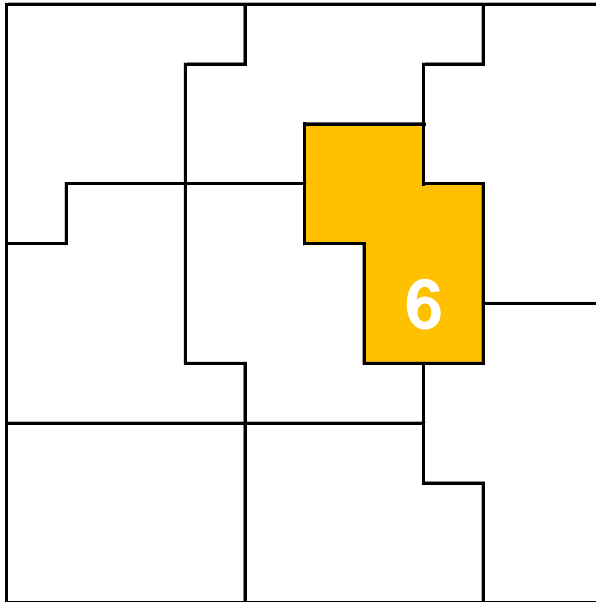


Segment 6: Established-alternative

Segmentation of demand in the German housing market



6.1 Established-alternative: Introduction

12 % of German households belong to the established-alternative segment. Personal fulfilment is central to their lifestyle. They have a keen interest in culture and a strong environmental and social awareness. Naturalness and authenticity are important values for them. Material goods, consumption and status symbols are less important. Daily life and leisure activities normally taken place within the region in which they live. They take holidays frequently and travel widely.



Established alternatives live in average-sized rented apartments in blocks or in shared accommodation. Measured against their financial means they tend not to have a strong desire to own their own home. Cultural offer and an attractive neighbourhood are more important, be it in the city, in a suburban context or in the country.

6.2 Established-alternative: 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 Scheerbaum, family with kids

Jonas Scheerbaum is a computer scientist and has a good job at a software company. He works full-time and several days a week from home. His wife Karin is also employed and works part-time as a human resources specialist. Their daughter goes to the crèche two days a week. It is important to them that they take care of their daughter's education together. They live in a family-friendly building, where children can play in the green surroundings.

Mr. König and Mrs. Schmidt, middle-aged couple

Hans König lives with his partner Annemarie Schmidt in an individual house on the outskirts of town. He has rebuilt the house according to his wishes and especially appreciates the beautiful garden where he spends a lot of time. He has been working in the building department for several years and is looking forward to his retirement. Annemarie Schmidt gives piano lessons at home. She enjoys attending classical cultural events in the city.

Mr. and Mrs. Haaf, family with kids

Susanne and Peter Haaf are high school teachers and work at the same school. They live with their two children in a spacious condominium in a big city. It is important to them that the apartment is functional and quiet. They live environmentally conscious and prefer to eat seasonal products from the region and from organic farming. They usually go to work by bicycle and are also more active in their leisure time. During the holidays the family undertakes individual journeys together to distant countries with other cultures.

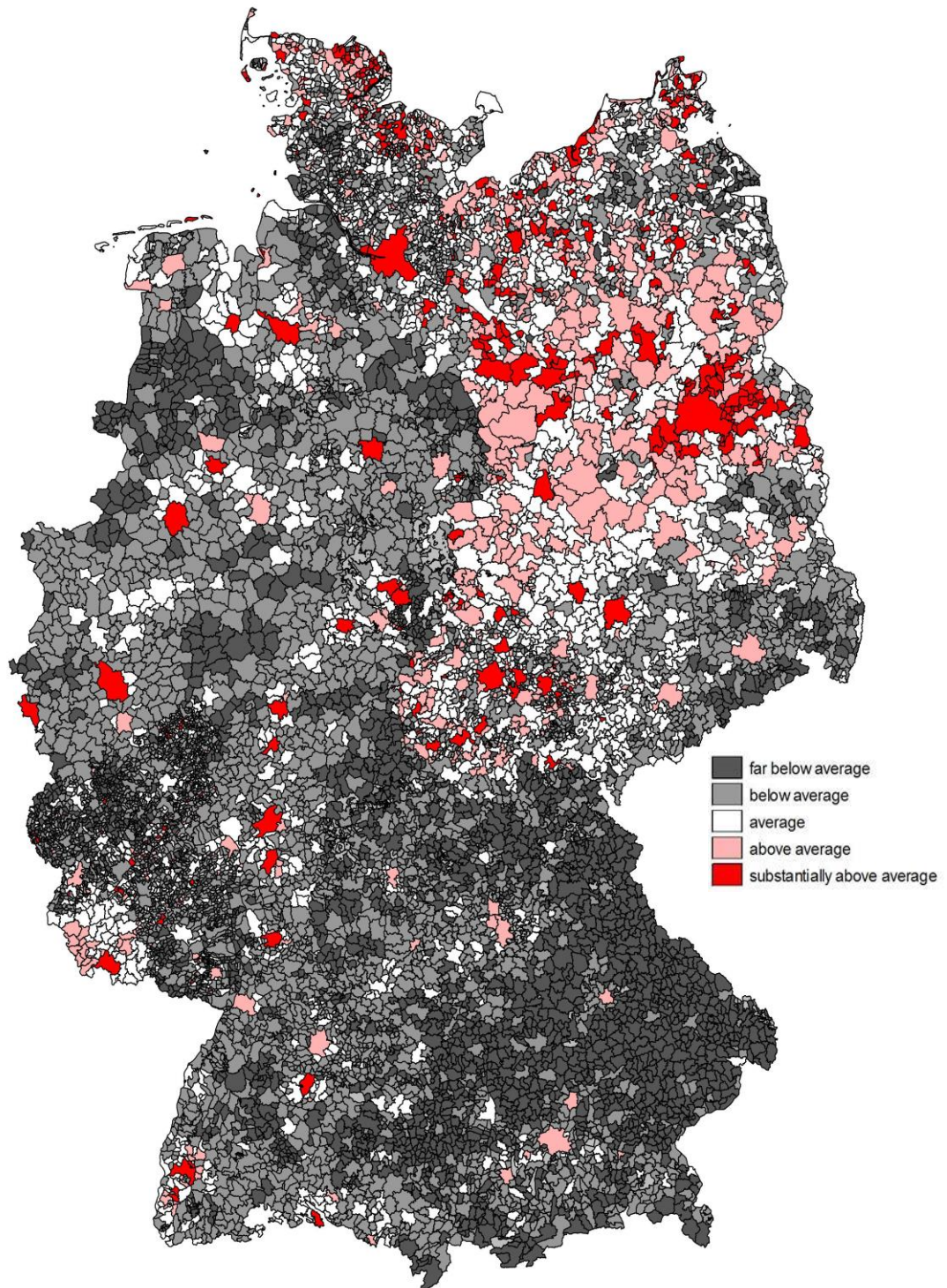
6.2 Who are the Established-alternatives?

Characteristic	Typical characteristic
Educational level	Average to higher educational level
	<div style="text-align: center;">Low High</div> <div style="display: flex; justify-content: space-between;"> <div style="width: 45%;">Primary education</div> <div style="width: 50%; text-align: center;"> </div> </div> <div style="display: flex; justify-content: space-between;"> <div style="width: 45%;">Secondary education</div> <div style="width: 50%; text-align: center;"> </div> </div> <div style="display: flex; justify-content: space-between;"> <div style="width: 45%;">Tertiary education</div> <div style="width: 50%; text-align: center;"> </div> </div>
Profession	Intermediate and qualified non-manual professions, often in the public sector and social services (healthcare, education)
	<div style="text-align: center;">Low High</div> <div style="display: flex; justify-content: space-between;"> <div style="width: 45%;">Top management</div> <div style="width: 50%; text-align: center;"> </div> </div> <div style="display: flex; justify-content: space-between;"> <div style="width: 45%;">Liberal professions</div> <div style="width: 50%; text-align: center;"> </div> </div> <div style="display: flex; justify-content: space-between;"> <div style="width: 45%;">Other self-employed</div> <div style="width: 50%; text-align: center;"> </div> </div> <div style="display: flex; justify-content: space-between;"> <div style="width: 45%;">Academic professions and management</div> <div style="width: 50%; text-align: center;"> </div> </div> <div style="display: flex; justify-content: space-between;"> <div style="width: 45%;">Intermediary professions</div> <div style="width: 50%; text-align: center;"> </div> </div> <div style="display: flex; justify-content: space-between;"> <div style="width: 45%;">Qualified non-manual jobs</div> <div style="width: 50%; text-align: center;"> </div> </div> <div style="display: flex; justify-content: space-between;"> <div style="width: 45%;">Qualified manual jobs</div> <div style="width: 50%; text-align: center;"> </div> </div> <div style="display: flex; justify-content: space-between;"> <div style="width: 45%;">Unqualified labour</div> <div style="width: 50%; text-align: center;"> </div> </div>
Professional status	Intermediate position
Income	Average income
	<div style="text-align: center;">Low High</div> <div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"></div> <div style="width: 50%; text-align: center;"> </div> </div>

Source: Fahrländer Partner.

6.3 Established-alternative: distribution

Difference between percentage in communes and nationwide percentage


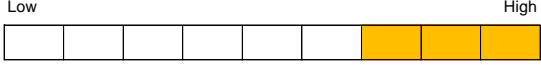


Source: Federal Agency for Cartography and Geodesy, Fahrländer Partner.

6.4 How do the Established-alternatives live?

Characteristic	Typical characteristic																								
Place of residence	Cities																								
	<table border="1"> <caption>Bar Chart Data: Place of Residence</caption> <thead> <tr> <th>Category</th> <th>Established-alternative (%)</th> <th>Total (%)</th> </tr> </thead> <tbody> <tr> <td>Big city</td> <td>28</td> <td>18</td> </tr> <tr> <td>Smaller city</td> <td>18</td> <td>15</td> </tr> <tr> <td>Bigger medium-sized town</td> <td>8</td> <td>10</td> </tr> <tr> <td>Smaller medium-sized town</td> <td>15</td> <td>18</td> </tr> <tr> <td>Bigger small-sized town</td> <td>12</td> <td>15</td> </tr> <tr> <td>Small small-sized town</td> <td>10</td> <td>13</td> </tr> <tr> <td>Rural commune</td> <td>10</td> <td>15</td> </tr> </tbody> </table>	Category	Established-alternative (%)	Total (%)	Big city	28	18	Smaller city	18	15	Bigger medium-sized town	8	10	Smaller medium-sized town	15	18	Bigger small-sized town	12	15	Small small-sized town	10	13	Rural commune	10	15
Category	Established-alternative (%)	Total (%)																							
Big city	28	18																							
Smaller city	18	15																							
Bigger medium-sized town	8	10																							
Smaller medium-sized town	15	18																							
Bigger small-sized town	12	15																							
Small small-sized town	10	13																							
Rural commune	10	15																							
Neighbourhood	Mixed, green spaces																								
Desire to move	Average																								
Price sensitivity	Average																								
Owned apartments quota	Average																								
Single family house quota	Low, preference for shared accommodation in a multiple-occupancy building																								
Desire to buy	Average																								
Apartment layout	Closed																								
Architecture	Atmospheric, modern-homely, preference for well renovated old buildings																								
Required surface area per person	Average																								

Source: BBSR, Fahrländer Partner.

Characteristic	Typical characteristic
Standard of finishing	Average 
Materials and appliances	Natural materials, plenty of wood
Willingness to pay more for green products	High 

Source: Fahrländer Partner.

6.5 Established-alternative: 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	Average	<div style="display: flex; justify-content: space-between; width: 100%;"> Low High </div>
Preference for countryside	Average	<div style="display: flex; justify-content: space-between; width: 100%;"> Low High </div>
Sun & view	Average	<div style="display: flex; justify-content: space-between; width: 100%;"> Less important Important </div>
Access to amenities	Secondary	<div style="display: flex; justify-content: space-between; width: 100%;"> Less important Important </div>
Access to leisure facilities/recreation	Very important	<div style="display: flex; justify-content: space-between; width: 100%;"> Less important Important </div>
Access to cultural activities	Very important	<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	Average	<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).



Fahrländer Partner AG
Raumentwicklung
Seebahnstrasse 89
8003 Zürich

+41 44 466 70 00
info@fpre.ch
www.fpre.ch

Münzrain 10
3005 Bern

+41 31 348 70 00
bern@fpre.ch
www.fpre.ch