

Swiss asking rents continue to rise

The increase in asking rents in Switzerland continued in May. At the cantonal level, too, all but one canton saw an increase. At the same time, asking rents in most of the cities surveyed rose more strongly than was the case in the associated cantons. This is shown by current figures from the Homegate Rent Index.

Zurich, 15 June 2023 - The Homegate Rent Index for asking rents is compiled by the real estate marketplace Homegate in cooperation with Zürcher Kantonalbank (ZKB). It measures the monthly, quality-adjusted change in rents for new and re-let flats based on current market offers. Compared to the previous month, the index increased by 0.5 points in May and now stands at 121.2 points (plus 0.4 per cent). Compared to the previous year, asking rents rose by 3.1 per cent across Switzerland.

Change in the cantons

Except for the canton of Fribourg (minus 0.2 per cent), asking rents also rose everywhere at the cantonal level. However, the canton of Fribourg recorded a new high in March and April this year, which puts the slight decline in May into perspective. In the remaining cantons, asking rents rose by up to 3.6 per cent in the canton of Schwyz, which clearly reached a new high. The coming months will show to what extent this is a temporary effect. In the cantons of Uri (2.6 per cent), Nidwalden (2 per cent) and Zug (1.9 per cent), asking rents also rose significantly last month. At the same time, the canton of Zug was the only canton to record a negative development compared to the previous year (minus 1 per cent), which can primarily be explained by the comparatively strong fluctuations in asking rents in this canton. The strongest increases in asking rents over the last twelve months were in Uri (7.8 per cent) and Schwyz (6.9 per cent). This is accompanied by fluctuating but nevertheless rising prices.

Change in the cities

A similar picture emerges at the level of the cities surveyed. With the exception of the city of Bern (minus 0.3 per cent), prices for advertised rental flats have risen between 0.5 per cent (Basel) and 1.6 per cent (Zurich). Compared to May last year, asking rents have increased by more than one per cent in all eight cities surveyed, led by Zurich (10 per cent) and Lugano (7.7 per cent). When looking at the asking rents in the cities, it is also noticeable that most of them rose more strongly in May than in the corresponding cantons. The only exceptions are Bern (with falling asking rents in May at city level) and Lucerne (cantonal prices rose by around twice the city prices). This indicates that urban demand remains high.

Method of quality adjustment

The development of asking rents in Switzerland is adjusted for the different quality, location and size of the flats. The advantage of this so-called hedonic method is that the real rental price development for new and re-let flats is reflected on Homegate. The Homegate Rent Index is the oldest quality-adjusted rent index in Switzerland and is considered a reference source for real estate professionals to determine the price of rental properties.

The data for all cantons and cities since the start of the survey can be found in the latest release in the [news section of SMG Swiss Marketplace Group Ltd.](#) The next Homegate Rent Index is expected to be published on 18 July 2023.

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About Homegate

Homegate (homegate.ch) was founded in 2001 and is now one of the leading property marketplaces in Switzerland. Homegate is a division of SMG Swiss Marketplace Group Ltd. (swissmarketplace.group).

About SMG Swiss Marketplace Group Ltd.

SMG Swiss Marketplace Group Ltd. (swissmarketplace.group) is a pioneering network of online marketplaces and an innovative European digital company that simplifies people's lives with forward-looking products. SMG Swiss Marketplace Group AG gives its customers the best tools for their life decisions. The portfolio includes Real Estate ImmoScout24, Homegate, Immostreet.ch, home.ch, Publimmo, Acheter-Louer.ch, CASASOFT, IAZI), Automotive (AutoScout24, MotoScout24, CAR FOR YOU), General Marketplaces (anibis.ch, tutti.ch, Ricardo) and Finance and Insurance (FinanceScout24). The company was founded in November 2021 by TX Group AG, Ringier AG, La Mobilière and General Atlantic.