



Catella: micro homes examined – a solution to urban restructuring?

The metropolitan areas of Europe are increasingly confronted with similar challenges of higher rents, rising purchase prices and higher land prices. There are two fundamental approaches to solving this problem: build more or reduce living area per head.

“Our society is evolving, which means our housing needs are also changing. Despite the compact building practices prevalent in Europe’s cities, only a few have real experience with the issue of increased density,” say Catella’s analysts in the latest Market Tracker

The approach most often recommended for addressing the shortage of living space, and rising purchase and rental prices, that currently dominate in major European cities is to increase supply, in line with the doctrine of building more.

“But without losing sight of this, you can also choose to reduce utilisation, and this can be achieved by focusing on the living area per head. At first glance, this may seem undogmatic and perhaps even unpopular, but there’s a good reason why the idea of micro living is being intensely debated within the real estate sector at present, with corresponding concepts already being put forward. One response to the challenges seems to be micro homes,” says Dr. Thomas Beyerle, Head of Group Research at Catella.

General findings in Catella’s latest Market Tracker: European micro homes have the following distribution in terms of size/living area.

- The largest group of properties (58 %) have a floor space of 25–60 m² (29 % ≥ 61 m² and 13 % ≤ 24 m²).
- In terms of construction, more than half (55 %) are made of wood, 18 % of stone, 11 % of plastic and 9 % of straw; foundations not present or supplemental, on wheels or on water as floating homes.
- The majority are fully fitted, complete with a sleeping area, cooking area, bathroom, living room and, in some cases, a terrace.
- The most inexpensive micro homes are available fully furnished for approximately €15,000.

Micro houses represent an interesting alternative in view of Europe’s current urban planning trends and social changes. They offer a space in which occupants must learn to limit themselves to the things they really need. There is no doubt that these homes are on the rise, but despite all the optimism and every innovative concept, Catella’s analysts conclude that they have not yet developed any real relevance to the market.

The latest Market Tracker is available at www.catella.com/research.

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