

Media Release

Zurich, 17 August 2023

Asking rents in Switzerland continue to rise – But Zurich pauses

Asking rents in Switzerland continued to rise in July, specifically by 0.5 per cent compared to the previous month. While they fluctuate within a comparable monthly range when viewed regionally, the pause in increases in the canton and city of Zurich is particularly noticeable. However, with a view to the previous year, both show significant increases. This is shown by current figures from the Homegate Rent Index.

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 0.6 points in July and now stands at 122.4 points (plus 0.5 per cent). Compared to the previous year, asking rents rose by 4 per cent across Switzerland.

Change in the cantons

In summary, there were slight, broadly distributed increases in asking rents in July on the one hand and a few, but significant, decreases on the other. The strongest month-on-month increases in asking rents were in the cantons of Basel-Stadt, St. Gallen and Vaud, each by 0.8 per cent. This means that, in contrast to most of the previous months, there was no increase of more than one per cent in any of the cantons. In this context, it is also striking that asking rents in the canton of Zurich (plus 0.2 per cent) paused with an increase below the national value. In the other direction, however, only six cantons show a decrease in asking rents, above all the cantons of Schwyz (1.9 per cent) and Graubünden (1.3 per cent). Compared to the previous year, however, asking rents have risen across the board, including in Zurich, by 6.1 per cent. And the canton of Schwyz also shows a clear increase over the last year (6.4 per cent).

Change in the cities

Among the Swiss cities surveyed, it is also noticeable that asking rents for the city of Zurich did not change in July. Nevertheless, they have risen significantly by 10.1 per cent compared to the previous year. In the other cities surveyed, there were also increases in asking rents of between 2.2 per cent (Lucerne) and 7.8 per cent (Lugano) compared to July 2022. In July of this year, asking rents also rose everywhere except in the city of Zurich, most notably in Lucerne (1.7 per cent) and St. Gallen (1.2 per cent).

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 14 September 2023.

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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.