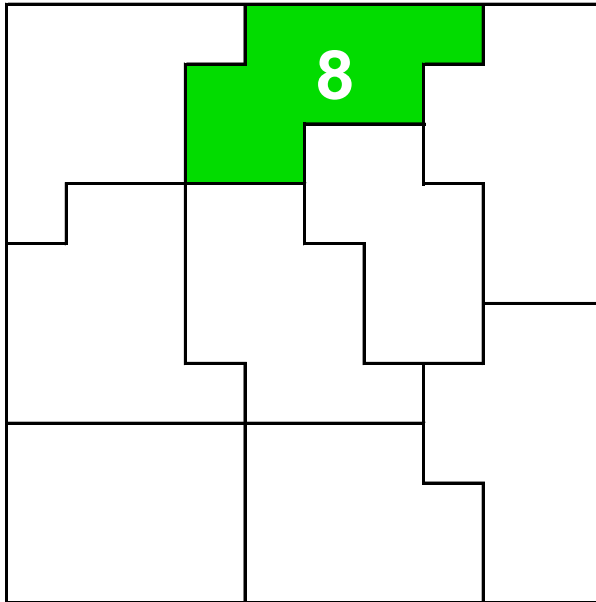


Segment 8: Professional elite

Segmentation of demand in the German housing market



8.1 Professional elite: Introduction

9 % of German households belong to the professional elite. This segment is performance oriented and places value on modernity and culture. The professional elite is younger than the upper middle class and therefore comprises a larger proportion of families with children.



The professional elite live in large and relatively expensive rented apartments or owned apartments, mainly in large agglomerations in quiet locations. They place value on attractive features, superior architecture, regardless of whether the building is old or new. In choosing a location, proximity to cultural venues, public transport connections and a quiet neighbourhood are important. Attractive grounds are less important.

8.2 Professional elite: 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.

Mrs. and Mr. Ebeling, middle-aged couple

Hanna Ebeling works as a senior physician in the hospital. She lives with her partner Thomas Adam in a spacious condominium, which offers a beautiful view over the nearby lake. Thomas Adam is a pediatrician in his own practice. The apartment is spacious, bright and modern. In the couple's free time, everything revolves around playing golf. They are members of the local club and spend their holidays almost exclusively in golf resorts. Thomas Adam is divorced and father of two children from his first marriage.

Family Reuter, family with kids

Ralph Reuter lives with his wife Irene and their daughter and son in a row house on the outskirts of a medium-sized town. He studied economics and is now a member of the Executive Board of an insurance company. There isn't much time left besides work and family. Irene works part-time as an independent speech therapist. In addition to her job, she appreciates spending time with her children. In the household, a cleaning woman helps with the work.

Mr. and Mrs. Sauer, older couple

Sabrina Sauer is a mechanical engineer in a large company. She and her husband have just bought a detached house in the countryside. Her husband works in the research department of a large car manufacturer. When building the house, the proximity to the workplace and the nearest center was very important to her. They both work a lot and enjoy their retreat. During the planning and construction of the house, care was taken to ensure that there was enough space for one family.

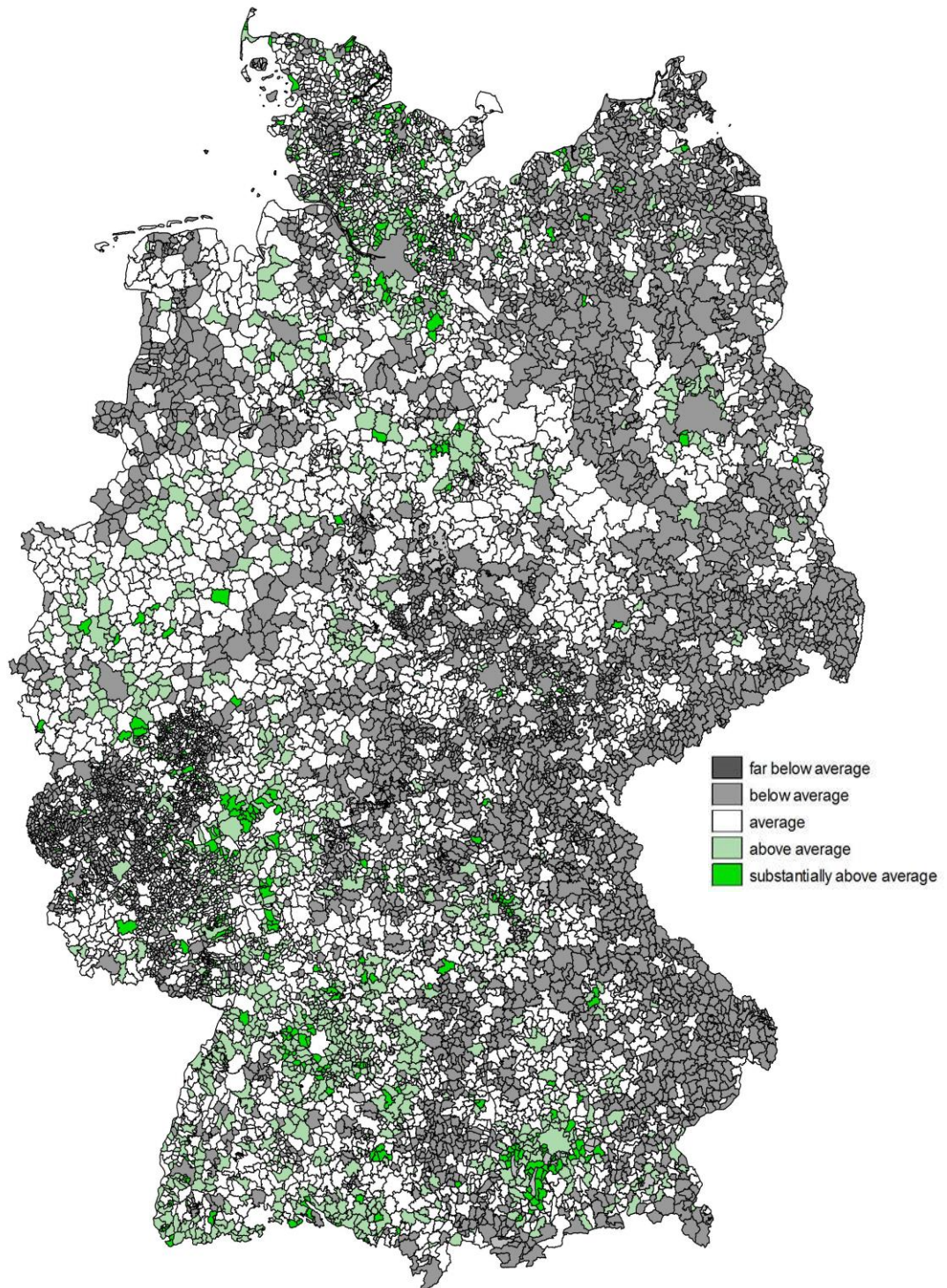
8.2 Who is the Professional elite?

Characteristic	Typical characteristic
Educational level	High educational level
	<div style="display: flex; justify-content: space-between; width: 100%;"> Low High </div> <div style="display: flex; align-items: flex-start;"> <div style="width: 200px;"> <p>Primary education</p> <p>Secondary education</p> <p>Tertiary education</p> </div> <div style="width: 600px;"> </div> </div>
Profession	Academic professions and managers
	<div style="display: flex; justify-content: space-between; width: 100%;"> Low High </div> <div style="display: flex; align-items: flex-start;"> <div style="width: 200px;"> <p>Top management</p> <p>Liberal professions</p> <p>Other self-employed</p> <p>Academic professions and management</p> <p>Intermediary professions</p> <p>Qualified non-manual jobs</p> <p>Qualified manual jobs</p> <p>Unqualified labour</p> </div> <div style="width: 600px;"> </div> </div>
Professional status	Middle and senior managers
Income	High income
	<div style="display: flex; justify-content: space-between; width: 100%;"> Low High </div> <div style="display: flex; align-items: center;"> </div>

Source: Fahrländer Partner.

8.3 Professional elite: distribution

Difference between percentage in communes and nationwide percentage

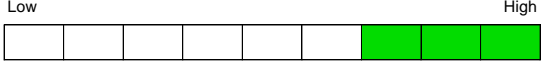



Source: Federal Agency for Cartography and Geodesy, Fahrländer Partner.

8.4 How does the Professional elite live?

Characteristic	Typical characteristic																								
Place of residence	Small-sized towns, bigger mid-sized towns																								
	<table border="1"> <caption>Bar Chart Data: Place of Residence</caption> <thead> <tr> <th>Residence Type</th> <th>Professional elite (%)</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>14</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>21</td> <td>18</td> </tr> <tr> <td>Bigger small-sized town</td> <td>15</td> <td>14</td> </tr> <tr> <td>Small small-sized town</td> <td>12</td> <td>12</td> </tr> <tr> <td>Rural commune</td> <td>12</td> <td>15</td> </tr> </tbody> </table>	Residence Type	Professional elite (%)	Total (%)	Big city	15	18	Smaller city	14	15	Bigger medium-sized town	10	10	Smaller medium-sized town	21	18	Bigger small-sized town	15	14	Small small-sized town	12	12	Rural commune	12	15
Residence Type	Professional elite (%)	Total (%)																							
Big city	15	18																							
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Smaller medium-sized town	21	18																							
Bigger small-sized town	15	14																							
Small small-sized town	12	12																							
Rural commune	12	15																							
Neighbourhood	Suburban, upper class, central, quiet																								
Desire to move	Average																								
Price sensitivity	Low																								
Owned apartments quota	Average																								
Single family house quota	High																								
Desire to buy	High																								
Apartment layout	Generous, high-ceilinged rooms, open																								
Architecture	Modern, extravagant or stylish-classical																								
Required surface area per person	High																								

Source: BBSR, Fahrländer Partner.

Characteristic	Typical characteristic
Standard of finishing	High
	<p>Low High</p> 
Materials and appliances	High quality
Willingness to pay more for green products	Average to high
	<p>Low High</p> 

Source: Fahrländer Partner.

8.5 Professional elite: 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	Very 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	Very important	<div style="display: flex; justify-content: space-between; width: 100%;"> Less important Important </div>
Importance of external spaces	Average	<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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