

Media Release

Zurich, 4 October 2023

Lull in residential property prices, but rents pick up again in September

Are home sellers reconsidering their asking prices? Offer prices for residential property fell slightly in September, as the latest analysis of advertisements on ImmoScout24 shows. Therefore, consolidation in the Swiss real estate market is continuing at a high level. At the same time, the rents demanded have risen significantly again in the past month. In contrast to the declining prices for single-family houses, those for condominiums have increased again by almost 2 per cent within a year.

Since the spring, the prices of residential properties advertised for sale have fallen off noticeably. Prices for single-family homes (-0.1 per cent) and condominiums (-0.2 per cent) both fell minimally in September. For houses, the longer-term trend over twelve months also slipped into negative territory (-0.4 per cent). In the case of condominiums, on the other hand, offer prices rose by 2.1 per cent within a year. This is shown by the Swiss Real Estate Offer Index, which is compiled and published by the SMG Swiss Marketplace Group in cooperation with the real estate consultancy IAZI.

Single-family homes: No higher tender prices within a year

Should home seekers now wait in the hope of further price reductions? Overall, the supply is still scarce. An important aspect, but one that often receives little attention, is the choice of property type. Martin Waeber, Managing Director Real Estate at SMG Swiss Marketplace Group, explains: "The availability of single-family homes is significantly lower than that of condominiums. Only about a third of the residential properties advertised are single-family homes." This means that, from the point of view of market liquidity, the dream of owning a home is more likely to be fulfilled by purchasing a condominium despite the lower average price level of detached houses. "If you limit the living space somewhat, you can also significantly improve affordability," Waeber continued.

Rents rise sharply in September

In the case of rents, the slight reduction from the previous month has already been more than made up for: Anyone currently looking for a rental flat must expect prices to be 1.0 per cent higher. The upward trend is even more pronounced in the twelve-month period at +3.6 per cent.

Depending on the region, the rental price development in September deviates noticeably from the national trend. Values rose strongly in central Switzerland (+3.4 per cent) and in the greater Zurich area

(+2.9 per cent). In Central Switzerland (+0.5 per cent), the increase is slightly below average, while in the Lake Geneva region, there is no change (0.0 per cent). In contrast, declines can be observed in Eastern Switzerland (-0.2 per cent), Northwestern Switzerland (-0.8 per cent) and Ticino (-1.1 per cent). Given the growing demand, the increased rental reference rate and the limited supply of flats, the probability of rising rents is also high in the coming months.

As of 30 September 2023

The Swiss Real Estate Offer Index is published on the ImmoScout24 and IAZI AG websites.

www.immoscout24.ch/immobilienindex

www.iazi.ch/angebotsindizes

Detailed information and statistics about the overall Swiss trend and those in the various regions are available in the [Download section](#).

Rental offers throughout Switzerland (CHF/m² per year)

	01.09.2023	30.09.2023	Change	in %
Month	271.4	274.1	+2.8	+1.0%
	30.09.2022	30.09.2023	Change	in %
Year	264.5	274.1	+9.6	+3.6%

Sales offers for detached homes throughout Switzerland (CHF/m²)

	01.09.2023	30.09.2023	Change	in %
Month	7452.7	7448.9	-3.8	-0.1%
	30.09.2022	30.09.2023	Change	in %
Year	7479.5	7448.9	-30.6	-0.4%

Sales offers for freehold flats throughout Switzerland (CHF/m²)

	01.09.2023	30.09.2023	Change	in %
Month	8622.5	8607.3	-15.2	-0.2%
	30.09.2022	30.09.2023	Change	in %
Year	8429.2	8607.3	+178.1	+2.1%

The values may contain rounding differences.

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About the Swiss Real Estate Offer Index

The Swiss Real Estate Offer Index is the world's first hedonic index that is calculated and updated in real time. It is compiled in cooperation between the online real estate marketplace ImmoScout24 and the real estate consultancy IAZI AG (Zurich) and includes the development of offer prices for residential property as well as offer rents. Thanks to its continuous updating and its methodology, the index allows the timely monitoring of developments on Switzerland's largest real estate platform.

Its advantage: As a leading indicator for market developments, the Swiss Real Estate Offer Index offers new perspectives in risk management. While other indices serve as a decision-making aid with a time lag of at least three months, this index offers absolutely up-to-date information. Combined with one's own assumptions for the near future in the real estate sector, this results in a management tool with timely informative value. Thanks to its immediacy, frequency and direct reference to the latest listings, the index also contributes to increased transparency on the Swiss real estate market.

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.