The Future Consumer
Households in 2030

AN EXTRACT FROM THE REPORT
Households in 2030
Households are changing rapidly in terms of size, location and demographics. This strategy briefing pinpoints the primary trends affecting households to 2030 and their impact on consumption, both in terms of opportunities and challenges.
By 2030, the global household outlook will be much different compared to today, as technology, urbanisation and economics reshape the behavioural patterns of inhabitants and create new channels of access to consumers.

According to Euromonitor International, a household is a small group of persons who share the same living accommodation. They pool some or all of their income and consume certain types of goods and services. Household members are not necessarily related by blood of marriage and resident domestic servants are also included.

Households in 2030 will be shaped by these specific trends:

- Large, single-person landscape
- Urbanisation and apartmentalisation, with big mortgage and rental markets
- Households as digital consumption units
RISE OF THE SINGLETONS

Single-person households will become a major consumption group

Households populated by one person are skyrocketing around the world. Over 2016–2030, single-person households will see faster growth than any other household type globally, with around 120 million new single person homes to be added over the period. This demographic is being driven by younger singles exchanging relationships for careers and education, as well as the growing widowed and divorced elderly group, especially large in developed countries.

Global Households by Family Type, 2016–2030

Source: Euromonitor International by national statistics
Note: Figures for 2016–2030 are forecast.
By contrast, households with three or more persons are growing slowly. This is a reflection of the declining birth and fertility rates globally, with couples choosing to have fewer children. As markets develop, there is also a lesser need for extended family to occupy the same household, especially as carehomes are used more often to care for the elderly.

What is driving single-person households?

Education and career
Young people are focusing on their personal self-development, prioritising academic and career pursuits. Females, in particular, have more educational and work opportunities than ever before, and many are delaying having serious relationships and kids.

Single is fun
The rise in technology, cheap travel and general entertainment means that today’s generations have more choice in how they spend their free time than their parents ever did. There are therefore fewer incentives to get tied down by familial responsibilities, with a singleton lifestyle offering more carefree fun.

The elderly
For the elderly, being single is not a choice. As life expectancy rises and the number of elderly people swells, there is a growing number of widowed, divorced or otherwise single homes populated by persons aged 65+. This is accelerating as the extended family unit is being broken up.

In the UK, for example, in 2015 the largest group of single-person homes was represented by the 65+ age bracket, according to national statistics.
URBANISATION AND APARTMENTALISATION

There is no escaping urbanisation

Urban hubs are expanding at a faster pace than rural areas in terms of population and households. Factors such as immigration, cities expanding to incorporate more suburban and rural zones and the development of entirely new towns and cities will create a much more urbanised world in 2030.

Urbanisation will continue to grow quickly through to 2030, with the year recording a record total in terms of households and people present in urban areas. Rural households are not contracting, but urban hubs are expanding at a much faster pace. By 2030, some 5.0 billion people will be living in 1.7 billion urban households.

Source: Euromonitor International from national statistics
States encourage urbanisation as its higher population density offers an opportunity to deliver basic services such as water and sanitation more cost-effectively to greater numbers of people. Cities also play a pivotal role in creating national wealth, improving economic development, attracting direct foreign investment, and helping to maximise resources to achieve gains in productivity and competitiveness.

Apartments are becoming more popular as dwellings

The onset of urbanisation is creating a boom in apartments. Countries such as China, Brazil and the UK will see surging growth in apartments through to 2030. Apartments provide a solution for housing large numbers of people in a limited urban space, they can be smaller and therefore cheaper, and they offer easier access to utilities and digital services.

Bigger, brighter mortgage and rental markets in 2030

Urbanisation will drive demand for home finance, as mortgage markets mature and banks provide more attractive rates to homebuyers. The world’s largest mortgage markets, led by India, will see surging growth rates in mortgaged households to 2030, at the expense of dwellings owned without a mortgage.

Expanding cities are also driving rental markets, as a large number of newly urbanised citizens cannot afford to purchase a home outright. Online platforms are also making the rental process smoother.

### Largest Markets by Mortgaged Households, 2030

<table>
<thead>
<tr>
<th>Rank</th>
<th>Country</th>
<th>Million households</th>
<th>% growth 2016–2030</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>India</td>
<td>291.2</td>
<td>57.5</td>
</tr>
<tr>
<td>2</td>
<td>China</td>
<td>233.5</td>
<td>17.7</td>
</tr>
<tr>
<td>3</td>
<td>Brazil</td>
<td>53.9</td>
<td>26.6</td>
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<tr>
<td>4</td>
<td>Indonesia</td>
<td>45.1</td>
<td>13.1</td>
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<tr>
<td>5</td>
<td>Nigeria</td>
<td>38.9</td>
<td>287</td>
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<tr>
<td>6</td>
<td>Russia</td>
<td>37.7</td>
<td>62.0</td>
</tr>
<tr>
<td>7</td>
<td>Pakistan</td>
<td>35.5</td>
<td>74.6</td>
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<td>8</td>
<td>USA</td>
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<tr>
<td>9</td>
<td>Vietnam</td>
<td>27.4</td>
<td>148</td>
</tr>
<tr>
<td>10</td>
<td>Philippines</td>
<td>21.9</td>
<td>68.3</td>
</tr>
</tbody>
</table>

Source: Euromonitor International
Households are becoming digital consumption units

The rapid globalisation of Internet access is digitalising households at an unprecedented rate. By 2030, the majority of the world’s homes will have unlocked access to services including online video, gaming, gambling, social media, e-commerce, banking, e-health and e-education, among others.

This higher level of connectivity, with the help of devices like smartphones, tablets and smart TVs, will enable home trends that will transform consumption behaviour.

One such trend is “cocooning”, living a fully domesticated lifestyle by receiving goods and services at home without needing to leave the house. E-commerce, takeaway foods, and home entertainment are the big winners.

Another trend is sofa shopping, when consumers ignore their PCs to shop on mobile devices at home for comfort. This also leads to multi-screening, the use of multiple screens (TV, mobile, tablet) to consume information.
A more educated world will drive connectivity

The digitalisation of households around the globe will be partly enabled by higher levels of education, which will have a direct impact on IT comprehension and literacy in general. In parts of Africa and Asia, a lack of education is a major deterrent to technology uptake.

Over 2016–2030, the number of homes with household heads with higher education globally will increase by around 100 million while annual household expenditure on education will rise by US$200 billion by 2030. Improved education will enable more knowledgeable consumption of online banking products, internet loans, mortgages, various cryptocurrencies and digital wallet services, enhancing consumer capability.
CONCLUSION

Opportunities in 2030

In general, as consumers become more digitally savvy in both developed and emerging markets, households will increase interest in smart homes and other digital services. As the population ages, elderly people in single-person homes will drive demand for remote healthcare services, daycarers, e-health and mobility-assisting services. Younger generations will drive the demand for apparel and accessories—boosting both online and offline retail fashion segments.

Beyond the ageing of the general population, urbanisation will propel the global mortgage market, providing opportunities to bank and home finance firms. The rise of apartment living will also supply property developers and construction firms lucrative returns.

Challenges in 2030

While singletons enjoy the freedom of travel, education and lifestyle, they also have weaker spending power than couples. This impacts many goods and services. Separately, one of the downsides to digitalised homes is they are more vulnerable to security breaches. However, technology security companies can embrace that challenge and turn it opportunity to provide services to consumers.

Beyond that, swelling cities create housing shortages and apartments drive up population density and noise/waste pollution. Rising urban property values may also decrease the number of potential homeowners. Companies looking to capitalise on households need to consider these challenges and work to find a way to appeal to consumers.
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