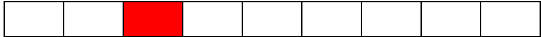
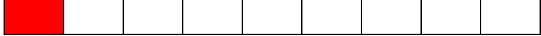




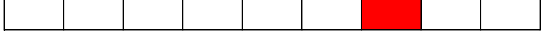



Familie Haller, one parent family

Sabrina Haller is a medical practice assistant. After separating from her husband, she started working again. Now she lives with her children in a beautiful, functional apartment, which is quiet and close to nature. The children spend every other weekend with their father. Since the husband moved out, money has been scarce.

Mr. and Mrs. Miller, older couple

Hans Miller is a trained structural draughtsman. He has been working for a fairly successful local architectural firm for quite some time. His areas of responsibility also include apprentice training, which he enjoys very much. He lives with his wife Theres, who works part-time as a librarian, in a row house. The last of three children recently moved out. The house is now a bit too big, but it has almost been paid off, and he and his wife feel comfortable in it. The children have all studied. They are oriented towards the education-oriented upper class.

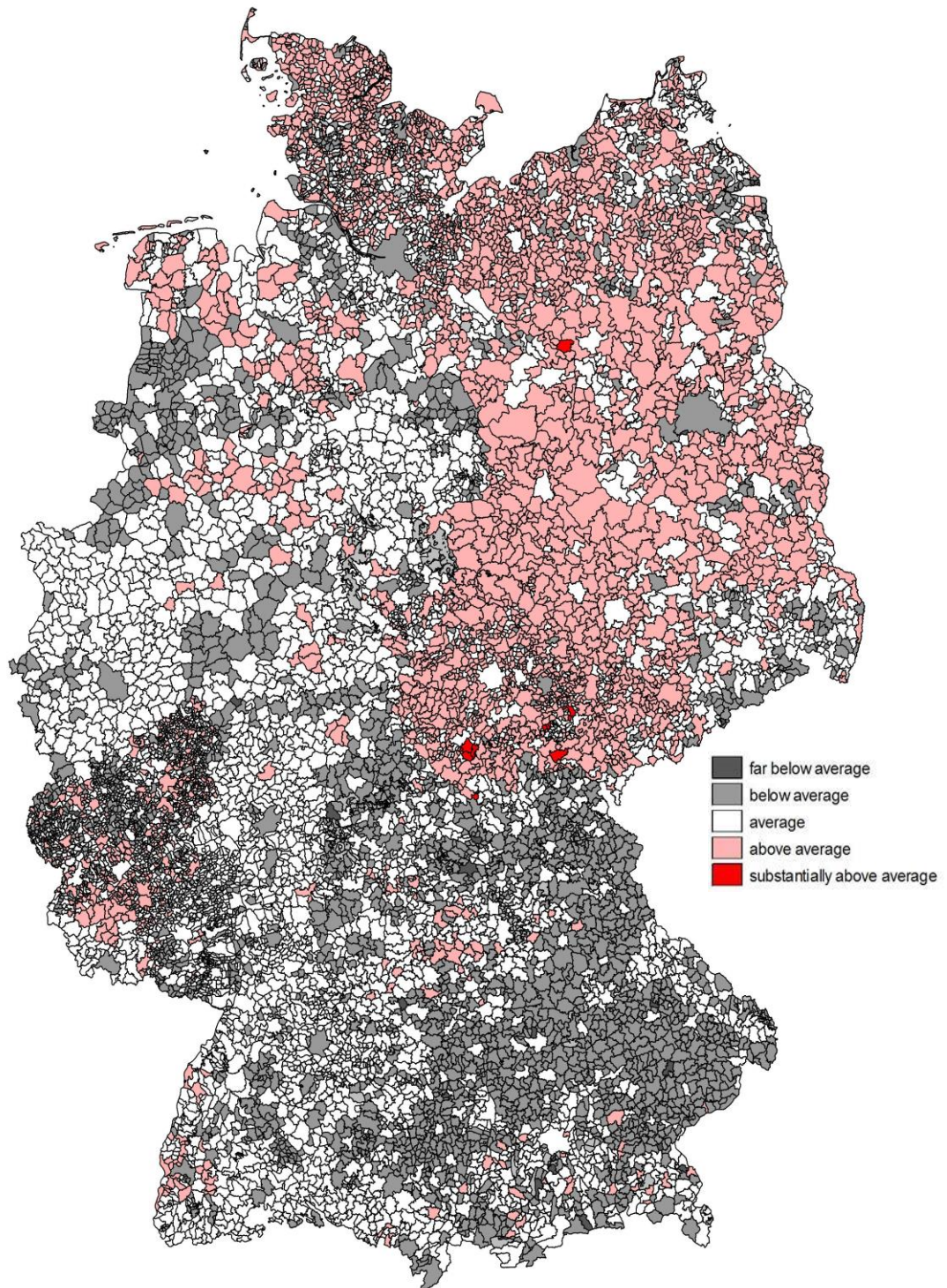
5.2 Who is the Liberal middle class?

Characteristic	Typical characteristic
Educational level	Average educational level
	<div style="display: flex; justify-content: space-between; width: 100%;"> Low High </div>
Primary education	
Secondary education	
Tertiary education	
Profession	Intermediate and qualified non-manual professions
	<div style="display: flex; justify-content: space-between; width: 100%;"> Low High </div>
Top management	
Liberal professions	
Other self-employed	
Academic professions and management	
Intermediary professions	
Qualified non-manual jobs	
Qualified manual jobs	
Unqualified labour	
Professional status	Intermediate position
Income	Average income
	<div style="display: flex; justify-content: space-between; width: 100%;"> Low High </div>
	

Source: Fahrländer Partner.

5.3 Liberal middle class: distribution

Difference between percentage in communes and nationwide percentage





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

5.4 How does the Liberal middle class live?

Characteristic	Typical characteristic																								
Place of residence	Small-sized towns, mid-sized towns																								
	<table border="1"> <caption>Bar chart data: Place of residence</caption> <thead> <tr> <th>Residence Type</th> <th>Liberal middle class (%)</th> <th>Total (%)</th> </tr> </thead> <tbody> <tr> <td>Big city</td> <td>15</td> <td>18</td> </tr> <tr> <td>Smaller city</td> <td>15</td> <td>15</td> </tr> <tr> <td>Bigger medium-sized town</td> <td>10</td> <td>10</td> </tr> <tr> <td>Smaller medium-sized town</td> <td>20</td> <td>18</td> </tr> <tr> <td>Bigger small-sized town</td> <td>15</td> <td>15</td> </tr> <tr> <td>Small small-sized town</td> <td>13</td> <td>13</td> </tr> <tr> <td>Rural commune</td> <td>15</td> <td>15</td> </tr> </tbody> </table>	Residence Type	Liberal middle class (%)	Total (%)	Big city	15	18	Smaller city	15	15	Bigger medium-sized town	10	10	Smaller medium-sized town	20	18	Bigger small-sized town	15	15	Small small-sized town	13	13	Rural commune	15	15
Residence Type	Liberal middle class (%)	Total (%)																							
Big city	15	18																							
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Smaller medium-sized town	20	18																							
Bigger small-sized town	15	15																							
Small small-sized town	13	13																							
Rural commune	15	15																							
Neighbourhood	Dense																								
Desire to move	Average																								
Price sensitivity	Average																								
Owned apartments quota	Average																								
Single family house quota	Average																								
Desire to buy	Average																								
Apartment layout	Generous																								
Architecture	More modern																								
Required surface area per person	High																								

Source: BBSR, Fahrländer Partner.

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

Source: Fahrländer Partner.

5.5 Liberal middle class: 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	Low	<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	Important	<div style="display: flex; justify-content: space-between; width: 100%;"> Less important Important </div>
Access to amenities	Important	<div style="display: flex; justify-content: space-between; width: 100%;"> Less important Important </div>
Access to leisure facilities/recreation	Important	<div style="display: flex; justify-content: space-between; width: 100%;"> Less important Important </div>
Access to cultural activities	Average	<div style="display: flex; justify-content: space-between; width: 100%;"> Less important Important </div>
Importance of external spaces	High	<div style="display: flex; justify-content: space-between; width: 100%;"> Low High </div>
Child-friendly	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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