



Press release: Home Market Price Analysis 2021

## Is the holiday home market overheating?

Zurich, 24.02.2022 – **The analysis of actual selling prices of privately owned homes shows that, after declining in 2020, second home prices in the four Swiss market regions analysed rose 35% last year. With a limited number of available properties, fluctuations make the market for second homes an ideal target for real-estate speculation. Last year, average family home and apartment prices also rose 9% and 8.3% respectively, which represents the biggest price rise of privately owned homes in the regions analysed in 10 years.**

All arrows point upward in this year's Home Market Price Analysis. The analysis, which Homegate publishes in partnership with the Swiss Real Estate Institute, provides information about price trends for actual selling prices of family homes and apartments in the Bern, Lake Geneva, Northwestern Switzerland and Zurich regions (*additional images can be found [here](#)*).

According to the analysis, privately owned homes remained an attractive form of investment and housing for many people in Switzerland. Given the limited availability of property and still high demand, it's hardly surprising that overall prices also rose in 2021. **Martin Waeber, Managing Director of Real Estate at Swiss Marketplace Group**, believes the shift seen at many banks with respect to mortgage interest rates won't put an end to this trend. 'Since many banks raised their mortgage interest rates at the beginning of the year, this price trend could flatten as the year goes on. However, we can hardly expect a fall, given the still high demand and long-term hedging of many Swiss households against rising interest rates.'

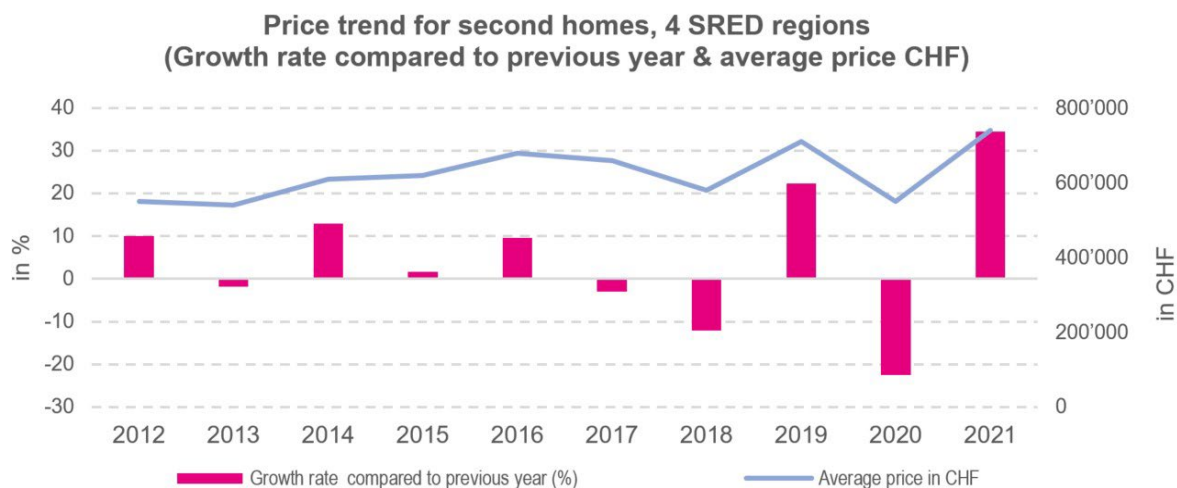
### Apartment prices in Zurich remain the highest

Apartment prices in Zurich showed the second-highest growth rate among the four regions analysed, with an increase of 8%, thus maintaining the city's top position. With average property prices of CHF 1.08 million, prices in Zurich were significantly higher than the Lake Geneva region, which saw the greatest increase. Following declining prices in the region in 2020, a rebound effect was observed during the reporting period. The average apartment now costs CHF 980,000, after price growth of 8.9%. With an average price of CHF 680,000 (+6.3%), apartments in Bern are the most affordable, followed by those in the Northwestern Switzerland region with an average price of CHF 760,000 (+5.6%).

However, increases in apartment prices measured per square metre of floor space were almost twice as high in the Lake Geneva region, with 9% compared to the Zurich region (4.9%). Nevertheless, at CHF 10,900, Zurich continues to have the highest square-metre price among the four regions analysed.

### Second home prices rose significantly compared to the previous year

Apartments registered as second homes exhibited a price increase of 35% in the reporting year, following a marked decrease of 20% in 2020. 'The price increases for primary residences is truly remarkable. However, when it comes to second homes, the second homes initiative created the ideal market for real-estate speculation by imposing strict limits on the number of available properties,' explains Peter Ilg, Director of the Swiss Real Estate Institute. Holiday home prices have become equally volatile since the initiative was implemented. Despite the huge increase in prices, the number of holiday home transactions increased still further in 2021 in the four regions analysed (from 89 in the previous year to 154). This increase also indicates price speculation for second homes, which are not bought primarily for owner occupancy, but to sell later at a higher price.



### The Lake Geneva region recorded the highest family home prices

Average prices for single-family homes rose the most in Northwestern Switzerland, with an increase of 11%, followed by the regions of Lake Geneva (9.7%) and Bern (9.1%). With an increase of 7.7%, the Zurich region showed the slowest price growth of all regions analysed. For single-family homes, the price gap between the most expensive (Lake Geneva; CHF 1.69 million) and least expensive region (Bern; CHF 960,000) increased compared to the previous year.

### Slightly fewer privately owned homes were sold in 2021

Property transactions financed by mortgages through Credit Suisse, UBS and Zürcher Kantonalbank are recorded in the Swiss Real Estate Datapool (SRED). These three banks account for approximately 40% of all transactions in Switzerland. In the previous year, sales transactions for approximately 3,000 single-family homes and almost 5,000 apartments were recorded in the SRED in the four regions analysed, which represents 10% fewer single-family home transactions and roughly the same number of apartment transactions compared to the previous year. The considerable price increase appears to have resulted in fewer property transactions for single-family homes.

### Continued significant differences between municipalities, with regional hotspots

At the municipal level, the most affordable single-family homes were sold in the municipality of Moutier (BE) for CHF 500,000 on average, while the most expensive were sold in Erlenbach (ZH) for CHF 3.1 million. The same budget needed to buy one single-family home in Erlenbach could buy six of them in Moutier. The price differences were even greater for apartments. The lowest average apartment prices were found in Sainte-Croix (VD) (CHF 280,000), and the highest in Zumikon (ZH) (CHF 2.37 million).

### **Home Market Price Analysis**

The Home Market Price Analysis is an annual analysis of trends in actual sales prices for family homes and apartments. The analysis covers the four Swiss regions with the highest number of property transactions. The analysis provides regionally differentiated information broken down by market segment on property price trends in these regions. The database is provided by the Swiss Real Estate Datapool (SRED), which is a non-profit association of Credit Suisse, UBS and Zürcher Kantonalbank. They supply the data pool with sales prices and other property details for all the property transactions they finance.

Homegate publishes the analysis in partnership with the Swiss Real Estate Institute at the University of Applied Sciences in Business Administration Zurich.

### **Contact Homegate, SMG Swiss Marketplace Group Ltd**

Fabian Korn, Communication Manager

+41 44 711 86 29

[fabian.korn@homegate.ch](mailto:fabian.korn@homegate.ch)

### **Contact Swiss Real Estate Institute**

Prof. Dr. Peter Ilg, Head of Institute

+41 43 322 26 84

[peter.ilg@swissrei.ch](mailto:peter.ilg@swissrei.ch)

### **About Homegate**

[Homegate](#) was founded in 2001 and is now the leading property marketplace in Switzerland. Finding the new flat or house of your dreams is as easy as can be with Homegate. Smart features such as the free search alert, similar property recommendations and the mobile app make finding your new home even easier. You can also find a replacement tenant or a new buyer for your property in no time at all. With more than nine million visits per month and over 110,000 properties currently advertised, Homegate is Switzerland's largest property marketplace. Homegate is headquartered in Zurich and is a [SMG Swiss Marketplace Group Ltd](#) brand, one of Switzerland's largest digital companies.

### **About Swiss Real Estate Institute**

The [Swiss Real Estate Institute](#) is a foundation established by the University of Applied Sciences in Business Administration Zurich and SVIT Schweiz. In addition to research, the institute focuses on teaching and services/consulting for the Swiss property industry.