

# FIVE HOME LIVING TRENDS IMPACTING CONSUMER DECISION-MAKING IN 2022-23



## 2022 has already proven to be a memorable year of change.

The lead-up has not only become a catalyst for how we live, work, and interact but it has permanently altered the way consumers shop and connect with retailers and brands.

When it comes to the trends that are impacting consumer decisions in built environment and home living such as homewares and electronics, the focus is on bettering the world and improving sustainability while adapting to a different lifestyle. However, while consumers work towards a better future, the cost of living has become challenging and is expected to continue to rise throughout 2022.<sup>1</sup>

From sustainability to multi-generational living, Australian consumers are countering high living costs with smart decisions that have the future in mind. This means brands in the built environment and home living space may need to revisit their marketing and promotional strategies for the next 12 months to ensure their focus maps to what consumers care about.

### These are the five home living trends that are changing the way consumers make decisions in 2022:







# 59%

Prioritise ethical shopping & eco-consumption

## 1. Ethical shopping and eco-consumption

The shift to ethical and environmentally conscious shopping in recent years has seen 59 per cent of shoppers now prioritising this type of buying, a much higher rate than pre-pandemic.<sup>2</sup> Despite higher rates of living, consumers are willing to pay more when it comes to making a sustainable interior furnishing purchase this year. A consumer pattern of behaviour is to buy less and choose higher quality and more sustainable items especially when it comes to higher priced items such as electronics and white goods.<sup>3</sup>

Moreover, not only are consumers making more conscious choices, but they believe that retailers have a responsibility to improve their environmental footprint also. At the 2021 United Nations Climate Change Conference (COP26), retail businesses were challenged by the United Nations Framework Convention on Climate Change (UNFCCC) high-level climate champions to reach net zero by 2050 at the latest.<sup>4</sup>

# 90%

Of Australians are engaged in sustainability

## 2. Sustainable building supplies

Along the same lines as ethical shopping, sustainable building trends are emerging with conscious construction and energy efficiency in mind. According to the EY Future Consumer Index, 90 per cent of Australians are engaged to some extent on the topic of sustainability.<sup>5</sup> Consequently, it's no surprise that Australians are opting for sustainable and natural materials over synthetic and man-made options in the built environment. A sustainable home focuses on eco-conscious materials, as well as sustainable practices throughout the construction and design. These sustainable type of building designs are dominating the home design trends. It is forecasted that conscious construction, sustainable materials, and energy efficiency will be the new frontier of home and building design in 2022.<sup>6</sup>

When sustainable building supplies are the starting point, it is easier to including sustainable house features as well. This can include solar energy and passive solar design, high-performance windows, and energy-efficient appliances. According to the Domain Sustainability in Property Report 2022, house buyers are paying an average of \$125,000 more for energy while people buying units will pay an additional \$72,750 for an energy-efficient home while people buying units will pay an additional \$72,750 for an energy-efficient unit.<sup>7</sup>

2022 has also seen the rise of the biophilic design movement. Its purpose is to connect people with the natural world within the built environment by replicating the look, feel and function of the natural environment.<sup>8</sup>



### 3. Single-parent families

For the first time in history, more than one million Australian families are single-parent families with 79.8 per cent of those being single mothers. On average, single-parent families have a lower weekly disposable income, impacting consumer decision-making when it comes to affordability.<sup>9</sup> Due to this, there has been a decrease in spending in homewares and electronic sectors.

With the rising cost of living coupled with the growing number of single parents, these consumers are unable to afford what they could before, calling for food and financial assistance. Rent, food, fuel, bills and sickness or loss of a job are all worrisome aspects of a single-parent household. Charitable organisations like the Salvation Army, Anglicare, Mission Australia, and Foodbank all offer services of support in these areas.<sup>10</sup>

Furthermore, single-parent families experience the highest average housing costs relative to their gross income, making it difficult to secure a rental home.<sup>11</sup> Not only are single-parent families much less likely to purchase their own home, the rental crisis seen across Australia means that single-parent families are struggling to rent on their own. Often, they are competing against 60 other rental applications on the same property or having to give up a beloved family pet to improve the chances of securing a lease.<sup>12</sup>

### 4. Multi-generational living

Rising rental costs paired with the struggles of the pandemic could be the reason there has been a spike in more Australians living in multi-generational homes.<sup>13</sup> A multi-generational home is at least two generations of adults living under the same roof. Although multi-generational households have been popular in other countries globally, the rise in Australia comes down to a few points. An older generation living longer, coupled with a struggling economy that requires multiple members of the household to work full-time to support each other. The effect the pandemic has had on the economy has also been a contributing factor.<sup>14</sup>

Multi-generational living can result in reduced expenditure for individuals and, potentially, greater purchasing power as a family unit. With the savings made on these expenses, multi-generational renters are finding it more affordable to purchase more items for the home in terms of homewares and electronic goods. There is also a higher possibility of co-purchasing a property together.<sup>15</sup>

There are even homes being built specifically suited to this type of living. In July 2021, a house built in Brisbane to suit multi-generational living was awarded Australia House of the Year in House Awards by Architecture Media. The designer of the home, John Ellway, said the flexible house design allows for varied use and can easily respond to the changing circumstances of family groups over time.<sup>16</sup> This type of architecture is likely to find ongoing popularity in the future.



## 5. Working from home

More than 40 per cent of Australians were regularly working from home in 2021 and that number is rising.<sup>17</sup> As remote work becomes more the norm; patterns are forming in the way consumers are spending. Working from home can improve physical and mental health by allowing employees more control over their day to rest, exercise or to cook meals.<sup>18</sup> This trend influences consumer decision-making in several ways and has increased spending on:

- home office and furniture supplies for work from home environments
- general homewares and electronic goods
- groceries and family leisure activities<sup>19</sup>
- online shopping.<sup>20</sup>

On the other hand, working from home has also increased spending related to electricity and internet.

The Australian home living trends impacting consumer decisions in 2022 are much more complicated than

in previous years. Brands in the built environment and homewares sectors must be cognisant of these trends and adjust their communications campaigns accordingly. Developing compelling messages and targeted communications to address these trends can be challenging, especially given the additional challenge posed by rising inflation.

As interest rates (and rents) continue to rise to curb inflation, Australians are likely to have less spending money, which makes them even more likely to be extremely cautious and discerning in terms of the items they do buy.

Given the challenging nature of the business landscape for 2022-23, it's more important than ever for organisations in the built environment and homewares sectors to work with knowledgeable and strategic partners. The right partner can help these organisations navigate the changing landscape and ensure a strong return on investment in marketing and communications campaigns.



Write Away Communication has been a leading strategic communications partner for organisations in the built environment and homewares sectors since 1986. Having guided brands through multiple recessions and the global financial crisis, we are ideally placed to help your brand continue to thrive regardless of what the economic landscape looks like.

**To find out how we can help your business chart a course to success based on evolving consumer decision-making trends, contact the team today.**

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