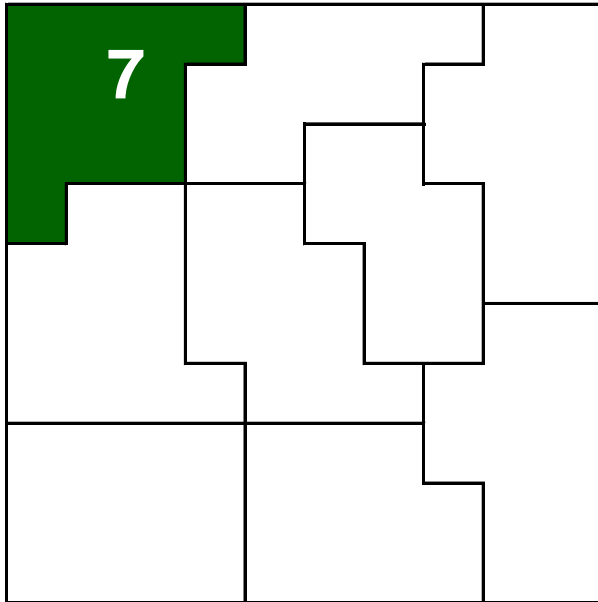


Segment 7: Upper middle class

Segmentation of demand in the housing market



7.1 Upper middle class: Introduction

Just under 7 % of Swiss households belong to the upper middle class. It comprises mainly families as well as older singles and couples. The upper middle class leads a traditional way of life. It is characterised by high brand awareness of consumer goods, exclusive and luxury leisure activities and a large degree of mobility for work and leisure.

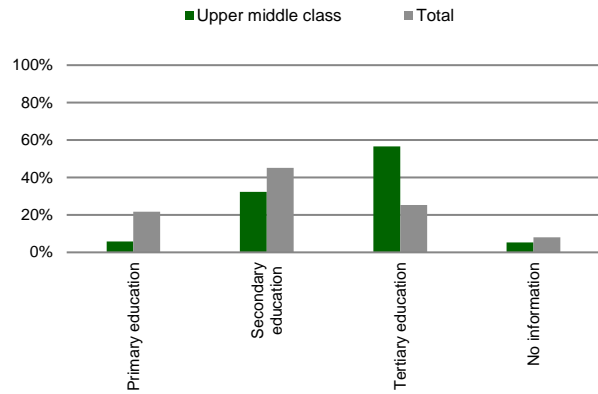


The upper middle class live mainly in rich communes in the agglomerations of larger towns. They occupy villas and large single family homes with character. The micro location is often characterised by a good view and sunny situation, where possible close to a lake. Important factors are peace, outlook, privacy as well as a commune with low taxes and a good image. Property and material values are important to the upper middle class. Correspondingly it has a strong inclination to property ownership.

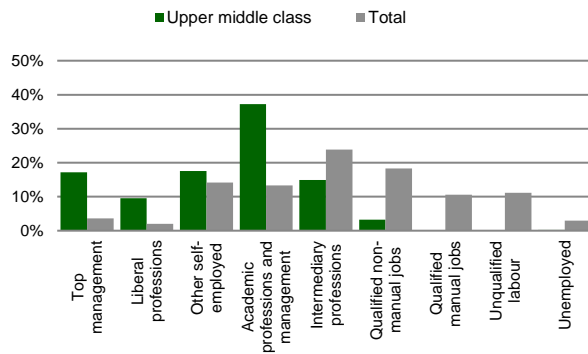
7.2 Who are the Upper middle class?

Characteristic	Typical characteristic
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Educational level High educational level

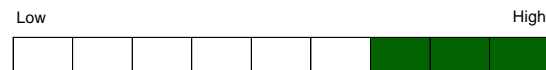


Profession Academic professions, senior management and managers mainly in commercial services, company owners

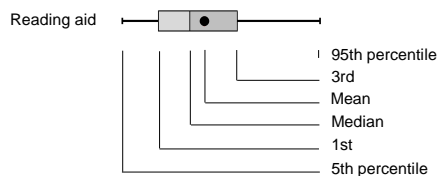
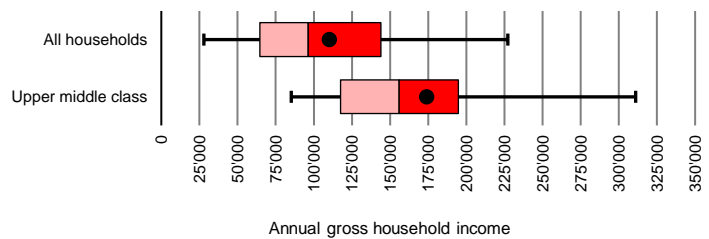


Professional status Senior managers

Income High income

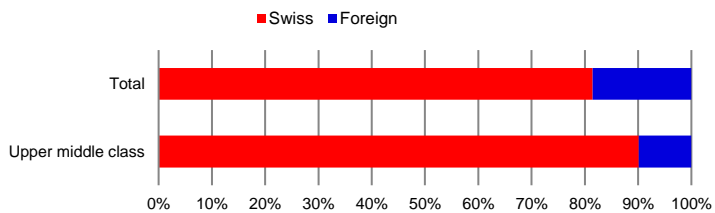


Income distribution



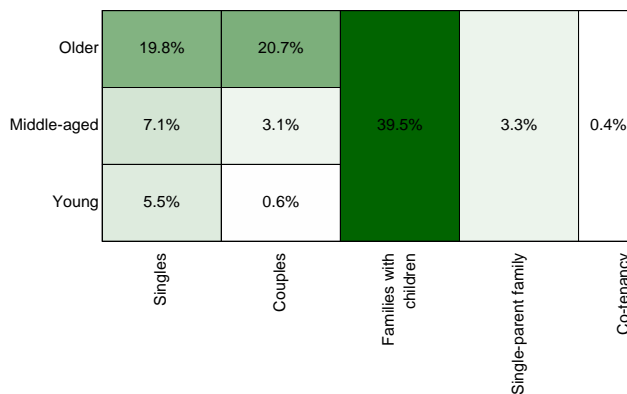
Characteristic Typical characteristic

Nationality



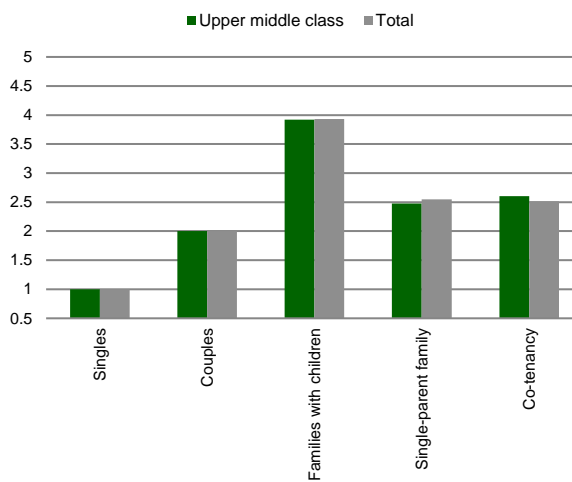
Stage in Life

Families, older singles and older couples



Average number of persons per household

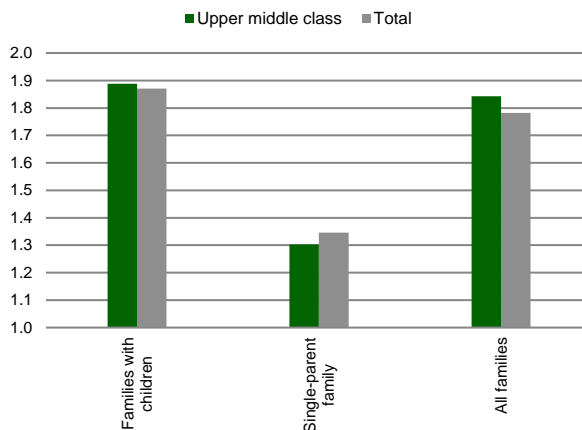
2.5 persons



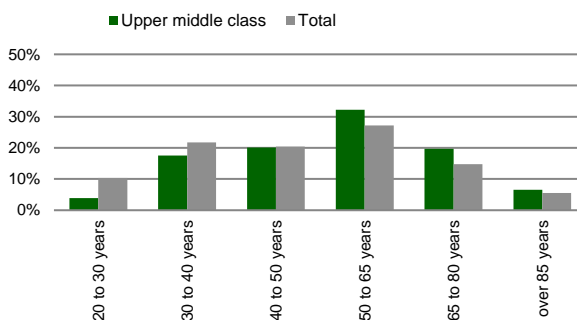
Source: Fahrländer Partner & sotomo.

Characteristic Typical characteristic

Average number of children per family 1.8 children

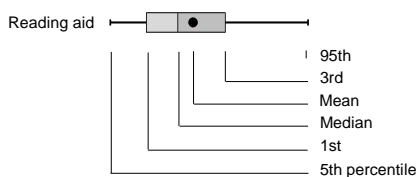
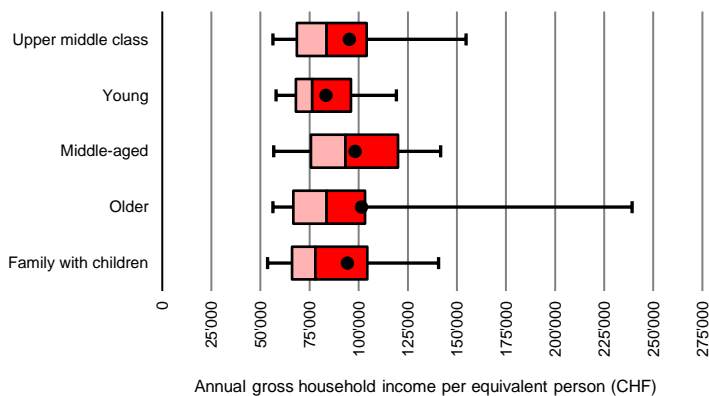


Average age of the reference person



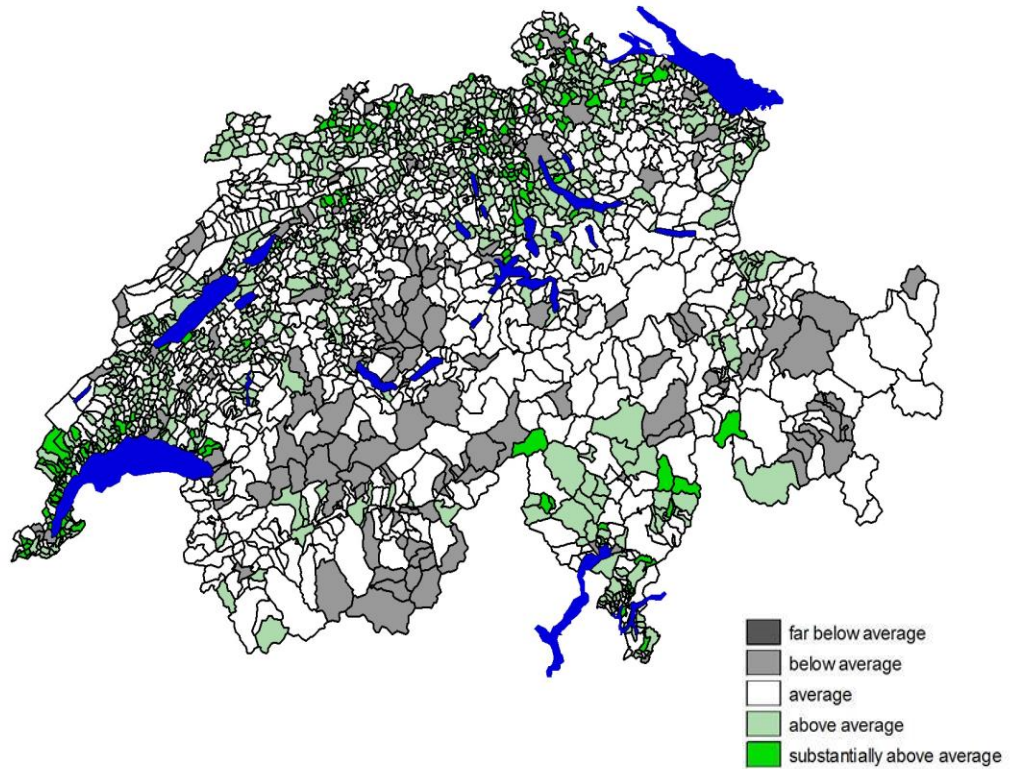
Income

Income distribution per equivalence person



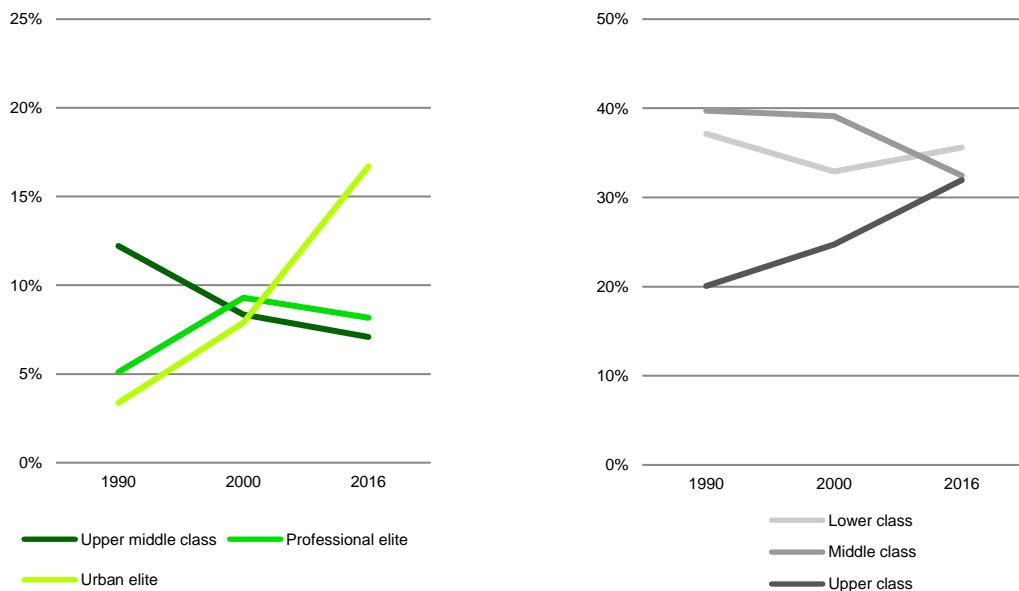
7.3 Upper middle class: distribution and development

Difference between percentage in communes and nationwide percentage



Source: BFS, BFS Geostat / swisstopo, Fahrländer Partner & sotomo.

Development of demand segments and social strata



Source: Fahrländer Partner & sotomo.

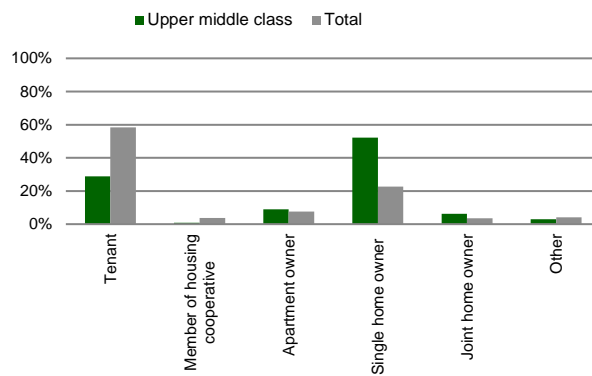
7.4 How live the Upper middle class?

Characteristic	Typical characteristic																																	
Place of residence	Suburban communes																																	
	<table border="1"> <caption>Place of residence: Commune types</caption> <thead> <tr> <th>Commune Type</th> <th>Upper middle class (%)</th> <th>Total (%)</th> </tr> </thead> <tbody> <tr> <td>Centres</td> <td>~10</td> <td>~35</td> </tr> <tr> <td>Suburban communes</td> <td>~35</td> <td>~30</td> </tr> <tr> <td>High-income communes</td> <td>~10</td> <td>~5</td> </tr> <tr> <td>Peri-urban communes</td> <td>~15</td> <td>~10</td> </tr> <tr> <td>Communes in tourism areas</td> <td>~2</td> <td>~5</td> </tr> <tr> <td>Industrial and tertiary communes</td> <td>~10</td> <td>~10</td> </tr> <tr> <td>Rural and agricultural communes</td> <td>~15</td> <td>~15</td> </tr> </tbody> </table>	Commune Type	Upper middle class (%)	Total (%)	Centres	~10	~35	Suburban communes	~35	~30	High-income communes	~10	~5	Peri-urban communes	~15	~10	Communes in tourism areas	~2	~5	Industrial and tertiary communes	~10	~10	Rural and agricultural communes	~15	~15									
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Neighbourhood	Superior, well cared for																																	
Type of transport	Motorised individual transport																																	
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Desire to move	Low																																	
Price sensitivity	Low																																	
Owned apartments quota	Average																																	
Single family house quota	High																																	
Desire to buy	Very high																																	

Source: Fahrländer Partner & sotomo.

Characteristic	Typical characteristic
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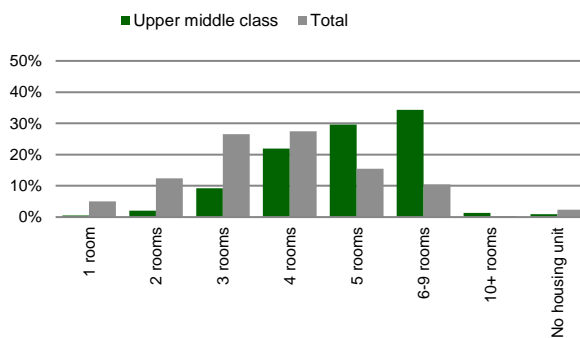
Type of property	
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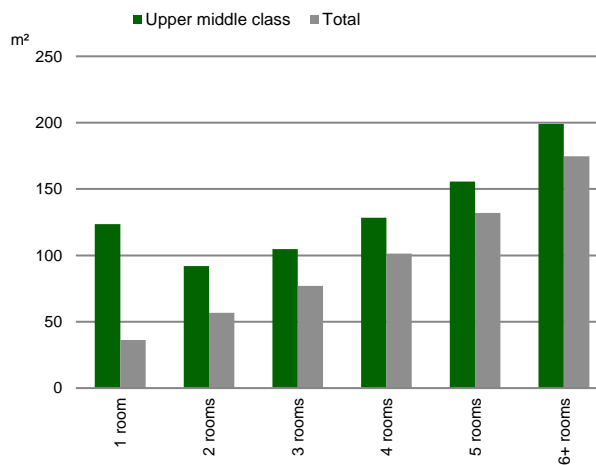
Apartment layout	Generous
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Architecture	Classic, «labelled»
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Number of rooms	5-6 rooms
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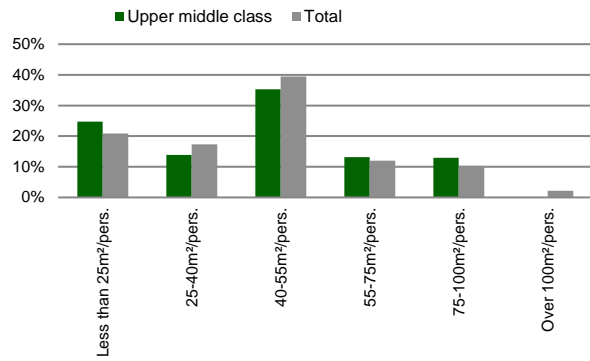
Living area	
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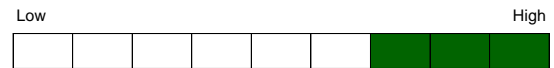
Source: Fahrländer Partner & sotomo.

Characteristic	Typical characteristic
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Living area per person



Required surface area per person



Standard of finishing



Materials and appliances

Technical fittings



Willingness to pay more for green products

Average, higher when it is a prestigious building



Other specific requirements

Source: Fahrländer Partner & sotomo.

7.5 Upper 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	Average to 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	Very important	<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	Secondary	<div style="display: flex; justify-content: space-between; width: 100%;"> Less important Important </div>
Importance of external spaces	Large balconies and terraces, patios, pools	<div style="display: flex; justify-content: space-between; width: 100%;"> Low High </div>
Small-scale development	Important	<div style="display: flex; justify-content: space-between; width: 100%;"> Less important Important </div>
Child-friendly	Important	<div style="display: flex; justify-content: space-between; width: 100%;"> Less important Important </div>

Source: Fahrländer Partner & sotomo.