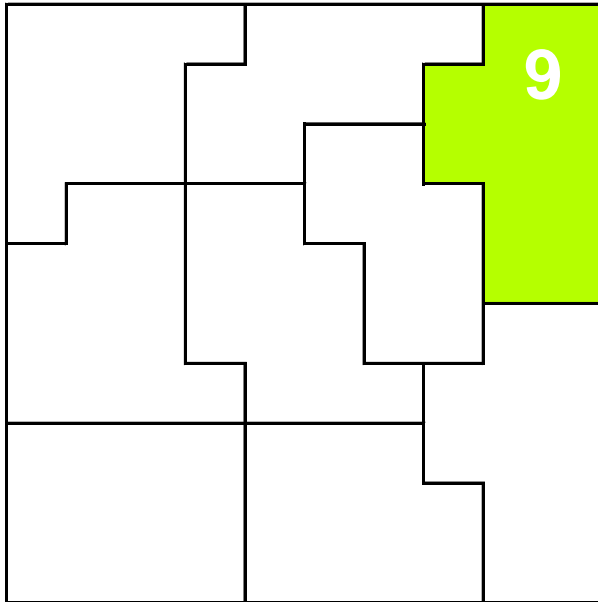


Segment 9: Urban elite

Segmentation of demand in the German housing market



9.1 Urban elite: Introduction

11 % of German households belong to the urban avantgarde. This segment prefers to live in city and town centres. Their educational level, professional status and income are above average. The urban elite are predominantly young and just under 60% of this segment live in single-person households. The lifestyle of the urban elite is centred around cities and its members travel abroad often for work or leisure. People in this segment tend to work a high percentage but have flexible hours. They enjoy many free-time activities, which mainly take place outside the home.



The urban elite live in large and relatively expensive rented apartments with several rooms in the centres of large agglomerations. They are prepared to pay high rents for an urban environment. The apartment fittings are less important than the environment. As they tend to move more than average they prefer to rent apartments from private persons and institutions.

9.2 Urban 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.

Mr. Bachmann, middle-aged single

Urs Bachmann is an architect. He lives in a modern rented apartment in a centrally located building in a big city. He built the house himself and designed the apartment according to his ideas. His apartment means a lot to him - it enables him to show his lifestyle and shape his image. Accordingly, he often invites people to his home. His partner lives in a separate apartment (living apart together). Professionally, he is a partner in an architecture firm that now has 15 employees. He doesn't have much spare time.

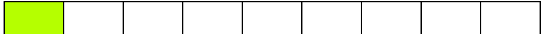

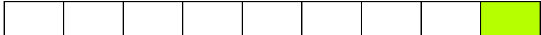



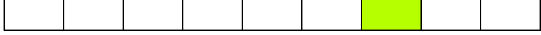
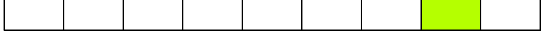
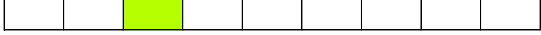



Mr. Müller and Mrs. Schneider, older couple

Jürg Müller is a publisher for a large daily newspaper. Together with his partner Leonora Schneider, who runs her own communications company, he has rented a generous loft in Hamburg. The loft has a magnificent view and is equipped to a very high standard. The couple can often be found at vernissages and other public events. They are well paid double earners without children.

Ms. Kurtenbach, young single

Andrea Kurtenbach works in a marketing agency. After returning to Germany from longer stays abroad in Zurich and London, she has rented a well-situated apartment with three rooms for the time being. She plans to start her own business over the next five years. For her, home ownership is out of the question at the moment, because it is important to her to be as flexible and independent as possible. The plans in her life - and thus her place of residence and work - can change quickly.

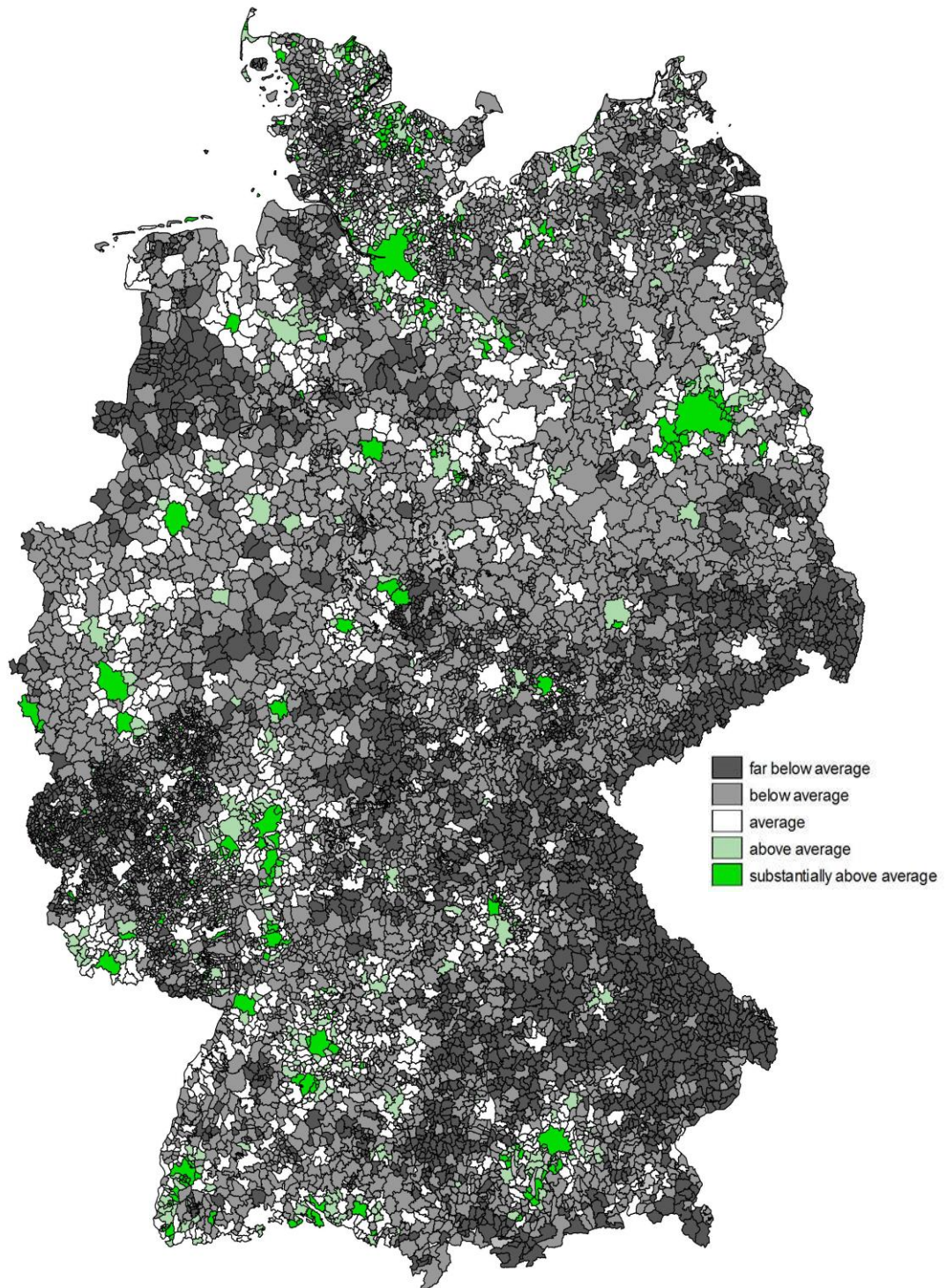
9.2 Who is the Urban elite?

Characteristic	Typical characteristic
Educational level	High educational level
	<div style="display: flex; justify-content: space-between; font-size: small;"> Low High </div> Primary education 
	Secondary education 
	Tertiary education 
Profession	Creative and cultural services (media, IT, advertising, PR-managers and intermediate position)
	<div style="display: flex; justify-content: space-between; font-size: small;"> 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	New self-employed
Income	High income
	<div style="display: flex; justify-content: space-between; font-size: small;"> Low High </div> 

Source: Fahrländer Partner.

9.3 Urban elite: distribution

Difference between percentage in communes and nationwide percentage



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

9.4 How does the Urban elite live?

Characteristic	Typical characteristic																								
Place of residence	Cities																								
	<table border="1"> <caption>Bar Chart Data: Place of Residence</caption> <thead> <tr> <th>Residence Type</th> <th>Urban elite (%)</th> <th>Total (%)</th> </tr> </thead> <tbody> <tr> <td>Big city</td> <td>30</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>16</td> <td>19</td> </tr> <tr> <td>Bigger small-sized town</td> <td>12</td> <td>15</td> </tr> <tr> <td>Small small-sized town</td> <td>9</td> <td>13</td> </tr> <tr> <td>Rural commune</td> <td>7</td> <td>15</td> </tr> </tbody> </table>	Residence Type	Urban elite (%)	Total (%)	Big city	30	18	Smaller city	18	15	Bigger medium-sized town	8	10	Smaller medium-sized town	16	19	Bigger small-sized town	12	15	Small small-sized town	9	13	Rural commune	7	15
Residence Type	Urban elite (%)	Total (%)																							
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Rural commune	7	15																							
Neighbourhood	Urban, busy, trendy																								
Desire to move	High																								
Price sensitivity	Rather low																								
Owned apartments quota	Low																								
Single family house quota	Very low																								
Desire to buy	Average																								
Apartment layout	Generous and open																								
Architecture	Modern																								
Required surface area per person	High																								

Source: BBSR, Fahrländer Partner.

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

Source: Fahrländer Partner.

9.5 Urban 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	Very high	<div style="display: flex; justify-content: space-between; width: 100%;"> Low High </div>
Preference for countryside	Low	<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	Secondary	<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	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	Unimportant	<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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